

Missage has been paid in coupons a sufficient amount during the fiscal year which closed on the first of December instant, a sufficient amount to reduce the arrears of interest to be funded below \$900,000, which will, I trust, relieve the public mind of the apprehensions upon this ground, which have been engendered by the predictions of the opponents of resumption or Demandia, as I believe that measure was, by honor, honesty and justice, & by no means intend to impute censure to those members of the legislature who opposed its passage. I am well aware that they were constrained in their opposition to resumption, by the belief that the State could not maintain the high position which she thereby assumed; and I am fully persuaded that no portion of the community will rejoice more sincerely than those gentlemen, in the evidence now afforded of her ability to meet the liabilities imposed by the passage of that measure.

The adequacy of the existing revenue system to maintain the public faith is, therefore, from its intrinsic importance; and by reason of the diversity of opinion entertained and expressed by your predecessors, still the subject of paramount interest to the people of the State; and I propose with your indulgence to examine the question somewhat in detail, in the hope of removing the doubts of all, who will follow me in this important investigation.

Nor can I believe, that this inquiry will be altogether without interest to any of you, as conclusions opposed to those at which I shall arrive, would impose on you the manifest duty, to make the receipts equal the demands upon the treasury, by the increase of the present, or the imposition of other taxes.

I am relieved in a great degree from the labour of this investigation by the minute examination of the various sources of revenue embraced in the annual communications, which I have heretofore submitted to the legislature; and I must be permitted to refer you to those communications for my views of the policy, equality and justice of the revenue laws which have been passed; and for such suggestions as experience and reflection have induced me to believe would improve the revenue of the State, particularly from her investments in the various works of material improvement. I shall at this time restrict myself to the inquiry, whether the existing sources of revenue are adequate to meet with certainty and punctuality all the future demands upon the treasury.

It will occur to every mind that in the prosecution