

tax after the payment of interest to be \$1,613,316.70, or \$209,439.61 less than the \$1,822,756.31 disbursed in excess of receipts, on account of bounties and bounty or defence loans, as early as the year 1867.

The Act of 1864, chap. 285, referred to above, completely modified all previous laws and plans relating to the sinking fund, and to that mode of paying the debts of the State before maturity.

Gov. Lowe, in his message to the Legislature of 1852, pointedly describes the policy, thus modified and now sought to be reinstated, in these words: "Will you send Maryland into the market, as a stock-jobber, to speculate in her own securities? She has agreed to pay one hundred cents in the dollar *when due*. Shall she appear on 'change, loaded with the gold of a tax-ridden people, to pay a premium on her own paper? If, at the expiration of fifteen years, the money is to be in hand, will not her bonds appreciate to the highest point? * * * Every dollar which she would pay as a premium on her bonds, would be, in fact, a bonus for the privilege of anticipating her obligations. What private capitalist would cancel his liabilities upon such a princely scale?"

The wisdom and economy of the enactment of 1864, chap. 285, by the Republican government of that year, subsequently became practically so manifest, that the Democratic Legislature and Governor in 1872, by the Act, chap. 276, canceled and annihilated the remnant of the sinking fund left uncanceled by the previous Act, and the small increment thereto since 1864.

Other loans have been created since the Defence Loan of 1868, and in every instance the Act creating the loan has provided a tax dedicated to its payment; in each instance, however, the annual tax imposed is not very much in excess of the annual interest upon the loan. These loan or debt taxes are now in all $8\frac{3}{4}$ cents on every \$100, and, with the tax of 10 cents for schools, constitute the annual direct tax upon the assessable property in the State. No direct tax is levied for the support of the government of the State. Her other sources of revenue are chiefly licenses, collateral inheritance taxes and tax on commissions, &c.