

The revenue which will be derived from the direct tax during the coming year will be increased by the sum of \$24,297,750, the tax upon the capital of the Banks which have not hitherto paid, including the unpaid tax of the two Banks before mentioned, which are still contesting their obligation to pay.

Upon investigation I found that but one Bank in the City of Baltimore, (The Merchants Bank) and but few of the other incorporated Companies have paid the direct tax, since the passage of the act of 1848, chap 289, which transferred the collection of this tax from the local collectors to the Presidents of the several Corporate Institutions.

The Treasurer at my instance addressed a circular to the Presidents of each of the incorporated Companies, of whose locality he could obtain information, requiring them to pay into the Treasury the tax due from the Companies over which they presided, which has resulted in the payment by many of them of the entire tax due from their respective institutions, amounting to the sum of \$14,688,750; and which will justify me in applying for a mandamus against those who may continue delinquent, to enforce their observance of the law.

The Treasurer will furnish you with a list of the corporations, and the capital of each, of whose locality and capital we could obtain information, distinguishing those which have from those which have not paid, from which you will see that the revenue which will probably be derived from this particular source during the coming year will amount to \$16,000, exclusive of the tax on the Baltimore City Stock, and the Stock of the Banks of the State.

Prior to the last Term of the Court of Appeals, I requested the Attorney General to embrace in the tax cases, which were to be argued, all the questions which had arisen under the various tax laws, that they might be all settled by the decision of the highest tribunal of the State, and I will furnish you for your information, and guidance, with the decision of the Court upon the tax questions which were raised and decided.

The direct tax law specifies as one of the subjects of taxation "all ships and other vessels owned by citizens of this State." From this source the State has hitherto derived no revenue, the owners of ships and vessels insisting that the tax imposed was in violation of that clause of the Constitution of the United States, which confers upon the General Government the power to regulate commerce. By reference to the decision of the Court of Appeals you will see that the constitutionality of this tax is sustained.

The registered and licensed tonnage belonging to the port of Baltimore on the 1st of October, 1845, amounted in value to \$2,172,820, to which must be added the tonnage registered at the other ports of the State, the value of which I have not ascertained.

The revenue from the direct tax for the coming year will be consequently increased by the tax upon this description of property, from 1841, to the present time, and will furnish a valuable item in your estimate of means to meet the demands upon the Treasury. It will be necessary however for you to consider whether the assessment of this species of property has been fully made, and whether some legislation is not necessary to render the tax upon it fully available.

By the Act of 1848, Chapter 189, the collection of the direct