from the Public Works is somewhat uncertain, as is evinced by the falling off in the receipts from the Susquehanna and Tide-water Canal Companies during the fiscal year ending on the 30th of September last.

It is also necessary to bear in mind the rapid diminution of receipts from direct taxes in arrears, to which attention is called in the Comptroller's late report to the General Assembly. The direct taxes have hitherto been the certain reliance of the State, but it may not be improper here to advert to a practice, which seems to be a growing one, and which, it is believed, has served to lessen prompt settlements with this department, and if continued may seriously affect the revenue arising from this source. Relief in the form of an extension of time, a release of interest, or of principal and interest, is sought for and obtained, and as a consequence in many instances, the remedies provided by law for the enforcement of payments are stayed or rendered nugatory, property is transferred, the parties and their sureties become insolvent or remove beyond the limits of the State, the accounts upon the books of this office remain unsettled and utterly worthless. Could the immense sum which has been thus lost to the State be presented to your honorable body, it would unquestionably create much astonishment. That there are cases in which relief may be granted with justice and propriety to all concerned, is not denied, but upon a strict scrutiny they will appear exceedingly rare. Not unfrequently it is believed that an undeserved clemency is extended to the individual to the serious detriment of the public interest. Tax-payers expect, and have a right to expect, that their payments should reach the Treasury as speedily as possible, and be applied to relieve their property of the debt which has so long and so heavily pressed upon it.

These remarks are dictated solely by a sense of duty, and are made with profound respect for your honorable body.

It will be observed that the estimates herewith submitted terminate with the current year, but it must not be overlooked in connection with this inquiry, that the receipts in 1859, will embrace only one-quarter of the annual revenue derived from the lottery contracts, as these contracts expire on the first of April of that year. This will make a difference in 1859 of $38,250, and of $51,000 annually thereafter.

A statement of the capital and credits of the State, as of the 30th of September, 1857, will be found by reference to statement I. of the Comptroller's Report, made to the General Assembly shortly after the commencement of its present session. The productive capital, as therein rated, amounts to $8,058,964; and the unproductive to $14,391,705.29.

With the view of still further exhibiting the financial condition of the State, the Comptroller appends a *table of the Funded Debt*, as of the 1st of January, 1858, in which reference is