

\$54,772.39, is the amount of the premiums paid for the securities.

While the sinking funds have been maintained during the period named, there has been also, as a natural sequence, a satisfactory

REDUCTION IN THE NET DEBT

Of the State as will appear, by the following statement :

The net debt of State 30th September, 1883.....	\$7,285,891 57
“ “ “ 1887.....	5,661,233 96
Total reduction in 4 years.....	<u>\$1,624,657 61</u>

The debt of the State has been reduced over one and one-half millions of dollars since I entered office. The entire bonds of three separate loans, representing a tax of one and one-half cents in the tax rate, are in the sinking funds and practically redeemed.

And should you transfer the Baltimore & Ohio Railroad's bonds, to the credit of the sinking fund for the redemption of the Treasury Relief Loan, in the manner I have indicated, there will be an available sinking fund for this debt, of \$697,317.45. This is \$256,317.45, more than is necessary for the redemption of the balance of the Treasury Relief Loan now outstanding. It must therefore be evident to every reflecting mind, that the time for tax reduction is now at hand.

But I will say no more. I have called your attention to the leading features contained in the appendix to this report, and made such comment thereon as to me it seemed expedient and proper, and I have endeavored to demonstrate to you the feasibility of reducing the debt taxes, at least one and one-half cents, in the tax rate.

You have full knowledge, however, of the conditions under which the people of our State to-day labor, and appreciate as fully as I do the importance of reducing taxation in the State, as well as in the nation, in order to give the relief which is needed.