

revulsion, and how long its continuance, it is impossible to foresee. Let it be remembered also, that the receipts from the Internal Improvement Companies, may in some years be very much reduced by casualties, and by unforeseen necessities. In 1846 the Susquehanna and Tide Water Canals were injured to so great an extent by the flood of that year, that the companies owning those works failed to pay the interest due to the State, and the amount then falling in arrear has not even yet been paid. We cannot expect to be entirely free from such casualties in the future.

The views thus presented are not intended to apply to the revenue of the present and succeeding year, because it is presumed that the arrearages of taxes now due, with the amount to be levied for these years, will bring into the Treasury sufficient to meet the demands upon it. The committee have not been unmindful of the possibility and hope, that in a few years the revenue from ordinary sources will increase, but they have made no allowance for this, because it is impossible to say what future legislatures may do in the way of appropriations for objects, which have just claims on the means of the State. If it is decided, that until the public debt is paid off, there shall be no appropriations for such beneficent objects as a House of Refuge and an Insane Asylum, and other similar objects, the amounts which would be otherwise appropriated for these purposes will be saved, and to that extent, supposing an increase of the revenue from ordinary sources, the receipts of the Treasury will be increased. It is to be presumed, that any rate of taxation to be decided on now will look to the future, and in this point of view it is proper to remember that after the first of April, 1859, lotteries will be abolished in this State, and of course the amount of \$51,000 from that source will cease, which may be put as an offset in part against any supposed increase from ordinary revenue. All these things are to be taken into consideration, and another one, which might seriously affect the State's credit. It is well known, that the payment of the fixed expenditures of the State, including the interest on the debt, are due at determined periods of time, but the receipts into the Treasury are irregular and uncertain. Indeed the sums to be provided at the April and October quarters are double of those to be provided in July and January; and with a rate of taxation, which would leave but a *small surplus* in the Treasury, it might happen that when payments were due in a particular quarter, there would be an insufficient amount of money in the Treasury to meet them.

It remains now to be seen to what extent the taxes can be reduced with safety. On this point there is no unanimity in the committee. Those who think that the policy of an early extinguishment of the public debt ought to be pursued, are convinced, that the present rate of taxation ought not to be reduced more than five cents, which would leave such an amount of surplus in