

operations of the Tréasury Département during the fiscal year ending the thirtieth of September 1878.

The last report of my immediate predecessor, made to the Legislature on the first day of its session, January 2nd, 1878, gave a full and comprehensive view of the condition of the State Treasury during and at the end of the previous fiscal year, and stated that "the deficiency which must accrue to the Treasury the (then) current year, unless remedied in some way, will embarrass all the financial operations of the State." When I entered upon the duties of this office, on the 22nd day of the same month, the Cash Book showed that the entire balance in the Treasury was the sum of \$44,240.98; the general appropriation bill for the year 1877 had, as was customary, made the appropriations for the support of the State Government for the year ending with the calendar year on the 31st day of December 1877; the Legislature was then entering upon the fourth week of its session and had already drawn from the banks, for the per diem of its members, more than enough to cover the above balance; so that practically the Treasury officers were without either the law or the funds with and by which to meet the ordinary and current demands upon them for the support of the State Government, and were dependent upon the banks for immediate relief and looking to the faith of the State and the power and will of the Legislature to remedy the then depleted condition of the State Treasury.

This condition of things I assumed to be, as stated in my predecessor's report, owing to "the loss to the Treasury from the failure of accustomed receipts," and I have subsequently realized that it is mainly due to that cause, but not to that alone.

The system of financial legislation in the State of Maryland has for years embodied in our organic law and our legislative enactments the idea that especial funds must be raised for and dedicated to special purposes, and that the General Treasury must take care of itself.

It has been and always will be utterly impossible to maintain and support any Government legally, and at the same time