

to something over $7\frac{2}{3}$ per cent. The balance on which interest is to be paid, is \$802,000, 5 per cent. sterling debt, incurred in 1838, for the benefit of the Susquehanna and Tide Water Canal. The amount required to pay this interest, without other costs, would be \$40,100, whereas it costs the State of Maryland to pay this interest (for the last financial year) in London, including interest, exchange and commission, \$61,553.50, or a fraction over $7\frac{2}{3}$ per cent.; while at this very time there is standing to the credit of the sinking fund \$301,257.14 in cash and uninvested, \$154,550.00 invested in Baltimore 6 per cent. city stock, and \$1,073,572.30 invested in 5 per cent. currency stock, making in the aggregate held by this fund, \$1,529,379.44, which, including the portion of it uninvested, yields to the State a fraction less than 4 per cent.

These figures clearly discover the advantage the State would derive from paying off these bonds by the application of the cash, standing to the credit of the sinking fund, and by money to be made from the sale of such amount of the five per cent. currency stock, as may be necessary. But as in the present condition of exchange, this course would not be expedient, and especially as in the financial arrangements which will probably be made to meet the requirements of the Treasury, an advantageous investment may be found for the \$301,237.14 in the six per cent. bonds of the State, it will be well to clothe the Comptroller and Treasurer with discretionary power, under the direction of the Governor, either to take up these bonds in the manner suggested at the earliest day that the exchanges will admit of, or in the option of the holder to receive them in exchange, at par, for an equal amount of currency, six per cent. bonds, redeemable at the pleasure of the State; within fifteen years, the interest to be paid semi-annually.

The heavy arrearages due the State from collectors, sheriffs, clerks, registers and others, and the mode of providing for their collection, have received the careful consideration of your committee. These unpaid amounts are composed of accumulations of interest, and monies collected and unaccounted for in the hands of collecting agents; they extend back to 1841, some to 1827, and running through a series of years up to the 30th of September, 1867, amount in the aggregate to the sum of \$849,451.46. At so remote a period, no small portion of this amount will, with the most sedulous efforts to secure it, be lost, and unless energetic means be taken for its collection, the larger portion of it had as well be stricken from the books of the Treasury. Your Committee therefore desire to impress on the Legislature the necessity of enacting a law which shall, through the Comptroller, direct the State's Attorneys in the several counties and the city of Baltimore, to institute the most active measures for the collection of these arrearages.