

become due on the first day of October 1878. The Legislature will therefore perceive that unless some considerable portion of the large amounts due from Railroad Corporations can be made available, additional revenue must be supplied.

FREE SCHOOL AND SINKING FUNDS.

The condition of the Free School Fund and Sinking Fund is shown in detail in statement "E." The income of the Free School Fund for the year amounted to \$21,270.87.

The York and Cumberland Bonds, in which a portion of the Free School Fund was invested, amounting to \$60,500.00 having become due, payment of them was tendered and accepted by the Treasurer, and this amount is added to the receipts of said fund. There was also transferred from the Treasury to this fund, the sum of five thousand dollars, being the balance of the appropriation to the Indigent Blind, under Chapter 301, of 1874, making the total receipts for the year \$86,770.87. This amount added to the balance to the credit of the fund for the Indigent Blind, on the 30th September, 1876, viz: \$23,995.47, makes an aggregate of \$110,766.34.

The receipts to the Free School Fund were less during the year, by the sum of \$34,069.36, being the amount heretofore annually transferred to this fund, from the revenue received from the Washington Branch of the Baltimore and Ohio Railroad. There being no revenue received during the year in any way from said Branch Road, the usual transfer authorized by law for this purpose, could not be made.

By the Acts of 1836, Chapter 220, and 1837, Chapter 308, a portion of the surplus revenue, deposited with the State by the United States, was directed to be placed upon interest in certain banks for the benefit of the Free School Fund, and the interest thereon amounting to \$34,069.36, was directed to be applied to the support of Free Schools, and to be distributed among the several counties and the City of Baltimore.

By the Act of 1839, Chapter 33, the sums of surplus revenue thus on deposit in the Union Bank of Maryland,