THE GOVERNOR'S MESSAGE.

Review of the Financial Condition of the State of New York.

Our Educational, Charitable and Penal Institutions.

Governor Fenton's Views of Southern Reconstruction.

STATE OF NEW YORK, EXECUTIVE DEPARTMENT, ALBANY, Jan. 7, 1868.

TO THE LEGISLATURE:—

Through the favor of Almighty God the year which has just drawn to a close has been crowned with the blessings of peace and prosperity.

The great and diversified interests of our State impose duties of the utmost delicacy and responsibility upon the legislative department of the government. The condition of our finances naturally presents itself as a leading subject of consideration, intimately connected as it is with our general affairs, and engrossing, as it should, a large measure of public attention.

The report of the Comptroller, which I commend to careful attention as an interesting and comprehensive document, shows the debt of the State September 30, 1867, after deducting the balance of sinking funds unapplied, to be $41,114,592.

There is a natural and just solicitude as to the ability of the State to sustain the burdens resting upon it, and in regard to the continued ease with which taxation has so far been borne. It is apprehended in some quarters that there are financial trials impending which will prove far more severe than any in the past. It seems to me that there is only required a prudent economy in all matters pertaining to the administration of government, and a thorough revision of the whole tax and assessment system, to vindicate a reasonable expectation of our continued prosperity. Our wealth and our resources are so vast that no reasoning founded upon our past condition during periods of great public indebtedness is directly applicable now. Material wealth in every form has immensely increased. This is conspicuously true of New York, as it is of a great area over which new States are forming. As a fair measure of this advance it will be seen that the New York city banks in November, 1860, as represented by their loans, conducted a business of $122,000,000, and at the same date in 1867 the volume of their loans was nearly $248,000,000, or more than double the business of 1860. Hardly less significant, if not in so great a ratio, is the advance in most departments of business and enterprise, as will be found by reference to the tables of commerce and tonnage, railroad and banking capital, mercantile, manufacturing and mechanical employments, and the value of real and personal estate.

The amount to each person of our tax for 1866, paid to the general government upon an approximate estimate, was from internal revenue sources $8 80; upon custom duties, $5 15; making a total of $13 95. Placing our population at four millions, it would amount to the sum of fifty-five millions eight hundred thousand dollars. The aggregate of State, county, town and city taxes can hardly exceed this sum by ten millions of dollars. If the assessed valuation of taxable property was the true index of its real value the burdens imposed might be regarded with great uneasiness, if not with just alarm. But no such disparity has been felt in the centres of business; real property maintains its prices; manufacturers have prospered, and trade has been remunerative. According to the census of 1865, in an area of 28,947,142 acres of land enumerated in the State, about 16,000,000 of acres are improved, and the value of the farms is placed at $924,349,331, an increase of thirteen ten hundredths per cent in five years; and the valuation of farm stock, agricultural implements, furniture and investments in manufactories swell the amount to $2,413,398,512. This enumeration does not include the amount invested in commerce, articles of personal adornment and many other items of personal property; it is probable, however, they fully equal the value of those I have named. I think it is safe to assume that the aggregate valuation of the whole real and personal property of the State will not fall below $4,500,000,000 as against $1,061,107,795 returned to the State Assessors, and upon which their equalization was based. Upon this statement of value the whole aggregate of federal, State and local taxes would be less than three per cent.

May we not take another view of the case and inquire whether that part of our population belonging to the productive class are able, from the annual profits of labor and enterprise, to sustain the estimate of $130,000,000 taxation. The aggregate of our population, according to the census of 1865, referred to, was 3,881,777. Excluding from this number females, and males under twenty-five and over sixty years of age, as non-producers, we have left 742,166 persons. It is obvious, upon this theory, that these sustain the great burden of taxation, and that the average paid by each is about $150; full one-half of which sum is for purposes within our own State. When it is understood that a large number of these 742,146 persons from their wealth pay many times $150, it follows that the remainder pay less, and so little that the burden adjusted upon a real knowledge of the true value of the property each and all possessed would be insignificant in the light. It will be borne in mind, also, that the amount will annually be diminished both from the extinguishment of debt and the increase of population and wealth.

It is an error, however, to suppose that females and minors contribute nothing to our practical resources as elements of productive wealth. It is to be remembered that all invested capital is productive to the community as well as to the party making the investment, and that a very large proportion of the wealth of the State is owned by females, by minors, and by citizens, who have passed the limit of three score years. These, though not for the most part active laborers, are, through the investment of their property in the various departments of corporate enterprise, including railway and navigation companies, banking and manufacturing and all other similar corporations, availing themselves constantly of the agency of others to advance our general interests and prosperity and augment the wealth of the State. They pay a proportion of our State and national taxes upon the property thus invested, besides sharing the burdens common to us all incident to the operation of the revenue laws.

The convergence of vast interests in New York, as the great commercial and financial centre of the nation; our extensive operations, delicate as they are important, and the large share we are called upon to contribute to the support of the general government, seem to justify more extended discussion.

In further considering the subject, it may not be profitable to discuss, or important to settle the question whether the rebellion could have been suppressed with less sacrifice than it has cost us. With a united North it would appear that it could have been. But the public debt is upon us, as the unavoidable result of the war; and, notwithstanding its great burdens, we may yet congratulate ourselves that they are far short of the averted ruin of a divided country; and if we are called upon to deplore the disasters of the struggle, we may also rejoice in its compensations. Among those may be found its lessons of warning, its tests of parties and their principles, its development of the patriotic endurance of our people, and the assurance it brings of the stability of our institutions.

A debt created in maintaining the perpetuity of our government and in defence of invaluable rights, is one with all honest men will always be paid. It is one for the payment of which we have all pledged our faith. It is our common interest to pay it. It is essential to the preservation of our public credit no less than to the maintenance of our personal, our State, and our national honor. There is hardly a man, woman, or child that has not an interest in our public securities. There are $300,000,000 in legal tenders and fractional currency, and nearly $300,000,000 of bank notes secured by government bonds. There are sixteen hundred national banks with $449,000,000 of capital and $560,000,000 on deposit, with their officers, stockholders and depositors. There are also State banks, individual bankers, trust, life, fire and marine insurance companies, with their numerous parties in interest, and to this add the savings banks, whose aggregate deposits in this State alone amount to $131,000,000, with over 500,000 depositors. All these institutions not only have directly more or less of government securities, but all their debts and liabilities are payable in the legal tenders of the government. Not to dwell on this vast array of individual and corporate interest in our public securities, it is enough to say that it is a debt due from the government which was saved to the people who saved it. It is just, however, to the government and the people alike, that this obligation should be discharged in such a manner as shall most conduce to the interest and the honor of both. The public should not be subject to undue burdens by forcing the premature payment of the principal; nor should we fail to provide for the prompt payment of the interest, and such a reduction of the principal as will not impair our productive energies. Such a forced payment is uncalled for by a prudent regard to the public faith or the public good; and as it requires continued heavy taxation, we may wisely forbear to apply such a test to the forbearance and patience of the people.

We have been thoroughly educated in the doctrine that every generation, so far as possible, should pay its own indebtedness.

There are exceptions, however, to this correct rule of the most prominent among them is the case before us, in which great trials have been endured and great sacrifices made, not only to protect the present rights of the people, but to perpetuate the blessings of good government. Weighed down by the derangements and devastations of the most formidable war known to history, for the benefit of the coming generations, as well as for the safety and security of the present, we require time for the renewal of our industry, to replenish our means, and to gather strength from reconstruction and increased population. It will be honor enough when, in the not far distant future, from recuperated energies, the burden will be lighter, to illume our history with the extinction of a public debt created in defence of our liberties. We are called upon, therefore, by every consideration of interest and of duty, to relieve labor from its oppressive burdens, and as most of the evils which the rebellion has entailed upon us centre in taxation, to the solution of this problem the thoughtful consideration of all is invited.

Congress can, and doubtless will, in their good judgment, strike hundreds of items from the tax list which are more fruitful of annoyance than of revenue, and it should reduce and readjust the taxes so as to have them fall where they would be least felt, most readily paid, and most easily collected. With a judicious reduction and adjustment of taxes, wise retrenchment, and a firm and impartial enforcement of the revenue laws; with industry relieved and enterprise encouraged, and the vast treasury of our national resources made tributary to our progress, we look to the future of the country with calm and assured confidence. Our national production has doubled in thirteen or fourteen years, and we may reasonably expect, with taxes so reduced as not to impede our national development, our power from production will be twice as great at the end of that period of time. At least, an estimate based on past conditions of growth can hardly fail to be realized in the future.

The readjustment above suggested is the more essential in view of the high price of commodities and the low price of gold which tend as a stimulant to foreign importations. It is hardly to be expected, however, that we shall ever get back to the prices which prevailed prior to the rebellion. I need not advert to the causes further than to remark, that gold has depreciated or lost in its purchasing power from its greatly increased production within the last few years. In countries where a gold currency prevails prices have steadily increased, and from the prospect and returns of the mines this cause must inevitably continue to affect prices in a greater or less degree.

In regard to local taxes I am convinced that our method of assessment is essentially defective. It cannot be doubted that a much nearer approximation to equal assessment could be attained if our laws provided for specific returns of all taxable property. No one can question that the personal property of individuals very largely escapes taxation. The personal property of this State in 1860, after deducting corporate property, left the amount assessed to individuals at about $100,000,000. This class of property in Georgia was assessed that year, after deducting the slave property at the estimated average value of $400 a slave, at $292,000,000; in Mississippi at $333,000,000, and in South Carolina at $262,000,000. In Ohio, for the year 1866, the amount was $406,000,000. The same year in this State the personal property indicated was about $230,000,000. How much of this was corporate property in the States referred to for comparison I am not informed, but it could not have been very considerable. Evidently the assessment is based on different principles, designed to produce a more just distribution of burden; for there can be no doubt but the personal property of individuals in this State is many times more than that held in the above-named States. The existing laxity and inequality of assessment operate with severity and injustice upon real estate, and upon those who are taxed more nearly or entirely to the sum of their personal property. It is likewise evident that this defective assessment of personal property throws an undue and disproportionate share of the State tax upon counties, where but a moderate amount of personal property is held. Real estate may be, and doubtless is, generally undervalued; but a uniform increase in its valuation, while reducing the percentage, will not effect the amount of tax, and it is apparent that it would be reduced by just so much as personal property is brought to light and made to bear its equitable share of the burden. If discrimination may be made, it should not be to the prejudice of real estate, because personal property costs the public more for its protection, and generally yields a larger proportionate profit. We have nothing to fear from unwillingness in the people to contribute fairly to a just distribution of taxation, but unequal as it is, the murmur of discontent may be expected. A burden which may easily be borne when distributed uniformly and equally, placed on the shoulders of a few, or upon the many with unjust discrimination, becomes oppressive.

The laws in several of the States require individuals to furnish returns of their property as the basis of valuation. The tax laws of Ohio are represented to me as working satisfactorily, and I believe the same experience has obtained in some of the Eastern States. In this or some other and better form a remedy should be provided for the imperfections of our existing system. I commend this important matter to your early consideration, and respectfully suggest that, if the difficulties incident to the question should seem to you to require it, it might be advisable to provide for a competent commission to investigate the subject and report promptly to the Legislature such facts as they can collect, with such recommendations as may be deemed advisable, in view of the practical results of legislation in other States in aid of this general object. The end to be attained is one in which the entire community is deeply interested. Every class of our citizens recognize the necessity of reform, and all will cordially acquiesce in such legislation as will secure a fair and just equalization of the general burden. Every citizen will be content to do his part, if he can be assured that he is charged with no more than his own equitable and legitimate share.

CANALS AND CANAL FUND.

Balance in the treasury and invested, Oct 1, 1866	$4,884,634
Received during the year	5,681,329
Total	$10,565,963
Paid during the year	6,725,027
Leaving a balance September 30, 1867, of	$3,840,935

REVENUE DURING THE FISCAL YEAR.

From tolls		$3,992,161
Rent of surplus water		1,165
Interest on current canal revenues		51,437
Miscellaneous receipts		5,593
Total		$4,050,357

EXPENSES.

To Canal Commissioners for repairs	$313,681	
To contractors for repairs	691,033	
To Superintendents for repairs	70,162	
To Collectors for salaries, clerk hire, pay of inspectors and expenses of Collectors' offices	76,163	
To salaries chargeable to annual revenues, refunding tolls, printing and miscellaneous payments	69,145	
		1,220,192
Surplus revenues		$2,830,165

Surplus revenues which have been transferred to the sinking funds as follows:—

Under article 7, section 1, of the constitution	$1,700,000
Under article 7, section 2, of the constitution	350,000
Under article 7, section 3, of the constitution	780,165
Total	$2,830,165

Canal debt, paying interest on the 30th of September, 1867:—

	Principal.	Annual Interest
Under article 7, section 1, of the constitution	$3,247,000	$162,395
Under article 7, section 3, of the constitution	10,775,000	646,250
Under article 7, section 12, of the constitution	1,700,000	102,000
Total	$15,722,900	$910,645

The aggregate balances of the sinking funds, applicable to the canal debt at the close of the fiscal year were $3,214,940. None of the stocks named in the foregoing table mature before October 1, 1868, and then only $247,900. The department has purchased $2,443,700 of five and six per cent unmatured canal stocks at a discount of $75,187, and redeemed $53,300 of stock overdue and not before presented for payment, making a total of $2,497,000 purchased and cancelled during the year. On the 1st day of October, 1868, the actual and estimated balances in the sinking funds will exceed $4,000,000, applicable to the payment of the principal of the canal debt. At the close of the fiscal year in 1869 the aggregate of this debt was $27,107,321
Present debt 15,722,900

Amount of reduction in seven years $11,384,421

Should the surplus of $4,000,000 be applied in October, 1868, the debt will be reduced to $11,722,900. Upon the basis of the average revenues of the canals during the last seven years the whole will be fully extinguished in 1874; and the canal and general fund debt, now a lien upon the canal revenues, will be discharged in 1877.

The taxes levied and money appropriated for the improvement of the Champlain canal, according to the plan prescribed by the act of 1864, will not complete the work, and the further sum of $20,000 is required for that purpose, as now estimated. The enlargement of the remaining locks of this canal to the dimensions of those on the Erie seems essential to its full measure of usefulness. The amount needed for such an improvement ought not to exceed $250,000. The importance and value of this branch of our system of public works will not be doubted; nor that the composition of such enlargement would more than meet the fair demands of production and enterprise, and ultimately repay the investment.

The Genesee Valley canal is one of the State works finally constructed under the present constitution, and still retains its inalienable character. The revenues of this canal in good condition, it is believed, would be fully adequate for necessary repairs and maintenance; but its improvement will become a charge upon the public treasury. For several seasons during the summer months the deficiency of water on the summit level of this canal has impeded, and latterly wholly interrupted, navigation near its southern terminus. If we continue to refuse the amount necessary to restore the canal to a navigable condition it is equivalent to a declaration that the southern portion of the line may be abandoned. It is estimated by intelligent authority that the difference of tolls arising from a judicious expenditure on this canal would pay six per cent on $250,000. If this be true our pecuniary interests will not be impaired, while our good faith will be maintained, in granting the aid needed to restore to use this public work.

Upon the extension of the Chenango canal the sum of $842,146 has been expended and the work is still unfinished. The appropriation has been exhausted and the work upon it has been stopped. The deliberations of the Constitutional Convention do not warrant the belief that, in an amended constitution, the creation of a debt for canal purposes will be authorized. Our experience derived from the history of our public works is adverse to the economy, to say the least, of a temporary suspension in their prosecution. Assuming that it is just to public expectation, and advantageous to the public interests to complete this work in the not far distant future, I respectfully invite your attention to the consideration of the question, whether it may not be well to proceed with the work without further delay.

The other canals of the State are in a fair and prosperous condition, and by their contributions to the public wealth and business, justify the policy that has inaugurated, maintained and extended these great avenues of inland commerce. The constantly augmenting productions of the great West, the iron, coal and lumber trade, together with freight from other sources of development, which attain with each returning year still greater proportions, give increased support to our public works, and incite to yet further advance in perfecting the facilities for internal transportation. For detailed statements as to their particular condition and needs, I respectfully refer you to the report of the Canal Commissioners and the Canal Auditor.

CLAIMS AGAINST THE GENERAL GOVERNMENT.

The settlement of the unadjusted accounts between the State and the United States has been urged as rapidly as their complicated nature would permit. Of that portion for war expenses, amounting to $1,529,345, which had been suspended, and which was unadjusted at the date of my last annual message, the sum of $879,056 has been allowed and passed to the credit of the State, leaving $650,288 which is now in the course of settlement, but under existing regulations subject to technical objections which involve some delay. I have also caused to be presented the claim arising under chapters three hundred and ninety-seven and four hundred and twenty-one of the laws of 1862, amounting to $281,845, which, with the preceding sum, will nearly balance the amount advanced by the United States, including the direct tax; the difference being only $2,542. The value of the clothing and equipage retained and issued to the National Guard of the State has not been ascertained, but under the present orders of the War Department there can be no doubt of an early adjustment of this portion of our account upon an equitable basis. In addition to the foregoing accounts are several of comparatively small amounts created by authority of acts of the Legislature in 1862, 1864 and 1865, and which, as soon as prepared, will be embraced in the schedules for payment. The State has taken the initatory measures to secure a final and complete settlement, by the appointment of commissioners under the provisions of chapter three hundred and fifty-seven, laws of 1867, and it is to be hoped that Congress will speedily authorize the appointment of a similar commission on the part of the United States, clothed with full power to allow all equitable claims. Every proper effort should be made to this end, and when fully accomplished there will be cause for congratulation that the State has emerged from the great conflict with so little direct burden for ordinary military expenses.

MILITARY DEPARTMENTS.

The National Guard of the State has improved during the past year in organization, discipline and practice. It has been my pride, hardly less than my duty, to promote such a condition of our military force that, in ordinary periods, it might inspire general confidence, and in emergencies to which a great State is subject, its power could be displayed with advantage and honor.

It will be conceded that there should be at all times a good organization of volunteers, well armed, equipped and uniformed at the public cost, practiced and disciplined to the best attainable extent in peace, and ready for any emergency that shall call them to arms. It seems to me, however, that we should undertake to maintain only so large a force as may be placed on a complete war footing, and trust for its increase from time to time to our advance in population, enterprise and prosperity. I therefore respectfully recommend the reduction of the present minimum of the National Guard to a number that can be fully equipped, thoroughly disciplined and qualified for active duty.

I submit for your consideration also the propriety of authorizing encampments of the militia in various sections of the State during the coming season. Such a measure would tend to incite a spirit of generous emulation productive of improvement in the drill and discipline of our arms-bearing population. Assembled in large bodies, subjected to rigid inspection, and schooled in the routine of military duty, the men become, in some degree, inured to the exposures and hardships of the more severe service of the field.

The present numerical strength of the National Guard is about forty-five thousand, officers and men. For a detailed account of the condition of the military forces of the State I refer you to the report of the Adjutant General, which will soon be transmitted for your consideration.

SOLDIERS' AGENCY AND HOME.

Incident to the close of our late war are certain appeals for aid which enlist the higher sentiments of our nature and command hearty and general appreciation. Prominent among these are the collection and preservation of the evidences of the patriotism of our State, of the endurance and valor of those of her sons who participated in that great struggle, and of the leading historical incidents of this memorable period of our history.

From the report of the Chief of the Bureau of Military Statistics it will be seen that the labor of preserving and arranging the memorials and historical narratives has been continued. Very much of interest and value has been added during the year. The sum of $10,917 has been received for the "Hall of Military Record" since the last report, making the whole sum for that purpose, up to the present time, $36,288.

The work has already been commenced on the new Capitol, under favorable promise of early completion, and I venture to renew the suggestion made in my last annual message that a suitable room, both as to arrangement, safety and location, may be provided in that building for the purpose I have indicated, without increased public expenditure or inconvenience to other public interests. In view of the fact that hardly one-half of the amount contemplated by law has been raised for the "Record Hall," and that it is not probable that the balance will be fully paid in, it has seemed to me that the funds thus far donated for that purpose could very properly be used in founding a permanent soldiers' home, for disabled men of our volunteer forces. This would not be such a departure from the original object as to disappoint the purpose of those who contributed to the fund; on the contrary, it would meet their hearty and earnest approval. It is presumed that the generosity of the citizens of Albany who placed at the disposal of the State a suitable lot for the proposed hall, would find equally liberal expression in any arrangement for the permanent location of the Home in the buildings now used for that purpose.

The military agencies at Washington and Albany have met with great success in their beneficent work. Over $665,000 have been collected since January 1, 1867; more than forty thousand letters have been written, and there are now in the agencies, pending action at the departments in Washington, over eighteen thousand claims, involving at least $2,000,000. I think it not too much to say that no public trust, requiring so much de tained labor, has been administered with more economy, nor is there any charity with stronger claims or more appropriately under the care of the state.

There are at present in the "Soldiers' Home" two hundred and seventy-nine inmates. Of these one hundred and one have lost one or more limbs, seventy-five have been otherwise mutilated and the remainder are in the hospital for treatment or disabled from sickness. During the summer months some of these men obtained light employment, and for a time supported themselves; but on the approach of winter, both because of a decreased demand for such labor and their inability to withstand the severity of the season, many of them have returned to the institution. A large number enter the Home for temporary assistance required by reopening wounds or recurring sickness. In health, by the aid of a pension, they can maintain themselves, and it is only when compelled from these causes that the shelter of the Home is required. During the first year nearly three-fourths of the admissions were of this character, and during the past year about the same proportion have been received. This large class, by far the most numerous, and alike entitled to consideration, are not within the requirements for admission into the United States Home, which receives only those who are permanently disabled. Something more should be done by us. It is probable that an arrangement could be made with the United States authorities for the support of those entirely disabled, in a home within our own State and under our supervision and control. My observation leads to the opinion that the soldier leaves his own State, however pleasant and generous the retreat within another may be, with extreme reluctance. It was a patriotic duty to accept the trials of war, but it is hard, after the war is over, to separate these suffering and maimed defenders so widely from home and friends, and to remove them from the State whose safety and peace have been secured by their unflinching courage and devotion. I do not overestimate the pride and the gratitude of the people of New York in assuming your readiness as their representatives to meet the utmost requirements of these most deserving men. It is therefore scarcely necessary to recommend that an appropriation be made for the establishment of a permanent home. Should the Legislature, however, not concur in these views, I respectfully ask that provision be made to continue the present arrangement until such time as the transfer of the wholly disabled to the United States homes can be effected, and until the partially disabled are in such condition as to justify their return to their families, neighbors or friends.

PUBLIC CHARITIES.

A liberal and humane policy in relieving the subjects of misfortune and affliction has prevailed in this State from an early period in our history. Through legislative action and the various channels of private benevolence the means and facilities have constantly been multiplying for providing for the wants of the hapless and destitute in all the departments of public charity. It no sooner became apparent that the provision for the protection and treatment of the insane at the Utica asylum were inadequate than measures were taken to provide the needed accommodations. Two other institutions were projected and are now in process of construction—the Willard Asylum, at Ovid, and the Hudson River Asylum, at Poughkeepsie. The central portion and one wing of the former are nearly finished, and it may be opened for the reception of patients during the present year. The commissioners in charge seem to have shown a wise regard for economy in prosecuting the work by using materials found on the lands appropriated by the State, and avoiding the needless and improvident expenditures which too often augment the cost of structures erected under State authority. The trustees of the Hudson River Asylum have adopted well conceived plans for the buildings, and are now engaged in the earnest and faithful discharge of their duties. The necessity which called for this extension of the benevolent care of the State over this class of her helpless children will continue with increasing force until these additional institutions are opened for the reception of patients. I would, therefore, recommend such action as will lead to their early completion, as a matter of wisdom as well as humanity.

The officers of the asylum at Utica report the general operations of that institution for the past year as follows:—

Under treatment at the commencement of the year	641
Received during the year	401
Whole number treated	1,042
Discharged during the year	159
Discharged improved during the year	58
Discharged unimproved during the year	164
Discharged as not insane during the year	7
Died	51

The commissioners intrusted with the construction of buildings for the blind at Batavia have made successful progress, but will require an additional appropriation to complete the tasteful and well arranged structure now in course of construction. They have manifested commendable regard for the interests of the State, and in the prosecution of the enterprise have displayed marked intelligence, zeal and ability.

The board of trustees suggest that the number and needs of this class of unfortunate persons are such as to call for two institutions of this character. Should this view obtain your attention is respectfully directed to their earnest recommendation for the purchase of the building at Binghamton, already selected and prepared for the temporary use of the blind.

In pursuance of an act of the last Legislature the trustees of the Inebriate Asylum at Binghamton have conveyed the asylum property to the State. The board have continued in the discharge of their duties, and I am informed the asylum is now in successful operation. Questions relating to the change of title and the necessity of a modified system of regulations will doubtless be discussed in the report of the trustees.

The institutions already in operation for the treatment of the blind, the deaf and dumb and the idiotic, and those of a reformatory character are fulfilling the just expectations of the State, and producing the beneficent results contemplated; and this is apparently true of those founded by private munificence as well as those established and maintained by public authority.

The last Legislature devolved upon me the duty of appointing a board with the power of visitation and supervision over all public charities. Gentlemen of culture and experience were selected for the important trust. Owing, however, to the probable changes affecting this class of interests through the provisions of a new constitution, they have not yet proceeded to make a thorough investigation of possible abuses, nor completed the plans they are engaged in maturing for the purpose of reforming existing defects and insuring better discipline in these charitable agencies. It is nevertheless true that much valuable information has been elicited, and their report will have an interest commensurate with the importance of the subject.

It will be conceded that a system involving so large an expenditure of public money, embracing all classes of the destitute, the afflicted and the depraved, should be perfected as far as possible; and it is believed that the labors of a commission so intelligent and competent, will lead to reforms which will diminish the expenses of maintaining these institutions, and render them still more effective as agencies of public charity.

Your attention is invited to the interesting report of Mr. John Jay, the special commissioner appointed by me to represent the State in the Board of the Antietam Cemetery. The cemetery was originally founded by the Legislature of Maryland as a State enterprise, for the interment of all who fell in the battle of Antietam or during the first invasion of Lee. By a subsequent law of Maryland it was converted into a national cemetery for the same purpose, to be governed by a board of trustees representing the States whose dead should be interred therein and who should join in its establishment.

Besides New York the States of New Jersey, Minnesota, Maine, Rhode Island, Pennsylvania, Wisconsin, West Virginia, Massachusetts, Ohio, Indiana, Vermont and Michigan have joined the association and made appropriations for its support. New York has a larger interest than any of these States in this cemetery from the greater proportion of her sons who fell in the battle. Of thirty-one officers and two thousand four hundred and six-y-two private soldiers whose remains had been identified and interred up to the 23d of May last, nine officers and seven hundred and thirty-six soldiers were from New York, and this number has since been increased, the total burials in November last being reported at four thousand six hundred and seventy-five. A very clear and satisfactory account is given by the commissioner of the care with which the interments have been conducted, with a view to the identification of each particular grave, and of the substantial character of the improvements on the cemetery grounds, and the prudence and judgment with which the funds have been applied. The appropriation by this State of $10,000 will cover its share of the entire cost of completing the cemetery and all the proposed improvements. It yet remains to provide for headstones, with a brief inscription, for the grave of each soldier, and a pro rata contribution toward the monumental statue of a Union soldier keeping guard over the dead, which the trustees propose to erect at an expense of $30,000.

STATE PRISONS.

It appears from the report of the inspectors that there were 2,920 inmates in the State prisons on the 30th of September last. The management of the prisons has given general satisfaction, and the financial results are more favorable than I had at one time apprehended. It is true that the expenditures have been about $170,000 over the receipts; but the causes which have produced this result are clearly and satisfactorily explained in the annual statement of the inspectors. While it is desirable that the receipts should be at least equal to the expenses, this cannot properly be regarded as the primary object, nor even as one of the most essential requirements of these institutions. The regulation of the mode and degree of punishment, the safe keeping of the convicts, the maintenance of prison discipline and the adaptation of the means employed for the reformation of the criminals, are matters of even greater importance than a fiscal balance in our favor on the prison ledger. It seems possible, however, to promote this end without drawing, under ordinary circumstances, upon the public treasury. The most favorable results from the industry of convicts have been attained at the Dannemora prison, where the inmates are employed directly by the agents of the State. It is the judgment of the inspectors, in which I am inclined to concur, that the extension of this system to our other prisons would be attended with advantage to the convicts and profit to the State.

The records of the prisons show an improved state of discipline, resulting, doubtless, from more strict administration, and the incentives to good conduct held out to the convicts under the authority of a recent act of the Legislature, allowing them to earn certain deductions from the period of imprisonment by the careful observance of prison regulations.

It is not improbable that some modifications of our prison system will be recommended by the Convention for the Revision of the Constitution, and hence I forbear to enter more largely upon the discussion of this branch of the public interests. The whole subject of our prison administration, the punishment and reformation of criminals, and the exercise of the pardoning power is worthy of grave and thoughtful consideration. Much has already been accomplished, but much more remains to be done in perfecting reforms which seem to be attainable through well guarded and enlightened legislation.

QUARANTINE—PUBLIC HEALTH—HARBOR OF NEW YORK.

The number of alien immigrants who arrived at the port of New York during the past year was two hundred and forty-two thousand seven hundred and thirty-eight, being nine thousand three hundred and twenty in excess of last year. Immigration is one of the sources of the wealth of our country and an essential element of its progress and power. It is estimated that during the last twenty years about four millions of immigrants have arrived at the port of New York alone, and we may safely assume that these accessions, together with their natural increase, amount at present to eight millions, or nearly one-fourth of our entire population. While it is true that our cheap and fertile lands, our profitable pursuits and our free institutions invite them hither, it is also true that commerce and industry generally follow the march of the immigrant. A glance at the rapid growth of our Northwestern States and of some of our Northern cities plainly discloses the influence of this cause upon our general prosperity.

Our recent civil war has removed the obstacles which tended to discourage the immigrant from settling in the Southern portion of our country, but which will now claim to participate in this agency so important to its early recovery from the devastations of war and the degradation of labor consequent upon the long prevalence of slavery. The Commissioners of Emigration deem it a privilege to extend a hearty welcome to the new comers, and direct their footsteps to those inviting fields of industry and profit. It will be regarded as a duty we owe alike to our institutions and to the emigrant whom we invite to our shores to encourage and foster a wise distribution over our country of these inflowing elements of national wealth and progress.

The fund under the control of the Commissioners is created by a per capita tax of $2 50 for each alien, which is devoted mainly to the support of the sick and indigent upon their arrival at the port, and in maintaining suitable agencies to carry out the humane purposes of the law establishing the Board. The landing depot at Castle Garden has been improved, the facilities for landing purposes increased, and new appliances added for the comfort and security of the immigrant. From the fund thus obtained, also, large and beautiful hospital buildings have been erected on Ward's Island, where the unfortunate and afflicted are kindly cared for and prepared for the new associations and the active affairs of the land of their adoption.

The improved sanitary condition of the Metropolitan district during the past year, and the decrease in the mortality of the cities of New York and Brooklyn, are important and gratifying.

From statistics furnished me by the Health Officer it appears that since January 1 last one hundred and forty-eight vessels have been placed under quarantine. In addition, over two hundred vessels came from ports known to be infected with yellow fever, and these were required by law, as well as by common prudence, to be detained a sufficient time to determine whether they were free from disease. The danger to which we are exposed, and the disaster that would be likely to follow from inefficient or incompetent administration of our quarantine and health laws, are not lightly to be estimated.

The hospital authorized to be erected on West Bank, under the act of 1866, has so far progressed that its final and successful completion is promised early the coming season. This, it is believed, will meet one of the great needs of the sanitary authorities, but they will still be without warehouses for infected goods, proper facilities for well passengers detained under quarantine, or a suitable landing and boarding station. The duty of the general government to provide such warehouses is generally conceded, and I am not without hope that Congress will yet take measures to this end.

Provision was made by the act of April last for the temporary occupation of Barren Island as a place for the detention of well passengers under quarantine, and for a permanent station on Coney Island. A site for the latter was selected by a board of officers charged with that duty, but the Commissioners have been restrained by injunction from taking possession. The law authorized the selection of a suitable site on the west end of the island. It was deemed proper that it should embrace a sufficient area to secure complete isolation, and thus avoid any possible danger from its use for quarantine purposes; but I am advised that the Court has decided that the powers of the Board were limited, and that they had no right to take the question of isolation into consideration. The effect of the decision has been to render that portion of the act inoperative, and your attention is respectfully directed to the question whether there should be further legislation to promote the original object.

The Police, Fire and Central Park Commissioners have continued to discharge their important functions to the satisfaction of the people of the State, and in a manner especially acceptable to the communities more immediately affected by their action.

An act was passed by the Legislature in 1865 to authorize the erection of warehouses and docks in the port of New York for quarantine purposes. These docks and warehouses were designed to facilitate the discharge of cargoes from vessels not infected with disease, although subject to detention by reason of exposure on the voyage or in ports from which they sailed. At present such vessels are relieved from their cargoes by lighters at some point in the bay considerably removed from the main land. It was supposed that the projected warehouses could be erected in the bay, not less than one and a half miles from shore, and a restriction to that effect is contained in the act referred to.

By the same act the Governor was authorized to appoint commissioners to confer with the authorities of the State of New Jersey relative to the insufficiency of the quarantine regulations with that State, applicable to the waters, and land under water, within her jurisdiction. It has been ascertained that a suitable site cannot be found except on lands under water, the proprietary right to which is ceded to New Jersey by the compact made with that State in 1834. The commissioners appointed have endeavored to obtain the grant, and the Legislature of that State, by joint resolutions passed in April last, designated commissioners to confer with them on the subject. The result of their conference, I am assured, will be communicated to the Legislatures of both States in time for action during the present winter.

In connection with this subject my attention has also been called to a prosecution instituted by the late Attorney General, in the name of the people, against the New Jersey Central Railroad Company, to prevent the construction by that company of docks and piers projecting from the New Jersey shore far out into the bay of New York. A large area of bay, comprising many hundreds of acres, is included within these structures. The compact between the states expressly secured to New York exclusive jurisdiction over these waters to low water mark on the Jersey shore, but subject to the right of the latter state to construct wharves and docks. It is claimed by New Jersey that the provisions of the compact authorizing such construction, by legal implication, permits their extension and filling in with earth beyond low water mark, so far as may be found convenient for commercial purposes. It is sought on this ground to justify the erection by the New Jersey Central Railroad Company of structures extending a mile into the bay, under grants obtained from that State. If these encroachments on the bay are continued they will seriously interfere with the use of the harbor and the convenience of general commerce; and if they are in violation of the territorial rights of New York this constitutes an additional and conclusive reason for restraining them. In either view it is obvious that wharf lines on both shores of the harbor should be established, beyond which docks should not be extended. With my sanction the commissioners appointed presented the subject to the agents on the part of New Jersey. It is hoped that a satisfactory arrangement will be agreed upon and submitted to you at an early day.

The questions involved are of the greatest importance. The foreign and domestic trade at the port of New York is of immense magnitude, and that city is already the rival of the leading seaports of the Old World. In the hope that interests so vast may be further promoted I think it desirable to continue the commission.

The whole subject relating to obstructions of the harbor, and a more commodious and complete system of wharves and piers, is of grave public importance, and I respectfully commend it to your careful consideration.

SPECIAL LEGISLATION.

In my last annual message I alluded to the importance of strict adherence to the policy indicated in the first section of the eighth article of the constitution, which provides that corporations may be formed under general laws, "but shall not be created by special act, except for municipal purposes, and in cases where, in the judgment of the Legislature the objects of the corporation cannot be attained under general laws." Acting in the spirit of this provision the Legislature, from time to time, framed laws of general scope and application, almost wholly removing the necessity for special charters. It seems to me that this regulation should be strictly observed and that exceptions should be admitted only in cases of extreme hardship and when the public good clearly justifies a departure from the general rule. The pressure of private interests has led to its disregard, and we have seen individuals and associations obtain by inconsiderate legislative grants unnecessary and extraordinary special privileges and powers. In a period of vast transactions and great commercial activity competition in every department of enterprise lends increased stimulus, and you doubtless will be frequently invoked to advance schemes which promise individual advantages and the promotion of objects seemingly meritorious.

The danger lies in the tendency to give projects for private advantage and gain an undue prominence to the prejudice of the vast public trusts committed to your special and immediate supervision. The last Legislature passed more than one thousand bills, of which nine hundred and seventy-four received my approval, covering twenty-six hundred printed pages. Of this number one hundred and twelve only were of a general public character, while three hundred and thirty-seven related exclusively to private interests, and five hundred and twenty-five had merely a local bearing. If it is considered that the work of preparing, examining and maturing these measures was compressed into a period of less than four months, it will be apparent that a great proportion of the bills must have been passed without careful examination and a deliberate consideration of their provisions and legal effect.

More than one half of these bills were enacted during the last ten days of the session, and notwithstanding close application on my part in the discharge of the duty devolving upon me, four hundred and ninety four did not receive my approval until after the adjournment of the Legislature. This is not wholly an exceptional case. With my immediate predecessor 281 bills the first year of his term and 240 the second year were acted upon after the close of the session, and obviously from the same cause. It cannot be doubted that a firm adherence to the policy indicated in the constitution would tend to more careful legislation, and a great reduction in the number of the laws. It is a significant fact that the French House of Deputies, during its last session, of more than five months' duration, enacted only 135 laws. The Parliament of Great Britain, during the years 1865 and 1866, enacted but three hundred and ninety-six, and the Thirty-eighth and Thirty-ninth Congress of the United States, embracing a period of four years, enacted only three hundred and twenty-eight laws, including those of a private and public character. This comparison gives support to the prevalent opinion that we not only legislate too much but that a portion of the measures over which the Legislature exercises jurisdiction are imperfectly considered, uncalled for and lead to embarrassment and confusion.

Entrusted by the constitution with the authority to impose taxes for public purposes, and charged with the duty of restricting the powers of municipal corporations to contract debts, the obligation resting upon you is alike delicate, arduous and responsible. A large portion of the tax borne by the people is the outgrowth of the recent war, the exigencies of