

The forfeiture of their right to bounty by some of the volunteers, and the death of others without heirs entitled to claim, will reduce this aggregate considerably.

It may be stated, as a matter of interest, that there has been paid on this account, since the 30th September, 1865, the sum of \$642,200, and that at the present time, the total amount of outstanding claims will not exceed \$800,000.

The Treasurer was authorized by the Act of 1865, chapter 33, to issue bonds of the State to an amount not exceeding four millions of dollars. In pursuance of its directions he issued proposals for two millions of dollars, but bids only to a small amount were made, and at such rates as were not deemed acceptable. The General Government 7.30 Loan was then in the market, and appeared to engage the attention of capitalists, to the exclusion of the State Loan, because of the higher rate of interest paid, and the fact that the bonds were exempt from taxation. He therefore determined to withdraw the State's Bonds. He afterwards succeeded in negotiating with the Banks a temporary loan of \$830,745 81 at six per centum interest. It was expressly agreed however, that at the expiration of nine months from the date of the loan, (the second day of June, 1865,) the same was to be repaid.

For the purpose of enabling the Treasurer to meet his engagements with the Banks, it is important that some action be promptly taken. It is necessary, too, to provide for the anticipated deficit in the Treasury. With this view I respectfully recommend that your Honorable Body direct the sale of the Baltimore City and Bank Stocks held by the State, and the State Tobacco Warehouses and Wharves; all of which may now be sold upon very favorable terms. The character of the Stocks referred to, as well as their par value, is shown by the following statement:

Bank Stocks held by State,.....	\$463,406 66	
Bank Stocks for use of School Fund,.....	120,440 00	
		\$583,846 66
Baltimore City 6 per cent. Stock, School Fund,.....	113,058 98	
Baltimore City 6 per cent. Stock, Sinking Fund,.....	154,550 00	
		267,608 98
York and Cumberland R. R. Bonds, guaranteed by Baltimore City—School Fund,.....		60,500 00
Stock of Union Manufacturing Company,.....		10,000 00
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		\$921,955 64