

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, whereupon the Northern Central Railway Company entered suit to compel the State to accept the tender offered as extinguishment of the debt. The contention of the said Railway Company was denied by the lower court, from which decision an appeal was entered by the Company to the Court of Appeals," which court affirmed the decision of the lower court. Upon an appeal to the Supreme Court of the United States, the case was finally decided by said tribunal in favor of the State.

The State was represented in this case through its entire course by the Hon. Isidor Rayner, Attorney-General, to whose legal ability the success of the State was largely due.

It is but proper to mention here, that said statement "A" does not show any item from the tax on Baltimore City stock. A sum very much less than previous years was forwarded by the City Register for the year 1902, which I did not feel justified in accepting as a proper payment. After consulting with the Attorney-General in relation to the matter, I accepted the same as so much on account of the tax for the year, and suit, which is now pending, has been brought to recover the balance. The sum tendered was received on October 1, and, therefore, is not shown in this fiscal year.

#### DISBURSEMENTS.

In statement "B" you will find in detail the character of disbursements and the Acts of Assembly authorizing the same, aggregating \$3,416,376.71, or a sum of \$295,750.34 in excess of that of the year previous, which was occasioned largely by increased payments to Manual Training Schools, the appropriation to the Charleston and Pan-American Exposition, and the necessary expenses incidental to a legislative year, leaving the large balance in the Treasury of \$1,187,295.68. From this sum there must be deducted the sum of \$556,453.76, in order to ascertain the normal balance in the Treasury of \$630,841.92.

The Legislature of Maryland, at its session in 1900, Chapter 607, and again at its session in 1902, Chapter 200, as heretofore mentioned, made two bond issues, viz.: "State Building and Im-