

Annual
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by the sum of \$55,363⁷⁵/₁₀₀, decreasing the public debt by that amount, & making a relative difference of \$816,724²²/₁₀₀, in the financial operations of the two years. If this comparison is extended to the close of the fiscal year on the first of December last, it will show that there was paid in that year towards the extinguishment of interest, the sum of \$762,889²²/₁₀₀, being \$76,868⁷²/₁₀₀ more, than the accruing interest for the year, and leaving the public debt by that amount. But, gentlemen, I have had a double object in instituting this comparison between the pre-existing system of taxation unexecuted, & the system as perfected by the legislation of 1844 & 1845, fully enforced, my chief object has been to show, by actual practical results, that the existing tax laws are more than adequate to meet the current demands upon the treasury, & I will now proceed to show that you will be justified, without the imposition of additional taxes, in funding the arrears of interest, & in proclaiming a day upon which the State shall resume the payment of all current demands upon her treasury, and thereby cast off forever the reproach which for so many years has rested upon her & her people. Your first object in prosecuting this inquiry, will be to ascertain the amount of interest which it will be necessary to fund, that you may know the consequent increase in the demands upon the treasury, & it is my duty to give you the dates upon which your estimates should be predicated. I will suppose that you will decide to fund to the first of October next, exclusive of the interest of that quarter. You will then have the arrears of interest on the first of December, 1846, \$1,299,932, 83. One month's interest due on the first of January 1847, \$51,220, 00. And the quarters interest due on the first of April 1847, \$94,458, 00. And the quarters interest due on the first of July 1847, \$231,453, 00. Which will make the interest due, & to become due to that date, \$1,677,053, 83. Your determination to fund will involve, as its necessary consequence, the repeal of the laws which authorize the payment of taxes in coupons. If you should pass an act repealing the coupon laws, to take effect from the first of July next, I should think it fair (in view of the anxiety which will be felt to pay the taxes by this depreciated means) to estimate that the amount to be funded will not exceed \$1,200,000. Your next object should be to ascertain what will be the current demands upon the treasury. The annual claims upon the treasury consist of the ordinary expenses of the State Government, which may be estimated at \$200,000, 00. The interest on the public debt exclusive of the interest on the tobacco loan, which is paid by that fund, at \$651,821, 16. Making the present annual demands upon the treasury \$851,821, 16. To this you must add the interest on one million two hundred thousand dollars, the debt now proposed to be funded, at such rate as in your judgment the honor of the State, and the just claims of her creditors may require you to establish. The only remaining inquiry will be, whether the existing tax laws will yield a sufficient revenue to meet this demand upon the treasury.

The importance of correct conclusions upon this subject cannot be overrated, as an error in your estimates would entail upon the State, the humiliation of a second insolvency, and I must therefore, solicit for the views which I entertain, and shall expect the most thorough investigation.

In the first place, then, may not the adequacy of the existing tax laws be ascertained from the fiscal results of the last two years. Or, in other words, if the legislature of 1844 had funded the interest then in arrears, and ordered the resumption of payment by the State, would not the receipts of the treasury since that time, have enabled the State to maintain her solvency to the present moment. In the fiscal year ending on the first of December 1846, the treasurer after paying the ordinary expenses of the Government, paid \$55,363⁷⁵/₁₀₀ more than the interest which accrued for the same period, and had in the treasury on that day a surplus of \$199,441. The

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