

Beside this amount of permanent debt there is due to the Banks of the State \$128,203. - to Messrs Baring of London \$102,864 and to the holders of the State bonds \$626,589 making \$857,656 payable on the first day of December 1842 for interest in arrear.

The Legislature at an extra session holden in April 1841 authorized the Levy of a direct annual tax of 20 Cts in the hundred dollars, and at December session of the same year, authorized an additional tax of five cents in the hundred dollars, the whole for the years 1841-'42 amounting to \$885,380 and made payable by instalments into the Treasury by the first day of March 1843. Of this amount the Treasurer has received the sum of \$262,994.52^{cts}; The City of Baltimore and each of the Counties in the State, except Worcester, Somerset and Calvert, having paid a portion of it. The Treasurer has paid this sum to the Banks of the State on account of advances made by them to the Treasury thus reducing their claims to \$128,203 as before mentioned, and leaving a balance of \$622,386 due, and payable to the Treasury on or before the first day of March 1843 and applicable to the payment of the \$857,656 for interest in arrear.

In this aspect of the condition of the public finances, all reference to the income of the State other than that to be derived from the direct tax, is purposely omitted, the Treasurer being satisfied that, the revenue from other sources will not exceed the amount required to defray the ordinary expenses.

Taking this view of the debt and resources of the State, the Senate and the House have the opportunity to determine whether the existing assessment laws require any modification; and whether an increase of the direct tax can be looked to as a means to maintain the public credit. It is presumed that it cannot be the purpose of the Legislature to compel, by the policy of its enactments, the destruction or conversion of the capital of the tax payer, as that would inevitably, as soon exhaust the sources of revenue. Assuming then, that the taxes are to be paid out of incomes and profits, it may be well to consider, whether instead of adding to the direct tax, at this time, it would not be proper to extend indulgence by prolonging the time, within which, taxes now due, are made payable.

The payment into the Treasury, as is now by law required, of \$622,389, between the first day of December, 1842, and the first day of March 1843 a period of three months is equivalent to a tax made payable in twelve months, of one hundred and twenty four cents in the hundred dollars. - If in the exercise of a benignant indulgence that seems to be called for by the character of the times, the Legislature should extend the period within which these large exactions for public purposes are to be raised, to the end of present fiscal year, still the incomes and profits of the people of the State would be so much reduced as to make the strictest economy with all, and serious privation with many, necessary and unavoidable.

For it must be remembered that, in addition to the large sum due and payable on the first of March next, existing laws and the wants of the Treasury demand, that a further sum of \$471,877 shall be collected by the first of December 1843. By adding this last amount, being the