

to bring us to this point of safety. The great questions of how it will affect morally the credit of the State, legally as it might affect the rights of creditors, advantageously or injuriously as it may affect the best interests of the people, incidentally as it may affect the internal improvement companies, are points requiring deliberate examination.

The committee in their report of last year, fully and deliberately expressed their views in favor of the present financial policy of the State, and they see no reason to change the views then expressed.

That policy was to raise a *sufficient* amount of revenue, so as to place the State beyond the possibility of contingencies, which might affect its credit, and out of the surplus thus raised to enable the Treasurer to purchase and redeem the public debt with a view to its early extinguishment. An opposite financial policy is now presented as the one that ought to be pursued, and that is: to raise no more revenue than is necessary to pay the interest on the debt, including the interest on the sinking fund, and thereby of course continuing the taxes indefinitely.

One or the other of these financial plans, the Legislature is now called upon to consider, and it is well to present the views of the committee as to the results which each is calculated to produce.

It has been over and over stated, that because the maturity of the principal loans does not take place until 1870 and 1890, that therefore we are not bound to anticipate the payment, and that our posterity are bound and ought to pay the debts to be matured at those periods.

By some, the inference has been drawn from the remote day when the debts will become payable, that the Legislature which authorised those debts had in view in fixing that remote period, to relieve the present generation, and to saddle posterity with the payment of the principal.

It is well that the people should have clear and distinct views on this subject, and to this end the committee propose to offer some remarks. In the first place, it is conceded, that the creditors of the State have no moral or legal claim for payment of any portion of the public debt, until the respective periods prescribed by the different acts creating those debts; and indeed according to those terms, the State is not bound to redeem those debts, until after the period named, and then at its pleasure.

All other considerations, then, which are adduced in favor of an early extinguishment of the public debt, are either of a moral character as they affect our duty to those who come after us, or of a practical one, as they affect the pecuniary interest of the people at the present time. In the first place, the Legislatures which created the debts and prescribed the time of redemption after 1870 and 1890, and even then at the pleasure of the State, did not necessarily intend thereby to intimate their intention to