

General has been requested to institute suits to test the question.

UNITED STATES DIRECT TAX.

By Act of Congress, Chapter 45, of 1861, a direct tax, to the amount of twenty millions of dollars, was levied upon the several States to meet the expenses of the war then being waged, and Maryland's quota of this tax was \$436,823.33. The General Government made every provision to collect this tax, but at the same time accorded the privilege to the States to assume their quotas, and for prompt payment a discount of 15 per cent. was stipulated. Maryland assumed her quota of the levy, and by an Act of the General Assembly of 1862, Chapter 143, issued the "Maryland Defence Law" to provide means for the defence of the State of Maryland, and especially to meet "the State's proportion of the United States Direct tax, levied or to be levied for the purpose of suppressing rebellion and maintaining the integrity of the Union."

On the 28th of June, 1862, Maryland paid her proportion of this war tax, viz.: \$436,823.33, less 15 per cent. discount, leaving the net sum paid \$371,299.83.

Congress at its last session passed an Act to credit and pay to the several States and Territories and the District of Columbia all moneys collected under the direct tax levied by the Act of Congress, approved August fifth, eighteen hundred and sixty-one. The 3rd section of this Act reads as follows: "That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to reimburse each State, Territory and the District of Columbia for all money found due to them under the provisions of this Act; and the Treasurer of the United States is hereby directed to pay the same to the Governors of the States and Territories and to the Commissioners of the District of Columbia, but no money shall be paid to any State or Territory until the Legislature thereof shall have accepted, by resolution, the sum herein appropriated, and the trusts imposed, in full satisfaction of all claims against the United States on account of the levy and collection of said tax, and shall authorize the Governor to receive said money for the use and purposes aforesaid." I would respectfully suggest that after the amount (\$371,299.83) paid to the General Government is returned to the State Treasury, it should be placed to the credit of the Defence Redemption Loan Sinking Fund, a Fund created for the redemption of Loans issued to defray the expenses incurred by the State during the late war.