

## REPORT.

*To the Honorable House of Delegates:*

Gentlemen,—In compliance with your order of the 6th instant, I have the honor to report, that the School Fund was derived from three distinct sources, viz:

First, From a tax of twenty cents on the hundred dollars of bank capital in the State.

Second, From the interest paid by the United States on advances by the State during the war of 1812.

Third, From the surplus revenue of the United States.

By chapter 122 of 1813, all the incorporated banks of the State were required annually to pay a tax of twenty cents on every hundred dollars of capital actually paid in, for the support of Free Schools, and by the same act the Treasurer is directed to invest in stock of the Commercial and Farmers Bank, and the Mechanics Bank of Baltimore, all such sums of money, as he shall receive in virtue of this act, together with the dividends arising from such stock, and he is required to keep an account of such stock, which he shall denominate a fund for the establishment of free schools, separately from the rest of the funds, and make report thereof annually to the Legislature.

By chapter 256 of 1816, this fund was distributed equally among the several counties, but having been invested, before distribution, was placed in equal shares of bank stock to the credit of the several counties.

By resolution No. 38, of 1825, the interest received from the United States on money advanced by the State during the war of 1812, was constituted a fund for the support of common free schools, and the Treasurer was directed to invest it as received, in stock of the Farmers' Bank of Maryland, the dividends to be appropriated to the purposes aforesaid, as the Legislature may determine; and on this authority he invested \$66,550 in said Bank stock, up to 1830; when by resolution No. 26, of 1830, he was directed to invest the cash then standing to the credit of this fund, and all future receipts which may by law be placed to its credit, in the reserved shares for which the State may have a right to subscribe, in any bank of the State; and by this authority he invested \$26,950 in stock of the Farmers' & Merchants' Bank, and \$3,433 33 $\frac{1}{3}$  in stock of the Commercial and Farmers' Bank.

By resolution No. 47, of 1833, this fund in the shape of stock,