

To the Honorable General Assembly

of Maryland :—

Above please find statement of operations of State Tobacco Warehouse No. 5, from 5th May, 1862, to Jan. 1, 1864, made in compliance with the Act of Assembly of February 26th, 1858, chapter 301, section 12. From which you will perceive that the net revenue paid into the Tobacco Fund, from said Warehouse, for the period of a little less than 20 months over and above my salary, and necessary repairs to the Warehouse to be \$12,475 20, in addition to which, I had to pay for the labor and Cooperage upon 1076 hhds, of Tobacco shipped by me, upon which Mr. Adams, my predecessor, had collected the revenue, previous to my taking possession of the Warehouse, which for the same amount of labor would have added to my cash payments into the Tobacco Fund the sum of \$1,424 38, making the net profits accruing to the Tobacco Fund, from this House, of \$13,899 58. During which time I have inspected 25,028 hhds. of Tobacco, and shipped 23,549 hhds., leaving stock on hand, at this time, 5,329 hhds., 5,323 of which revenue will be derived from. Believing that the system under which we have been working the warehouse, is more economical and advantageous to all parties interested in the same than any other system which has ever yet been devised. But presuming that some changes will be necessarily required in order to work them under that system, in order to keep pace with the advance price for labor in all other branches of industry as well as the advanced prices in all articles of consumption. I would therefore, beg leave most respectfully to recommend the passage of a law in conformity with the present system, and incorporated into the Code, so that all the Laws, having reference to the operations of the Warehouses, would be accessible to all. I would, also beg leave respectfully to suggest that notwithstanding the large revenue derived from inspections, that there might be with much propriety, a change made in the present charges for re-drawing Tobacco, especially Kentucky Tobacco, and of doing up Stays, as the present charges do not pay for the labor, in performing those duties properly. I would, also, suggest that the present charge for inspecting of Kentucky Tobacco, is not in just proportion to the labor required in the inspection of other Tobacco, which may have been so established for the purpose of encouraging that trade to this market.

Your's, most respectfully,

JOHN MOREHEAD, Inspector.