

and although the time is scarcely as long as would be desirable for the purpose, I doubt not that he will be able to present you a report within the time required, and I cordially invite your co-operation in perfecting the system he may submit, by whatever legislation may be necessary for the purpose.

CONDITION OF THE TREASURY.

A recurrence to the Report of the Comptroller of the Treasury, on the operations of that Department for the past year, will show that our financial condition is still entirely prosperous, and that but for extraordinary demands growing out of the bounty claims, our income from ordinary sources would have been quite sufficient without any direct tax to meet our annual liabilities.

The gross receipts of the Treasury during the fiscal year ending 30th of September last, were \$2,238,302.47, and if we deduct from this the proceeds of the Bounty loan negotiated by that Department under Act of last session of the General Assembly and amounting to \$526,185.00, and the further sum of \$195,198.98 being the proceeds as far as received of the Bounty tax imposed by the same Act, the total receipts of the year from ordinary resources, including the direct tax, amounts as will be seen to \$1,516,918.49.

The gross amount of disbursements during the same period was \$2,391,950.61, which includes the sum of \$1,281,668.90 paid on account of Bounties to Volunteers. Deducting this sum from the gross amount of disbursements, and the *disbursements* on ordinary account will be found to amount to \$1,110,281.71, or less by \$406,636.78 than the *receipts* on similar account during the same period.

The Bonds or Stock of the State held by the Sinking Fund, and which at the end of the fiscal year 1863, amounted to \$5,649,656.83 have been under the operation of the Act passed at the last session of the General Assembly reduced to \$1,000,544.04 of the 5 per cent. bonds of the State, which is the whole amount of State debt now held by that fund, and on which interest is paid, except the sum of £15,000 of the 5 per cent. bonds of the State, recently purchased on account of the fund. The proceeds of the direct tax reduced by the Act of last Legislature to 5 cents on the \$100, amounted as far as received to \$97,599.49, forming a part of the receipts above mentioned, and although the excess of these receipts over the ordinary expenditures to the extent I have mentioned presents a most gratifying exhibit, fully justifying that reduction in the direct tax, and indicating that we may soon dispense with it altogether, yet in the present condition of