

CHESAPEAKE AND OHIO CANAL.

Notwithstanding the misfortunes to which this great work has been so frequently liable, it is confidently believed that, under proper management, it will yet be a source of decided income to the Treasury of the State, as it has been of immense value already to the people of the Western counties.

By the completion of Dam No. 5, and the Shriver Basin, in 1869 and 1870, the Canal was raised to a state of successful operation, and its revenues became applicable to a reduction of the indebtedness of the Company, after payment of the expenses of supervision and management of the work.

The gross receipts of the Canal for the year ending 31st December 1869, as appear by the Report of the President, made 1st June 1870, were \$388,694.10, and for the year ending 31st December 1870, were \$357,349 52, as appears by Report of the President, made 1st June 1871.

The receipts over expenditures, for the year ending 31st December 1869, were \$125,523.94, and those, for the year ending 31st December 1870, were \$108,600.33, as appear by the said several statements. It is, therefore, fair to conclude, that from one hundred and ten to one hundred and fifty thousand dollars may be relied upon, for receipts over expenditures, applicable to the liquidation of the indebtedness for which the State has postponed her lien, and afterwards to increase the revenues of the Treasury. It is believed that improvements in the navigation may perhaps increase the capacity of the Canal, and prudent management lessen the expenses, so that payment of the preferred indebtedness may be accomplished in a shorter time than has heretofore been anticipated, and the amount then available to the Treasury be correspondingly increased. This *desideratum* is mainly to be accomplished by the zeal, activity and intelligence of the officers of the Company.

The revenues of the Canal for the year ending 31st instant, are not now even approximately within my reach, but are known to have increased very largely over former years.

REVENUE AND TAXATION.

The equalization of taxation, so that its burdens may rest on all the property, capital, and business of the State, in proportion to its true value and productiveness, is the great *desideratum* to be obtained by the General Assembly, in perfecting the legislation on this subject.