

be encouraging, when considered in connection with its condition so late as January last. On the 8th day of that month, when I commenced the discharge of the duties of Comptroller, considering the sums then due from the General Treasury to the Sinking Fund, the Schools' Fund, and sums due for appropriations made prior to January, 1862, and on other accounts and then remaining unpaid, there was an actual deficit in the Treasury.

By the Act of 1862, Chapter 143, the Legislature authorized a loan to relieve the then wants of the Treasury, and as a measure of safety, in view of the disturbed condition of the country, of \$2,500,000. Of the loan thus authorized, stock was issued amounting to \$170,000, the sales of which commanded a premium of \$3,587.75. This stock was made redeemable at the pleasure of the State, and there being no necessity for the continuance of the loan and the payment of the interest thereon, it has, since the close of the fiscal year, been reclaimed, by the payment of the principal sum paid for it, and the interest accrued, and is now held by the Treasurer, subject to the future orders of the Legislature.

The increments of the Sinking Fund by the terms of the Act authorizing the "Maryland Defence Loan," were directed to be invested to the extent of one million and a quarter of dollars in said Loan, "unless before said full amount is so absorbed, it shall become unnecessary to provide by Loan any part of the means required to pay the said United States' direct tax." No necessity having existed for the investment of any part of the increments of the Sinking Fund in the said "Maryland Defence Loan," none of them have been so employed, but have been at the disposal of the Treasurer since July 1st, 1862, for investment, as formerly, in the Public Debt created by former Acts.

At this time there remains comparatively little for which the Treasury is liable; the arrearages of appropriations made prior to January 1, 1862, except those in behalf of the Eastern Shore Rail Roads, are paid; the appropriations for the year 1862 are also paid; the current demands, for