

From the foregoing statements, it will appear that the finances of the State are in a sound, healthful and flourishing condition; and that the system of revenue established by law for the payment of the interest, and the ultimate extinction of the principal of the public debt, is now realizing the most sanguine expectations of those by whom it was devised. The public credit rests upon an impregnable basis from which it cannot be shaken so long as the present means of the Treasury are left unimpaired. The experience of each successive year develops, more and more, the irresistible evidence of the rapid absorption of the public debt, and confirms the belief that the day is not remote when the obligations of the State will be wholly discharged, and the property of her citizens liberated from the burden of taxation. The aggregate income of the Treasury for the fiscal year ended on the first day of December, 1852, has exceeded that of the year immediately preceding it by the sum of \$48,686.25, while, with the exception of some few of the sources of revenue, which will be adverted to, no greater increase or diminution has occurred than is usually experienced in the operations of the Treasury in any given number of years.

Prominent among the exceptions above referred to, is the income from the Direct Tax, which, when compared with the receipts of the previous year, on the same account, will be found to have increased \$72,559.01. A reference to Statement No. 1 will show that the receipts from the Direct Tax for the past year, exclusive of interest on arrears, were \$472,135.65; of which \$204,757.21 was for the tax accrued for that year, and \$267,378.44, for former years; exhibiting a gain in the receipts for revenue accrued in the year, of \$18,083.62, as compared with payments on the same account during the fiscal year ended on the first of December, 1851. Statement F. will show, in detail, the balance of the direct tax of 1852, in the hands of collectors, to be, as nearly as can be estimated, \$267,676.05, while the balance due for former years, (see Statement E.) amounts to \$368,635.41, with \$73,683.08 of interest, calculated to the first day of December last; making a sum total of direct tax of \$709,994.54, independently of and auxiliary to the levy for 1853. For the recovery of the arrears of direct tax, accrued before the year 1851, legal proceedings were, at different times, ordered, prior to the present organization of the Treasury Department; and since that period, pursuant to Chapter 56 of the last session