

It will be seen by the answer to the second Interrogatory, that the Bonds, with the Coupons and Certificates of Debt purchased by his predecessors, have been carefully registered and then burnt by the Committees appointed from time to time by the Legislature for that purpose, with the exception of such Bonds, with the Coupons, as have been purchased during the last four years. These remain in the hands of the Treasurer, (cancelled,) waiting the action of the Legislature.

Upon an examination of the Books of the Treasury, the Committee are satisfied that such entries and registrations have been made as will clearly exhibit the condition and character of the "Sinking Fund," and effectually guard the State against misuse or misapplication.

It appears, from an examination of the various descriptions of Public Debt held by the Treasurer as Agent of the "Sinking Fund," that portions of over-due Certificates are thus held. This has occurred from the Treasurer having (when a loan was called in for redemption,) redeemed only that portion of it which was outstanding, leaving the portion held by the "Sinking Fund" unredeemed.

This state of the case raises the question, whether the interest of the State would not be promoted by authorising the Treasurer, in his discretion, to use any surplus in his hands, after the application of one hundred thousand dollars, as now directed by law, to the payment of over-due Stock now held by the "Sinking Fund," and apply the proceeds to the purchase of Bonds outstanding, but not due, to be substituted for over-due Certificates now held for the benefit of the Fund.

The Committee consider the purchase of over-due Stock as of doubtful policy, as long as there remain out Bonds having many years to run before maturity. When the over-dues (for which the State can never be liable for more than their par value,) are called in and liquidated, the "Agent" of the Fund will be thrown exclusively upon Bonds outstanding and not due, and held as investments. In this emergency it is certain that the present holders of such Bonds will place a high estimate upon them, not only because of their value, but because they will bear, to some extent, the character of a preferred Stock, being the only Stock authorised to be purchased for the use of the "Sinking Fund."

The Committee do not consider it necessary to extend this Report. They recommend, and herewith submit for the consideration of the General Assembly, a law to provide for carrying out the foregoing suggestions.

W. B. TYLER,	} Committee of the Senate.
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