

TREASURER'S REPORT.

Treasury Department, No. C-2 NOVEMBER 17th, 1834.

The Honorable the General Assembly of the State of North Carolina: In obedience to the directions of an act of the General Assembly, passed at the session of 1837, entitled "an act concerning the Public Treasury," the Public Treasurer respectfully submits the following Report:

I. Of the Public or Unappropriated Revenue & Expenditures. The balance of cash in the Public Treasury on the first day of November, 1832, was \$7,924 73 1/4. The receipts of the ensuing fiscal year, ending on the 31st Oct. 1833, amounted to 188,819 97.

The disbursements during the same period amounted to 158,867 46 1/4.

Balance 1st Nov. 1833, as reported to last Assembly, 57,877 24. The receipts at the Treasury for the last fiscal year, that is, from the 31st Oct. 1833, to the 1st Nov. 1834, amount to two hundred and two thousand, one hundred and twenty-seven dollars and twenty-eight cents, (202,127 dollars, 28 cents.) viz.

Table listing various receipts: Cash received of the Sheriffs for public tax of 1833, being the ordinary revenue payable into the Treasury on the 1st Oct. 1834, and not specifically appropriated. Ditto on account of additional returns of taxes. Ditto State Bank of North Carolina, for dividends of capital stock. Ditto Bank of Newbern, dividends of capital. Ditto State Bank of North Carolina, for dividend of profit. Ditto Bank of Cape Fear, for dividend of profit. Ditto Bank of Newbern, tax for the year ending 1st July, 1834. Ditto Bank of Cape Fear, do. do. Ditto John L. Henderson, Clerk of the Supreme Court. Ditto John Miller, Clerk of Buncombe County Court. Ditto Miss E. A. Haywood, for rent of lots for the year 1833. Ditto John Holloway, on his bond for sales of land near Raleigh. Ditto Charles Manly, his last bond given for purchase of Machine tract of land. Ditto sundry persons, purchasers of furniture at the Government House. Ditto sundry persons, purchasers of the property of the late John Haywood, Esq.

Which, added to the balance above stated, make the sum of 260,004 52. The disbursements at the Treasury for the same period, that is, from the 31st Oct. 1833, to the 1st Nov. 1834, amount to 191,571 11.

Table listing disbursements for the year: General Assembly. Rebuilding Capitol. Judiciary. Treasury Notes burnt by com. Finance session of 1833. Executive Department. Treasury Department. Department of State. Comptroller's Department. Stock in the Bank of the State of North Carolina. Literary Fund. Contingencies. Sisters of James N. Forsyth. Sheriffs for settling tax. Public Printer. Pensioners. Adjutant General's Office. Bogue Banks.

The Appendix subjoined to this Report, which embraces the statements usually furnished by the Comptroller for the use of the members of Assembly, will be found to contain a detailed exhibit of each and every individual disbursement made at this office during the year. It is referred to for the particulars in each of the above accounts.

The following statements of the moneys received and expended on account of the Literary and Internal Improvement Funds, are also submitted in further discharge of the duties required by the several acts of Assembly.

Table for the Literary Fund: The balance of cash in the hands of the Public Treasurer, as Treasurer of the Literary Fund, on the 31st Oct. 1833, as reported to the General Assembly of that year, was \$117,024 81 1/4. The receipts at the Treasury of money belonging to this Fund for the last year, that is, from the 31st Oct. 1833, to the 1st Nov. 1834, amount to twenty-two thousand, three hundred and seventy-nine dollars and eighteen cents, (\$22,379 18.) viz.

Table for Internal Improvement: appropriated to this Fund, (3 per cent. on 704 shares, June, 1834.) 2,112 00. Deduct amount paid for 1200 shares of stock in the Bank of the State of North Carolina, 120,000 00. Balance 1st Nov. 1834, \$19,403 99 1/4.

III. Of the Fund for Internal Improvement. Balance on the 31st Oct. 1833, as reported to the General Assembly, \$979 08 1/4. The receipts at the Treasury, on account of the fund for Internal Improvement, for the last year, that is, from the 31st Oct. 1833, to the 1st Nov. 1834, amount to five thousand eight hundred and seven dollars and twenty-three cents, (\$5,807 23.) viz.: Cash received of sundry persons on Cherokee bonds, (schedule D.) Principal, \$1,366 69 1/4 Interest, 366 53 1/4 \$1,733 23. Ditto Bank of Cape Fear, for dividends of profit appropriated to this fund, (3 per cent. on 1358 shares, June, 1834,) 4,074 00. Deduct disbursements for same period, viz. This sum paid James Wyche, Superintendent, &c. balance of salary and postage, \$ 25 89. Ditto William R. Hill, Secretary of the Board of Int. Imp. for his services, 21 00. Ditto James Wyche, Sup't, salary and expenses, present year, 246 89. Balance 1st Nov. 1834, \$6,539 42 1/4.

These disbursements from the Fund for Internal Improvement, as well as all others made at this office, are sustained by vouchers properly taken, to which the entries in the books of the office are made to correspond. The accuracy of the whole will be tested by the examination of the Committee of Finance.

RECAPITULATION. The foregoing statements show balances of cash on hand at the close of the business of the fiscal year, ending on the 31st Oct. 1834, as follows, viz. Amount as Public Treasurer, \$68,433 41. Ditto Treasurer of the Fund for Internal Improvement, 6,539 42 1/4. Ditto Treasurer of the Literary Fund, 19,403 99 1/4. Making an aggregate amount of \$94,376 83 1/2. With which the Public Treasurer, as such, and as Treasurer of the Literary and Internal Improvement Funds, stands charged in the books of this office, and for which he is therefore accountable on the 1st day of November, 1834. This amount is disposed of (as directed by law) in the following manner, viz. Deposited in the State Bank of North Carolina, at Raleigh, and remaining at the credit of the Public Treasurer, on the 1st day of November, 1834, \$67,334 25. Ditto Bank of Newbern ditto, 8,539 68. Ditto Bank of Cape Fear, Fayetteville, 13,491 42. Worn Treasury notes, silver change, &c. in the vault of the Treasury, 5,011 48. Making a corresponding amount of \$94,376 83 1/2.

It is a fact worthy of the first notice in this report, that the Sheriffs have again been uniformly punctual in their settlements at this office for the last year's revenue. For this they cannot be too highly commended.

In the course of the past year, much time and attention have been occupied in discharging the important duties assigned the Public Treasurer, under the act passed at the last session of the General Assembly, entitled "An act to establish a Bank in the State of North Carolina." In compliance with the provisions of that act, the commissioners appointed to receive subscriptions, in the city of Raleigh, for stock in "the Bank of the State of North Carolina," having made arrangements for causing books to be opened at the various places designated by law, met at the Treasury Office on the first day of February last. Books of subscription were immediately opened, and such preliminary questions as necessarily came within their province, considered and settled. A large portion of the amount paid for stock was to be received by the commissioners. It became necessary, therefore, to determine in the outset, and to make known publicly, what would be received as "an equivalent for specie" under the charter. The determination of the commissioners upon this point was unanimous, and they had the gratification, at the subsequent meeting of the stockholders, to have their course approved by the concurring vote of the whole body. It is satisfactory, also, to state that the whole amount received by the commissioners has since been rendered available as specie, and that a single dollar has not been lost in the process. The books for receiving subscriptions were, of course, kept open, in the first instance, for the space of sixty days, to wit: until the second day of April following. At the expiration of that time, it having been ascertained that the smallest number of shares required to be subscribed by individuals, (4,500,) to give existence to the corporation, had not been taken, books were directed to be re-opened at the several places required by law, and kept open until the first day of May; and immediately thereafter transmitted to the commissioners in Raleigh. On the 21st day of April, it was ascertained by the returns from other places that 4620 shares were taken by individuals; whereupon the commissioners would be held in this city on the 22d day of May. In compliance with this notice, the subscribers convened at the time appointed, and proceeded to organize the institution by the appointment of a directory, the adoption of bye laws, &c.

Up to this time, under the superintendence of the commissioners, individuals had taken 6626 shares, 484 of which were forfeited by neglect to pay the first instalment; leaving 6142 shares to be represented in the meeting by individuals. 300 had been taken by the Public Treasurer, in the name of the State of North Carolina, and 1200, in the name of the President and Directors of the Literary Fund—in all 1500 shares for the State. Upon individual stock, the commissioners received and paid over to the cashier the sum of \$272,104. Upon stock taken for the State, 142,500. \$414,604.

According to the relative number of shares held by individuals and by the State, and in conformity with the provisions of the charter, eight directors were elected by the individual stockholders. Of the other two, on the part of the State, the Public Treasurer is one ex officio, and Gavin Hogg, Esq. under the appointment of the Governor, Secretary and Comptroller, acts as the second. As the requisite amount for putting the Bank into operation had not been received, the stockholders adjourned to meet again on the 21st day of August, requiring, in the mean time, the president and directors to open books for filling up the unsubscribed stock, and to take the necessary steps for putting the Bank into immediate operation, to the receipt, from individuals, of the amount specified in the supplement to the charter. At the meeting in August, the whole amount of individual stock was taken, and more than the amount of money necessary for going into operation, received. It was, therefore, resolved to commence business without delay, and Wednesday, the 10th day of September, fixed upon as the first discount day; since which time the institution has been doing business, at the Principal Bank, in the usual and regular manner, af-

ording, it is confidently believed, the appropriate facilities and relief to the community anticipated from its operations.

In subscribing for stock, and making payments thereon, in behalf of the State, an effort has been made so to regulate the payments as, at all times, to avail the Treasury of the use of its entire means, without inducing the necessity of borrowing to meet the current demands at the office. With this view, as will be perceived by the Committee of Finance, the cash in the Treasury, at the period immediately preceding the receipt of the annual revenue from the Sheriffs, was reduced to the lowest practicable amount, consistent with the public safety and economy. And under a strict and cautious observance of this policy, it has not been found necessary, or thought expedient, by the Public Treasurer, to exercise the authority given by the act supplemental to the new bank charter, to borrow money at his discretion in behalf of the State. Such authority, however, is useful, though not exercised, inasmuch as it affords a security and protection to the Department in venturing to the full extent of its available means. There is not a prospect, from the present resources of the Treasury, of being able to pay for the amount of stock which the State has reserved the privilege of taking, within the time limited for doing so. In the event that no provision is made by the Legislature, the right will expire on the 1st Jan'y, 1837.

At the meeting of the stockholders of the new Bank, in August, branches were established at Newbern and Tarborough, and agencies at Milton, Leaksville, Charlotte, and Morganton. At the two first named places, branches have gone into operation. But to enable the agencies to do so safely, according to the true intent and meaning of the charter, it is believed that some further action of the Legislature will be necessary. The operation of the agencies will, therefore, be delayed until such an amendment can be effected. The difficulty alluded to, grows out of the phraseology of the 26th section of the act incorporating the Bank. In that section, the word "agencies" is omitted where it should follow the word "branches," thereby withholding from the Bank what was undoubtedly intended to be conferred, to wit: the privilege of discounting notes payable at its agencies. In connection with this subject, it is also thought proper to suggest the expediency of directing the public deposits now made in the Bank of Newbern and in the old State Bank, to be hereafter made in the Bank of the State. They are, of course, not wanted by the Banks winding up, and might be advantageous to the new institution. It is also a public convenience to have them placed in an institution in active business.

The great loss of revenue, and the fraudulent practices growing out of the present mode of listing and assessing property for taxation in this State, were brought to the attention of the Legislature in the last annual report from this department. Since that time some pains have been taken to ascertain the amount of the evil, where it exists, and the remedy. Under the existing law, passed in 1819, "every person bound to list lands shall return his list upon oath, as it respects the number of acres, and shall affix the value to each tract of land, including the improvements thereon, not less than the value of the same by the assessors under the last act of Congress, providing for the assessment of the lands of the United States." (January, 1815.) In any event, then, the valuation on the tax list, should be equal to that of 1815, and higher where an appreciation in the value has occurred since that time, either from improvements on the land, or otherwise. The aggregate valuation of the lands in North Carolina at the period referred to, was, in round numbers, fifty three and a half millions of dollars. Since that time, and up to the first of the year 1833—1,249,738 acres of land have been entered and patented in the State, making an increase, by that number of acres, of the amount now liable to pay tax. These lands, estimated at the average in 1815, and added to that valuation, make an aggregate of more than fifty six millions of dollars. Hence it is manifest that the assessment of 1833, upon which the tax received this year was collected, ought at least to be equal to that sum, yielding a net tax of more than thirty one thousand dollars; and if the assessment were made strictly according to the requirements of the act of 1819, it must necessarily be greater, unless reduced by the Board of Appeal constituted by that act.

But let us compare this result with the actual assessment in 1833. According to the clerks' returns, and the tax collected thereon, the aggregate valuation of the lands in North Carolina is less than forty three millions—showing a deficit in the valuation, at the lowest estimate, of more than thirteen millions; the net tax accruing upon which would be near eight thousand dollars, or about one third of the whole tax at present collected on real estate. It is a fact worth noting in this place, that the land tax has been gradually and invariably diminishing for every successive year since the year 1820, when the present rate of taxation was adopted. From the data collected on this subject a table has been compiled, which, it is believed, embraces all the information worth the attention of the Legislature. It shows the valuation in each county in 1815 and in 1833, in the aggregate, and the average per acre—the number of acres at each period—the number entered since—the aggregate valuation of the whole—the net amount of tax that would arise therefrom. Notwithstanding the immensely depreciated rate at which it is given, in some of the counties, it will be seen that the average rate of giving is throughout the State in 1833, does not fall very far short of the average valuation per acre in 1815—the average rate at the former period (1815) being \$2.69; at the latter \$2.27. This arises from the fact that much of the land is not listed at all, and, in several of the counties, that which is listed is rated at a higher valuation per acre than was fixed upon it in 1815. It will also be perceived that although about a million and a quarter acres of land have been entered since 1815, still the quantity now given in for taxation is less than at the former period by more than a million of acres, and estimating the whole surface of the State at 32,000,000 acres, only about three fifths of it are taxed.

An attentive examination in detail, of the facts relative to the poll tax, will expose abuses of equal magnitude. In connection with the table above alluded to, columns are prepared showing the number of free and black polls listed in each county—the number as it should be, corrected according to the best data to be had, such as it is thought may be safely relied on—and the net amount of poll tax arising from the corrected list. In making this table the following method and rules were observed: In the first place, it was important to avoid exaggeration in details, in order to prevent weakening the strength of such general and practical conclusions, as it was expected to deduce. Hence the census of 1830 has been taken as the basis of calculation, without making any allowance for the increase of population from that time, until the tax list was taken in 1833. The census exhibits the number of free white males from 20 to 30 years old; from 30 to 40; from 40 to 50, and so on. The object was to ascertain the number to be listed for taxation, to wit, the number from 21 to 45. This was done by adding together nine tenths of those between 20 and 30, the whole of those between 30 and 40, and one half of those between 40 and 50. This result is supposed to be as close an approximation to the truth as it is practicable to make, and may be relied on as reasonably certain; at all events, would be more probably too small than too large. The same principle was carried out in ascertaining the number of free colored polls, and the number of slaves taxable, taking the slaves male and female between the ages of 12 and 50. The result for each county, together with the net tax thereon, is placed in the table referred to, which exhibits in the whole State, an increase on the poll tax of about 30 per cent. It is plain, therefore, that in the land and poll tax the revenue sustains a loss, at the lowest estimate, of about 16,000 dollars—a sum which, with the present revenue, would be abundantly adequate to defray the ordinary expenses of the government, heretofore estimated at about 81,000 dollars. It is also plain that the deficit arises from the neglect in listing the polls and land, and assessing the latter; and, finally, that a remedy for the evil can only be found in such a revision and change of the law in this particular, as will leave less to the honesty and discretion of the proprietors of estates, in giving in their tax lists.

The temptation thrown in the way of the citizen to commit fraud under the present system, and its influence upon the morals of the community, form a consideration, which it does not belong to this Department to discuss.

So far, the evil complained of relates only to the public revenue or State tax. Let us examine its bearing upon the other revenues in the State. It must be recollected that the county taxes are all levied upon the same list and assessment as is the State tax; and that of course the evil extends alike to them. From authentic statements procured from fifty five counties, it is ascertained that the average land tax paid throughout the State for county purposes, amounts to twenty six cents on the hundred dollars

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