

them to the Treasury, thus reducing their claims to \$128,203, as before mentioned, and leaving a balance of \$622,386 due, and payable to the Treasury on or before the first day of March 1843, and applicable to the payment of the \$859,656 for interest in arrear.

In this aspect of the condition of the public finances, all reference to the income of the State other than that to be derived from the direct tax, is purposely omitted, the Treasurer being satisfied that, the revenue from other sources will not exceed the amount required to defray the ordinary expenses.

Taking this view of the debt and resources of the State, the Senate and House have the opportunity to determine, whether the existing assessment laws require any modification; and, whether an increase of the direct tax can be looked to as a means to maintain the public credit. It is presumed, that it cannot be the purpose of the Legislature to compel, by the policy of its enactments, the destruction or conversion of the capital of the tax payers, as that would inevitably, and soon exhaust the sources of revenue. Assuming then, that the taxes are to be paid out of incomes and profits, it may be well to consider, whether instead of adding to the direct tax, at this time, it would not be proper to extend indulgence, by prolonging the time, within which, taxes now due, are made payable.

The payment into the Treasury, as is now by law required, of \$622,389, between the first day of December, 1842, and the first day of March, 1843, a period of three months, is equivalent to a tax made payable in twelve months, of one hundred and twenty-four cents in the hundred dollars. If, in the exercise of a benignant indulgence that seems to be called for by the character of the times, the Legislature should extend the period within which these large exactions for public purposes are to be raised, to the end of the present fiscal year, still, the incomes and profits of the people of the State would be so much reduced as to make the strictest economy with all, and serious privation with many, necessary and unavoidable. For it must be remembered that, in addition to the large sum due and payable on the first of March next, existing laws and the wants of the Treasury demand, that a further sum of \$491,877, shall be collected by the first of December 1843. By adding this last amount, being the tax of twenty-five cents in the hundred dollars, payable annually under acts of April and December sessions of the year 1841, to the \$622,389 due on the first of March next, in pursuance of the same laws, and the \$270,000 annual internal improvement tax of Baltimore city, we discover \$1,384,266 is to be paid within the year, equivalent to a levy of ninety-seven cents in the hundred dollars for Baltimore, and of fifty-seven cents for the State at large.

From what has been said, it is apparent, that it was the design of the Legislature to provide for the payment of the whole interest in arrear on or before the first of next March; and it is equally