

repudiation is made, that such debt will be incurred as to make the accumulated debt so large that there will be an indisposition to touch it, that non-repayment will lead to refusal to pay. I earnestly hope that this will not be the case, but I feel it my duty to suggest the danger. It would be best for all parties to look the difficulties squarely in the face, and make a full and dual settlement, by converting all the outstanding issues into a consolidated debt, upon which the interest would be paid without failure. In my opinion the creditors will be willing to accept such an issue in satisfaction of their claims, provided a great loss should not be inflicted upon them; and certainly, in view of the constitutional obligations, as well as regards the honor and good name and the material interests of the State, the General Assembly should meet them half way.

PLAN OF ADJUSTMENT.

It is a well established principle of political economy that an individual having money to invest will make an investment in that class of "securities" which offers the best guarantee of safety—securities which will not only pay a premium upon the money invested, but which may be disposed of, without loss, whenever a change of investment is desired—in other words a marketable security.

The value of a State security depends largely upon the confidence of the purchaser in the good faith of the State, but more especially upon the means which the State places in the hands of every holder of her bonds, to compel the punctual payment of the interest as it accrues, and the principal at maturity. The State is sovereign and cannot be sued; but when she enters into contracts, with an individual, through her agents, and directs said agents to perform certain duties in fulfillment of that contract, such individual can compel the agents of the State to execute the will of the State as expressed in such contract.

Thus, in three-fourths of the States, whenever the financial officers are authorized to create debts by the issue of State obligations, the machinery for the punctual payment of the interest and principal is provided as a part of the contract; and every individual who accepts such obligations in exchange for the moneys he advances, receives a remedy—of which the obligations themselves are the evidence—for every neglect of duty in the premises on the part of the agents of the State. Such an obligation offers the best investment that can possibly be made, inasmuch as the holder thereof is a lien upon the entire property of the citizens of the State.

How is it with the bonded debt of this State?

Our debt may be divided into three classes. The first class includes all those bonds, (originally issued,) of the five classes enumerated in the decision of the Supreme Court upon the *Monticello* case, and Company mandamus case, amounting to \$3,519,000.

The second class includes all those bonds and stocks which only guarantee for the payment of principal and interest, is the good faith of the State. This class comprises the old bonds and stocks, (except Blue Ridge bonds,) the bonds for funding past due interest and principal, and funding bills Bank of the State, and amounts to \$4,135,503.35.

The third class is that for which no provision has been made for the payment of interest, and includes the Blue Ridge bonds, (the absence of the guarantee in this instance being probably an oversight,) and the conversion bonds issued by sale or hypothecation. This class aggregates \$6,965,000.

This concludes the history of the character of our bonds. Let us now enquire their present market value.

Our "January and July bonds," old and new, which comprise the entire amount, except \$2,189,000 of "April and October," are quoted at fifteen cents. The latter, being a portion of the three cents before the courts are quoted at twenty cents.

Now it is evident from the arguments previously advanced, that the State is unable to pay the interest upon the debt as it stands, and that it is to the interest of every bondholder that the debt be reduced in volume to a reasonable limit, so that the payment of interest may be resumed. If, when the holders of our bonds and stocks agree to surrender them for a new and consolidated bond or stock, the State agrees as a part of the contract (and this is the evidence) to provide for the payment of the annually accruing interest and for the extinguishment annually of a portion of the principal until the whole shall be thus redeemed; if, in pursuance of such agreement, she instructs her agents (whoever may represent her from the date of the contract until the debt is entirely extinguished) to levy and collect annually taxes sufficient to pay such interest, (and to reduce a portion of the said principal—if she instructs her agents, as aforesaid, to disburse the funds so collected to the purposes aforesaid, and if embezzlement or diversion of said funds be made a felony, punishable as the constitution directs, it is evident that it would be to the best interest of the bondholder to accept willingly such a compromise. For if these remedies be placed in the hands of every bondholder it is evident that while his new bond would represent upon its face a sum of money less than one-half the face value of his old bond, and the market value of the new bond would undoubtedly be from one-third to one-half greater than the present value of the old.

For instance, if \$3,000 of old bonds worth 15 cents on the dollar, or \$450, be exchanged for \$2,000 in new bonds worth at least 40 cents on the dollar, or \$800, the holder will have made a clear gain upon the actual value of his old bonds, to wit: \$225, or 50 per cent. on \$450; and again, if \$8,000 in old bonds worth 23 cents on the dollar, or \$1,840, be exchanged for \$2,000 in new bonds worth at least 40 cents on the dollar, or \$800, the holder will have made a clear gain upon the actual value of his old bond of \$110; and in addition thereto, the payment of the interest and redemption of the principal of his new bond will be amply secured by remedies in his immediate possession.

Before proceeding to discuss the details of the plan of adjustment, it may be useful to examine the history of the different States, and enquire whether they or any of them were not at some period burdened with debt even as South Carolina is to-day; the method adopted to relieve themselves of that indebtedness, and the practical operation of such method.

The State of Indiana failed to pay the interest upon her public debt from 1841 to 1847, during which time she acquired a reputation for her emptiness and repudiation, from which she only recovered after years of arduous effort and the faithful discharge of her obligations. Like most of the Western States at that time gigantic schemes of internal improvement, schemes for subscribing millions of State bonds to build canals and railroads were rushed through the Legislature without the slightest consideration of their feasibility. And in Indiana, as in most of her sister States, these bonds were hypothecated and sold for a mere sum. The upward scheme of developing the resources of the State vanished into thin air, and the railroads and canals could be found only in the banal speech of their advocates.

In 1840 the people realized their true condition, but not before they had been burdened with a debt of \$14,000,000, besides the interest which had been accumulated for five years. The State then made a compromise with her bondholders, in which she agreed to transfer her title to the "Wabash and Erie Canal" in liquidation of one-half of her debt and to issue certificates of stock, bearing five per cent. interest after 1854, for the other half.

The Legislature solemnly pledged the faith and funds of the State for the punctual payment of the interest and principal; and offered solemnly to ratify the compromise of the State derived from taxation for general State purposes, after the defraying of the ordinary expenses of the government, to the payment of the interest and liquidation of the principal of the debt. This compromise and contract was afterwards confirmed by the people at the ratification of the "New Constitution" of 1850.

By the aid of her creditors the State was not directly interested in these schemes and held none of these questionable bonds came forward willingly to relieve the State of the foul stain of repudiation, and made sacrifices of their pecuniary interests which made the compromise possible.

And now, by the faithful performance of the terms of this compromise, her credit has been completely restored, and stands upon a perfectly secure basis; and without oppressive taxation her debt is being very rapidly extinguished.

The history of the finances of the State of Michigan furnishes another illustration of a compromise effected between a State and her creditors. The compromise made by the State of Indiana was made at the suggestion of the bondholders and with their hearty assent and cooperation; in the State of Michigan was made without agreement, which the bondholder was obliged to accept or get nothing. Her financial troubles began in 1840. The fever for issuing bonds to build railroads and canals raged at that time as an epidemic throughout the entire West. Like a prairie fire or a swarm of the dreaded caterpillar passing over a cotton plantation in the South, its appearance was as sudden, its march as rapid, its dissolution as complete.

In 1847 and 1848 Michigan issued \$5,200,000 to build canals and railroads. The Governor made arrangements with a banking company to act as the agents of the State in the negotiation of the bonds. The company negotiated a portion of them and made the proper returns to the State; the moneys were payable in installments. The State was entitled to receive about \$2,857,038.76 on the maturity of the bonds, and when she received it, when suddenly it collapsed, and it was discovered that the whole amount of bonds had been hypothecated or sold, had passed into the hands of innocent parties, and were outstanding as a charge against the State. The Governor publicly called upon the holders of the bonds either to pay the balance due upon them by the company or surrender them and have the amount they paid for them refunded.

The latter course was declined, and the action of the Governor and again demanded the surrender of the bonds upon the terms before mentioned. A portion of the entire sum of \$5,200,000, amounting to \$1,347,000, were not included in the demand for the reason previously given.

The bondholders refused to accept the compromise and no further action was taken until 1846. At that time (March, 1846) the State sold her railroads and received as part payment some of the said bonds. The interest on the principal at the rate of \$402.88 per \$1,000 in bonds, at the interest at the rate of six per cent on \$302.73 for each \$1,000 of said bonds.

In 1855, the Legislature directed the treasurer to notify the holders of said bonds, by public notice, to surrender their bonds within six months, to receive the amount of interest to be paid. The six month expiration August, 1855, and from that time the bonds have been adjusted at the rate of \$578.57 for each \$1,000. There are still outstanding \$54,000, adjustable at \$31,242.78.

Under the operation of wise legislation, ample provision having been made for the payment of the interest and extinguishment of the principal, by solemnly setting apart a portion of the annual revenue, and the levying of a specific annual tax for the purpose, credit of the State has been completely restored; the resources of the State are large and annually increasing, while the debt is small, taxation light, and no occasion to make it oppressive. The auditor-general in his report of September, 1871, states that the sinking fund was large enough to furnish the means of redeeming all the bonds outstanding at maturity, if the holders could be induced to surrender them, and the Governor, therefore, recommends that he need not act leaving a specific tax for that purpose.

The history of the finances of the State of Illinois is worthy of especial notice in this connection as in several respects she passed through a similar experience to our own. The success which rewarded that band of patriots who combined to restore the credit of the State, and to lift the cloud of suspicion of repudiation which rested heavily upon her, may be learned by reading the history of this State who have her best example to follow.

The financial troubles of Illinois occurred prior to the adoption of the constitution of 1848. She had neglected for a long time to pay the interest upon her debt until the principal and its interest accumulations amounted to the enormous sum (so considered at that time) of \$18,000,000. Party leaders impeached the validity of the debt, and recommended that the people refuse to provide for its payment, while the tax payers relieved themselves of their burden, vigorously opposed paying any taxes at all. The distressing condition of the finances is vividly portrayed in the report of the auditor of the State of December, 1870. Said he: "To those who can remember the condition of the State of Illinois in 1847, the treasury empty, the Governor borrowing money upon his own credit to pay the postage on the letters written on the subject to the State, her bankruptcy known and sneered at all over the world, even her honesty of purpose doubted, and some of her own sons trying to bring her to the infamy of repudiation; the simple statement of these facts requires no comment to make them impressive. Who can not see that at least in the case of States and nations honesty is the best policy."

The Legislature by act of February, 1847, authorized the refunding of the State debt; the principle of said act is quoted here, as it shows in a nutshell the exact condition of the debt.

"Whereas the State of Illinois has at various times issued a large amount of internal improvement bonds of various classes, yet bearing the same numbers, and having interest coupons thereto attached similar in number and description, thereby causing great confusion and opening a wide door for fraud, and rendering it extremely difficult to pay the interest on those justly entitled thereto; and whereas, also, from the confusion and fraud, and even her honesty of purpose doubted, and some of her own sons trying to bring her to the infamy of repudiation; the simple statement of these facts requires no comment to make them impressive. Who can not see that at least in the case of States and nations honesty is the best policy."

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adequate constitutional provision for the payment of the principal when due, the accruing interest and the interest in arrears thereon."

Under this act the entire debt was funded, except certain bonds and scrip known as the Maclester and Stebbins bonds and scrip, canal bonds, and other evidences of indebtedness of the Illinois and Michigan canal. New internal improvement scrip was issued for the old debt, equal in amount and bearing like interest and payable at the same time as the bonds or scrip surrendered.

The Maclester and Stebbins bonds and scrip amounted to \$913,215.44. They came into the possession of said firm as the agents of the State. The State received for said amount \$261,669.83, or about 28 3/4-100 cents, whereas they were entitled to receive according to agreement about 40 cents on the dollar. The firm refused to pay the balance, except the 28 3/4-100 cents. As the State grew in wealth the two mills upon each dollar's worth of taxable property, in addition to all other taxes, to be applied as follows, to wit: The fund so created shall be kept separate, and annually on the first of January, be appropriated and paid over *pro rata*, upon all such State indebtedness over and above the canal and school indebtedness, as may for that purpose be presented by the holders of the same, to be entered on credits upon and to that extent in extinguishment of said indebtedness.

The constitutional convention of 1848 submitted to the people the following amendment, which was ratified by a large majority of votes:

"There shall be annually assessed and collected, in the same manner as other State taxes, a mill upon each dollar's worth of taxable property, in addition to all other taxes, to be applied as follows, to wit: The fund so created shall be kept separate, and annually on the first of January, be appropriated and paid over *pro rata*, upon all such State indebtedness over and above the canal and school indebtedness, as may for that purpose be presented by the holders of the same, to be entered on credits upon and to that extent in extinguishment of said indebtedness."

The first tax under this provision was collected in 1849-50; the credit of the State immediately revived, and in 1852 the State entered upon an era of prosperity unprecedented in the history of any other State of the Union.

This feature of the constitution operated beneficially to the tax payers in a manner entirely unforeseen. As the State grew in wealth the two mills tax, the collection of which was imperative, began to realize a larger sum than the State could annually apply to the extinguishment of the debt, as the holders refused to surrender so valuable a security until compelled to do so by its maturity. It became necessary, therefore, in order to avoid the collection of an amount of money under this tax in excess of what could be actually applied yearly to the extinguishment of the debt, to reduce the valuation of property as low as possible. The State auditor, in his report for 1869, estimated the taxable property of the State to be assessed at twenty-five per cent. or one-fourth of its actual value.

The last levy under this provision of the constitution of 1848 was made in 1870. The moneys now on hand, together with the revenue from the Illinois Central Railroad, will be more than sufficient to meet the entire indebtedness at maturity, which amounted on the 31st day of December, 1872, to \$2,060,150.63.

The foregoing illustrations are sufficient to show the manner in which several of the States got into debt, the means they used to get themselves out, and with what success. The lesson they teach is too plain to require comment.

Having looked at that picture, let us examine this:

The State of Minnesota, in 1859, authorized the issue of \$5,000,000 of bonds in aid of certain railroad enterprises. The roads were not built, but the bonds were disposed of. The State refused to recognize the validity of the bonds, and provided for the payment of interest or principal, which has been practically repudiated for fourteen years.

The bondholders have made repeated efforts to effect a compromise, but each and every effort has been unsuccessful.

The present treasurer, however, states that he desires the matter to be settled and is enquiring as to the best method of adjustment.

From the report of the committee on finance of the constitutional convention of 1868, the *State of Arkansas*, it appears that said State had actual debt in 1850 of \$1,000,000 in thirty years. In reply to a question—"What is the present value of our State bonds," the committee reported: "That the bonds of the State of Arkansas are not quoted in the market of any city of the civilized world. This is attributable to the fact that in a period of nearly thirty years, the State authorities have not provided for the payment of interest on her bonds. A system of robbing the well to pay the thief and robbing the thief to pay the thief, has been carried on, and their operations have cost the State not little sum of \$5,104,001.16. Not content with impoverishing the State, dissolving the country, and causing mourning at every hearthstone, we find these self-same men arrayed in hostility to the present reconstruction measures, hoping thereby to hide from the public gaze and investigation, the plunder and thefts of thirty years!"

For years the levy of the State tax was light, the people thought the government was well managed and economically managed, by letting bonds run for years without paying any interest, and not seeing any appropriations for the payment of interest on those bonds in the disbursement of the public funds, it is not strange that they forgot the indebtedness of a prior generation.

It is proper to add that the State authorities referred to, who were responsible for that debt, belonged to the Democratic party. The present government has recently made provision for the funding of that debt, hoping thereby to restore the credit of the State.

The State of Virginia has not paid all the annually accruing interest of her debt for years, and it is only recently that the public have been made aware that the volume of debt has been largely augmented by the accruing interest. Virginia has been under a Democratic administration for years, and, like other kingdoms, she never the debt approaches maturity the larger it grows.

It is strange indeed that those who created and controlled the debt, and who still hold the reins of government, have made such inadequate provision for the payment, both of interest and principal.

The debt of Virginia is reported to be, in round numbers, \$47,000,000.

The Legislature, session 1871-72, provided for the payment of 2 per centum of interest upon bonds not yet funded, and 1 1/2 per centum of interest upon bonds not yet funded, and 1 per centum of interest upon bonds not yet funded. This is the best they have done in defense of the financial honor of the State.

Sufficient has been written "to point a moral." Let us now return from the study of the conduct and management of the debts of other States to the point whence we started, viz: the adjustment of our own debt.

Governor Orr, in his annual message to the

Legislature (session of 1869), made the following recommendations in regard to the public debt:

"It is, however, eminently proper that some financial scheme should be now adopted to prepare the State to meet the principal of the debt as it falls due. If the interest is regularly paid on the debt, \$160,000 annually set apart as a sinking fund for twenty years, invested in safe securities yielding six per cent. per annum, the principal being further increased by the investment of the interest, will be accumulated the sum of \$3,899,312, which will be nearly adequate to the payment of the entire debt then due; and I recommend that proper legislation be adopted at the present session to inaugurate this scheme.

"Under the act of September, 1866, provision was made to fund the interest on the debt issued under the authority of the act of 1863, to continue the construction of the new State House; the whole amount issued was \$24,820. The issue was not made until some time during the year 1864, when there was a heavy depreciation of the currency and when labor and material were in a corresponding degree appreciated; \$400,000 were issued in 1862 under authority of the act of 1861, when labor and material had appreciated very little. In my proclamation addressed to the Governor, I recommended that the General Assembly meet and determine whether these stocks should be sealed to the *real value* received by the State for them when issued. The convention adopted a rule for the government of transactions between individuals during this time, which was just and honest, and no reason is perceived why the same rule should not be applied in transactions between the State and her creditors.

From the above, it appears that Governor Orr acknowledged that no provision had been made for the payment of the principal of the public debt, and realized the necessity for, and wisdom of, making immediate provisions therefor. He also conceived it to be just and proper to scale a portion of the public debt, and took the responsibility upon himself to exclude them from the benefits of the funding laws until the Legislature might meet and take action thereon.

While it is true that the Legislature disregarded his recommendations, every one will admit his soundness. They are quoted here for the purpose of showing that a precedent has been established for the recommendations which follow.

I recommend:

First.—That all the bonds of the State for which the State is actually liable, less \$38,000, State capital bonds of 1862, in lieu of, to be otherwise provided for, be sealed in the following manner, to wit:

Second, the surplus of said funds remaining in the treasury after the payment of the said interest shall be applied on or toward the said principal of each year to the extinguishment of the principal of the public debt, as follows:

The _____ and _____, shall constitute a board of commissioners for the management and control of the said surplus fund for the extinguishment of the public debt.

The said board shall give notice by public advertisement for thirty days prior to the _____ of each year, that they have under their control the sum of _____ dollars to be applied to the purchase of such bonds or stocks as may be presented for payment by the holders thereof, on _____, as aforesaid; provided, that said bonds be purchased at a price not above their market value at the time of purchase, said value to be ascertained from the principal stock markets of the United States.

Third, that the bonds and stocks so redeemed shall be immediately cancelled by the treasurer in the presence of the board, and be entered as credits upon and to that extent in extinguishment of the public debt. That a detailed statement of the number, denomination and series of the bonds and stocks so redeemed and cancelled, together with the price paid for each bond and stock, as aforesaid, shall be prepared by the treasurer, signed by the board and furnished to the General Assembly at the commencement of each annual session thereof.

That embezzlement or diversion of said funds, whether directly or indirectly by speculating in said bonds, or purchasing them at fictitious prices, be made a felony punishable by a fine of not more than _____ nor less than _____.

Table Showing the Probable Operation of the Six Mill Tax in the Payment of the Interest and the Extinguishment of the Principal of the Public Debt.

PERIOD.	TIME.	BASE OF TAXABLE PROPERTY.	PERCENTUAL OF PUBLIC DEBT.	ANNUAL AMOUNT.	SURPLUS FROM PAID OFF BONDS AND STOCKS.	AMOUNT AVAILABLE FOR INTEREST.	AMOUNT AVAILABLE FOR PRINCIPAL.
First	October 31, 1874	\$100,000,000	\$12,000,000	\$7,200,000	\$98,000,000	\$30,000,000	\$68,000,000
"	" 1875	"	"	"	"	"	"
"	" 1876	"	"	"	"	"	"
"	" 1877	"	"	"	"	"	"
"	" 1878	"	"	"	"	"	"
"	" 1879	170,000,000	10,200,000	6,120,000	167,000,000	25,000,000	142,000,000
"	" 1880	"	"	"	"	"	"
"	" 1881	"	"	"	"	"	"
"	" 1882	"	"	"	"	"	"
"	" 1883	"	"	"	"	"	"
"	" 1884	180,000,000	10,800,000	6,480,000	178,000,000	27,000,000	151,000,000
"	" 1885	"	"	"	"	"	"
"	" 1886	"	"	"	"	"	"
"	" 1887	"	"	"	"	"	"
"	" 1888	"	"	"	"	"	"
"	" 1889	200,000,000	12,000,000	7,200,000	197,000,000	30,000,000	167,000,000
"	" 1890	"	"	"	"	"	"
"	" 1891	"	"	"	"	"	"
"	" 1892	"	"	"	"	"	"
"	" 1893	"	"	"	"	"	"

Cash on hand October 31, 1868, \$41,790.50.

This table, as has been seen, has been based upon your reduction of the public debt by a scaling process, to a maximum of even the large amount of \$12,000,000, which amount I have selected simply for the purpose of illustration.

Taxation is defined as the taking of private property for public use. The exercise of this power is always regarded by the individual with a jealous eye; and is a subject of especial interest. It affects in its operation every individual who forms a component part of the body politic, whether he be the owner of property or not. The discussion of the various systems and the best methods of taxation, engrosses the attention of the statesman of every civilized country. Whether in "proud Britain, or in France, or in imperial Russia or fervid Italy," it is at the present moment a question of all absorbing interest.

Taxation, in some form, is as ancient in origin as society itself. No civilized community can exist without taxation, and no high degree of civilization is attainable without comparative large taxation.

The principle, laid down by Adam Smith, which has been engrained upon the fundamental laws of every civilized country—that the subjects of every State ought to contribute towards the support of the government as nearly as possible in proportion to the revenue they respectively enjoy under the protection of the State—is a truism universally accepted. That system of taxation, therefore, is most just and equitable, and least oppressive, which is so framed as to carry this proposition into actual operation.

The constitution of this State evidences the intention of its framers to illustrate this principle in that section which provides for a uniform and equal rate of assessment and taxation, and which declares that all property, real, personal or possessory, shall be subject to taxation.

This system of taxation succeeded the system, or rather lack of system, of the feudal ages, when all property was held as fiefs of the crown. The crown was maintained by the crown lands. The lords, or the original sovereigns under the crown, exacted tribute from their vassals. In time of war each lord was expected to furnish his quota of troops and bear his share of the expense. Justice was administered by the lords proprietors, and the measure of justice meted out was regulated by the ability of the person so desiring to pay for it.

Among the Hebrews, during the time of Solomons, taxes were levied upon houses and lands, and upon the produce of the soil, and upon foreign merchandise. So opposite was the system of taxation then that it caused the stoning to death of Achan, who was "over the tribute" and the accession of the ten tribes.

In the Athenian republic no direct taxes were levied upon real or personal estate, but revenue was derived from the sale of public land, fines and confiscations, and a capitation tax upon freedmen and foreigners, duties upon foreign commodities and merchandise.

In Rome, under the republic, the spoils of conquered nations and the annual tribute required of them, paid the expenses of the government, but under the empire portions of the revenue were squandered, capitation taxes levied, taxes on corn and heavy sums exacted for the privilege of Roman citizenship.

In France, prior to the revolution of 1793, the nobility and clergy were exempt from taxation, and the burden rested heavily and with crushing weight upon the poor. Resort was often had to forced loans, sale of monopolies, and even confiscation, to meet the extravagant expenses of the monarch.

To return from this digression as to the various methods of taxation of force at different periods of the history of the world, the system of taxation which now prevails is pre-eminently superior in that the burden is equalized, each individual contributing his share of the expense of the State in proportion to the protection of life and property he enjoys under the laws of the State.

Second, the surplus of said funds remaining in the treasury after the payment of the said interest shall be applied on or toward the said principal of each year to the extinguishment of the principal of the public debt, as follows:

The _____ and _____, shall constitute a board of commissioners for the management and control of the said surplus fund for the extinguishment of the public debt.

The said board shall give notice by public advertisement for thirty days prior to the _____ of each year, that they have under their control the sum of _____ dollars to be applied to the purchase of such bonds or stocks as may be presented for payment by the holders thereof, on _____, as aforesaid; provided, that said bonds be purchased at a price not above their market value at the time of purchase, said value to be ascertained from the principal stock markets of the United States.

Third, that the bonds and stocks so redeemed shall be immediately cancelled by the treasurer in the presence of the board, and be entered as credits upon and to that extent in extinguishment of the public debt. That a detailed statement of the number, denomination and series of the bonds and stocks so redeemed and cancelled, together with the price paid for each bond and stock, as aforesaid, shall be prepared by the treasurer, signed by the board and furnished to the General Assembly at the commencement of each annual session thereof.

That embezzlement or diversion of said funds, whether directly or indirectly by speculating in said bonds, or purchasing them at fictitious prices, be made a felony punishable by a fine of not more than _____ nor less than _____.

Table Showing the Probable Operation of the Six Mill Tax in the Payment of the Interest and the Extinguishment of the Principal of the Public Debt.

PERIOD.	TIME.	BASE OF TAXABLE PROPERTY.	PERCENTUAL OF PUBLIC DEBT.	ANNUAL AMOUNT.	SURPLUS FROM PAID OFF BONDS AND STOCKS.	AMOUNT AVAILABLE FOR INTEREST.	AMOUNT AVAILABLE FOR PRINCIPAL.
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"	" 1879	170,000,000	10,200,000	6,120,000	167,000,000	25,000,000	142,000,000
"	" 1880	"	"	"	"	"	"
"	" 1881	"	"	"	"	"	"
"	" 1882	"	"	"	"	"	"
"	" 1883	"	"	"	"	"	"
"	" 1884	180,000,000	10,800,000	6,480,000	178,000,000	27,000,000	151,00