

annual  
budget  
with entire certainty, upon increased receipts from that source in reference to the probable  
receipts in future from the Internal Improvement Companies in which the State has invested  
so much of her capital, I merely desire in this connection to furnish you with some facts which  
will assist you in the present investigation. In the <sup>past</sup> fiscal year the receipts from the works of  
Internal Improvement were less than in the preceding year, by the following amounts in the  
decrease of dividends from the Baltimore & Ohio Rail Road Company \$16,000 - Baltimore and  
Susquehanna Rail Road Company less by \$14,000 - Tide Water & Susquehanna Canal Company  
less by \$63,250 - Making the diminution of receipts for the present year \$93,250 - And in  
estimating your ability to maintain the public faith, you may, I think for the future, rely upon  
those Companies for increased aid, at least equal to that deficit.

As it is possible from the mode in which the revenue is collected & paid into the Treas-  
ury, that a small deficiency may exist on some quarter days when interest is payable,  
which would be certainly met within sixty or ninety days by subsequent receipts, I would  
recommend for your consideration the policy of conferring upon the Treasurer the power  
to borrow the amount necessary to meet such a contingency, on a pledge of the Bonds  
stocks of the State. This would render assumptions entirely safe & practicable, and  
would remove all apprehensions, or doubt of the State's future ability to meet all her  
engagements with certainty & punctuality. The decrease of expenditure consequent  
upon the passage by you of the Biennial Session Bill will be adverted to hereafter, but  
in this connection it will be necessary for you to estimate the relief which it will afford  
by lessening the demands upon the Treasury. The laws regulating sales by Auctioneers  
require amendments, and I will suggest those which have occurred to me to the appropriate  
Committees of your bodies. I have in a former communication recommended a review  
of the existing tax laws, the equalization, or repeal of those which operate unequally,  
and a consolidation of the whole into one or two statutes, which last would abridge  
the labours & facilitate the execution of the duties of the revenue officers of the State,  
and I must again respectfully ask your attention to those subjects.

Having satisfied your selves, that the existing tax laws, faithfully executed,  
are adequate to sustain the credit of the State, the period at which the necessity for  
their continuance will probably terminate, will present an inquiry of deep interest to  
to your constituents, and one, altogether <sup>worthy</sup> of your consideration. It is certain, that the  
necessity for the continuance of the present taxes can only be removed by the payment  
of the public debt, or by <sup>the</sup> provision of sufficient revenue from other sources, to meet  
the accruing interest on that debt, and the public mind can only be directed for  
relief, to two sources, the one certain but remote, the other more uncertain, but less  
remote in its probable effects. For the relief to be derived from the first source (the  
payment of the debt) we can rely with entire certainty, upon the operations of the  
sinking fund already established. For the relief to be derived from the provision  
of adequate revenue from other sources than taxation, you must look exclusively  
to the works of internal improvement, in which the whole amount of the debt has  
been invested. By the operation of the sinking fund, as now established, the  
regular payment of the accruing interest on the State debt, will extinguish  
the principal of that debt, in thirty years from the present time. This fund amo-  
unted on the first of December 1844, to \$1,276,306.75, on the first of December, 1845, to  
\$1,411,911.52, and on the first of December, 1846, the close of the present fiscal year, to  
\$1,545,227.00, thus fully manifesting its adequacy, to redeem the principal of the  
debt, within the period above designated. The people therefore are invited