

mise, by clearly distinct implication, "You shall have an exclusive right of transportation, and the State shall receive one-fifth of your gross passenger earnings," and at a subsequent date, say "the State will no longer observe its implied engagements, but will charter another road, diminish your passenger traffic one-half, yet will still claim the one-fifth of your gross passenger receipts?"

While, therefore, the Baltimore and Potomac Railroad, running also between Baltimore and Washington, the construction of which was authorized by the State—is free from this burden, it is only just that the Washington Branch should be free from it. One-third of the Washington Branch stock, viz: \$550,000, is owned by the State, and it has, therefore, an additional, important, direct interest as a stockholder, in the proper and equitable adjustment of this matter.

It seems proper, in this connection, that, as the statement frequently appears that the Baltimore and Potomac Road is subject to taxation in another form—in order that the comparative burden may be understood—to call attention to the fact, as learned from the Comptroller of the Treasury Department, that the sums of tax thus far paid by that Company into the State Treasury, have been as follows, viz: For 1872, \$293.11; for 1873, \$1,351.52; for 1874, \$2,450.35.

We deem it requisite to call attention to an error in the Message of his Excellency, the late Governor, where he states that the Company has refused "to declare any dividends on the earnings of the Washington Branch, in order to punish the State for the prosecution of its just claims."

We ask your Honorable Body to remember that, on December 10th, 1870, immediately after the decision of the Superior Court of Baltimore city, declaring this "Capitation Tax" unconstitutional, the Board of Directors of this Company reduced the fares one-fifth between Baltimore and Washington, and between all intermediate points on the Washington Branch. Since that date it has ceased to collect that tax, or any part of it, and the traveling public, mainly citizens of Maryland, have received the entire benefit of the supposed exemption from this tax. All of this twenty per cent. of the gross revenue as formerly collected, having gone to the public, there is, therefore, not one dollar thereof in the Treasury of the Company. The Company has, however, regularly paid a semi-annual dividend of five per cent. to the holders of the stock of the Washington Branch. The State being the owner of \$550,000 of this stock, duly received \$55,000 per year thereon. It paid its last semi-annual dividend of the earnings of this branch on