

must receive "in payment the bonds and registered debt now owing by the State equal in amount to the price obtained for the State's said interest."

In pursuance of the powers above referred to, both under the Constitution and the Acts of the General Assembly, the Maryland Trust Company tendered to the State on the 27th of April, 1906, the following State's securities:

Consolidated Loan of 1899.....	\$2,148,000
Penitentiary Loan	252,000
Insane Asylum Loan	<u>100,000</u>
Aggregating	\$2,500,000

thereby reducing the State Debt \$2,500,000, wiping out entirely the Insane Asylum Loan of \$100,000, and \$252,000 of the \$500,000 of the Penitentiary Loan and liquidating nearly one-half of the Consolidated Loan of 1899, and saving in interest alone the annual sum of \$76,760. In other words, an inactive stock for the last 10 years has wiped out \$2,500,000 of the State Debt and saved the above sum of \$76,760 in interest per annum.

By cancelling so much of the State Debt as above mentioned and crediting against that amount the productive stocks of the State, together with the large holdings to the credit of the Sinking Funds, \$3,742,254.72, leaves the net State Debt only \$838,201.41, and this is based upon the par value of the stocks mentioned therein, when, as a matter of fact, the premium on the Northern Central Railway Company annuity of \$1,500,000 would more than cancel the entire State Debt.

Therefore, the Legislature of 1906 reduced the State tax from 23½ cents to 16 cents on each \$100, which tax is solely for the benefit of the Public Schools of this State.

ASSESSMENT AND LEVY OF 1906.

In Statement "K" you will find the assessed value of property for the State levy of 1906 aggregating \$738,762,161, a most gratifying increase.

This basis of wealth for the next year so far as the State is concerned, is usable only for the Public Schools, and it is a matter of congratulation that it shows such a healthy increase.