

bonds of sterling five per cent. debt, of which 2186 were disposed of as before stated; 408 bonds were exchanged at the Loan office, for 6 per cent dollar bonds; 34 bonds remain in the Loan office to be exchanged for the \$35,000, of currency bonds now under injunction in the hands of the Commissioner of Loans; 33 bonds have been placed in the hands of trustees, by order of the canal company, to redeem the scrip issued by that company; and 7 bonds are retained by the Commissioner of Loans to be disposed of by the Legislature, according to their construction of the 3d sec. of ch. 386, of 1838, amounting in the aggregate to the whole issue of 2668 bonds.

The third section of the act aforesaid, directed the Commissioner of Loans to "issue such amount of said five per cent. sterling bonds, or certificates of stock hereby created, as shall be equivalent to the sum, or sums of money heretofore paid by said canal company to other internal improvement companies, under the resolution aforesaid."

The amount paid by the said canal company to other internal improvement companies, it will have been seen, was \$120,000; sixty thousand dollars of which stand charged on the books of the Treasury against the Eastern Shore Rail Road company, and sixty thousand dollars against the Annapolis and Elk Ridge Rail Road company.

The Commissioner of Loans has issued sterling bonds to the amount of £28,750—and in a note appended to the statement of the sterling debt, it is stated "the balance not issued of loan under 3d sec. of ch. 386, of 1838, for want of sterling bonds of that denomination, £50, which would make £28,800 sterling, equal to \$128,000. The reason assigned by the Commissioner of Loans for issuing more than the nominal amount of \$120,000—is, that the sterling bonds of the State were at a discount, and that it required \$128,000, to be "equivalent," at the *market* value, to \$120,000. The committee agree with the Treasurer of the Western Shore, in his construction of the act of 1838, ch, 386, that the Legislature did not contemplate disposing of the sterling bonds thereby created, at a rate below par, on the contrary they contemplate their being sold at a premium. The committee therefore think the commissioner of Loans was not authorised in virtue of said third section to issue more than twenty-seven thousand pounds sterling, equal to one hundred and twenty thousand dollars. Although one hundred and fifteen bonds, of two hundred and fifty pounds sterling each, have been issued by the Commissioner of Loans, seven of