

and Franklin Bank of Baltimore, were appropriated to the payment of the interest on the public debt, and that Act further directs that \$34,069.36 yearly, of the revenue to accrue to the State from the Baltimore and Washington Road, be substituted for the interest on said sums, after deducting one thousand dollars per annum for the instruction of the Indigent Blind.

Under the terms of the Act making this substitution, I have always regarded the amount due annually to this fund, to be payable out of any revenue which might accrue to the Treasury from the Washington Branch Road, whether in the shape of dividends or under the contract for one-fifth of the receipts from passengers, but as during the last fiscal year no revenue has been received from the Company on either of these accounts, no resource has been left to the Treasury out of which the substitution could be legally made. Provision should therefore be made for supplying the means from some other source, not only for future years, but for the past fiscal year, unless in the meantime, revenue should be received from the Washington Branch Road, out of which the same can be paid.

The disbursements from this fund, during the fiscal year, have been to the Free Public Schools in the several counties and the City of Baltimore, \$21,270.87; to the Indigent Blind, \$17,550.00, and for the reinvestment of the principal sum derived from the payment of the York and Cumberland bonds, \$60,500.00, making an aggregate of disbursements of \$99,320.87, leaving a balance to the credit of the fund for the Indigent Blind of \$11,445.47.

The amount received by the Treasurer from the York and Cumberland bonds, was invested by him in the overdue sterling bonds of the State, and said bonds were afterwards exchanged by him with the Board of Public Works, for an equal amount of the preferred stock of the State in the Baltimore and Ohio Railroad Company.

The various investments of the Free School Fund are given in detail in statement "F," with the amount of each.

The receipts of income to the sinking fund during the year were \$5,733.69, which, added to the balance to the credit of