

the holders thereof to the exchange, the present Treasurer, Hon. Thos. J. Shryock, upon whom has devolved almost the entire labor, has devoted his best energies and financial ability. His position will be the more appreciated when it is remembered that of the \$2,521,600.00 outstanding of the Exchange Loan of 1889, the entire issue being coupon bonds, he has secured all save \$12,400.00.

In the above issue of \$600,000.00 for the Penitentiary, Second Hospital for the Insane and Maryland House of Correction, the State will take the entire issue for use of the Sinking Funds and Common Free School Fund, as follows :

Cash in Sinking Funds September 30th.....	\$497,298 64	
Increment accruing January 1, 1899	68,514 54	\$565,813 18
Less Defence Redemption Loan redeemed.....		47,600 00
Total Funds cash.....		\$518,213 18
To be realized from sale of 1181 shares Preferred 6 per cent. Baltimore & Ohio Stock		88,500 00
Total		\$606,713 18

or a sum more than sufficient to absorb the whole issue at par for a new Sinking Fund and secure for the Common Free School Fund a safe and reliable investment.

You will notice in the above statements there is no mention of the \$300,000.00, as authorized by the Act herebefore recited, for the construction of an armory for the Fifth Regiment, M. N. G., for the very good reason that said armory is not yet ready for the money, nor will it be for some months. Hence it is the policy of the Treasury officials not to issue the above loan until actually needed, at which time the whole issue will be taken for the Sinking Funds, the State thus taking the entire loan of \$900,000.00.

The interest charge upon the above debt \$5,655,751.13, including even the \$300,000.00 yet to be issued for the Fifth Regiment Armory, would be \$181,672.53, as against \$301,049.56 for the year previous, or a difference of \$119,377.03. While this difference is literally correct, yet it may be somewhat misleading, since of the interest on the Public Debt due January 1, 1899, amounting to \$150,524.78, \$68,514.54 thereof comes back into the Treasury to the credit of the Funds Account by virtue of their holdings of State stocks. The actual saving of interest, however, is in the refunding of \$1,104,187.00 of the Defence Redemption Loan from a 3.65 per cent. to a 3 per cent. loan, or a saving of \$7,177.21 per annum.

ASSESSMENT AND LEVY OF 1898.

In Statement "K" you will find the assessed value of property for State purposes amounting to \$603,326,096.00,