



A. K. RHEEM, Proprietor,
Wm. M. PORTER, Editor.

A PAPER FOR THE FAMILY CIRCLE.

\$1 50 per annum in advance
\$2 00 if not paid in advance

VOL. 69.

CARLISLE, PA., FRIDAY, JANUARY 17, 1862.

NO. 3.

FIRST ANNUAL MESSAGE
OF
ANDREW G. CURTIN,
Governor of Penn'a.,
TO BOTH HOUSES OF THE LEGISLATURE.

READ, JANUARY 8, 1862.

To the Honorable the Senate and House of Representatives of the Commonwealth of Pennsylvania:

GENTLEMEN—It has pleased Divine Providence, during the last season, to give us abundant crops, unbroken peace within our borders, unanimity among our people, and thus to enable this Commonwealth to do her full duty to the country, to herself, and to posterity. For these blessings we have cause to be grateful.

The balance in the Treasury on the 30th Nov. 1860, was \$681,438.08

The receipts during the fiscal year ending Nov. 30, 1861, were as follows:

From ordinary sources, 3,017,615.57

From temporary loan under act of April 12, 1861, at 6 per cent. interest, and negotiated at par, 470,000

From 6 per cent. stock under act of May 15, 1861, also negotiated at par, 2,612,150

From Society of Cincinnati, 600

From United States one and one-half per cent. bonds, 661,000

From Pay Masters and others, refund ed, 32,229.45

Total into Treasury for fiscal year ending Nov. 30, 1861, 7,422,758.10

And the payments as follows:

For ordinary purposes, \$3,141,489.34

For military expenses, 4,281,268.76

Under act April 12, 1861, and May 15, 1861, 7,422,758.10

474,873.45

1,708,462.64

470,585.51

2,538,772.04

For amt loan under act April 12, 1861, repaid, 375,000

8,797,574.58

Leaving balance in Treasury, Nov. 29, 1861, \$1,551,935.72

PUBLIC DEBT, FUNDED AND UNFUNDED

Received from temporary loan under act April 12, 1861, 475,000

Repaid as above, 375,000

Outstanding Nov. 30, 1861, 100,000

Rec'd from loan under act May 15, 1861, 2,612,150

And public debt, funded and unfunded, Nov. 30, 1860, 47,909,817.50

Paid during fiscal year, 101,251.42

Remaining unpaid (exclusive of military loans above mentioned) Nov. 30, 1861, 37,808,566.08

RECEIPTS AND EXPENDITURES OF MILITARY DEPARTMENT.

Receipts from military loan, under act April 12, 1861, 475,000

May 15, 2,612,150

From Pay Masters and others refund ed, 32,229.45

8,229.45

3,119,379.45

Paid for military expenses as above, 2,538,772.04

Paid for redemption loan, act April 12, 375,000

2,728,872.04

Unexpended of military loans, \$399,607.41

RECEIPTS AND EXPENDITURES OF ORDINARY REVENUE.

Balance in Treasury, from ordinary sources, Nov. 30, 1860, 681,438.08

Received from ordinary sources during fiscal year, 3,017,615.57

Paid for ordinary expenses, as above, 3,141,489.34

Unexpended of ordinary revenue, 654,568.31

Rec'd from United States Gov. for act military expend., 600,000

Rec'd from Society of Cincinnati, 600

Balance in Treasury, \$1,061,958.25

It will be observed that the fiscal year on the 10th of November, and the sinking fund year on the first Monday in September, which accounts for the apparent deficiency in the amount of debt paid as stated in the Treasurer's report, and by the Commissioners of the Sinking Fund. The State has on hand a surplus of uniforms and equipments which cost about \$100,000, which the United States have agreed to take and pay for at once.

Arrangements have been made for the Government for the reimbursement of the military expenses of the State since the 27th of July last. The bills up to are forwarded to Washington and partial repayments have already been made.

It will be observed that the receipts from ordinary sources of revenue for the year 1861 have decreased, not as payments have been made on some of them since the settlement at the end of the fiscal year on the first of December, and more may reasonably be expected in addition to the payments to be made by the National Government as hereinafter stated the balance available in the treasury will be largely increased.

It will also be observed that it has not yet been found necessary to call for all the loan effected under the act of the 12th of May last. In some items the ordinary revenue of 1861 was in excess of that of 1860.

The loan authorized by the act of May 15th, 1861, was taken at par. This occurrence, most gratifying to all, has the effect of increasing the balance available in the treasury, and of supporting the Government.

The operations of the Sinking Fund during the last year have been as shown by my Proclamation of 6th September last, as follows:

Debt redeemed from 4th September, 1860, to 1st September, 1861, \$300,801.01

Of stock loans, \$300,050.00

Interest on certificates, 3,350.01

Relief notes, 421.00

\$300,801.01

I refer to the reports of the State Treasurer and Auditor General for the details of the financial affairs of the Commonwealth.

The reports of the Surveyor General and State Librarian will exhibit the state of the Departments under their care.

The Commissioners of the Sinking Fund during the last spring received from the Philadelphia and Erie (late Sabular and Erie) Railroad Company forty bonds of that Company for \$100,000 each, and a mortgage to secure the same executed in conformity with the third section of the act of March 7th, 1861. That company has also deposited in the State Treasury its bonds to the amount of five millions of dollars, in accordance with the fifth section of the same act.

On the 9th of May last I granted my warrant authorizing the State Treasurer to deliver to the said company one thousand of said bonds, being to the amount of one million of dollars. This warrant was issued in conformity with the law, the five per cent bonds mentioned in the fifth section of the act (except those belonging to the State and now in the Sinking Fund) having been previously sold and cancelled.

It is to be regretted that the records of the mortgage mentioned in said fifth section having received notice from the company that the bonds so delivered to the company or their proceeds had been appropriated in accordance with the provisions of the law, on the 21st of June last I appointed John A. Wright as Commissioner to examine and to report to me on the validity of their proceeds.

As soon as reported to me, he reported that the mortgage was not yet received by me.

It is understood that arrangements have at last been made under which the direct railroad connection between Philadelphia and Erie will be completed within a short time. It is impossible to estimate too highly the importance of this great work to the Commonwealth, and especially to Philadelphia and Erie and the hitherto neglected counties near its route west of the Susquehanna.

By the act of the 21st April, 1858, for the sale of the State canals to the Sanbury and Erie railroad company it was provided that if that company should sell said canals for a greater sum in the aggregate than three and a half millions of dollars, seventy-five per centum of such excess should be paid by the Commonwealth by a transfer of so much of such bonds and securities as said company should receive for the same and payable in like manner.

The company sold the canals and such bonds, due to the Commonwealth, \$2,821,250 of which \$250 was paid in cash and for the remaining \$2,571,000 the Commonwealth received coupon bonds of the Wyoming canal company to that amount, being a portion of bonds for \$600,000 issued by that company and secured by a mortgage of the Lower North Branch canal.

The loan bears an interest of six per cent per annum, payable semi-annually on the 1st of January and July, and the interest was paid by the company to January last inclusive. The interest due in July last has not been paid. Judgments having been obtained against the company on some of the coupons for the unpaid July interest, a bill in equity was filed in the supreme court by a bond and stock holder, in which such proceedings were had that a decree made on the 2d September last the property and affairs of the company were placed in the hands of a receiver.

A plan has been suggested for the assent of the stock and bond holders which contemplates a sale of the canal under judicial process and a purchase of the same for the purpose of forming a new company, of which the capital stock shall be one million of dollars, divided into twenty thousand shares of fifty dollars each, of which each assenting holder of a mortgage bond for fifty shares of stock of the Wyoming canal company shall be entitled to eighteen shares, and each assenting holder of fifty shares of stock of the Wyoming canal company shall be entitled to one share.

Of course no officer of the Commonwealth had authority to assent to the proposed sale in any way to affect her position. It is believed also that the plan is not one that ought to be assented to by the Commonwealth, and that all the citizens of the Commonwealth are entitled to be fully secured.

I suggest that the act passed 8th of April, 1861, entitled, "An Act concerning the sale of railroads, stocks, &c.," should be modified so that in all cases in which a debt may be due to the Commonwealth by the company whose property a public work may be sold, the purchasers thereof shall not be entitled to the benefits and privileges conferred by the act unless they shall have first paid the debt due to the State, or secured the same by their bonds to the Commonwealth secured by a first mortgage on the work itself.

I commend the subject to the immediate consideration of the Legislature, as an effort may be made at an early day to enforce a sale of the canal, and some provision by law to protect the interests of the State would in that case be necessary.

The wicked and monstrous rebellion which broke out many months ago, has not yet been quelled. Every sentiment of loyalty and patriotism demands its effectual suppression.

In my messages of the 9th and 20th of April last, I set forth at length my views of the character and objects of the rebellion, which has confirmed me in the correctness of the opinions then expressed

and to which I refer. In addition it ought to be understood, that looking to the variety and character of her products and industry, her material interest alone would render the preservation of the Union from the present assault upon it, indispensable to Pennsylvania. She cannot afford to have a foreign power tower above or banding her on the Delaware, the Chesapeake or the Mississippi, and she will never acquiesce in such a result, whatever may be the cost in men and money of her resistance to it.

On the 9th of April last I directed the attention of the Legislature to the necessity which existed for an improved military organization, and on the 12th of the next month the Act entitled "An Act for the better organization of the militia of this Commonwealth," passed, appropriating the sum of \$600,000 for the purpose of organizing and equipping and arming the militia. On the 15th of April, the President, by proclamation, called for a military force of 75,000 men, of which the quota assigned to Pennsylvania was at first sixteen (afterwards reduced to fourteen) regiments to serve as infantry or riflemen for the term of three months unless sooner discharged. This call was enthusiastically responded to by the people of Pennsylvania. The first military aid from the loyal States, which the Government received at Washington, was a Pennsylvania corps which arrived there on the 19th of April. On that day the passage of other Corps from this and other States through Baltimore was impeded by force and during nearly two weeks afterwards the communication between Washington and the loyal States was almost entirely cut off. On the 19th I received a request from the War Department that the troops preparing in this State should be clothed, armed, equipped, subsisted and transported by the State in consequence of the then inability of the United States. This request was of course complied with, and twenty-five regiments, (being eleven regiments beyond our quota) comprising 20,175 men from Pennsylvania served for the term of three months under the President's proclamation above referred to. As the furnishing these volunteers with supplies was necessarily under the circumstances a painful operation, and as complaints were made in regard to them, and funds were alleged to have been perverted, I appointed a board of commissioners to investigate the whole subject. A copy of their report with the evidence taken by them has been already laid before the public. It is the intention of the Auditor General to publish the same, and the circumstances as they appear by the testimony to have been over and over again already been taken in two of those cases.

On the expiration of the term of the three months men in July last, some eight or ten thousand discharged Pennsylvania volunteers were thrown into Harrisburg without notice and detained here, waiting to be paid, for an average time of some ten days. Their tents, camp equipage and cooking utensils had been taken from them at Williamsport, Md., and they were here destitute of all means of shelter and of preparing their food. The Commissioners of the United States furnished uncooked rations, and under the circumstances of emergency I deemed it necessary to make arrangements for aiding in the cooking and baking of the rations, and also for furnishing cloths to such of the regiments as arrived during the night or under circumstances requiring instant relief. The expenses attending these operations amounted so far as ascertained to \$744 20, and I recommended that the Legislature make an appropriation to pay them. It ought to be stated that these expenses would have been much larger, but for the liberal and patriotic efforts of the citizens and especially the ladies of Harrisburg; their free-handed hospitality and generous aid to our war-battered and hungry soldiers, deserve remembrance and gratitude.

At the special session of the Legislature which commenced on the 30th of April last, I recommended the organization of a reserve corps, to be armed, equipped, clothed, subsisted and paid by the State, and to be kept in camps for instruction, in anticipation of the exigencies of the country, and by the act of the 15th of May last, such a corps was directed to be raised, and a loan of \$5,000,000, was authorized to defray the expenses of that and other military preparations. Men more than sufficient in number to form some ten regiments of the Reserve Corps had, previous to the 15th of May been engaged by me in pursuance of a call made (afterwards rescinded) for twenty-five regiments, and were then already assembled and subject to my control. Most of these men volunteered for the Reserve Corps and were immediately organized. The remaining regiments were rapidly recruited and the Corps was thus completed, and George A. McCall, of Chester County, was commissioned as Major-General, and assigned to the command of all the forces raised or to be raised under the provisions of the last mentioned act. The regiments composing the Reserve Corps were instructed in four camps in different parts of the State, until they were taken into the service of the United States. Two of those regiments, under the commands of Colonels Charles J. Biddle and Seneca G. Simons, and two companies of artillery, under the command of Col. Charles T. Campbell at the pressing instance of the War Department were sent on the 22d of June last to the relief of Col. Wallace, at Cumberland, and remained for about six weeks there, and in Western Virginia engaged in active operations.

Towards the close of July the whole Corps was called for under requisition, and taken into the service of the United States. Within four days after the disaster at Bull Run, eleven regiments of this fine body of men (armed, drilled, clothed, equipped, and in all respects ready for active service) were in Washington. The regiments and companies from Western Virginia and the remaining two regiments making the whole num-

ber of fifteen, soon joined them there, and they are all now in service under the command of Gen. McCull, who has been commissioned as a Brigadier General by the United States.

These fifteen regiments contain fifteen thousand eight hundred and fifty-six men, and constitute a division comprising three brigades, a regiment of Artillery and one of Cavalry. The whole expense of raising, equipping, clothing, subsisting and paying the Reserve Corps (including the expense of establishing and fitting the camps of instruction, of recruiting, and supplying regimental flags, and the expenses of the campaign of the two regiments and companies in Maryland and Western Virginia, which were all defrayed by the State) has amounted to \$285,444 87. This does not include the transportation of the men, as the separation of that amount would have been a work of great labor, nor does it include the pay of the two regiments during the campaign, but it does include all the expenses, which were heavy, of transit and transportation, not on Railroads, for the two Regiments on the campaign above mentioned. Twelve regiments of the Reserve Corps were paid, subsisted, &c., by the State to the average date of 23 July. The two regiments in Western Virginia were paid by the State to the date of their departure from Harrisburg on that date.

The General Government requested that the States would abstain from purchasing arms, as their competition was found injurious in the market, and in view of the large expenditures of money in arming and equipping the volunteer force of the National Government, I did not purchase any as authorized by the 28th section of the act of the 15th of May, 1861. The State has not purchased any arms as necessary to fill all her volunteer organizations in existence; but influenced by the threatening aspect of our relations with foreign governments, I have directed the Adjutant General to procure arms as soon as it can be done on reasonable terms and without injurious competition with the National Government. Arms have been distributed among the border counties, and all the organizations that have been formed to receive them. 1930 arms have been thus distributed. I have also addressed a letter to the commissioners of all the border counties, offering arms to them as soon as military organizations shall be formed to receive them. Besides this, I have deemed it prudent to offer five thousand arms to such military organizations as may be formed in Philadelphia on a plan to be approved by me as Commander-in-Chief. Muskets and rifles to a considerable extent have been furnished to the Pennsylvania volunteers from the State arsenal. Others have been sent by the United States authorities to arm them before leaving the State. In some cases regiments have gone without arms under assurances from the War Department that they would be armed at Washington or other near designated points, and that their immediate departure was required. It was thought wise in these cases not to insist on the arms being sent before the regiments marched, as this would have imposed upon the Government an unnecessary expense in freight; and would have been productive of delays which might have been seriously detrimental to the public service. Forty-two pieces of artillery with limbers, carriages, ammunition wagons, harness and all the necessary implements and equipments were furnished by the State to the artillery regiment of the Reserve Corps. Ten of these were purchased by the State, and their cost has been refunded by the United States. Diligence has been used in collecting arms throughout the State and repairing and altering them in the most approved manner.

The State has now 62 pieces of artillery, of which 17 need repairs.

20,759 muskets and rifles, some of which are in the hands of mechanics being repaired; 1910 are in the hands of volunteer corps throughout the State; 1930 in the possession of County Commissioners, and 1,000 with the reserve corps of Philadelphia.

In addition to this the city of Philadelphia has 9 pieces of rifled artillery, and 4,976 muskets and rifles.

The State has also in the arsenal at Harrisburg, 1,966 sabres and bayonets, and 1,957 pistols, and the city of Philadelphia has 340 sabres and 826 pistols with the necessary accoutrements.

There is also in the Arsenal at Harrisburg a large amount of accoutrements and ammunition for artillery and small arms.

The Adjutant General is successfully engaged in collecting arms throughout the State, and it is expected that the amount above stated will be largely increased. Probably, at least, 5,000 muskets and rifles and several pieces of artillery will still be collected.

The care which has been bestowed upon the comfort of the volunteers, and the goodness and sufficiency of their supplies of all kinds, and the excellent arrangements of the Medical Department under the control of Surgeon General Henry H. Smith, are proved by the fact that more than 60,000 men have been far various, generally short periods; at Camp Curtin since the 10th of April last, and that down to the 1st January inst. there died but forty-nine men that, camp, viz.,

Preparatory for service, 16,038

Companies preparing for service, 109

Companies of cavalry, 624

Companies of artillery, 792

In service, 95,577

Preparatory for service, 16,038

Pennsylvania's contribution, 109,615

Exclusive of 20,175 three months men now disbanded.

The regiments preparing for service are incomplete. Those that may not be filled by the 10th instant will be consoli-

dated and sent forward. Of the regiments in service, the 11th and 15th regiments of Infantry are at Annapolis; the 28th, 30th, 21st, 66th, 60th, 71st, 72nd and 106th regiments and one company of Infantry are in the command of Major Gen. Banks; the 45th, 50th, 55th 76th and 100th regiments of Infantry are in South Carolina; the 48th Infantry are at Hatteras Inlet; the 108th Infantry and the 11th Cavalry are at Fort Monroe; the 77th, 78th and 79th Infantry, the 7th and 9th Cavalry, one troop of horse, one squadron of Cavalry, two battalions of artillery are in Kentucky; the 34th and 119th Infantry are in Western Virginia, as are also three companies of Infantry, four companies of Cavalry, five companies of light artillery; the 87th Infantry are in Cockeysville, in Maryland; one company of artillery is at Fort Delaware; all the rest of the volunteers are at or near Washington. Upwards of 300 volunteers from Pennsylvania are now prisoners, but as arrangements have been made for the exchange of prisoners it may be expected that they will soon be released.

In compliance with the joint resolutions of the 10th of May last, I have procured regimental flags for the Pennsylvania volunteers, and have presented them in person to most of the Regiments. In other cases, the regiments being on or near the Potomac, I have requested Mr. Cowan, Senator, and Messrs. Grew and Wright members of the House of Representatives, from Pennsylvania, to present them in the name of the Commonwealth.

The General Government requested that the States would abstain from purchasing arms, as their competition was found injurious in the market, and in view of the large expenditures of money in arming and equipping the volunteer force of the National Government, I did not purchase any as authorized by the 28th section of the act of the 15th of May, 1861. The State has not purchased any arms as necessary to fill all her volunteer organizations in existence; but influenced by the threatening aspect of our relations with foreign governments, I have directed the Adjutant General to procure arms as soon as it can be done on reasonable terms and without injurious competition with the National Government. Arms have been distributed among the border counties, and all the organizations that have been formed to receive them. 1930 arms have been thus distributed. I have also addressed a letter to the commissioners of all the border counties, offering arms to them as soon as military organizations shall be formed to receive them. Besides this, I have deemed it prudent to offer five thousand arms to such military organizations as may be formed in Philadelphia on a plan to be approved by me as Commander-in-Chief. Muskets and rifles to a considerable extent have been furnished to the Pennsylvania volunteers from the State arsenal. Others have been sent by the United States authorities to arm them before leaving the State. In some cases regiments have gone without arms under assurances from the War Department that they would be armed at Washington or other near designated points, and that their immediate departure was required. It was thought wise in these cases not to insist on the arms being sent before the regiments marched, as this would have imposed upon the Government an unnecessary expense in freight; and would have been productive of delays which might have been seriously detrimental to the public service. Forty-two pieces of artillery with limbers, carriages, ammunition wagons, harness and all the necessary implements and equipments were furnished by the State to the artillery regiment of the Reserve Corps. Ten of these were purchased by the State, and their cost has been refunded by the United States. Diligence has been used in collecting arms throughout the State and repairing and altering them in the most approved manner.

The State has now 62 pieces of artillery, of which 17 need repairs.

20,759 muskets and rifles, some of which are in the hands of mechanics being repaired; 1910 are in the hands of volunteer corps throughout the State; 1930 in the possession of County Commissioners, and 1,000 with the reserve corps of Philadelphia.

In addition to this the city of Philadelphia has 9 pieces of rifled artillery, and 4,976 muskets and rifles.

The State has also in the arsenal at Harrisburg, 1,966 sabres and bayonets, and 1,957 pistols, and the city of Philadelphia has 340 sabres and 826 pistols with the necessary accoutrements.

There is also in the Arsenal at Harrisburg a large amount of accoutrements and ammunition for artillery and small arms.

The Adjutant General is successfully engaged in collecting arms throughout the State, and it is expected that the amount above stated will be largely increased. Probably, at least, 5,000 muskets and rifles and several pieces of artillery will still be collected.

The care which has been bestowed upon the comfort of the volunteers, and the goodness and sufficiency of their supplies of all kinds, and the excellent arrangements of the Medical Department under the control of Surgeon General Henry H. Smith, are proved by the fact that more than 60,000 men have been far various, generally short periods; at Camp Curtin since the 10th of April last, and that down to the 1st January inst. there died but forty-nine men that, camp, viz.,

Preparatory for service, 16,038

Companies preparing for service, 109

Companies of cavalry, 624

Companies of artillery, 792

In service, 95,577

Preparatory for service, 16,038

Pennsylvania's contribution, 109,615

Exclusive of 20,175 three months men now disbanded.

The regiments preparing for service are incomplete. Those that may not be filled by the 10th instant will be consoli-

killed in Camp Curtin and one shot in Harrisburg.

To facilitate the making of allotments of their pay by our volunteers in the field for the support of their families at home, I appointed Hon. Edgar Cowan, Thomas B. Franklin and B. C. Humes, Esqs., commissioners to visit the camps of men on and south of the Potomac, and also James Park and M. W. Belthoover, Esqs., commissioners to visit those in Kentucky and elsewhere in the western country, to call the attention of the troops to the system of allotment and to encourage them in adopting a practical plan for carrying it into effect.

The several reports of these commissioners are highly satisfactory.

For details on the several subjects connected with the military operations of this State, I refer to the reports of the Adjutant General, Surgeon General, Quartermaster General, Commissary General and Paymaster General which accompany this Message.

The duties imposed on me were so onerous that I found it necessary to invoke the temporary assistance of gentlemen on my staff to aid me to perform them.

In this capacity, Col. Thomas A. Scott, Gilson J. Ball and John A. Wright contributed their valuable services from the middle of April until they were called away by other duties. Col. Scott remained until he became convalesced with the War Department, Col. Ball until the 1st of June and Col. Wright until the 23d of July; for the time thus devoted to the service of the State they have refused to receive any compensation.

Col. Joseph D. Pitts, A. L. Russell, J. Brown Parker and Craig Biddle were in service up to the 29th of December last, and the temporary arrangement which had been made for its employment was then closed.

By the 13th section of the Act of the 15th of May, 1861, I was authorized to draw my warrants on the Treasury for a sum not exceeding \$200,000 for compensation to such persons as might be employed to serve the country in a military capacity, &c. Of this fund I have drawn from the Treasury \$5,500, one of which I paid the compensation of my personal staff, also other expenses of the military department, and the actual expenses of persons employed on temporary service, some of whom received any further compensation, and expenses of the commissioners appointed to investigate alleged frauds, &c., and the expenses of establishing military patrols on the Maryland and five hundred dollars on secret service. My account is settled in the office of the Auditor General up to the 1st of December, 1861, and presented pending \$6,400, and except some incon siderable payments made since, the balance remains in my hands.

The report of the Auditor General will exhibit the items of the account.

An account of military expenditures by the State on behalf of the United States, (as far as the same had then been ascertained) here, was made up to the 1st day of September, 1861, and presented on the 12th of that month at the Treasury Department of the United States for settlement and allowance. The sum of \$206,000, has been received from the Treasury Department on that account. The repayment by the General Government of the expenses attending the organization and support of the Reserve Corps, may not be provided for by any existing act of Congress. As these expenses were incurred by the State for the benefit of the General Government, and have been productive of results most important to the welfare and even safety of the country, it would be right that an act of Congress should be passed providing expressly for their repayment. It lies with the Legislature to adopt the proper means for directing the attention of Congress to this subject.

Assurances have been received from the Treasury Department that the exhaustion of the military accounts of the State will be proceeded in without delay, so that the State may receive a credit for the balance due, in time to apply the same towards the payment of her quota of the direct tax. Assuming the completion of this arrangement, if the State shall assume the direct tax for this year, a saving of fifteen per cent will accrue to her, and no present increase of her taxation will be necessary.

Whether this credit be given or not, I recommend that the payment of the direct tax be assumed by the State.

In case the State assumes the payment of this tax there should be such revision with the Legislature as will heretofore equitably apportion the burden among the various interests now subject or that can properly be made subject to taxation. The saving of fifteen per cent, to the people of the State by the assumption is a matter worthy of thought, but a more important consideration is that it will enable you who represent all the varied interests of the Commonwealth to apportion the tax in such manner as bear equally upon all. Our revenue laws had imposed on real and personal property as its full proportion but little more than one-third of the taxes needed for the ordinary expenditures of the government. By the act of 15th May 1861, the tax on this species of property has been increased one-sixth. Should the State refuse to assume the United States tax the whole burden of it will fall upon these interests, interests, too, most unfavorably affected by the war, whilst other kinds of property and other sources of revenue, judged by our

laws able to pay nearly two-thirds of the present revenues of the State, would not be called on to contribute one dollar of additional tax.

The militia system of the Commonwealth is very imperfect. I recommend the establishment of a commission to frame and report a system more adequate to the exigency of the times.

I earnestly recommend