

While the subject of taxation is a difficult one to adjust so as to suit every interest, and while there are as many different systems as there are States in the Union, there is to my mind, but one fair and equitable mode of taxation, and that is to assess all property, except churches, graveyards and wearing apparel, that represents value.

Holding these views, I think now is the time to have a new assessment and therefore recommend that you pass a law providing for the reassessment of the entire property of the State.

In this law, provision should be made for an annual assessment of personal property, otherwise in less than three years time you will find the same shrinkage in your assessable basis that we have experienced in the past. While speaking of the assessable basis I think it proper that I should call your attention to the subject of

RAILROAD TAXATION.

Table No. 5 gives the receipts into the Treasury during the fiscal year 1885 from the Tax on Gross Receipts of Railroad Companies to be \$46,489.76.

When we consider the immense value of all the Railroad property in this State amounting to many millions, and that the above sum is all the State Taxes paid by the Companies named in the table for one year, and all that could be demanded of them under existing laws, it must be evident to every one who will give the matter a moment's consideration, that there are great inequalities in our Tax Laws.

In view of the fact that Railroads have improved and contributed very largely to the prosperity and wealth of our State, and particularly to our metropolis, Baltimore City, it is right that the State should treat them liberally, but before we are generous we should not forget to be just to the other property of the State.

Were the cash value of our Railroads and Railroad property invested in farms, or personal property, the State would realize a revenue therefrom, accounting at