

damages, repairs, incidental expenses &c. were \$25,933.11, leaving a net profit to the amount of more than \$39,000, which the company were under the direct obligation to pay over to the State of Maryland. As the works of this company are completed, and in full operation, and the value of the State, which is otherwise may be readily ascertained, it is respectfully submitted to the better judgment of the Legislature, whether measures ought not to be taken to compel full payment of the annual interest due and a speedy liquidation of the whole amount of the interest in arrear. The financial condition of the State will not permit her to be generous. She has not the means to be just.

No material change has taken place within the year in the receipts from the Baltimore and Ohio and Washington Branch rail roads, when compared with former years. The dividends on the five hundred thousand dollars of stock held in the Baltimore and Ohio Rail Road Company, fall short of the interest payable on the bonds issued for its purchase. But the dividends and capitation tax on the Washington Branch, added to the small dividends on the claim stock of the road, exceed to a small amount the whole interest payable on the million of dollars in bonds issued by the State to pay for its stocks in the two works.

The capitation tax on the Washington Branch received at the Treasury for the year ending 1st December 1844 amounted to \$44,040.29. The same tax for three preceding years averaged annually \$40,076. This average shows that the receipts are less than they might have been, when the peculiar causes operating to increase the travelling during the year, and the natural increase of our population, are taken into consideration. It is supposed that this failure to enlarge the income may be traced to the establishment of social lines of stages which run daily between Baltimore and Washington city and convey passengers for a sum less than that which the rail road company is by its charter authorized to charge.

It will be remembered that the attention of the Legislature at its last Session was directed to the alleged decrease of the State's income from the capitation tax in consequence of the high charges on the road in comparison with the terms on which the Norfolk line of steam boats were carrying passengers on the Chesapeake Bay. The General Assembly did not then think proper to interpose by any modification of the charter of the rail road company. The whole subject is again respectfully submitted to your consideration.

During the recess my attention has been directed to the eighth section of the Act of December Session 1832 Chap. 175 which gives to the Governor during the recess of the Legislature the right to authorize the Board of Directors having charge of the Washington Branch rail road to reduce the fare for transporting passengers below the two dollars and fifty cents by the charter of the company. Retaining that under the circumstances