

By the Act of 1862, chap. 143, the State was authorized to borrow \$2,500,000, upon the issue of her credit, to meet the extraordinary demands growing out of the impending war. In 1864, a similar Act was passed, chapter 15, authorizing an additional loan of \$4,000,000, and in 1865, chapter 33, a still farther loan of \$4,000,000, making a total for which the State had pledged her credit, of \$11,500,000. These Acts are still in part unrepealed.

Of this large amount only \$500,000 have been negotiated, increasing our permanent indebtedness apparently to that extent, and showing the condition of the bonded debt, to be in fact, without material variation up to this date, notwithstanding the heavy amounts which have been disbursed, and which have been furnished from accruing revenue and other available resources, authorized by law to be made applicable to that object. But the fact must not be lost sight of, that by the authority given to the Treasurer by the Act of 1864, ch. 285, to cancel and destroy all bonds except \$1,000,000 of the five per cent. stock represented by the sinking fund and its increments, an actual reduction of the funded debt was effected, to an extent of \$4,509,074.51.

The disbursements of the State of Maryland for the support of the war, furnished from revenue and other sources, have amounted in the aggregate, to \$4,212,470.02, that is to say, for her quota of the direct tax levied by the Act of Congress of 1861, \$371,299.83. Amount paid on account of volunteers from March 1864 to 30th September 1866, \$3,788,932.64; from 30th September 1866, to 24th November 1866, \$52,637.50. Total \$4,212,470.02.

At the extra session of the General Assembly in January last, an Act was passed, authorizing the Governor, Comptroller and Treasurer to sell certain stocks held by the State in various Banking Institutions and Rail Roads, and to appropriate the proceeds of the same in payment of bounties and other floating obligations which had accumulated in consequence of the non-user of the defence or war loan, authorized to be issued by the General Assembly at various times. This sale was effected at an opportune moment, under circumstances highly advantageous to the State, leaving outstanding and still to be disposed of, the State's interest in the Farmers Bank of Maryland, amounting to \$55,500.00 of the stock of that Bank, together with \$34,850.00 Central National Bank of Frederick, and some other and less available items not necessary to be enumerated here. The receipts from this source amounted to \$840,695.91—the par value of the stock sold being \$773,374.66, the premium realized upon these sales amounted to \$67,321.25. By this arrangement the Treasurer was enabled to provide for every dollar of floating debt then pressing upon him without a resort to the war loan above re-