

APPENDIX.

REPORT OF THE COMPTROLLER.

OFFICE OF COMPTROLLER,
Tallahassee, Fla., January 1, 1872. }

His Excellency HARRISON REED,
Governor of Florida:

SIR:—I have the honor to submit the following report from this office for the fiscal year ending 31st December, 1871, for transmission to the General Assembly:

At the close of the last fiscal year, the bonded debt of the State was stated to be \$747,367.24. In this aggregate of the debt there was an error of \$57,000, which occurred by including this amount of the bonds of 1856 in the general statement of the amount of this class of bonds then outstanding, and again in the amount of debt due the School and Seminary Funds—these Funds holding respectively \$50,000 and \$7,000 of these bonds. This error was pointed out to your Excellency in a communication from this office under date of the 19th June, 1871.

The bonded debt of the State is as follows:

Total amount of bonds of 1856 now outstanding,	\$221,000 00
Total debt to the School Fund, less \$50,000 in bonds of 1856, included in the foregoing item, \$221,000,	140,752 63
Total debt to the Seminary Fund, less \$7,000 in bonds of 1856, included in the foregoing item, \$221,000,	64,292 45
Debt to Internal Improvement Fund,	45,000 00
Bond to E. N. Dickerson, Dec. 3, 1866,	21,000 00
8 per cent. bonds of 1868—expenses Convention,	30,000 00
In 6 per cent. bonds issued under Act of 1868 and 1869,	79,000 00
Due B. C. Lewis on bonds of 1868 and by hypothecation,	3,322 16
Due on same class of bonds hypothecated in New York,	112,000 00
	\$716,367 24
Less amount of bonds of 1867 redeemed in 1869,	25,000 00
	\$691,367 24
The interest on this debt as correctly as can be ascertained from official records is	157,606 09
Total principal and interest of bonded debt,	\$848,973 33

FLOATING DEBT.

The amount of Comptroller's Warrants and Treasury Certificates outstanding is \$458,892 20

Of the floating debt I shall have occasion to speak hereafter.

Since my last report, the interest due the School and Seminary Funds has been paid up to the 1st of July, 1871.

In this statement I have only included so many of the bonds of 1868 and 1869, that is, \$79,000, as have been actually sold, and have repeated the amount stated in my report for the fiscal year ending 31st of December, 1870, to be due at that time on the remaining \$421,000 of these bonds. To this sum of \$115,322.16 due on 31st of December, 1870, must be added whatever of expense in the way of commissions and interest has since accrued. But of this and the present status of these \$421,000 bonds, your Excellency is better informed than I, as they have been in your control since January, 1870. As they are still outstanding, however, should they not be added to the debt of the State, as also the \$4,000,000 bonds issued to the J. P. & M. R. R. under act of Jan'y 28, 1870? If so, the debt would stand thus:

Amount before stated,	\$848,973 33
Floating debt,	458,892 20
Bonds of 1868 and 1869,	421,000 00
Bonds issued to J. P. & M. R. R.,	4,000,000 00
Showing a debt of	<u>\$5,728,865 53</u>

In obedience to the requirements of Section 1 of "An act relating to the Finances of this State," which became a law on the 21st of January, 1871, I caused \$350,000 thirty year seven per cent. coupon bonds to be "prepared." The law was not mandatory as to the amount to be prepared, except its limitation to \$350,000, but it was deemed that it would require the full amount to fund the class of scrip provided for, and I still think that the entire amount will be taken up. The bonds were not ready for issue until the 6th of November, and since then there have been exchanged up to this date 1619 bonds, aggregating \$161,900, and funding \$172,793.40 of State scrip, all of the class of warrants known as "non-tax-paying." In the process of funding I have required that the accrued interest on the bond, at the date of the application to fund, should be paid in scrip of the same class as that authorized to be funded. This was objected to by some on the ground that they had been prepared to fund as soon as the act became a law, but I considered that the State was not bound for the interest until the bonds were actually executed and issued. A statement in detail as to the transactions on account of these bonds is appended, marked "A."

The appropriation for the payment of Jurors and State witnesses being exhausted, I could not issue warrants in that behalf

until farther legislation and appropriation; and these claims formed no inconsiderable sum, which was desired to be funded. Under these circumstances I gave public notice to holders of these claims that if they desired to fund them, and would send the certificates to this office signifying such desire, I would cause a record of the date of deposit to be kept, and recommend through your Excellency that the Legislature enact such a law as would authorize me to audit such claims and allow them to be funded as of the date of said application, which recommendation I hereby make, considering it but just to the claimants.

There being a question in the minds of many as to whether the coupons for the January, 1872, interest should be detached from these bonds after or on that date, I would be glad if your Excellency would recommend the early action and instruction of the Legislature on this point. The bonds are looked upon with much favor, and would, in my opinion, be more rapidly taken up if a large class of the holders of the State scrip could afford to fund. But, in many instances, that is all they have, and they cannot afford to place it entirely beyond their control, and are not willing to sell at the present market rate of such scrip to those who would perhaps fund. They therefore hold on, hoping that some change in our finances may appreciate its value.

FINANCIAL CONDITION OF THE STATE.

In ordinary or commercial affairs, it is very difficult to predicate with certainty the condition of any business that is conducted on a *credit system*, and many of the guides in private apply with equal force to public money matters. Ours is now certainly a "credit system;" for, with not a dollar in the Treasury, the Government still goes on, and that at a ruinous rate of expenditure. To meet this expenditure we have resorted to a rate of taxation under which the people suffer and every branch of industry is crippled. I think a simple statement of the rate of taxation will be sufficient to satisfy *any one* of its burdensome and onerous nature. There is required, under the operation of the existing revenue laws, to be levied on every \$100 value of property for State taxes proper, (by this is meant the actual expenses of carrying on the government,) 87 cents.
 General Sinking Fund and Interest, 30 "
 Special Sinking Fund, 10 "
 General School Fund, 10 "

Making the rate \$1.37

Now, when to this is added the county taxes, it is almost doubled, and in some counties more. In this (Leon) county it amounts to \$2.27. In Jefferson, \$2.37. And when it is a fact that the property paying these taxes is *not valued by its owners*,

but by an entirely impracticable (in this State) system, and an entirely incompetent body (and by this expression I beg to disclaim any disrespect) both in State and counties, it is not surprising that its owners should be dissatisfied. Property which pays in this county \$1,800 would pay in the city of New York about one-third of that sum. While I am satisfied that the average values of property, both real and personal, throughout the State, has decreased since 1870, yet the aggregate value for the basis of taxation is increased \$4,973,731, and the rate of taxation exclusive of county taxes is *increased 67 cents on every \$100*. I have said that the system is in this State an impracticable one. I suppose in other States it is found to work well, but in our State, with a population of about 3 to a square mile, and as yet an unsettled system of labor, and scarcely any species of property bearing a fixed, much less relative value, I can scarcely conceive it possible for a State Board of Equalization, composed of the most intelligent and practical men in the State, to approximate the value of property throughout the State. With an *intelligent* Board of County Commissioners, the system might work well in *some counties* at least. In fact, under the former law the Board of County Commissioners had power to "alter the value of any real estate," and they possess the same power now, but with the limitation to a value *for the county* fixed by the State Board. We are expending large sums of money in sustaining a department to encourage immigration and to settle our now unremunerative lands. Is it possible to expect capital or labor to seek investment or employment under such a system and such rates of taxation? The tax alone is nearly one-half the rate of interest paid on some U. S. government securities.

I would earnestly recommend that a different system be adopted, and beg also to renew the recommendation in my last report that a copy of the tax book be sent to this office. And, in this connection, I beg to call attention to the fact that the county clerks are now paid by the counties for making out these assessment books; whereas, under the old system, the assessor was required to do the work and without any additional compensation to that allowed him then and now for assessing the taxes. In some counties, I am informed, the clerk receives a fee or compensation for this service of \$500. The law makes no provision for paying him at all, but the County Commissioners allow it, and it is but just that he should be compensated if he is to perform the duty, but I can see no good reason why an additional expense should be imposed upon the tax payer for a service which seems more properly to belong to the Tax Assessor and for which his commissions are ample compensation. The assessors are, as a general thing, quite as competent as the clerks, and in either case their work is revised by the Board of County

Comissioners. In our embarrassed condition, every expenditure should be carefully guarded.

Under the operation of existing laws, all fees of "county officers" are paid by the counties. The expense of conveying prisoners, after conviction, to the State prison, I have considered, however, as one properly chargeable to the State, and have so acted. The act establishing rates of fees, however, did not contemplate, or, at least I think, provide fees for this service, and officers charged with the duty of conveying these prisoners, in many instances, have done so at an actual expense to themselves, as the ordinary fees for similar services do not pay their unavoidable expenses. I think some legislation on this subject necessary.

The receipts at the Treasury on account of Revenue, 1871, are \$49,421.45, against \$40,501.95 account Revenue, 1870, for a corresponding period last year. Revenue embraces only the taxes collected for the expense of the government, and does not embrace General or Special Sinking Fund and Interest taxes. These receipts show a falling off from last year, for, while they are in amount greater, it must be recollected that the taxes are *almost double* what they were last year. This falling off is attributable to several causes. Owing to the burdensome nature of the taxes, our people have resorted to the courts to test the question whether or not they have been levied in accordance with the Constitution; and in several counties injunctions have been granted to restrain their collection; whereas, had the taxes been in proportion to their ability to pay, they would have paid them without question as to their legality.

While I am not officially informed that such is the case, I believe in some counties the people are delaying the payment of their taxes in consequence of decisions by the courts to the effect that *all classes* of scrip are tax-paying, while tax collectors are instructed from this office, according to law, that they can only receive a certain class of scrip. These two questions, *i. e.*, whether the taxes levied and assessed are in accordance with the Constitution and law, and whether the Legislature had power to say what class of scrip should be received for taxes, will, I presume, have to be determined before the taxes are collected. I hope the matter may be determined at as early a day as practicable. In the apportionment of the taxes, the determination of the amount to be raised, and the restriction of revenue officers to a certain class of scrip to be received, the Comptroller has no discretion but simply to carry out plain and unmistakable requirements of the laws.

As regards defaulting revenue officers and the unsettled claims against them, I can only refer to and repeat in substance what I had occasion to say in my last report to your Excellency. A more rigid accountability on the part of all, directly or indirectly connected with the revenue, will be found necessary before these

claims are settled. There has been no enforced settlement since my last report, and consequently no arrearages have been paid. This is very discouraging to tax payers, and I respectfully suggest ought not to exist.

In conclusion, I respectfully suggest that as the duties of members of the Legislature render it impossible for them to give their time to anything else, a committee of citizens, competent accountants, be appointed to examine and report on the records of this Department.

R. H. GAMBLE, *Comptroller.*

RECEIPTS AND DISBURSEMENTS.

The receipts at the Treasury for the fiscal year ending December 31st, 1871, amount to..... \$275,005.59

viz :	For School Fund Tax.....	15,742.63	
	For Sinking Fund Tax.....	29,126.76	
	For Revenue 1867.....	515.03	
	For Revenue 1868.....	526.44	
	For Revenue 1869.....	1,141.70	
	For Revenue 1870.....	74,411.14	
	For Revenue 1871.....	49,440.65	
	For License Tax.....	11,686.88	
	For Convention Tax.....	633.16	
	For Common School Fund (from fines)..	553.23	
	For School Fund (from sale of lands)..	7,288.41	
	For Seminary Fund, (from sale of lands.)	8,752.88	
	For Penitentiary Fund.....	2,724.29	
	For Commissions Account.....	190.00	
	For Circuit Court Seals.....	7.00	
	For Interest on State Debt (School Fund)	57,330.52	
	For Interest on State Debt (S'm'n'y Fund)	11,182.44	
	For Special Sinking Fund and Int. Tax,	3,748.13	\$275,005.59

The warrants issued during the year amount to..... \$410,491.19

viz :	Criminal Prosecutions.....	4,423.17	
	Jurors and Witnesses.....	30,874.23	
	Contingent Expenses Circuit Court.....	904.82	
	Contingent Expenses Supreme Court....	705.50	
	Contingent Expenses State.....	75.00	
	Contingent Expenses Governor.....	11,000.00	
	West Florida Seminary Fund, Interest...	2,777.43	
	East Florida Seminary Fund, Interest...	3,407.50	
	Maintenance of Lunatics.....	3,101.65	
	Post Mortem Examinations.....	20.00	
	Salaries, Executive Department.....	21,096.64	
	Salaries, Judicial Department.....	37,294.09	
	Salaries, Military Department.....	1,875.00	
	Repairs of Capitol.....	999.97	
	Interest State Debt (School & S'm'n'y Fu.)	68,512.96	
	Fund for Clerk Supreme Court.....	375.00	
	Printing.....	12,782.68	
	Common Schools.....	70,547.82	
	Expenses of Penitentiary.....	51,856.24	
	Expenses Collection of Revenue.....	1,374.19	
	Expenses Bureau of Immigration.....	3,880.00	
	Expenses Legislature (Extra Session 1868)	10.00	

Expenses Adj. General's Department....	1,225.81	
Revenue Refunded.....	44.17	
Expenses Preparing Digest Laws of Fla.,	500.00	
Expenses Printing Digest Laws of Fla.,	7,888.00	
Act for Relief of Geo. W. Driggs.....	1,200.00	
Appropriation to A. L. Woodward.....	100.00	
Appropriation to L. W. Rowley.....	200.00	
Appropriation to J. W. Yearty.....	124.00	
Expenses of Impeachment.....	1,830.12	
Expenses Boards of Registration and Judges of Election.....	45.00	
Expenses Safe for Comptroller's Office...	1,500.00	
Expenses of Election.....	561.87	
Appropriation to Dennis & Barnes.....	590.25	
Expenses 1st Session 16th Legislature....	62,256.78	
Expenses Printing Bonds.....	2,031.30	
Expenses Printing Supreme Ct. Rep.....	2,500.00—	\$410,491.19
1872.		
Jan. 1.—The warrants issued for the fiscal year 1871, amount to		\$410,491.19
Amount of Warrants and Treasurer's Certificates outstanding January 1st, 1871, as per last report,		276,325.28
Total,.....		\$686,816.47
1872.		
Jan. 1.—Amount of Warrants and Treasurer's Certificates re- deemed by Treas.,.....		\$327,924.27
Total amount of Warrants and Treasurer's Certifi- cates outstanding, Jan. 1, 1872,.....		\$458,892.20
<i>School Fund—Capital.</i>		
1878.		
Jan. 1.—Balance in Treasury as per last report,.....	\$14,528.64	
Receipts during the fiscal year 1871,.....	7,288.41	
Total,.....		\$21,817.05
<i>School Fund—Interest.</i>		
1872.		
Jan. 1.—Balance in Treasury as per last report,.....	\$14,145.18	
Interest collected to July 1, 1871,.....	57,330.52	
Amount of Warrants issued during fiscal 1871,	\$71,475.65	
Balance unexpended,.....	70,547.82	
		\$927.83
<i>Seminary Fund—Capital.</i>		
1872.		
Jan. 1.—Balance in Treasury as per last report,.....	\$1,970.38	
Receipts during the fiscal year 1871,	8,752.85	
Total,.....		\$10,723.23

Seminary Fund—Interest.

1872.

Jan. 1.—Balance interest due.	\$2,861.97
Interest collected to July 1, 1871,	11,182.44
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Amount of Warrants issued during fiscal year 1871,	\$14,044.41
	6,184.93
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Balance due,	\$7,859.48

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STATEMENT of Bonds funded under act of 26th January, 1871,
entitled "An Act relating to the Finances of this State."

Bonds No. 1 to 1,619, inclusive.	\$161,900.00
Interest accrued on said bonds, funded.	10,048.51
Certificates issued from this office for purposes of making change in funding, now outstanding..	844.89—\$172,793.40
Comptroller's warrants funded and cancelled.	172,793.40

In my report I have stated the amount of floating debt to be \$458,892.20. This amount includes all warrants and certificates not paid into, or redeemed by the Treasury. The amount, however, is less by the amount funded, viz: \$172,793.40. So that the amount still in circulation is,

Amount reported by me as floating debt.	\$458,892.20
Less amount funded and cancelled.	172,793.40
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Actual amount still out.	\$286,098.80