

ANNUAL REPORT
OF
W M. MORROW,
STATE TREASURER,

TO THE
THIRTY - SEVENTH GENERAL ASSEMBLY,

OF THE
STATE OF TENNESSEE,

OCTOBER 1, 1871

NASHVILLE:

JONES, PURVIS & CO., PRINTERS TO THE STATE.

1871.

REPORT.

TREASURER'S OFFICE,

NASHVILLE, TENN., October 1st, 1871.

To the General Assembly of the State of Tennessee:

In obedience to law, I have the honor, as Treasurer, to submit the following report of receipts and disbursements, for not only the fiscal year commencing October 1st, 1870, and ending September 30th, 1871, but also for the four months (June, July, August, and September) preceding October, 1870, embracing the entire period, to date, since I entered upon the discharge of the duties of this office.

It will be seen by referring to the Comptroller's report, that we do not agree as to balances on hand at any time. On the 1st day of June 1870, the Comptroller's books show a balance in the Treasury of \$464,368 52, while mine show nothing on hand at that time. On the 1st of October 1870, the Comptroller's books make the balance \$299,280 70, while my balance at same time is \$153,679 18— a difference of \$145,601 52. During September, 1870, the Comptroller allowed a credit from the balance of \$464,368 52 of \$318,767 00 for Tennessee money burned by the preceding Treasurer, Mr. Rust, and a Legislative Committee. This left a balance of \$145,601 52. This sum is in the hands of Mr. Rust, and never having been turned over to me, of course I have not charged myself with it. When I took charge of this office, on June 1st, 1870, although the books of the office showed a large balance on hand, yet, not a dollar of anything was turned over to me, except accounts largely overdrawn at some of the depositories. In making good these balances, and in redeeming outstanding checks of my predecessor, and in receipting for funds deposited in bank prior to June

1st, 1870, by revenue officers, but which were not charged to Mr. Rust, yet used by him, and charged to me when the certificates of deposits were forwarded to the Comptroller, after my term of office began, I have used funds received by me as Treasurer, to the amount of \$10,153 49, for which I have no warrants as vouchers. This item of \$10,153 49, together with the sum of \$145,601 52 should be audited, passed to my credit as Treasurer and embraced in the suit now pending against Mr. Rust, and the sureties on his official bond. If Mr. Rust is responsible for this sum, as the bringing of suit indicates, then it is not right that I should be charged with the same.

STATEMENT.

Balance in the Treasury June 1st, 1870.....	\$000,000 00
Received into the Treasury, upon Comptroller's Receivable Warrants from June 1st, 1870, to September 30th, 1870, inclusive.....	317,529 07
Paid out during same period on Comptroller's Payable Warrants.....	163,849 89
Balance in the Treasury October 1st, 1870.....	\$153,677 18
Received into the Treasury upon Comptroller's Receivable Warrants from October 1st, 1870, to September 30th, 1871, inclusive.....	\$1,666,498 88
Total.....	\$1,820,178 06
Paid out of the Treasury during the same period upon Comptroller's Payable Warrants.....	\$1,807,251 79
<i>Balance in the Treasury, October 1st, 1871.....</i>	<i>12,926 27</i>
<i>Less amount paid out for Rust.....</i>	<i>10,153 49</i>
Actual balance in Treasury October 1st, 1871.....\$	2,772 78

MONTHLY STATEMENT OF RECEIPTS AND DISBURSEMENTS *from the 1st day of June, 1870, to the 30th day of September, 1871—16 months.*

RECEIPTS.			DISBURSEMENTS.		
June.....	1870	\$ 71,042 74	June.....	1870	\$ 16,135 56
July.....	"	130,133 73	July	"	45,543 16
August.....	"	67,415 49	August.....	"	26,695 77
September....	"	48,937 11	September ...	"	75,475 40
October.....	"	86,566 85	October.....	"	39,188 77
November....	"	75,508 10	November....	"	22,338 04
December....	"	227,805 61	December.....	"	266,275 30
January	1871	296,600 03	January	1871	152,921 31
February.....	"	140,771 13	February.....	"	114,142 43
March.....	"	165,109 87	March.....	"	435,045 47
April.....	"	149,642 49	April.....	"	77,191 29
May.....	"	81,715 64	May.....	"	69,610 18
June.....	"	86,299 11	June.....	"	238,711 26
July.....	"	186,712 09	July.....	"	156,578 46
August.....	"	84,616 32	August.....	"	52,251 33
September ...	"	85,151 64	September....	"	182,997 95
\$1,984,027 95			\$1,971,101 68		

Total Receipts for 16 months.....	\$1,984,027 95
“ Disbursements for 16 months.....	1,971,101 68
Balance.....	\$ 12,926 27
Less amount against Rust.....	10,153 49
Amount actually on hand October 1st 1871.....	\$ 2,772 78

STATEMENT OF KINDS OF FUNDS RECEIVED FOR 16 MONTHS.

Tennessee Money.....	\$827,825 00
Warrants paid in as Revenue.....	169,738 58
Currency received <i>from Loans</i>	466,000 00
Currency received for Taxes.....	520,464 37—\$1,984,027 95

Amount brought forward.....	\$1,782,609 58	
Paid Salary Sup't Insane Asylum...	4,500 00	
“ Investment account.....	470 00	
“ Salary Railroad Receiver.....	784 25	
“ School fund expense.....	1,000 00	
“ Improvement Capitol grounds..	14,561 74	
“ Tenn. Agricultural Bureau.....	2,288 72	
“ Attorney General and Reporter salary.	1,037 50	
		\$1,807,251 79

ANNUAL STATEMENT OF RECEIPTS INTO THE TREASURY, for the fiscal year, commencing October 1, 1870, and ending September 30, 1871.

From Revenue Collectors.....	\$636,953 24	
“ Privilege Tax Collector.....	67,637 04	
“ County Court Clerks.....	358,392 32	
“ Circuit Court Clerks.....	36,818 71	
“ Chancery Court Clerks.....	9,687 82	
“ Law Court Clerks.....	40 22	
“ Criminal Court Clerks.....	937 63	
“ Supreme Court Clerks.....	4,245 05	
“ Fourth National Bank N. Y....	5,357 48	
“ Tennessee National Bank.....	2,539 90	
“ Loan account.....	466,000 00	
“ Interest on State debt.....	3 75	
“ State taxes.....	51,436 70	
“ Metropolitan Police Board....	14,221 01	
“ Turnpike dividends.....	4,552 70	
“ Agricultural Bureau.....	3,010 05	
“ Railroad Interest.....	1,439 92	
“ Redemption of land.....	2,271 50	
“ Refunded revenue.....	628 36	
“ Interest account.....	229 56	
“ Sale of old carpet.....	45 92	
“ Capitol expense.....	50 00	
		\$1,666,498 88

Total receipts.....	\$1,666,498 88
Balance in Treasury Oct. 1, 1870.....	153,679 18
	\$1,820,178 06
Total disbursements.....	1,807,251 79
	12,926 27
Less amount due by J. E. Rust.....	10,153 49
Balance.....	\$2,772 78

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR THE MONTH OF JUNE, 1870.

RECEIPTS.		
Revenue Collectors.....	\$33,732 03	
Collector of Privilege Tax.....	4,543 78	
County Court Clerks.....	18,917 10	
Circuit " ".....	306 62	
Chancery " ".....	534 10	
Law " ".....	13 65	
Redemption of Lands.....	392 07	
Loan Account.....	10,000 00	
Sale—Convention Furniture.....	1,000 00	
Tax—Insurance Companies.....	1,603 39	
		\$71,042 74
DISBURSEMENTS.		
State Prosecutions.....	2,723 44	
Common Schools.....	1,105 42	
Judicial Salaries.....	7,071 48	
Executive ".....	310 00	
Superintendent of Capitol.....	125 00	
Convicts to Penitentiary.....	1,076 46	
Publishing Governor's Proclamations.....	332 72	
State Convention expense.....	2 50	
Land Office.....	30 00	
Legislative Expenses.....	116 75	
Executive ".....	427 14	
Capitol ".....	400 07	
Distributing Acts and Journals.....	250 00	
Public Printing.....	625 00	
Salary, Warden Penitentiary.....	83 33	
" Physician ".....	60 00	
" Chaplain ".....	25 00	
" Director ".....	250 00	
Conveying Lunatics to Asylum.....	205 22	
State Library Expense.....	12 40	
Funding Bonds.....	5 00	
Supt. of Pub. Inst.....	240 00	
Registering Voters.....	62 60	
Tax Sales.....	24 00	
Coldwell's Reports.....	500 00	
Military Stores—Expenses.....	22 00	
Salary—State Librarian.....	50 00	
Excess of Receipts.....	54,907 18	\$71,042 74
Amount in the Treasury June 1st, 1870.....		\$00,000 00
Excess of Receipts for June, 1870.....		54,907 18
Balance in Treasury June 1st, 1870.....		\$54,907 18
Less sum paid for Rust.....	\$10,153 49	

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS,
FOR THE MONTH OF JULY, 1870.

RECEIPTS.		
Clerk and Masters.....	\$	1,064 69
County Court Clerks.....		37,663 53
Circuit Court Clerks.....		3,038 06
Supreme Court Clerks.....		1,356 22
Revenue Collectors.....		49,011 32
Law Court.....		64 84
Collector of privileges.....		655 87
State tax.....		4,997 32
Redemption of lands.....		205 68
Fourth National Bank of Nashville..		10,000 00
McMinnville & Manchester Railroad.		3,750 00
E. T. and Va. Railroad.....		500 00
Interest on State debt.....		17,826 20
		\$ 130,133 73
DISBURSEMENTS.		
Legislative expenses.....	\$	4,754 69
Capitol		892 30
Officers of Penitentiary (salaries).....		430 33
Executive expenses.....		2,180 04
Tax aggregates.....		219 75
Superintendent Capitol.....		125 00
State Convention.....		55 50
Land sales.....		174 00
State prosecutions.....		3,641 45
Express charges.....		339 34
Acts and Journals.....		250 00
Judicial salary.....		3,631 96
Convicts to Penitentiary.....		544 80
Common Schools.....		354 00
Publication Governor's proclamations		83 25
Registering voters.....		160 70
Adjutant General.....		150 00
Supreme Court expense.....		29 75
Tennessee Hospital for Insane.....		7,411 20
Blind school.....		325 00
State Library expense.....		31 90
Deaf and Dumb school.....		1,250 00
East Tenn. and Va. Railroad.....		500 00
State Guards.....		142 00
		\$ 27,676 96

Amount brought over.....	\$ 27,676 96	
Coldwell's Reports.....	40 00	
Fourth National Bank of New York..	17,826 20	
Excess of receipts.....	84,590 57	
	<hr/>	\$ 130,133 72

Balance in the Treasury July 1, 1870.....	\$54,907 18
Excess of receipts for July 1870.....	84,590 57
	<hr/>
Balance in the Treasury Aug 1, 1870.....	\$139,497 75
	<hr/>
Less amt. paid for Rust.....	\$10,153 49.

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS FOR THE MONTH OF AUGUST, 1870.

RECEIPTS.		
County Court Clerks.....	\$13,265	02
Clerk and Master.....	353	25
Circuit Court Clerks.....	232	10
Redemption of Lands.....	213	65
State Tax.....	5,851	04
Collectors of Privilege Tax.....	3,545	46
Tax Collectors.....	43,943	87
Interest Account.....	11	10
		\$67,415 49
DISBURSEMENTS.		
Fourth National Bank of Nashville.....	\$10,000	00
Public Printing.....	3,500	00
Legislative Expense.....	6,000	00
Executive ".....	981	01
Capitol ".....	296	50
Judicial Salary.....	1,141	35
State Prosecutions.....	1,129	12
Blind School.....	1,000	00
Common Schools.....	582	00
Officers Penitentiary (Salaries).....	524	99
Convicts to the Penitentiary.....	790	10
Tax Aggregates.....	64	25
Fourth National Bank of New York.....	11	10
Interest Account.....	180	00
Adjutant General.....	150	00
Salary Supt. Capitol.....	125	00
Express Charges.....	44	10
Acts and Journals.....	16	25
Publishing Governor's Proclamations.....	10	00
Tax Sales.....	150	00
Excess of Receipts.....	40,719	72
		\$67,415 49

Balance in the Treasury Aug. 1st, 1870.....\$139,497 75
 Excess of Receipts in August, 1870..... 40,719 72

Amount in Treasury September 1st, 1870.....\$180,217 47

Less amount paid for Rust.....\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR MONTH OF SEPTEMBER, 1870.

RECEIPTS.		
Revenue Collectors.....	\$34,730	72
County Court Clerks.....	6,575	12
Circuit " ".....	2,072	06
Chancery " ".....	144	09
Supreme " ".....	130	17
Collector of Privilege Tax.....	2,334	70
State Tax.....	2,419	28
Turnpike Dividends.....	420	43
Redemption of Land.....	101	09
Sale of Carpet.....	9	45
Excess of Disbursements.....	26,538	29
		\$75,475 40
DISBURSEMENTS.		
Loan Account.....	\$10,140	00
Judicial Salaries.....	4,402	69
Executive ".....	879	16
" Expenses.....	965	44
Legislative ".....	42,647	61
Capitol ".....	150	00
Convicts to Penitentiary.....	2,113	12
Officers of ".....	191	67
Common Schools.....	1,885	00
Blind School.....	1,000	00
Deaf and Dumb School.....	1,000	00
Public Printing.....	3,478	45
State Prosecutions.....	3,899	84
Acts and Journals.....	200	00
Public Laws.....	664	75
Adjutant General.....	150	00
Supt. Capitol.....	125	00
Land Sales.....	669	07
Tax Aggregate.....	50	00
Registration of Voters.....	174	60
Supreme Court Expense.....	238	00
Publishing Governor's Proclamations.....	315	30
Sale of Q. M. Stores.....	15	55
Express Charges.....	21	75
Special Judge.....	98	40
		\$75,475 40
Balance in the Treasury Sept. 1st, 1870.....	\$180,217	47
Excess of Disbursements for Sept., 1870.....	26,538	29
Amount in the Treasury Oct. 1st, 1870.....	\$153,679	18
Less amount paid for Rust.....	\$10,153	40

STATEMENT OF RECEIPTS AND DISBURSEMENTS,
FOR THE MONTH OF OCTOBER, 1870.

RECEIPTS.		
County Court Clerks.....	\$ 26,780 75	
Circuit Court Clerks.....	2,560 11	
Chancery Court Clerks.....	1,440 50	
Supreme Court Clerks.....	18 04	
Revenue Collectors.....	39,434 54	
State tax.....	323 11	
Redemption of lands.....	52 80	
Privilege tax.....	1,923 61	
Law Court.....	33 39	
Loan account.....	1,400 00	
		\$ 86,566 85
DISBURSEMENTS.		
Common Schools.....	\$ 6,547 69	
Tax aggregates.....	297 00	
Executive expenses.....	312 55	
Adjutant General.....	150 00	
Capitol expenses.....	363 75	
Executive salaries.....	904 16	
Distributing acts.....	300 00	
State prosecutions.....	4,389 02	
Judicial salaries.....	3,559 63	
Loan account.....	10,000 00	
Salary Superintendent of Capitol.....	125 00	
Convicts to Penitentiary.....	810 06	
Publishing Governor's Proclamations	4 50	
Salary of Librarian.....	616 66	
Deaf and Dumb School at Knoxville.	1,050 00	
Tennessee Hospital for Insane.....	7,500 00	
Public printing.....	822 80	
Legislative expenses.....	207 85	
Land sales.....	189 00	
Salaries, officers of Penitentiary.....	800 00	
Registration of voters.....	80 00	
Supreme Court expenses.....	151 60	
State Guards.....	7 50	
Excess of receipts.....	47,378 08	
		\$ 86,566 85
<hr/>		
Balance in the Treasury October 1, 1870....	\$153,679 18	
Excess of receipts for month of Oct, 1870....	47,378 08	
<hr/>		
Balance in the Treasury Nov. 1, 1870.....	\$201,057 26	
Less am't. paid for J. E. Rust....	\$10,153 49.	

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR
MONTH OF NOVEMBER, 1870.

RECEIPTS.		
Revenue Collectors.....	\$49,765	40
County Court Clerks.....	14,916	36
Circuit " ".....	2,165	38
Clerk and Masters.....	449	72
State Tax.....	5,149	16
Collector of Privilege Tax.....	1,830	00
Tennessee National Bank of Memphis.....	562	70
Refunded Revenue.....	628	30
Redemption of Lands.....	41	02
DISBURSEMENTS.		\$75,508 10
Judicial Salaries.....	\$4,347	18
Executive Salaries.....	1,270	83
" Expenses.....	271	92
Adjutant General.....	300	00
State Prosecutions.....	6,237	65
Tax Aggregate.....	64	50
Capitol Expenses.....	405	52
Supreme Court Expenses.....	38	50
Publishing Laws.....	752	00
Registration of Voters.....	171	60
Supt. of Capitol—Salary.....	125	00
Legislative Expenses.....	184	25
Land Sales.....	573	50
Publishing Governor's Proclamations.....	84	00
Salary of Officers of Penitentiary.....	150	00
Tennessee Penitentiary Appropriation.....	120	65
Loan Account.....	5,000	00
Common Schools.....	1,118	75
Salary State Librarian.....	83	84
Expenses of State Library.....	20	85
Express Charges.....	19	65
Refunded Revenue.....	4	35
Convicts to Penitentiary.....	993	50
Excess of Receipts.....	53,170	06
		\$75,508 10

Balance in the Treasury November 1st, 1870.....	\$201,057	26
Excess of Receipts in November, 1870.....	53,170	06
Amount in the Treasury December 1st, 1870.....	\$254,227	32
Less amount paid for Rust.....	\$10,153	49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS, FOR MONTH OF DECEMBER 1870.

RECEIPTS.		
Revenue Collectors.....	\$ 87,565 55	
Redemption of land.....	933 96	
Circuit Court Clerks.....	8,690 48	
County " "	110,986 72	
Clerk and Masters	127 55	
Collector of Privilege tax.....	5,656 00	
State tax.....	2,577 70	
Loan account.....	11,000 00	
Clerk Supreme Court.....	267 65	
Excess of disbursements.....	38,469 69	
		\$ 266,275 30
DISBURSEMENTS.		
Judicial salaries	11,166 00	
Executive salaries.....	941 67	
Bank Tennessee notes burned.....	219,745 00	
Loan account.....	19,000 00	
Interest account.....	370 08	
Registering voters.....	100 00	
Supreme Court expenses.....	428 75	
Capitol expenses.....	283 45	
State prosecutions.....	5,308 94	
State Penitentiary.....	215 76	
Salary, officers of Penitentiary.....	683 33	
Deaf and Dumb Asylum.....	1,000 00	
Executive expenses.....	342 09	
Convicts to Penitentiary.....	773 77	
Publishing Governor's proclamations.	197 00	
Refunded revenue.....	35 15	
Common Schools.....	3,266 15	
Land sales.....	1,128 00	
Legislative expenses.....	562 73	
Tax aggregates.....	26 25	
Express charges.....	60 90	
Distributing acts.....	40 00	
Salary Superintendent Capitol.....	125 00	
Salary Attorney Gen'l and Reporter..	375 00	
State Library expenses.....	100 74	
		\$ 266,275 30
Balance in the Treasury Dec. 1, 1870.....	\$254,227 32	
Excess of disbursements for Dec. 1870.....	38,469 69	
Balance in Treasury Jan'y 1, 1871.....	\$215,757 63	
Less am't paid for Treas'r Rust \$10,153 45.		

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR MONTH OF JANUARY, 1871.

RECEIPTS.		
County Court Clerks.....	\$44,303	50
Circuit "	5,438	95
Revenue Collectors.....	101,032	16
State Tax.....	5,924	27
Redemption of Lands.....	256	87
Clerk and Masters.....	1,350	19
Collector Privilege Tax.....	3,167	03
Law Court.....	6	83
Clerks Supreme Court.....	120	17
Loan Account.....	135,000	00
DISBURSEMENTS.		\$296,600 03
Expense State Library.....	299	75
Expense Executive Department.....	1,073	74
Convicts to Penitentiary.....	979	19
Registering Voters.....	243	90
Executive Salaries.....	600	00
State Prosecutions.....	6,337	80
Capitol Expenses.....	698	95
Loan Account.....	116,000	00
State Penitentiary.....	168	89
Deaf and Dumb Asylum.....	3,500	00
Publishing Governor's Proclamations.....	240	75
Land Sales.....	1,361	50
Judicial Salaries.....	11,513	98
Blind Asylum.....	1,000	00
Public Printing.....	1,660	91
Legislative Expense.....	82	89
Tennessee Hospital for Insane.....	89	47
Tax Aggregates.....	72	25
Common Schools.....	3,126	80
Express Charges.....	7	50
Salary Officers Penitentiary.....	912	33
Refunded Revenue.....	175	00
Interest Account.....	955	75
Adjutant General.....	150	00
Salary Supt. Capitol.....	125	00
Distributing Acts and Journals.....	332	90
Supreme Court Expense.....	1,212	06
Excess of Receipts.....	143,678	72
		\$296,600 03
Amount in Treasury January 1st, 1871.....		\$215,757 63
Excess of Receipts in January, 1871.....		143,678 72
Balance in Treasury February 1st, 1871.....		\$359,436 35
Less amount paid for Rust.....		\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR MONTH OF FEBRUARY, 1871.

RECEIPTS.		
Revenue Collectors.....	\$ 74,979	53
County Court Clerks.....	13,464	55
Circuit " ".....	3,447	79
Clerk and Masters.....	207	84
Collector of Privilege tax.....	5,798	11
Redemption of land.....	19	20
Railroad interest.....	912	92
Fourth National Bank of New York.....	5,357	48
State Tax.....	3,911	58
Turnpike dividends.....	2,526	30
Loan account.....	30,000	00
Interest account.....	145	83
		\$140,771 13
DISBURSEMENTS.		
Common Schools.....	12,493	23
State Prosecutions.....	11,591	14
Salary, officers Penitentiary.....	383	17
Executive expenses.....	1,499	07
Judicial salaries.....	10,331	91
Convicts to Penitentiary.....	1,308	30
Public Printing.....	2,760	00
Registering voters.....	273	75
Receivers' Salary.....	209	25
Land Sales.....	2,925	50
Capitol expenses.....	538	65
Supreme Court expense.....	475	35
Attorney General's Reports, Sup. Ct.....	2,273	40
Publishing Governor's Proclamations.....	131	00
Tennessee Hospital for Insane.....	1,452	47
Fugitives from justice.....	562	36
Legislative expense.....	39,918	28
Adjutant General.....	150	00
State Penitentiary.....	412	70
Salary of Attorney General and Reporter..	125	00
Expense, Tennessee money.....	7	65
Salary Superintendent Capitol.....	125	00
Executive salaries.....	1,950	00
Distributing acts and journals.....	163	00
Refunded revenue.....	647	89

Amount brought forward.....	\$ 92,611 07	
Fourth National Bank of New York.....	3,047 68	
Interest account.....	5,423 68	
Loan account, Fourth National Bank of Nashville	10,000 00	
Interest on debt	2,590 00	
Investment account.....	470 00	
Excess of receipts.....	26,628 70	
		<u>\$140,771 13</u>

Amount in the Treasury February 1, 1871.....	\$359,436 35
Excess of receipts for February, 1871.....	26,628 70
Balance in Treasury March 1, 1871.....	<u>\$386,065 05</u>
Less amount paid for Rust.....	\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR MONTH OF MARCH, 1871.

RECEIPTS.		
Revenue Collectors.....	\$42,873	61
County Court Clerks.....	13,145	52
Circuit " ".....	855	70
Clerk and Masters.....	825	59
State Tax.....	6,359	54
Loan Account.....	86,000	00
Collector Privilege Tax.....	13,576	16
Clerk of Criminal Court.....	317	36
Clerk Supreme Court.....	1,156	39
Excess of Disbursements over Receipts...	269,935	60
		\$435,045 47
DISBURSEMENTS.		
State Prosecutions.....	\$18,323	50
Judicial Salaries.....	12,383	26
Convicts to Penitentiary.....	1,000	46
Executive Salaries.....	604	17
Land Sales.....	4,835	50
Registration of Voters.....	133	40
Capitol Expenses.....	790	14
Deaf and Dumb School.....	5,000	00
Publishing Decisions Supreme Court.....	547	06
Executive Expenses.....	1,690	68
Supreme Court Expenses.....	1,045	91
Common Schools.....	9,167	47
Tennessee Money Burned.....	320,585	00
Blind Asylum.....	2,000	00
Salary Supt. Capitol.....	125	00
" Officers of Penitentiary.....	600	00
Legislative Expenses.....	2,360	45
Salary Attorney-general and Reporter....	287	50
" Supt. Hospital for Insane.....	750	00
Interest Account.....	6,015	70
Salary State Librarian.....	250	00
Public Printing.....	3,222	67
Expense Account for School Fund.....	1,000	00
Express Charges on Tennessee Money.....	139	80
State Guards.....	16	20
Tennessee Hospital for Insane.....	40,000	00
Indexing Land Grants.....	93	10
Publishing Notice of Convention Election	90	75

Amount brought over.....	\$433,057 75	
Tax Aggregates.....	7 50	
Refunded Revenue.....	123 67	
Publishing Governor's Proclamations.....	60 25	
Printing (in part) 1st vol. Heiskell's Rep'ts	1,614 65	
State Penitentiary Appropriation.....	35 00	
Improvement Capitol Grounds.....	146 65	\$435,045 47

Balance in the Treasury March 1st, 1871.....	\$386,065 05
Excess of Disbursements for March, 1871.....	269,935 60
Balance in the Treasury April 1st, 1871.....	<u>\$116,129 45</u>
Less amount paid for Rust.....	\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR MONTH OF APRIL, 1871.

RECEIPTS.		
Revenue Collectors.....	\$ 56,082 60	
County Court Clerks.....	63,715 08	
Circuit Court Clerks.....	6,266 23	
Chancery Court Clerks.....	2,246 55	
Criminal Court Clerks.....	266 00	
Supreme Court Clerks.....	634 32	
Collector of Privilege Tax.....	8,276 21	
State Tax.....	2,125 46	
Loan account.....	10,000 00	
Redemption of land.....	30 04	
		\$149,642 49
DISBURSEMENTS.		
State prosecutions.....	\$ 22,216 95	
Judicial salaries.....	14,297 14	
Special Judges.....	500 00	
Supreme Court expenses.....	2,179 09	
Capitol expenses.....	1,081 66	
Salary, officers of Penitentiary.....	334 72	
Adjutant General.....	300 00	
Publishing Governor's Proclamations.....	217 75	
Executive expenses.....	1,373 99	
Executive salaries.....	816 66	
State Guards.....	150 00	
Common Schools.....	8,577 57	
State Penitentiary appropriation.....	1,236 69	
Refunded Revenue.....	348 01	
Land sales.....	1,672 00	
Convicts to Penitentiary.....	974 34	
Legislative expenses.....	2,316 00	
Improvement of Capitol grounds.....	2,410 85	
Tennessee Hospital for Insane.....	10,000 00	
Deaf and Dumb Asylum.....	2,000 00	
Blind Asylum.....	1,250 00	
Salary Superintendent Capitol.....	125 00	
Registering voters.....	239 71	
Interest on debt.....	480 00	
Receiver's salary.....	275 00	
Tax aggregates.....	37 50	
Arresting fugitives.....	300 00	
Expense of State Library.....	186 54	

Amount brought over.....	\$ 75,897 17	
Public printing.....	1,200 00	
Interest Account.....	94 12	
Excess of receipts.....	72,451 20	
	<hr/>	\$149,642 49

Balance in the Treasury April 1, 1871..	\$116,129 45
Excess of receipts for April, 1870.....	72,451 20
	<hr/>
Balance in Treasury May 1, 1871.....	\$188,580 65
Less amount paid for Rust.....	\$10,153 49
	<hr/>

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS,
FOR THE MONTH OF MAY, 1871.

RECEIPTS.		
Revenue Collectors.....	\$ 32,952	31
County Court Clerks.....	11,434	19
Circuit " ".....	1,467	34
Chancery Court Clerks.....	209	82
Supreme " ".....	139	91
Collector of Privilege Tax.....	6,295	39
State taxes.....	1,875	43
Redemption of land.....	52	11
Turnpike dividends.....	266	02
Sales of old carpets.....	45	92
Tennessee National Bank of Memphis.....	1,977	20
Loan account.....	25,000	00
		\$ 81,715 64
DISBURSEMENTS.		
Executive salaries.....	\$ 1,166	67
Judicial salaries.....	6,202	71
Adjutant General.....	150	00
Attorney General and Reporter.....	125	00
Salary Superintendent Capitol.....	125	00
Executive expense.....	386	96
Capitol expense.....	381	95
Legislative expense.....	35	25
Supreme Court expense.....	441	41
Common Schools.....	8,787	96
State Prosecutions.....	21,730	44
Public Printing.....	8,391	63
Improvement Capitol grounds.....	1,950	00
State Penitentiary appropriation.....	4,271	16
Salary of officers of Penitentiary.....	308	34
Convicts to Penitentiary.....	2,266	09
Publication of Governor's proclamations....	100	00
Fugitive from justice.....	250	00
Land sales.....	2,751	00
State Library expenses.....	181	88
Blind School.....	1,000	00
Deaf and Dumb School.....	1,000	00
Tennessee Hospital for Insane.....	4,052	30
Refunded Revenue.....	500	00
Registering voters.....	481	85

Amount brought forward.....	\$ 67,037 60	
Tax aggregates.....	44 25	
Interest account.....	233 33	
Interest on debt.....	1,995 00	
Distributing acts and journals... ..	300 00	
Excess of receipts.....	12,105 46	
		\$ 81,715 64

Balance in the Treasury May 1, 1871.....\$188,580 65
 Excess of receipts for May, 1871..... 12,105 46

Balance in the Treasury June 1, 1871.....\$200,686 11

Less amount paid for Rust.....\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR THE MONTH OF JUNE, 1871.

RECEIPTS.		
Circuit Court Clerks.....	\$ 935 05	
County " "	5,458 45	
Clerk and Masters.....	149 92	
Revenue Collectors.....	19,257 44	
Redemption of Lands.....	145 02	
Interest on Debt.....	27 00	
State Tax.....	750 00	
Collector of Privilege Tax.....	6,516 18	
Agricultural Bureau.....	3,010 05	
Capitol Expense.....	50 00	
Loan Account.....	50,000 00	
Excess of Disbursements.....	152,412 15	
DISBURSEMENTS.		\$238,711 26
State Prosecutions.....	\$ 5,515 31	
Judicial Salaries.....	5,190 84	
Common Schools.....	2,347 41	
Deaf and Dumb School.....	5,950 00	
Blind School.....	3,000 00	
Tennessee Hospital for Insane.....	10,000 00	
Loan Account.....	10,000 00	
Tennessee Money Burned	185,570 00	
Agricultural Bureau.....	2,269 58	
Interest on Debt.....	1,010 00	
Public Printing.....	1,841 60	
Executive Expenses.....	782 67	
Salary Officers of Penitentiary.....	725 00	
State Penitentiary Appropriation.....	210 07	
Interest Account.....	125 00	
State Library.....	102 41	
Tax Aggregate.....	31 50	
Registering Voters.....	100 00	
Arresting Fugitives.....	300 75	
Salary Superintendent Capitol.....	125 00	
Refunded Revenue	59 76	
Publishing Governor's Proclamations....	250 35	
Improving Capitol Grounds.....	1,150 00	
Convicts to Penitentiary.....	591 70	
Land Sales.....	964 50	
Capitol Expenses.....	264 24	
Supreme Court Expenses.....	233 57	
		\$238,711 26
Balance in the Treasury June 1st, 1871.....		\$200,686 11
Excess of Disbursements for June, 1871.....		152,412 16
		<hr/>
Balance in the Treasury July 1st, 1871.....		\$482,273 96
		<hr/>
Less amount paid for Rust.....	\$10,153 40	

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS.
FOR THE MONTH OF JULY, 1871.

RECEIPTS.		
Revenue Collectors.....	\$ 30,644	20
County Court Clerks.....	42,522	56
Circuit Court Clerks.....	3,653	45
Chancery Court Clerks.....	1,891	66
Supreme " ".....	132	12
Collector of privilege tax.....	468	67
State tax.....	5,611	68
Criminal Court Clerks.....	354	27
Turnpike dividends.....	1,325	00
Redemption of land.....	21	00
Interest on debt.....	3	75
Interest account, sale of N. Y. Exchange.....	83	73
Loan account.....	100,000	00
		\$186,712 09
DISBURSEMENTS.		
Judicial salaries.....	\$ 13,909	04
Executive salaries.....	1,800	00
Adjutant General salaries.....	300	00
Attorney General and Reporter's salaries...	125	00
Executive expense.....	1,060	09
Capitol ".....	769	55
Legislative ".....	166	25
Supreme Court expense.....	398	15
State Library ".....	219	08
Convention ".....	219	04
Tennessee money " express charges....	79	05
Common Schools.....	10,631	35
State prosecutions.....	21,146	58
Loan account.....	80,000	00
Tennessee Hospital for Insane.....	5,639	84
Supt. " " ".....	2,250	00
Improvement Capitol grounds.....	4,648	50
State Penitentiary appropriation.....	3,147	85
Officers of Penitentiary, salary act.....	831	00
Convicts to Penitentiary.....	1,001	80
Interest account.....	3,120	13
Interest State debt.....	2,350	00
Publication of Governor's proclamations...	133	50
Tax aggregate.....	454	50

Amount brought forward.....	\$154,400 30	
Registration of voters.....	79 02	
Distributing acts and journals.....	394 55	
Land sales.....	776 00	
Fugitives from justice.....	500 00	
Attorney General's reports.....	43 68	
Agricultural Bureau.....	19 14	
Refunded revenue.....	365 77	
Excess of receipts.....	30,133 63	
		<u>\$186,712 09</u>

Balance in the Treasury July 1, 1871.....\$48,273 96
 Excess of receipts for July, 1871..... 30,133 63

Balance in the Treasury Aug. 1, 1871.....\$78,407 59

Less amount paid for Rust.....\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS
FOR THE MONTH OF AUGUST, 1871.

RECEIPTS.		
Revenue Collectors.....	\$	44,533 12
Tennessee National Bank.....		150 00
County Court Clerks.....		6,342 47
Circuit " ".....		1,048 04
Supreme " ".....		1,776 45
Chancery " ".....		346 10
Collector of Privilege Tax.....		12,273 68
State Tax.....		3,375 28
Redemption of Lands.....		50 17
Railroad Interest.....		500 00
Metropolitan Board of Police, Memphis..		14,221 01
		\$84,616 32
DISBURSEMENTS.		
Executive Salaries.....	\$	229 17
Judicial ".....		5,137 37
Adjutant General's Salary.....		150 00
Superintendent Capitol Salary.....		125 00
State Librarian Salary.....		83 34
Executive Expense.....		973 81
Capitol ".....		86 26
Supreme Court Expense.....		580 96
State Library ".....		101 25
Common Schools.....		7,662 11
State Prosecutions.....		8,416 90
Loan Account.....		10,000 00
Hospital for Insane, Superintendent.....		1,500 00
Improving Capitol Grounds.....		850 00
State Penitentiary Appropriation.....		1,096 72
Salary of Officers of Penitentiary.....		225 00
Convicts to the Penitentiary.....		1,610 79
Interest Account.....		2,763 87
Publishing Governor's Proclamations.....		15 00
Tax Aggregate.....		93 00
Listing Voters.....		273 21
Land Sales.....		222 00
Arresting Fugitives from justice.....		550 00

Amount brought over.....	\$ 42,745 76	
Attorney-general's Reports (Coldwell)....	600 00	
Refunded Revenue.....	7,248 50	
Metropolitan Police Case, Attorney's Fees	850 00	
Advertising Railroad Sales.....	23 10	
Railroad Interest Refunded.....	783 97	
Excess of Receipts.....	32,364 99	\$84,616 32

Balance in the Treasury August 1st, 1871.....	\$78,407 59
Excess of Receipts for August, 1871.....	32,364 99
Balance in the Treasury September 1st, 1871.....	<u>\$110,772 58</u>
Less amount paid for Rust.....	\$10,153 49

RECAPITULATION OF RECEIPTS AND DISBURSEMENTS,
FOR THE MONTH OF SEPTEMBER, 1871

RECEIPTS.		
Revenue Collectors.....	\$ 57,682	78
Clerks of County Courts	5,322	11
Clerks of Circuit "	290	19
Clerks of Chancery Courts.....	442	32
Collector of Privilege Tax.....	1,856	00
Loan account.....	5,000	00
Turnpike dividends.....	435	38
Redemption of lands.....	669	31
State tax.....	13,453	49
Excess of disbursements.....	97,846	31
		\$182,997 95
DISBURSEMENTS.		
Publication Governor's proclamations.....	509	00
Common Schools.....	15,209	13
State prosecutions.....	19,475	17
Land sales.....	730	50
Judicial salaries.....	8,698	64
Capitol expenses.....	581	36
Executive salaries.....	816	66
Registration of voters.....	328	17
Executive expenses.....	3,381	42
Legislative expenses.....	200	00
Convicts to Penitentiary.....	914	76
Salary to Superintendent Capitol.....	125	00
Improvement Capitol grounds.....	3,405	74
Bank of Tennessee notes burned.....	99,625	00
State Library expense.....	88	33
Tax aggregates.....	53	25
Publication 7th volume of Coldwell's reports.....	2,638	02
Refunded revenue.....	1,224	00
Supreme Court expenses.....	1,415	42
Salary Railroad Receiver.....	300	00
Interest on loan.....	100	00
Advertising sale of railroads.....	166	50
Salary to Officers of Penitentiary.....	108	33
Deaf and Dumb School.....	2,000	00
Interest on State debt.....	5,600	00
Arresting fugitives.....	250	00

Amount brought forward.....	\$167,944 40	
Express charges, Tennessee money.....	53 55	
Insane Hospital.....	15,000 00	
		\$182,997 95

Balance in Treasury Sept. 1, 1871.....	\$110,772 58
Less excess of disbursements for Sept., 1871...	97,846 31
	<hr/>
Amount in Treasury October 1, 1871.....	\$ 12,926 27
Less amount paid out for late Treasurer.....	10,153 49
	<hr/>
Actual balance.....	\$ 2,772 78

RECAPITULATION OF EXECUTIVE EXPENSES FOR THE
FISCAL YEAR, COMMENCING OCTOBER 1, 1870, AND
ENDING SEPTEMBER 30, 1871.

GOVERNOR—		
Messenger.....	\$ 662 00	
Postage.....	75 00	
Office furniture.....	16 50	
Blanks, stationary, etc.....	125 63	
Posters.....	136 87	
Allowed by Code.....	500 00	
		\$ 1,516 00
SECRETARY OF STATE—		
Copying pardons, bonds, etc.....	\$ 393 86	
Stationary, pencils, etc.....	824 25	
Postage.....	140 00	
Blanks, etc.....	197 05	
Clerk hire.....	713 33	
		2,268 49
STATE TREASURER—		
Postage.....	\$ 37 35	
Stationary, blanks, etc.....	114 05	
*Travelling expenses.....	253 73	
		405 13
COMPTROLLER OF TREAS.—		
Postage.....	\$ 79 00	
Stationary, blanks, etc.....	345 26	
Books and printing.....	273 29	
Stamp for cancelling bonds.....	17 50	
Clerk hire.....	1,200 00	
		1,915 05
MISCELLANEOUS—		
Superintendent Public Instruction.....	\$ 24 65	
State Library Postage.....	5 00	
Ordinance Department.....	102 00	
Attorney's fees.....	428 26	
Traveling expense.....	42 00	
Repairing clock (Sec'y).....	8 00	
		609 91

Brought forward		\$ 6,108 67
MISCELLANEOUS CONTINUED—		
Brought forward.....	\$ 609 91	
Blackburn's Clerk, (special act).....	4,252 26	
Notice to bondholders.....	880 80	
Paper for Superintendent of Capitol....	8 00	
Washing towels, etc.....	5 00	
Binding acts.....	20 00	
Boxes for acts.....	119 30	
Express charges.....	938 50	
Telegraphing.....	162 25	
Post Office box rent.....	38 80	
Notice to Insurance Agents.....	9 50	
		<u>\$ 7,044 32</u>
Total Executive expense.....		\$ 13,148 99

*See Joint Resolution No. 1, adopted May 27, 1870.

See Joint Resolution No. 16, adopted Dec. 22, 1870.

CONCLUSION.

I regret exceedingly that I am unable to present a heavier balance on hand, in the Treasury, upon the reassembling of your honorable body. Sixteen months ago the Treasury was literally empty, and while the balance to-day indicates but poor progress for the better, yet in many respects, there are evidences of a marked improvement.

Our warrants have advanced from sixty-five cents to eighty-six or seven, and our bonds have been beyond seventy-six, though at present from some cause lower. Up to the last few days, the manifestation of confidence at home and abroad, in the honesty and good purposes of our people, as evidenced by the quotations of our securities, and the cheering indications at home, has been all that could have been expected or desired, under the circumstances surrounding us. Our currency receipts have been small, but by distributing it among the various counties, to the holders of warrants, we have afforded some relief to every class of our home creditors.

The tax of 1870 was insignificant in comparison to our wants, and but for the hope of payment caused by the increased rate of taxation for 1871, very great financial distress would have ensued. These disappointments in payments have operated oppressively to many State officials, such as jailers and clerks, many of whom have been forced either to sell their warrants at a discount or give up the positions they held. But for the loans effected under authority of the last Legislature, our three Eleemosynary institutions would have been forced to suspend. And but for the passage of a sixty cent tax for 1871, it would have been impossible to borrow. We are now largely indebted to the Insane Asylum and the Schools for the Deaf and Dumb and for the Blind, and unless our currency receipts increase, the means with which to meet these liabilities will have to be provided elsewhere.

The proportion of Tennessee money and school warrants receivable for taxes paid in so far is very large, and will continue so, until both are exhausted.

In some counties some trouble is likely to arise from Collectors refusing, under instructions, to take coupons for taxes. If litigation is resorted to, and becomes general, our receipts will be so small as to render payments quite impossible. The trouble arises from a construction put by the tax-payer upon a part of section 2, of "An Act to sustain the credit of the State, etc., passed February 25, 1870," page 98, acts 1869-70.

In this section, after enumerating such property, etc., as shall be taxed, the law says that in payment of taxes so assessed, "Collectors shall receive bank notes of the Bank of Tennessee, not rendered void by the amended Constitution and laws of Tennessee, coupons of the State of Tennessee due at the time offered, in payment on the bonds of the State of Tennessee," etc.

It was well discussed and understood by both branches of the Legislature which passed this act, that coupons could be used in payment only by any tax that might be placed upon the bonds, but not otherwise. To avoid litigation and the attendant delay in collections, I would respectfully suggest, as an easy solution of the difficulty, the repeal of the doubtful clause in the act referred to.

We have yet to redeem, in round numbers \$710,000, of the old issues of the Bank of Tennessee, and perhaps \$250,000 of school warrants made good for taxes, in the hands of any person. In addition to this we have several hundred thousand of other warrants and borrowed money to provide for, and now to declare that past due coupons should be received, as Tennessee money, in payment of taxes due the State, would suspend entirely the operations of the State Government. Without the funds, with which to defray its expenses, it cannot exist. It is true that these coupons constitute an indebtedness on the part of the State that should be, and eventually will be paid, yet that should be done at some future time. Our Judges, Clerks, Jailers, Sheriffs, Legislators, and other home creditors, cannot serve the State and live upon promises to pay in the shape of warrants. Their necessities requires something more substantial.

DELINQUENT TAX PAYERS.

The well known habit of our people to delay the payment of their taxes until the very last moment, is a very serious obstacle in the

way of a successful management of our financial affairs. When once we have, as for 1871, a good levy of taxes, we can not, with certainty, approximate, when the same will be paid. All depends upon the Collector's promptness; and the amount of arrearages for the past few years is a sad commentary upon the efficiency of our revenue laws. The penalty system was once enacted but not tried. Perhaps it was too severe to be enforced. Without something of the kind we shall never have prompt tax payers, and without the prompt, and always certain payment of our taxes, our credit, at home and abroad, will never be what it should be. Whether the tax be one mill or ten, the same reluctance to pay is found to prevail. The obligation rests upon all alike to submit cheerfully to taxation, sufficient to defray current expenses as incurred. The burden is not oppressive when equally distributed, and by all promptly met. The smaller tax payers—the poorer class, as a rule, are those who pay first their pro rata, while the large property owners generally delay payment until the credit of the State and the patient indulgence of collector and disbursing officers has been well nigh exhausted. The large tax payer can use his money to better advantage than in paying taxes.

It is due to the officials of the State of every kind, in all of the counties, to the other creditors of the State at home and abroad, that their payment should be assured, at all times, by proper revenue laws rigidly enforced.

The auditing of a claim in the office of the Comptroller, and the issuance of a warrant therefor, should antedate its payment only so long as to enable the holder to present it for payment to the proper department. Without a penalty system, or something similar, the collection of our revenue will be a continued source of disappointment; and taxes due this year drag along for probably two to four years. Many States here tried the penalty system and with success. In Kentucky, I believe ten per cent. is added for non payment after November 1st, of each year. That there are so many delinquent tax payers in the State speaks well for the humanity of our Legislators and Collectors, but in a business point of view is not exactly the thing needed. The Collector must have a positive law to back him, otherwise he is too indulgent. An examination of the lists of delinquents since the war, will show, that where one Col-

lector has held office for successive years, his payments, reasonably prompt for first and second years, afterwards become fewer, and large balances accumulate in proportion to his tenure of office.

Should the penalty system be deemed too oppressive and unsuited to the temper of our people, permit me to suggest that promptness and certainty in collections, might be attained, by requiring Collectors to turn over their books, with all unpaid taxes, on the 1st day of December of each year, to the Clerks of County Courts, whose duty it should be to collect through the district constables. This plan strikes me as preferable to the penalty system. If the Collector is given to understand, that after the 1st of each December, he is to lose all commissions on unpaid taxes, you make him an efficient officer, and his zeal in upholding the credit of the State by rigid collections, would be greatly increased, and yet the tax payer would not be unreasonably oppressed.

ASSESSMENTS.

By reference to the report of the Comptroller, it will be seen that the valuation of taxable property of the State, has been increased for 1871, over 1870 about the sum of \$25,000,000. This is a move in the right direction, but the increase is confined to a portion of the counties and does not embrace all. With a full assessment our rate could be reduced to three mills or even less. It will be seen that Maury, Williamson, Rutherford and many other counties, with a determination to retrieve our financial misfortunes, appointed competent assessors and increased their valuations very largely, while others remained stationary or decreased. While this state of affairs exists, we can have nothing like equalization of taxes. It is unjust to those counties that are trying to raise the standard of valuation, that their burdens should be increased, while adjoining counties, through the agency of inefficient assessors, lighten theirs by low assessments.

As matters now stand, we have no remedy in force. Oaths of office will not do it. To reach the evil you must change assessors. Section 28, art. 2 of the Constitution says, that "all property shall be taxed according to its value, that value to be ascertained in such manner as the Legislature shall direct, so that taxes shall be equal and uniform throughout the State."

So long as the Justices assess property we shall not have, generally, either justice or uniformity, and consequently nothing like equalization. A radical change is absolutely necessary. There should be only one assessor for each county, and the work of county assessors overhauled and equalized by a competent board of commissioners at the capitol of the State. Let these lists of assessments be completed by the 1st day of December preceding the assembling of future Legislatures, and with these and the reports of your financial officers, showing how much revenue is needed, it would be simply a matter of calculation as to the rate of taxation. Much discussion and time would be saved. There would be no conjecture. Not a surplus dollar of taxes need then be laid, provided people be required to pay what was levied. Under this plan the rate once fixed would remain so for years, when it could be changed so as to do justice to the tax-payer and the creditor, at the same time.

RATE OF TAXATION.

I do not know that it will be seriously proposed, at the present session, to reduce the rate of taxation below sixty cents on the hundred dollars. In view of the admitted blunder of the last Legislature in reducing the tax to 20 cents for 1870, and then being forced, by the necessities of the State, to raise to 60 cents for 1871. I hardly think the experiment will be repeated so soon. The argument used by some of our ablest public journals, that the people cannot bear to be taxed to pay interest on the public debt just now, has no force in the present state of affairs. It is now over two (2) years since we paid interest on the public debt, and with the tax of this year, and the same rate for 1872, I can safely say we will not be in a condition to resume interest payments prior to January, 1874, if then. To pay interest, retire the Tennessee money, cancel all outstanding warrants, and defray current expenses from month to month, would require a tax of \$1.25 on the hundred. The holders of our bonds, so far as my observation goes, do not expect us to pay interest under two years, but we owe it to ourselves to see that it is not delayed beyond that time. There are worse evils than the burdens of taxation. The loss of credit, both public and private, in the money markets of the world, the prolongation, unnecessarily, of any course of action that would bring discredit upon the fair fame of our State, and cause the honor and ultimate good in-

tentions of Tennessee, in regard to her home and bonded debt, to rest, even temporarily, under a cloud of suspicion, would be but the very poorest of compensation to us, or to those who are to come after us, for the transient relief afforded now by a reduced rate of taxation.

As an individual, no less than as an official, charged with the payment of our debts, as they mature and are audited, I would most gladly see the burdens of taxation lifted, to the fullest possible extent consistent with the high responsibility resting upon us, to be just to all our creditors, from the shoulders of a people, who are in financial troubles, through no fault or mismanagement of theirs, if it could be honorably done. It gives no relief to reflect upon the way in which this great debt has been contracted, or to estimate what the State has received in return therefor. It is a debt we owe and must pay.

The only way to pay out, after the sale of any remaining interest in railroads and turnpikes the State has, is to levy taxes sufficient to get rid of all Tennessee money receivable for taxes; to pay all outstanding warrants, and defray current expenses for 1870 and 1871; then taxes sufficient to run the State Government and pay the interest on the entire bonded debt, rigidly collect and honestly apply the same to these purposes.

We must either pay or repudiate. Surely, no one contemplates the latter course. Then we must see that payment is not delayed too long. If, from 1869 to January, 1874, is not sufficient time to give a breathing spell to our tax-payers, and to prepare the way for a resumption of interest payments, then four additional years would not afford it. If we intend to pay interest, either in July 1873, or January 1874, then, by all means, let us keep our rate at its present standard, and get rid of this floating debt of Tennessee money, warrants, etc., which has for two years and more been the chief source of our financial troubles, and prevented the State from meeting every obligation promptly. When the deferred payments for railroads sold are made, and Tennessee money and warrants redeemed, our State debt will then be, in round numbers, only some \$20,000,000, and the rate of taxation necessary to pay interest on this amount and defray current expenses, will not be at all oppressive upon the people of the State.

If a lower rate of taxation than the present will be sufficient for our home demands, for this and next year, and it can be conclusively demonstrated, for one, I shall advise its adoption. Let us see however, what surplus we shall have from a tax for 1872, similar to that levied for 1871:

ESTIMATED TAX FOR 1871-72.

From all sources.....\$4,250,000

LIABILITIES.

Commissions and Releases—15 per cent.....	\$637,500
Borrowed Money.....	206,000
Lands to be sold for Taxes.....	750,000
Outstanding Warrants.....	732,000
Tennessee Money (old).....	711,000
Unexpended Appropriations.....	75,000
Tax of 1871 already paid in and used.....	150,000
Current Expenses until the Tax of 1873 would come in—20 months.....	950,000
Cost of two Sessions of Legislature.....	85,000
	—————\$4,296,000

This will show an excess of liabilities over estimated receipts, of \$46,500. It may be said that this estimate does not embrace any receipts from delinquent tax lists. This item will be offset by an amount of this two years tax that will, in its collection, drag along for three or four years, as is the case with taxes for 1865-6-7-8 and 1869.

Then it must be remembered that we are, in all probability, to have further complication and trouble from what is known as the new issue of the Bank of Tennessee. I think it most likely, that in the next 18 months, we will be compelled, by the decision of our own courts to receive a part of this money for taxes. There is not perhaps, in the State, a well informed lawyer, at all cognizant of the proof taken in cases made up for trial, who does not feel that the decision, when made, will be adverse to the State. It would be a most serious misfortune to have these issues of the Bank of Tennessee come upon us, in payment for taxes, just as we are beginning to see the end of the old issue. If any portion of them, not issued for war purposes, has to be paid, it occurs to me that a committee of your honorable body, after hearing proof and a thorough examina-

tion of the question, could adopt some means of providing for the same.

Apprehending serious trouble, financially, from this "new issue of Tennessee money," I commend it to your honorable body as a subject requiring very serious consideration.

OUTSTANDING WARRANTS.

If a reduction to any extent of the tax for 1872, below 60 cents is determined upon, then the funding of all outstanding warrants on the 1st of January, 1872, is respectfully recommended. This would give some relief to the Treasury, and, inasmuch, as we cannot fund the Tennessee money, it being good for taxes, and cannot pay the warrants, the propriety of funding them is evident.

STATE DEPOSITORIES.

I feel unwilling to close this report without making here, a public acknowledgement of the invaluable assistance rendered me, as Treasurer, by the four State Depositories. At almost all times, owing to the small sums of currency received, our accounts at bank have been overdrawn, but, nevertheless, no draft has ever been dishonored by them. Where each one has done so well, it might seem improper to make any distinctions, but to the Fourth National Bank of Nashville, the State is indebted for the saving of a large number of bonds, hypothecated in New York at 40 cents on the dollar, by the previous administration, to secure a loan, made for the payment of the Ward and Briggs debt. When we had no tax except the 20 cent tax, and could not borrow upon any terms in New York, this bank generously advanced \$100,000 in currency, at same rate of interest charged her own customers, and saved our bonds. Her friendship for the State was still further manifested when, after the passage of a 60 cent tax, our credit improved and we were able to borrow at a low rate of interest, in receiving back the loan before its maturity. Owing to circumstances, I have been compelled to call more largely for assistance upon Nashville and Memphis, than either the Knoxville or Chattanooga Depositories.

Every assistance, however, at any time, asked of either, has been promptly rendered, and but for the large advances made by each and all, at various times, in anticipation of revenue receipts, it would have been impossible to relieve many of our home creditors, whose necessities were pressing.

W. MORROW, State Treasurer.