

HOUSE....No. 8.

Commonwealth of Massachusetts.

The Committee to whom was referred the annual statement of the Treasurer, rendered January 9th, 1841, having considered the same,

REPORT

in part, as follows :

The funded debt of the Commonwealth consists of the following items.

1st. The scrip issued under the Act of April 2d, 1839, to provide for the payment of the unfunded debt, existing at that time, and redeemable in the course of the year 1842, with interest semi-annually, at the rate of 5 per cent. amounting to - - - - - \$294,137 00

For the redemption of this debt of \$294,137 00, the remainder of the Commonwealth's portion of the claim of Massachusetts on the general government, estimated at about \$270,000, is pledged, a claim audited, its amount ascertained, and of such unquestionable justice, that its payment cannot be much longer delayed.

2. The scrip, issued to pay eight assessments, on the Commonwealth's subscription to 10,000 shares in the Western Railroad Corporation, payable with semi-annual interest at the rate of 5 per cent. amounting to - - - - - \$405,000

For the redemption of this debt of \$405,000, one half of the proceeds of the public lands in Maine, sold subsequently to the 15th of April, 1837, are pledged, a sinking fund amply sufficient for the extinction of the debt, if any reliance may be placed on the Report of the Land Agent, who estimates the

value of the lands belonging to the Commonwealth unsold in Maine, at over \$3,000,000.

3. Certain loans made in aid of certain Rail-road Corporations, all of which are distinctly stated in the annexed documents, which contain also a like statement of the School Fund, and other funds belonging to the Commonwealth devoted to special purposes.

To secure the payment of these loans, one year before the same will be redeemable by the Commonwealth, the several corporations have conveyed to the State by deeds of mortgage, their entire roads, franchises and property, or, in two instances, a large number of shares of their capital stock,—their roads are in successful operation—the corporations have paid their semi-annual interest punctually, as the same became due, and one of them has returned the scrip borrowed to the Treasurer.

Concerning all the items of this funded debt, your Committee have only to say, that its condition is such, as to call for no action from the present Legislature. Your Committee do not except from this remark, the debt of \$294,137, redeemable in the course of the year 1842, because no portion of this debt is redeemable before June 1842, and but a small portion of it before October 1842, and the next Legislature will have ample time to make provision for it, if it shall appear that the change, now so near in the administration of the general government, has not brought that justice into its councils, which has been so long denied to Massachusetts, in regard to what is called the Massachusetts claim, and if it shall also be found that such retrenchments cannot be made in our expenditure, as will create a sinking fund for the redemption of this debt.

We now proceed to consider the present state of the Treasury, and the probable income and expenditure of the year 1841.

It appears that the cash on hand on the first day of January, 1841, available for the ordinary purposes of government, amounted to - - - - - \$70,661 64

The liabilities of the Treasury, on the last day of the year 1840, reported by the Treasurer, were \$18,022 89. In addi-

tion to this, previous to the first day of January, 1841, large expenses had been incurred by the State under the Act "to ascertain the rateable estate within the Commonwealth, and under the Act allowing a bounty of five dollars each to the officers and soldiers of the volunteer militia, expenses which should be a charge upon the year 1840.

The claims upon the Treasury arising under these two Acts, it is known, will not exceed the sum of - - \$47,000.

Further, no appropriation was made last year for fuel for the State House though the expense has been incurred, amount - - - - - \$1,800

If then "a risk" were made on the first day of January, 1841, and the money on hand applied to liquidate and pay off the liabilities then existing for the ordinary expenses of government, the State would have stood thus:

Cash on hand, - - - - - \$70,661 64

Liabilities accruing previous to Jan.

1, 1841, as above, - - - - - 18,022 89

" " - - - - - 1,800 00

" " - - - - - 47,000 00

————— 66,822 89

Balance in the Treasury, - - - - - \$3,838 75

According to this view, the State enters upon the year 1841, with a balance in the Treasury, say of - - \$4,000 00

We proceed then to estimate the probable income, and the probable expenditure, of the year 1841, according to the existing laws.

Probable means and income, balance in the

Treasury, say - - - - - 4,000 00

Bank Tax, - - - - - 330,000 00

Auction Tax, - - - - - 50,000 00

Interest on deposits in City Bank, - - - 2,000 00

From Attorney of Commonwealth for County
of Suffolk, - - - - - 2,000 00

Proceeds of lands sold in Maine, - - - 3,000 00

—————
\$391,000 00

Probable expenditure of the year 1841.

For the pay of the Council,	- - - -	3,000 00
“ “ “ Senate, travel and attend- ance, 60 days,	- -	5,160 00
“ “ “ Clerk of the Senate,	-	600 00
“ “ “ Assistant Clerk of Senate,		360 00
“ “ “ House, travel and attend- ance, 60 days,	- -	52,641 00
For the pay of the Clerk of House,	- -	600 00
“ “ “ Chaplains and preacher of Election Sermon,	- -	170 00
“ Payment of the permanent salaries,		65,744 00
“ “ other salaries, viz. Agri- cultural Surveyor,	-	1,800 00
“ “ Messenger, and assistant to Governor and Council,		1,000 00
“ “ Bank Commissioners,	-	4,500 00
“ “ Extra Clerks in the sev- eral offices,	- -	1,400 00
“ “ Officers of the State Lu- natic Hospital,	- -	3,200 00
“ “ Balances to County Treas- urers,	- - -	60,000 00
“ “ for the support of State Paupers,	- - -	46,000 00
“ “ of the bounty to volunteer militia,	- - -	50,000 00
“ “ of interest on 5 per cent. State Stock scrip issued to pay the Common- wealth's subscription to Western Rail-road, and the interest on money borrowed in anticipation of the receipts of the present year	- -	36,000 00

For the payment for the support of the blind and deaf and dumb,	12,500 00
“ “ for the Eye and Ear Infirmary,	2,000 00
“ “ of the State Printing,	10,000 00
“ “ of the State Surveys,	9,500 00
“ “ for the bounty on wheat,	9,000 00
For the Adjutant and Quarter Master General's department, - - - - -	2,000 00
For the payment of Military, Sheriffs, Coroners, and other accounts, Newspapers and Newspa- per printing, including accounts of a miscel- laneous character, audited by the Treasurer and the Committee on Accounts, - -	15,000 00
For the payment of pensions, donations and gra- tuities, - - - - -	1,500 00
Payments to Agricultural Societies, - -	4,354 00
Bounty on Silk, - - - - -	2,500 00
For qualifying School Teachers, - - -	2,000 00
“ the purchase of Term Report, - - -	962 50
“ repairs about the State House, - - -	2,000 00
“ the purchase of Fuel, &c., - - -	1,800 00
“ American Institute of Instruction, Essex Society of Natural History, Boston Society of Natural History, - - - - -	750 00
“ State Library, - - - - -	300 00
“ Miscellaneous items, not embraced in any of the above, - - - - -	14,500 00
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	\$422,841 50
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Probable Expenditure, - - - - -	422,841 50
Probable means and income, - - - - -	391,000
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Balance,	\$31,841 50

The above estimates show an excess of expenditure over means and income, for the year 1841, of over \$30,000 00.

Nearly the same result will be arrived at if we estimate the expenditure and income as the Treasurer's accounts will exhibit them in the beginning of the year 1842; for his accounts will then show the items of expense mentioned in the first part of this report, to wit :

Outstanding claims on the Treasury,	\$18,022 89
Expenses of Valuation Committee and Militia bounty,	47,000 00
Expenses of fuel, &c., for State House in 1840,	1,800 00
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	\$66,822 89

as part of the expenditure of 1841, which we in the above estimates have supposed to be liquidated by the cash on hand, as properly chargeable to the year 1840; but the Treasurer's account will also show cash on hand greater than we have estimated by the above sum of \$66,822 89.

Turn which way we will, if the existing laws continue in force and no retrenchments are made, and no new sources of revenue devised, though our session continue but sixty days, yet will the expenditure of the year 1841 exceed the income, perhaps by a less sum than we have stated, perhaps by a greater.

We say perhaps *by a less sum*, because there are two items in the estimate of expenditure which we have submitted which are probably too high. For example, we put the militia bounty at \$50,000, because the law permits 10,000 men to be enlisted; but it is known that the militia now existing would not call for more than \$35,000. We estimate the bounty on wheat at \$9,000, yet on the 18th of January instant, the amount of claims in the Secretary's office for this bounty was only \$321 54, and some officers of the Government better able to judge than your Committee, think there may be a saving in this item of \$5,000. Thus there may be a saving in these two items of \$20,000, leaving the excess of expenditure over means and income, the present year, only \$10,000.

We say, also, that the excess of expenditure may be greater

than we have estimated, because the Legislature may pass laws which will make further demands upon the Treasury than the existing laws create; as happened last winter, when the Legislature, after the estimates for the year were submitted, showing that the income would be insufficient to meet the expenditure of 1840, passed two acts, one "to ascertain the rateable estate of the Commonwealth," and another allowing a bounty to the militia, which have withdrawn probably \$47,000 from the Treasury. The session, too, may run to a greater length than we have estimated.

But whether the expenditure of the State exceeds its income in a greater or less sum, is material only in governing the action of the Legislature as to the extent to which the work of retrenchment shall be carried. It being known that the expenditure of the present year will exceed the income of the year, it is the plain duty of the Legislature to bring the expenditure within the income, if there be any objects of expenditure which can be dispensed with, and of which the best interests of the State do not require the continuance. Your Committee see no reason to doubt that a prudent husbandry of our means, a just retrenchment, and a wise economy will soon bring our finances into good condition.

Your Committee submit this report merely as a view of the financial condition of the State, according to existing laws. The work of retrenchment has been confided by the House to other committees, we therefore submit no recommendation on the subject of retrenchment.

By order of the Committee,

WILLIAM DWIGHT, *Chairman.*

LIABILITIES OF THE COMMONWEALTH *on account of Scrip issued under the several Acts of the Legislature.*

66

DESCRIPTION OF SCRIP.	Law by which created.	Amount authorized.	Amount issued.	Payable.	Rate of Interest.	SINKING FUND.
Western Rail-road,	Feb. 21, 1838,	\$2,100,000	\$2,100,000	1868, 1869,	5 per cent.	The profits on the sales of Scrip, and, after the road shall be opened for use, one per cent. on the amount of Scrip issued.
Do.	Mar. 23, 1839,	1,200,000	1,200,000	& 1870	semi-ann'y.	
Eastern Rail-road,	April 18, 1837,	500,000	500,000	1857 & 1859	do	
Andover and Haverhill,	April 18, 1837,	100,000	100,000	1857	do	
now—				&		
Boston and Portland Rail-road,	April 9, 1839,	50,000	50,000	1859	do	
Norwich and Worcester Rail-road,	Mar. 20, 1837,	400,000	400,000	1857	do	
New Bedford and Taunton Rail-road,	April 13, 1838,	100,000	100,000	1855	do	
Western Rail-road, to pay Commonwealth's subscription,	April 15, 1837,	1,000,000	405,000	1857	do	
To pay the unfunded debt of the Commonwealth, existing January 1, 1839,	April 2, 1839,	300,000	294,137	1842	5 per cent. annually.	
						All sums of money which may be received from the Gen'l Government for Militia services.

STATE OF THE TREASURY.

[Jan.

*Amount and condition of the Funds of the Commonwealth,
January 1st, 1841.*

<i>Massachusetts School Fund</i> amounts to	
\$450,911 17, and is invested as follows, viz : loaned to certain Banks in	
Boston, as per Act of March 19, 1831,	\$281,000
Boston and Portland Rail-road Scrip,	50,000
New Bedford and Taunton do	48,000
Eastern Rail-road do	20,000
Deposited in City Bank on interest, at	
4½ per cent. paid monthly,	51,911 17
	—————450,911 17
The balance is on interest at 5 per cent. per annum, payable semi-annually.	
<i>School Fund for certain Indians</i> , loaned to the Barnstable Bank at 5½ per cent. per annum,	2,500
<i>Western Rail-road Sinking Fund</i> , deposited in the City Bank, on interest 4½ per cent. settled monthly, - - - - -	9,721 87
<i>Sinking Fund</i> to redeem Western Rail-road Scrip, in the <i>currency of Great Britain</i> , invested by the Commissioners, and on interest at 6 per cent. per annum, payable semi-annually, - - - - -	151,995 78
<i>Warren Bridge Fund</i> , deposited in Eagle Bank at 5 per cent. per annum interest, payable semi-annually, - - - - -	\$32,680 12
And a note secured on Real Estate at 6 per cent. per annum, -	1,861 16
	—————34,541 28
	—————
	\$649,670 10

