

as the arrearages of direct taxes must diminish very considerably within the next two years, and the reduction of the direct taxes will lessen greatly the accumulation of arrears in the future, the deduction on account of interest, should certainly be made; that no revenue from taxes in Chancery can accrue, because the Chancery Court will soon cease to exist; that the arrears due by the counties for colonization tax will be paid within the next two years, and by the Act of the last session of the General Assembly, no new tax for that purpose is to be levied upon them.

In relation to the items of direct tax, it is well to remark, that so much thereof as is due from the public loans of the State, and of the city of Baltimore, from the bonds of the Baltimore and Ohio Railroad Company, and from the capital stock of Corporations, is either retained by the Treasurer or is paid to him directly; and the amount of those loans, bonds and capital stock, is not included in the assessed value of real and personal property, returned by the Commissioners and Levy Courts of the several counties and the city of Baltimore, as shown in Statement D., on page forty-nine of the Comptroller's report. The deduction of public loans, bonds and capital stock, from the assessment, was made under the provisions of the Acts of 1843, chapter two hundred and eighty-nine, and 1845, chapter one hundred and seventy. But the assessment just made includes all the property in the State; and the loans, bonds and stocks, referred to, have not yet been deducted; and therefore the committee, in making their calculations for the direct tax, treat it as a single item, having as yet no means of ascertaining with exactness the amount of public securities and capital stock of corporations included in the late assessment. It is obvious, however, that in making a comparison between the old assessment and the new, in order to learn what is the increase of our basis of taxation, we shall be led into gross and dangerous error, unless we bear in mind the fact that the amount of State and city Stocks, and the Stocks of Corporations heretofore paying taxes to the Treasurer, is first to be added to the assessment contained in the Comptroller's report. If that is done, it will be seen that the increase of the basis of taxation by the late assessment, is by no means so large as is generally supposed.

The amount, then, to be raised from direct taxation, as is shown by the statement of the committee, will be \$342,571 09. According to the returns from the counties, actually received under the assessment law of last session, and making proximate estimates for those counties and the city of Baltimore, which have not been received, the gross amount of the assessment, including public securities and corporation stocks, has been put down by the committee at \$240,000,000 as the ground of their calculation. A rate of 12½ cents in the \$100, or ⅛ of one per cent. will give