

I am gratified to be able to inform you that the finances of the State are in a highly prosperous condition. None of the injurious consequences, which it was apprehended by some would probably follow a reduction of the taxes, have been experienced during the past year. The calculations upon which I predicated my recommendation of that measure, in each of my last two Annual Messages, have been so far fully verified.

In speaking of the operations of the Treasury, in 1853, I shall take into account the receipts and expenditures to the thirtieth of November, (the period at which the fiscal year formerly terminated,) in order that you may be enabled thereby to judge of the results of the whole twelve months, in comparison with those of preceding years, as communicated by me to your predecessors.

The whole amount in the Treasury, during the new fiscal year ending the 30th of September last, (exclusive of \$243,519.27, received for and credited to the several funds,) was \$1,170,505.47; of which \$1,000,053.19 were the actual receipts of the year. The expenditures for the same period were \$825,147.67; and the balance in the Treasury, at the close of the fiscal year, was \$345,357.80, subject to charges (inclusive of current interest on the public debt,) amounting to \$342,650.98, and payable on and after the first day of October.

The whole amount in the Treasury, during the year estimated to the 30th of November (exclusive of \$299,005.56 received for and credited to the several funds) was \$1,387,972.19, of which \$1,217,519.91 were the actual receipts to that date, showing a decrease of \$62,433.36 as compared with the receipts of the year 1852. A large part of that decrease is accounted for by the diminished receipts from the Baltimore and Susquehanna Railroad Company, already referred to, and by other causes of an altogether temporary character. The expenditures amounted to \$1,193,569.59; and the balance in the Treasury on the 30th of November was \$194,402.60. During the same period \$55,036.68 were disbursed in aid of the Sinking Fund, and \$112,990.37 to the redemption of State Stock. If we add the two amounts last stated to the balance remaining in the Treasury on the 30th of November (\$194,402.60) it will show an actual surplus revenue for the year of \$362,429.65; after paying \$673,371.73 for interest on the public debt, and \$352,170.81 for all other purposes. This is, truly, a most gratifying result, and demonstrates the entire reliability of the public revenues. The main fact to be considered is, that, notwithstanding the reduction of forty per centum in the rate of taxation, the Treasury has discharged all of its obligations, and has practically exhibited a surplus-revenue of more than three hundred and sixty thousand dollars. It may possibly be said that the new financial policy has not yet been thoroughly tested. This is in a measure true. Nevertheless, enough has been developed to satisfy me that my successor will have it in his power to lay before the Legislature, at its next session, such conclusive evidence of the soundness of that policy as to justify a still further reduction of the direct tax, or a repeal of some of the more obnoxious indirect revenue laws. It may also be worthy of consideration, that the Treasury has sustained unusual burdens for the last three years. Amongst others may be mentioned the expenditure of upwards of three hundred thousand dollars on account of the expenses of the Constitutional Convention and of the last two sessions of the General Assembly. That sum would pay the cost of five ordinary sessions, limited as they will hereafter be to less than seventy days each; and five