

# MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE,

DURING ITS SESSION

A. D. 1848.

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Augusta:

WILLIAM T. JOHNSON, PRINTER TO THE STATE.

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1849.

AN ACCOUNT  
OF THE  
STATE OF THE TREASURY,

OF THE  
STATE OF MAINE,

MAY 1, 1848.

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*AUGUSTA:*

WM. T. JOHNSON,.....PRINTER TO THE STATE.

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1848.



# STATE OF MAINE.



TREASURY OFFICE, }  
*Augusta, May 1, 1848.* }

*To the President of the Senate and  
 Speaker of the House of Representatives :*

IN obedience to the provisions of law I lay before the two houses of the legislature the following detailed account of the state of the treasury on the 29th day of April, 1848.

Balance of cash in the treasury May 1, 1847, . . . . .	\$92,926 14
Amount of receipts from May 1, 1847, to April 29, 1848, inclusive, . . . . .	467,757 37
	\$560,683 51
Amount of expenditures from May 1, 1847, to April 29, 1848, inclusive, . . . . .	\$434,205 26
Leaving a balance in the treasury, April 29, 1848, of	126,478 25
	\$560,683 51

STATE OF MAINE *in account with* MOSES McDONALD, *Treasurer.**Dr.*

County taxes.	Hancock county,	5,196 87
"	Washington "	10,169 49
"	Oxford "	118 69
"	Somerset "	3,241 50
"	Penobscot, "	2,072 40
"	Piscataquis "	763 40
"	Franklin "	815 20
"	Aroostook "	5,007 68
Miscellaneous items,		651 71
Public debt,		134,500 00
Volunteers for United States service,		5,865 35
Roll of accounts, No. 23 to 27 inclusive,		97 70
Refunding State tax of 1845,		370 31
Contingent fund of governor and council,		3,465 77
Insane State paupers,		600 00
Board of education,		560 00
Postage,		743 19
Maine reports,		1,000 00
Pay roll of council,		3,380 00
" senate,		6,981 00
" house,		28,695 00
Cash,		126,478 25
Inspectors of state prison,		249 00
Clerks,		2,425 00
Agricultural societies,		1,722 72
Penobscot Indian fund,		3,718 80
Costs in criminal prosecutions,		13,598 96
Subordinate officers of state prison,		4,500 00
School funds, No. 9 to 13 inclusive,		1,515 57
Insane hospital,		14,400 00
Trustees insane hospital,		202 00
Botanical survey,		300 00
Indexes,		150 00
Contingent fund of treasurer,		1,000 00
Printing,		2,503 00
Porter and messenger,		100 00
Fuel and lights,		200 00
Furniture and repairs,		1,000 00
Deaf, dumb and blind,		3,060 00
Library,		300 00
Contingent fund of secretary,		200 00
Scientific exchanges,		400 00
Agricultural productions to Penobscot Indians,		674 00
Visit of the president of the United States,		973 51

STATE OF MAINE *in account with* MOSES McDONALD, *Treasurer.**Dr.*

Indian annuities. . . . .	1,500 00
Binding and stitching, . . . . .	500 00
Stationery, . . . . .	1,000 00
Military purposes, . . . . .	610 00
Revised statutes, . . . . .	500 00
Inhabitants of the river St. John, . . . . .	300 00
State road through Baileyville, . . . . .	500 00
Baring and Houlton road, . . . . .	200 00
State road to Moose Head Lake, . . . . .	800 00
Agricultural productions to Passamaquoddy Indians, . . . . .	320 55
Militia pensions, . . . . .	1,876 00
Bank commissioners, . . . . .	568 59
Temporary loan, . . . . .	27,450 00
Roll of accounts, No. 28, . . . . .	6,072 95
Salaries, . . . . .	23,602 65
School fund, No. 14, . . . . .	24,824 13
State tax 1846, refunded and abated, . . . . .	1,214 78
"    1847, abated, . . . . .	59 73
Interest, . . . . .	72,582 84
Teachers' institute, . . . . .	2,205 22
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	\$560,653 51

## TREASURER'S REPORT.

STATE OF MAINE *in account with* MOSES McDONALD, *Treasurer.*

Cr.

State of Maine,	92,926 14
Notes receivable,	2,500 00
State tax, 1840,	1 98
“ 1841,	38 55
“ 1842,	70 94
“ 1843,	156 92
“ 1844,	355 39
“ 1845,	1,584 29
“ 1846,	107,658 50
“ 1847,	55,015 36
County taxes. Hancock county,	5,127 02
“ Washington “	6,026 04
“ Oxford “	74 49
“ Somerset “	2,050 62
“ Penobscot “	1,558 40
“ Piscataquis “	489 66
“ Franklin “	372 96
“ Aroostook “	1,948 64
Miscellaneous items,	1,480 15
Volunteers for United States service,	675 00
Bank stock,	312 50
Land agent,	81,749 74
Permanent school fund,	20,921 93
Duty on commissions,	1,791 00
Penobscot Indian fund,	1,700 17
Interest on United States loan,	9,863 01
Bank dividends,	500 00
Interest on deposits,	418 67
Temporary loan,	137,250 00
School fund, No. 15,	24,850 56
Interest,	1,184 88
	<b>\$560,653 51</b>



*Resources of the State.*

Cash in the treasury, May 1, 1848, .		126,478 25
Balance due on State tax of 1840, .	129 84	
“ “ 1841, .	244 38	
“ “ 1842, .	414 65	
“ “ 1843, .	477 18	
“ “ 1844, .	588 49	
“ “ 1845, .	1,599 66	
“ “ 1846, .	4,057 20	
“ “ 1847, .	45,648 76	
Amount due on State tax of 1848, .	200,820 76	
		253,980 92
BALANCE OF COUNTY TAXES.		
County of Hancock, 1841 to 1847 inclusive, .	259 16	
“ Washington, 1842 to 1847 “ .	16,662 45	
“ Kennebec, 1847 .	18 47	
“ Oxford, 1840 to 1847 inclusive, .	1,373 50	
“ Somerset, 1840 to 1847 “ .	3,413 68	
“ Penobscot, 1840 to 1847 “ .	5,991 36	
“ Piscataquis, 1840 to 1847 “ .	1,264 50	
“ Franklin, 1842 to 1847 “ .	2,162 46	
“ Aroostook, 1841 to 1847 “ .	11,267 19	
		42,412 77
United States 6 per cent. semi-annual stock, due 1856, . . . . .		150,000 00
Securities in the land office, Bills receivable, . . . . .	198,719 21	
Bonds, . . . . .	145,237 07	
		343,956 28
Notes receivable in treasury office, . . . . .		14,888 32
100 shares in the Augusta Bank, . . . . .		10,000 00
Claims vs. U. S. for raising volunteers, . . . . .		6,548 49
		<u>\$948,265 03</u>

Balance of claims against the United States.

*Liabilities of the State.*

PUBLIC FUNDED DEBT.			
Due and uncalled for,		2,900 00	
There will become due in 1848, (May 1,)		32,200 00	
do	1850,	16,000 00	
do	1851,	368,600 00	
do	1852,	118,000 00	
do	1854,	10,000 00	
do	1855,	270,000 00	
do	1856,	132,500 00	
do	1860,	58,000 00	
			\$1,008,200 00
Temporary loan due banks,			109,800 00
Permanent school fund,			104,648 90
Penobscot Indian fund,			59,898 57
Warrants unpaid,			10,442 71
Interest due, uncalled for,	} Immediate liabilities,		6,480 00
Balance due on school fund,			2,053 65
do roll of accounts,			807 83
AMOUNT DUE FOR COUNTY TAXES.			
County of Hancock, for ordinary expenses,		201 91	
“ Washington, for ordinary expenses,		736 25	
“ “ for roads,		11,500 00	
“ Kennebec, for ordinary expenses,		18 47	
“ Oxford, for ordinary expenses,		118 69	
“ Somerset, for ordinary expenses,		527 95	
“ “ for roads,		1,171 26	
“ Penobscot, for roads,		196 00	
“ “ for ordinary expenses,		1,000 19	
“ Piscataquis, for ordinary expenses,		793 40	
“ Franklin, for roads,		2,446 00	
“ “ for ordinary expenses,		216 52	
“ Aroostook, for ordinary expenses,		1,696 48	
“ “ for roads,		8,215 00	
			28,838 12
			<u>\$1,331,169 78</u>

*Estimated Expenditures for the year 1848-9.*

Interest, . . . . .	66,000 00
Public debt, . . . . .	35,100 00
House, . . . . .	30,000 00
County taxes, . . . . .	28,838 12
Salaries, . . . . .	26,000 00
School fund, No. 15, . . . . .	24,850 56
Costs in criminal prosecutions, . . . . .	20,000 00
Senate, . . . . .	7,500 00
Subordinate officers of State Prison, . . . . .	4,500 00
Printing, . . . . .	4,000 00
Council, . . . . .	3,500 00
Clerks, . . . . .	2,800 00
Miscellaneous items, . . . . .	2,500 00
Bounty on animals, . . . . .	3,000 00
Militia pensions, . . . . .	2,500 00
Indian annuities, . . . . .	1,500 00
Furniture and repairs of public buildings, . . . . .	1,000 00
Stationery, . . . . .	1,000 00
Contingent fund of treasurer, . . . . .	1,000 00
Reports of judicial decisions, . . . . .	1,000 00
Postage, . . . . .	1,000 00
Bank commissioners, . . . . .	600 00
Sheriffs and coroners, . . . . .	400 00
Fuel and lights, . . . . .	300 00
Binding and stitching, . . . . .	500 00
Contingent fund of secretary, . . . . .	200 00
Bounty on silk, . . . . .	100 00
Balance on rolls of accounts, . . . . .	807 83
Balance on school funds, . . . . .	2,053 00
Board of education, . . . . .	600 00
Warrants unpaid, . . . . .	10,442 71
Temporary loan, . . . . .	109,800 00
	<u>\$393,392 87</u>

*Estimated Receipts for the year 1848-9.*

Cash in the treasury May 1, 1848,	126,478 25
State tax, (balances,) 1840, '41, '42, '43, '44, '45, and '46,	53,160 16
State tax 1848, (due January 1, 1849,)	200,820 76
County taxes, (balances,) 1840, '41, '42, '43, '44, '45, '46, and '47,	42,412 77
Land office,	75,000 00
Bank tax,	23,250 00
Interest on United States loan,	9,825 00
Notes receivable,	2,500 00
Interest on notes receivable,	660 00
Duty on commissions,	2,000 00
Bank dividends,	500 00
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	\$536,606 94

*Amount paid for Claims prior to May 1, 1847.*

County taxes,	6,381 01
Volunteers for United States service,	5,683 35
Deaf, dumb and blind,	3,060 00
School fund,	1,494 60
Costs in criminal prosecutions,	1,057 49
Maine reports,	1,054 00
Insane hospital,	600 00
Salaries,	448 88
Refunding State tax, 1845,	370 31
Agent Madawaska settlements,	300 00
Council,	207 00
Militia pensions,	170 00
Agricultural societies,	110 06
Postage,	108 90
Roll of accounts,	93 70
Miscellaneous items,	15 40
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	\$21,156 70

## REMARKS.



THE public debt amounting to \$169,000, which became due during the past financial year, has been paid, or provided for, but as was anticipated by my predecessor, the \$100,000 state tax, which was due in January last, with the other means in the treasury, exclusive of the United States loan, was found inadequate to pay so large an amount of debt, and meet the ordinary expenses of the year.

This deficiency of means resulted from the smallness in amount, of the annual tax for 1847—it being only half the amount of the tax for the present year, and considerably less than the inevitable annual expenses of the government, exclusive of the interest on the funded debt of the state. In 1846, when this short tax was assessed, there was in the treasury a large amount of surplus means, which the legislature of that year undoubtedly relied on to supply any deficiency.

This surplus, however, was subsequently, in November, 1846, in pursuance of a resolve of the legislature, invested in United States stock of the loan of that year. This investment was highly commended by the last legislature as being equally fortunate and judicious for the state. Fortunate, as the stock obtained by the state was very desirable security, being at any time convertible into money, at an advance upon the cost. Judicious, as it concentrated our surplus means into a fund drawing interest, thereby enabling the state to set it aside, if necessary, without loss, for any desirable purpose.

There have already been received on this stock, nearly \$10,000 for interest. As the interest received from this source will pay an equal amount on the public debt, the legislature thought it advisable that the stock should be retained to be used for the payment in part of the large amount of debt which falls due in 1851.

To provide means, if the condition of the treasury should render it necessary, they authorized a call upon the banks for a temporary loan to supply any deficiency. Additional means being wanted, on the first of February last I called for such a loan. The banks promptly responded, notwithstanding the closeness of the money market, a state of things calculated to make the loan onerous and which was not anticipated at the time the requisition was authorized by the legislature. I obtained of the banks a sum equal to five per cent. on their capital stock actually paid in. See detailed statement annexed.

During the months of February and March, the receipts were larger and the disbursements less than was anticipated, and I was enabled to pay on April 1st, with safety to the public interest, the first installment, or one-fifth of the temporary loan, as appears in the table before referred to.

The loan or debts now held by the banks is only \$110,000, a sum but a trifle larger than the difference of the annual tax for 1847 and 1848, which conclusively proves that if the tax for 1847 had been equal to the one for the present year, there would have been no necessity for calling on the banks.

It is believed that the wish is generally entertained that our public debt should be paid at the earliest practicable moment; and most surely if this is the feeling in relation to our permanent loan, much of which was taken by the holders less than par, there certainly should be a strong desire to pay as soon as may be, our temporary loan, which was obtained under the provisions of our banking law.

The necessity of this loan, as has been already indicated, was occasioned by the short tax assessed in 1846 and the setting aside the United States stock (which it is believed was judicious) for a special object; and it would seem to be but just that the pru-

dential arrangements of the state for the benefit of the treasury, should not be allowed to interfere with the ordinary business of our banks for any longer time than absolutely necessary.

The temporary loan, by the terms of the notes held by the banks, which are in conformity to the provisions of law before alluded to, is reimbursable by five annual installments, or at any shorter period, at the election of the state. From the suggestions already submitted you will infer that I do not think it advisable for the state to avail itself of the time allowed by the notes, but to pay them as soon as practicable. For, although the banks responded and granted the loan with all the promptness before intimated, I have reason to believe that they regard it as a hardship of which they would be gladly relieved, and one which they would not voluntarily have assumed.

How are the ways and means to be made certain for the payment of the banks, either in whole or in part, during the present year?

The collections from taxes, together with the funds now on hand, will only be sufficient to pay our inevitable liabilities now outstanding and those which are certain to accumulate, before the tax for 1848 falls due at the treasury. Indeed these funds will be inadequate to meet the wants of the treasury up to the period designated, unless the legislature are rigid and economical in making appropriations which are merely desirable and not indispensable.

Aside from taxes, our only other sources of revenue are the receipts from the land office and the bank tax.

The revenue from lands for the ensuing year is estimated at \$75,000. A moment's consideration will satisfy any one that revenue from the land office is quite uncertain, depending as it does upon a great variety of uncontrollable circumstances. Certain physical hindrances may occur, like the want of "a freshet," or the destruction of artificial helps to float logs to the point of manufacture by an excessive one, which will unexpectedly interrupt and defeat the just hopes of the operator, depriving him of the means of payment to the state. Should nothing unfavorable occur

until the logs are manufactured and the lumber is ready for sale, still the hazard, depression and uncertainties of the business world might prevent a sale which is the reliance of the lumberman for the means of paying stumpage. We may realize the estimate if nothing unfavorable occurs, but it would be giving loose reins to our hopes, if reliance is put upon it to meet certain liabilities.

The remaining source of revenue for the treasury is the tax derived from banks. For a series of years past this tax has been distributed to the towns in aid of primary schools. All are ready to acknowledge the duty of providing free schools for the children of the people, and none will complain if there is manifested towards these "nursing mothers" of New England all the indulgence of fondness. But we should not allow either our sense of obligation, justifiable partiality or any apprehension of being misunderstood on the justly popular topic of public schools, to lead us to the approval of a policy which at best affords but trifling aid to the schools, while as a measure of government it can but be regarded as unwise and improvident.

The amount apportioned to each scholar last year was about twelve cents, and the sum will not be so large this year, as the bank tax is less and the scholars have increased in numbers. The improvident feature of this system is the distribution among the towns of money which they are immediately called upon to pay back in the form of taxes, being subjected to the loss of the necessary expenses of assessing and collecting them.

If the policy of distribution is improvident, a proper management of our financial concerns demands that it should be abandoned.

I am aware that the proposition of allowing the bank tax to remain in the treasury as available means, although recommended and enforced with great ability by one of my predecessors, failed of being adopted by the legislature. How much deference is to be given to their action, is a matter upon which I will not remark, but it most certainly is not a reason and could hardly be made an apology for the refusal of wholesome legislation. If their action resulted either from fear or favor, (a mistaken partiality for our pri-



mary schools, or the apprehension of being suspected of hostility to them,) it should not be regarded as an approval of the system of the annual distribution of the bank tax.

Further remarks upon this subject are considered unnecessary, but it is hoped that those already submitted will arrest the attention and excite inquiry in the legislature, with whom is the right of judgment and responsibility of power in the proper management of our public affairs.

Should the legislature be unwilling to repeal the law, providing for the distribution of the bank tax, it is suggested that in view of the wants of the treasury and our just obligations, that they suspend its operations for the present year.

If this course is taken, and the tax be allowed to remain in the treasury as available means, another installment could within a short time be paid toward the temporary loan, thereby increasing the means of the banks for business facilities. The banking capital of this state is very limited, and quite unequal to our business wants, and it is to be apprehended that the diversion of even the small sum of four per cent. of this capital from the usual channel, may, in the present depressed condition of money means, operate unfavorably upon the business of our citizens.

Should the legislature be inclined to regard the bank tax as the special boon of our children, they may well consider whether it would not be judicious to retain it this year, and distribute double the amount next. During the year 1849 there will be no public debt to pay, and there will be due to the treasury an annual tax of \$200,000, so that such a distribution could be made without embarrassment to the public service or interference with the business of the state.

I have presented these different suggestions, and ventured to press this matter upon your consideration, from the fact that I can see no other way of making certain the means of payment to the banks, either in whole or in part. The early extinguishment of the temporary loan is highly desirable, and may be the turning point of our success in paying at maturity our public debt, without resorting

to increased taxes or new loans of a permanent character. If the banks are promptly paid at the present time, we could, if it should be necessary in 1851, when so large an amount of debt matures, ask for partial aid from them in its redemption. The providing of means for the payment of the debt due in 1851 should be an object of constant solicitude, and our efforts should be early and unwearying for its accomplishment.

Perhaps it may be well to consider, whether it would not be good economy to authorize, on fair and equitable terms, an exchange of our United States stock for scrip due in that year. If such an exchange were authorized and made, it would reduce the amount due in 1851 to about \$200,000, a part of which could be anticipated in 1850, from our ordinary receipts, provided the legislature continue the annual tax equal in amount to the one for the present year.

Until our public debt is paid, it is quite evident that a wise forecast demands the annual assessment of a \$200,000 tax. Our current expenditure, with the interest on our public debt, is about equal to this amount.

The difficulties at the present time, resulting from the short tax for 1847, should be instructive, and admonish us to avoid similar embarrassments hereafter, from the same cause. Our only security from like vexations, will be found in the annual assessment of a state tax equal in amount to our current expenses, together with the interest on the public debt. This rule or guide for fixing the amount of our annual tax is a safe one, and should, excepting in cases of extraordinary expenditures, be always adopted.

Under its operations, with a provident carefulness of other resources, we can safely hope, that our state debt will be paid at the several periods of its maturity, without resorting to that perpetuating process of indebtedness, new loans to pay old ones.

So long as the people are satisfied with the expenditures of the government, there need be no fears in assessing an adequate tax, but if waste or improvidence is shown in our appropriations, we shall feel their rebuke, although a penny is not required at their hands.

I had intended to make some suggestions upon the present system of collecting county and road taxes on lands in unincorporated places through this office, but having already extended my remarks to greater length than originally proposed, I will content myself by calling your attention to the subject, and expressing the hope that some remedy will be provided for the many mischiefs which I am quite sure you will find, if it is investigated.

MOSES McDONALD, *Treasurer.*

*Amount of Requisition Loan made upon the several Banks in this State February 1, 1848, under a Resolve of the Legislature approved July 3, 1847.*

Banks.	Towns.	Capital paid in	Loan.	1st instalment paid.
Androscoggin,	Topsham,	50,000	2,500	500
Augusta,	Augusta,	110,000	5,500	1,100
Bank of Cumberland,	Portland,	100,000	5,000	1,000
Belfast,	Belfast,	50,000	2,500	500
Biddeford,	Biddeford,	50,000	2,500	500
Brunswick,	Brunswick,	60,000	3,000	600
Canal,	Portland,	400,000	20,000	4,000
Casco,	do.	300,000	15,000	3,000
Calais,	Calais,	50,000	2,500	500
Eastern,	Bangor,	100,000	5,000	1,000
Freeman's,	Augusta,	50,000	2,500	500
Frontier,	Eastport,	75,000	3,750	750
Granite,	Augusta,	75,000	3,750	750
Gardiner,	Gardiner,	100,000	5,000	1,000
Kenduskeag Bank, of Bangor,	Bangor,	50,000	2,500	500
Lincoln,	Bath,	100,000	5,000	1,000
Lime Rock,	Thomaston,	75,000	3,750	750
Manufacturers' and Traders',	Portland,	75,000	3,750	750
Mariners',	Wiscasset,	50,000	2,500	500
Mercantile,	Bangor,	50,000	2,500	500
Merchants',	Portland,	150,000	7,500	1,500
Medomak,	Waldoboro',	50,000	2,500	500
Manufacturers',	Saco,	100,000	5,000	1,000
Northern,	Hallowell,	75,000	3,750	750
Sagadahock,	Bath,	50,000	2,500	500
South Berwick,	South Berwick,	75,000	3,750	750
Skowhegan,	Skowhegan,	75,000	3,750	750
Ticonic,	Waterville,	75,000	3,750	750
Thomaston,	Thomaston,	50,000	2,500	500
York,	Saco,	75,000	3,750	750
		\$2,745,000	\$137,250	\$27,450