

\$779,275, arrearages of direct tax to be collected in seven years in equal parts annually, allowing the fractions over the \$700,000, to be probably lost by insolvencies, there will still be left the sum of \$406,228.91. Add also to this amount \$60,000, the sum calculated to be saved by reason of the biennial sessions of the Legislature, and we have the amount of \$466,228.91; deduct for special appropriations that may be made by the Legislature the fraction \$66,228.91, there will then be left the large sum of \$400,000, as actual surplus annually applicable to the redemption of the State bonds.

Let us now examine and see what amount of State bonds is outstanding, to pay the interest and redeem the principal of which, the State is compelled to provide by taxation.

By reference to the report of the chairman of the committee of ways and means at the last session, it will be found that the immediate indebtedness of the State independent of available resources, was on the 1st of December 1851, \$4,519,815, and according to the Treasurer's report, there was redeemed during the past year the amount of \$502,031, which was carried to the credit of the Sinking Fund. Deduct that sum from the debt as reported, and the outstanding bonds now amount to \$4,017,784. As there has been subtracted from the surplus as above, \$66,228.91, for special appropriations, for the sake of easy calculation, we may also subtract the \$17,784, from the \$4,017.784, which will leave the even amount of \$4,000,000. We have as above shown \$400,000, actual annual surplus to operate with for the redemption of the debt of 4,000,000, and it must be remembered that no part of the \$400,000, is required to pay the interest on the \$4,000,000 of debt, as that is already provided for in the estimate of expenditures; consequently the annual surplus of 400,000, is entirely applicable by annual investment to the purchase and redemption of the \$4,000,000 of outstanding bonds. Upon calculation carefully made, it has been found that in eight years the surplus of \$4,000,000, by being annually invested, will produce the sum of \$3,958,984, which is little short of the whole debt. But in nine years it will produce the sum of \$4,596,523, which exceeds the whole debt by the sum of \$596,523.

The estimates as will be perceived have been based upon estimates made by the Comptroller, Treasurer and the Chairman of the committee of Ways and Means of the last session of the Legislature. It may here be observed that the calculation extended to nine years, would go beyond the time assumed for the collection of the arrearages by two years, as there are but \$700,000 of arrearages, and \$100,000 are taken to be collected each year. It may also be observed that these arrearages are drawing interest and will continue to do so until paid; but such increase is not material in the calculation.