

the Legislature of 1880 caused the balance for that year to be less by \$175,000.00 than it would have been without the session of that body. I am happy, therefore, to be able to say, that while the burden of the text of each of my previous reports was a complaint and a setting-forth of the embarrassments under which the Treasury Department had labored, the Treasury has outlived them all, and enters upon the new year with a balance ample but not too large, and without any extraordinary demands upon its resources.

By the Act of 1878, chapter 238, an annual tax of one and one-half cents on every one hundred dollars of the taxable property of the State is laid, to be applied to the payment, first of the interest on the Treasury Relief Loan of \$500,000, created by that Act, and the balance to be invested in a sinking fund and dedicated to the discharge of the principal debt when due. The receipts into the Treasury on account of this tax, up to the end of the fiscal year 1879, amount to \$100,903.62. The interest accrued on the debt and paid up to the same time amounts to \$31,875.00, leaving a balance of \$69,028.62 to be invested, during the year 1880, in a special sinking fund for this debt.

Henceforth the Treasury has not had for years any *special* sinking fund. Under the Act of 1872, chap. 276, all the bonds and certificates of stock of the State, then held to the credit of the general sinking fund, were cancelled and destroyed. Since then, neither expediency nor economy has prompted—indeed, the needs of the Treasury and the law of necessity have forbid—the application of the loan-taxes to the purchase of securities, at heavy premiums, to be set apart for the redemption of the loans when due; and, as stated in previous reports, these taxes have been absolutely required and used to meet the current appropriations and demands for the support of the State government and the maintenance of the State credit. Last year, however, the Treasury officers determined that, as the Treasury Relief Loan and the tax of one and one-half cents imposed for its redemption were of recent creation, they would, to the extent of their ability, in obedience to section 31, Article 3 of the Constitution, create a