

The adoption of the Revenue Bill would have had this effect, and the estimates made by this Department are founded upon the supposition that it would be passed.

It will be remembered that the law imposing the direct tax was repealed by the General Assembly of 1872, whereby a diminution of the revenue was occasioned to the extent of upwards of one hundred and twenty-five thousand dollars.

At the same time an appropriation of fifty thousand dollars was made for colored schools, without laying any tax to raise said amount, whereby that sum became a charge on the general Treasury. These two items made a difference to the Treasury of upwards of one hundred and seventy-five thousand dollars per annum for the last two years.

As the revenue before the repeal of the direct tax, was hardly sufficient to defray the ordinary expenses of the government, the loss thus accruing to the Treasury has of course been seriously felt. This would have been more serious, had not the Treasury been partially relieved by the successful operation of some of the revenue measures adopted at that session.

Estimates founded on the expectation of receipts from taxes laid upon Coal Mining Companies, Rail Road Companies and other corporations, have failed to be realized, because no adequate means have been provided, to enable the State to prosecute her claims with success against those powerful institutions, which in Maryland, have heretofore either escaped taxation entirely or to a large extent.

All these circumstances render it necessary, if the basis of taxation is not to be increased, that the levy on the present basis should be enlarged, in order to meet the wants of the Treasury. Large appropriations for various purposes are being considered and will probably be passed, and unless the means of payment are provided by the General Assembly before its adjournment, an extra session will be an unavoidable necessity.

If therefore the policy of the Senate is against taxing the property of the State, which has heretofore improperly escaped, it will be necessary to provide for the deficiency in the revenue by increasing the levy on the property now assessable.

A proposition is pending to increase the appropriation to colored schools to one hundred thousand dollars, and large appropriations to various institutions, are before the Legislature, which if passed, and no increase of revenue be otherwise provided, will under the imposition of not less than four cents additional levy on each one hundred dollars of the assessable property of the State.