

Treasury during the fiscal year 1898, by reason of a reduction in the capital stock of the Central National Bank of Frederick, of which stock the State held \$22,800.00. The accretions to this fund are further shown by dividends upon both the preferred and common stock of the Baltimore and Ohio Railroad Company, aggregating \$4,250.00. During the present administration the \$118,100.00 of the six per cent. stock of the Baltimore and Ohio Railroad Company held for the use of this fund was exchanged for new stock in the same company, consisting of \$62,000.00 of the preferred and \$88,500.00 of the common stock, all of which will fully appear in statement "F" of this report. Upon said stock dividends can reasonably be expected, and in my opinion my predecessors acted with good judgment in not selling this security.

#### SINKING FUNDS.

In statement "E" you will also find the very satisfactory condition of the Sinking Funds at the close of the fiscal year, showing in detail the several transactions therein made. The receipts for the year, including the balances to the credit of said funds September 30, 1899, aggregate \$686,587.00, and are held in the following Sinking Funds for the benefit of the loans therein mentioned, to wit:

Consolidated Loan of 1899.....	\$523,587 00
Penitentiary Loan.....	113,000 00
Insane Asylum Loan.....	25,000 00
General Sinking Fund.....	25,000 00
Total.....	\$686,587 00
Deduct balances September 30, 1899.....	374,813 18
Actual receipts during year.....	\$311,773 82

Twenty-two thousand one hundred and thirty dollars and eighty cents of this amount represents the increment from investments, the balance, namely \$289,643.02, being the amount transferred from the cash in the Treasury proper as required by law to keep inviolate the integrity of such funds. It is a matter, I am sure, of much satisfaction to you, that by reason of the wise economy practiced by the last Legislatura, the