

ment and management of the revenue and for the support of the public credit;" and in this connection, I respectfully suggest, as an improvement, the reduction of the rate of interest on the new loan to 5, and, if expedient, to 4 per cent; and as a better plan for the management of the revenue, a healing clause to the Constitution, extending a general pardon for the non-observance of Sec. 34, Art 3, of that instrument. It is right and proper that there shall be a system of special-funds-accounts enjoined upon and observed by the book-keeping of the Treasury Department; but there ought not to be in the system a constitutional prohibition, which proves to be impracticable.

"Statement B" shows the amount paid, during the fiscal year 1879, on account of interest on the public debt, to be \$621,695.84. On a small portion of the public debt interest is payable quarterly; but for, by far, the larger portion of it provision has to be made to meet the interest on or before the first day of January and the first day of July each year; and the sterling interest, which approximates one-half of the whole, is required to be in hand three months in advance, for sure transmission to London. These and other heavy periodic demands upon the Treasury, accompanied by concurrent periodic fallings-off from receipts into the Treasury, occasion a great fluctuation in the balances on hand from time to time. Sometimes the balance is small and sometimes large—seemingly, too large as a surplus.

The monthly balance during the last fiscal year, given below, will illustrate, viz :

Balance in Treasury Proper at the end of the fiscal year 1878, as shown by Comptroller's last report.....	\$204,165 88
Receipts in October, 1878.....	126,620 44
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	\$330,786 32
Disbursements in October, 1878.....	390,050 24
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Balance where?—due the banks Nov. 1, '78,	\$59,263 92
Disbursements in November, 1878,.....	26,135 33
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Amount carried forward.....	\$35,399 25.