

law in regard to its investment as strictly complied with, by applying its accruing interest to the purchase of the new State loan proposed by your committee, as if the same interest were invested in the State loans issued twenty five years ago; and the ultimate redemption of the principal will be provided for out of the proceeds of the additional tax.

The interest of the Sinking Fund in April and

July, 1862, will be.....	\$137,878
July, 1863, "	282,038
July, 1864, "	299,213
July, 1865, "	317,494
July, 1866, "	351,761
	<u>\$1,388,384</u>

Even assuming that the revenues of the State from the present direct tax and other sources will merely suffice to pay the ordinary expenses of the State and the interest on the present debt of \$14,885,167, during the next five years; though, your committee believe that, with proper attention, they should yield a considerable surplus—the amount to be borrowed outside of the Treasury Department, in the whole five years, would be little more than a million of dollars, and that in nearly the following proportions for each year:—

Before July, 1862.....	\$612,122
" " 1863.....	32,000
" " 1864.....	132,000
" " 1865.....	125,000
" " 1866.....	105,000
	<u>\$1,006,122</u>

To recapitulate:—

From the three sources named—the additional State direct tax of 15 cents in \$100, the investment of the accruing interest of the Sinking Fund, and the outside loans—we shall have the following amounts available:—

1st of July, 1862.....	\$750,000
" " 1863.....	804,038
" " 1864.....	823,213
" " 1865.....	850,827
" " 1866.....	876,761

which sums will pay the annual United States direct tax of \$750,000, and all interest on the amounts of the increment of the Sinking Fund, invested in the new loan, and on the loans obtained from outside parties.

Then, if the United States direct tax should cease, as we have the right to expect, the proceeds of our additional fif-