

only \$100,000, the amount above mentioned, at par and \$50 premium, for the reason that this sum would be amply sufficient to meet the needs of the Commission until the next issue of Bonds of \$1,000,000, February 1, 1909.

While the gross debt of the State has increased \$100,000, yet by reason of the purchases during the year, for the Sinking Funds, the net debt of the State, after deducting the stocks and bonds to the credit of the Sinking Funds, as well as other securities of the State, the market value of which is far in excess of their par value, is only \$366,643.91.

PUBLIC SCHOOLS.

Statement "L" shows the receipts and disbursements on account of the Public School Tax. The receipts accruing to this fund were increased during the year by virtue of Baltimore City paying into the Treasury arrearages of taxes for five years upon the taxes upon its Stock, amounting to \$83,186.30, suit for which was successfully maintained by the State.

In said statement you will find no mention of the distribution of the \$150,000 for free books. This fund has been apportioned heretofore by the Comptroller during the month of July and paid the following month, as required by the then existing statute, but the Act of 1908, Chapter 635, changed the times of distribution and payment to September and October 1st, respectively. Therefore, this fund was not paid during the fiscal year, but on the first day of the next fiscal year, viz: October 1; hence the large amount—\$627,277.54—carried over to meet this appropriation as well as the quarterly distribution due the Public Schools as of that date.

FEE AND EMOLUMENT REPORTS.

I respectfully call your attention to these reports as contained in statements "A" to "E" inclusive, subtitle "Statistical Reports."

Section 1 of Article 15 of the Constitution provides, as you well know, that every person holding any State office, whose pay or compensation is derived from fees, must pay into the