

Therefore, there should be deducted this sum of \$600,000 from the actual receipts for the year, viz: \$4,493,354.34, leaving \$3,893,354.34 as the ordinary revenue. By a comparison with previous years, this will be shown to be a marked increase, and while there is an augmentation of \$28,000 from Licenses and Tax on Insurance Companies and of \$34,000 from Tax on Gross Receipts of Corporations, yet the largest increase accrues from the increased State Tax rate made by the Legislature of 1904, Chapter 343.

The State Tax rate for the years 1901, 1902 and 1903 was 17 cents on each \$100, and for thirteen years prior thereto $17\frac{3}{4}$ cents, while for 1904 it was $22\frac{1}{2}$ cents and for 1905 $23\frac{1}{2}$ cents, or an increase of $6\frac{1}{2}$ cents on each \$100 over that of the years 1901, 1902 and 1903, the Public School Tax being increased from $10\frac{1}{2}$ cents to 15 cents, while 2 cents additional were levied to take care of the "Public Buildings Loan." Such an increase in the rate— $6\frac{1}{2}$ cents—necessarily augmented the revenue to Public Schools and the Sinking Funds, the amount received into the Treasury from Collectors alone amounting to \$1,564,975.71, while the tax from Incorporated Institutions was \$125,215.87. It must be borne in mind, however, that this increased revenue is applicable only to the purposes for which it is levied, viz: Public Schools, School Books and Sinking Funds, not one cent of which can be drawn upon for the ordinary expenses of the government, such as salaries, cost of Legislature, etc., a fact very often lost sight of by those applicants for State aid who suppose the State Treasury to be inexhaustible.

DISBURSEMENTS.

While the revenues of the State have increased as above shown, the payments from the Treasury have likewise been much heavier, aggregating last year the unprecedented sum of \$4,462,701.42, or an increase of \$384,691.27. This is occasioned mainly by the large disbursements to the Public Schools of the State, amounting during the last fiscal year to \$1,195,565.22.

In Statement B is shown the character of these disbursements and the Acts of Assembly authorizing the same. At the close of