

which the Comptroller has called attention and avoid all conflict between the State and Municipal authorities.

Repeal or modification of Direct Tax Law.

The prosperous condition of the Treasury as exhibited by its balance on hand and estimate of future receipts considered in connection with the suggestions made for canceling part of the State debt held by the sinking Fund, naturally awakens the hope that the time is at length at hand when all direct taxation may be dispensed with. Under ordinary circumstances I should certainly take that view of the subject, and would not hesitate to recommend the immediate and total repeal of the direct tax laws; but with such a war as we have now on hand and with such demands as must be still made upon the power and money of the Country to render certain its preservation with the unqualified determination of the loyal masses of the State to meet to the utmost their full share of such demands we should observe a proper caution in the too sudden curtailment of our present resources and be willing to endure for a while longer the burden of taxation, rather than jeopardize results we have so much at heart or fall short of our just contributions towards them. I am satisfied however that with an economical use of the means we can now command and by sedulously avoiding those unessential or experimental appropriations into which a treasury balance is so apt to tempt us, we may without hazarding the prompt payment of any of our ordinary obligations or failing to meet any just demands upon us growing out of the exigencies of the times safely reduce the rate of the State tax to what it was before its increase by the act of 1862. Such a reduction I would therefore recommend but should under the circumstances regard the total repeal of the tax as injudicious. We must bear in mind that although we were not in the past year nor will be in this required to pay our quota of the National tax imposed by Congress in 1861 and the imposition of which was the chief cause for the increase of the State Tax by the act of 1862 yet the National tax has not been entirely repealed, but is only suspended for the present by the Internal Revenue Act "until the first day of April, 1865 when the same shall be in full force and effect."

Provision for Volunteers &c.

One of the first subjects that will claim your attention and which will present strong appeals to your liberality will be a provision for the Soldiers of your State who are now or may hereafter be engaged in the service of the Country. We who remain at home surrounded by its comforts and in our ordinary avocations in most cases scarcely interrupted by the exigencies of the war are hardly prepared to estimate as we ought the services which these soldiers render or to realize the extent of their