

new sub-section to be known as Sub-section (d) and to follow immediately after Sub-section (c) of said Section 95, so as to restore the applicability to common and contract carriers by motor vehicle of the tax measured by operating revenues imposed by said Section 95.

Senate Bill 176 affects contract and common carriers by motor vehicle as to tax liability to the State. It was estimated that the bill, if signed, would produce revenue of between \$250,000 and \$400,000 annually. There are several reasons for vetoing this measure which has brought more correspondence to the State House than any single enactment of the Legislature.

A controlling consideration is the danger of impairment of reciprocal arrangements with other States, if the new statute would be made effective. Retaliatory action by other States undoubtedly would follow, particularly because of the carriers' contention that the measure was hastily enacted, with no sufficient opportunity for them to present their side of the controversy.

The Office of Defense Transportation had requested that the bill not be signed as, in the opinion of the Federal agency, it would constitute a "barrier to the free flow of commerce which is so much to be desired under present conditions". The O. D. T. also predicted that acts of retaliation by other States would follow, if the Maryland enactment became law. The Federal officials applauded the "generous spirit of cooperation" previously shown by the Maryland Governor and by State officials throughout the war effort.

The bill's veto was also requested by the Senate Finance Committee which had previously passed upon the bill, but on the last day of the Session voted to request the Governor's rejection. Somewhat similar action was taken by the House of Delegates before adjournment in seeking to have the measure recalled so that it could be killed.

Believing that additional study of the entire tax problem affecting motor carriers is necessary, I will appoint a Commission to survey existing tax levies upon all forms of transportation, within the State, to the end that a comprehensive and equitable tax system can be devised. I intend to appoint the new Commission shortly in order that this study can be undertaken without delay and instructions will be given to the Commission to report to the Legislative Council with recommendations for amendment to the present law.