

of taxation, that burdens should be made to weigh as nearly as possible, in proportion to the capacity to bear them. I accordingly recommend that a tax of five cents per ton be laid on the transportation of all coal mined in this State, and transported from the mines for sale, and that the same be paid by the Companies effecting such transportation. The justice and propriety of this recommendation is so very apparent, that I cannot doubt that it will meet a general approval, and will be regarded as a judicious method of taxation.

The stock taken and loan made to the Baltimore and Ohio Rail Road Company by the State, have been the only investments which the State has made in internal improvements that have been decidedly profitable.

In pursuance of the Act of Assembly, passed at December Session 1832, Chapter 175, the State subscribed the sum of \$500,000.00 to the capital stock of the Washington Branch of the Baltimore and Ohio Rail Road. This investment has paid in dividends to the State up to the present time, in addition to a stock dividend of \$50,000.00, the sum of \$1,367,025.00. By the same Act a tax was established on the franchise granted the Company, of one-fifth of the gross receipts from passengers on said road. This tax has been punctually paid up to July 1st, 1868, and amounted to the sum of \$3,011,048.10, and it is estimated that there was due from the Company from the same source, on 30th September, 1871, the further sum of \$490,000.00, which, if added to the amounts already paid, would foot up the sum of \$3,501,048.10. This income being so important and valuable to the State, it is suggested that a similar tax ought to have been laid on the Washington Branch of the Baltimore and Potomac Rail Road, which will, of course, be a competing line, and, when in operation, will detract very largely from the amounts received on this account from the other road. When the State had this investment in the Washington Branch of the Baltimore and Ohio Rail Road, it seems wonderful that the General Assembly should have granted a similar franchise to another road in which the State had no investment, without laying a similar tax on the franchise granted the rival road. I recommend that the same tax be imposed by an amendment to the charter of the Baltimore and Potomac Road.

The two roads should be put upon equality, without detriment to the interests of the State. A proposition, I understand, will probably be brought forward to relieve the Baltimore and Ohio Rail Road from this taxation, as soon as the Baltimore and Potomac Road