

and in order to show what the State has been and is now doing to foster public schools, I respectfully submit the following statement, showing the amounts disbursed, not including appropriations to certain colleges, save for years 1896, 1897, 1898:

| Years. | Public School Tax. | Free Books. | Free School Fund. | Academic High Schools. | Man. Tr. Indust ^l Schools. | Totals. |
|-----------|--------------------|-------------|-------------------|------------------------|---------------------------------------|---------------|
| 1896..... | \$591,753 00 | \$150,000 | \$47,055 36 | \$46,675 | | \$ 835,483 36 |
| 1897..... | 496,224 79 | 150,000 | 43,067 34 | 44,875 | | 734,167 03 |
| 1898..... | 827,366 71 | 150,000 | 43,098 77 | 51,000 | | 1,071,465 48 |
| 1899..... | 736,663 63 | 150,000 | 45,778 64 | 29,000 | 3,000 | 964,442 27 |
| 1900..... | 735,680 42 | 150,000 | 44,371 25 | 33,800 | 4,500 | 968,351 67 |
| 1901..... | 720,455 85 | 150,000 | 49,898 87 | 31,800 | 7,500 | 969,654 72 |
| 1902..... | 747,553 77 | 150,000 | 49,898 87 | 31,600 | 25,500 | 1,004,552 64 |
| 1903..... | 734,683 05 | 150,000 | 49,992 24 | 37,600 | 30,000 | 1,002,275 29 |
| 1904..... | 757,827 19 | 150,000 | 49,628 54 | 31,500 | 31,500 | 1,020,455 75 |
| 1905..... | 1,195,565 22 | 150,000 | 48,566 49 | 32,500 | 32,600 | 1,459,231 71 |
| 1906..... | 1,105,403 69 | 150,000 | 50,980 14 | 34,950 | 38,700 | 1,379,135 83 |
| 1907..... | 1,100,907 30 | 150,000 | 51,348 19 | 31,150 | 43,500 | 1,376,905 69 |

This fund will be largely increased during the present year, for the reason of a successful suit by the State of Maryland against the City of Baltimore for a portion of the State tax withheld on City Loans for the years 1902 to 1906 both inclusive. Article §1 of the Code of Public General Laws requires the City of Baltimore, through its Register, to pay the State tax on the City's stock loans for the holders thereof, and directing its collection from them by the City by deducting it from the interest due and payable thereon to them. The Appeal Tax Court held that the City could not be required to pay the tax on any City stock held by National banks and corporations created by this State, which pay State taxes on their capital stock, or by Savings Banks, which pay State taxes on their deposits. Therefore, in making out and transmitting to this office the list of holders of City stock, they omitted the stock held by said corporations. Suit was instituted by the State in the Superior Court of Baltimore City, the case being finally heard by the Court of Appeals and a decision rendered, December 21, 1906, in favor of the State, whereby the City will pay into the State Treasury, in principal and interest, the sum of \$151,352.95; \$83,186.30 of which will be credited to the Public School Tax.

STATE CARE OF INSANE.

The Legislature of 1904, by Chapter 421, enacted a law with possibilities so portentous that I deem it my duty to call your attention thereto. Section 2 provides, "From and after the first