

# Biennial Report of State Treasurer Lacy

### The Estimated Income and Expenses For the Next Two Years—Complete Review of State Finances—Some Valuable New Features

The biennial report of Hon. B. R. Lacy, state treasurer, to Gov. Aycock for the past two years was made public yesterday and is a most interesting, valuable and complete document, including as it does several new and important features. Of course one of the usual features of most general interest at this time with the convening of the Legislature is the statement of estimated income and expenses for the next two years. This shows the estimated income to be \$2,550,128, and estimated expenses \$2,899,690. Below are the most salient features of the report: Hon. Charis B. Aycock, Governor of North Carolina:

Judiciary	140,000.00
Laborers' pay roll	15,000.00
N. C. A. and M. College (colored)	15,000.00
N. C. board of health	5,000.00
N. C. College of A. and M. Arts, Raleigh	40,000.00
N. C. Corporation Commission	25,000.00
N. C. Institution Deaf, Dumb and Blind	95,000.00
Oxford Orphan Asylum (white)	20,000.00
Oxford Orphanage (colored)	10,000.00
Public printing	40,000.00
Public schools	366,000.00
Soldiers' Home	25,000.00
State department	10,500.00
State Geological Survey	20,000.00
State Guard	32,000.00
State's Hospital, Goldsboro	120,000.00
State's Hospital, Morganton	255,000.00
State's Hospital, Raleigh	143,000.00
State Normal and Industrial College	50,000.00
Treasury department	14,000.00
Turnpikes	75,000.00
University of North Carolina	75,000.00
Contingencies and other objects	125,000.00
Total	\$2,550,128.00

In making this estimate of expenditures of the several institutions, only the amount required for maintenance is included. This calculation for maintenance is for the most part the amount asked for by the institutions.

#### STATEMENT OF THE STATE DEBT.

During my term of office, there have been presented for cancellation and exchange \$5,900 of old State bonds, exchangeable under act of 1879. New bonds were issued, retiring these bonds, amounting to \$1,800, leaving the State debt as follows:	
4 per cent consolidated debt bonds	\$3,390,150.00
4 per cent prison debt bonds	110,000.00
4 per cent prison farm bonds	60,000.00
Total 4 per cent interest-bearing debt	\$3,560,150.00
Total 6 per cent interest-bearing construction bonds	2,720,000.00
Total present interest-bearing debt	\$6,280,150.00
The old fundable bonds not yet presented will require if all are presented, 4 per cent consolidated bonds	216,220.00
6 per cent old construction bonds, unredeemed	22,000.00
Making total debt, interest and non-interest bearing	\$6,527,770.00
The act to commute and settle the State debt expires January 1, 1903, and if it is desired to continue to refund the old State bonds, it will be necessary for the present General Assembly to renew the act.	

INTEREST. The interest on the \$3,390,150 N. C. 4 per cent consolidated debt bonds was paid out of the general fund, with the exception of the amount derived from the taxes levied for the purpose of paying this interest. Owing to a defect in the last revenue act, the tax derived from this source has fallen considerably, but after this year the law will adjust itself, and a larger revenue is expected, in all probably reaching \$50,000. This interest is payable the first of January and July of each year, as is the interest on the \$110,000 prison debt 4 per cent bonds, which is paid out of the general fund. The interest on the \$2,720,000 N. C. 6 per cent construction bonds is payable the first of April and October of each year, out of dividends on the State's stock in the North Carolina railroad.

#### INVESTMENTS.

The State holds as an investment 20,000 shares of stock in the North Carolina Railroad Company, 12,666 shares of stock in the Atlantic and North Carolina Railroad, shares of stock in the Boone and Blowing Rock Turnpike Company, and 500 shares of stock in the Wilkesboro and Jefferson Turnpike Company; also, a balance due from the Alexander county bonds amounting to \$2,750. The State board of education holds as an investment \$12,250 of 4 per cent bonds, and \$2,000 of 6 per cent bonds.

#### INCOME FROM INVESTMENTS.

The annual income of the State from the stock in the North Carolina Railroad Company is now \$210,014. After paying each year the interest on the 6 per cent construction bonds out of these dividends, there is a balance as shown by the account at the end of the present fiscal year of \$305,688.97. This surplus has been turned into the treasury, and used as the general fund, in paying the obligations of the State. Some provision should be made for replacing the fund thus far used, as the law requires that it should be held in trust for the payment of matured bonds, and should not be used for any other purpose.

#### MARTIN'S DEFCALCATION.

When I was installed in this office, I retained the clerks who had served under my predecessor until my appointees were sufficiently familiar with their duties to perform them with ease and accuracy. This is usual and necessary. It is fortunate for the State that I did in this instance, for it resulted in the early discovery of a systematic fraud which had been practiced for five years, and the recovery of \$16,000 for the State. The State's money

was obtained by Major Martin, Institutional Clerk, by altering checks passing through his hands and making corresponding forged balances in his books. The first altered check he attempted to use under the new administration resulted in the detection of the fraud, his confession of guilt, conviction and sentence to the State's Prison for ten years.

The Legislature being in session at the time, appointed an investigating committee, which fixed the defalcation at \$16,000.44 during the term of Mr. Worth, which he has paid in full. The committee also found evidences of similar frauds, amounting to \$373.94, committed by Major Martin during his temporary appointment under the present administration.

In view of the fact that it was essentially necessary that I should have retained him for a short time, that by doing so the frauds were discovered quickly and the State saved harmless. I ask that the Legislature repay to me the sum which I was compelled to pay on this account, and exonerate me and my administration from liability on account of Martin's acts.

There are in the Treasurer's vaults a large number of old bonds, aggregating a face value of many thousands of dollars. There are also similar bonds frequently presented to the Treasurer for funding. Some of these bonds have been previously funded, and not destroyed; others were never actually issued. Notwithstanding these facts appear on the face of the bonds they are presented for funding. I recommend that authority be given to destroy all such bonds now in the Treasurer's hands, and to destroy such others as from time to time come into his possession.

#### SETTLEMENT OF STATE TAXES.

I beg to call attention to the absence of any law compelling the County Commissioners to make prompt settlements with the sheriffs. Authority should be given the State Auditor to force such a settlement at the time the law requires the sheriffs to pay the amounts collected for the State into the Treasury. This is very important, because the Treasurer can not sue the sheriff until the Register of Deeds sends the abstract to the Auditor.

Would advise that this tax be paid direct to the State Treasury Department, and should be \$50 annually upon each manufacturer or dealer, and that each agent have a duplicate of the license so issued, for which a charge of \$5 for such duplicate and 50 cents for attaching the seal should be added.

Under the present Revenue Law there is apparently a hardship placed upon this class of business, as the tax in each county is too great. Would suggest that it be reduced to \$5 in each county in which the collector may operate, in addition to the present resident tax of \$5.

In 1891, this college was incorporated, and \$2,500 a year was appropriated to carry into effect the provisions of the act creating the college. This amount had been paid by my predecessors for each year. Upon my assuming office, I refused to pay until forced to do so by decision of the Supreme Court. My refusal was based upon the ground that subsequent appropriations made to the college repealed this act, and that the college has been entirely completed, and that it was the intent and purpose of the legislature that in the appropriations in 1895, and by subsequent appropriations made by subsequent legislatures, this amount was not considered.

#### BANKS CHARTERED.

Under the act passed by the last legislature, known as "The State Banking Act," there have been three banks organized: The Alamance Loan and Trust Company, Burlington, chartered March 10, 1902, and began business April 1, 1902; the Atlantic Trust and Banking Company, Wilmington, chartered August 6, 1902, and began business September 1, 1902; the Bank of Union, Monroe, chartered October 25, 1902, and began business November 3, 1902. These banks have a total capital of \$120,000, and resources of \$419,315.37. Considering that these banks are entirely new, being in operation only a few months, this simply shows that they have met with remarkable success, and are in a very fine condition, and I anticipate for them a bright business future.

In March last, finding that it would be impossible to pay appropriations to the public schools and appropriations to the charitable institutions, I, on the advice of a score or more of the best business men of the State, and upon unanimous resolution of the Governor and the Council of State, York and the National Park Bank, New York City, \$200,000 for one year, interest payable semi-annually, at the rate of 4 1/2 per cent. This money will be due on the 15th of March, and I would urge that provision for its prompt repayment be made, as the money was borrowed solely on the credit of the State, and failure to make prompt payment would seriously injure the State's credit.

#### UNPAID APPROPRIATIONS.

The State's Hospital, Goldsboro	\$30,000.00
The State's Hospital, Morganton	43,400.00
N. C. Institution for Deaf, Dumb and Blind	10,000.00
State Guard	8,500.00
State Normal and Industrial College, Greensboro	5,000.00
State Geological Survey	5,000.00
University of North Carolina	6,500.00
Total due on appropriations	\$108,400.00
Borrowed from National Park Bank, New York City, for Schools and Hospitals	200,000.00
Interest due March 15, 1903, of this loan	9,000.00
Total	\$317,400.00
Less available balance	30,213.59
Total net deficit	\$287,186.41

I beg to thank your Excellency and Council of State for the many acts of kindness and the assistance rendered by Mr. Joseph G. Brown, President of the Citizens' National Bank of Raleigh,

very kindly accompanied me to New York, and rendered me material aid in negotiating the loan from the National Park Bank, for which I am sincerely grateful, and I think the State should be.

I have been very fortunate in the selection of my clerical force, and to each one I desire to express my appreciation of their faithfulness and loyalty to duty. Mr. W. F. Moody, Chief Clerk, has well performed his duties; so also have the Teller, Mr. P. B. Fleming, and Miss May F. Jones. Respectfully submitted, B. R. LACY, State Treasurer.

Subjoined to the report is a complete exhibit of the State finances for the past two years as recently published in the Post in connection with the report of the legislative committee which examined the treasury and auditor's office; also exhibits of the receipts for counties for the two years ending November 30, 1901, and November 30, 1902.

There is a table showing the number of indigent inmates in the different State institutions by counties, a total of 2,283 distributed as follows: School for the Blind at Raleigh, 214; School for Deaf and Dumb, Morganton, 229; Soldiers' Home, 115; State Hospital, Goldsboro, 451; State Hospital, Raleigh, 431.

#### PER CAPITA COST OF INMATES.

N. C. Institution for Deaf, Dumb and Blind, Raleigh	\$175.18
N. C. School for Deaf and Dumb, Morganton	174.67
State Hospital, Goldsboro	110.87
State Hospital, Morganton	146.08
State Hospital, Raleigh	177.50
Soldiers' Home	113.05

One of the most notable features of the report, a new feature it is, too, is a table showing the cost of counties to the State for support of charitable purposes for 1902, showing the cost of each county and institution; also the amount paid and received by the State, together with the excess or deficit of each county. This latter shows that a large number of counties receive more money from the State than they pay into the State treasury. For instance, Burke county pays into the State through taxes \$4,351.14, while she receives from the State \$9,557.76, costing the State \$5,206.62. Burke receives for pensions alone \$5,000, this item alone being \$654.88 in excess of the amount Burke pays to the State in taxes.

Cumberland county receives from the State \$17,945.82 and only paid into the State treasury \$10,112.67, thereby receiving from the State \$6,833.15 more than she raised in State taxes.

#### The section of this table showing the total cost of each county to the State and the amount received by the State is given below. From these the deficit or surplus of each county as compared with the taxes she pays into the State can easily be figured out.

Counties.	Total cost to State.	Amount received by State.
Alamance	\$1,206.29	\$18,493.59
Alexander	5,739.06	3,131.12
Alleghany	4,267.76	2,265.17
Anson	19,654.51	5,854.85
Ashe	10,119.00	4,415.99
Beaufort	7,984.35	9,881.19
Bertie	6,143.92	8,022.76
Bladen	8,469.65	4,191.08
Brunswick	5,156.50	3,550.36
Buncombe	15,696.29	31,798.58
Burke	9,337.76	4,351.14
Cabarrus	8,657.30	11,569.53
Caldwell	7,123.99	5,795.76
Camden	1,177.21	1,965.29
Carteret	4,200.41	3,260.41
Caswell	7,435.88	4,228.09
Catawba	8,818.15	9,535.42
Chatham	9,908.43	8,844.43
Cherokee	4,736.64	4,472.42
Chowan	2,106.95	4,826.03
Clay	2,237.18	1,096.57
Cleveland	13,209.29	10,594.71
Columbus	12,315.95	7,279.24
Craven	7,211.72	9,802.21
Cumberland	17,045.82	10,112.67
Currituck	3,691.13	2,076.36
Dare	2,311.20	1,201.57
Davidson	12,343.07	10,596.72
Davie	4,632.44	5,340.28
Duplin	12,249.55	30,338.52
Durham	10,276.00	30,338.52
Edgecombe	6,752.81	13,083.70
Forsyth	33,815.57	28,202.42
Franklin	5,455.80	8,596.52
Gaston	9,482.71	15,658.33
Gates	2,972.34	2,962.49
Graham	1,603.76	1,721.51
Granville	10,359.17	9,239.76
Greene	3,304.65	5,231.39
Guilford	14,281.06	23,699.12
Halifax	10,822.32	13,983.41
Harnett	7,550.89	4,866.28
Haywood	6,423.01	5,715.85
Henderson	5,448.30	6,074.11
Hertford	3,956.94	6,149.94
Hyde	3,906.36	2,502.80
Iredell	12,873.60	12,051.50
Jackson	3,706.01	4,174.18
Johnston	11,749.73	11,496.01
Jones	2,251.08	3,213.22
Lenoir	6,743.07	3,126.22
Lincoln	9,035.89	6,948.94
Macon	5,065.17	3,453.82
Madison	9,775.19	5,156.69
Martin	5,896.25	7,002.10
McDowell	8,037.78	3,145.26
Mecklenburg	15,294.04	35,309.24
Mitchell	6,416.35	2,612.72
Montgomery	6,547.57	4,973.79
Moore	7,665.11	8,899.25
Nash	7,458.99	11,492.63
New Hanover	10,223.90	28,176.26
Northampton	5,960.88	9,923.59
Onslow	3,743.15	4,421.23
Orange	6,357.24	6,611.24
Pamlico	2,781.83	2,323.00
Person	2,815.50	2,576.00
Pender	3,311.02	3,480.20
Perquimans	1,770.23	4,563.21
Person	4,920.00	5,812.67
Pitt	6,650.05	12,937.31
Polk	3,731.50	2,909.49
Randolph	11,483.50	11,377.42
Richmond	5,609.79	7,182.96
Robeson	10,936.58	13,279.78
Rockingham	12,567.08	14,075.10
Rowan	11,357.78	16,794.45
Rutherford	11,703.02	8,154.33
Sampson	11,049.21	6,594.95
Scotland	2,247.18	4,727.59
Stanly	8,513.13	6,375.69
Stokes	5,363.99	5,356.94
Surry	10,515.78	8,127.98
Swain	1,491.85	2,824.11
Transylvania	3,570.47	2,718.17
Tyrrell	1,784.80	1,747.12

Union	11,016.39	5,595.88
Yancey	5,874.32	9,065.90
Wake	21,812.58	34,932.61
Warren	5,862.69	6,597.70
Washington	2,614.82	3,637.07
Watauga	4,661.88	3,732.85
Wayne	13,738.16	17,219.29
Wilkes	11,642.70	6,163.80
Wilson	9,002.29	16,040.62
Yadkin	7,815.93	4,467.53
Yancey	6,882.79	1,489.82
Co. not known	177.50	.....
Total	\$736,729.69	\$824,830.42

## DO THEY DRINK WILKES CO. WHISKEY

The secretary of the corporation commission had occasion to write the register of deeds of Alleghany county recently to know why it was that no tax receipts were reported for the sale of whiskey. He replied that none was collected in the county. That every body drank, but nobody knew where the liquor came from, but he supposed it came from Wilkes county.

Professor Edmund S. Meany, of the Smithsonian Institution, is the first scientist to visit the mummy caves of the Aleuts of Alaska. Many mummies, to be sure, have been sent from Alaska from time to time, but no man of learning has ever examined the caves themselves. The report which the professor will doubtless prepare will be looked for with some interest.

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