

The funded debts of the State amount to \$11,257,560.69, and her unproductive investments to more than double that amount.

The interest paid on her funded debts during last year, including a cost of \$20,663.61 for exchange and commission on her sterling debt, amounted to \$643,340.27; of which sum she paid to herself, as interest on her own bonds which she had taken up in advance of their maturity, and which constitute her "Sinking Funds," \$11,230.85.

There is no past due debt outstanding; \$24,000 of the 5 per cent. currency debt, which matured in 1880, were called in and interest stopped thereon on the first of last April, and were presented and paid in the latter part of the year. The debt which falls due next is the "Defence Loan." The amount of it is \$3,326,750.66, and it matures on the first day of January, 1884. The attention of the last General Assembly was called to this loan; and authority was asked to fund it into a new loan, at a lower rate of interest than 6 per cent., which it is bearing. That General Assembly accordingly passed the Act of 1880, chapter 232; the main feature of which is the creation of a new loan, not to exceed \$3,000,000.00, bearing interest not to exceed 4½ per cent., redeemable in fourteen years from the date of issue, the proceeds thereof to be applied to the redemption and payment of the "Defence Loan." Authority is also given to exchange the new for the old loan at par. No offer has yet been received to exchange at par, and no issue has yet been made of the new bonds. It is submitted that the three millions of this debt thus provided for can be funded at such a reduced rate of interest—4 per cent., or perhaps less—that in the fourteen years the saving in interest alone, thus effected, will be an amount greater than one-third of the whole debt.

In view of the fact that since the adjournment of the Legislature of 1880, for the first time, the financial management of the State's revenue from the year 1864 and continuously up to the present, has been brought into question before the people from and by whom the members of your Honorable Body were so recently elected, I deem it my duty to submit to the present General Assembly a brief review of the legislation upon which that management has been based.