

HOUSE....No. 60.

Commonwealth of Massachusetts.

HOUSE OF REPRESENTATIVES, March 1, 1850.

The Committee on Finance, to whom was referred the Annual Report of the Auditor of Accounts, of January 10, 1850, having duly considered the same,

REPORT:

That the current revenue of the year 1850, as estimated in that document, is	\$467,500 00
That the additional revenue from the bank tax, in consequence of the legislation of the present session, is estimated at	6,000 00
That should the bill, now pending, in relation to alien passengers, pass, an addition will be made to the current revenue, estimated by the auditor at \$50,000 annually, or, for six months,	25,000 00
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	\$498,500 00
That there will probably be a diminution of the receipts from the auction tax, estimated by the said officer, at	12,000 00
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Leaving as estimated revenue,	<u>\$486,500 00</u>

EXPENSES.

Estimated current expenses of the year 1850, per current report of January 10th,	\$492,000 00
Additional estimated expenses:—	
1. For paupers,	\$12,000
2. For militia,	4,500
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	16,500 00
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	\$508,500 00
From which deduct estimated revenue,	486,500 00
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Leaving as deficiency of the present year,	\$22,000 00
Deficiency of preceding year, as per report,	65,000 00
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Total deficiency, January 1, 1851, estimated at	<u>\$87,000 00</u>

This deficiency, however, will probably be fully met, unless increased by legislation, not now anticipated, by the surplus revenue of 1851 and 1852, provided that the bill respecting alien passengers should pass, and provided also, that the income of the Western Railroad Stock Sinking Fund is withdrawn from the same and appropriated to general expenses. To this step the committee can see no objection.

From the mere proceeds of the sales of Eastern lands, the capital of that fund will amount probably, in the course of two or three years, to the sum of \$700,000; in other words, to a sum fully equal to the whole portion of the scrip now in the hands of the public, and more than double the amount for which this sinking fund is pledged, by the act establishing it. This surely, in all reason, is ample collateral security, so far as any such security can be required, in behalf of the credit of this Commonwealth. The committee have therefore reported a bill, providing, that when the capital of this sinking fund shall have reached the amount of seven hundred thousand dollars, the moiety of the proceeds of public lands, now carried to the same, shall be devoted to other purposes, which will be specified in the sequel of this report, and that all the income arising from that capital, shall, after the present year, be paid, as already intimated, into the general treasury, as a fund for current expenses.

Should this bill pass, the revenue and expenses of the year 1851, may be estimated as follows:—

Revenue estimated as equal to that of 1850,	\$486,500 00
Further additional receipts estimated, from bank tax,	\$10,000
Further amount from alien passengers, in addition to \$25,000, included in the above sum of \$486,500,	25,000
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Income of Western Railroad Stock Sinking Fund,	41,500 00
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Estimated revenue of 1851,	\$563,000 00
Deduct expenses estimated equal to those of 1850,	508,500 00
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Estimated surplus revenue of 1851,	\$54,500 00

which would reduce the above deficiency of 87,000 to 32,500, and this, would in all probability be extinguished, in the course of the year 1852.

Under these circumstances, the committee see no necessity, of resorting, at this time, to an increase of taxation, or to a permanent loan, in order to meet the deficiency of revenue created by the expenses of the present, and the two preceding years. It ought also not to be forgotten, that no such deficiency would have existed, but for the

Expenses of the buildings of the State Reform School, amounting to about	\$91,000 00
And the distribution of standard measures, weights, and balances, to counties, cities, and towns, stated in the report at	50,295 00
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Amounting to	\$141,295 00

a sum exceeding the total deficit by about \$54,000.

The above two expenditures may be considered as of a permanent and extraordinary character, partaking more of the nature of investments than of expenses, (though yielding no return in money,) and therefore, the whole amount ought surely

not to be considered as fairly chargeable on our present revenue.

With these remarks, the committee quit the subject of the present deficiency of revenue, and advert to another important topic, now fully brought, for the first time, to the public notice, by the auditor's report, viz., the resources of the Commonwealth, or those which may be styled, in a certain sense, its corporate property. This, after deducting all the debts and liabilities of the Commonwealth, and a further deduction of all unproductive and unavailable property, and of the Massachusetts Claim, together with a liberal allowance for contingent losses, is estimated (See Auditor's Report, p. 5,) at more than three millions of dollars. The proper disposal of such an amount, is a question which cannot well be considered too thoroughly or too promptly. The most considerable items of this property, amounting together, by the estimate, to two millions and a half of dollars, at least, are :

1. The shares held by the Commonwealth in the Western Railroad, amounting to \$1,000,000. The dividends on this stock will probably not be less than \$80,000 annually, and will probably always form an important item in the current revenue of the Commonwealth.

2. The second, and most considerable item of the property of the Commonwealth, is that consisting in unsold Eastern lands. These are estimated by the auditor at \$1,500,000.

One-half of the proceeds of these is now appropriated to the school fund, till that fund shall reach one million of dollars. This will probably take place in a year or two. The other half of those proceeds is now payable to the stock sinking fund, which if limited, as proposed, to seven hundred thousand dollars, will probably reach that limit in the same period. Thus it appears that in two or three years, the net resources of the Commonwealth in Eastern lands alone, will amount, at a very moderate computation, to more than a million of dollars. The committee propose, in the first place, that, when the school fund shall have reached its limit, the proceeds of Eastern lands, now appropriated to it, shall form a fund, to be denominated, "A Fund for the Purposes of Education," the income to be sacredly devoted to such objects of this description as the Legislature may, from time to time, direct. The committee recom-

mend that the net proceeds of the remaining moiety of the Eastern lands, now appropriated to the stock sinking fund, shall, after that fund shall reach the sum of seven hundred thousand dollars, as intimated in the beginning of this report, be devoted to a fund, to be denominated the Massachusetts Charitable Fund, the income of the same to be applied, so far as it may extend, to the payment of such charges of that description as are now, or may be hereafter, authorized by law. Each of these funds, the committee propose to limit to a maximum of five hundred thousand dollars. In conformity with the above suggestions, they have prepared two bills, which are herewith submitted.

These two funds, it will be seen, will absorb a large proportion of the future proceeds of Eastern lands. What residue of those lands, if any, may remain unsold after these funds may reach their respective limits, cannot be calculated with any precision. It is possible that such residue may be large; but, while it certainly seems desirable to appropriate a large part of the resources of the Commonwealth to purposes of education and charity, it hardly seems prudent to leave nothing in reserve for unforeseen contingencies. Should a larger amount be finally realized from the sale of the public lands than is now anticipated, one or both these funds can be readily enlarged, while the reduction of them, from any cause, would be regarded as a disagreeable, if not discreditable measure.

The support of paupers is a subject which is likely, at no distant day, to force itself on the serious consideration of the Legislature and the people of this Commonwealth. The large influx of foreigners now taking place, whatever its benefits in any other respect, operates, in the first instance, as a burden of no common weight on the funds of the Commonwealth and of our municipal corporations. This burden has more than doubled since the year 1840, and the payments, on this account, from the State treasury, for the last year, amounted to nearly one hundred thousand dollars. It is hoped, that the passage of the bill relating to alien passengers, now pending, may afford considerable relief, and that a diminution of suffering in other countries, may occasion a diminution of emigration to our own, at least, of such persons as are unable to gain their own support. Under these circumstances, the committee, while they

recommend the whole subject as one deserving the most serious consideration, both of legislators and philanthropists, are not prepared to suggest the adoption, at present, of any specific measures in relation to it.

Respectfully submitted,

JOHN C. GRAY, *Per Order.*

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Fifty.

AN ACT

To establish the Massachusetts Charitable Fund.

Be it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, as follows:—

1 SECT. 1. When the capital of the Western Railroad
2 Stock Sinking Fund shall amount to the sum of seven
3 hundred thousand dollars, the moiety of the proceeds
4 of public lands, now appropriated to the same,
5 shall form a fund, to be denominated the Massachu-
6 setts Charitable Fund: *provided*, that the capital of
7 said fund, shall never exceed the sum of five hun-
8 dred thousand dollars.

1 SECT. 2. The said fund shall be invested by the
2 treasurer, under the direction of the governor and
3 council, and the income of the same, shall be appro-
4 priated, so far as it may extend, to such charitable
5 purposes, as the legislature may, from time to time,
6 direct.

1 SECT. 3. The income of the Western Railroad
2 Stock Sinking Fund, shall, after the present year,
3 be paid into the treasury, and appropriated to the
4 current expenses of the Commonwealth.

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Fifty.

AN ACT

To establish a Fund for the purposes of Education.

BE it enacted by the Senate and House of Representatives, in General Court assembled, and by the authority of the same, as follows :

1 SECT. 1. When the capital of the School Fund,
2 shall amount to the sum of one million of dollars,
3 the moiety of the proceeds of public lands, now ap-
4 propriated to the same, shall constitute a permanent
5 fund, to be denominated a fund for the purposes of
6 education, and the income received from said fund,
7 shall be apportioned to such purposes, in such man-
8 ner, as the legislature may, from time to time, direct:
9 *provided*, that the capital of said fund shall never
10 exceed the sum of five hundred thousand dollars,
11 *and provided, also*, that all deductions now authorized
12 by law, to be made from said moiety, before the same
13 is paid into the school fund, shall continue to be

14 made in like manner, until further order of the legis-
15 lature.

1 SECT. 2. The said fund shall be invested by the
2 treasurer, under the direction of the governor and
3 council.

AN ACT

To establish a fund for the purpose of...
...the sum as follows:
1 SECT. 1. When the capital of the school fund
2 shall amount to the sum of one million of dollars
3 the moneys of the proceeds of public lands now ap-
4 propriated to the same, shall constitute a permanent
5 fund to be designated a fund for the purpose of
6 education, and the income derived from said fund
7 shall be appropriated to such purposes in such man-
8 ner as the legislature may from time to time direct.
9 Provided, that the capital of said fund shall never
10 exceed the sum of five hundred thousand dollars.
11 And provided, also that all donations now authorized
12 to be made from said moneys, before the close
13 of the year 1850, shall continue to be