

and accruing demands upon the Treasury. Accordingly the Act of 1878, Ch. 238 was passed, authorizing a Loan not to exceed five hundred thousand dollars to relieve the Treasury from losses accruing from certain sources of revenue, and reciting these losses to have been occasioned "by the failure of the Susquehanna and Tide Water Canal Companies to pay the interest on the mortgage due the State, and by the failure of the Baltimore and Ohio Railroad Company to pay any portion of the amount due the State from the one-fifth of the receipts from passengers on its Washington Branch, and also from its failure to pay the accustomed dividends on the stock of the State in the said Washington Branch."

This law, as required by the Constitution, followed the usual practice and provided for a special tax of one and one-half cents on every hundred dollars of the taxable property of the State and dedicated this tax to the payment of the principal and interest of the Loan. It was approved by your Excellency and took effect on the first day of April 1878. The Treasury was then empty, I might say worse than empty. It had borrowed from one of its special funds the money which was then needed for the special purpose to which it had been dedicated. Before even the certificates of debt or bonds could be printed this money was required and a temporary loan of \$125,000.00 had to be negotiated for immediate relief. It was readily effected through the kindness and promptness of the State's Agency on the second day of April 1878, to be returned on the first day of July following, with the legal rate of interest. It could not with convenience be returned until the twenty-sixth day of September following, and was accepted then by the lenders. This transaction will be found set forth under the head of "Treasury Relief Loan" in "Statements A and B," of the Appendix, Certificates of indebtedness were given and returned as set forth in these statements.

There were also bonds to the amount of \$250,000.00 issued and sold during the fiscal year, under the Treasury Relief Loan Act of 1878, with six per centum interest coupons