

It is actually absorbing the Public Debt, at the rate of hundreds of thousands of dollars per annum. It has been argued that the Sinking Fund, being invested in the bonds of the State, and receiving its interest from the tax-revenue, as though it were an individual creditor, is, in fact, a meaningless burden; and should, therefore, be abolished, by the cancellation of the stock of which it consists. The Sinking Fund is not a meaningless burden. To simplify the difficulty, let it be supposed that the reliable annual income of the State, one year within the other, will be, hereafter, upon the present basis of the direct tax, together with all other existing resources, fifteen hundred thousand dollars; that, even one million of dollars may be required to pay the current interest on the Public Debt, all special appropriations, and all other expenses of the Government; and that it be determined to fix the rate of taxation so as to reduce the annual surplus revenues, from five hundred thousand to two hundred and fifty thousand dollars. That, then, would be the naked proposition. It would be practically immaterial, therefore, in one sense, whether the Sinking Fund were maintained, and the annual interest thereon carried to its credit; or, whether the Fund were abolished and the amount of that interest carried to the general balance in the Treasury. The Tax-payers of Maryland pay no more interest to the Sinking Fund, upon the bonds of the State purchased for and held to its use, than they would be required to pay upon the same bonds, if held by the public creditors. In either case, consequently, the actual amount of reduction upon the tax-list would be the same; because, it would be predicated upon an estimate of all of the resources of the State. The preservation of the Sinking Fund is to be desired, because it is the tangible nucleus, around which the necessary means, for the progressive liquidation of the Public Debt, are to accumulate from year to year; and because it is an arrangement familiar and encouraging to the popular mind. The fact that the capital of the Sinking Fund is invested in the stock of the State, (which is an accidental circumstance having no relation to the principle involved,) has, I think, occasioned the error of those, who appear to undervalue its importance. If the Fund consisted of foreign securities, and was compounding an annual interest having no connection with the taxes of the State, the matter would be easily understood. The present mode of investing the increments of the Sinking Fund is altogether a question of safety and convenience; and does not affect the principle of its operations. That principle is, that the Sinking Fund, besides possessing the faculty of re-production, is a fixed attraction to the loose surplus revenues of each year, and affords a fit subject-matter for definite and well-