

ANNUAL REPORT
OF THE
Comptroller of the Treasury

OF THE
STATE OF NEW JERSEY,
WITH ABSTRACTS OF THE AMOUNT OF RATABLES,
For the Year ending October 31,
1872.

TRENTON, N. J.:
THE STATE GAZETTE—MURPHY & BECHTEL, BOOK AND JOB PRINTERS.
1872

REPORT.

OFFICE OF COMPTROLLER OF THE TREASURY, }
TRENTON, N. J., November 1, 1872. }

To the Senate and General Assembly :

The act of the Legislature establishing the office of Comptroller of the Treasury, provides that "the Comptroller shall, within ten days after the annual meeting of the Legislature, make a report to each house of the financial condition of the State." By subsequent enactments the termination of the fiscal year has been changed to the thirty-first of October, and the Comptroller required to prepare his annual report in November of each year, in order that such report may be printed and placed in the hands of the members of the Legislature when they come together at the commencement of the annual session.

The following report is presented in accordance with these laws, and will be found to contain, as required, a statement of the financial condition of the State at the close of the fiscal year; together with all the transactions of the office for the year just closed. The statute requires also that the Comptroller's annual report shall present "an estimate of expenditures for the succeeding year, arranged under their appropriate heads," and it is not an unfair presumption that the Legislature which passed this act had some especial object in view in making it the Comptroller's duty to prepare and present such estimate.

It was doubtless intended that this estimate should serve each year as a guide to the Legislature in providing a revenue to meet the estimated expenditures, inasmuch as the estimate could be of little or no practical use unless supplemented by legislative action; but subsequent Legislatures have not seemed to take this view of the subject, and it has become a question whether the labor of preparing the annual estimate is not expended in vain. In the report from this department to the Legislature of 1872 was presented an estimate of expenditures for the succeeding year, and also a statement of the probable receipts from all sources of revenue, the difference being about one hundred and fourteen thousand dollars, as a surplus which might reasonably be expected to be found remaining in the treasury at the close of the year. With this estimate before them the Legis-

lature proceeded to make appropriations to the amount of about four hundred thousand dollars, but failed to take any action toward providing the necessary means to meet the deficiency.

This showed extraordinary confidence in the ability of the financial officers of the State, but such confidence, although complimentary, is embarrassing, since the most fearless financier would hardly undertake the task of paying appropriations to the amount of four hundred thousand dollars out of a fund of one hundred and fourteen thousand without serious apprehension of being thrown into confusion. However, the usual estimate of expenditures for the current fiscal year will be found in this report, and as an examination of it will show the absolute necessity for some legislative action to prevent embarrassment to the treasury, it is respectfully urged that this subject—one of vast importance to the State—be not wholly overlooked in your deliberations.

The business of the department during the whole of the fiscal year has been transacted at No. 20 West State street, the additions and alterations to the State House not being completed. It is expected that the offices designed for the Comptroller will soon be ready for occupancy, and they will be occupied as soon as completed and furnished.

From various causes the business of the department has greatly increased within the past year, but there has been no increase in the clerical force, which remains the same as at the date of my last report.

In November, 1871, the first month of the fiscal year, it became necessary to effect a loan to provide funds to meet the current expenses of the State between that time and the receipt of the proceeds of the annual tax levy. For this purpose a temporary loan of fifty thousand dollars for sixty days was effected, for account of the State fund, which having been repaid at maturity does not enter into the State accounts, further than to appear in its proper place in the Treasurer's report, under the head of temporary loans. Beyond this, no money has been borrowed during the year. Occasional transfers of money have been made to the State fund from other funds to meet emergencies; it has been necessary to postpone to a later date than usual the payment of the annual appropriation for the support of public schools, and it has also been found necessary to defer the payment of portions of some of the larger special appropriations, but the State owes no money excepting the outstanding "war debt."

The receipts from all sources (excepting the special school tax) during the year, have amounted to one million three hundred and twenty-two thousand three hundred and seventy-one dollars and seventy-two cents (\$1,322,371.72), and the balances in bank to the credit of all the funds at the beginning of the fiscal year was one hundred and twenty-five thousand eight hundred and thirty dollars and seventy-five cents (\$125,830.75), making an aggregate of one

million four hundred and forty-eight thousand two hundred and two dollars and forty-seven cents (\$1,448,202.47).

The disbursements during the same time have amounted to one million three hundred and forty-six thousand seven hundred and fifty-three dollars and twenty-two cents (\$1,346,753.22), and the balances remaining in bank at this date, to the credit of all the funds, amount to one hundred and one thousand four hundred and forty-nine dollars and twenty-five cents (\$101,449.25). From this it will be seen that, although large balances of appropriations are still unpaid, the excess of disbursements over receipts, for the year, has been twenty-four thousand three hundred and eighty-one dollars and fifty cents (\$24,381.50).

The receipts and disbursements have been for account of the several funds as follows:

RECEIPTS.

State Fund,	\$777,303 21
War Fund,	376,000 00
School Fund,	158,958 51
Agricultural College Fund,	6,960 00
State Library Fund,	3,150 00
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	\$1,322,371 72

DISBURSEMENTS.

State Fund,	\$855,657 21
War Fund,	375,719 88
School Fund,	104,200 00
Agricultural College Fund,	6,960 00
State Library Fund,	4,216 13
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	\$1,346,753 22

WAR FUND.

The following statement exhibits the condition of this fund:

Balance in bank, October 31, 1871,	\$2,496 70
Received during the year from State taxes,	376,000 00
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Total,	378,496 70
Disbursed during the year,	375,719 88
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Balance in bank, October 31, 1872,	2,776 82
Excess of receipts over disbursements,	\$281 12

The disbursements have been as follows:

For interest on the public debt,	\$271,000 00
For matured principal of public debt,	100,000 00
For Soldiers' Children's Home,	36,975 00
For Home for Disabled Soldiers,	49,493 53
For State bounty to volunteers,	441 30
For State military account,	17,565 55
For expenses of Commissioners of Sinking Fund,	175 00
For Antietam Cemetery,	69 50

The decrease in the total disbursements for these several accounts, as compared with the previous fiscal year, is three thousand eight hundred and nine dollars and thirty-seven cents (\$3,809.37).

Soldiers' Children's Home.—The amount required for the maintenance of this institution varies each year with the number of inmates of the Home. In the last report from this department it was estimated that thirty-five thousand dollars (\$35,000) would be required for this purpose during the succeeding year, and the actual expenditures have only exceeded this estimate in the sum of one thousand nine hundred and seventy-five dollars (\$1,975.00).

The estimate of last year may again be presented as the amount which will probably be needed during the year to come. The objects of this institution are such as to recommend it to the favor of every citizen of the State, and it is managed by the ladies who have it in charge with an efficiency and economy beyond all praise.

Home for Disabled Soldiers.—The disbursements for this account have been eleven thousand three hundred and seventy-six dollars and eight-three cents (\$11,376.83) in excess of those of the previous year, and nearly twenty-five thousand dollars (\$25,000.00) in excess of the annual appropriation for the maintenance of the Home.

The annual expenditures for the maintenance of this institution have shown a gradual increase from about sixteen thousand dollars in 1868, the first year in which payments were made upon the annual appropriation for the support of the Home, to nearly fifty thousand dollars in 1872, and during all this time the annual expenditures have exceeded the amount of the annual appropriation, but the original act making this annual appropriation, was passed in 1866, and no payments were made thereon until 1868, so that the accumulated appropriations, which were carried to the credit of the Home from year to year, have sufficed until 1872, to cover the excess of expenditures.

During the fiscal year just closed, the expenditures have not only consumed the annual appropriation, and the undrawn balance of appropriations, but have exceeded both in the sum of five thousand

three hundred and sixty-two dollars and ninety-three cents (\$5,362.93,) which amount now stands charged against the appropriation for the coming year.

Soldiers' State Bounty.—The disbursements for this account during the year, show a marked decrease, being one thousand three hundred and forty-two dollars and sixty-seven cents (\$1,342.67) less than in 1871.

It is not probable that more than one thousand dollars (\$1,000) will be needed to meet the claims presented during the year to come.

National Cemeteries.—In my last annual report it was stated that there would probably be no further demands for the balances of appropriations to the national cemeteries at Gettysburg and Antietam. There has been, however, during the year, sixty-nine dollars and fifty cents (\$69.50) disbursed for expenses of the State trustee of the Antietam cemetery, and the credit balance of the original appropriation to this cemetery is, two thousand and eighty-four dollars and ten cents (\$2,084.10.)

Application was made to this department last winter, for this unexpended balance to aid in the erection of a monument to the memory of the soldiers from the various States of the Union, interred in the cemetery, but there being some doubt as to whether an expenditure for this purpose came within the provisions of the act making the appropriation, the attention of the Legislature was called to the subject by the Governor, and an act was passed authorizing the payment, toward the erection of the monument, of such portion of the unexpended balance as the Governor might deem to be the proper contribution of this State, as compared with other States contributing to the same object. No portion of this amount has yet been drawn, but the State is liable to be called upon for the whole amount, and it is therefore included in the estimates for the coming year.

State Military Account.—The disbursements under this head show a decrease as compared with the preceding year, of three thousand three hundred and sixty-three dollars and three cents (\$3,363.03), and there being no cause to apprehend any material increase in the demands, the amount estimated as necessary for the year to come is eighteen thousand dollars (\$18,000.)

Expenses of Commissioners of the Sinking Fund.—To this account are charged the cost of searching titles and such other necessary expenses of a like character, as may be incurred by the commissioners in the discharge of their duties. The disbursements during the past year indicate that two hundred dollars (\$200) will be required for this purpose during the current year.

With the exceptions of the payment upon the public debt, the above enumerated accounts embrace all the expenditures of the State,

which are chargeable to the war fund, and the aggregate amount estimated as necessary to meet these expenditures during the current year may be stated at one hundred thousand dollars (\$100,000.)

Of the bonds issued for "purposes of war," in pursuance of the act of May 10, 1861, and the several supplements thereto, there will be one hundred thousand dollars paid on the first day of January, 1873, for which provision has already been made, as also for the interest due at that date, and the additional six months' interest due on the first of July, 1873. After the payment of January 1, 1873, there will be bonds outstanding to the amount of two millions six hundred and ninety-six thousand three hundred dollars (\$2,696,300), of which principal amount there will be due one hundred thousand dollars (\$100,000) on the first of January, 1874, and on the same day there will be due six months' interest, at six per cent. per annum, on the whole amount of the debt. This interest will amount to eighty thousand eight hundred and eighty-nine dollars (\$80,889); and on the first of July, 1874, there will be six months' interest due on the diminished amount of the debt (\$2,596,300), which interest will amount to seventy-seven thousand eight hundred and eighty-nine dollars (\$77,889), making an aggregate of principal and interest of two hundred and fifty-eight thousand seven hundred and seventy-eight dollars (\$258,778), which amount the State Treasurer is required to pay to the Commissioners of the Sinking Fund, and which the law requires shall be raised by a State tax, apportioned among the several counties, on the basis of the abstracts of ratables furnished for the previous year.

The whole amount required for the payments of principal and interest of the public debt, and the disbursements for the other war fund accounts for the current year, as estimated above, may be stated as three hundred and fifty-nine thousand dollars (\$359,000).

STATE FUND.

The balance in bank to the credit of the State fund, on the thirty-first of October, 1871, was one hundred and sixteen thousand three hundred and ninety-four dollars and thirty-eight cents (\$116,394.38), and the amount credited to the fund, during the fiscal year just closed, was seven hundred and seventy-seven thousand three hundred and three dollars and twenty-one cents (\$777,303.21).

The following statement exhibits the condition of the fund, as shown at this date, upon the books of the Treasurer:

RECEIPTS.

From tax on railroads and other corporations,	\$484,293 19
From dividends on stocks and interest on bonds held by the State,	79,001 50

From assessments on private acts, and fees for licenses and commissions,	20,405 60
From fines and forfeited recognizances,	2,327 50
From State taxes,	171,275 42
From State Prison earnings,	20,000 00

Total receipts for the year,	\$777,303 21
Balance in bank, October 31, 1871,	116,394 38

	\$893,697 59
Total disbursements for the year,	855,657 21

Balance in bank, October 31, 1872,	\$38,040 38
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The disbursements have exceeded those of the preceding fiscal year in the sum of fifty-four thousand and thirty-eight dollars and eighty-three cents (\$54,038.83); there has been a decrease, in the receipts, of ninety-one thousand five hundred and twenty-nine dollars and sixty cents (\$91,529.60), and the excess of disbursements over receipts for the year has been seventy-eight thousand three hundred and fifty-four dollars (\$78,354).

The principal causes of the decrease in the receipts have been the lesser amount paid as tax by some of the railroad corporations, and the discontinuance of the revenue formerly flowing into this fund from the sale and lease of lands under water belonging to the State, which revenue has been diverted by act of the Legislature to the school fund.

The above statement, although showing the condition of the State fund account upon the Treasurer's books, and exhibiting all the actual transactions that have taken place for account of this fund, does not by any means show the true state of the fund.

To speak commercially, the assets and liabilities of the fund are not exhibited by this statement. At the date of my last report, the State fund was indebted to the school fund in the sum of thirty thousand dollars (\$30,000), and of this sum only twenty thousand dollars (\$20,000) have been paid during the year, leaving ten thousand dollars (\$10,000) still due. In addition to this, the State fund is indebted to the school fund for the amount of the annual appropriation for 1872, (\$65,000), making seventy-five thousand dollars (\$75,000) due the school fund from the State fund. The amount referred to in my last report as having been received from the United States government as proceeds of the sale of arms and equipments, has not yet been transferred from the State fund, and having been used for State purposes, may be considered as a loan from the State arsenal fund, for the payment of which the State fund is liable to be called upon when the money is needed for the specific purpose to which it was devoted by the act of 1868. This amount is fifty-nine thousand six hundred and eight dollars and five cents.

(\$59,608.05), and, with the amount due the school fund, forms an aggregate of one hundred and thirty-four thousand six hundred and eighty-nine dollars and five cents (\$134,689.05), which may be termed the amount of liabilities of the State fund to other funds. From this it will be seen that, although the State fund has a balance in bank to its credit, the money of other funds has been used for State fund disbursements, and the amounts due these other funds are to be viewed as temporary loans, which, if transferred, would leave a deficiency in the State fund of ninety-six thousand six hundred and forty-eight dollars and sixty-seven cents (\$96,648.67).

The objects for which disbursements from the State fund have been made during the year are as follows:

State Prison.—The expenditures for this account have been:

For salaries, - - - - -	\$50,518 12
For repairs, - - - - -	21,251 62
For improvements, - - - - -	30,680 35
For payments to discharged convicts, - - - - -	1,500 00
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	\$103,950 09

This is exclusive of the amount expended to complete the new wing, for which special appropriations were made. The amount expended for the prison account proper exceeds the amount disbursed for this purpose during the preceding year by twenty-three thousand seven hundred and seventy-two dollars and seventy-six cents (\$23,772.76), the increased expenditure being almost wholly for permanent improvements, the nature of which will doubtless be set forth in the annual report of the Supervisor of the prison.

These improvements are not to be regarded as a part of the yearly expense of maintaining the prison; the only items of strictly current expenses being those of salaries, repairs, and payments to discharged convicts, and the expenditures for these purposes during the fiscal year just closed show an increase, as compared with the preceding year, of only four hundred and forty-five dollars and forty-five cents (\$445.45). In my last report the amount estimated as necessary for the payment of these expenses for the year then beginning, was stated at seventy thousand dollars (\$70,000), and the actual expenditures have exceeded this estimate by a little over three thousand dollars, but, a new feature was introduced this year into the question of the expense of maintaining the prison, by the payment into the treasury of twenty thousand dollars (\$20,000), as a surplus derived from the earnings of convicts! This amount may be deducted from the amount of current expenses of the prison for the year, and will reduce them to about fifty-three thousand dollars (\$53,000), or but little more than is actually required to pay the single item of salaries.

This happy result has been brought about mainly through the combined exertions of Col. Wm. R. Murphy, the acting supervisor, Mr.

R. H. Howell, the keeper, and Dr. W. W. L. Phillips, the prison physician. These gentlemen have been untiring in their efforts to accomplish the desired end of making the prison self-supporting; they have co-operated earnestly and harmoniously, and the measure of their success, so far has exceeded all anticipations. Indeed so thorough and surprising has it been, that the gratification to which it gives rise, is tempered by the fear of a demoralizing effect upon their own minds, in making them sigh for an increase of crime, in order that they may display their power to turn it into a source of revenue.

Presuming the current expenses of the prison for the coming year to be the same as they have been during the past year, the amount estimated as required for these disbursements is seventy-three thousand dollars (\$73,000.)

East Wing of the State Prison.—At the date of the last report from this department, the expenditures for the purpose of erecting a new wing to the State prison had been somewhat in excess of the appropriations, and the Legislature of 1872 made a further appropriation of twenty-eight thousand and seven hundred dollars (\$28,700), to cover such excess and meet the further necessary expenditures, which during the year, have been fifteen thousand nine hundred and seventeen dollars and fifty cents (\$15,917.50.)

The whole amount appropriated by the Legislatures of 1870, 1871 and 1872, was one hundred and fifty-three thousand and seven hundred dollars (\$153,700), and the building has been completed at a cost of one hundred and fifty-two thousand, eight hundred and thirty dollars and eighteen cents (\$152,830.18), or eight hundred and sixty-nine dollars and eighty-two cents (\$869.82) less than the amount appropriated.

Lunatic Asylum at Trenton.—The expenditures for this account during the year, have been forty thousand nine hundred and seventeen dollars and thirty-one cents (\$40,917.31), being a decrease as compared with the preceding year, of twelve thousand four hundred and thirty-six dollars and eleven cents (\$12,436.11), but the Legislature of 1871 made an appropriation of thirteen thousand five hundred dollars (\$13,500) for the purchase of an addition to the asylum grounds, and the amount of this expenditure was included in the disbursements for the account in that year, while in the year just closed, the expenditures have been confined to the usual items of county patients, insane convicts, and salaries, and the amount disbursed during the year for these purposes has exceeded the disbursements of a like character for the preceding year in the sum of one thousand and sixty-three dollars and eighty-nine cents (\$1,063.89.)

It is estimated that forty thousand dollars (\$40,000) will cover the expenditures for this institution during the current year.

Lunatic Asylum at Morristown.—The disbursements for this account have been for the purchase of the asylum site, and for building purposes. In 1871 the Legislature made an appropriation of one hundred and fifty thousand dollars for the purpose of providing additional accommodations for the insane of the State, and commissioners were appointed to select and purchase a site for, and to build a new asylum. The purchase was not consummated until after the close of the fiscal year, and the only portion of the appropriation that was disbursed in that year was the sum of eight hundred and twenty-five dollars (\$825.) During the fiscal year just closed, the necessary lands have been purchased and taken possession of by the commissioners, and considerable progress has been made in the erection of the asylum buildings. The amount disbursed during the year to the commissioners, upon their drafts on the Comptroller, has been one hundred and twelve thousand six hundred and forty-eight dollars and sixty-one cents (\$112,648.61.) This with the amount drawn in the preceding year, forms an aggregate of payments for this account, of one hundred and thirteen thousand four hundred and seventy-three dollars and sixty-one cents (\$113,473.61) leaving an undrawn balance of the first appropriation of thirty-six thousand five hundred and twenty-six dollars and thirty-nine cents (\$36,526.39.) In 1872, the Legislature made an additional appropriation of one hundred and fifty thousand dollars (\$150,000,) of which nothing has been drawn, and this added to the undrawn balance of the original appropriation, forms an aggregate of one hundred and eighty-six thousand five hundred and twenty-six dollars and thirty-nine cents (\$186,526.39), for which sum the commissioners are now authorized to draw upon the treasury. This sum is presented as the estimate for the current year, exclusive of any further appropriation that may be made at the coming session.

Transportation and Costs.—The amount disbursed during the year for costs of conviction of State prisoners in the several counties, and for their transportation to the State Prison, was twenty-four thousand five hundred and eighty-two dollars and twenty-nine cents (\$24,582.29), being eight hundred and thirteen dollars and twenty-one cents more than the expenditures of 1871. The bills for costs of conviction amounted to twenty thousand four hundred and sixty-five dollars and five cents (\$20,465.05), and for transportation to four thousand one hundred and seventeen dollars and twenty-four cents (\$4,117.24). Warren is the only county which has not sent any prisoners during the year, and the following schedule exhibits the amount that has been paid to each of the other counties:

Counties.	Costs.	Transportation.
Atlantic,	\$583 60	\$102 50
Bergen,	751 94	216 00
Burlington,	1,114 39	102 07
Camden,	2,873 62	313 51 .

Counties.	Costs.	Transportation.
Cape May,	\$299 24	103 01
Cumberland,	639 56	159 75
Essex,	4,260 47	898 81
Gloucester,	155 44	30 74
Hudson,	2,115 32	592 50
Hunterdon,	584 71	56 00
Mercer,	406 48	20 00
Middlesex,	1,213 78	156 00
Monmouth,	274 34	44 00
Morris,	430 34	79 87
Ocean,	59 08	26 25
Passaic,	2,197 11	707 82
Salem,	1,283 30	128 25
Somerset,	152 09	25 50
Sussex,	96 18	37 50
Union,	974 06	317 16
Warren,	-----	-----
Total,	\$20,465 05	\$4,117 24

Estimate for the coming year, twenty-five thousand dollars (\$25,000).

Printing.—The expenditures for this account, during the year, have been as follows:

For current printing,	\$13,022 31
For pamphlet laws,	7,372 59
For documents (of 1871)	3,605 31
For publishing laws in newspapers,	44,056 65
For printing Record of New Jersey Soldiers in the Revolutionary War,	1,600 00
For proclamations and miscellaneous,	4,288 47
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	\$73,945 33

This shows a decrease, as compared with the preceding year, of eight thousand five hundred and twenty dollars and twenty-one cents (\$8,520.21), but this decrease is only apparent, inasmuch as there were during the year just closed no disbursements for printing the journal of the senate and the minutes of the house of assembly, these volumes not having been printed as usual. The book of legislative documents of 1872 has been ordered printed and is now in the hands of the printer. The cost of printing these volumes will, therefore, be included in the disbursements of the coming year. The cost of printing them in 1871 was fourteen thousand four hundred and sixty dollars and sixty-seven cents (\$14,460.67), and had they been printed in 1872 at the same cost, the whole printing ex-

penditures would have exceeded those of 1871 in the sum of five thousand nine hundred and forty dollars and forty-six cents (\$5,940.46). The principal item in this expenditure is the cost of publishing the laws in the newspapers, which comprises nearly sixty per cent. of the whole cost of the State printing. The law provides that each paper, which has been regularly published for one year, shall be entitled to publish all the general public acts passed at each session of the Legislature, and such special acts as shall be applicable to the county in which the paper is published. In 1872 one hundred and one papers were paid for publishing the laws, while in 1871 there were but eighty—an increase of more than twenty-five per cent. in one year. They were paid at the same rate in both years, and the disbursements to them in 1872 were not proportionately increased, simply because the laws passed and published in that year were less voluminous than in the year before. The attention of the Legislature of 1872 was called to the apparently excessive amount paid yearly by the State for printing, and a committee was appointed to investigate the subject, "with a view to better economy in the future;" but owing to causes which it is not necessary to recount, no good was accomplished, and the only result was a *fiasco* so stupendous that not even the gravity and importance of the subject could divest it of its ludicrousness, and the movement expired beneath an avalanche of ridicule. An attempt was made to effect a reduction of twenty per centum in the rates paid for the public printing, and an impression prevailed that this would cause a diminution of one-fifth of the annual cost to the State; but nothing could be more erroneous. The only portion of the expenditures at all affected by this reduction would have been the composition and press work, which form but an insignificant portion of the whole cost, and the investigations of the committee demonstrated that the prices paid for this item were by no means excessive, while had the measure been carried the only saving that would have been effected in the year just closed would have been about fifteen hundred dollars—a sum well worth saving, it is not to be denied, but wholly insignificant when the importance of the subject is considered.

The excessive cost of the public printing is not chargeable to fraud in any sense, inasmuch as the work is done and paid for in strict accordance with the law; but such abuses as may be connected with this portion of the State expenses are to be more properly attributed to insufficient legislation, and there are several ways in which the laws may be so amended as to effect a very considerable reduction in the cost to the State of the printing and advertising required to be done.

The statute now prescribes a certain form and style for the volumes of senate journal and assembly minutes, and the printer of these volumes must conform to this style, and produce a bulky, inconvenient book, or assume the responsibility of violating the law. He, however, finds little difficulty in resisting the temptation to become

a law breaker in this respect, since his compensation is in proportion to the size of the volume. An amendment to the law, requiring the volumes to be printed in compact and convenient form, would effect a saving, upon this single item of about three thousand dollars annually. But the branch of the printing question requiring the most careful consideration, is that involving the publication of the laws in the newspapers.

The wisdom of the enactments authorizing such publication is not to be doubted, founded as they are upon the importance of having the acts of the Legislature laid at the earliest moment before the people who are to be benefited by their provisions and responsible for their violation. It has become of late years, a rule almost without an exception, to append to all general and special acts a provision rendering them operative from the date of approval by the Governor, and an interval of some months must necessarily elapse between the adjournment of the Legislature and the issue of the volume of pamphlet laws. In this interval the publication of the laws in the newspapers furnishes the people, the judges of the courts, justices of the peace, and county and township officers, with their only means of acquainting themselves with the acts of the Legislature.

Such publication then is a necessity, as the only means of avoiding the injustice which would be done, should the Legislature pass or repeal acts affecting the rights, conduct and responsibilities of their constituents, and leave the public for four or five months in ignorance of their action. But ordinarily only about fifty per cent. of the public acts passed at each session are general acts, the remainder being special acts, or acts only applicable to certain localities. The bills for publishing these in the counties to which they apply, are paid from the State treasury, and while it would be unadvisable to discontinue their publication, there is obvious unfairness in taxing the people of the whole State to pay for what only affects or interests a certain circumscribed locality.

A much more equitable apportionment of this expense can be effected, and considerable relief afforded to the treasury by an amendment to the law, providing that the expense of the publication of each special public act shall be borne by the county in which it is intended to operate.

During the fiscal year just closed, the cost of publishing the general public acts, was twenty-four thousand four hundred and fifty-two dollars and ten cents, (\$24,452.10) which should properly be borne by the whole people. The expense of publishing the special public acts during the same time, was nineteen thousand six hundred and four dollars and forty-five cents (\$19,604.45) which amount may very properly be saved to the treasury, and made to fall where it belongs, by the amendment suggested.

This, with the change above proposed, as to the form of the minutes and journal, will effect a reduction in the annual State expenditure for the printing account of from twenty-two to twenty-five

thousand dollars, and thus reduce the cost of the public printing to what may fairly be termed a minimum point.

These changes are earnestly urged upon the attention of the Legislature as a remedy for certain evils, which have not sprung from "fraud and corruption" but are the legitimate out-growth of a system founded in good, but with which legislation has not kept pace; and it is respectfully represented that such changes offer a reasonably direct approach to the desired economy.

Should these, or other practicable measures of economy be adopted by the Legislature at the coming session, the estimated amount required for the regular annual printing and advertising during the coming year is fifty thousand dollars (\$50,000), to which may be added seven thousand dollars to cover the cost of printing the minutes and journal of 1872, should the Legislature order these volumes printed. Should no measures be taken to reduce the cost of the printing, the amount estimated as required to meet the disbursements for this account in 1873, is eighty-two thousand dollars (\$82,000). The annual increase in the number of newspapers, however, renders it difficult, if not impossible, to present an estimate that may be relied on as accurate.

Militia.—The following disbursements have been made during the year for this account:

Allowance in lieu of armory rent,	\$28,594 68
Pay of officers,	437 83
Miscellaneous,	3,719 84
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	\$32,752 35

This shows a decrease, as compared with 1871, of four thousand one hundred and thirty-nine dollars and fourteen cents (\$4,139.14). This decrease is not to be attributed to any permanent reduction in the cost of maintaining the militia, but rather to the fact that there were certain extraordinary expenses incurred in 1871 which were not found necessary in 1872.

During the year, four companies have fallen below the minimum number required by law, and thus forfeited their claim to the State appropriation; and five new companies have been organized, and have claimed and received the amount to which they were by law entitled. Estimate for the current year, thirty-five thousand dollars (\$35,000).

State House Expenses.—The disbursements for this account during the year have been thirty-five thousand two hundred and twenty-eight dollars and thirty-three cents (\$35,228.33.)

To this account have been charged, not only the current expenses of the State House, but the entire cost of furnishing the new Senate

and Assembly chambers, and sundry appliances purchased for the use of the officers of the two houses, by order of the last Legislature.

The additional amount of fuel, light, attendance, etc., consequent upon the increased size of the building, will necessitate a greater annual expenditure than has heretofore been required, and it is estimated that there will be ten thousand dollars (\$10,000) needed to meet the disbursements for this account during the coming year.

State House Extension.—The appropriation of fifty thousand dollars (\$50,000), made by the Legislature of 1871, for the purpose of erecting an addition and making repairs to the State House, having been found insufficient to complete the additions according to the plans adopted, a further appropriation for this purpose was made in 1872, of one hundred and twenty thousand dollars (\$120,000), and also an appropriation of nine thousand dollars (\$9,000), to defray the cost of furnishing the executive chamber, the rooms designed for the Court of Chancery and the Supreme Court, and the several offices on the first floor of the east wing. The amount of the original appropriation was paid to the commissioners during 1871, and of the latter appropriation they have received ninety-five thousand dollars (\$95,000) during the past year, leaving a balance of thirty-four thousand dollars (\$34,000) still undrawn. It will be necessary for the Legislature of 1873 to provide means to meet the demand for this balance.

Reform School.—For this account the disbursements have been fourteen thousand four hundred and eighteen dollars and twenty cents (\$14,418.20). At the beginning of the fiscal year the credit balance of appropriations to this institution was two thousand four hundred and eighteen dollars and twenty cents (\$2,418.20), and a further appropriation of twenty thousand dollars was made by the Legislature of 1872. The credit balance therefore, at this date, is eight thousand dollars (\$8,000), and as the usual appropriation of twenty thousand dollars (\$20,000) will probably be asked for, the estimate for the year is twenty-eight thousand dollars (\$28,000).

Industrial School for Girls.—The disbursements for the support of this institution during the year have been five thousand dollars (\$5,000) being balance of appropriation for the year 1871, and two thousand five hundred dollars (\$2,500) of the appropriation for the year 1872, leaving a balance of appropriations undrawn, at this date, of two thousand five hundred dollars (\$2,500).

Legislature.—The disbursements for Legislative expenses during the year have been fifty-eight thousand three hundred and two dollars and sixty-five cents (\$58,302.65), an increase of sixteen thousand and sixty-four dollars and forty-four cents (\$16,064.44) over the preceding year. This increase is chiefly owing to the fact that the incidental

bills of both years were passed at the session of 1872, by which means the payment of both was thrown into the latter year. Estimate for 1873, fifty thousand dollars (\$50,000).

It may not be improper, at this point, to call the attention of the Legislature to some of the evils attending the practice of authorizing the payment of the incidental expenses of the Legislative session by the so-called incidental bill. It frequently happens that the presence of one or two objectionable items in the bill give rise to debate, and, in the hurry and bustle of the closing hours of the session, the bill fails to pass, in which case the parties who have furnished articles which the State has used, and which ought to be promptly paid for, are compelled to wait until the Legislature, at a following session, legalizes the payment, unless the State officers assume the responsibility (as they have been in the habit of doing for years past) of advancing the money. Again, the bills for supplies furnished the Legislature are presented to the incidental committee, who generally find great difficulty in ascertaining whether the articles have been purchased and delivered, and who have but slender facilities for verifying the correctness of the charges. Articles purchased for all the other departments of the State are carefully examined as to quality; the prices are scrutinised; the receipt of the goods must be certified by the officer to whom they are delivered; the bills are audited by the Comptroller, and the claimants make affidavit to the correctness of their bills before payment is made. Claims for supplies furnished the Legislature escape all this annoying routine, and in their case the Comptroller's duties are greatly simplified, inasmuch as he can only comply with the provisions of the bill which names the claimant and specifies the amount he shall receive. The wisdom of this system is not to be commended, since it opens the door for the presentation and payment of unjust claims which, under a more careful scrutiny, would be certainly rejected. There can be no doubt that the Legislative expenses can be greatly reduced by the adoption of a system under which some officer of the State or the Legislature shall be authorized to purchase the necessary supplies, and certify their receipt to the Comptroller, who should be authorized to draw his warrants for the necessary amounts, after the bills had been duly audited.

The annual expense of the Legislature is a greater tax upon the treasury than it should be. Theoretically, the annual session is held for the purpose of legislating for the people; but a very large proportion of the business done at each session is the consideration of bills of a private nature, which are to prove a source of profit to individuals or corporations, who should therefore bear a greater proportion of the expense than is now imposed upon them. An increased assessment upon private acts would have the effect either to increase the revenue from this source, or diminish the number of such acts, and thus lighten the expenses of the Legislative session.

Support of Idiots, Mutes and Blind Persons.—The expenditures

during the year for the support and education of these three classes of the State's beneficiaries have amounted to thirty-six thousand five hundred and ninety-six dollars and thirty-nine cents (\$36,596.39), which amount has been distributed as follows:

To New York Blind Institution, for support of twenty-five pupils,	\$8,971 21
To Pennsylvania Blind Institution, for support of eighteen pupils,	7,547 85
To New York Institution for the Deaf and Dumb,	9,443 57
To Pennsylvania Institution for the Deaf and Dumb,	3,402 93
To New York Institution for Improved Instruction of Deaf Mutes,	445 83
To Pennsylvania Training School for Feeble-Minded Children,	6,785 00

This is four thousand one hundred and eighty dollars and twenty-nine cents (\$4,180.29) in excess of the disbursements of this character in 1872—a natural increase consequent upon the increase of pupils. The several laws under which these disbursements are made provide for the payment of a certain amount annually for the maintenance of each pupil, and further provide that the annual expenditure shall not exceed an aggregate of twenty-four thousand dollars (\$24,000)—permitting, nevertheless, the undrawn balance of appropriations of any one year to be carried to the credit of the succeeding year. The disbursements of the year just closed have exceeded the amount of the appropriations in the sum of twelve thousand five hundred and ninety-six dollars and thirty-nine cents (\$12,596.39), but the unexpended balances of former years suffice to cover this excess. This will not continue to be so, however, and it is respectfully recommended that the limit of the appropriations be extended, or be removed altogether. Indeed, there seems to be no sufficient reason for limiting the amount to be expended annually for these purposes. It is the evident intention of the Legislature to provide for all the cases which, in the discretion of the Governor, come within the provisions of the law, and as there are no means of determining the number of these cases in advance, there is an obvious disadvantage in limiting the amount which may be expended for their benefit.

Application was made to the Legislature of 1872 for a special appropriation to meet a deficiency in the cost of maintenance of the pupils of this State at the Pennsylvania Institution for the Deaf and Dumb. The amount allowed by the statute for each pupil is three hundred dollars per annum, but the institution referred to has adopted the system of fixing a rate of charge not exceeding the estimated actual cost *per capita*, and depending upon the action of the State Legislature for reimbursement, should the amount charged not equal the actual cost of maintaining the pupils. For some years past the expenses have proved to be greater than the amount

charged, and a bill was presented last winter for an appropriation to meet the deficiency. It was referred to the Legislature with a recommendation from the Governor, and passed the House of Assembly, but was not acted upon by the Senate. The amount of this bill was nine hundred and forty-two dollars and twenty-five cents (\$942.25), and being an entirely just and proper claim, its payment should be authorized without delay. Should this be done, the whole of the disbursements for this account during the coming year will probably reach thirty-eight thousand dollars (\$38,000).

Salaries and Fees.—The expenditures during the year for this account, have been forty thousand eight hundred dollars and seven cents (\$40,800.07), and a like amount will be required for the disbursements of the year to come.

Salaries of the Judiciary.—Disbursements during the year, sixty-one thousand and ten dollars (\$61,010), an increase of five thousand and sixty-four dollars and fifty-six cents, (\$5,064.56), over the expenditures of 1871, which increase is due to the establishment of a new office, the cost of which is chargeable to this account. Estimate for the coming year, sixty thousand dollars (\$60,000).

Geological Survey.—Expenditures, five thousand four hundred and thirteen dollars and fifty-nine cents (\$5,413.59). Decrease as compared with 1871, of two thousand six hundred and fifty-three dollars and forty-four cents, (\$2,653.44). The expenses of the commission during the coming year, including their printing will probably require seven thousand dollars (\$7,000).

Education.—The expenditures for educational purposes have amounted to forty-four thousand three hundred and six dollars and twenty-five cents (\$44,306.25) and have been for the following objects:

On account of appropriation to public schools,	\$20,000 00
To the State Normal School,	15,000 00
To the Farnum Preparatory School at Beverly,	4,200 00
For Expenses of State Board of Education and	
County Institutes,	1,710 10
For Repairs of Normal School,	3,396 15
	<hr/>
	\$44,306 25

This sum is thirty-six thousand nine hundred and ten dollars and fifty-eight cents (\$36,910.58) less than the amount disbursed for educational purposes, in 1871, but this is simply owing to the fact before stated, that the annual appropriation has not been wholly paid. This appropriation amounts to sixty-five thousand (\$65,000) dollars, of which but twenty thousand dollars have been transferred to the school fund up to this date.

Had the whole amount of this appropriation been paid within the fiscal year, the disbursements for this account would have been eighty-nine thousand three hundred and six dollars and twenty-five cents (\$89,306.25), and this may be stated as the actual amount of this item of the public expenditure.

This shows an increase as compared with 1871, of seven thousand and eighty-nine dollars and forty-two cents (\$7,089.42), which is due to the passage of an act in 1872, increasing the annual appropriation to the State Normal School from ten thousand (\$10,000), to fifteen thousand dollars (\$15,000), and an act making a special appropriation of three thousand dollars (\$3,000) for repairs and improvements to the Farnum Preparatory School at Beverly. There has also been an increase of one thousand three hundred and fifty dollars and sixty-seven cents (\$1,350.67), in the cost of repairs to the State Normal School, and a decrease of one thousand two hundred and sixty-one dollars and twenty-five cents (\$1,261.25), in the expenses of the State board of education and county institutes.

Apart from the undrawn balance of appropriation, it is estimated that eighty-five thousand dollars (\$85,000) will be required to meet the disbursements for this account during the coming year.

Pensions.—Owing to the passage by the Legislature of 1872, of a number of additional acts, granting pensions to soldiers of the war of 1812, the disbursements for this account during the year, have been considerably greater than in any previous year. They amounted in 1871, to three thousand five hundred and twenty-five dollars, and in 1872 to four thousand seven hundred thirty-seven dollars and eighty-six cents, (\$4,737.86). Estimate for the coming year, five thousand dollars (\$5,000).

Free School Libraries.—The act under which disbursements are made for this account, provides that each school district, which shall raise by subscription the sum of twenty dollars (\$20) for the purchase of library or of chemical or philosophical apparatus for the use of the district school, shall be entitled to receive a like sum from the State treasury. This act has been in operation but two years, and the amount paid out in pursuance of its provision during the past year, was three thousand eight hundred and forty dollars (\$3,840). It is estimated that at least five thousand dollars (\$5,000), will be needed for this purpose during the coming year.

Riparian Commission.—Expenditures during the year ten thousand two hundred and eighty-three dollars and fifty-six cents (\$10,283.56), increase four thousand one hundred and ninety-eight dollars and sixty cents (\$4,198.60). Estimate for the coming year ten thousand dollars (\$10,000).

Revision of Statutes.—At the session of 1871, an act was passed

appointing commissioners to "revise, simplify, arrange, and consolidate all the public acts of the Legislature of the State," which act provides for the payment of the compensation and expenses of the commissioners. For this purpose the expenditures during the past year have amounted to one thousand eight hundred and twenty-one dollars and fifty cents (\$1,821.50). The commissioners are authorized to have their work printed in parts for distribution to the members of the Legislature, and no accurate estimate can be formed of the amount which will be required during the coming year.

Insurance.—By joint resolutions passed at the session of 1872, the State Treasurer was directed to have the State Library, the State House buildings, and the buildings occupied as the Soldiers' Children's Home, insured against loss by fire. They have been insured for five years, at a cost of seven thousand and fifty dollars (\$7,050).

Preservation of Records.—An act of the Legislature approved March 29, 1872, appropriated three thousand dollars (\$3,000) to defray the expense of procuring from London, England, certain documents on file in the State Paper Office in that city, referring to the early history of this State. Fifteen hundred dollars (\$1,500) of the amount thus appropriated have been paid to the president of the New Jersey Historical Society during the year.

Inspection of Fisheries.—The acts passed at the sessions of 1871 and 1872, for the protection of the fishing interests of the State, provided for the payment of the salaries of the fish wardens appointed for each county bordering on the Delaware river, and the expenses of the State Commissioners of Fisheries. For these purposes the disbursements during the year have amounted to nine hundred and fifty-three dollars and thirty-eight cents (\$953.38). This is probably more than will be required during the coming year, since it is anticipated that a law similar to the one now in operation in this State, will be enacted by the Pennsylvania Legislature during the coming winter, which will secure to the fish commissioners and wardens the co-operation of the authorities of that State, and this will reduce their expenses as well as lighten their duties.

The fish commissioners, Dr. B. P. Howell, of Gloucester county, and Dr. J. H. Slack, of Warren county, have devoted themselves to carrying out the provisions of the fishing laws of the State, of which laws the ultimate result must be to greatly increase the supply and reduce the cost of an almost universal article of food, and the untiring and intelligent efforts of these gentlemen well deserve encouragement from the Legislature, and support from the State treasury.

In addition to the expenditures specifically referred to above, the

following disbursements for State account have been made during the year: for Law and Equity Reports, three thousand dollars (\$3,000); for Repairs to the State Arsenal, one thousand one hundred and sixteen dollars and ninety-nine cents (\$1,116.99); for Incidentals two thousand two hundred and eleven dollars and sixty-three cents (\$2,211.63); for Stationery and Postage, eight thousand and fifty-five dollars and thirty-nine cents (\$8,055.39); for Repairs to the office of Surveyor General of the western division of New Jersey, one thousand dollars (\$1,000); for Removing Obstructions to Navigation, two thousand nine hundred and forty-eight dollars and thirty-nine cents (\$2,948.39); for Binding, one thousand seven hundred and seventy-six dollars and twenty-five cents (\$1,776.25); for Interest, seven hundred and six dollars and seventy-seven cents (\$706.77); for Inauguration Expenses, three thousand five hundred and twenty-four dollars and ninety-three cents (\$3,524.93); and for Requisitions, one hundred and thirty-one dollars and ninety cents (\$131.90).

SCHOOL FUND.

The following statement shows the receipts and disbursements for account of this fund during the year:

RECEIPTS.

Principal of loans paid off,	\$15,170 07
Dividends on stocks,	6,147 50
Interest of loans,	35,603 12
Tax on railroads,	743 19
From sale and lease of lands under water, (Cash and Securities).	163,294 63
From State Fund on account of appropriation of 1871,	20,000 00
	<hr/>
	\$240,958 51

DISBURSEMENTS.

Amount invested	\$186,200 00
	<hr/>
Excess of receipts over disbursements,	\$54,758 51
Balance in bank October 31, 1871,	5,618 83
	<hr/>
Balance in bank October 31, 1872,	\$60,377 34

The decrease in the amount of the receipts, as compared with 1871, is twenty-eight thousand two hundred and fifty-five dollars and seventy-six cents (\$28,255 76), but this is owing to the fact that the annual appropriation from the State has not been paid into the fund, and not because of any falling off in the actual income of the fund. Indeed the other sources of income have yielded during the fiscal year a considerably increased sum as compared with 1871, the actual increase having been eighty-five thousand one hundred and seventy-

three dollars and eighty-seven cents (\$85,173.87), which increase has been chiefly from the proceeds of sales and leases of lands under water, paid into the School Fund by the Riparian commissioners, and by the State Treasurer in pursuance of an act passed April 6, 1871, and a supplement thereto approved April 2, 1872. The amount due this fund from the State Fund, is seventy-five thousand dollars (\$75,000), and to show the true condition of the account for the year this amount should be added to the balance in bank at this date. This shows the actual credit balance of the fund to be one hundred and thirty-five thousand three hundred and seventy-seven dollars and thirty-four cents (\$135,377.34). The amount of securities now in the hands of the treasurer belonging to this fund, is seven hundred and thirty-one thousand eight hundred and thirteen dollars and forty-three cents \$731,813.43).

STATE LIBRARY FUND.

On the thirteenth of March, 1872, an act was passed by the Legislature providing that, "the additional sum of two thousand dollars be appropriated annually for five years, for the improvement of the library; the same to be expended under the direction of the commissioners in the purchase of books." This with the regular annual appropriation, makes the income of the library fund from this source two thousand seven hundred and fifty dollars (\$2,750). To the credit of this fund are paid also the rents received for the use of rooms in the State House, occupied by the United States Courts. These are the only sources of revenue of this fund.

The following statement shows the transactions for this account during the past fiscal year, and the condition of the fund at the present time:

RECEIPTS.

From State Fund,	\$2,750 00
From Rents,	400 00
	<hr/>
	\$3,150 00
Balance in bank Oct. 31, 1871,	1,299 23
	<hr/>
	\$4,449 23
Disbursements during the year,	4,216 13
	<hr/>
Balance in bank Oct. 31, 1872	\$233 10
	<hr/>
Excess of disbursements over receipts,	\$1,066 13

The amount to be provided for library expenditures during the coming year, is two thousand seven hundred and fifty dollars (\$2,750).

AGRICULTURAL COLLEGE FUND.

The revenue of this fund consists of the income from the securities held by the State Treasurer for the use of the fund.

These securities amount to one hundred and sixteen thousand dollars, (\$116,000), and the interest upon them is six thousand nine hundred and sixty dollars, (\$6,960), which amount has been collected and paid over to the trustees of Rutgers College. Beyond this there have been no transactions for account of this fund.

BANK NOTE REDEMPTION FUND.

The balance in bank at the date of my last report to the credit of this fund was twenty-one dollars and sixty-one cents (\$21.61), and still remains the same, there having been no transactions for account of the fund within the year.

STATE SCHOOL TAX.

In stating the receipts from all sources of revenue during the year, no mention was made of the amount received as special school tax, for the obvious reason that this tax is levied and collected for a special service, and the proceeds do not enter into the State accounts, but are almost immediately redistributed to the several counties. The law requires that a tax of two mills on each dollar of the taxable real and personal property in the State shall be levied and collected for the support of public schools, and that the amount thus collected, shall be apportioned by the State Superintendent of Public Instruction, among the several counties, in proportion to the number of children between the ages of five and eighteen years in each.

The amount of taxable property in the State in the year 1871, as returned by the several boards of assessors, was five hundred and forty-eight millions, seven hundred and forty thousand eight hundred and forty-five dollars (\$548,740,845), and upon this was levied and collected a school tax of one million, ninety-seven thousand four hundred and eighty-one dollars and seventy-two cents (\$1,097,481.72).

The following schedule shows the amount of tax apportioned to each county, and the amount paid to each for school purposes under the apportionment made by the State Superintendent:

Counties.	Tax Paid.	Apportionment.
Atlantic,	\$8,725 74	\$20,071 41
Bergen,	51,124 00	35,358 65
Burlington,	57,640 84	69,213 05
Camden,	32,500 00	50,832 83
Cape May,	7,200 00	10,613 55
Cumberland,	23,104 00	41,289 99

Counties.	Tax Paid.	Apportionment.
Essex, - - - - -	201,382 00	147,867 29
Gloucester, - - - - -	25,040 00	31,101 33
Hudson, - - - - -	177,341 90	160,052 88
Hunterdon, - - - - -	55,285 06	45,577 05
Mercer, - - - - -	57,216 04	58,340 49
Middlesex, - - - - -	44,826 00	54,495 31
Monmouth, - - - - -	55,856 02	61,667 31
Morris, - - - - -	49,152 32	52,379 40
Ocean, - - - - -	8,962 50	18,431 37
Passaic, - - - - -	52,431 22	59,402 69
Salem, - - - - -	32,263 26	32,792 36
Somerset, - - - - -	31,981 20	30,353 54
Sussex, - - - - -	32,567 10	33,718 60
Union, - - - - -	48,192 00	40,168 31
Warren, - - - - -	44,690 52	43,754 31
	<hr/>	<hr/>
	\$1,097,481 72	\$1,097,481 72

From this it will be seen that in fourteen of the counties, the amount paid as tax was less than the amount of school money apportioned to them. The following schedule shows the amount of excess received by each of these counties :

Atlantic,	\$11,345 67
Burlington,	11,572 21
Camden,	18,332 81
Cape May,	3,413 55
Cumberland,	18,185 99
Gloucester,	6,061 33
Mercer,	1,124 45
Middlesex,	9,669 31
Monmouth,	5,811 29
Morris,	3,227 08
Ocean,	9,468 87
Passaic,	6,971 47
Salem,	529 10
Sussex,	1,151 50
	<hr/>
Total,	\$106,864 65

This excess is paid from the tax received from the seven remaining counties, in which the amount of the tax is greater than the amount to which they are entitled under the provision of the law requiring the money to be apportioned according to the number of children. The following schedule shows the amount of tax paid by each in excess of the amount of school money received :

Bergen,	\$15,765 35
Essex,	53,514 71
Hudson,	17,289 02
Hunterdon,	9,708 01
Somerset,	1,627 66
Union,	8,023 69
Warren,	936 21
	<hr/>
Total,	\$106,864 65

The practical effect of this law has been to render it possible to maintain the public schools for the whole year in sections in which it was found, under the old school law, wholly impracticable to furnish the children with the means of public education without imposing upon the citizens a township or district tax which the moderate value of their taxable property would by no means justify.

There are those who object to the operation of this law upon the ground that certain counties are heavily taxed for the benefit of others, but do they not overlook the fact that all sections of the State are, or should be, equally interested in the education of the children of the State, and that if the State proposes to pursue the policy, which the enlightened spirit of the age demands, of educating its children at the public expense, it is absolutely necessary that the tax be equally distributed upon the basis of property valuation, and thus compel (or shall I say enable) ? the wealthier counties to give of their abundance to aid their brethren who, through the accident of locality, which renders their property less valuable, find themselves unable to bear the burden which the necessary tax for educational purposes would impose upon them ?

The following schedule exhibits the amount of tax levied upon each county for school purposes for the year 1872, and also the amount apportioned to each by the State Superintendent :

Counties.	Tax to be Paid.	Apportionment.
Atlantic, - - - - -	\$8,851 34	\$20,835 19
Bergen, - - - - -	52,539 68	38,558 95
Burlington, - - - - -	56,830 30	71,497 10
Camden, - - - - -	37,587 54	54,173 26
Cape May, - - - - -	7,400 00	11,355 86
Cumberland, - - - - -	23,206 00	43,520 54
Essex, - - - - -	224,084 00	167,285 61
Gloucester, - - - - -	29,312 08	32,419 58
Hudson, - - - - -	202,098 56	172,034 26
Hunterdon, - - - - -	53,364 82	47,532 89
Mercer, - - - - -	63,759 26	57,746 13
Middlesex, - - - - -	45,674 00	56,752 94
Monmouth, - - - - -	55,197 16	63,555 90
Morris, - - - - -	50,295 46	56,599 12

Counties.	Tax to be Paid.	Apportionment.
Ocean, - - - - -	8,841 70	19,749 70
Passaic, - - - - -	56,113 64	52,044 13
Salem, - - - - -	29,501 26	32,885 41
Somerset, - - - - -	32,148 66	31,984 50
Sussex, - - - - -	32,481 92	34,234 58
Union, - - - - -	53,722 00	48,451 38
Warren, - - - - -	45,793 70	45,586 05
	<u>\$1,168,803 08</u>	<u>\$1,168,803 08</u>

This tax is levied upon the taxable property as returned by the several boards of assessors for the year 1871, which amounted to five hundred and eighty-four millions four hundred and one thousand five hundred and forty dollars (\$584,401,540). The tax is payable to the State Treasurer on or before the first day of January next, and consequently does not become available for school purposes until 1873. The amount of ratables for 1871 exceeded that of 1870, in the sum of nearly thirty-six millions of dollars, and the amount of school tax for the year is thereby increased in the sum of seventy-one thousand three hundred and twenty-one dollars and thirty-six cents (\$71,321.36).

ESTIMATES.

The amounts estimated as necessary to meet the State expenditures for the coming year are as follows:

FOR CIVIL ACCOUNT.

State Prison, - - - - -	\$73,000 00
Lunatic Asylum at Trenton, - - - - -	40,000 00
Lunatic Asylum at Morristown, - - - - -	186,526 39
Transportation and costs, - - - - -	25,000 00
Printing, - - - - -	85,000 00
Militia, - - - - -	35,000 00
State House expenses, - - - - -	10,000 00
State House extension, - - - - -	34,000 00
Reform School, - - - - -	28,000 00
Industrial School, - - - - -	2,500 00
Legislature, - - - - -	50,000 00
Supports of Mutes, Blind, &c., - - - - -	38,000 00
Salaries and fees, - - - - -	41,000 00
Salaries of judiciary, - - - - -	60,000 00
Geological Survey, - - - - -	7,000 00
Education:	
Balance of appropriation of 1871, - - - - -	\$10,000 00
Appropriation of 1872, - - - - -	65,000 00
Expenditures for 1873, - - - - -	85,000 00
	<u>\$160,000 00</u>

Riparian Commission, - - - - -	10 000 00
Pensions, - - - - -	5,000 00
Free School Libraries, - - - - -	5,000 00
Repairs of Arsenal, - - - - -	1,200 00
Law and Equity Reports and Records, - - - - -	4,500 00
Wrecks and Fisheries, - - - - -	4,000 00
Stationery, postage, and binding, - - - - -	10,000 00
Contingent and incidental, - - - - -	30,411 51
	<u>\$945,137 90</u>

For War Account:

Interest and maturing principal of war debt, - - - - -	\$258,778 00
Soldiers' Children's Home, - - - - -	35,000 00
Home for Disabled Soldiers, - - - - -	25,000 00
State Bounty to Volunteers, - - - - -	1,000 00
National Cemeteries, - - - - -	2,084 10
State Military, - - - - -	18,000 00
	<u>339,862 10</u>
Total - - - - -	<u>\$1,285,000 00</u>

In addition to the estimated expenditures and underdrawn balances of appropriations here specified, there were various expenditures authorized by the last Legislature, for which provision should be made, such as an appropriation of three thousand dollars (\$3,000) as a contribution of this State towards the erection of the National Monument at Washington, D. C.; an appropriation of five thousand dollars (\$5,000) for the purchase of sites for life-saving stations on the New Jersey coast; an appropriation of five thousand dollars (\$5,000) to purchase books for the blind pupils from this State maintained in asylums in other States; an appropriation of five thousand dollars for Normal School scholarships, and an appropriation of five thousand dollars for the care of the children of colored Soldiers and Sailors.

It is not probable that the full amount of these appropriations will be called for during the year, but the probable amount required to meet the current expenses of the State, and to pay appropriations already made, may be stated at one million, three hundred thousand dollars (\$1,300,000).

The receipts of the State during the past year, of moneys applicable to the expenditures embraced in the above schedule of estimates, have amounted to one million one hundred and fifty-six thousand and fifty three dollars and twenty-one cents (\$1,156,053.21). These receipts have been from the regular and ordinary sources of revenue, from the tax of one mill on each dollar of the taxable property in the State as returned by the several boards of assessors for the year 1870, and from the surplus earnings of convicts in the

State Prison. The amount derived from each source is shown by the following schedule:

From tax on railroads and other corporations, - - - - -	\$484,293 19
From dividends on stocks and interest on bonds held by the State, - - - - -	79,001 50
From licenses and fees, - - - - -	9,730 60
From assessments on private acts, - - - - -	10,675 00
From fines and forfeited recognizances, - - - - -	2,327 50
	<hr/>
From surplus earnings of convicts, - - - - -	\$586,027 79
From State taxes, - - - - -	20,000 00
	<hr/>
	550,025 42
	<hr/>
	\$1,156,053 21

The amount of ratables returned from the several counties for the year 1870, was five hundred and forty-eight millions seven hundred and forty thousand eight hundred and forty-five dollars (\$548,740,845), and the amount of tax levied thereon, was five hundred and forty-eight thousand seven hundred and forty dollars and eighty-five cents (\$548,740.85). The amount received during the year, from taxes, was slightly in excess of this amount, such excess being due to the payment within the year, of a small balance due from one of the counties upon the assessment of the year before.

This tax was paid into the treasury during the fiscal year just closed, and has been appropriated to the uses already specified. The tax levied upon the assessments of 1871, is payable within the year just beginning and was included in the estimate of anticipated revenue presented in my last annual report. The returns of ratables from the several counties for the year 1872, which are the basis of the tax levy for the coming year, amount to six hundred and three millions, six hundred and sixty-five thousand four hundred and ninety-seven dollars (\$603,665,497), and show an increase as compared with the preceding year, of nineteen millions two hundred and sixty-four thousand nine hundred and fifty-seven dollars (\$19,264,957). Should the Legislature decide to levy the State tax for the coming year, at the usual rate of one mill on the dollar, the revenue from this source will amount to six hundred and three thousand six hundred and sixty-five dollars and fifty cents (\$603,665.50).

From the other and regular sources of revenue, no considerable increase of receipts is to be anticipated. There will doubtless be a slightly increased tax paid by some of the railroad corporations, but this amount cannot be estimated; the receipts from licences and fees, from assessments on private acts, and from fines and forfeited recognizances, do not vary greatly from year to year, and the income from these sources for the coming year, may therefore be estimated

at the same amount as they produced during the past year; the receipts from dividends on stocks and interest on bonds held by the State, are not subject to change, and the income from the surplus earnings of convicts in the State Prison, cannot be relied upon, for although there is good reason to believe that it will not be less in 1873, than in 1872, it is subject to so many contingencies that it cannot with propriety be included in an estimate of anticipated State revenue. It is apparent, therefore, that the income of the State fund for the coming year, from all sources exclusive of State taxes, cannot safely be estimated at more than five hundred and ninety thousand dollars (\$590,000), and this, with the proceeds of a tax levy, at the rate of one mill on the dollar, will produce a total revenue of one million one hundred and ninety-three thousand six hundred and sixty-five dollars and fifty cents, (\$1,193,665.50), about one hundred and seven thousand dollars less than the estimated expenditures.

To provide a sufficient addition to the revenue to meet this deficiency, or to devise means to reduce the expenditures below the anticipated amount will be one of the duties of the Legislature at the approaching session.

Sundry suggestions have been presented, in the course of this report, looking toward a reduction of expenditures, but the Legislature will probably make further appropriations during the session of 1873. The commissioners of the new Lunatic Asylum, now in progress near Morristown, will need additional appropriations to enable them to successfully prosecute their work; the managers of the Home for Disabled Soldiers will probably ask for further support for the noble charity under their charge, and it is fair to presume that the usual number of applications for appropriations for proper and worthy objects will be made to and granted by the Legislature. It is not to be inferred, therefore, that any practical reduction in the current expenditures of the State can afford the needed relief to the treasury, and an increase of the revenue applicable to the payment of the State expenses proper will be found absolutely necessary.

The mode of effecting this increase, which most readily suggests itself, is by an advance of the tax rate to one and a-half mills on the dollar, which, upon the last valuation of property, would afford an increase in revenue of about three hundred thousand dollars (\$300,000), an amount sufficient, in all probability, to cover such expenditures of the coming year as the usual revenue will not suffice to meet. But it may be a question whether this is the wisest and most desirable way of accomplishing the end in view. It is true that our State taxes are light as compared with neighboring States, and equally true that the wealth of the citizen is the legitimate source from which to draw the revenue for State support when the necessity arises, but there does not at present seem to be sufficient reason for increasing the rate of taxation, since the other resources of the State would doubtless prove sufficient to meet the emergencies of to-day

could they be so applied as to be made available. Under the provisions of an act passed in 1871, and a supplement thereto, passed in 1872, all the revenue flowing from the sale and lease of the lands held under the Riparian rights of the State was directed to be applied to the school fund, and since the passage of these acts this fund has derived, in money and securities from this source alone, the sum of two hundred and fifteen thousand eight hundred and seventy-six dollars and forty-six cents (\$215,876.46), a sum sufficient, had it been applied to the State fund, to pay all the undrawn balances of appropriations made by the last Legislature, and leave a fair balance in the treasury.

It is respectfully suggested that from a source of revenue so prolific as this, greater benefit would accrue to the State by making the proceeds available for State expenditures, than by so locking them up that their usefulness is scarcely perceptible. It is not to be denied that a large school fund is a desirable thing for the State to possess, and were the annual receipts of the State greatly in excess of the expenditures, probably no better use could be made of the surplus than to apply it to the increase of this fund, but such is not the case. The State needs this money for daily use, but in the school fund it cannot be used. The popular idea of the school fund is that the money is used for the support of public schools, but this is an error; nothing but the *income* can be used for this purpose, and money once paid into the school fund is "like the shadowy past, it comes not back again." The "awful circle" of the constitution is drawn around it, and it lies there, sacred from every touch but that of investment, benefitting no one but the parties to whom loans are made, and whose property is by this means withdrawn, to a great extent, from the list of taxable estates. The amount received by the school fund to this date from the sale and lease of lands under water, will when invested at seven per cent. interest, produce an annual income of about fifteen thousand dollars (\$15,000), and this apportioned equally among the children of the State between the ages of five and eighteen years, will be found to furnish toward the education of each child less than six cents! There was levied and collected in the State last year a tax for school purposes of one million and ninety-seven thousand dollars, and to this was added the annual appropriation from the State fund of sixty-five thousand dollars, making the aggregate amount contributed by the people of the State for this purpose, nearly one and a quarter millions of dollars. There are now in the school fund assets amounting to seven hundred and ninety-two thousand dollars (\$792,000), and this fund contributes annually toward the support of public schools the meagre sum of thirty-five thousand dollars (\$35,000). The school fund, to produce an annual income equal to the amount now expended yearly for the support of public schools, would require assets amounting to nearly twenty millions of dollars, and perhaps at some time in the far off future this fund, by natural increase and judicious re-investment of its annual income, will have assumed these fair propor-

tions, and the people of that millennial day will be relieved from the burden of taxation for educational purposes, but many generations must come and pass away before that happy result can be attained, and in the meantime the necessities of the hour urge themselves upon our attention. The money of the State cannot be more wisely expended than in the support of public schools; no tax is paid more cheerfully and willingly by the people, nor does the commonwealth derive more enduring benefit from any portion of its revenue than from that portion expended in preparing our youth for the enjoyment of their rights and the performance of their duties as citizens; but it is respectfully represented that these benefits do not accrue through the medium of the school fund. In addition to the proceeds of the sale of lands under water, the school fund receives the tax paid by some of the railroad corporations, by special provisions inserted in their charters, and the Legislature is invited to consider the wisdom and justice of the policy which thus diverts the revenues of the State from what would seem to be their legitimate use, and applies them in such a way as to afford the least practical benefit to the people.

Another source of relief to the treasury may be found in the Sinking Fund. This fund was created for the payment of the debt incurred by the State for war purposes, and is composed of moneys repaid by the United States government for advances made from the State treasury during the recent war, together with the accumulations resulting from careful and judicious investment of the moneys paid into the fund.

The law provides that the annual income of this fund shall be re-invested, and that the amount required for the payment of that portion of the public debt which matures each year, and also the amount of interest accruing each year on the outstanding portion of the debt, shall be furnished from the proceeds of the annual tax levy. Under this arrangement the rate of increase in the assets of the fund is so great that in about eight years from this time they will amount to sufficient to extinguish the whole of the debt, which will then be outstanding. But it is a question whether there is sufficient reason for swelling the Sinking Fund to these proportions, inasmuch as the State bonds, at the present rate of payment, could all be taken up in about thirty years, without assistance from the Sinking Fund. The wisdom of the act establishing this fund is abundantly demonstrated by its success—a success largely due to the selection of competent and judicious commissioners, whose management of the fund has been characterized by great skill and ability; but it would seem that in the present condition of the State finances, a judicious financial policy demands that at least the annual income of this fund be made use of.

The annual increase in the amount of taxable property in the State is such as to wholly exclude any question of the ability of the State to pay its debt at maturity with the utmost ease. The taxable real and personal property in the State has nearly doubled within the past

ten years, and should the same ratio of increase continue for the next decade, the territory which was granted to its original proprietors for the sum of "ten shillings paid down, and a subsequent annual rental of one pepper corn," will contain taxable property to the value of over one thousand millions of dollars.

When compared with our resources, the public debt is certainly not large enough to justify even the faintest apprehensions of difficulty in liquidating it promptly as it falls due; nor is it large enough to demand a further increase of the fund established to secure its payment. Indeed, there are securities now held by the several funds of the State, of more than sufficient amount, if sold, to extinguish the whole of the public debt to-day. An amendment to the Sinking Fund act, permitting the appropriation of the annual income of that fund to the payment of interest on the public debt, would admit of the retention in the treasury, and application to State expenditures, of about eighty-five thousand dollars each year, and this would seem to be a more judicious application of this revenue than to re-invest it for the benefit of posterity.

Should this be done the interest required to be paid from State taxes would be but a little over seventy thousand dollars the first year, and would decrease at the rate of about six thousand dollars a year, until in thirteen years the debt would be so reduced that the amount in the sinking fund would be sufficient to extinguish it at once, or should the holders of bonds not be disposed to relinquish them before they matured, the annual income of the sinking fund will pay the interest on the outstanding bonds, and from the principal of that fund can be paid the bonds maturing from year to year, until the whole debt is extinguished.

The resources of the State are so abundant, and the revenue has for so many years exceeded the expenditures, that financial questions have heretofore not urgently demanded the attention of the Legislature, but as the State increases in population, the demands upon the treasury increase, and though the State is to-day in the most prosperous financial condition, there is urgent necessity for such changes in the financial policy as will admit of the application to current expenditures, of a greater amount than the treasury has heretofore had at command.

The inevitable result of a persistence in the present policy, must be the increase of the tax rate from year to year, until taxation becomes a burden, while the abundant resources of the State are used to swell to undue proportions the school fund and the sinking fund—the latter being now sufficiently large to accomplish in good time the purpose for which it was created. A financial policy possessing these features, can hardly be said to present claims to universal admiration.

As has been already stated, the abstracts of ratables as returned by the several boards of assessors for the year 1872, show the assessed value of real and personal property in the State, subject to

taxation, to be six hundred and three millions six hundred and sixty-five thousand four hundred and ninety-seven dollars (\$603,665,497). The following table shows the amount returned by each county, and also the amount returned in 1871, with the increase or decrease of each county:

Counties.	Valuation of 1871.	Valuation of 1872.	Increase.	Decrease.
Atlantic,	\$4,425,667	\$4,477,853	\$52,186	
Bergen,	26,263,836	27,442,788	1,178,952	
Burlington,	28,415,146	28,415,092		54
Camden,	18,793,775	*18,620,794		\$172,981
Cape May,	3,700,000	* 3,500,000		200,000
Cumberland,	11,603,000	†12,171,000	568,000	
Essex,	112,042,000	*123,520,000	11,478,000	
Gloucester,	14,656,041	*14,496,735		159,306
Hudson,	101,049,284	97,478,477		3,570,807
Hunterdon,	26,682,409	27,795,445	1,113,036	
Mercer,	31,879,630	*33,594,959	1,715,329	
Middlesex,	22,837,000	23,070,000	233,000	
Monmouth,	27,598,582	*27,995,433	396,851	
Morris,	25,147,730	*26,453,947	1,306,217	
Ocean,	4,420,846	4,367,001		53,845
Passaic,	28,056,824	30,621,707	2,564,883	
Salem,	14,750,633	*14,464,790		285,843
Somerset,	16,074,330	*17,436,000	1,361,670	
Sussex,	16,240,960	*16,212,200		28,760
Union,	26,861,000	28,603,000	1,742,000	
Warren,	22,896,847	†22,928,276	31,429	
	\$584,401,540	\$603,665,497		

The increase in 1872 over 1871, has been nineteen millions two hundred and sixty-three thousand nine hundred and fifty-seven dollars (\$19,263,957). This increase has been confined to fourteen of the counties, and in some of them has been very great, as, for instance, in Essex county, which returns nearly eleven and a half millions more than in 1871, an advance of more than ten per cent., while in Passaic the advance has been over nine, and in Somerset over eight per cent. Seven of the counties return a smaller amount of taxable property than in 1871, the most marked case being that of Hudson county, where the decrease is more than three and a half millions.

In the tax bill of 1872, the Legislature incorporated a section providing that upon the printed forms, furnished by the Comptroller to the several boards of assessors, should be printed the oath which the law requires each assessor to subscribe, to the effect that he has assessed all the property in his township or ward at its full and fair

* Not sworn to.
† Partially sworn to.

valuation; and the act provided that no abstract from any county should be deemed to have been made according to law unless the oath had been taken and subscribed by each member of the board of assessors. The forms were printed as the law provided, and circulars were issued for the information of the assessors, but very few of them complied with the requirements of the statute, and the abstracts are therefore, in a majority of cases, not to be considered as having been made according to law. But there is no penalty attached to the violation of this law, and as these abstracts are the only data which can be procured on the subject, they are presented for what they are worth.

No argument can show the necessity for a change in the system under which the annual assessment is made more forcibly than it is shown by the figures in the above schedule. There are undoubtedly local causes at work in portions of the State to effect a depreciation in the value of property, but, that seven counties in the State show in one year a decrease of over four millions in their ratables, while fourteen other counties show an increase of over twenty-three millions, is an astounding fact, which is hardly to be accounted for by local fluctuations in property values.

If the valuation in each county affected only the people of that county it would be a matter of little or no interest to the people of the State at large, but when it is remembered that the county assessments are the basis of the tax levy for both State and school purposes, it will be seen that the people of each county are directly interested in the establishment of a system under which all the other counties will be compelled to pay their fair proportion of the tax.

The increase in the ratables of Essex county will (presuming the tax rate to be the same as last year) add to the tax which that county will be required to pay the coming year nearly thirty-five thousand dollars; while the decrease in the ratables of Hudson county will lessen their tax more than ten thousand dollars. Could there be presented a more powerful appeal to the people of Essex county, or of any other county similarly situated, to interest themselves in the establishment of a system which would equalize the assessments throughout the State? Such facts, under the present system, hold out the strongest inducements to assessors to refrain from returning property at the valuation which they know the law requires them to place upon it. They are tempted to justify themselves in making small returns as a measure of protection to the citizens of their own county. In my last report, I called the attention of the Legislature to this subject, and suggested the establishment of a board of commissioners of taxation for each county, and a State board to adjust and equalize the assessments between the several counties. The arguments in favor of this, or of some improved system, gather strength with each year, and it is to be hoped that the matter will receive the consideration which its importance entitles it to at the coming session.

Probably no question connected with the revenues of the State, has received so little attention as that of the tax upon the property and capital stock of railroads and other corporations, and there is certainly no question which presents stronger demands upon the serious attention of the Legislature. The numerous railroad companies of the State are operated under charters, which, granted at different times and under different circumstances, are so exceedingly diverse in their provisions as to exhibit the most glaring inequalities in the taxation. Some of them, from their ambiguity, furnish pretexts for a partial or even total evasion of the payment of tax, and it is safe to say that but few of the roads yield to the treasury a revenue at all commensurate with the value of their franchises.

The whole amount of property of a real and personal character, held by the railroads of the State, as reported by them for the year 1871, was about one hundred and ten millions of dollars (\$110,000,000), and the amount of tax paid into the State fund upon this property, was four hundred and eighty-four thousand two hundred and ninety-three dollars and nineteen cents (\$484,293.19). Of this amount, one corporation reporting assets to the amount of thirty-seven millions of dollars, (\$37,000,000), paid sixty-one and a half per cent., under a special act, which practically fixes the amount that they shall pay each year to the State.

The remaining companies, reporting an aggregate of over seventy millions of dollars, paid the remaining thirty-eight and a half per cent. of the tax, or, in actual figures, one hundred and eighty-six thousand and one hundred and sixty-four dollars and twenty-three cents (\$184,164.23).

The ordinary rate of tax levied upon railroads is one-half of one per cent., and at this rate this seventy millions of property would have produced a revenue of three hundred and fifty thousand dollars, but in a majority of cases the tax is only levied upon the "cost of road," and as this is held to not include the cost of equipments, the large amount of capital invested in engines, cars, and other moveable property escapes the payment of any tax whatever. There can of course be no question of the wisdom of a policy which encourages internal improvements in every judicious way, and it is doubtless within the authority of the Legislature to grant valuable franchises for the public good, requiring and expecting no returns but such as come in the way of general benefits. These facts and figures are therefore presented without comment or suggestion. Under existing laws they are inseparably connected with the State finances, and for this reason I have deemed it my duty to lay them before you.

The usual advertisements for proposals to furnish the coal needed by the Legislature were not published, owing to the changes which have been made in the heating apparatus at the State House under the direction of the commissioners of the State House extension. These changes render it, at present, impossible to estimate, with any

degree of accuracy, the quantity of coal that will be needed. Inasmuch as a better quality of coal can be secured, and several hundred dollars saved to the State annually, by purchasing at the mines, I respectfully suggest the repeal of the law requiring the Comptroller to advertise annually for proposals.

Appended to this report will be found copies of the abstracts of ratables furnished by the several boards of assessors for the year 1872.

All of which is respectfully submitted.

A. L. RUNYON,

Comptroller,