

If further reason need be advanced in support of the safety of the Treasury, and of its ability to meet all proper demands upon it, in the event of the repeal of the taxes I have referred to, I call attention to the large surplus on hand at the end of the Fiscal Year, 1863, of over one million of dollars; and to the large amount of arrearages due the State from various sources, amounting to upwards of a million of dollars in principal and interest, which constitute a reserve to be applied to, in cases of emergency.

But if it be determined to continue the taxes referred to, or merely to reduce them, or some of them, then there is in my judgment, necessity for legislation in regard to certain of them.

In my Report of 1862, addressed to the Governor of Maryland, I called attention to the insecure condition of the Direct Taxes levied on the City of Baltimore, owing to the interference by the Mayor and City Council, with the mode provided by the State for the collection of the State Taxes, and with the security intended by the State laws to be provided for its revenues from this source.

Under the system substituted, without any law that I am aware of, there is no Bond executed to the State by the City Collector, and hence there is no mode of compelling payments to the Treasury, except as against the City. An examination of the proper tables of this Report will shew the effect of the course adopted years ago by the City authorities, in the large amount of arrearages that have accumulated through several years past.

I call your attention to this subject as presented in my Report of 1862, pages xii and xiii.

A serious evil exists in regard to the Bonds of Collectors of Direct Tax. Section 34, of Article 81, volume 1, Code, provides, that Collectors appointed to collect the State Tax, shall give bond to the State, which bond shall be approved by the County Commissioners, for the Counties, or by the Mayor and Presidents of the two Branches of the City Council, or by any two of them, the Mayor being one, &c.

By other sections of the same article, it is made the duty of the officers therein named, to have these bonds recorded,