

\$600,000, to be known as the "State Loan of 1902," for the purpose of erecting new State buildings and the completion of others, viz.:

State House Annex.....	\$ 250,000
Heating Plant at Annapolis.....	140,000
Completion of Fifth Regiment Armory.....	120,000
House of Correction Annex.....	90,000

Acting under the authority and by virtue of the discretion conferred in said statute, only \$400,000 of the loan was issued, viz.:

State House Annex.....	\$ 150,000
Heating Plant at Annapolis.....	140,000
Completion of Fifth Regiment Armory.....	60,000
House of Correction Annex.....	50,000

It being deemed unwise to issue a greater sum than the necessities of such work demanded, the whole of this issue was taken by the State for its Sinking Funds, as will be more fully explained later, with the intention in the future of taking the remainder of the issue whenever the same may be needed.

It is also proper to state here, that there was received into the Treasury from the Northern Central Railway Company the sum of \$202,500, or nine quarterly instalments of \$22,500 each, which the company had declined to pay since April 27, 1900. Of this amount, \$90,000 belonged to the last fiscal year and \$112,500 was for payments due in former years. Such payment was the result of a decision by the Supreme Court of the United States, adversely to the railway company, thus fully guaranteeing to the State its most valuable asset. A brief resume of this case will be interesting, and to which I invited your attention in my former report, and think it proper to do so again:

"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,