

Amt. of loan-taxes collected from the time the loans, on account of which these taxes are imposed, were created to Sept. 30th, 1831..... \$5,582,367 43

Amt. of the public debt paid out of the general resources of the Treasury, since Sept. 30th, 1868 \$5,892,494 27

From this statement, and the foregoing review, it will be seen that since 1864-'68, the constitutional guarantee for the payment of the public debt has been strictly observed—that the credit of the State has been sacredly maintained—that a large payment has been made upon the debt of the State in excess of taxes levied and assets dedicated to that purpose—that wise and practical legislation, and economical, efficient and faithful management have prevailed—and that much has been done to lessen the debt of the State, and lighten the burden of taxation ; yea, more, I venture to say, than has been accomplished in any like period of her previous history. The gradual rather than the rapid extinction of her public debt is her true policy—indeed, if her loans were issued, redeemable at her pleasure after or within a fixed period, and not called in too rapidly, she could take advantage of such opportunities as the present to fund her indebtedness at a lower rate of interest, and whenever her surplus funds would justify, she could liquidate her indebtedness at par.

The redemption of a debt before maturity, and often at a high premium--this is the meaning of "Sinking Fund"—is the payment of more than you have contracted for, and the maintenance of an exorbitant rate of taxation to enjoy the privilege. It is not only impracticable, but utterly impossible to practice the "Sinking Fund" theory recently advanced at the present rate of State taxation—in order to do so, the rate must be increased at least one hundred per cent. above the present 8½ tax for debt-purposes. Even if such a system were necessary to compel economy in Legislative expenditures, the latter is the least expensive luxury.

The State is not, and cannot be in any trouble over her indebtedness. She has a real, not a *sinking* fund ; a substantial