

The proceeds of that portion of the Stock held for the use of the Sinking and School Funds could be invested in the Defence Loan of the State. This would render the income of the Schools not only perfectly secure, but stable; and not liable to fluctuation, as it is at present.

Should this plan meet your approval, it will afford ample means, it is believed, not only for the prompt redemption of the temporary loan of the Banks, and for the payment of other heavy and pressing demands on the Treasury, but will do away with the necessity for selling the State's Bonds, and adding to her debt probably one and a half millions of dollars.

There was received during the fiscal year on account of the Free Schools Fund, as per Statement "E," \$87,132.83, and exceeds the amount received during the previous year by \$11,433.94. The balance at the close of the last year to the credit of this fund was \$27,417.47, which sum added to the receipts of the present year makes an aggregate of \$114,550.30.

The disbursements on the same account were \$70,776.96, leaving to the credit of the Fund \$43,773.34.

It will also appear from Statement "E," that the balance in the Treasury to the credit of the Sinking Fund is \$177,178.72. The greater portion of the State Stock held for the use of this Fund, has been cancelled by the Treasurer, as directed by the Act of 1864, chapter 285. The amount and character of the Stocks now held, is shown by Statement "F."

The revenue derived from Licenses, &c., received from the Clerk of the Court of Common Pleas and Clerks of the Circuit Courts, as is exhibited by Table "No. 1," of the Appendix, amounted to \$352,606.26, exceeding the amount received during the previous year by \$29,006, and during the year 1863 by \$59,074.87. The accession of capital and population not only to the City of Baltimore, but to the Counties, warrants the conclusion that the revenue from this source will steadily increase.

There has been received from Registers of Wills for tax on commissions of executors and administrators and on collateral inheritances, the sum of \$61,468.29 being an increase of \$5,510.04 as compared with the revenue from the same source last year.

It is worthy of remark that not one of the present incumbents of the office of Clerk or Register is in default to the State. The promptness, too, with which their returns have been forwarded, and payments made into the Treasury, is very gratifying.