

discharging the interest due, and all other demands. Omitting the amount placed to the credit of the sinking fund, and taking only the sum paid to the funded arrears, together with the nett balance, we still find a surplus of \$304,743.31. I have the gratification to inform you that, the funded arrears have, now, all been paid. I can, therefore, claim the sum of \$304,743.31 as a fair index to the clear annual balance, over and above current interest, and general charges. Indeed, I may claim the other exhibit (of \$420,954.75,) as the correct indication, given by the past fiscal year, of the financial abilities of the State; because, I shall, hereafter, call your attention to the capabilities of the sinking fund, in itself; even, if left unaided by the general revenues. You will perceive that, the annual balances, hereinbefore exhibited, vary in amount. This is attributable to causes, which will be very apparent, upon a full examination of the Reports of the Treasurer, for the years referred to. In one year, the proportion of direct taxes received is greater, than in another. So, the general expenditures fluctuate, according to circumstances, and in consequence of the inequality of the appropriations, made at the different sessions of the General Assembly. It would be utterly impossible for me to analyze those causes, without extending this communication to an inexcusable length. We can gather enough, from generalization, to enable us to attain a reliable conclusion. Thus:—the aggregate of clear balances, in the Treasury, for the five years last past, was \$1,318,008.65. The annual average, consequently, was \$263,601.73. Within that period, also, the whole current interest, as it accrued yearly, and all general demands, were promptly met; and *nearly nine hundred thousand dollars of funded and unfunded arrears entirely liquidated*. In the year just closed, the sum of \$116,211.44 was, likewise, carried to the credit of the sinking fund. These exhibits are equal to mathematical demonstrations; and cannot be controverted. The only question, is, can we look, with confidence, to similar results, for the next five, ten, fifteen years? Why not? In the last five years, all ordinary and extraordinary demands have been met; the annually accruing interest on the principal debt has been discharged; and over one million of dollars have been paid to the funded and unfunded arrears, and the sinking fund. Have we reason to apprehend a falling off, in the future receipts from the Internal Improvement Companies? I think not. Those Companies paid to the State, (for interest and cash dividends,) in 1847, \$182,353.46; in 1848, \$160,783.21; in 1849, \$261,569.77; in 1850, \$243,090.30; and, in 1851, \$254,015.77. From which, it appears that, the aggregate amount received, in the last three years, exceeds, by the sum of \$415,439.17, the aggregate amount received in the two preceeding years. Is there any just cause to fear a reduction in the receipts, hereafter, from the various sources of the indirect revenue, other than the Internal Improvement Companies? I can see none. Those revenues flow, mainly, from the