

Treasury, inasmuch as the proceeds of the sale of bonds on account of the State roads loan cannot be used by the State for current expenses, but only for State road construction, and of the increase from high liquor licenses in Baltimore City only one-fourth accrues to the State, while three-fourths is returned to Baltimore City. Hence, the true increase to the State Treasury is as follows:

High Liquor Licenses, Baltimore City, $\frac{1}{4}$ of increase.....	\$61,760.15
Tax on Gross Receipts of Corporations.....	47,735.87
Tax on Collateral Inheritances.....	36,904.60
Total.....	\$146,400.62

The increase in revenue to the State and Baltimore City under the operations of the high liquor license law, Chapter 196 of the Acts of the General Assembly of 1908, has been very great. Prior to the passage of that act the cost of a license to sell liquor in said City was \$250.00 per annum. By the provisions of that statute the license fee was raised to \$500.00 for 1908, \$750.00 for 1909, and for 1910 and annually thereafter the fee was increased to \$1,000.00, and I beg to submit the following statement:

Year.	Receipts.	Paid to City.	Net to State.
1907.....	\$597,951.77	\$448,813.43	\$149,138.34
1908.....	1,003,784.59	753,237.14	250,547.45
1909.....	1,279,756.68	961,192.26	319,564.42
1910.....	1,526,797.28	1,144,820.63	381,976.65

Equally marked has been the increased revenue to the State from tax on gross receipts of corporations, viz:

1903.....	\$297,466.34	1907.....	\$678,675.87
1904.....	428,385.34	1908.....	715,602.72
1905.....	462,286.21	1909.....	642,385.59
1906.....	581,823.55	1910.....	690,121.46

Upon these two sources of revenue has the State largely relied to meet the constantly increasing demands upon the Treasury, the diversion of either of which would be an irreparable loss and could only be remedied by the levying of a direct tax.

It will be instructive, however, to eliminate all specifically dedicated funds as well as the balance from the preceding year