

given two years ago comes with greater force today, when the State is facing a large deficit. The fact of other States being in the same position is of little comfort to us. This situation has been brought about by the importunities, indeed I might say, needs in many cases, of worthy charities and increased governmental expenses, but the fact remains that due economy has not been practiced in many ways. Retrenchment must be made. The State cannot afford to permit its expenses to exceed its revenues. If additional revenues cannot be had, then prudence and wisdom each demand that those expenses shall be kept within its income.

DISBURSEMENTS.

In Statement "B" will be found the disbursements by the Treasury during the fiscal year, amounting to \$11,263,751.09, wherein is clearly set forth the character of such disbursements, segregated into General, Special and Loan Funds, with the amounts paid and the Acts of the General Assembly authorizing the same.

STATE DEBT.

Statement "J" shows the gross debt of the State as of September 30, 1915, to be \$22,785,880.55, or an increase of \$3,100,000. During the year there was issued the balance of the State Roads Loan of 1914, amounting to \$3,600,000, but by reason of the maturity on July 1st of the State Building and Improvement Loan of \$500,000, the gross debt is shown to be, as above stated, \$22,785,880.50. After deducting the securities and cash in the Sinking Funds of \$6,210,584.35 and the mortgage of the Northern Central Railway of \$1,500,000, the net debt is shown to be \$15,075,296.20 as against \$12,219,576.01 for the year previous.

SINKING FUNDS.

The operations of these funds for the fiscal year will be found in detail in Statement "E," while Statement "F" exhibits the stock account and cash balances of the several Sinking Funds on September 30th, 1915, aggregating \$6,210,584.35.

The cash balance of \$756,384.35 was carried down into the next fiscal year by the Treasury officials after consultation with his Excellency, Gov. Goldsborough, in order that the State might be in better position to buy its own bonds. It is a difficult mat-