

The States has fixed $4\frac{51}{100}$ as the rate at which the pound Sterling is to be estimated in the payment of taxes, and if exchange happens to be less than 9 per cent would be obliged to receive them at that in I have conversed upon this subject with Mr Lee of the firm of Johnson and Lee and he agrees with me in opinion that the most advisable course in the present condition of our finances would be to pay the interest at this Office in Messrs J & Lee hold a large amount of the July Coupons of 1842 - exchange on London to day, 60 day Bills is 10 1/2 per cent and not to be obtained without difficulty even at that rate.

The Commission of the Messrs Baring's if paid in London would be one per cent which makes the difference as stated 2 1/2 per cent against the State - if it is deemed advisable to pay at this Office I will give notice in the London papers in all events all can be paid here who choose to come forward and receive, and if it should happen that the parties holding decline to apply here for payment, then hereafter the amount unpaid could be sent forward to England and I could draw on the Treasurer for any difference in exchange and the Commission to the Messrs Baring's.

Yours &c - John S. Gettings
Commissioner of Loans
State Department

August 28th 1845

John S. Gettings Esq
Commiss^r Loans

Sir

I have received your favour of the 26th instⁿ in which you state your determination to pay the interest on the standing debt of the State for July 1842 at the Loan Office in Baltimore instead of London unless I should differ with you as to the propriety of such payments.

The Acts of Assembly under which the Sterling debt of the State was created, directs the payment of the interest on that debt in London. The payment of the interest in London is a part of the contract on the part of the State and the place of payment cannot with propriety be altered by the State without the consent of the Holders of the Sterling Bonds.

The 4th section of the Act of 1842 ch. 189 by which the Sterling Coupons are directed to be calculated at $4\frac{51}{100}$ for the pound Sterling is in my opinion limited by the 3rd and other sections of that Act to such certificates of interest as the Commissioner of Loans may the 3rd section directed to issue, or where the Coupons are paid for taxes, and I think that the Creditor by receiving certificates of interest in the place of Coupons, thereby pro tanto alters the original contract & to the extent of such substitution is to be paid at the Loan Office in Baltimore and not in London.