

the retrial of the case, the State won, the company taking an appeal with the result of an affirmation of the judgment of the lower court by the Court of Appeals on December 7, 1900. From this judgment the company took an appeal to the Supreme Court of the United States, with the result as hereinbefore mentioned.

Throughout the entire course of this case the State has been ably represented by the Hon. George R. Gaither, formerly attorney-general of Maryland.

It is but proper to add, that by virtue of the above decision, the said company becomes liable to and has paid the increase tax under the provisions of chapter 120 of the Act of 1896, which recites: "Eight-tenths of one per cent. on the first one thousand dollars per mile of gross earnings, or on the total earnings if they are less than one thousand dollars per mile, and one and one-half per cent. on all gross earnings above one thousand dollars per mile and up to two thousand dollars per mile, and when the earnings exceed two thousand dollars per mile two per cent. on all earnings above that sum," under which law the tax due by the said Northern Central Railway Company amounted to \$30,763.37 for the year 1902, not including penalty or interest.

I have sought in the foregoing remarks to bring to your attention every matter of importance, covering the financial interests of the State, to which, it seemed, I should officially refer. You will share with me, I am sure, the satisfaction which the excellent showing of the report makes.

I wish again to acknowledge the valuable assistance I have received from the Hon. Murray Vandiver, State Treasurer, and the loyal and trustworthy service rendered by those who are employed in my office.

Respectfully submitted,

JOSHUA W. HERING,  
*Comptroller.*