

of permanent bankruptcy. Even in the face of these fears, a bold few urged on redemption to the last. The session of 1845 was, nevertheless, one of vigor and good faith; and valuable additions were made to the revenue list. The results of the next fiscal year strengthened the public confidence. On the 1st of December 1846, the report of the Treasurer exhibited the gratifying fact, that, in the year then ended, \$732,289 had been paid out; being \$76,868.83 over and above the amount of one year's interest on the principal debt; and leaving in the Treasury a surplus of \$147,913.41. This unexpected exhibit proved to be an irresistible argument. The Legislature passed a law, fixing the first day of January 1848, as the period of redemption. At the close of the fiscal year 1846, the arrears of interest did not exceed \$1,299,922.33; and the Executive, in his annual message, estimated the arrearage to be funded at, \$1,200,000. In December, 1847, he had the proud satisfaction to be able to inform the Legislature, that, the amount actually remaining to be funded, on the first day of the following month, would fall short of \$900,000. This, properly constitutes, the second epoch in the history of the reaction. The balance in the Treasury, on the 1st of December 1847, was \$328,499.46, (of which the sum of \$227,220.31 was applicable to future demands;) after \$926,666 had been paid towards the interest upon the public debt; besides, \$267,786.10 disbursed, upon other accounts. On the 1st of December, 1848, there remained a surplus of \$315,945.32, (of which, the sum of \$280,529.47 was applicable to future demands,) after paying \$742,331.60 on account of interest, and \$270,794.80 for other demands. At the close of the fiscal year 1849, there was a clear balance of \$427,892.96, after paying \$715,555.95 for interest on the public debt, \$260,307.81 for funded arrears, and \$170,628.40, for other purposes. The report of the Treasurer, for the fiscal year 1850, shows a surplus of \$211,035.42 applicable to future demands, after discharging \$690,826.26 to current interest, \$500,509.09 for redemption of funded arrears, and \$276,114.91 upon general accounts. It appears from this last statement, that, the actual surplus, over and above current interest, and other demands for the year, would have amounted to \$711,544.57, had it not been for the heavy disbursement made in redemption of the funded arrears. The report of the Treasurer, for the fiscal year, which terminated on the first of December last, crowns the evidence of the solid and permanent character of the State's revenues.

The balance in the Treasury, on the first day of December last, was \$250,997.76, of which, \$171,030.49 were applicable to future demands. During the fiscal year, 1851, \$680,077.83 were paid to interest on the public debt; \$133,712.82 in final liquidation of the funded arrears; \$116,211.44 to the purchase of five per cent. sterling bonds of the State, from the Baltimore and Ohio Rail Road Company, for the use of the sinking fund; and \$295,716.06, for all other purposes. If we add, to the clear balance above stated, the two amounts severally appropriated, to the payment of the funded arrears, and to the augmentation of the sinking fund, we will find an aggregate surplus of \$420,954.75, after 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 net 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, heretofore