

the same, will not consider the repudiation thereof, but will seek in good morals to relieve the same.

The raising of this amount of money immediately by direct or indirect taxes does not appear to me either wise or practicable. Surely to do so by direct taxation would incur an unnecessarily unfair and heavy tax rate for 1916, nor do I believe it possible to find in the time required some source of indirect revenues sufficient to care for the same.

Therefore, in my judgment, this deficit should be taken care of by a bond issue upon the serial annuity plan, so much of the debt being retired each year, thereby doing away with the intricate and unsatisfactory provisions of a sinking fund, no matter how perfect theoretically. nevertheless practical experience has always demonstrated them to be either over or underfed.

CONCLUSION.

Most important and intricate problems will come before you for your consideration. The prosperity of this State will depend in a large measure upon the correct solution of the same. To this end I am earnestly asking your hearty co-operation, which I am sure will be given in full measure. The State's expenses must be kept within its revenues.

I beg to acknowledge with pleasure the great assistance of the Governor, State Treasurer and Attorney General, in all matters relating to this Department. I have found their advice and counsel invaluable. It is a matter of congratulation, that the State is to have the valuable services of so trained a man as my successor, Hon. Hugh A. McMullen, who I am sure will bring to the discharge of his official duties that same fidelity that has always characterized his private affairs.

I likewise desire to acknowledge the fidelity of all of the clerks and employees of my department, and especially of the valuable service of my Chief Clerk, Harry J. Hopkins.

Respectfully submitted,

EMERSON C. HARRINGTON,
Comptroller of the Treasury.