

## OVERDUE STATE BONDS.

The Act of 1870, Chapter 275, authorised the Treasurer to "issue new bonds or certificates of debt, countersigned by the Comptroller, of like amount, and bearing the same rate of interest as the bonds for which they may be respectively substituted, with coupons for the semi-annual interest thereon, and redeemable in not less than ten nor more than fifteen years; which said new bonds shall be numbered and lettered to correspond with the bonds for which they are substituted," &c.

Under this provision overdue bonds and certificates, to the amount of \$476,000.00, falling due after 1870, have been, during the fiscal year, exchanged for corresponding new bonds and certificates bearing interest at six per cent. per annum, and payable after the year 1885.

The same Act authorised the Comptroller and Treasurer, with the approbation of the Governor, to sell and dispose of the Baltimore City Six Per Cent. Stock, amounting to \$154,550.00, belonging to the State, the State's stock in the Farmers' National Bank of Annapolis, amounting to \$46,470.00, and the State's common stock in the main stem of the Baltimore and Ohio Rail Road Company, amounting to \$500,000.00, or so much thereof as may be necessary, for the purpose of paying and cancelling so many of the said bonds of this State already due, and to become due in the year eighteen hundred and seventy, as the holders thereof may require to be paid, and who may refuse to accept new and substituted bonds therefor, &c.

The stock held by the State in the city of Baltimore, being already applied to the "Sinking Fund," and belonging to that fund, was of course unavailable for the purpose indicated in the Act. The Comptroller and Treasurer advertised the stock of the State in the Farmers' National Bank of Annapolis for sale, but the bids not being high enough to indicate an advantageous sale, none were accepted.

A demand being made for the payment of a large amount of the overdue bonds, a proposition was received to sell a portion of the common stock of the Baltimore and Ohio Rail Road held by the State, (the dividend being near maturity,) at \$140.00 per share of \$100.00; which was accepted, and a sale of the balance of the stock was subsequently effected at the same rate, deducting the dividend which had been already paid, and the proceeds of said sales have been applied to the payment of such of the bonds and certificates of indebtedness of the State as became due after the year 1870, and payment of which was demanded, amounting to the sum of \$616,-