

to maintain their inviolability, but to largely increase them. There were purchased during the year the following bonds:

\$174,667.72	Consolidated Loan of 1899 costing	\$172,790.44
141,000.00	Public Buildings Loan costing	141,000.00
135,000.00	Cash balance carried down	135,000.00
<u>\$450,667.72</u>	Total	<u>\$448,790.44</u>

The above item of \$141,000 Public Buildings Loan represents the proceeds of sale of that loan, as follows: \$66,000 balance due Maryland Institute and \$75,000 due Maryland Penitentiary, being so much on account of the appropriation of \$134,000 for the construction and equipment of a suitable annex to said Penitentiary for the use of female convicts, as provided in Chapter 411 of the Acts of 1906.

The cash balance carried down of \$135,000 is to largely take up the remainder of the Penitentiary Loan of \$248,000 on January 1, 1907, at which date the State has the option to call in for redemption said Loan, and inasmuch as these bonds bear interest at 3½ per cent. it was deemed advisable to issue such call, which has been accordingly done.

You will observe in Statement "E" that the cash to the credit of the Insane Asylum Loan Sinking Fund, amounting to \$1,190, has been transferred to other sinking funds therein mentioned. This sum represents the increment accruing to said fund on January 1, 1906, but inasmuch as this entire loan of \$100,000 was exchanged in April last by the Maryland Trust Company as a part payment for the State's holdings in 5,500 shares of the stock of the Washington Branch of the Baltimore and Ohio Railroad Company, it became necessary to transfer this cash and the investments to the credit of such fund to other sinking funds, as the entire loan was thus extinguished.

OYSTER FUND.

In Statement "H" is exhibited the condition of the Oyster Fund, showing receipts of \$43,105.90 and disbursements of \$47,062.21. The revenue derived from this fund is not sufficient for its maintenance, and the Legislature of 1906, realizing this condition appropriated the sum of \$15,000 to supplement its revenue. In my judgment, this will not be sufficient for its future needs, and the maintenance of the State Fishery Force is a proper subject for intelligent action by the next General Assembly.