

source the sum of \$361,125.75, as against the sum of \$275,240.98, of last year, making a gain of \$85,884.77. This amount, however, was not the result of an increase in the usual tax for the year 1901, but represents the accumulated taxes for several years against the Cumberland & Pennsylvania Railroad Company, the Pittsburg & Connellsville Railroad Company, the Confluence & Oakland Railroad Company and the Washington County Railroad Company, payment having been resisted through the Courts by said companies. Under the power conferred upon me by Chapter 556 of the Acts of 1900, a compromise, which in my judgment was advantageous to the State, was effected by me, and duly approved by the Governor and the Treasurer, the legal points involved being abandoned by said companies in favor of the State's contention.

I deem it my duty to also call your attention to the failure of the Northern Central Railway Company to pay the regular quarterly installments of \$22,500, which have lapsed since April 27, 1900, and which will aggregate on January 27, 1902, the sum of \$157,500.

Permit me to quote from my former report to his Excellency John Walter Smith, Governor:

"Under the act of 1854, Chap. 260, an agreement was entered into between the State of Maryland and the said Railway Company wherein it was stipulated that the Company should pay to the State an annuity of \$90,000, being at the rate of 6 per cent. on \$1,500,000, the amount due the State, said Company executing a mortgage to cover such annuity, with the privilege of extinguishment within ten years from the date thereof. The said Railway Company had promptly paid to the State each quarterly installment due thereunder up to and including the one due April 27, 1900. At that time the Company tendered payment to the State of the \$1,500,000. The treasury officials believing such tender, if made at all, should have been made within the ten years prescribed in said agreement, refused to accept the same, where-