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Annual Report of the Comptroller.

Continued from 4th page.

The loans on mortgage, have been diminished by payments into the Treasury to $3,383,745 69, which with other investments and money in the treasury, make up the sum of $4,014,520 71, originally received from the United States; and the sum advanced from the Treasury to make up the fourth instalment, which was withheld by the United States has been retained out of said payments into the treasury.

BANK FUND.

It will be seen from the following statement, that the stock issued on account of this fund was reduced in the last fiscal year $121,132 45, leaving $779,696 22 now outstanding, to be redeemed from the balance in the Treasury, and the future contributions of the banks. To this sum is to be added the outstanding claims against the bank of Watervliet, for which stock has not yet been issued, estimated to amount to about $80,000. Doubts having existed as the validity and extent of one of the principal claims against that bank, the question has been submitted by the consent of all parties, to William L. Marcy, as sole referee. The case involves important legal principles, and an examination of intricate accounts and witnesses. When the balance actually due from this bank shall have been accurately ascertained, it will become the duty of the Comptroller to issue Safety Fund stock for the amount. There is little reason to doubt that the future contributions of the banks will be found fully adequate to redeem all the existing claims upon the fund. The Comptroller is of opinion that authority should be given to invest any accumulations of money belonging to the Bank Fund, in the purchase of outstanding stock, under certain restrictions to be defined by law.

Bank Fund.

Balance of six per cent stock issued on account of the Bank Fund, per chap. 114, Laws of 1845, remaining unpaid and redeemable as follows:—		
1850	$100,000 00	
1851	27,278 42	
1852	24,414 00	
1853	6,154 00	
1854	7,936 30	
1855	417,500 00	
1856	55,822 82	
1857	100,047 36	
1858	41,641 13	
		$779,696 22
Amount invested in 5 per cent State stock, redeemable in 1858	$25,000 00	
Amount of balance due on Comptroller's bonds, the payment of which has been assumed by Union College	13,036 16	
Assets of the City Bank of Buffalo	60,852 24	
Money in the Treasury	7,443 22	106,331 62
Debt of the Fund on the 30th September, 1849		$673,364 60

To the above is to be added the amount of the debts of the Watervliet Bank, for which stock has not yet been issued, estimated at about $80,000.

The following statement shows the amount that has been charged upon the Bank Fund, for redemption of bills and payment of debts of sundry insolvent banks.

Banks.	Redemptions.	Debts.	Total.
Bank of Buffalo	$435,491 00	$149,241 22	$584,732 22
City Bank of Buffalo	217,106 48		217,106 48
Com'l Bank of Buffalo	186,816 00	424,614 87	611,430 87
Com'l Bank of N. York	120,835 00	146,159 23	266,994 23
Wayne County Bank	113,129 00	16,677 70	129,806 70
Com'l Bank of Oswego	163,068 00	78,351 63	241,419 63
Bank of Lyons	52,791 00	40,053 08	92,844 08
Watervliet Bank	123,234 16		123,234 16
Clinton County Bank	71,826 00	155,357 39	226,183 39
La Fayette Bank, N. Y.	38 00		38 00
	$1,563,366 64	$1,010,625 12	$2,573,991 76

MARINERS' FUND.

This fund consists of the following items, viz:—

Mortgage of the American Seamens' fund society (without interest,)	$10,000 00
Money in the Treasury	164 81
Money in the Treasury, under protest	144,058 98
	$154,223 79

The Supreme Court of the United States having decided, that the law of this State imposing a tax upon passengers from foreign countries, was repugnant to the provision of the Federal Constitution, which vests in Congress the exclusive power to regulate commerce with foreign nations, the last Legislature adopted a new system intended to avoid the constitutional difficulty, and at the same time to provide the means for relief of the increasing numbers of destitute and diseased immigrants landing upon our shores, without throwing the entire burden of their support upon the community. Whilst the act passed April 10, 1849, interposes no prohibition, to prevent the landing of passengers from other countries, it requires the owner or consignee of the vessel from which they shall have landed, to execute a bond with sureties to the Commissioners of Emigration, conditioned to indemnify the Commissioners from any cost which may be incurred for the relief or support of each passenger, within five years from the date of the bond; but in case such owners or consignees shall so elect, they are permitted to commute, by paying one dollar and fifty cents for each passenger reported by the health commissioners. The moneys arising from the commutation thus authorised, are confided to the administration of the Commissioners of Emigration; and it is gratifying to state that the funds realized from this source have proved sufficient thus far, to fulfil the humane and liberal intentions of the Legislature, and to avert the evils which were apprehended from the adverse decision of the federal court.—No serious resistance has been made to the execution of the present law. On the contrary, it is highly to the credit of our principal shipping merchants, that they have cheerfully complied with its provisions, and yielded to the officers charged with its execution, an enlightened and generous support.

It will be perceived that there is now remaining in the Treasury the sum of $144,058 98, which was paid under protest, prior to the decision of the Supreme Court of the United States, on the question of jurisdiction.

Application will doubtless be made to the Legislature for the repayment of these moneys to the masters or owners of vessels from whom they were received.

One suit has been commenced for the recovery of a small portion of the fund, since the last session of the Legislature. As the law stands no appropriation having been made for the purpose, the Comptroller has no authority to meet the demands which have been made upon him by these claimants.

If the Legislature shall be of opinion that the large balance in the Treasury ought to be returned, without a further adjudication of the legal questions involved, a sufficient appropriation should be made for that purpose. It is respectfully suggested, however, that a full and satisfactory examination be instituted, with a view to ascertain the rights of the State and of the parties concerned, before adopting any final action on the subject.

LOANS OF STATE STOCK TO RAIL ROAD COMPANIES.

The following statements exhibit the amount outstanding of stock issued, as a loan of the State credit, for the benefit of railroad companies, exclusive of the amount heretofore assumed by the Treasury, and included in the General Fund debt.

The amount of these loans, including $70,000, issued to the Tioga Coal and Iron Mining and Manufacturing Company, is $920,000.

It affords the Comptroller much pleasure to state that the interest on the stock continues to be paid with commendable punctuality, by the respective companies for whose benefit it was created. The annual contribution to the Sinking Fund, for the final payment of principal, which was payable on the first day of January last, by the Hudson and Berkshire Railroad Company, has not yet been paid. The Comptroller has called attention of the company to this subject, and he indulges the hope that they will no longer omit to comply with the law in that respect. The amount advanced from the Hudson and Berkshire Railroad Sinking Fund, for the payment of the interest due on the first of January and July, 1847, has not been refunded.

Auburn and Rochester Railroad Company Sinking Fund.

This fund consists of the following items, viz:

State stock:—		
5 per cent, redeemable in 1858	$13,347 00	
6 per cent, do 1860	4,000 00	
		$17,347 00
Comptroller's bonds:—		
5 per cent, payable on demand	$8,147 00	
6 per cent	10,[illegible] 00	
		18,[illegible] 00
Money in the Treasury		7,[illegible]
		$[illegible]

Tonawanda Railroad Company Sinking Fund.

This fund consists of the following items, viz:

State stock:—		
5 per cent, redeemable in 1858	[illegible] 00	
5 per cent do 1861	500 00	
6 per cent do 1860	1,000 00	
		[illegible] 00
Comptroller's bonds:—		
6 per cent, payable on demand	[illegible] 00	
6 per cent do	[illegible] 16	
		7,[illegible]
Money in the Treasury		[illegible]
		$[illegible]

Long Island Railroad Company Sinking Fund.

Hudson and Berkshire Railroad Company Sinking Fund.

This fund consists of the following items, viz:

State stock:—		
5 per cent, redeemable in 1858	$3,260 00	
6 per cent, redeemable in 1860	3,000 00	
		6,260 00
Comptroller's bonds:—		
6 per cent, payable on demand		6,134 77
Money in the Treasury		1,264 84
		$12,659 61

Tioga Coal, Iron Mining and Manufacturing Company Sinking Fund.

This fund consists of the following items, viz:

State stock:—	
5 per cent, redeemable in 1861	$700 00
Comptroller's bond:—	
6 per cent, payable on demand	287 82
Money in the Treasury	158 83
	$1,146 65

This fund consists of the following items, viz:

Comptroller's bonds:—		
5 per cent, payable on demand	$3,000 00	
6 per cent	2,231 26	
		5,231 26
Money in the Treasury		1,969 61
		$7,200 86

Bonds of the Hudson and Berkshire Railroad Company.

The act of December 14, 1847, authorized this company to issue bonds for $175,000, for the improvement and re-construction of the road, which bonds were to have a priority over the State lien, on being countersigned by the Comptroller. It was made the duty of the Comptroller, by this act, to countersign the new bonds on receiving certain proofs of expenditures, &c. At the date of the last annual report, $163,000 had been countersigned and issued.

The company having furnished the requisite evidence of a compliance with the terms of the law, the remaining $12,000 were countersigned in this office, on the 5th day of April last.

Delaware and Hudson Canal Company.

The payment of the stock loaned to this company has been fully provided for. At the date of the last annual report, there remained unpaid $300,000. The funds for its redemption have been deposited by the company, and notice issued to the holders of the stock to present it for payment on the first day of January.

In closing this account, the Comptroller would avail himself of the occasion to pay a deserved tribute to the fidelity of the company in the honorable discharge of its obligations. The directors have met their creditors and protected the State, with a degree of promptitude alike worthy of praise and imitation.

Fund for the Payment of interest on the Bonds issued by the New York and Erie Railroad Company.

The balance remaining in the hands of the Comptroller, in trust for the payment of interest on the bonds issued by the New York and Erie Railroad Company, in pursuance of chapter 325, Laws of 1845, (on the 15th November, 1849,) is as follows:—

Amount invested, viz:—		
4½ per cent. State stock	$30,003 15	
5 " "	73,536 28	
5½ " "	56,100 00	
6 " "	147,215 00	
6 " Comptroller's bond	23,250 00	
		$330,104 43
Balance in the Merchants' Bank, New York, for the payment of the interest ($210,000,) due on the 1st May and 1st November, 1849, for which the coupons have not yet been received by the Comptroller		218,726 34
		$548,830 77
The amount of the accruing interest on the bonds from the 1st November, 1849, to 1st May, 1851, being the period for which this fund is intended to secure the payment of the same, is		$223,054 79
And the amount held by the Comptroller, in trust, as per above statement, is viz:		
Amount invested	$330,104 43	
Balance uninvested, after deducting the interest due 1st May and 1st Nov. 1849	8,726 34	
		338,830 77
Excess over the accruing interest, of		$115,775 98

SCHOOL AND GOSPEL FUND OF THE STOCKBRIDGE INDIANS.

The amount of this fund is invested in a bond issued by the Comptroller, payable at pleasure, bearing interest at 6 per cent ... $6,000 00

INDIAN ANNUITIES.

By the several treaties with the following Indian tribes, annuities are annually payable to them, viz:—

The Cayugas	$2,300 00
The Onondagas	2,430 00
The Senecas	500 00
The St. Regis	2,131 60
	$7,361 60

It would require an investment of $122,694 87, at six per cent, to produce a sum equal to the amount of the above annuities, which is stated as a part of the General Fund State Debt.

THE BANKING SYSTEM.

Among the varied public interests to be affected by legislative action, there is none more complex in its nature, or more important in its bearing upon the general prosperity, than the currency created by our banking institutions. The subject is intimately connected with the trade, property and business pursuits of the people; and every citizen is directly concerned in having the circulating medium established on a solid basis and regulated by correct principles of finance. Our past legislation shows, that while no public question has attracted a larger share of attention, public opinion in regard to it has been peculiarly conflicting and variable. Enlightened statesmen and experienced financiers have advocated theories the most dissimilar; the experience of every country has been adduced in support of favorite systems; but as yet, none has been presented which commands universal assent. To create a circulating medium sufficient to sustain and facilitate the legitimate business of the community, and at the same time to ensure its safety and convertibility amid all the fluctuations of trade, was the uniform motive of our changing State policy on the subject of banking. It was believed, for a series of years, that this result had been attained by the successful working of the Safety Fund system. But the Safety Fund was exhausted, including its future revenues, by a few disastrous failures. Ten banks, in addition to the entire loss of their own capital, amounting to $2,800,000, imposed a further loss upon the fund of more than 2½ millions. The degree of bankruptcy exhibited by these institutions, was astounding and almost inconceivable. Yet it has been shown, that the Safety Fund would have proved sufficient to fulfil the original design of ensuring the redemption of the bank note circulation, if it had been devoted exclusively to that purpose. The destruction of the fund should be attributed to the fact, that all the liabilities of the banks, however illegitimate or extraordinary, were made chargeable upon it; and an unnatural credit was thereby given to unsound and speculative institutions, which enabled them to expand their affairs to an inordinate extent, without reference to their intrinsic resources.

The Safety Fund system was virtually abandoned by the creation of the Free Banking system which has grown up under the act of 1838.

The distinguishing feature of this new system, is its requirement of productive and available securities to be pledged with a State officer, as a guaranty for the redemption of the whole circulation. This principle has been tried and tested by nearly twelve years experience, and may now be regarded as firmly established in public estimation, as the basis of all future legislation on the subject of banking. The plan originally introduced by the general banking law of 1838, was defective in many of its details, and new legislation has been required from year to year to construct, strengthen and perfect it. The Legislature aimed, at the outset, to require sufficient and unquestionable security for the entire circulation. It was then conceived impossible that any American State would repudiate its obligations, and no one suspected that any of the States would fail in the prompt payment of interest. The stocks of all the States were admitted, therefore, as a basis of circulation. This error proved disastrous, and was almost fatal to the system, during the earlier period of its operation.

In the first year, several States, whose bonds had been deposited with the Comptroller for the protection of the bill-holders, suspended the payment of interest; their stocks depreciated to a point almost nominal; and the result was seen in the failure of many of the banks, in the years 1839 and 1840.

The public sustained a heavy loss, and stockholders were involved in irretrievable ruin. It has been considered a matter of wonder that the shock thus given to the experiment of free banking, did not result in its entire overthrow and abandonment. Such must have been the effect but for the elastic energy and capacity which our people display in retrieving transient reverses, and guarding against their recurrence. The Legislature of 1840 preserved the system, by excluding the stock of other States after that period, and requiring the banks to deposite stocks of this State. The basis has been improved by successive acts of legislation, until the security demanded by law is of the highest character in point of value and availability. It is true that one-half of the amount pledged may consist in bonds and mortgages—but these must be productive property, for an amount not exceeding two-fifths the appraised value, nor for more than $5000 each, and bearing seven per cent interest. Whilst these securities are not as promptly convertible as stocks, it is impossible that any considerable loss should occur on mortgages of the description now exacted, and it is believed they will prove a sufficient reliance, so long as proper vigilance is exercised in respect to the value and title of the premises. The remaining half of the circulation must be secured by stocks of this State; or an equal proportion of this State and the United States, and this must bear, or be made equal to, at least six per cent interest. Government stocks of this character command, and there is no reason to doubt they will continue to command, a high premium in the money market. Indeed, the rapid advance in the value of New York and United States stocks renders it difficult, even now, for the banks to furnish the requisite deposits without an investment of funds which many regard as disadvantageous. This difficulty will increase from the gradual diminution in the supply of these stocks in market, and the steady increase in the demand for banking purposes. The financial policy established by the constitution compels an annual reduction of the State debt, and it will be virtually extinguished before the last of the Safety Fund charters will expire. There is no reason to doubt that the debt of the Federal Government will disappear, by gradual reductions, in the next fifteen or twenty years. A serious question is therefore presented, which cannot be long deferred, as to the species of security which shall form the basis of our circulating medium, in place of the stocks now required, and which of necessity must be withdrawn. On this point the Comptroller does not feel called upon or authorized to advance an opinion, although it has been intimated to him that the subject will be presented to the Legislature at this session. He conceives it to be his duty, however, to express a strong conviction that the public interest and safety require the exercise of a rigid and cautious discrimination in providing a substitute for the superior class of securities now deposited. If the door is to be opened, it should be done with extreme circumspection. No new form of investment should be admitted which will not readily and certainly command the par value, even in an adverse state of financial affairs. The law of 1849, which authorizes the Safety Fund banks to reorganize as their charters expire, and avail themselves of the privileges created by the general banking law, by a gradual deposite of securities for three years, will greatly facilitate the transition from the one system to the other. Yet it is not to be disguised that the tendency of this change is to diminish materially the banking facilities enjoyed by the community. To the extent that the chartered banks are required to transform their present capital into permanent securities, as a pledge for the redemption of their bills, they must deprive themselves of the means now employed in the regular operations of banking. But it is hoped that this vacuum may be supplied without serious derangement or embarrassment, by the gradual accumulation of surplus capital among the people, which will seek employment in the banking business. The charters of four of the Safety Fund banks expire with the present year, and it is understood that the stockholders of three of these institutions will continue business under the general banking law. The act of last winter, intended to give effect to the constitutional provision subjecting stockholders to a personal liability in case of failure, after the present year, adds a new element of strength and safety to our banking system. It is conceived that the limited liability thus imposed, so far from being detrimental, will prove beneficial to the interests of the stockholders themselves. Its effect must be to induce a more vigilant supervision of the affairs of the banks, by those who are so deeply interested in their prudent management. Greater care will naturally be exercised in the choice of directors and officers, accompanied by a more rigid accountability of agents. The wisdom of this amendment will, it is confidently predicted, be fully confirmed by experience. It will prove efficacious as well to the proprietors of the banks as to the public. If this principle had been in force for the last ten years, who can doubt that some of the most flagrant and disastrous failures of banks would have been averted?

Annexed to this report is a copy of a circular, (marked P.) addressed by the Comptroller to the several banks in relation to the two acts of the last session above referred to.

The principle of the general banking law, having been established by the deliberate approbation of the public, as the settled policy of the State, new provisions ought not to be engrafted upon it without mature consideration. But some amendments have been and may continue to be found necessary, from year to year, to meet unforeseen contingencies, to prevent abuses, and to simplify the practical operations of the measure. The Comptroller is of opinion that no essential alteration of the law is needed at the present time. Yet he feels it his duty to call the attention of the Legislature to a branch of the subject, which is believed to require some further action. The first section of the act passed April 12, 1848, requires that all banking associations, or individual bankers, organized under the law of 1838, shall be banks of discount and deposits, as well as of circulation, and that their usual business of banking shall be transacted at the place specified in the certificate of location. But as the law fails to prescribe a specific penalty for the violation of this provision, it has been, in some instances, evaded or wholly disregarded with impunity. It appears, from the returns made to this department, that several banks do not pretend to the character of banks of discount and deposite.—Whilst some show an entire absence of discounts and deposites, others report a mere nominal amount, intended apparently as a technical compliance with the law. In some instances, it is well known that no business of banking is carried on at the location fixed by the certificate on file, and that no person residing there, has any pecuniary interest in the bank, beyond the compensation which may be allowed to some convenient agent to sign reports and powers of attorney. This class of banks generally claim to be located at remote points, not conveniently accessible, while their owners reside in the commercial cities; and their whole business consists in issuing the circulation obtained from the Comptroller. Whilst they are subjected to taxation in the place of their pretended location, the collectors have been unable, in some cases, to find a dollar of funds or property for the payment of the tax. The Comptroller respectfully submits to the Legislature, whether these operations shall be permitted—or shall the existing prohibition be made effective by adding the necessary guards and penalties?

It may be said, in support of the license now enjoyed by this portion of free bankers, that they deposite undoubted security for the redemption of their bills. It is contended on the other hand, that they furnish no loans and afford no facilities in aid of industry and enterprise; and that as their notes supplant the circulation, they diminish the business and usefulness of those who are engaged in the legitimate pursuits and functions for which banking institutions are designed. Whatever opinion may be adopted in this respect, there can be no doubt that the present prohibition ought either to be repealed, or carried into effect. The habitual violation or evasion of a plain law, is too demoralising to be permitted. If the law is unwise, it should be repealed; if it is deemed worthy of continuance, means should be given for enforcing it. The Comptroller conceives that he has done his duty in presenting the subject to the consideration of the Legislature, for such action as their wisdom may suggest.

The act of 1838 is imperfect in another particular, and proper provision should be made without further delay to remedy the defect.

Since the passage of the law, thirty-one banks have failed, and were closed by a sale of the securities pledged with the Comptroller. In most of these cases, the proceeds of the securities were insufficient to redeem the entire circulation; therefore a *pro rata* dividend was paid to the bill holders and certificates issued for the balance, payable out of any additional means which the banks may have possessed. But in every instance, a small portion of the circulating notes are still outstanding. The presumption is that they are mostly lost, and will never be presented. The question is, what shall be done with the funds remaining in the Comptroller's hands for their redemption? The amount thus held is $32,819 79, belonging to thirty banks, and as a majority of the failures occurred almost ten years ago, there is no probability that this balance will be called for by the bill-holders.

The law omits to prescribe any mode of proceeding for a final settlement and distribution of these funds. The Comptroller respectfully recommends that authority be given to bring the accounts of broken banks to a close, after a reasonable period, on just and equitable principles. It is suggested, that after the expiration of six years, final notice should be issued to bill-holders, to present the notes by a given day; and that the balance then remaining, be divided *pro rata* upon the outstanding certificates. If a further balance shall remain, after a reasonable notice to the certificate holders, it might, with great propriety, be carried to the fund applicable to the ordinary expenses of the Free Bank Department.

INCORPORATED BANK DEPARTMENT.

The statement hereto annexed, marked L, exhibits the names of the several incorporated banks, the capital and circulation of each, the dates at which their respective charters will expire, and the names and residence of their redeeming agents.

It will be seen that the whole number of chartered banks is 77 and two branches; the aggregate amount of their capital is $28,960,860; the amount of circulation to which they are entitled by law is $23,282,400; of which they have, in actual circulation or on hand, (including $699,958 30 of unregistered notes,) the sum of $21,406,861 30.

This statement includes four banks and one branch, with an aggregate capital of $1,300,000, whose charters expire January 1, 1850, viz:—

Bank of Utica and branch	$600,000
Bank of Auburn	200,000
Bank of Ithaca	200,000
Bank of Monroe	300,000

The charter of the Merchants' Exchange Bank, of the city of New York, expired on the first Monday of June last, having a capital of $750,000, entitled to circulate $500,000, and having a circulation on that day of $69,500. The stockholders of this well managed institution, have reorganized the bank, by the same name, under the general banking law; with an increased capital of $1,250,000. The new bank has deposited with the Comptroller for the security of its circulating notes, Stocks of this State to the amount of $154,900, and has assumed the redemption of the circulating notes of the old corporation.

The Brooklyn Bank, under the law of the last session authorising the same, has restored its capital to $150,000, by cash payments, and is now entitled to a circulation of $175,000.

No other changes, and it is gratifying to add, no failures have occurred, in the incorporated banks, since the date of the last annual report from this office.

The circulation of the Canal Bank of Albany, which failed in 1848, has been provided for by the Receiver from the assets in his hands, and it is estimated that the surplus will be sufficient to make a dividend of about forty per cent among the remaining creditors.

There have been received, counted and burned, in this Department, during the year ending 15th December inst., 753,312 mutilated bank notes, amounting to $4,036,933; and during the same period there have been countersigned, numbered and registered, 683,934 new notes, amounting to $4,530,754, and delivered to the banks entitled to the same. This vast amount of labor, has been performed by the principal register, aided by but one clerk during the larger part of the year, with the occasional assistance of the bookkeeper and of one other person employed in numbering. The large increase of business made it necessary to employ an additional clerk, whose term of service commenced in August last. The expenses of the department during the year were $4,700 35, which amount was refunded to the Treasury at the close of the fiscal year, by drawing on each bank for its ratable portion according to law.

FREE BANK DEPARTMENT.

The whole number of banking associations, doing business under the general banking law, is 58; the number of individual bankers, 55, making an aggregate of 113 banks. The whole amount of circulating notes, countersigned in the bank department, and issued to the banks, was on the 1st day of December, 1849, $11,180,675, for the redemption of which, securities have been deposited with the Comptroller, in trust, amounting in the aggregate to the sum of $11,916,806 39, viz:—

Bonds and mortgages		$1,653,044 48
New York State stocks, 4½ per cent		207,276 65
do	5 do	4,139,462 39
do	5½ do	563,500 00
do	6 do	2,141,616 35
do	7 do	7,070 00
United States stocks,	5 do	642,116 86
do	6 do	590,500 00
Illinois State stock,	6 do	648,075 44
Michigan do	6 do	249,282 00
Arkansas do	6 do	424,000 00
Indiana do	2½ & 5 do	8,680 01
Alabama do	5 do	34,000 00
Cash in deposite		149,333 33
		$11,916,806 39

The whole amount of securities held in trust for the free banks on the 1st December, 1848, was $10,640,182 45. The following new securities were deposited, during the year ending December 1st, 1849, viz:—

New York State stocks	$1,097,191 00
United States do	1,205,646 86
Illinois do	5,729 40
Michigan do	10,000 00
(These Michigan and Illinois bonds were taken in settlement of interest on bonds hypothecated with the Comptroller previous to 1840.)	
Bonds and mortgages	248,007 03
Cash in deposite, received in payment of bonds and mortgages, and State stock, which fell due July 1, 1849, to be held till the banks entitled thereto return their bills, or deposite other securities	99,427 33
	$2,579,966 11

The following securities were withdrawn during the year ending Dec. 1, 1849:—

New York State stocks	$1,096,568 47	
United States do	99,900 00	
Illinois do	5,000 00	
Michigan do	3,336 00	
Bonds and mortgages	108,437 00	
		1,303,311 47
Total increase of securities the last year		$1,276,622 94
Total amount of circulation December 1, 1849	$11,180,675 00	
do do do 1848,	9,993,762 00	
Increase of circulation from December 1, 1848, to December 1, 1849		1,186,913 00

For a statement in detail of the securities held by the Comptroller, in trust, for each of the banks, and the amount of circulating notes issued to each, see annexed statement, marked M.

There were numbered, registered and countersigned in this department, during the year ending December 1, 1849, 1,094,461 circulating notes, amounting to $3,501,573, viz:—

In exchange for mutilated bills, which have been counted and burned	$2,314,660
On securities deposited	1,186,913
	$3,501,573

The following new banking associations and individual bankers have commenced business under the general banking law, during the year, viz:—

Associations.

Merchants' Exchange Bank, New York.
Broadway Bank, New York.
Bank of Pawling, Pawling.
Commercial Bank of Whitehall, Whitehall.
Watertown Bank and Loan Company, Watertown.

Individual Bankers.

Dutchess County Bank, Amenia.
Hartford Bank, Hartford, Washington county.
Oswego County Bank, Granby.
Putnam Valley Bank, Putnam county.

The Associations have deposited the following securities, viz:—

New York State 5 per cent stock	$27,000 00
do do 6 do	11,449 00
do do 6 do	342,350 00
United States, 6 do	77,405 53
do 5 do	101,600 00
Bonds and mortgages	49,150 10
	$608,256 65
Circulating notes issued on the above	601,061 00

The individual bankers have deposited the following securities, viz:—

New York State 5 per cent stock	$56,100 00
" 5 "	61,625 00
" 6 "	19,000 00
" 6 "	49,000 00
United States 6 "	55,000 00
	$240,725 00
Circulating notes issued on the above	$235,749 00

Two individual bankers have given notice of their intention to close up their business, and have returned a portion of their circulation, viz:—

Warren County Bank.
Franklin County Bank.

Only one bank failure has occurred during the last year. In the month of November, Walter Joy's Bank at Buffalo, suspended payment, and closed its doors. The amount of its circulation was $50,000, which was wholly secured by New York stocks.—Arrangements were promptly made to redeem the bills from the stock hypothecated with the Comptroller, and they have been paid, without interruption, at the former agency of the bank in this city. The premium on the stock will yield a surplus of $2,000 to $3,000.

In 1848, the canal tolls collected at Black Rock, were deposited in this bank. The unusual amount of tolls received at the Black Rock office in that year, created a larger deposite than the Canal Board originally contemplated. The balance due to the State at the time of the failure was $60,000. As early as April last, some apprehensions were felt by the Commissioners of the Canal Fund, as to the safety of the bank, and decisive measures were adopted to obtain further security for the payment of the deposite. Collateral securities, which are estimated to be ample, were assigned to the State, and although some delay will be experienced in realizing the funds, no doubt is entertained of the ultimate payment of the whole debt.

The expenses of the Free Bank Department during the last fiscal year amounted to $12,930 37, for which drafts are made on the several banks according to law. It will be perceived from the foregoing statements, that there has been a large increase in the business of the department.

New securities were deposited to the amount of more than 2½ millions; and the actual increase of circulation was $1,186,913. The labors devolved upon this branch of the office, are peculiarly arduous and responsible, as may be inferred from the large amount of new notes prepared and issued; the return of mutilated bills to be examined and destroyed; the exchange and withdrawal of old and the deposites of new securities; the superintendence and collection of principal and interest, and the affairs of the insolvent banks, to which may be added the correspondence and accounts resulting from these various transactions. The clerks employed in this service have labored with an efficiency and fidelity worthy of public acknowledgment. In view of the importance of the trust confided to the Chief Register, who is charged with the principal supervision of the department, the Comptroller has deemed it his duty to increase the salary of that officer to $1,500 per annum. It is believed, that none of the banks, by which the expenses of the department are paid, will object to this increase of compensation, when they consider the responsibility of the office, its incessant labors and the high qualifications required for the correct and satisfactory discharge of its duties. To the Chief Register is confided the custody of nearly twelve millions of productive securities; the receipt and transmission of money to an enormous amount, and daily transactions of the utmost importance to the banks and the public.—The Comptroller would deem it unwarrantable to commit the affairs of the department to an agent whose time is of less value than the compensation paid to the present capable incumbent.

The statement annexed, marked N, shows the amount of moneys remaining in the hands of the Comptroller for the redemption of the circulating notes of the insolvent banks.

INSURANCE COMPANIES.

By the act passed April 10, 1849, "to provide for the incorporation of insurance companies," an important and difficult duty was imposed upon this office. The Comptroller regrets, that the administration of the law had not been committed to some one of the other State departments, as the duties of this office were already sufficiently multifarious and arduous. The phraseology of the act is in some respects obscure and indefinite, and considerable embarrassment has been experienced in carrying its provisions into effect. After prescribing the amount of capital to be possessed by companies formed in this State, and various requirements as to the manner of its investment, the law provides that it shall not be lawful for any agent or agents of insurance companies, incorporated by other states, to transact any business of insurance in this State, without first procuring from the Comptroller a certificate of authority. This certificate is to be granted only on satisfactory proof that such company is possessed of the actual amount of capital required of companies organized under the laws of this State. The company applying for a certificate is required to furnish a statement, verified by the oath of its president or secretary, showing the amount of its capital; whether the same is impaired, and if so, to what extent. To determine what constitutes satisfactory proof on this point, is attended with much perplexity. The real amount and solidity of the capital possessed by remote companies, is not, in all cases, a problem of easy solution. The question must be decided upon the information furnished by the companies themselves. Their statements never fail to exhibit the nominal amount required by the law; but it must be obvious, that in the absence of any power to test the accuracy of these reports by an actual examination and knowledge of the value of the securities and investments, erroneous conclusions are sometimes unavoidable.

Most of the statements heretofore presented, are confined to an exhibit of the amount of capital, and the nature of the securities, with an affidavit of the officers of the company that the same are unimpaired. It has been assumed that the certificate of authority is to be issued upon a mere showing of the assets, without any disclosure of losses or liabilities. It must be admitted that the language of the law leaves some room for doubt as to the extent of the information to be furnished to the Comptroller, as a basis for his certificate of authority, and this doubt should be removed by further legislation.

A brief experience has shown, that if nothing is required but a report of the capital of a company, without an exposition of its liabilities and affairs, the law must fail to afford any adequate protection to the public, and the intention of the Legislature will be frustrated. The correctness of this opinion will be shown by referring to a recent instance of successful fraud. On the fourth day of June last, a statement was presented by the Protection Insurance Company of New Jersey, shewing a capital of $187,411 88 invested in stocks and other securities, represented to possess ample intrinsic value.

The report was verified by the affidavit of the secretary and the certificate of the county judge. Relying upon the evidence thus produced, and believing the company to be in a sound and flourishing condition, the Comptroller issued a certificate of authority, under which, he regrets to add, gross impositions were subsequently practised, not only in our own community, but in other States. In October the company failed, and it appears from investigation that it possessed no real capital. Its exhibit of securities was false and deceptive, presenting stocks which were fictitious, and investments which cannot be found. The parties to this fraud ought, and it is hoped they may be subjected to condign punishment. But as the perjury was committed in another State, where our laws are inoperative, it is not perceived how this offence is to be visited with the penalty it deserves.

Many, and it is believed most, of the companies of other States, doing business here by their agents, are controlled by men of high character and responsibility, whose statements of their condition are entitled to full confidence. But the law had its origin, and must find its justification, in the fact that some of these companies are of a different character. Some instances have come to the knowledge of the Comptroller, where such companies have been formed, with little or no real capital, and with no view to the transaction of a legitimate business at home, but for the speculative, not to say fraudulent purpose of gathering a harvest of premiums in other States.

Deeming it necessary to require a more complete exhibit of the assets, liabilities and affairs of the companies creating agencies here under the law, before deciding upon the sufficiency of their capital, the Comptroller has issued a circular, of which a copy is hereunto annexed, marked P.

It is difficult to perceive how a satisfactory decision shall be made, whether the capital of a company is impaired, or to what extent, without the information thus called for. Unless the opinions of the officers of the company are to be adopted without further question, the proposed data become indispensable to the formation of a correct opinion. Some of the companies to be affected by the proposed regulations, object to the requirement which gives publicity to the amount of their profits, losses, dividends and outstanding policies. But whilst similar returns are required yearly from our own companies, with more minute details, it is not perceived that any good reason exists why companies in other States, seeking to increase their profits by extending their business through agents acting under the protection of our laws, should not furnish a clear and intelligible account of their condition.

The manifest design of the Legislature was to place foreign companies on a footing of equality with our own. More than this cannot be claimed on principles of justice or comity. The publication of the statements on which the certificate of authority is granted in all the counties where agencies are established, is objected to by several companies as unnecessary and expensive. It is believed that some of the details furnished to this office, might be omitted with propriety, in the published reports, and a careful revision of the law in this particular, so as to define the extent of the information to be published, is respectfully suggested. Much of the embarrassment encountered under the present law, might be avoided if power were conferred to make a full investigation of the affairs of the companies, by a special agent or commissioner, to be appointed for that purpose, with the consent of the company interested.

Since the law went into effect in May last, four hundred and forty-five certificates of authority have been issued from this office to agents representing thirty-three companies, located in the States of Maine, Massachusetts, Connecticut, Rhode Island, New Jersey, Pennsylvania, Ohio, Kentucky, Tennessee and Georgia.

The correspondence, entries, and other labors incidental to this special duty, are sufficient to employ most of the time of an additional clerk, and it is respectfully recommended that this extra expense be provided for by requiring a reasonable fee for each certificate issued, to be paid into the treasury.

STATE PRISONS.

An exhibit of the receipts and expenditures of the State Prisons, is presented in three statements hereto annexed, marked 2 R. S.

The Comptroller is gratified to state that a decided improvement is perceptible in the management of the Sing Sing Prison.

A considerable saving is shown, which is believed to result from a judicious economy in expenditures. The amount drawn from the Treasury for the support of this prison, during the last fiscal year, was $29,414 07, shewing a large reduction of expense, as compared with some previous years. The whole amount of earnings, during the year, was $53,658 51, and the entire expenditures $82,725 04, including $858 63 paid on old indebtedness.

A final settlement of the accounts of Hiram P. Rowell and Chauncey Smith former agents of the prison, has not yet been made, but it is hoped an adjustment will soon be accomplished.

A suit was commenced in February last against Mr. Smith, to test the accuracy of his accounts, and to compel the payment of the actual balance. Much of the difficulty seems to have originated in the practice of issuing agent's drafts and notes on time, in the transactions of the prison; and it is alleged that paper of this description has sometimes been given when cash payments might have been made in whole or in part from the funds on hand. Such a practice ought not to be tolerated. The power of the agent to issue obligations against the Prison Fund, should be abolished altogether, or restricted to special cases, to be first submitted to the Inspectors for decision.

The pending controversy between the State and Mr. Smith, has been submitted, with the approbation of the Comptroller, to three highly competent referees, viz: William C. Hasbrouck, Samuel J. Wilkin and William Inglis. A day has been fixed for the hearing, and an early decision is anticipated.

The statement of the Auburn Prison exhibits an improvement in its financial condition, and furnishes evidence of a skilful and economical administration. It will be seen that the balance on hand is $10,837 80, and that the earnings for the year exceed the expenditures $5,450 20.

The Clinton Prison continues to require heavy advances from the Treasury. The disbursements for the last fiscal year were $50,123 47, of which sum $9,000 was a special appropriation for previous indebtedness. The receipts for earnings during the year, amount to $9,210 97, whilst $40,592 12 has been drawn from the Treasury. It is due to the agent to express the opinion that these unfavorable results are not to be attributed to any want of capacity or fidelity on his part, but to inherent difficulties and circumstances beyond his control.

The Comptroller is advised by the Inspectors, that the prospects of this prison are improving, and that the amount required for its support will be considerably diminished the coming year. Of the amount advanced in the last fiscal year $22,479 52 was expended in the construction of machinery for the manufacture of iron ore by convict labor, and other permanent improvements; and in the payment of old debts; reducing the expenses for ordinary support to $27,646 95. No further appropriation is required for building purposes, and it is estimated that the amount needed for the ordinary support of the prison for the next year, will not exceed $25,000.

The operation of the Clinton Prison have been seriously embarrassed by the general depression of the iron interest. There is now on hand, belonging to the State, about 1100 tons of ore, which cannot be disposed of in the present prostrate condition of the iron manufacture, without submitting to a heavy sacrifice.

An improvement in the profits of labor employed in this important branch of domestic industry, (which is confidently hoped for from the action of Congress,) would be followed by an immediate and favorable change in the affairs of the prison, and it is believed by many that under better auspices, in this respect, it may support itself mainly from its own resources.

AUCTION DUTIES.

It will be observed that the revenue from this source continues to decline. The entire receipts from auction duties, during the last fiscal year, were $93,025 46, shewing a diminution of $10,876 09 as compared with the previous year. Several causes have been assigned, in explanation of the gradual decrease of duties for some years past. The revenue was seriously impaired by the act of 1846, and the other previous acts reducing the rate of duty. Articles of American manufacture are exempt from the payment of duty, and it is represented that an increased proportion of the goods sold at auction are of this description. Under the present law, every citizen is at liberty to exercise the privilege of selling at auction, on filing an approved bond for the payment of the duties. In ascertaining the amount of goods sold, and the amount of duty paid, the only evidence required is the sworn return of the auctioneer; and thus the law relies, in effect, on the honor and integrity of the party by whom the payment is to be made. In a great majority of cases this is a safe reliance. The auctioneers, as a class, enjoy and deserve a high reputation for probity and an observance of the code of commercial morality which governs the transactions of honorable merchants. It is not to be supposed, however, that this class, more than other trades and pursuits which are open to all, can protect itself from occasional intruders who are unworthy of public or private confidence. It is no disparagement of the auctioneers, as a body, to conclude that some men of doubtful integrity may choose to engage in so profitable a calling; and it is due to the honorable merchant that he should be protected, in his business and reputation, from the fraudulent devices of those who seek to evade their legal and moral obligations. That the present system affords an opportunity for practising frauds upon the treasury, is not to be denied; and there is reason to apprehend that an occasional return is made which does not disclose the whole amount of sales chargeable with duty. To guard against this evil, and in deference to the views expressed in the annual report of my immediate predecessor, the last Legislature by an act passed April 11, 1849, made it the duty of the Comptroller "to cause an examination to be made, as often as once in each year, of the books and accounts of auction sales, kept by the auctioneers who shall have given bonds for the payment of duties on goods sold at public auction," and authorizing the Comptroller to employ such agent or agents as he may deem necessary to carry the act into effect. In pursuance of the law, the Comptroller has appointed competent agents to make the prescribed examination. The first examination is now in progress, and there is reason to believe that an annual visitation of this kind will produce a salutary effect. It may be found advisable to clothe the investigating agent with larger powers than are conferred by the act referred to, with a view to ascertain with greater certainty whether the goods sold at auction are of foreign or domestic manufacture. There is no doubt that some instances have occurred where a larger proportion of the sales are returned as domestic goods, free from duty, than would be confirmed by an accurate inspection. The 9th section of the act passed April 11, 1846, directs that to entitle any goods sold at auction in the city of New York to an exemption from duty, "as goods damaged at sea upon the voyage of importation," the auctioneer shall obtain a certificate from the board of port wardens, that such goods have been examined and found to be damaged so as to be exempt from the payment of duties, and also a statement on oath from the president or secretary of the marine insurance company in which such goods have been insured, stating the fact of such insurance and the amount insured thereon.

It appears that large quantities of merchandise have been sold and returned as damaged goods, free from duty, without complying with either of the conditions now referred to.

Measures have been adopted intended to ensure a more rigid observance of the law in this particular. The Comptroller would recommend a repeal of so much of the ninth section as requires a certificate from the officers of the company insuring the goods. The insurance companies consider themselves under no obligation to furnish such a statement, and frequently refuse to give it on the ground that it might be construed as a legal admission of their liability, before the fact or amount of the damage is ascertained.

THE NEW STATE ARSENAL IN THE CITY OF NEW-YORK.

A statement is hereto appended, marked T, from which it will be seen that the whole amount paid for the erection of the new arsenal is $73,194. It is represented that a small additional appropriation will be required. In making this expenditure, a debt of $30,000 has been contracted, relying upon the fulfilment of the terms agreed upon between the Commissioners of the Land Office and the Common Council of the city of New York in 1848. By that arrangement the real estate occupied by the old arsenal, was to be sold by the city corporation, and the sum of $30,000, out of the proceeds of the sale, was to be paid to the State for the release of its title. But the military companies of the city having objected to an abandonment of the old arsenal, the contemplated sale has not been made. It is understood that a portion of the premises may be sold, of sufficient value to refund the $30,000 advanced by the State, reserving the arsenal buildings and as much of the land as is required for military purposes. The Comptroller does not permit himself to doubt that the city corporation will take such steps as may be necessary to indemnify the Treasury, in accordance with the resolution passed by the Common Council and approved by the mayor in May, 1848.

ACCOUNTS BETWEEN THE STATE TREASURY AND THE CITY AND COUNTY OF NEW YORK.

The books of this office exhibit a balance against the city and county of New York of $113,716 21, on account of the State tax. The principal part of this balance was created by the return of the tax assessed on mutual insurance companies in that city, for the years 1845, 1846, 1847 and 1848.

The former Comptroller refused to place these returns to the credit of the city, in consequence of doubts which were entertained as to the legal liability of mutual insurance companies to taxation, on their accumulated earnings. No proceedings have been commenced to enforce this portion of the State tax, either against the companies, or the city and county. But steps were taken by the corporation of New York to bring the legal question involved, to an adjudication. A suit was instituted in the Superior Court of that city for the purpose, and the court decided that there is no power to tax the funds of this class of corporations, under existing laws.—It is understood that the city authorities have determined to carry the case before an appellate tribunal.

The Comptroller respectfully submits this subject to the Legislature for definite action. It is to be regretted that the question had not been put at rest some years ago, by a statutory provision. It is difficult to discover any ground of justice or public policy, on which this class of institutions should be exempt from assessment on their clear and ascertained profits.

A question will arise, whether the balance above stated ought to be enforced against the city and county of New York, under the circumstances of the case. The Comptroller is of opinion, that it would be unreasonable and inequitable to require payment from the city treasury, in case it shall be finally determined that it cannot be recovered from the companies.

To collect it from the tax-payers of the city, would increase their contributions to the State beyond a just proportion, and operate in effect, as a penalty upon them for the vigilance of their authorities in seeking to bring an additional capital within the reach of taxation, for State as well as city purposes.

ADVANCES FROM THE TREASURY TO THE COUNTIES TO ENFORCE THE LAWS.

There is now due to the State Treasury, on the books of this office, the following sums, paid from the General Fund to certain counties for expenses incurred in enforcing the laws and preserving order, viz:—

Delaware county, amount paid in pursuance of chapter 62, Laws of 1845	$13,401 40
Ulster county, amount paid in pursuance of chapter 62, Laws of 1845	1,764 48
Columbia county, amount paid in pursuance of chapter 60, Laws of 1845	1,945 00
Dutchess county, amount paid in pursuance of chapter 296, Laws of 1849	634 27

The sums due from Columbia and Dutchess are for advances from the Treasury, in the last fiscal year, and will be refunded soon. The counties of Delaware and Ulster claim to be entitled to some further relief, in respect to the balances due from them, for the expenses incurred in 1845, and it is understood that the subject will be presented to the consideration of the Legislature.

EXPENSES OF THE SUPREME COURT.

The increased number of judges, under the new constitution has added a considerable amount to the appropriations of the General Fund for the support of the judiciary. Under the former system, this burthen was materially diminished by the moneys paid into the Treasury, for the fees collected by the clerks of the Supreme Court and the Court of Chancery. The amount received from this source in the year 1846, was $34,696 47.

Since the county clerks have been constituted clerks of the Supreme Court, for their respective counties, no salary being paid to those officers from the Treasury, they are allowed to retain the fees as their compensation for the service performed. The fees received by the Clerk of the Court of Appeals are the only court fees now paid into the Treasury, and the amount realized from this source, during the last fiscal year, was but $1,634 60.

The Revised Statutes (2 R. S., 3d ed., p. 197,) provide for the payment of constables attending the Supreme Court, out of the State Treasury. This provision was made when there was but one court holding four regular terms yearly. Since the creation of a distinct court for each of the eight circuits, the terms have been multiplied and are held in most of the counties of the State. In consequence of this change, the amount paid to constables for attendance is materially increased. The sum paid in the last fiscal year was $2,846 50, of which $1,891, was expended in the city of New York.

From some counties, no claim has been made upon the Treasury for this service; and it is respectfully suggested that a change of the law, which shall make the pay of constables chargeable upon the counties in which the courts are held, would be more convenient and equitable than the present practice. Some claims have been presented recently for the expense of stationery furnished at the sittings of the Supreme Court in some of the counties. In most of the counties, this item appears to have been regarded as a county charge. It is evident that some revision of the law is needed in these particulars, that the burthen may be equally distributed by a uniform and well considered system adapted to the new order of things.

APPROPRIATION FOR IMPROVING THE UPPER WATERS OF THE HUDSON RIVER.

The last Legislature appropriated the sum of $10,000 for the purpose of improving the upper waters of the Hudson, and appointed Daniel Stewart, Jeremy Rockwell and Jacob Parmeter, commissioners to superintend the expenditure. (Chapter 406, Laws of 1849.)

In pursuance of this act, there has been drawn from the Treasury $7000, and considerable progress has been made in the proposed improvement.

It appears from the report of the commissioners, recently made to the Comptroller, that they have expended $5,437 39. There remains $1,562 61 in their hands unexpended, and adding this to the $3000 not yet drawn from the Treasury, there is $4,562 61 of the appropriation applicable to the further prosecution of the work. It is represented that this expenditure will prove to be of great public utility. The work already done has removed some of the most formidable obstacles which endangered and impeded the navigation.

BROOKLYN ORPHAN ASYLUM.

In consequence of an omission on the part of its officers to make the necessary returns to this office in season, the Brooklyn Orphan Asylum did not participate in the distribution of the sum of $5,000 appropriated by chapter 368 of the law of 1849. A circular, briefly stating the requirements of the said act, was transmitted to the several incorporated Orphan Asylums of this State, other than those in the city of New York, on the 7th of May last. On the 6th day of July, the time fixed for making returns having expired, the distribution was made under the erroneous impression that returns had been received from all the institutions contemplated by the law.—Unfortunately for this Asylum, its returns were not forwarded till some days after the distribution had been made. This delay was occasioned by the sickness of one of the officers of the institution.

In view of the circumstances of the case, the Comptroller would recommend that a sum equal to the *pro rata* distribution to the several Asylums being $293 66, be appropriated for the benefit of this institution.

CLERKS IN THE PUBLIC OFFICES.

The statement hereto annexed, marked V, exhibits the names and salaries of the clerks in the several State offices, with the amount of compensation paid to each.

It will be observed that allowances were made, during the last fiscal year, to the clerks in the Comptroller's office, as a compensation for extra and temporary services, of the sum of $2,327 55, in addition to their regular salaries. The larger proportion of this amount was paid for the unusual labor thrown upon the clerks by the tax sale of 1848.—The Legislature made a special appropriation of $1500 for that purpose, and $1200 for the extra labor required in the preparation of the reports called for at the last session, showing the lands conveyed for taxes since 1834, and the double payments of taxes.

These reports have been completed, and will be laid before the Legislature at an early day. It was an arduous duty, devolving upon the clerks a vast amount of labor, at unusual hours, in addition to their ordinary services. Whilst the views of the Comptroller are entire adverse to a system of extra allowances to persons employed in the public service at fixed salaries, he feels called upon to say that the sums awarded to his subordinates form an inadequate compensation for the extraordinary services required during the last year. When the increasing business of the office, and the untiring application so necessary to its correct and proper execution are considered, it must be conceded that the salaries now paid are no more than a moderate recompense to those who devote themselves, with honorable assiduity, to the discharge of their duties.

STATIONERY FOR THE PUBLIC OFFICES.

The annexed statement, marked W, presents a detailed account of the stationery furnished to the Legislature and the public offices during the last fiscal year. The amount expended for this purpose was $3,486 28.

SALES OF LANDS FOR TAXES.

By a resolution of the Senate, passed April 10, 1849, the Comptroller, Attorney General and Secretary of State were requested to prepare and present to the next Legislature a law for the sale of land for taxes, in the counties where the same are situated. In compliance with this resolution, a bill has been framed, which will be submitted to the Legislature at an early day.

STATE TAX AND VALUATION OF REAL AND PERSONAL ESTATE.

The tabular statement hereto annexed, marked Y, shows the assessed valuation of real and personal estate, and the amounts levied for State, county and town taxes. The counties marked * having omitted to make returns in time for this statement, the amounts returned from those counties for the previous year, are adopted.

It appears that the total valuation of real estate is	$538,[illegible]62,901 00
Do. do. do. do. personal estate, including banks and other corporations, is	129,[illegible]76,625 00
	$668,[illegible]39,526 00
And the amount of corrected aggregate valuation is	$665,[illegible]50,787 00
State and county taxes	$4,174,277 64
Town taxes	1,374,700 74
Total taxation	$5,548,[illegible] 38

The taxes have increased $253,523 05, as compared with the preceding year, and the rate of taxation 2-10 of a mill on $1 of valuation.

That the actual value of the taxable property of the State is much larger than the returns of the assessors would indicate, is universally conceded. It is believed that the average valuation of real estate, does not exceed one-half the actual price established by the estimate of the owners and the daily transactions between buyers and sellers, whilst in many counties the assessments fall far below that proportion. The want of a uniform rule or standard of valuation, produces much inequality between the counties, causing some to bear more, others less than their just proportion of the State tax. Whether some further provisions of law are not required to ensure a more equitable distribution of the public burthens, is a question to which the Comptroller would invite the attention of the Legislature.

It is not doubted that the real estate, notwithstanding its under valuation by the assessors, bears much more than its rightful share of taxation, as compared with the personal property. The practical difficulty experienced in ascertaining the amount and value of personal estate liable to assessment, is one cause of the custom which so generally prevails of estimating landed property below its true value. The land is open to view and examination, its quantities ascertainable with facility and certainty, and by no possibility can it escape the vigilance of the assessor. The case is widely different with the varied pecuniary interests and investments which constitute personal estate. By many ingenious devices, perhaps by mere silence on the part of the fortunate owner, a large portion of the wealth of the State eludes the assessor and escapes its share of the cost of sustaining the government, to which all property owes its protection. The existing laws are defective in omitting to clothe the assessors with adequate power to require full and correct information from the tax payer, of the amount of his personal estate subject to assessment. Whilst ample and proper provision has been made in favor of the citizen, to enable him to correct errors of overvaluation, no means whatever have been supplied to correct under estimates, or to reach personal property, in those numerous cases where the owner may choose to withhold its existence or its value, from the knowledge of the assessors.—Any person interested in reducing an assessment, may, at his option, make an affidavit that the value of his taxable property does not exceed a certain sum; yet the officers entrusted with the difficult duty of ascertaining the value of all the property subject to assessment, have no authority to require information on oath, and the result is that they must rely on indefinite rumors, or interested statements, and are frequently obliged to act in ignorance of essential facts or abandon the attempt to perform their office. Under such a system, it follows that many of the possessors of ready money, investments in funds and securities, and productive capital in various forms, contribute little or nothing to the Treasury.

No good reason can be given, why this species of property should not bear its equal proportion of the common burthens, instead of enjoying a comparative immunity from taxation, at the expense of the landed interest. The owner or occupant of the soil is subject to taxation, on the full value of the land, although it may be under a mortgage for a larger portion of the value; while in too many instances the owner of the incumbrance, though deriving a share of the profits of the land, in the form of interest, evades assessment and enjoys an exemption from taxes. That a system, which tolerates inequalities so repugnant to justice and sound policy, needs some amendment, will hardly be questioned. But, to prescribe the remedy which the occasion requires is not an easy task, and perhaps no plan can be suggested which will not call forth earnest objections.

Impressed with the importance of applying some proper corrective to the evils adverted to, the Comptroller addressed letters to the financial officers of several States, asking for information in respect to their laws and regulations relating to the assessment of property and the collection of taxes. These inquiries have been responded to with a degree of courtesy which demands acknowledgment, and it may be well to consider whether [illegible] other States, might produce satisfactory results if adopted in our own. The Comptroller deems it proper, in this connection, to refer to a full and interesting communication recently received from the Auditor of the State of Ohio. An entire new system of assessment was adopted, in that State, in 1846. Its provisions were admirably adapted to ensure a full and correct valuation and equalization of all the real and personal property justly chargeable with the support of government. The effects are seen in an increase of the assessed value of the taxable property on the list from $138,142,166, in the year 1844, to $430,739,365 in 1849. To a considerable extent this result is attributed to the new regulations adopted for enforcing an honest assessment of all the personal property not entitled to exemption. In reference to this subject, the Auditor of State makes the following statement:—

"All personal property is annually assessed by township assessors elected by the people of the township. Forms and instructions are prepared by the Auditor of State, and forwarded to the county auditors annually for the use of the township assessors. A blank form is delivered to each individual, who is required to return the value of his own property under oath to the assessor. If any person refuses to return a statement of his personal property under oath, as required, the assessor ascertains the value from such evidence as he can obtain, or from his own knowledge, and in such case he returns that the party "refused to swear," and the county auditor adds 50 per cent to the sum returned by the assessor, as a penalty.

"Merchandize and the stock, or raw material, of manufacturers are taxed in the city, town or township in which they are located. No matter where the owner resides, his real property, stock in merchandise and manufactures, are placed on the list and taxed where they are situated when the assessment is made. Thus, the store, manufactory and merchandise in the city and town, are subject to the local and corporation taxes, without regard to the place where the owner resides."

Whether these, or any similar provisions, are adapted to the condition of this State, or would advance its general interests, and ensure a more perfect equality in the contributions which property must yield as the price of its secure enjoyment under a system of laws, is respectfully submitted to the consideration of the Legislature.

WASHINGTON HUNT,
Comptroller.

ADMINISTRATOR'S SALE. Notice is hereby given that the undersigned, administratrix of all and singular the goods, chattels and credits of John Van Ness, jr., late of the city of Albany, in the county of Albany, deceased, in pursuance of an order of the Surrogate of the county of Albany, will sell at public auction, at the Merchants' Exchange, in the said city of Albany, on the 17th day of January next, at 12 o'clock at noon, the following real estate, of which the said John Van Ness, jr., died seized, to wit:—All those two certain lots, pieces or parcels of land, situate, lying and being in the eighth ward of the city of Albany, and bounded and described as follows, viz:—being lots number seven and six, as designated on a map drawn and subdivided for Mr. Christopher Adams, June 29th, 1814, by George W. Carpenter, said map is filed in the office of the Clerk of the city and county of Albany, July 24, 1840. The said lots lying together are bounded as follows:—Beginning at the intersection of the southerly line of Lumber-street with the easterly line of Lark-street; thence running easterly along the southerly line of Lumber-street fifty feet, to the northeasterly corner of said lot No. 6; thence southerly along the easterly line of said lot No. 6 about one hundred and fourteen feet ten inches, to lot No. 8 on said map; thence westerly along the northerly line of lot No. 8, to the easterly line of Lark-street, and the southwesterly corner of lot No. 7; and thence northerly along the easterly line of Lark-street one hundred and fourteen feet nine inches, to the place of beginning, each lot being twenty-five feet wide in front and rear.

Also, all that certain other lot of land, bounded and described as follows:—viz, that certain lot of land in the city of Albany, lying on the southerly side of De Witt-street, between Broadway and Montgomery-street, beginning in the southerly line of De Witt street at the distance of three hundred and thirty-five feet eight inches from the junction of the easterly line of Broadway and the southerly line of De Witt street, and running thence easterly on the southerly line of De Witt-street, thirty three feet; thence southerly at right angles to De Witt-street about ninety-nine feet to lands of the Putney estate; thence westerly along the property of the Putney estate and parallel with the southerly line of the lot to De Witt-street, about ninety nine feet, the place of beginning [illegible], on a map made by G. W. Carpenter, City Surveyor. On the lot is a two-and-a-half story dwelling house and out-buildings.

Also, that certain lot, piece or parcel of land, situate in the said city of Albany, part of the premises known as the James King property, formerly the residence of the said James King, deceased, known and distinguished on a map of said premises, made for said James Kidd by George W. Carpenter, as lot number fifteen (No. 15), being of the width of twenty-five feet on Third-street and Lumber-street, and running through from Third-street to Lumber-street, being twenty-five feet in width, front and rear.

Also lot No. 113 Lumber street, said lot being one hundred feet deep and twenty-five feet wide, front and rear, on which is a two and a half story brick dwelling house and out buildings.

Also lot No. 115 Lumber street, said lot being one hundred feet deep and twenty-five feet wide front and rear, on which lot is a two story cottage and out buildings.

Also lot No. 117 Lumber street, said lot being one hundred feet deep and twenty-five feet wide front and rear, on which is a two story frame building and out buildings. Also the numbers 111 and 109 Lumber street, being vacant, both said lots are each twenty-five feet wide front and rear, and about one hundred feet in depth.

Also, all that certain piece or parcel of land bounded northerly by Lumber street and easterly by Ten Broeck street, as laid down on a map (made of those and other premises belonging to the estate of John Van Ness, jr., deceased, by George W. Carpenter, city surveyor, Nov. 20, 1849, and now in the Surrogate's office of the county of Albany), as two lots being in Lumber street forty-seven feet and three quarter inches, and on Ten Broeck street one hundred feet three inches, and bounded on the south by said lot No. 109.

Also, all those certain lots on the west side of Ten Broeck street, between Lumber and Colonie streets, numbers 1, 2, 3, 4, 5, 6, 7, as laid down on said map.

Lot No. 7 being twenty-eight feet two inches front, one hundred and nineteen feet three inches and three quarters of an inch on the south side, [illegible] feet in depth to the rear, and one hundred and six feet on the north side.

Said Lot No. 6 being one hundred and six feet on the north side, twenty-five feet wide in the rear, ninety-two feet and eight inches and a half on the south side, and twenty-eight feet two inches in front.

Said Lot No. 5 is twenty-eight feet two inches wide in front, ninety-two feet eight and a half inches on the south side, and twenty-five feet in the rear, and seventy-nine feet four and three quarter inches on the north side.

Said Lot No. 4 is thirty-two feet one inch in front, 79 feet 4¾ inches on the south side, 25 feet 5 inches in the rear, 64 feet 4¾ inches on the north side.

Said lot No. 3 is twenty-four feet and three inches in front, 64 feet 2½ inches on the south side, 21 feet 6 inches in rear, and fifty two feet nine inches on north side.

Said lot No. 2 is 25 feet 7 inches in front, 52 feet 9 inches on the south side, and 26 feet in rear, and 39 feet 5½ inches on the north side.

Said lot No. 1 is 30 feet 3 inches in front, and 39 feet 10 inches in rear, and 39 feet 10 inches on the south side, and 25 feet 2 inches in rear, on the north side; [illegible] lot is a frame dwelling house and out buildings.

Also, those three vacant lots of ground bounded south by property of Rev. John Ousroy, west by an alley, north by property belonging to the estate of John Van Ness, Jr., deceased, and east by Pearl street; and each being about twenty-five feet front and rear, and 90 feet in depth, as laid down on the aforesaid map.

Also, all that certain piece of property bounded south by those last mentioned lots, east by North Pearl street, west by an alley, and on the north by property unknown; said piece of land being about one hundred and eighty five feet inches in front and rear, and ninety five feet deep, as laid down on said map.

Terms made known on the day of sale, or previous thereto, by application to the undersigned. Dated December 8th, 1849. CORNELIA VAN NESS, Administratrix.

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DEFAULT HAVING BEEN MADE IN the payment of the moneys secured by a mortgage executed by Adam Todd, of the city of Albany, trustee for Jane Van Buren, wife of Peter Van Buren, of the same place, to Alexander Gray, of the same place, dated the sixth day of November, A. D. 1844, and recorded in the office of the Clerk of Albany county, in book No. 67 of Mortgages, page 256, on the thirteenth day of December, A. D. 1844, at four and one-half o'clock P. M.; which mortgage has been duly assigned by the said Alexander Gray to Marcus T. Reynolds, the present owner thereof, by an instrument of assignment dated the eighth day of February, A. D. 1845; and upon which mortgage there is claimed to be due, at the time of the first publication of this notice, one thousand two hundred and eighty six dollars and fifty-six cents, ($1286 56,) being twelve hundred dollars of principal and interest thereon from November 1st, 1845. Now, therefore, notice is hereby given, that in pursuance of a power of sale contained in said mortgage, the mortgaged premises will be sold at public auction, at the rotunda in the Exchange in the city of Albany, on the fifth day of February, A. D. 1850, at 12 o'clock at noon of that day. The said premises are described in said mortgage as follows:—"All that certain lot of ground situate in the ninth ward in the city of Albany, being the east part of a certain lot distinguished by the number of lot number twenty-five, which lot is bounded on the south by State street and northerly on the east by lot number twenty-four, the property of Philip S. Van Rensselaer, deceased, on the west by lot number twenty-six, formerly leased to Samuel Wilson, now the property of Chauncey Humphrey, and on the north by property formerly belonging to Knell, Cornell, now Spring street, which said lot twenty five is twenty feet in front and rear, thirty three feet, and is of the length of one hundred and forty feet deep, and including the whole of the lot twenty-five except a strip of land three feet in width, extending the whole length along the west boundaries thereof—the said lot being the same conveyed to said Todd by Peter Van Buren and wife and the said Gray and wife by deeds bearing even date with the above mortgage." Dated Albany, November 12th, 1849. VAN SCHAACK & OLCOTT, Attorneys for Assignee of Mortgagee.

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DEFAULT HAVING BEEN MADE IN the payment of the moneys secured by a mortgage executed by Gertrude Ann Jewell to the Western Rail Road Corporation and the Mayor, Aldermen and Commonalty of the city of Albany, dated the nineteenth day of February, A. D. 1846, and recorded in the office of the clerk of the city and county of Albany, on the nineteenth day of February, A. D. 1846, at 3 o'clock, P. M. in book No. 69 of mortgages, page 371, upon which there is claimed to be due at the time of the first publication of this notice, seven hundred and eighty five dollars and fifteen cents ($785 15)—Now, therefore, notice is hereby given, that in pursuance of a power of sale contained in the said mortgage, the mortgaged premises will be sold at public auction, at the rotunda of the Merchants' Exchange, in the city of Albany, on the twelfth day of January next, at 12 o'clock at noon. The said premises are described as follows:—"All that certain lot of ground, situate, lying and being in the tenth ward of the city of Albany, bounded as follows, viz: on the north by the city of Albany, bounded as follows: on the east by property owned by the late Abel French, deceased; on the south by property owned by Thomas Hall; on the west by property belonging to Hamilton street, and on the south by property belonging to Joseph A. Schneider of the city of Albany, being twenty four feet front and rear, and seventy-nine feet deep."—Dated, Albany, October 18, 1849.

VAN SCHAACK & OLCOTT, Attorneys for Mortgagees, Albany.

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PUBLIC SALE. DEFAULT HAVING been made in the payment of the interest due on the following mortgage, No. 116, therefore, pursuant to a law of the State of New York, passed April 4, 1837, the undersigned, Commissioners of Loans for Albany county, will sell at public vendue to the highest bidder, at the Court House in the city of Albany, on the first Tuesday of February next, at 12 o'clock at noon, the following described property, to wit:—

Mortgage No. 116. All that lot or farm, lying in the town of Bethlehem, beginning at a stake standing on the north side of the Vlaman's kill, and which is the most westerly corner of the farm, leased the eleventh day of November, one thousand eight hundred and twenty-four, by S. Van Rensselaer to George Kimmey, and runs from thence along his line north thirty degrees east, six chains and fifty links; then north eleven degrees and fifty minutes east, [illegible] chains and fifty five links, to a stake in the south line of the road; then north eighty-one degrees and thirty minutes east, one chain and ninety-six links to a chestnut tree; then north twenty-eight degrees and fifteen minutes west, fifty five links to a stake in the south line of the lands conveyed to the trustees of Reformed Dutch Church of Bethlehem [illegible]; then along the same [illegible], [illegible] to a stake; then south fifty-one degrees [illegible], [illegible] chains to a stake; then south eighty six degrees, west thirty six links; then south forty-seven degrees [illegible], [illegible] to the Vlaman's kill; and then down the stream as it winds and turns to the place of beginning, containing twenty-seven acres of land, be the same more or less. [illegible]

Nov. 1, 1849. [illegible]

KID AND WOOLLEN GLOVES, FOR [illegible]