

surplus moneys which may at any time be in the Treasury, not required in the judgment of the Comptroller and Treasurer to pay the ordinary expenses, and the current interest upon the funded debts of the State, to the purchase of the funded debts of this State or of part or parts thereof, or to the redemption of such part or parts of the said funded debts as may be due or become due."

It will therefore be perceived, that with reference to the increments of the Sinking Fund, the authority and duty of making investments reside exclusively in the Treasurer; and that with reference to the surpluses of General Revenue, the duty of the Comptroller is limited to the expression of his opinion of the eligibility of making investments thereof when such opinion is required by the Treasurer, as provided in the Article and Section of the Code referred to.

STATEMENT E, shows the sum invested for the Sinking Fund during the last Fiscal year to be \$168,872.17; and Statement F, shows that this sum so invested, purchased Stocks of the State, amounting to \$204,841.48, and that the balance of Cash remaining at the credit of that Fund, amounted as of September 30th 1862, to \$132,399.38; whilst the whole amount of the Fund in Stocks and Cash as of same date, amounted to \$5,391,659.23.

A serious difficulty now presents itself in making investments for this Fund, owing to the very high rate of Exchange on London required to be paid for the Sterling Debt, and the high price and almost impossibility of making purchases of the Currency Debt, (to which alone the Treasurer is restricted by law in making investments for the benefit of this Fund.)

STATEMENT E, shows the condition of the Free School Fund.

A considerable part of this Fund is derived from Dividends on Stocks of sundry Banks of the State, held for certain Counties.

The Dividends of some of these Banks having been less during the past Fiscal year than usual, the sums distributed to certain Counties have in consequence been smaller than in some former years.