

It is very gratifying to state that every dollar intended by law for investment was so used, and about eighty per cent. was invested in our State stocks and bonds. Heretofore great difficulty has been experienced in securing our own stocks and bonds without paying a very large bonus; the recent scarcity of currency forced some of our stocks and bonds on the market and the Treasury officials were alert to find them and fortunate in securing so considerable an amount.

The Act of the General Assembly of 1888, Chapter 533, levying a tax of one and one-half cents on each one hundred dollars to meet the interest and create a Sinking Fund for the redemption of the Treasury Relief Loan, is still in force, although that Loan has been redeemed. The amounts accruing from this tax have been and will be invested in the several Sinking Funds until otherwise directed.

I respectfully recommend that this Act of 1888 be so amended as to repeal the provision in regard to the Treasury Relief Loan, and to increase the levy for the Exchange Loan of 1886 to one and three-fourth cents on each one hundred dollars, to enable the Treasury Officers to create a Sinking Fund for this Loan, since the provision heretofore made for this purpose is totally inadequate to meet even the interest on this Loan. I will therefore prepare a bill embracing these amendments, which I trust will meet with favorable consideration.

In addition to this recommendation, I beg leave to call your attention to the fact that at the time of the creation of the Loan of 1889 (Chapter 201 of 1888) and the Loan of 1891 (Chapter 305 of 1890) no provision was made for Sinking Funds for the payment of these debts at maturity. The former matures in 1903 and the latter in 1905. To provide a Sinking Fund for the payment of these debts at the present time, would necessitate an increase in the State tax rate. This increase I am not prepared to recommend owing to the present depressed condition of financial and commercial matters, but I do respectfully suggest that they should stand as a barrier against any legislation creating any other or further bonded debt, without providing a Sinking Fund as required by the constitution. These two debts aggregate nearly one-half of the present State debt, and when you consider that they are unprovided for, as regards Sinking Funds for the payment of the same, I cannot, in view of these facts, com-