

of said Loan having been exchanged for a part of the State's interest in the stock of the Washington Branch of the Baltimore and Ohio Railroad Company in April, 1906, so that the entire Loan is now extinguished. When it is remembered that no tax is now levied to support these funds, and that their integrity rests upon the revenues of the State, the above showing must be satisfactory indeed.

OYSTER FUND.

The receipts and disbursements of this Fund are shown in statement "H," the receipts being \$60,442.69 and the disbursements \$56,898.48, leaving a balance on hand of \$3,544.21. This does not represent, however, the true condition of the Fund. Included among the "receipts" is an appropriation of \$15,000, Chapter 809 of 1906, so that the actual receipts for the year, exclusive of the balance brought down, were only \$44,236.49, a sum entirely inadequate to maintain the State Fishery Force. Indeed the revenues have not been sufficient for some years to meet the expenses; consequently bills have been carried over from one fiscal year to the other, and as a matter of fact the revenues accruing since October 1, 1907, have become exhausted, and there will not be to the credit of this Fund on January 1, 1908, a sufficient amount to meet the payroll on that date. The oyster revenues have annually decreased, and are now no longer able to maintain the Fund, not because of increased expenditures, but shrinkage in receipts. The industry cannot, in my judgment, bear additional taxation. That levied at the present time is onerous. Therefore the general Treasury must be called upon for such relief as may be necessary to properly maintain this branch of the State's service.

STATE DEBT.

The debt of the State is given in full in statement "J." The gross debt of the State at the close of the fiscal year ended September 30th, 1906, was \$6,167,926.13. On September 30th, 1907, it was \$5,978,926.13. The net debt of the State on September 30th, 1906, was \$838,201.41, and the net debt on September 30th, 1907, was only \$562,901.41, or an actual reduction in the net debt of the State of \$275,300, and that too notwithstanding the \$59,000 issue of new