

entered by the Company to the Court of Appeals, which will be heard at the January term of said Court."

When the case came up in the Court of Appeals the State's interests were ably represented by the Hon. Isidor Rayner, Attorney-General, the court affirming the decision of the lower court. From this decision of our Court of Appeals, the Company has taken an appeal to the Supreme Court of the United States, where the case is now pending.

DISBURSEMENTS.

Statement "B" will give you in detail the character of the disbursements and the Acts of Assembly authorizing the same, aggregating \$3,120,626.37, being \$359,907.89 less than the previous year, notwithstanding the fact that a much larger sum was carried to the Sinking Funds during the present year, exceeding that of the year previous by \$110,356.98. In said statement you will also find the balance in the Treasury proper at the close of the fiscal year, \$972,412.91. While this sum is the actual balance in the Treasury proper, I wish to call your attention to the fact that the cash available to the ordinary expenses of the government is only \$521,787.57, or a sum less by \$450,625.34.

This will be fully understood when I state that under Chapter 219 of the Acts of 1898 and Chapter 607 of the Acts of 1900, bonds were issued and the moneys arising from the sale of these bonds were covered into the Treasury, and were specifically dedicated to the purposes therein mentioned, the amounts at the close of the fiscal year being as follows:

Fifth Regiment Armory.....	\$142,540 14
State Building at Annapolis.....	258,085 20
Maryland Penitentiary	50,000 00
Total	\$450,625 34

The policy of the Treasury officials has been to retain in the Treasury only such an amount as was sufficient to meet the actual needs of the State, carrying into the Sinking Funds all amounts over and above this sum.