

This apparant balance due on Rolls received to 1st December, and deducting payments to 30th September, has been reduced by payments since made at the Treasury as I am informed by the Treasurer to less than \$500,000, but will be increased upon Rolls yet to be received, and to some extent in the amount of last instalments due on soldier's discharge, which in the case of veterans is \$75 to each instead of \$50, as above reckoned; but I believe that the sum that will be actually required for payments under the Bounty act will not much if at all exceed the amount of the present apparent balance, when taking into account the proportion included in the above estimate, which will revert to the Treasury in the case of deceased soldiers, and that the amount required can be provided for without a further loan. I assume of course in this calculation that the annual tax of ten cents on the hundred dollars, authorized by the Bounty act will not be at present reduced, and that due diligence be observed in securing the amount that will revert to the Treasury as above suggested. By the terms of the Bounty act, the balance of the bounty which those dying in the service would have been entitled to receive if living, is only payable to their representatives when such representatives are the wife or children of the deceased, and when we remember how large a proportion of the volunteers are young and unmarried men, and the number of casualties constantly occurring you will see the importance of making some effective provision by which the amounts thereby reverting to the Treasury may be secured. A large part of them consisting of the instalments payable only on the expiration of the soldier's term of service or his discharge, remaining in the Treasury until there properly claimed, will require no provision for their security; but other amounts of unpaid bounties included in the warrants issued to the local authorities will remain in their hands, and in some cases in the hands of Agents or Attorneys to whom they may have made payments, after the death of the principal and when there are no representatives properly entitled to claim them. I would therefore recommend the appointment of an Agent specially charged with the duty of adjusting all accounts with local authorities and with agents, and of investigating the payments made by them, and who shall be required to see that these volunteers if living, or in case of their death, their widows and children, if there be such, receive the amounts properly due them, and where they have died without such representatives, to secure the return of the unpaid bounties to the State.

To protect as far as possible the interests of the State as well as of the free colored troops entitled to its bounty—and