

further condition that the company should secure by mortgage the payment of the interest on the stock created by the Act, at least ninety days before the first day of January and July in every year, for the term of three years from the date of the bonds, together with the costs of transmitting the interest, and the difference in exchange of currency between London and Baltimore.

It appears that after the delivery and sale of the Sterling Bonds, the company did remit the interest to London, including the price of exchange and expenses, and continued to do so until October, 1865, when this Department was notified through the President of the company, that its obligation to remit the interest and exchange, ceased three years after the date of the Bonds, and that it was only bound to pay to the State a dividend of six per centum in semi-annual instalments.

Because of this refusal of the company to pay the interest in London, on these Bonds, as usual, it became necessary for the Treasurer to provide for the same.

For the years prior to 1862, the rate of Exchange being low, the payments of interest on this loan made in London by the Company, including all expenses, (as it appears from a statement lately rendered to this office,) were less by more than \$70,000, than a dividend at the rate of six per centum per annum, payable here, would have amounted to; which sum—according to the construction now sought to be placed upon the Acts of Assembly above referred to—should have been paid into the Treasury.

But it does not appear that the company ever made any tender of payment of this difference, or even rendered any account; nor is there any charge on the books of this department against the company on this account; clearly showing that, in the view of the then officers of the Treasury, the obligation of the company to the State was discharged upon the payment of the interest in London, and expenses.

By reason of the high rate of exchange, the sum paid by the company for interest on these Bonds for the years 1862 to 1865, inclusive, is largely in excess of the amount which it admits to be due to the State.

For this difference the Company makes a claim against the State.

No proceeding has been taken for a judicial ascertainment of the rights of the State in the matter, as it is doubtful whether there is sufficient authority for doing so. In view, too, of the importance and gravity of the questions involved, it was deemed better to refer the whole subject to the General Assembly.