

the act of 1841 chapter 168, it is the duty of the president and directors, as soon as the situation of the company will admit, to have and keep in readiness a sufficient number of cars for the transportation of all produce that may be brought to said road for that purpose, and for the greater convenience of the public it shall be the duty of said company, whenever its situation will permit to establish such additional depots or switches on said road as may be required by the wants of the community and the public convenience. Such net profits as the Annapolis and Elk Ridge Railroad has earned, your committee think were properly applied under the act to the purchase of additional cars, engines, &c, and the building of stations and the enlarging of its depots before they were legally applicable to the payment of the interest on the bonds issued under the said acts. When the Comptroller stated by letter to the company that there had accumulated in the Treasury a large amount applicable to the payment of the bonds issued under the acts of 1841 chapter 168 and 1846 chapter 234, which amount together with the amount stated as the company's apparent cash balance of December 1862, would enable the Treasury to redeem the bonds then outstanding, except a very inconsiderable part thereof, and thus stop the interest on these bonds, the company having only an apparent cash balance and not a *real* one after paying its outstanding obligations for necessary expenses, repairs, &c., not audited, borrowed the sum of eleven thousand dollars and paid into the Treasury the sum of \$14,286.72 to be applied to the payment of the bonds issued under the aforesaid acts. This the company was not under any obligation to do, in the opinion of your committee, under the strict construction of the law.

But as the bonds issued under these acts have been paid off, except a very inconsiderable part thereof, at this late day, when the provisions of the act in relation to the payment of the bonds and interest thereon are about expiring, your committee can perceive no practical benefit which can inure to the State from any Legislative action or judicial interpretation which they could recommend.

Your committee further report that an examination of statements A, B and C, although showing an apparent cash balance does not establish the existence of any net profits which can be paid into the Treasury. From the balance of \$11,973.37 in Bank December, 1st 1863, are to be paid the sum of \$11,000.00 due the Farmers Bank of Maryland and borrowed to pay off the bonds issued under the foregoing acts and other sums appearing due by the proceedings of the said company to be found on page 23 of Document H.