

For the years prior to 1862, the rate of Exchange being low, the payments of interest on this loan made in London by the Company, including all expenses, (as it appears from a statement lately rendered to this office,) were less by more than \$70,000, than a dividend at the rate of six per centum per annum, payable here, would have amounted to; which sum—according to the construction now sought to be placed upon the Acts of Assembly above referred to—should have been paid into the Treasury.

But it does not appear that the company ever made any tender of payment of this difference, or even rendered any account; nor is there any charge on the books of this department against the company on this account; clearly showing that, in the view of the then officers of the Treasury, the obligation of the company to the State was discharged upon the payment of the interest in London, and expenses.

By reason of the high rate of exchange, the sum paid by the company for interest on these Bonds for the years 1862 to 1865, inclusive, is largely in excess of the amount which it admits to be due to the State.

For this difference the Company makes a claim against the State.

No proceeding has been taken for a judicial ascertainment of the rights of the State in the matter, as it is doubtful whether there is sufficient authority for doing so. In view, too, of the importance and gravity of the questions involved, it was deemed better to refer the whole subject to the General Assembly.

RECEIPTS FROM SALES OF BANK AND OTHER STOCKS.

The sum of \$840,695.91, was realized from the sales made by the Governor, Comptroller and Treasurer in pursuance of the Acts of 1866, chapter 155, 160 and 170, of the bank stocks and dividend stock of the Baltimore and Ohio Rail Road Company held by the State. The par value of the stocks sold, was \$773,374.66, which the amount realized exceeded by the sum of \$67,321.25. (*See Statement "F."*)