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REPORT

OF THE

AUDITOR OF ACCOUNTS

OF THE

Commonwealth of Massachusetts,

FOR THE YEAR ENDING

DECEMBER 31, 1853.

BOSTON:

WILLIAM WHITE, PRINTER TO THE STATE.

1854.

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Commonwealth of Massachusetts.

AUDITOR'S OFFICE, BOSTON, }
Jan. 14th, 1854. }

To the Hon. Senate and House of Representatives :

The fourth section of the Act of 1849, chap. 56, requires "that the Auditor shall annually, on or before the fifteenth day of January, exhibit to the Legislature a complete statement of the property of the Commonwealth, its debts and obligations of every kind, its revenue and expenses during the preceding year, and the balance left in the treasury at the close of such year, explaining whether such balance resulted from an excess over current expenses, or otherwise."

Also, that "he shall submit at the same time an estimate of the expenses for the current year, distinguishing those which are ordinary from those which are extraordinary, together with an estimate of the income of the Commonwealth, and all other means which he may be able to point out for the defraying of the expenditures, and shall annex to said statements or estimates, such representations or suggestions as he may deem necessary."

In compliance with the foregoing, I have the honor to present the following Report for the year 1853, being the fifth since the establishment of the office in 1849.

It will appear, upon examination, that although there has been an increase of revenue from \$381,000 in 1843, to over \$730,000 estimated for 1854, the expenditures have more than kept pace with the income, and will, notwithstanding the addition to be received from the tax on bank stock, &c., be likely to exceed rather than fall below, their proper point hereafter.

Such a result, though not altogether desirable, is still such as might reasonably be expected from the rapidly increasing population of the State, which is to a degree of a character to require a larger expenditure for charitable and other institutions, than was formerly considered necessary.

There is also an increased sum required for balances due to county treasurers on account of criminal costs, more for military services, and, with our growing business, much more for legislation and salaries.

The means for meeting these demands upon the treasury will be considered hereafter, in that portion of the Report devoted to the estimate for the year 1854. At present it is sufficient to say, that, with judicious management of the Commonwealth's interest in the Western Railroad, and the recovery of our just claim on the General Government, there may be ample means provided for paying the funded debt, and raising the School Fund to a sum sufficient to warrant the distribution of \$40,000 per annum among our common schools, and the payment of a like sum for other educational purposes.

In relation to the following statements, it will be necessary to observe that the transactions in the treasury office are divided into two classes, the first of which includes all on account of ordinary revenue, so called, and the other the various funds, loans, &c., which are specifically appropriated.

These last, which, except loans in anticipation of the revenue, had no existence until 1834, (when the School Fund was established,) now involve in their care and management more labor and responsibility than the ordinary business of the treasury office, which has itself doubled within the last twenty years.

Some idea of the amount of business consequent upon the management of the funds in the treasurer's hands, may be obtained by an examination of the schedule of securities, on which he collects and disburses the interest.

These amount to \$4,250,000, (including the loan sinking fund,) and the debt of the Commonwealth, on which interest has to be paid, is nearly three millions more.

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General Statement of Resources and Liabilities at the close of the year 1853; Receipts and Expenditures for that year, and an Estimate for 1854.

RESOURCES.

The property of the Commonwealth at the end of the year 1853, including all the public buildings, funds, &c., amounted to the sum of \$11,092,457 61.

Real Estate, &c., unproductive,	\$2,077,796 07
Bonds and mortgages of railroads for scrip loaned,	5,049,555 56
Railroad stock, Massachusetts School, and other funds, productive,	3,965,105 98
	<hr/>
	\$11,092,457 61

In addition to the above, the Commonwealth is understood to have rights in the Back Bay, so called, extending over about 100 acres, and worth, at least, fifty cents per square foot, and the cost of improvements.

LIABILITIES.

All the debts and liabilities of the Commonwealth amount to \$6,863,730 56, viz.:—

Scrip issued on account of the State Reform School, State Prison, New Lunatic Hospital, State Almshouses, and State House,	\$575,000 00
Scrip loaned sundry railroad corporations, and payable by them,	5,049,555 56
Scrip issued to pay for 10,000 shares Western Railroad stock, due in 1857,	995,000 00
Unfunded or floating debt, for deficit in the revenue since 1850,	220,000 00

Amount due for interest on scrip not called for on the 31st day of December, 1853, and also \$10,000 for interest on Norwich and Worcester scrip, January 1, 1854, . . .	\$14,175 00
Total,	\$6,853,730 56

RECEIPTS AND EXPENDITURES, 1853.

The total receipts into the treasury during the year, were \$2,121,280 07, viz.:

On account of ordinary revenue from bank tax, alien passengers, railroad dividends, insurance tax, State tax, &c.,	\$882,289 22
On account of Massachusetts School, and other funds, for sale of lands, principal and interest paid on notes, &c.,	464,690 75
From sundry railroad corporations for interest on scrip loaned them,	52,500 00
For scrip sold on account of the New Lunatic Hospital, Almshouses, &c.,	175,000 00
For temporary loans in anticipation of the revenue,	546,800 00
	<u>\$2,121,280 07</u>

Cash on hand, Jan. 1, 1853, viz. :—

On account of ordinary revenue, \$8,684 02	
Massachusetts School Fund, &c., 133,052 50	
New Lunatic Hospital and Almshouses,	124,408 02
	<u>266,144 54</u>
Total receipts for the year,	\$2,387,424 61

Total expenditures from the treasury for the year 1853, were \$2,184,454 95, viz. :—

Pay of Council, Legislature, Salaries, State Printing, &c., including cost of the Convention,	\$877,565 76
Payments on account of Massachusetts School and other funds,	502,896 31

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Interest on scrip loaned to sundry railroad corporations,	\$56,350 00
Payments on account of the new Lunatic Hospital, Almshouses, and State House,	200,845 01
Temporary loans repaid,	446,800 00
Five per cent. loan paid,	100,000 00
	<u>\$2,184,454 95</u>

Cash on hand to new account, Jan. 1, 1854—

On account of ordinary revenue, \$13,409 64	
Mass. School Fund, &c.,	77,947 01
Interest on railroad scrip,	13,050 00
Hospital, Almshouses, and State House,	98,563 01
	<u>202,969 66</u>
Total for the year 1853,	\$2,387,424 61

Recapitulation.

Total receipts, as before stated,	\$2,121,280 07
Total payments,	2,184,454 95
	<u>\$63,174 88</u>
Excess of payments,	
The receipts on account of ordinary revenue were,	\$595,684 32
State tax, 1853, in part,	286,605 00
	<u>\$882,289 32</u>
Ordinary expenditures,	\$682,827 87
Convention, 1853, in part,	154,184 82
State Prison,	40,551 01
	<u>877,565 62</u>
Excess of revenue,	\$4,725 62

Leaving out the State tax, the Convention, and State Prison, as items which do not ordinarily appear on our accounts, and the deficit in the revenue for the year is \$87,143 55.

GENERAL ESTIMATE FOR THE YEAR 1854.

The revenue from bank tax, dividends on Western Railroad stock, &c., is estimated at
 Balance of State tax, 1853,
 Cash on hand, January 1, 1854, (ordinary revenue,)

\$722,500 00
 13,385 00
 13,409 00

\$749,304 00

The expenditures for the year, including \$10,000 for balance of Convention expenses, are estimated at \$764,600, showing a deficit of about \$15,000, which is more likely to be increased than diminished.

The unfunded debt of \$220,000, and not far from \$100,000 for the enlargement of the State House, and completion of the Almshouses, are also to be provided for, making in all \$332,000.

The amount required for the public buildings, may safely be raised by sale of scrip, but the balance should be paid by some other mode, and the best now apparent is to lay another tax say for \$200,000.

RESOURCES, LIABILITIES, RECEIPTS AND EXPENDITURES, IN DETAIL.

RESOURCES.

The property of the Commonwealth, not including the various funds which are specifically appropriated, is as follows, viz. :—

State House and land, . . . \$500,000 00
 Enlargement, 1853, . . . 48,361 19

\$548,361 19

Lunatic Hospital at Worcester, . . . 185,000 00
 Lunatic Hospital at Taunton, . . . 118,592 60
 State Reform School at Westborough, . . . 163,000 00
 State Prison at Charlestown, . . . 558,320 77

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State Almshouse at Monson, . . \$39,822 60
 " " at Tewksbury, . . . 35,981 37
 " " at Bridgewater, . . . 25,094 37
 Hospital at Rainsford Island, . . 7,273 50
 Paid commissioners, architects, &c., . . 6,341 27

\$114,513 11

State Arsenal at Cambridge, magazine and wharf at Captain's Island, magazines, stores, &c.,

281,754 18

House No. 12, Hancock Street, 12,500 00

Warren Bridge, 50,000 00

Charles River Bridge, 25,000 00

Yacht Whisper, 2,650 00

Deed of Michael Ambrose, 100 00

Weights, Measures, and Balances, 5,500 00

State Library, 12,004 13

\$2,077,796 07

The Commonwealth holds 10,000 shares of Western Railroad stock, subscribed for as per Act 1836, ch. 131, and paid for at sundry periods up to 1848, say, 1,000,000 00
 Also, the rights appertaining to the same in the Western Railroad Sinking Fund, worth, 242,000 00

The two foregoing sums stand against the debt of \$995,000 created by the Act of April 15, 1837, the payment of which is secured by the Sinking Fund established by the same Act, and which now exceeds its limit, as will be seen below.

In addition to the cost of stock there has been paid for interest on the debt of \$995,000, including the amount due Jan. 15, 1854, . . . \$686,519 00
 Dividends, 1845 to Jan. 1, 1854, inclusive, . . . 668,012 00

Cost of stock above par, \$18,507 00
 Less for right to new stock sold in 1848, . . . 3,000 00

WESTERN RAILROAD STOCK SINKING FUND.

The amount standing to credit of this fund, being for one-half the proceeds sales of lands in Maine since April 15, 1837, is . . . \$1,102,327 44

Viz. :—

Notes for lands in Maine sold, .	\$188,686	13
Scrip of State of Maine, 5 per cent.,	125,000	00
Notes and mortgages,	144,697	45
Notes with collateral,	125,000	00
County, City, and Town scrip,	141,200	00
Western Railroad stock,	94,300	00
Note of Commonwealth of Massachusetts,	29,400	00
Mass. five per cent. scrip,	\$89,202	28
Western R. R. scrip,	110,000	00
	<u>199,202</u>	28
Rights in Western Railroad Loan Sinking Fund, belonging to 943 shares stock,	22,820	60
Cash on deposit at 4 per cent.,	32,020	98
	<u>Total fund, Jan. 1, 1854,</u>	<u>\$1,102,327 44</u>
Amount required to cancel scrip, due April 15, 1857,	995,000	00
	<u>Balance,</u>	<u>\$107,327 44</u>

Of this sum \$100,000 is pledged for the payment of scrip issued as per Act 1851, ch. 251, on account of the Lunatic Hospital at Taunton, leaving \$7,327 44 to increase the School Fund, or for any other purpose for which it may be required.

To the above should be added for the claim of the Commonwealth on the General Government, being for two-thirds the sum long since acknowledged to be due this State and Maine, say \$181,000.

Cash on hand, Jan. 1, 1854, viz. :—

Unexpended balances on account of	
New Lunatic Hospital,	\$31,407 31
State Almshouses,	50,516 89
Enlargement of the State House,	16,638 81
	<u>\$98,563 01</u>

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State Almshouse Loan Sinking Fund,	\$3,075	00
To pay interest on Railroad Scrip—		
Andover and Haverhill,	\$1,650	00
Eastern,	1,025	00
Norwich & Worcester,	375	00
Norwich & Worcester, Jan. 1, 1854,	10,000	00
	<u>13,050</u>	00
On account of ordinary revenue,	13,409	64
	<u>\$128,097</u>	65
Total property, productive and unproductive, except the Mass. School, and other funds, particularized hereafter,	4,731,221	17
The above sum stands against a debt of	1,804,175	00
	<u>Balance,</u>	<u>\$2,927,046 15</u>

The lands in Maine, put down last year at \$616,000, have all been sold for \$646,196 19, and the proceeds divided between the School and Sinking Funds.

BONDS AND MORTGAGES OF RAILROAD CORPORATIONS TO SECURE THE PAYMENT OF SCRIP LOANED THEM.

Western Railroad sterling bonds—

Mortgage, April 28, 1838,	\$2,100,000	00
" 10, 1839,	1,200,000	00
July 13, 1841,	700,000	00
	<u>\$4,000,000</u>	00
Less £100 not issued,	444	44
	<u>\$3,999,555</u>	56

Add for exchange between Federal and Sterling currency, \$319,964 44.

Andover and Haverhill Railroad—

Mortgage, May 18, 1837,	\$100,000	00
Boston and Portland Railroad—		
Mortgage, Sept. 27, 1839,	50,000	00
	<u>150,000</u>	00

Both the above are now Boston and Maine.

Eastern Railroad—

Mortgage, August 23, 1837, . . . \$500,000 00

Norwich and Worcester Railroad—

Mortgage, May 1, 1837, . . . 400,000 00

\$5,049,555 50

In addition to the above, the Commonwealth holds stock as collateral in all but the Western.

MASSACHUSETTS SCHOOL AND OTHER FUNDS IN DETAIL.

The following is a detailed account of the various funds belonging to the Commonwealth, of which the income is specifically appropriated.

MASSACHUSETTS SCHOOL FUND.

This fund was established in 1834, when it was provided that thereafter one-half of all the moneys received for sales of lands in Maine should be added to the amount received of the General Government in 1831, and the income thereof apportioned annually among the common schools of the State.

In 1846 it was enacted that all charges for educational purposes should be paid from the principal of the fund, and this provision has essentially retarded its growth until the year 1853 during which the remainder of the lands in Maine have been sold, and the fund increased to . . . \$1,244,284 00

It now consists of

Notes for lands in Maine, . . .	\$188,686 13
State of Maine scrip, 5 per cent., . . .	125,000 00
Massachusetts scrip, 5 per cent., . . .	103,797 72
Railroad scrip, 5 per cent., . . .	260,000 00
Notes and mortgages, . . .	156,982 67
County, city and town scrip, . . .	263,870 00
Notes with collateral, . . .	27,000 00
Western Railroad stock, . . .	82,100 00
Rights in Loan Sinking Fund, . . .	19,868 20
Cash on deposit at 4 per cent., . . .	16,979 33

\$1,244,284 00

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It is proper to add here, that the Act of 1851, chapter 112, contemplates the increase of the School Fund to \$1,500,000. It is quite plain that no such sum can be realized even by the addition of our claim upon the United States, as the income from that portion of the fund not yet received as money is now insufficient to meet the charges upon the principal which will thus be rapidly diminished, and disappear entirely, unless some change is made in the laws now in force.

I would suggest the expediency of considering the interest on all the notes and scrip as income, and making an equitable division of the sum between the common schools and other educational claims, and thus preserve the fund.

INTEREST ON SCHOOL FUND FOR 1853.

Cash in hands of the Treasurer, . . . \$22,889 33

The above sum, together with the amount to be received up to June 1, 1854, will be apportioned and paid to the several cities and towns on the 10th of July.

SCHOOL FUND FOR INDIANS.

Amount reserved from the surplus revenue as per Act, 1837, ch. 85, for the benefit of schools among certain tribes of Indians; invested in note and mortgage at 6 per cent., . . . \$2,500 00

TODD NORMAL SCHOOL FUND.

Amount January 1, 1853, . . .	\$10,800 00
Received during the year further sum from the executor of the late Henry Todd, . . .	1,084 11
Income added, . . .	15 89
	<hr/>
	\$11,900 00

The above is invested in note of the county of Worcester, for \$10,800, and a note with collateral for \$1,100, both at 6 per cent.

CHARLES RIVER AND WARREN BRIDGE FUND.

This fund was established by Act of 1841, ch. 88, and amounted, on the first day of January, 1853, to the sum of

Add income,

There has been paid from this fund during the year 1853, for repairs of the bridges,

The above sum will be diminished during the present month by \$2,100, leaving less than a sufficient sum for the expense of the next quarter. Some provision must be made during the present session, for the future support of the bridges, and, perhaps, for rebuilding one of them.

HASSANAMESSET INDIAN FUND.

Cash in treasury,

The foregoing are all the funds in the hands of the Treasurer of the Commonwealth, excepting the Western Railroad Loan Sinking Fund, belonging to the Western Railroad Corporation, which will be noticed hereafter, and the State Almshouse Loan Sinking Fund, created as per Act, 1852, ch. 275, pp. 15, 64 and 71.

STATE REFORM SCHOOL FUND.

At the commencement of the year 1852, this fund, in the hands of the treasurer of the institution, amounted to \$70,000, of which sum \$60,000 was contributed by the late Hon. Theodore Lyman, and \$10,000 by the Commonwealth.

By resolve of 1852, the trustees were authorized to expend \$50,000 of the fund in an addition to the building which has been completed during the year 1853, leaving the fund only \$20,000.

MARSHPEE INDIAN FUND.

Amount in the hands of the treasurer of the Marshpee tribe of Indians, Jan. 1, 1853,

NATICK INDIAN FUND.

Amount in hands of John W. Bacon, guardian,

RECAPITULATION.

Massachusetts School Fund,	\$1,244,284 05
Interest on do.,	22,889 33
School Fund for Indians,	2,500 00
Hassanamesset Indian Fund,	200 00
Charles River and Warren Bridge Fund,	2,782 37
Todd Normal School Fund,	11,900 00

Funds in the Treasury,	\$1,284,555 75
State Reform School Fund,	\$20,000 00
Indian Funds,	7,125 15
	<hr/> 27,125 15

	\$1,311,680 90
Railroad Mortgages forward,	5,049,555 56
Productive Property of the Commonwealth,	2,653,425 08
Real Estate, &c., unproductive,	2,077,796 07

	\$11,092,457 61
Debts and Liabilities,	6,853,730 56

Surplus,	\$4,238,727 05
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DEBTS AND LIABILITIES OF THE COMMONWEALTH AT THE CLOSE OF THE YEAR 1853, IN DETAIL.

The total liabilities of the Commonwealth, as has been before stated generally, amount to \$6,853,730 56

1st. Scrip loaned to sundry railroad corporations to aid in the construction of their several roads:—

Western Railroad sterling bonds issued as per Act, 1853, ch. 9; 1839, ch. 70, and 1841, ch. 131—

Due April 1, 1868, . . .	£135,000
" Oct. 1, 1868, . . .	337,500
" Oct. 1, 1869, . . .	90,000
" April 1, 1870, . . .	180,000
" April 1, 1871, . . .	157,400

£899,900 or \$3,999,555

To the above there should be added the difference between Federal and Sterling currency, say about \$320,000.

Eastern Railroad, (dollar bonds,)—

Due July 1, 1857, . . .	\$100,000
" Sept. 1, 1858, . . .	100,000
" April 1, 1859, . . .	300,000

\$500,000

Norwich and Worcester Railroad—

Due July 1, 1857, . . .	400,000
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Andover and Haverhill, now Boston and Maine,

Due Aug. 1, 1857, . . .	100,000
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Boston and Portland, now Boston and Maine,

Due Aug. 1, 1859, . . .	50,000
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Total scrip loaned, . . . \$5,049,555

Interest at 5 per cent. is payable on the Western in London, or at the office of the corporation in Boston; on all the other roads by the Treasurer of the Commonwealth.

2d. Western Railroad dollar bonds, issued as per Act of 1837, ch. 172, to pay the Commonwealth subscription for 10,000 shares stock, due April 15, 1857, . . .

995,000

3d. Scrip issued to pay for the State Reform School, and other public buildings from 1849 to 1853:—

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State Reform School scrip, per Act, 1849, ch. 214, due Oct. 4, 1857, . . . \$25,000 00
Amount per Act, 1850, ch. 304, due July 1, 1860, . . . 75,000 00
\$100,000 00

State Prison scrip, due Dec. 1, 1860, per Act, 1850, ch. 304, . . . 100,000 00

New Lunatic Hospital scrip, due Nov. 1, 1865, per Act, 1851, ch. 251, . . . 100,000 00
Do. per Act, 1853, ch. 195, due April 1, 1865, . . . 50,000 00
150,000 00

State Almshouse scrip, due Nov. 1, 1872, per Act, 1852, ch. 275, . . . \$100,000 00
Do. per Act, 1853, ch. 352, due Oct. 1, 1873, . . . 60,000 00
160,000 00

Enlargement of State House, Act 1853, ch. 191, due Oct. 1, 1873, . . . 65,000 00

Total for public buildings, . . . \$575,000 00

4th. Temporary loans for money borrowed in anticipation of the revenue, as per Resolve of 1853, ch. 2 and 95:—

Amount of sundry banks, mostly in the city of Boston, . . . \$190,600 00
Note to Western Railroad Loan Sinking Fund, . . . 29,400 00
220,000 00

5th. Sums due from the treasury, and not called for on the 31st day of December, 1853, viz.:—

Interest on 5 per cent. loan, 1852, due Nov. 1, 1853, on \$23,000, . . . \$575 00

Interest on Western Railroad scrip on \$15,000 due July 15, 1845,	\$375 00
On \$7,000, due July 15, 1853,	175 00
	<u>\$550 00</u>

Interest on Railroad scrip loaned—	
Andover and Haverhill,	\$1,650 00
Eastern, including \$125 due July 1, 1845,	1,025 00
Norwich and Worcester, including \$10,000 due Jan. 1, 1854,	10,375 00
	<u>13,050 00</u>

Total interest, \$14,175 00

Total debt and liabilities, as stated above,	\$6,853,730 36
Amount, January 1, 1853,	6,685,705 04
	<u>\$168,025 32</u>

The addition to the funded debt has been \$175,000, and the reduction, in amount due from the treasury and not called for, \$6,974 48.

The only sums due from the Commonwealth, and not likely to be demanded, are, for interest on Eastern and Western Railroad scrip, payable in July, 1845, amounting to \$500.

Several unsuccessful efforts have been made to reach the holders of the bonds, and if possible find the missing coupons, in order to close up the treasurer's books for that year, which is the only one unsettled since 1837.

Prior to that date, and as far back as 1787, there are small sums unpaid for nearly or quite every year, amounting, in all, to about \$2,000, which it is not supposed will ever be called for, and therefore are not put down as among the liabilities.

RECEIPTS AND EXPENDITURES FOR 1853, IN DETAIL.

RECEIPTS.

1. Auction Tax. Rev. Stat. ch. 9; repealed 1852, ch. 139. Received on account of sales prior to June 20, 1852,	\$85 86
2. Bank Tax. Rev. Stat. ch. 9. Received of Banks in Boston, \$253,064 96 Do. out of " 190,275 04	443,340 00
3. State Tax. Act, 1853, ch. 417. Received of cities and towns for tax due Dec. 15, 1853, Due from Towns, \$13,395.	286,605 00
4. Alien Passengers. Act, 1848, ch. 313, and 1852, ch. 279. Received from Superintendent at Boston, &c.,	31,008 51
6. Hawkers' and Peddlers' Licenses. Act. 1846, ch. 244. Received of the Secretary of the Commonwealth, for amount collected by him in 1853,	542 00
8. Attorney for Suffolk County. Act, 1839, ch. 136. Received of John C. Park, for amount paid to him for forfeited recognizances, &c.,	4,709 70
10. Alien Estates. Rev. Stat. ch. 61. Received of F. E. Parker, Thomas Needham and Moses Edgell,	2,515 82
11. Interest on money deposited. Received of the City Bank, (monthly,) Insurance Tax. Act, 1852, ch. 231 and 311. Received from Agents of Fire and Marine Companies,	1,861 82 \$3,685 50

Received from Agents of Life Companies,	\$1,397 04	
Income of W. R. R. Stock S. Fund. Act, 1850, ch. 189.		\$5,082 2
Received for interest and dividends on securities belonging to the fund,		35,951 2
19. Western Railroad Dividends. Act, 1837, ch. 172.		
Received to Jan. 1, 1853, 3 pr. ct. \$30,000 00		
Do. July 1, 1853, 3½ per cent., . 35,000 00		65,000 0
Interest on 5 per cent. scrip sold.		
Received on State Almshouse scrip,	\$579 86	
Received on new Lunatic Hospital scrip,	625 00	1,204 8
Premium on 5 per cent. scrip.		
Received on State House scrip, \$3,282 50		
Do. on State Almshouse scrip, 890 00		4,172 0
See Acts 1853, ch. 191, 195 and 352.		
Salaries. Amount overpaid and refunded,		50 0
Convention. Amount overallowed for newspapers,		7 5
Commissioners. Amount overcharged for mileage by Commissioner on Massachusetts claim, and repaid,		16 0
State Almshouse Expenses.		
Received by Commissioners for property sold at Tewksbury,		62 0
Furniture.		
Amount overallowed and repaid,		74 0
Total ordinary receipts,	\$882,289 3	
29. Temporary loans, per Resolve, 1853, ch. 2 and 95.		
Amount borrowed as above,	\$546,800 0	

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30. Five per cent. loans, 1853.		
State Almshouses, Act, 1853, ch. 352,	\$60,000 00	
State House, Act, 1853, ch. 191, 65,000 00		
New Lunatic Hospital, Act, 1853, ch. 195,	50,000 00	\$175,000 00
31. Western R. R. Loan Sinking Fund. Act, 1838, ch. 9.		
Annual contribution from the W. R. R. corporation, of 1 per cent. on loan,	40,000 00	
32. Western R. R. Stock Sinking Fund. Act, 1837, ch. 172.		
Received for principal on land notes,	\$54,479 08	
Received for interest on do., 9,603 16		
" " cash sales of land and timber,	169,596 93	
	\$233,679 17	
One-half as per Act, 1837, is 116,839 58		
Principal on loans paid in,	6,187 55	123,027 13
33. Mass. School Fund. Rev. Stat. ch. 11, sec. 13.		
Received for one-half principal and interest, on land notes and sales of lands, as per Western R. R. Stock Sinking Fund,	\$116,839 59	
Principal on loans paid,	122,819 48	239,659 07
37. Interest on School Fund. Act, 1849, ch. 117.		
Received to June 1, 1853,	\$24,683 50	
Received since do.,	24,394 72	49,078 22
38. Interest on School Fund for Indians.		
Received per Act, 1837, ch. 85,	150 00	
Todd Normal School Fund.		
Received of the executor of Henry Todd,	\$1,084 11	
Income added,	15 89	1,100 00

RECEIPTS IN DETAIL.

Interest on Todd N. S. Fund. Act, 1850,
ch. 88.

Received for interest on investments,
Hassanamesset Indian Fund.

Received for interest,
State Almshouse Loan Sinking Fund.

Transferred from alien passenger account
as per Act, 1852, ch. 275, . \$3,000 00
Interest 6 months at 5 per cent., . 75 00

Charles River and Warren Bridge Fund.
Act, 1845, ch. 84.

Income on investments, . \$1,418 24
Principal of do., . . 6,309 15

Interest on scrip loaned Railroads.

Andover and Haver-
hill, on . . \$100,000, \$5,000 00
Boston and Portland, 50,000, 2,500 00
Eastern, on . . 500,000, 25,000 00
Norwich and Worces-
ter, on . . . 400,000, 20,000 00

Receipts on account ordinary revenue, see
above,

Cash on hand Jan. 1, 1853.

On account of ord. revenue, \$8,684 02
Almshouse loan and premium, 84,772 26
Lunatic Hospital Loan, . . 39,635 76
W. R. R. Stock S. Fund, . . 63,393 85
Mass. School Fund, . . . 27,588 30
Int'st on School Fund, 1852, 22,704 10
Chas. Riv. and War. Bridge Fd. 2,141 25
Hassanamcsset Indian Fund, 325 00
Andover and Haverhill
Railroad, . . \$1,625

1851.] Eastern Railroad, . \$4,950
Norwich and Worces-
ter do., . . . 10,325
————— \$16,900 00
\$266,144 54
Total, \$2,387,484 61

EXPENDITURES FOR 1853, IN DETAIL.

1. Council. Resolve, 1853, ch. 4.
Pay and travel of Council for
1852, \$828 00
Do. for 1853, 5,276 00
————— \$6,104 00
2. Legislature. Resolve 1853, ch. 4.
Pay and travel of the House
of Representatives, . . \$84,666 00
Pay and travel of Senate, . 11,711 00
" of Messengers, &c., . 3,242 50
" Clerks and Assistants, . 4,466 00
Sundry expenses, . . . 1,203 00
————— 105,288 50
3. Salaries. Act, 1843, ch. 9.
Salaries of the Executive, Judiciary, &c.,
from Oct. 1852 to Oct. 1853, . . 84,996 43
4. Fuel and Light. Resolve, 1850, ch. 80.
Wood and Coal, . . . \$724 93
Gas and Oil, 399 50
————— 1,124 43
5. Repairs of State House. Resolve, 1853,
ch. 79.
Expense for 1853, in part, . . . 5,836 22
6. Furniture for State House. Resolve, 1853,
ch. 79.
Carpets, desks, &c., 1,105 13

7. Stationery. Resolve, 1846, ch. 75.	
Amount paid for Legislature and the offices in State House,	\$3,429
8. State Library. Rev. Stat. ch. 11, sec. 12, and Resolve, 1852, ch. 16,	804
9. Newspapers and Advertising. Resolve, 1846, ch. 75.	
Newspapers for the Legislature, &c., advertising and laws,	6,123
10. State Printing. Resolve, 1852, ch. 9.	
Cost of printing for the Legislature and the offices in the State House from Dec. 1, 1852 to Sept. 1, 1853,	27,009
11. Postage. Resolve, 1810, ch. 95.	
Amount from Oct. 1, 1852, to Oct. 1853,	695
12. Index and Journals. Resolve, 1846, ch. 75.	
Senate files and Valuation Committee,	\$302 00
Old journals of Legislature, copied as per Resolve, 1853, ch. 63,	2,639 37
Colonial Records, per Resolve, 1853, ch. 73,	2,178 00
	5,119
13. Sheriffs. For returning votes, &c.	1,322
15. Contingent Fund. Resolve, 1853, ch. 66,	2,000
22. Bank Commissioners. Act, 1851, ch. 127.	
Three Commissioners and Clerk, one year to Dec. 20, 1853,	5,574
23. Commissioners for various purposes,	6,863
24. Legal Counsel. Resolve, 1848, ch. 75,	1,862
29. Miscellaneous Expenses.	
Copies of Constitution for Legislature, expenses of Committees, &c.,	2,325
30. Term Reports. Resolve, 1820, ch. 18.	
Cost of copies for distribution to cities and towns in the Commonwealth,	2,518
Reception of Kossuth. Resolve, 1853, ch. 24.	
Balance of expenditure for military,	93

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Annuity to Harvard College.	
Amount paid as per Resolve, 1847, ch. 98,	\$666 66
31. Weights, Measures and Balances. Act, 1850, ch. 295.	
Amount paid for four new towns,	600 00
40. State Map and Surveys. Resolve, 1852, ch. 28,	114 23
Secret Ballot. Act, 1851, ch. 226.	
Amount paid for envelopes,	1,542 47
42. Agricultural Societies. Rev. Stat. ch. 42.	
Bounty to fifteen societies,	8,782 00
State Board of Agriculture. Act, 1852, ch. 42.	
Salary of Secretary, Feb. 14, to Oct. 1,	\$937 50
Salary of late Secretary,	500 00
Expenses of Secretary, and of the members of the Board,	694 13
	2,131 63
48. American Institute of Instruction.	
Annual payment, as per Resolve, 1851, ch. 35,	300 00
Convention, 1853. Act, 1852, ch. 188.	
Pay and travel of members, \$114,092 00	
" of committees,	401 00
" of officers,	5,130 00
Printing and Reporting,	27,379 84
Newspapers, books, &c.,	4,845 68
Incidental expenses,	2,336 30
	154,184 82
53. Asylum for the Blind. Resolve, 1847, ch. 49,	9,000 00
School for Idiots. Resolve, 1851, ch. 44,	5,000 00
54. Asylum for Deaf and Dumb.	
Board and tuition of 72 pupils one year, to April 1, 1854,	\$6,700 00
Clothing and medical attendance for pupils, 16 months,	867 41
	7,567 41
55. Eye and Ear Infirmary. Resolve, 1853, ch. 40,	2,500 00
56. State Lunatic Hospital. Rev. Stat. ch. 48.	
Salary of officers one year,	3,200 00

57. Annuities of Martha Johonnot, Resolve, 1841, ch. 65.	
Amount paid nineteen persons,	\$2,040 00
58. State Paupers.	
Paupers supported by cities and towns, as per Rev. Stat. ch. 46,	\$49,345 85
Lunatic Paupers, Res. 1845, ch. 114,	53,984 58
59. Coroner's Inquests. Rev. Stat. ch. 14.	
Expenses of inquests upon sundry persons, including those killed on railroads,	1,962 36
60. Indians, support of. Act, 1850, ch. 114,	1,880 41
61. Pensioners. Allowed by sundry Resolves, Alien Commissioners. Act, 1851, ch. 342.	855 03
Expenses of office and pay of	
Commissioners,	\$1,960 36
Almshouse Agents,	1,880 41
Railroad "	4,703 03
Alien Passengers. Act, 1852, ch. 275,	8,543 80
65. Adjutant and Quartermaster-General's Departments. Resolve, 1853, ch. 78,	3,025 00
66. Militia Bounty. Act, 1849 and 1852,	3,350 00
67. Military Accounts,	29,098 30
69. County Treasurers. Rev. Stat. ch. 141.	4,113 11
Two-thirds of criminal costs. Act, 1841, ch. 74,	99,094 57
70. Arrest of Fugitives from justice. Rev. Stat. ch. 142,	859 25
71. State Reform School Expenses.	
Amount paid per Resolve, 1853, ch. 36,	30,000 00
72. Agent for discharged convicts. Act, 1852, ch. 213.	
Salary and expenses of Agent one year,	1,000 00
73. Prevention of counterfeiting. Resolve, 1852, ch. 76,	1,079 25
74. State Prison.	
Paid for lands, per Resolve, 1852, ch. 92,	\$25,500 00

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Paid for buildings, per Resolve, 1853, ch. 80,	\$15,051 01
	\$40,551 01
77. Interest on temporary loans, State Reform School	\$6,669 72
Do. scrip,	5,000 00
78. Interest on 5 per ct. loan, 1850,	5,000 00
Do. 5 " " 1851,	5,000 00
Do. 5 " " 1852,	9,425 00
79. Interest on Western Railroad scrip, ..	50,100 00
	81,194 72
Total ordinary expenditures,	\$877,563 70
88. Temporary loans repaid.	
Loans, 1852,	\$120,000 00
" 1853,	326,800 00
	446,800 00
90. Five per cent. loan, 1851, paid	100,000 00
91. Massachusetts School Fund.	
Amount paid for educational objects, per Act, 1846, ch. 219,	\$28,588 89
Paid for securities purchased for investment,	221,679 15
	250,268 04
92. Interest on School Fund, 1852.	
Amount apportioned as per Act, 1849, ch. 117,	47,387 60
Interest on School Fund, 1853.	
Amount paid certain towns by Resolves,	\$180 19
Interest accrued on securities purchased for investment,	1,325 20
	1,505 39
93. Interest on School Fund for Indians.	
Amount paid as per Act, 1837, ch. 85,	150 00
Todd Normal School Fund.	
Paid for securities purchased,	1,100 00
Interest on Todd Normal School Fund.	
Paid Treasurer of the Board of Education, per Act of 1850, ch. 88,	829 28
4	

Hassanamesset Indian Fund.	
Paid Judge of Probate of Worcester	
County, per Resolve, 1850, ch. 54,	\$163
95. Western Railroad Stock Sinking Fund.	154,400
Amount paid for securities purchased,	
96. Western Railroad Loan Sinking Fund.	40,000
Amount paid the Commissioners,	
99. Charles River and Warren Bridge Fund.	7,086
Paid for support of the Bridges, from	
Oct. 1, 1852 to Oct 1, 1853,	
New Lunatic Hospital at Taunton.	
Amount paid as per Act, 1851,	
ch. 251,	\$39,635 76
And Act, 1853, ch. 195,	18,592 69
State Almshouses.	58,228
Amount paid as per Act, 1852,	
ch. 275,	\$81,772 26
And 1853, ch. 352,	9,483 11
State House Enlargement.	94,255
Amount paid as per Act, 1853, ch. 191,	48,361
Interest on Railroad scrip, viz.:	
Andover and Haverhill,	\$4,975 00
Boston and Portland,	2,500 00
Eastern,	28,925 00
Norwich and Worcester,	19,950 00
	56,350
	\$1,306,891
Ordinary expenses brought forward,	877,500
	\$2,184,451
Cash on hand Jan. 1, 1854—	
On account of ordinary reve-	
nue,	\$13,409 64
State Almshouse Loan,	50,516 89
State Almshouse L. Sinking Fd.,	3,075 00
Lunatic Hospital	31,407 31
State House	16,638 81
Mass. School Fund,	16,979 32

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Interest on do.	22,889 33
West. R. R. Stock S. Fund,	\$32,020 99
Hassanamesset Indian do.,	200 00
Charles River and W. Bridge	
Fund,	2,782 37
Andover and Haverhill R. R.,	1,650 00
Eastern do.,	1,025 00
Norwich and Worcester,	10,375 00
	\$202,969 66
Total for year 1853,	\$2,387,424 61

DETAILED ESTIMATE OF RECEIPTS AND EX- PENDITURES FOR THE YEAR 1854.

RECEIPTS.

2. Bank Tax,	\$550,000 00
3. State Tax, 1853. Balance,	13,395 00
4. Alien Passengers,	30,000 00
6. Hawkers and Peddlers,	500 00
8. Attorney for Suffolk County,	4,000 00
10. Alien Estates,	2,000 00
11. Interest on Deposits,	1,000 00
Income W. R. R. S. Sink-	
ing Fund,	60,000 00
Western R. R. Dividends,	70,000 00
Insurance Tax,	5,000 00
	\$735,895 00
Cash on hand Jan. 1, 1854,	13,409 64
	\$749,304 64

EXPENDITURES.

1. Council,	\$5,000 00
2. Legislature,	100,000 00
3. Salaries,	85,000 00
4. Fuel and Light,	1,200 00
5. Repairs of State House,	5,000 00
6. Furniture for do.,	3,000 00

7. Stationery for State House,	\$3,000 00
8. Library for do.,	300 00
9. Newspapers and Advertising,	6,000 00
10. State Printing,	25,000 00
11. Postage,	700 00
12. Index and Journals,	5,000 00
13. Sheriff's Accounts,	1,000 00
15. Contingent Fund,	2,000 00
16 International Exchanges two years,	600 00
22. Bank Commissioners,	5,500 00
23. Commissioners,	5,000 00
29. Miscellanies,	3,000 00
30. Term Reports,	3,000 00
31. Weights and Measures for new towns,	600 00
Annuity to Harvard College,	600 00
40. State Surveys,	300 00
41. Agricultural Societies,	9,000 00
State Board of Agriculture,	2,500 00
48. American Institute of Instruction,	300 00
Secret Ballot,	1,500 00
Convention, 1853, (balance)	10,000 00
	<u>\$284,100 00</u>
53. Asylum for Blind,	\$9,000 00
School for Idiots,	5,000 00
54. Asylum for Deaf and Dumb,	7,500 00
55. Eye and Ear Infirmary,	2,500 00
56. Lunatic Hospital at Worcester,	3,200 00
Do. do. Taunton,	2,500 00
57. Annuities of Martha Johnson,	2,000 00
58. State Paupers,	105,000 00
Expenses of Almshouses,	25,000 00
59. Coroners,	2,000 00
60. Indians,	2,000 00
61. Pensioners,	1,000 00
Alien Commissioners,	8,500 00
	<u>175,200 00</u>

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62. Adjutant and Quartermaster-General's Department,	\$3,500 00
63. Militia Bounty,	53,000 00
67. Military Accounts,	4,000 00
Rent of Armories,	9,500 00
69. County Treasurers,	100,000 00
70. Arrest of Fugitives from justice,	1,000 00
71. State Reform School and expenses,	42,500 00
72. Agent for discharged convicts,	1,000 00
73. Prevention of Counterfeiting,	1,000 00
	<u>\$215,500 00</u>
77. Interest on Temporary loans,	\$10,000 00
78. Interest on 5 per cent. scrip,	30,000 00
80. Interest on Western Railroad scrip,	50,000 00
	<u>90,000 00</u>

Total estimated expenditures for 1854, \$764,800 00

By comparison of the preceding items with those for 1853, on a former page, against corresponding numbers, or with the trial balance at the close of the Report, where they are more concisely shown in substantially the same order, it will be found, that an addition to the revenue has been assumed on the bank tax, income of the Western Railroad Stock Sinking Fund, and dividends on railroad stock, of \$135,660, making an aggregate, independent of the balance of 1853 tax, of \$722,500, against \$595,700 for the past year.

The expenditures are stated at \$764,800, against \$679,752 in 1853, and will be found increased under the head of militia bounty, rent of armories, State Reform School, and interest to the sum of \$55,000, to which \$10,000 is added for the unpaid expenses of the Convention of 1853, making an excess over the revenue of about \$15,000, without including any extra allowance for the support of State paupers, or other appropriations which the legislature may authorize.

The Act of 1849, creating this office, not only requires that

the Auditor shall submit an estimate of receipts and expenditures, but also that "he shall make such representations or suggestions as he may deem necessary."

An attempt was made in 1849, as will be seen by the Report for that year, (House Doc., 1850, No. 3, page 42,) to arrange the claims upon the general revenue of the Commonwealth into five divisions, including the interest on loans.

This course was adopted in order to facilitate the comparison of the several items and classes with each other in different years, and has been found of great convenience. A table, showing the amount for each of the past twenty years, will be found at the close of the Report.

The first of these divisions was intended to include only the necessary expenses of the government for its civil officers, &c., though it now embraces the amount paid to agricultural societies, and for some other scientific objects, which for many years required a large expenditure, and were known as a distinct class.

After deducting these last, the expenses of government will appear to be but slightly augmented within the past twenty years, though the population and business of the State has increased rapidly during the whole time.

It is not likely that any reduction can be made from the estimate for the legislature, as the additional number of members will go to offset whatever may be gained by a shortened session.

Hereafter, if the representation should be reduced to a convenient number, there might be hope of a diminished expense, provided the compensation should remain at its present point.

This can hardly be expected, and I may be, perhaps, warranted in expressing the opinion which I have for so many years heard uttered by members of the legislature, (and which I also entertain,) that the compensation allowed is altogether too low, and does not bear any thing like the same relation towards the cost of board and other expenses, as when it was fixed originally.

It is equally true that the allowance for mileage is too much, and both ought to be thoroughly revised, and established at a reasonable amount, until otherwise ordered.

All who have been in the legislature, or conversant with the

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course of business for some years past, are aware that the railroad facilities, so desirable in every other view, are no promoters of short sessions, and that the opportunities for absence from meetings of committees, where all bills should take their proper form, tends materially to lengthen out the sessions, not only to the cost of the Commonwealth, but to the serious loss of time to those members who cannot adopt the common fashion of boarding at home.

Whether an increased compensation, to be allowed only in case of actual, and not constructive attendance, would have a tendency to correct the evil which is admitted to exist, is not for me to say.

I deem it my duty, however, to bring the whole subject to your attention, as it is one which as directly affects the financial interests of the Commonwealth, as any other upon which legislation is required.

With regard to salaries of public officers, it is, perhaps, worthy of remark, that after deducting from the year 1853 the extra amount paid to the judiciary, and the clerks in the Secretary's office employed upon statistical work, there will remain only \$1,500 more than was paid in 1833, when a given sum was worth much more than now.

The other items in the class under consideration, are, many of them, dependent upon the length of the legislative session, especially those for printing, stationery, newspapers, &c., and are not susceptible of much, if any, reduction.

CHARITIES.

The amount under this head has been on the increase every year, and cannot conveniently be reduced. On the contrary, the expense to the Commonwealth for the support of State paupers, will be materially increased, though the entire cost will be diminished.

An allowance has been made in the estimate for the cost of supporting the almshouse establishments, which will be likely to open about the first of April, or during the month, at furthest.

In that case there would be six months for which the cities and towns would have claims, and the question will arise

whether any provision shall be made for their payment prior to the expiration of the year.

If so, it would require from \$20,000 to \$25,000, making this class about \$200,000 for the year.

REFORMATORY OR CORRECTIONAL EXPENSES.

Under this head, are placed the amount paid to county treasurers, expenses of State Reform School, State Prison, Military, &c., amounting, for 1853, to \$209,145 81.

The sum estimated for 1854, is \$215,500, being an increase for Militia and State Reform School of \$46,000; and deduction from the Prison, of \$40,500.

Of the amount for the State Reform School, \$6,500 is required to complete the improvements commenced in 1852, and the remainder for the expenses of the school, which, owing to the larger number of inmates and loss of income on the Land Fund, appropriated for the enlargement of the building, will hereafter require nearly twice as much as hitherto from the treasury.

The military expenses will also be doubled; and the criminal costs in the several counties increased in nearly the same proportion.

This last item, as was stated in the Report last year, over its increased magnitude in part to the cost of prosecutions under the Maine Law, by which the Commonwealth is charged with a large bill of expenses, without any corresponding return in the shape of fines.

It is respectfully suggested, that so long as the sale of intoxicating drinks in our midst is continued, as it notoriously is, there should be some penalty imposed which can be enforced.

At present we suffer all the evil consequences of the sale and get nothing in return.

The other items of this class of expenditures are not numerous or important, and will remain without much change.

The State Prison may, however, call for additional appropriations; but to what extent is not at present known.

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INTEREST.

This last class of ordinary expenditure, as will be readily understood, depends upon the amount of debt.

That will be, the present year, between \$800,000 and \$900,000, not including that for \$995,000, on account of the Western Railroad Stock, or any addition for completing the Almshouses and State House.

The whole amount of interest for the year, therefore, cannot be less than \$90,000, and is quite likely to exceed even that sum.

If means are provided for payment of the unfunded debt, \$11,000 will be deducted after the present year, though nearly one-half the sum will reappear if more scrip is issued for completing the public buildings.

The general tendency in all branches of expenditure is towards an increase, and as that appears to be a necessary consequence of an increasing population and business, it only remains to provide more revenue.

REVENUE.

The principal source of revenue for many years has been the bank tax, which, owing to the large increase of capital granted by the last legislature, will amount, this year, to \$550,000, without counting much upon further grants.

As this tax has been considered by many persons an unjust one, and an unnecessary burden upon the business of the community, and arguments have been used for its repeal or reduction, I trust I may be pardoned for offering a few suggestions to show, that instead of reduction or repeal, there might be a still larger percentage imposed, and no injustice done.

The banks are authorized by the legislature to take the notes of individuals or corporations bearing interest, and based upon these, (and not upon specie,) are issued their own notes without interest, and nominally payable on demand in specie, though practically having a circulation varying from thirty to sixty days, and redeemable substantially in the same paper for which they were issued.

The consequence then is, that the public, or in other words the people of the Commonwealth, pay to the banks the interest on the circulation, and get no return except the convenience of having a currency which possesses a wider credit than could be had by the notes of individuals.

It is found by a careful examination of the bank returns for fifteen years ending with 1852, that for every dollar of tax paid by the banks in Boston, there has been \$1.63 received for interest on their circulation, and by the banks out of Boston \$3.19, or nearly twice as much.

Without going into a consideration of the great inequality between the city and country banks, caused in part, it is believed, by the refusal to receive the bills of the latter, except with the discount of one day's interest, it is sufficiently apparent that the tax upon the bank capital, even in Boston, is no hardship, and that on the contrary, if properly adjusted, it might be increased.

The purpose of legislation in relation to banks, regarding primarily the interest of the whole, rather than of the few, would be to secure the safest and widest circulation for the bills issued and the largest amount of revenue possible therefrom.

Past experience proves that with a very large and sudden addition to banking facilities, there may be danger of over-action and consequent revulsion, which though not in all cases tending to absolute destruction of property, disturbs its rightful possession, and leads to great embarrassment and distress, and hence has arisen a very prevalent feeling that some change should be made in our banking laws, to provide, if possible, against the recurrence of such evils.

This was proposed to be done by the general Act of 1851, which allowed any persons complying with the required conditions to establish banks and issue bills. Owing to the impracticable nature of the conditions imposed as to the issue of bills, there has been no action under the law so far as that portion of it is concerned; nor is at all probable there will be.

The principle involved, which is, that the parties creating the currency shall secure its redemption through the power granting the right, still remains good, and I do not see any greater objection to holding the officers of a bank directly responsible to the Commonwealth for the performance of that portion of

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As a question of revenue simply, it is of the gravest importance, that after having had a very considerable increase, and graduated our expenditures accordingly, we should not have a recurrence of the disasters of 1837, when the tax went suddenly down from \$379,000 to \$341,000, and then to \$304,000, from which point it gradually came up to \$443,000, the amount for 1853.

For the present year, the addition will be over \$100,000, and we may safely consider whether or not there is danger in going further in the same direction, without some security for the redemption of bills issued, beyond what now exists.

That question will be duly considered and reported upon by the proper committee, and it is, therefore, unnecessary to go further with the subject here. I only desire to express my belief that the amount of banking capital can be safely increased, and that a larger percentage of tax might be raised than the present, without any injustice, especially if the tax should be imposed upon the circulation, and the usury law repealed, so that the rate of interest should be fixed by the parties and sustain some kind of relation to its value as determined by the supply and demand.

The question in relation to the rate of interest will arise again in the consideration of the loans made from the Commonwealth's funds, which, if they were put into the market, would bring at least 50 per cent. more than is now realized.

ALIEN PASSENGERS.

The amount to be received under this head, will not be materially increased, though in consequence of more liberal legislation, our merchants are returning the passenger business to this city, from which it had been diverted to other ports.

The good condition of passengers landed here from England and Ireland, during the past year, has been most remarkable, owing much, if not altogether, to the care taken in their management during the passage.

Very few persons have required any assistance, except such as has been furnished by the ship owners, under direction of the superintendent, though there has been a large expendi-

ture for such as have landed at other cities, and especially at New York.

The amount received for commutation hereafter will be diminished by the annual payment of \$3,000 to the State Almshouse Loan Sinking Fund, as per Act, 1852, ch. 275.

INCOME OF THE WESTERN RAILROAD STOCK SINKING FUND.

This fund, as has been before stated, was established to secure the payment of \$995,000, borrowed to pay for 10,000 shares Western Railroad stock, and now amounts to more than sufficient for that purpose and the payment of \$100,000 stock of 1852. Until 1851 the income of the fund was added to the principal. Since the commencement of that year it has been taken as ordinary revenue, and gone to a certain extent against the interest on the debt the fund is pledged to redeem.

It is necessary to determine now, both in relation to this and the School Fund, whether the interest on the land notes and the State of Maine scrip, amounting in all to \$34,420 per annum, shall be added to the funds as heretofore, or taken as income.

It has been assumed in the estimate that the last course will be adopted with the Sinking Fund, and also suggested that the School Fund should be treated in the same manner.

It was also hinted, on a preceding page, that by good management of our interest in the Western Railroad, and the recovery of the Massachusetts Claim, there might be means found for increasing the School Fund, and paying the funded debt created on account of the various public institutions.

This leads to a consideration of the

WESTERN RAILROAD LOAN SINKING FUND.

This fund, and the Albany Sinking Fund, were created to secure the payment of \$4,000,000 loaned by the Commonwealth at 5 per cent., and \$1,000,000 by the city of Albany at 6 per cent., making one-half the cost of the road, or thereabout, the remainder being represented by 51,500 shares of stock, or \$5,150,000.

The two funds now amount to over \$1,250,000, or with interest accrued up to the 1st instant, \$24 34 for each share of stock, and will be increased by the addition of their own income, which is over six per cent. per annum, (and no deduction

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tion for management,) besides \$50,000 from the earnings of the road, or rather from the earnings of that half of it represented by the loans over and above the amount required for interest on the loans.

At the present rate of increase, in 1862 the amount will be \$50 per share, and when the debt matures, nearly or quite sufficient to pay it, and thus leave \$10,000,000 of property to be represented by \$5,150,000 of stock, and all this, too, without encroaching upon the legitimate dividends, which have been from 6 to 8 per cent. since they were first paid.

The foregoing is but a reiteration of statements in former Reports, and would seem sufficient to prove that, independent of political considerations, or the fear that an additional interest in the road would lead to partial legislation, there could be no better investment of the money in the School and Sinking Funds, than in the shares of stock, the right to which has been hitherto abandoned or sold, in all except 1,764, which were taken by the funds, and are the best property owned by either.

The 10,000 shares originally subscribed for, now carry with them nearly \$250,000 in the loan fund, and this sum will be increased sufficiently to meet all the present debt of the Commonwealth, (except the \$995,000,) provided the payment is put forward to 1872, when the last of it falls due.

It is quite clear that we cannot afford, financially speaking, to sell any of the stock now on hand, but that owing to the present low valuation put upon the rights in the loan fund, the policy should be directly the other way, inasmuch as the state of all other purchasers can afford to await the maturity of the debt and consequent release of the fund in 1871.

It is urged by many that if the Hoosac Tunnel is made, the stock in the Western road will be of much less value than at present.

It is not contended, however, that the population on the route of the Western is so poor or sparse as not to afford it some business, independent of the long or through travel and freight, which, if affected at all by the new road, cannot be at present.

The price of the stock may perhaps be reduced, without changing its value, and then will be the time to purchase it, if at all.

Schedule of Securities, Stocks, &c., in the Treasury, including those belonging to the Loan Sinking Fund.

WESTERN RAILROAD STOCK.

10,000 shares original subscription,	\$1,000,000 00
1,764 shares new stock, taken by the School and Sinking Funds,	176,400 00
	<hr/>
	\$1,176,400 00

Dividends payable January and July, varying from 6 to 8 per cent. per annum.

MASSACHUSETTS FIVE PER CENT. SCRIP AND NOTES.

State Reform School and other scrip in the School and Sinking Funds, payable from 1857 to 1860—

Amount,	\$193,000 00
Note of the Commonwealth, temporary loan,	29,400 00
	<hr/>
	\$222,400 00

RAILROAD SCRIP, FIVE PER CENT.

Western in School and Sinking Funds,	\$300,000 00
Eastern and Boston & Portland, in School Fund,	70,000 00
	<hr/>
	\$370,000 00

STATE OF MAINE SCRIP, FIVE PER CENT.

Amount in School and Sinking Funds, interest payable annually on the 5th day of October, \$250,000 00

NOTES FOR LANDS IN MAINE, SIX PER CENT.

Amount January 1, 1853,	\$221,766 20
Added during the year,	226,599 26
	<hr/>
Paid during the year,	\$54,479 08
Notes released, as per Resolve,	16,514 12
	<hr/>
	70,993 20
	<hr/>
	\$377,372 20

COUNTY, CITY, AND TOWN SCRIP, SIX PER CENT.

Amount January 1, 1853,	\$330,000 00
Added during the year,	99,370 00
	<hr/>
	\$429,370 00
Deduct payments,	13,500 00
	<hr/>
	\$415,870 00

NOTES AND MORTGAGES, SIX PER CENT.

Amount January 1, 1853,	\$319,687 15
Paid during the year,	15,507 03
	<hr/>
	\$304,180 12

NOTES AND COLLATERAL, SIX PER CENT.

Amount taken during the year,	\$153,100 00
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LOAN SINKING FUND RIGHTS.

Amount belonging to 10,000 shares original subscription,	\$242,000 00
New stock in School and Sinking Funds, 1,764 shares,	42,688 80
	<hr/>
	\$284,688 80

Increased by the addition of its own interest, and about one dollar per share from the earnings of the road each year.

RECAPITULATION.

Railroad Stock,	\$1,176,400 00
Massachusetts 5 per cent. Scrip,	222,400 00
Railroad Scrip, 5 per cent.,	370,000 00
State of Maine Scrip, 5 per cent.,	250,000 00
Notes for Lands in Maine,	377,372 26
County, City, and Town Scrip,	415,870 00
Notes and Mortgages,	304,180 12
Notes and Collateral,	153,100 00
Loan Sinking Fund rights,	284,688 80
	<hr/>
	\$3,554,011 18
Amount, January 1, 1853,	2,880,661 35
	<hr/>
Increase,	\$673,349 83
Amount loaned during the year, \$252,470.	

On the land notes there is about \$92,000 of principal over due, and of interest, about \$33,000, accrued, due, and not due.

On all the other securities, the interest is generally paid as it falls due.

Schedule of Securities in the Western Railroad Loan Sinking Fund, belonging to the Corporation, and in charge of the Treasurer of the Commonwealth.

Notes and Mortgages,	\$215,091 51
Notes and Collateral,	106,800 00
City and Town Scrip,	14,400 00
Connecticut River Railroad Bonds,	200,000 00
Boston and Worcester Railroad Bonds,	221,000 00
Massachusetts Sterling Bonds,	4,050 00
Railroad Stock,	88,178 00
Cash on hand,	1,972 31
	<hr/>
	\$851,493 82
Interest due and unpaid,	\$1,486 68
Interest accrued and not due,	14,722 42
	<hr/>
	16,209 10
	<hr/>
	\$867,703 92
Stock, securities, &c., belonging to the Commonwealth, brought forward,	3,554,011 15
	<hr/>
Total in hands of the Treasurer,	\$4,421,714 27

Annual income on all except the Loan Sinking Fund rights say on \$4,137,025, is \$251,541, or a fraction over 6 per cent. per annum.

So far as loans are made to cities and towns, or the scrip of this or any other State purchased, the present rate of interest may be considered satisfactory, as the risk is not only less, but the advantage to the borrower more widely diffused.

But it is respectfully submitted, whether, in case of loans to individuals and corporations, the funds from which the loans are made, and especially the School Fund, should not be ex-

1851.]

posed to the advantage of all the interest the money is worth.

It is perfectly well understood that a person who borrows from the funds at six per cent., can immediately reloan on equally good security as his own, at nearly twice the rate he pays, and it therefore becomes quite an important question in the disposition of the money, as to who shall have it.

If the rate of interest were left entirely free, or were raised to the New York standard, it would not only materially increase the income of the several funds, and enable the banks to pay their dividends and tax without resorting to the charge for nominal exchange, but have a tendency to call home capital which is now absolutely banished from among us by the difference between our legal rate and that of our neighbors.

If our law had any other effect than to embarrass both the borrower and lender, there might be a doubt as to the propriety of any change. But, while the rate of interest is quoted day after day by the year together, at all the way from six to eighteen per cent., and it is perfectly notorious that even the banks are compelled to contrive some mode of realizing more than six, it seems idle to attempt any control over the subject, except in cases where the rate is not fixed by the parties.

It will be seen that there are in the treasurer's hands, independent of the Loan Sinking Fund, notes secured by mortgage for more than \$300,000. Of these the greater proportion are over-due, and, although in most cases the interest is paid promptly, there has been a failure in others, and possession has been taken of the property.

This course will, no doubt, become necessary again, and in view of such a contingency, and the unnecessary labor and responsibility thrown upon the treasurer in consequence, I can but repeat the opinion expressed in a former Report, that some provision should be made for more immediate sale of the property, which might safely be done, especially if the sales should be authorized only with the sanction of the executive under whose direction the loans are originally made.

Whether some similar provision should be extended to all mortgaged property, is a question not to be discussed here; but

so far as the interests of the Commonwealth and its funds are concerned, both the kind of security taken and the income derived, are important matters for consideration, and I have therefore felt obliged, before concluding the Report, to bring them to your notice.

Further details in relation to the Securities in the treasurer's hands will be found in his report, but are omitted in this, as are those connected with other subjects treated of, as their introduction would increase the size of the document without adding essentially to its value to the general reader.

All the particulars appertaining to each account have been prepared and can be furnished for publication in a separate document, as was done last year, if it shall be thought expedient to do so.

On the following pages may be found a trial balance, in which is included all those accounts which were open at the close of the year, together with such others in blank as had already been closed.

Tables have also been appended exhibiting the amount of receipts and expenditures for the past twenty years on account of ordinary revenue, accompanied by an explanatory statement showing the amount expended for public buildings and other extraordinary purposes during the same period.

All which is respectfully submitted,

DAVID WILDER, JR., Auditor.

TRIAL BALANCE OF AUDITOR'S LEDGER, DECEMBER 31, 1853.

[Referred to on page 33.]

	Dr.	Cr.
State House,	\$548,361 19	
State Lunatic Hospital, at Worcester,	185,000 00	
New " " at Taunton,	118,592 69	
State Reform School, at Westborough,	163,000 00	
Estate No. 12 Hancock Street, Boston,	12,500 00	
Arsenal and Arms at Cambridge,	281,754 18	
State Almshouses,	114,513 11	
State Prison,	558,820 77	
Charles River Bridge,	25,000 00	
Warren Bridge,	50,000 00	
Yacht Whisper,	2,650 00	
Deed of Michael Ambrose,	100 00	
Weights and Measures,	5,500 00	
State Library,	12,004 13	
Massachusetts Claim on United States,	181,000 00	
Marshpee Indian Fund,	6,000 00	
State Reform School Fund,	20,000 00	
Natick Indian Fund,	1,125 15	
Bonds and Mortgages of Railroads,	5,049,555 56	
Massachusetts Indian Fund,		\$200 00
Massachusetts School Fund,		1,244,284 05
Interest on School Fund, 1853,		22,889 33
School Fund for Indians,		2,500 00
Interest on ditto,		
Interest on School Fund, 1852,		
Todd Normal School Fund,		11,900 00
Interest on ditto,		
Charles River and Warren Bridge Fund,		2,782 37
Land in Maine,		
State Almshouse Loan Sinking Fund,		3,075 00
Interest on Land Notes,		
Western Railroad Stock Sinking Fund,		1,102,327 44
" Loan " "		
Railroad scrip loaned,		5,049,555 56
Western Railroad scrip loaned,		995,000 00
Five per cent. loan, 1850,		100,000 00
" " 1851,		
" " 1852, Hospital,		100,000 00

	Dr.
Five per cent. loan, 1852, Almshouses, . .	
" " 1849, State Reform School, . .	
" " 1853, Almshouses, . .	
" " " Hospital, . .	
" " " State House, . .	
Andover and Haverhill Railroad, . .	
Boston and Portland " . .	
Eastern " . .	
Norwich and Worcester " . .	
Temporary Loans, 1852, . .	
" " 1853, . .	
Notes for Lands in Maine, . .	\$377,372 26
Notes and Mortgages, . .	304,180 12
Notes and Collateral, . .	153,100 00
City and Town scrip, . .	415,870 00
State of Maine " . .	250,000 00
Western Railroad scrip in School Fund, . .	190,000 00
" " in Stock Sinking Fund, . .	110,000 00
Eastern Railroad scrip in School Fund, . .	20,000 00
Boston and Portland scrip in School Fund, . .	50,000 00
Massachusetts five per cent. (1850) scrip in School Fund, . .	4,000 00
Massachusetts five per cent. (1851) scrip in School Fund, . .	
Massachusetts five per cent. (1853) scrip in School Fund—Almshouses, . .	39,000 00
Massachusetts five per cent. (1853) scrip in School Fund—Hospital, . .	50,000 00
Massachusetts five per cent. (1849) scrip in School and Sinking Fund—S. R. S., . .	100,000 00
Massachusetts Note in Stock Sinking Fund, . .	29,400 00
Western Railroad Stock, . .	1,000,000 00
" " in School Fund, . .	82,100 00
" " in Sinking Fund, . .	94,300 00
Loan Sinking Fund rights, . .	242,000 00
" " " in School Fund, . .	19,868 20
" " " in Sinking Fund, . .	22,820 60
Commonwealth Massachusetts, . .	
Revenue, (cash on hand,) . .	13,409 64
State Tax, . .	
Bank Tax, . .	
Alien Passengers, . .	3,025 00
Auction Tax, . .	
Hawkers and Peddlers, . .	
Attorney for Suffolk County, . .	
Alien Estates, . .	
Interest on deposits, . .	

	Dr.	Cr.
Insurance Tax, . .		\$5,082 54
Income of Stock Sinking Fund, . .		35,951 21
Interest on five per cent's sold, . .		1,204 86
Premium on " " . .		4,172 50
Western Railroad Dividends, . .		65,000 00
State Almshouse expenses, . .	\$6,101 00	62 00
Council, . .	105,288 50	
Legislature, . .	81,946 43	
Salaries, . .	1,121 43	
Fuel and Light, . .	5,836 22	
Repairs of State House, . .	1,031 13	
Furniture for " . .	3,429 71	
Stationery, . .	6,123 38	
Newspapers, . .	27,009 14	
State Printing, . .	695 98	
Postage, . .	5,119 87	
Index and Journals, . .	1,322 57	
Sheriff, . .	2,000 00	
Contingent Fund, . .	5,574 70	
Bank Commissioners, . .	6,647 22	
Commissioners for various purposes, . .	1,862 27	
Legal counsel, . .	2,325 29	
Miscellaneous expenses, . .	2,518 00	
Term Reports, . .	93 10	
Reception of Kassuth, . .	666 66	
Annuity to Harvard College, . .	600 00	
Weights, Measures, and Balances, . .	114 23	
State Map and Surveys, . .	1,542 47	
Secret Bullet, . .	8,782 00	
Agricultural Societies, . .	2,131 63	
State Board of Agriculture, . .	300 00	
American Institute of Instruction, . .	154,177 32	
Convention of 1853, . .	9,000 00	
Asylum for Blind, . .	5,000 00	
School for Idiots, . .	7,567 41	
Deaf and Dumb, . .	2,500 00	
Eye and Ear Infirmary, . .	3,200 00	
State Lunatic Hospital expenses, . .	2,010 00	
Annuities of M. J. J. J., . .	103,330 43	
State Paupers, . .	1,962 55	
Cemeteries Inquests, . .	1,880 96	
Indians, . .	855 61	
Pensioners, . .	8,543 80	
Alien Commissioners, . .	3,350 00	
Adjutant and Quartermaster-General's Department, . .		

Payments extraordinary made during the time,
not including educational and scientific ex-
penditures,

\$1,123,500

\$8,100

One hundred thousand dollars of the debt on account of the New Lunatic Hospital is provided for, as is also all the \$995,000 for 10,000 shares Western Railroad Stock, leaving but \$695,000, as before stated, against the public property which has cost \$869,500.

If, as has been heretofore assumed, a State tax should be imposed to pay the temporary loan of \$220,000, there would remain \$475,000 of funded debt which might safely be increased to \$600,000, if necessary, for the completion of the State House Enlargement, &c.; especially if the Western Railroad Stock, or the proportion of the Sinking Fund belonging to it, should be set aside for its final payment, as suggested on page 41.

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