

the financial officers of the State, clearly and conclusively demonstrate by figures that it has not. The 19th section of chapter 123, 1826, made part of the charter of this Company by section 5, chapter 298, 1836, provides that the "President and Directors shall annually or semi-annually declare and make such dividend as they may deem proper of the nett profits arising from the resources of the said Company, *after deducting the necessary current and probable contingent expenses.*"

The Comptroller, it would seem, has fallen into the error of inferring there was a balance of nett profits from the fact that the semi-annual statements show an apparent cash balance, but they also show that this cash balance was subject to outstanding debts, being "necessary current expenses," not yet, (dates of the respective statements,) audited and paid, and not including, as from dictates of ordinary prudence and duty, they properly might, if the cash balances had been larger, or had not been absorbed by the necessary and current expenses, "probable contingent expenses," such, for instance, as the expenditures, alluded to in the Report to the stockholders, necessary to cover "the damage caused by heavy rains in destroying culverts and washing the bed of the road, in addition to the sums already expended in repairs and re-construction, (temporary,) will make further demands of a serious amount necessary during the coming year to put and keep it in safe traveling condition." It is not a question for dispute, therefore, the Company submits, that it has had the means of making dividends from, or paying into the Treasury "nett profits."

The Comptroller remarks that "the two Reports made since the payment of the balance on hand, December 1, 1862, show that the entire receipts since have been absorbed, and that the Company has also *incurred debt.*" The facts are these. In the month of March, 1863, the Company paid into the Treasury the sum of \$14,286 72 under the following circumstances: the Comptroller had stated by letter to the Company, that there had accumulated in the Treasury a large amount, (would it not have saved the State much interest if it had been promptly disbursed from time to time?) applicable to the payment of the bonds issued under the Acts of 1841, chapter 168—1846 chapter 234, which amount, together with the amount stated as the Company's apparent cash balance as of December 1, 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.*" This Company, anxious to have these remaining outstanding bonds redeemed, and thereby be discharged from all liability under the above Acts, borrowed, so as not to impair its means of conducting