

increase rather than diminish with time, and hold the Stocks at such high prices as to cause them to be purchased at extravagant rates.

The present large volume of this fund, if continued, would so increase as to require the purchase of the whole public debt, long before it matures.

Although about eight hundred thousand dollars of this debt *may* be redeemed after January 1, 1865, and other portions of the debt *may* be redeemed after 1870, a large part of the debt does not mature until 1890. And none of it need be redeemed, at maturity, unless it be the pleasure of the State to do so. But the debt that might be redeemed in 1865, is payable in London, and at the present and prospective high rate of Exchange, it would probably, within any short period of time, be redeemed at a ruinous rate to the State, and such as is not likely to be incurred, when the State is not engaged in its faith to make the sacrifice.

From these considerations, it would be advisable for the interest of the State, and the further security of the Treasury, in the event of a repeal of the taxes named, that four millions of the Fund be cancelled, which would relieve the Treasury of the necessity of longer providing about two hundred thousand dollars for the payment of the interest annually on the part so cancelled, and make the demands upon the Treasury so much the less ; whilst the remainder of the Fund amounting to about two millions, would be ample, from the increased facilities for the investments of its decreased increments, and the probability of being able to employ them at rates more beneficial to the Treasury, to provide for the extinguishment of the whole debt, as soon as the debt becomes due, or, as soon at least, as the interest of the State is likely to make such extinguishment desirable.

It may be suggested here, that if this Fund be not decreased, the Legislature should authorize investments to be made for its benefit, in some other safe securities, in the discretion of the proper officers, instead of confining the Treasury to the Public Debt, as is now the case, for the investment of the accumulations ; and this would also be wisely done, as to the surplusses in the Treasury proper, where they are not needed to meet the demands.