

## HOUSE . . . . No. 226.

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### Commonwealth of Massachusetts.

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TREASURER'S OFFICE, BOSTON, }  
April 12, 1865. }

To the Honorable A. H. BULLOCK, *Speaker of the House of Representatives* :

SIR,—I desire to place before the Legislature certain matters connected with the office of Treasurer and Receiver-General of the Commonwealth—upon which I should have maintained silence, were not the present political year the close of the period during which I can constitutionally be eligible thereto. I do this in justice to whomsoever may be my successor, and that the Legislature and the people of the Commonwealth may know what they require of their Treasurer. There may be hereafter some embarrassment in finding a person who may be willing to assume the greatly increased responsibilities and risks of this position, and who may be able, under all these, to furnish the required bondsmen, and, at the same time, be able and willing to draw upon his private means for the support of those dependent upon him, specially in times of a depreciated currency, considering such drafts as an equivalent to the honor conferred upon him by the people, and a proper return for their confidence and esteem.

I place before you a synopsis of the duties of the incumbent of the department, taken mainly from my Report to the

Legislature for the year 1863, (House Document, No. 60, 1864,) with such variations in the figurate statements as correspond to the present time. (See Pub. Doc., No. 5, 1865:)

The State Treasurer and Receiver-General, formerly elected by joint ballot of the Senate and House of Representatives, assembled in one room, is now chosen on general annual ticket, with the Governor, Lieutenant-Governor, Secretary, Attorney-General, and Auditor. And the Constitution declares, "that in order that the citizens of the Commonwealth may be assured, from time to time, that the moneys remaining in the public treasury, upon the settlement and liquidation of the public accounts are their property, no man shall be eligible as Treasurer and Receiver-General, more than five years successively."

He gives bonds, which like those of every State officer elected annually, and of whom bonds are required, *are to be renewed each year of his election*, in the sum of \$100,000, and has an annual salary of \$2,000. Under these bonds he is held responsible "for all losses and defalcations" that may appear against him, *either from himself, or any, or all of his clerks.*

The salaries of certain other State officers, are as follows:—

Secretary of State, . . . .	\$2,000.00.	No bonds.
Adjutant-General, . . . .	2,000.00.	"
Sergeant-at-Arms, . . . .	2,000.00.	\$2,000.00 bonds.
Auditor of Accounts, . . . .	2,000.00.	5,000.00 bonds.
Attorney-General, . . . .	2,500.00.	No bonds.
Secretary of Board of Education,	2,400.00.	"
Sec'y of Board of Agriculture,	2,000.00.	"
Agent State Board Charities, .	2,000.00.	"
Sec'y State Board Charities, .	2,000.00.	"
Bank Commissioners, . . . .	2,300.00.	"
Surgeon-General, . . . .	2,500.00.	"
Paymaster-General, . . . .	2,500.00.	"

The duties of the State Treasurer are as follows, viz.:—

1. He is to receive and account for all moneys paid into the treasury of the Commonwealth. In 1864, he received the sum of \$25,284,964.50.

2. He is to pay the claims of all parties whose names are borne on warrants duly served upon him, under the hand of the

Governor, for the time being, with the advice and consent of the Council, said warrants being made up after the Auditor shall have examined the bills or accounts of the claimants, and certified to the Governor and Council that such bills are correctly drawn, and the accounts justified, and that the proper appropriation is not exhausted. In 1864, he paid out the sum of \$25,268,396.30. So that there have passed through his hands for the year 1864, the aggregate of \$50,553,360.80.

3. He has the custody of all notes, bonds, and mortgages, &c., of the several Funds in which the Commonwealth is interested, and is to keep a separate account thereof,—and, under advice of the Governor and Council is to invest all moneys accruing to Funds belonging to the Commonwealth. Among these Funds, is the Massachusetts School Fund, now amounting to \$1,938,127.18, the income of which he is to invest as above named, and one moiety of which, as it may have accrued on the first day of June, of each year, he is, with the aid of the State Secretary, to apportion among the several cities and towns of the Commonwealth, in the ratio of the number of children between the ages of 5 and 15, returned by the several School Committees to the Secretary of the Board of Education, and on the 10th day of July, he is to pay over the proper proportions to the several municipal treasurers. Of the other moiety, the greater part is appropriated for the payment of general educational expenses, and whatever balance remains goes to increase the School Fund itself, (being added to the principal,) which is likewise augmented by the payment thereinto of one-half of the proceeds of the sales of Back Bay Lands, until the Fund amounts to \$2,000,000.

4. He has the custody, and is responsible for the securities belonging to all the Sinking and other Funds, now amounting to \$8,389,015.95. These Funds are the following:—

The Massachusetts School Fund, being now	\$1,938,127 18
The Todd Normal School Fund,	11,900 00
The School Fund for Indians,	2,500 00
The Rogers Book Fund,	1,000 00
The Almshouse Loan Fund,	88,562 02
The Charles River and Warren Bridges Fund,	98,138 90

The Debt Extinguishment Fund, being 7,716 shares in Western Railroad, which, at \$150 per share, is, . . . . .	\$1,157,400 00
The Back Bay Lands Fund, . . . . .	353,061 16
The Union Loan Sinking Fund, . . . . .	2,138,068 87
The Western Railroad Loan Sinking Fund, . . . . .	2,232,243 76
The Norwich and Worcester Railroad Loan Sinking Fund, . . . . .	174,614 36
The Troy and Greenfield Railroad Loan Sinking Fund, . . . . .	73,042 92
Bounty Loan Sinking Fund, . . . . .	38,580 00
Agricultural Fund, . . . . .	79,325 00
Essex Bridge Fund, . . . . .	4,402 78
Hassanamesset Indian Fund, . . . . .	49 00
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	\$8,389,015 95

5. He is *ex officio*, one of the Commissioners, *without pay*, for investing the moneys belonging to the Western Railroad Loan Sinking Fund.

6. He is, likewise, *ex officio*, one of the Commissioners of the Norwich and Worcester Railroad Loan Sinking Fund, for the same purpose. For this, he is paid by the Road, \$100 per annum.

7. He is the receiver and distributor, through the several municipal treasurers in the Commonwealth, of all moneys allotted by the soldiers of Massachusetts to their families or friends; and during the year 1864, he has received \$1,952,991.80, and has paid \$1,944,599.96.

8. In connection with the State Auditor, he is charged with the duty of obtaining returns from all the Corporations in the Commonwealth, (Acts of 1864, Chap. 208,) of assessing and collecting thereon, and of apportioning and paying over to the several cities and towns of the State, the amounts due them under the law, putting into the State Treasury what remainder there may be after such distribution. Under the law, he collected the past year, \$1,730,679.87, distributed \$1,159,352.75, and paid into the Treasury, \$571,327.12.

9. He is to pay from the Treasury of the State, on pay-rolls made out by the Adjutant-General — all the monthly bounties

of \$20 per month to each soldier—to such of the volunteers of Massachusetts, as may elect that manner of bounty,—and during the past year has thus paid out \$1,006,907.57. This particular duty involves very great risks arising from forgeries, identification of persons, misreading of names, persons, and places, and miscarriage of checks and moneys, &c., &c., together with the receiving back from bounty paymasters the bounties due to minors, and the settlement thereof with parents or guardians. These risks, and they are manifold, ought, in justice, to be placed elsewhere. The single item of forgeries is a fertile source of anxiety, *and it will be readily apparent that it would not require a very large number of instances to render the services of the Treasurer a simple gratuity to the State, by absorbing all his salary to make good such losses to the Treasury.* Ought not legislation, proper in the premises, to be provided, to protect him against such losses, sometimes positively unavoidable and which have already occurred? Hereafter, indeed, by a new statute, the Paymaster-General is expected to perform this duty, but some time must elapse before the arrangements and necessary transfers can be accomplished.

10. He is to receive, and place on interest, all moneys received from such soldiers as allotments for their own personal benefit.

11. He has the custody of the authorized public standard weights, measures, and balances, supplied to the State by the General Government, and is to furnish duplicates thereof to a Deputy Sealer of weights and measures, whom he may appoint, and likewise to furnish newly incorporated towns with a complete set of such standard weights, measures, and balances.

12. He is, after the annual State Tax has been imposed and apportioned by the General Court, to send his Warrant for the amount levied on each several city and town, to the assessors thereof, and this he does through the hands of the High Sheriffs of the several counties of the Commonwealth, who are to distribute such Warrants to the several local assessors.

13. He is to levy upon the several Banks, under laws of the Commonwealth, a tax of one per cent. upon their capital stock, and to collect such tax in the months of April and October of each year.

14. He is also to levy and collect the semi-annual taxes prescribed by law, upon all Savings Banks, Institutions for Savings, all foreign Insurance Companies doing business in this State by Agencies, and upon the Massachusetts Hospital Life Insurance Company, returns from all of which he is to require and preserve on file.

15. He is to take charge of, and preserve on file, the Bonds required by law to be given to himself, as Treasurer, by various officers throughout the Commonwealth, his own bonds being deposited with the Secretary of State.

16. He is, when specially so authorized by the Legislature, to borrow money of the several Banks in the Commonwealth, in anticipation of the revenue of any given year, and to sign the necessary notes, they being also signed by the Auditor, and countersigned by the Governor.

17. Whenever the Legislature authorize the issuing of State Scrip, or certificates of indebtedness, (this is usually put "under direction of the Governor and Council,") he is to contract for all the necessary engraving or printing, to sign and number all the bonds and to number all the coupons, the bonds, being further counter-signed by the Governor, and to dispose of the loan which the scrip represents, in such manner as shall be by law provided.

18. He is to pay, as it accrues, the interest on all State Scrip, in coin, and to redeem, likewise, in coin, the principal of such Scrip at maturity. The coin he must purchase, and the payments are made without the formality of a Warrant from the Governor and Council, (Chap. II., Sect. 1, Par. IX., Constitution of Massachusetts.)

19. He is one of the Commissioners (with the Secretary of State and Sergeant-at-Arms,) having charge, without compensation, of the appropriations for the repairs, improvements and furniture of the State House, and contingent expenses of the Council, General Court, and officers of the State House, and no expenses can be incurred for said purposes, unless previously authorized by said Commissioners. He has, also, an approval, with the Secretary, of the Watchmen at the State House, appointed by the Sergeant-at-Arms.

20. He is to take charge of, and hold on deposit, the securities of any Insurance Company, incorporated under the laws

of this State; such deposit being made for the purpose of complying with the laws of any other State, to enable such Company to do business in this State.

21. He is to cause all Bonds and Securities in his possession, belonging to the Commonwealth, to be stamped with the words "The property of the Commonwealth."

22. He is to make an Annual Report to the Legislature, in detail, of all the transactions of his office for the previous year, adding such other facts relating to said office as may be necessary or useful.

These are his leading duties. There are others of less import.

The above is a synopsis of the duties which have gradually devolved upon the Treasurer, and which have accumulated from year to year, *until the number of clerks in his office has increased from two only, to twenty, and during a portion of the year 1864-5 to thirty-two.*

It may be of interest to show the gradual increase of the operations of the Treasury Department of Massachusetts for a series of years past. Going back to the year 1831, I find the payments from the Treasury to have been as follows, viz. :—

ORDINARY PAYMENTS.

In 1831, they were	. . . . .	\$381,231 68
1832, " "	. . . . .	329,613 19
1833, " "	. . . . .	367,353 92
Total for three years, . . . . .		<u>\$1,078,198 79</u>

In the same three years, extra payments occurred in settling certain loans made in anticipation of the revenue.

In 1831, . . . . .	\$217,100 00
1832, . . . . .	218,830 00
1833, . . . . .	191,550 00
	<u>\$627,480 00</u>

Which added to the ordinary payments of the same years, gives a total of \$1,705,678.79; an annual average for each of the three years, of \$568,559.59.

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Taking now three decades of years from 1831 to 1860, inclusive, the payments from the treasury were as follows, viz. :—

Decade.	Payments.	Annual Average.
1831 to 1840, . . . .	\$8,919,179 42	\$891,917 94
1841 to 1850, . . . .	10,927,115 12	1,092,711 51
1851 to 1860, . . . .	27,293,552 56	2,729,355 26

During the four years of my service, the annual *payments* have been as follows :—

In 1861, they were, . . . . .	\$8,903,676 38
1862, “ “ . . . . .	6,407,751 40
1863, “ “ . . . . .	6,728,597 70
1864, “ “ . . . . .	25,268,396 30
A total of . . . . .	<u>\$47,308,421 78</u>

And it is furthermore generally considered that it is the duty of the Treasurer to provide, under legislative authority, all the moneys which may be required for the exigencies of the State ; a burden of duty vastly more onerous than that of disbursing such moneys when obtained. It cannot fail to be seen that some change is needed in the financial agencies of the State, that will relieve this department of some portion of its burdens. This will, in part, be accomplished, by the transfer, now authorized, of all the bounty payments to the Paymaster-General of the State. Another relief would be had by establishing a Corporation Tax Bureau, independent of the Treasurer, as already recommended in the Report of the Tax Commissioners for 1864. But the most important relief would be in the creation of an office, to be known as the Department of the Comptroller of the Treasury, whose duty it should be, under laws applicable to the case, to raise moneys for the treasury of the Commonwealth, by negotiating its notes and scrip, &c., and by such other means as might be found necessary in the premises.

All which is most respectfully submitted by  
Your obedient servant,

HENRY K. OLIVER,  
*Treasurer and Receiver-General.*