islative Assembly of the District of Columbia entitled an act providing for the payment of the debts of the late corporation of Washington. Approved January 19, 1872.

Witness, The notes are all of the same tenor, except dates and amounts.

By the Chairman *pro tem.*: Q. These are all the notes, are they, except those which are now outstanding, and they are, I understood you, all in one note now? A. No, sir; there are three notes past due and a memorandum of agreement which I offer to the committee, (handing memorandum of agreement to the Chairman *pro tem.*)

The Chairman *pro tem.* Let this be considered in evidence.

Mr. Hubbell. I would like to hear that agreement.

The Chairman *pro tem.* read it, as follows: Memorandum of agreement made this tenth day of November, 1873, by and between Alex. R. Shepherd, Governor of the District of Columbia, for and in behalf of said District, and the First National bank of New York city. Witnesseth:

First. That the District of Columbia, through H. D. Cooke, former Governor thereof, acting in pursuance of proper legislation, incurred a debt with the First National Bank of New York city, which on the first of November, 1873, aggregates with interest, (as per schedule attached): Notes, $450,000; interest to November 1st, 1873; $238,80.

Second. That said H. D. Cooke, on the 17th April, 1872, placed with the First National bank of New York, three hundred thousand dollars, and on the 19th of September, 1873, one hundred and seventy-seven thousand dollars, making in all four hundred and seventy-seven thousand dollar, ($477,000) of the bonds of the District of Columbia, issued under act of June 20, 1872, known as three-year funding bonds; which bonds, it was understood by both H. D. Cooke and the First National bank, were to be held as collateral for the security of the debt before created, and the proceeds to be applied to the liquidation of said debt, when said bonds should have been sold.

This was not expressed in writing, but was so understood by both parties.

Third. It is now proposed to put this transaction in a business shape and to settle the amount due in the following manner: Apply coupons on $477,000; of bonds due November 1, 1873, $14,310 gold at 107½, $15,347.48; $27,000 of bonds at 85, $22,950, $38,297.48; leaving due on debt November 1, $435,538.52, which it is proposed to leave payable on demand and to deposit the remaining $450,000 of bonds as collateral security, giving said First National bank the option of the purchase of said $450,000 of bonds or any part thereof at ninety cents on the dollar. Said option to continue during the time said debt shall remain unpaid, and it is further agreed that if said bank shall sell or take any of these bonds at the price above named they shall receive a commission of two-and-one-half (2½) per cent. on the net amount of such sales, the District of Columbia reserving the right to pay such debt and take up these bonds at any time they may elect, *but the option shall continue for thirty days after the payment of the loan.

In witness whereof we have hereunto set our hands: and seals. ALEX. R. SHEPHERD, Governor District of Columbia.

GEO. F. BAKER, The First National Bank of New York.

By the Chairman *pro tem.*:

*Q. This $14,710, as I understand, was in coupon bonds, payable in gold? A. Yes, sir.

Q. The District of Columbia reserving the right, pay such debt and take up their bonds at any time they may elect, but the option shall continue for thirty days after the payment of the loan. A. The option to buy the bonds.

Q. But the bank shall continue to have the option to buy the bonds at ninety cents after the loan is paid for thirty days thereafter. That is the meaning for that? A. Yes, sir.

Q. Mr. Wilson. What is the date of that agreement? A. The Chairman *pro tem.*, November 10, 1873.

Mr. Merrick: I would ask the committee while they are referring to these laws, they would take note of the act of Congress approved May 8, 1872, regulating the disposition of these sinking-fund bonds, and repudiating a portion of the act of January 19, 1872. It will be found at page 43 of the fore part of this first edition of the local legislative laws.

The Chairman *pro tem.* to the reporter: Mr. Bartlett, these notes, and the agreement are put in evidence.

By Mr. Baker: Q. Could I have a copy of those made, and the originals returned to me? The notes I care nothing about.

The Chairman *pro tem.* A. We would prefer that, sir.

Mr. Baker. The counsel also think you had better take a copy of the notes, and give me the originals.

The Chairman *pro tem.* Very well; let copies of these papers be made, and carefully compared here.

Mr. Wilson (to the clerk of the committee:) Just put those on file, and they will copy them, and you can compare them with the copies.

By the Chairman *pro tem.*: Q. Is there anything further, Mr. Baker, that you wish to say to the committee? A. I would state that we lost six months of taxes in the beginning of the government. We came into power in June, and there were no taxes from January 1. The taxes were not raised until December. This occasioned the necessity of laws authorizing the Governor to borrow money in anticipation of the taxes, to pay the debts that were pressing upon the government.

Q. Have the District authorities construed that law to be a permanent provision of law authorizing the Governor at any time after its passage to anticipate taxes when a necessity should exist? I do not ask whether that is the true interpretation of the law, but has the District government acted on that interpretation? A. They have never borrowed any money, except under a specific act; this act is specific as to the borrowing of this money.

By Mr. Allison: Q. This loan is the continuation of the original loan? A. Yes, sir.

Q. This was a balance of the original loan? A. Yes, sir.

By the Chairman *pro tem.*: Q. They have only acted on it once in point of fact, and simply renewed the loan since? A. That is all.

Q. Did I understand you yesterday, Mr. Baker, to state that more money had been applied for school purposes than the amount actually collected for school purposes? A. Yes, sir.

Q. What did you say?—I was out for a moment yesterday and you will pardon me for calling your attention to it again—what did I understand you to say the excess or overdraft on the school fund or the other funds? A. One hundred and seventy-three and odd thousand dollars.

Q. One hundred and seventy-three thousand dollars. A. Yes, sir.

Q. Was that all in one year? A. In three years.

Q. In three years? A. Yes, sir.

Q. The school fund then was the other funds of the Government $173,000? A. Yes, sir.

Q. Under what authority of law, if any, was that fund allowed to draw upon other funds? A. This law which authorized the Governor to anticipate the revenue from the taxes. This occurred by his paying old school debts that were contracted previous to 1871. We had school houses to pay for, contracts to the amount of $215,000, old contracts which we had to pay; and then we borrowed this money, and with it we paid these contracts; and that makes an excess of $173,000 over the taxes we collected, not over the money we received from loans.

Q. That overdraft, then, was really occasioned by the payment of old debts, was it? A. Yes, sir; to a great extent.

Q. Or was it to the completion of school houses? A. The completion of school houses partly.

Q. How much was the actual debt due for school purposes on account of schools or school houses at the time the present government went into existence? A. It is impossible to say that, because the debts came dribbling in several months after the government came in. They did not get it adjusted until perhaps a year afterward. Contractors accounts may not get adjusted for six months or a year after they are presented.

Q. Was there any authority to raise money for school purposes beyond the levy that is made in this act of so many cents on the hundred dollars? A. The act which authorized the Governor to borrow money and to apply that money in the payment of any old debts that were certified by a certain commission.

Q. Without regard to the amount appropriated or levied for that particular purpose? A. Yes, sir; the certificate of that auditing commission answered to an appropriation.

Q. Please explain how the auditing commission arose, and how it was created, and what were its functions? A. The Legislature created it.

Q. Have you a reference to the act there? Can you refer to it easily?

Mr. Harrington. It is the act approved June 16, 1871, first session: "An act to authorize the Governor to appoint a commission to audit the outstanding claims."

By the Chairman: Please give the page of it, in the bound volume of the laws.

Mr. Harrington. Page 7, first session of the first Legislative Assembly, chapter 3, approved June 16, 1871.

Q. Who were the three gentlemen who constituted the commission? A. From memory, I will state, William Dickson, formerly collector of the old corporation, and Mr. Faetz, and the third one was A. S. Pratt.

Q. When did they complete their work? A. They were from three to four months about it.

Q. They were to report by this law in detail to the Legislative Assembly. A. Yes, sir.

Q. Is their report in print? A. I believe it is in this pamphlet.

Q. In the report of the commissioner of the sinking fund? A. It is not in the exact form of the report. I can procure a literal report.

The Chairman. I would be obliged to you if you would furnish us with that.

Witness. I will do so.

Q. Now under what law was this floating debt—or was it all floating debt—or was part of it a bonded debt? A. It was all a floating debt, I think.

Q. Under what law was that funded? A. Partially under the law I referred to this morning, chapter 34, June 20, 1872.

Q. Of the first Legislative Assembly? A. I think it is the second.

Mr. Allison. June 20, 1872.

The Chairman. It must be the second Assembly? A. It is the second Assembly.

By Mr. Stanton: Q. The first act of January 19, 1872, chapter 34, page 56, second special session, first Assembly. That relates to the funding indebtedness represented by the report of the auditing commission.

Q. What is the page? Mr. Stanton: Page 20, of the second special session of the first Assembly; act approved January 19, 1872; that levies a tax to pay the floating indebtedness represented by the auditor's report, and other taxes for the bonded indebtedness of the late corporation, and authorized the anticipation of the revenue for an amount sufficient to meet the floating indebtedness. Then comes the further act.

Mr. Allison. I have it. It is the act providing for the payment of the debts of the old corporation of Washington.

Mr. Stanton. That is the first act on the subject; on the floating indebtedness. That provides for the floating indebtedness represented by the report of the auditing commission; and as I stated, authorized an assessment and tax to the amount of thirty per cent., on each hundred dollars of property in Washington, for the payment of the floating indebtedness of the late corporation of Washington, as stated in the report of the auditing commission, mentioned in said act. The act itself sets forth the report of that auditing commission pretty fully, and the authority under which it was appointed. Then it levies, also, certain other taxes for the bonded debt of the corporation. The 10th section authorized the Governor to anticipate the revenue out of which may arise from the taxes levied under that act to an amount sufficient to satisfy any and all of the floating indebtedness of the city. That is all that particular floating indebtedness. Then comes the act of June 20, 1872, chap. 34, second Legislative Assembly, pages 43 and following. They relate to the various acts on this subject. The first is the one relating to the corporation of Washington.

The Chairman. There are three of them in succession.

Mr. Stanton. The thirty-two cents refers to the county, the thirty-three cents to Georgetown, and the thirty-four cents to the city. The act in relation to the corporation of Washington there provides for certain unsettled liabilities for floating indebtedness outside of the report of the auditing commission, and for advances made by the District government for the corporation.

The Chairman. Now, will you please give us—you are very familiar with this matter—a reference to the legislation in regard to the sinking fund commissioners or the sinking fund.

Mr. Stanton. The first act authorizing their appointment, do you desire?

The Chairman. Yes, sir.

Mr. Stanton. I have not that here. I can give it to you in a moment.

Mr. Harrington. Here it is, (handing the act to Mr. Stanton.)

Mr. Stanton: The first is June 16, 1871, page 8 of the 1st session of the first Legislative Assembly. It is the act dated August, 19, 1871. It will be found on page 48 of the proceedings of the 1st session of the Legislative Assembly. It is an act to create the commissioners of the sinking fund, and prescribing their duties.

Q. Please state who were appointed under that act, Mr. Baker? Who were the four gentlemen appointed to act? A. The Governor *ex officio*, a member, then the remainder are W. W. Corcoran, H. N. Sweeney, Moses Kelly, and Lewis J. Davis.

Q. Have those same gentlemen remained in office all the time, or has there been any change? A. Been a change in the Governor.

Q. Are the four citizens are the same persons now? A. Yes, sir.

Q. Is there any other law in respect to that sinking fund? Mr. Stanton: There are several acts of the Legislative Assembly prescribing their duties with reference to bonds. If the committee desire that, we can very easily prepare a digest.

By the Chairman *pro tem.*: That will be more satisfactory.

By Mr. Stanton: If the committee will indicate any of these matters in which they desire the information to be given, it will give us pleasure to have them so arranged and perhaps be more satisfactory, as a great many of these officers cannot refer immediately to the act.

By the Chairman *pro tem.*: If you have nothing more to ask we will call the next witness.

Lewis Clephane, collector of taxes for the District of Columbia, was called and sworn by the Chairman.

By the Chairman *pro tem.*: Q. Can you tell us, Mr. Clephane, precisely how much revenue was collected for school purposes the first year of the District government? A. I can do so, but it may be proper for me to state that I have only been collector from the first of December, 1873—but I can show it from the books.

The Chairman. That, of course, will be sufficient, but I would prefer you should give the amount levied for school purposes and the amount collected. That will be for the year 1871, would it not? A. Yes ,1871-'72.

Mr. Allison. The amount levied first?

The Chairman *pro tem.* Yes, the amount levied and the amount collected.

A. There was levied for school purposes in Washington, $374,537.58; in Georgetown, $15,091.08; in the county, $36,000. Witness. That would make a total for the year of $415,619.06.

Q. Your fiscal year begins with the first of July, does it not? A. Yes, sir. It begins now, with the first of July.

Mr. Allison. Q. July 1871 to July 1872, that would be? A. Yes, sir.

Mr. Allison. We had all this yesterday, Mr. Chairman.

The Chairman. Yes, but you know the comptroller spoke from memory.

Q. What time did the District government actually go into operation? The act was approved in February, if I recollect aright. A. I think it was June, if I mistake not.

Mr. Harrington. June 1, 1871.

By the Chairman *pro tem.*: Q. What is the amount of collections?

Witness. For that year?

The Chairman *pro tem.* A. Yes.

Witness. A. Well, I have got that made up in a summary of every six months, running back from November 1, 1871, to July 1, 1873. There was collected on the school fund for Washington $317,002.06, on the school fund of Georgetown $13,670.50, for the county $28,-[illegible] making a total of that six months of $352,240.83. From July, 1872, to January, 1873, there was collected on the city $129,-745.68.

By Mr. Hubbell:

Q. You do not divide it into years? A. Yes, sir. We have made up our statement every six months.

Q. This is Washington? A. Yes, sir. Georgetown, $7,690.20. That is for salaries of teachers for that year. For school buildings in Georgetown, $6,866.07; in the county, $18,-761.70.

By Mr. Allison:

Q. For buildings? A. The county makes no distinction. That makes a total of that six months of $163,003.55 from January, 1873, to July, 1873, collected in the city of Washington, $43,144.77. For Georgetown, for salaries, $3,348.28.

By Mr. Wilson:

Q. What was that $43,000 you speak of collected for? A. For the city, sir.

Q. Is that school fund general? A. There was no distinction then.

Mr. Wilson. I suppose not. It all went in. Up to this time there was no distinction in the city with reference to that.

By the Chairman *pro tem.*:

Q. No distinction between what? A. Between the pay of the teachers and the school buildings.

By Mr. Allison: Q. That is January to July, 1873, you are giving? A. Yes, sir.

In Georgetown, for salaries, $3,348.28; for school-buildings, $2,989.33; for county, $7,-703.77—making a total of $37,185.14 from July, 1873, to January, 1874. Now begin a distinction in Washington city—for salaries, $38,-639.19; general expenses, $28,115.45; in Georgetown, general expenses there—it is all general expenses in Georgetown, except school-buildings—$4,872.88; school buildings, $2,-623.73; in the county, $12,655.96—making a total of $116,407.16.

Now, from January to March, 1874, there would be for salaries, for Washington, of teachers, $6,518.23; school fund, general purposes, $4,236.93; for Georgetown, $636.27; for school-buildings, $391.76; in the county, $1,-437.90—making a total of $13,211.17.

By the Chairman *pro tem.*: Q. State what was the aggregate levy for school purposes (school-houses included) since the District government went into operation?

Witness: The total?

By the Chairman *pro tem.*: Yes. A. The levy for school purposes for 1871 and 1872 was $415,619.06.

Q. That is for the fiscal year ending June 30, 1873? A. Yes, sir.

Q. Now for the fiscal year ending June 30, 1873. A. It is $317,303.93. That would end in July, 1874.

Q. How much was levied for that? A. $338,975.73.

Q. I want you to keep these years separate from the others, for my present purposes. How much did these first two years come to—the fiscal year ending June 30, 1872, and the fiscal year ending June 30, 1873. Will some one add it up?

Mr. Allison. $738,981.89.

Q. What was the aggregate amount of delinquencies in these two years for this school tax? A. That we did not keep separate. Our distribution is only made as we collect and pay over.

Q. You could not tell without making a calculation from the whole fund? A. No, sir.

Mr. Merrick. You can compute those collections you have already given from the levy, and that will, of course, give the delinquencies. A. That would be a measure.

By the Chairman *pro tem.*: Q. Can you tell us what has been the entire levy for all purposes since the District government went into operation for each fiscal year to-date? Give it for each fiscal year by itself; first for the year ending June 30, 1872. I mean the amount of the levy for all purposes. A. Yes, sir; and I can give you the valuation of the property, also, if you wish me to do it.

The Chairman. Very well, do that.

Mr. Allison. Let us take the other first.

The Chairman. Q. Has there been any change and re-valuation? A. Oh, yes, sir; every year.

The Chairman *pro tem.* Q. The assessors re-value every year? A. Yes, sir.

Q. All the real estate of the District? A. Yes, sir. The valuation for the years 1871 and 1872 was $86,315,337.

Q. Was that valuation taken under the present government? A. Yes, sir.

Q. What was the aggregate levy for that year? A. It was $1,251,073.12.

Q. What was the aggregate of the collections for that year for all purposes?

Witness. I do not think I have the aggregate collections for that year.

Q. Have you for either of the other years? A. I have for the present year.

Q. I wanted it for those two years. A. I have the amount unpaid.

Q. For each of the years? For each of the years.

Q. Just give us that. Give us the delinquencies for the first fiscal year. A. There was in February 1, 1874, on the levy of 1871-'72 $63,386.47.

By Mr. Allison: Q. That is for all purposes? A. That is for all purposes; and this includes a large amount of assessments which never can be collected.

By the Chairman *pro tem.* Q. We are not going to inquire about that now. Then what is the next? A. The next is for the years 1872-73.

Mr. Allison. Valuation?

Witness. No, sir; this is the unpaid taxes—the delinquencies, $238,219.09.

Mr. Allison. That is also up to the first of February? A. Yes, sir.

Q. Then the next fiscal year is not expired yet, and will not expire till the 30th of June? A. No; but I can tell you how much has been collected, and how much remains unpaid.

Q. Give us that? A. The assessment—the taxes was $1,188,238.56. We have collected up to the 1st of February, $761,960.72, leaving $1,196,311.34 unpaid.

Q. What is for the whole time? A. For the whole time.

Q. How much is unpaid for the two years which are complete and expired—the fiscal year ending June 30, 1872, and the fiscal year ending June 30, 1873; what is the amount unpaid for these two years? Please foot it up. A. It is $291,801.30.

Q. Now, what explanation would you give of that delinquency? A. There is a large portion of that. There are certificates, you remember, that have been issued for these unpaid taxes, bearing 10 per cent. interest, and there is a large portion of this which has been endorsed which is not properly taxable. Some school property, for instance, would get in; or, railroad property. The Baltimore and Ohio railroad property, which is not taxable; and yet they are all returned upon the books.

Q. Have any steps been taken to test the question? Take, for instance, the case furnished by Mr. Baker, yesterday, where a man leases a house for school purposes to the school board; and it is used for school purposes—the owner claiming that it is exempt. A. I would state that my predecessor did have exempted that property from taxation, but I have decided that they must pay it, and I propose to collect it.

Q. Have no steps been taken to bring it to a judicial decision? A. Yes, sir; I have notified the parties.

By Mr. Allison: Q. Any legal steps? A. It is not necessary. I suppose they will pay it. The certificates are out against the property, and when they are due the property will be sold the same as any other.

By Mr. Thurman: Q. Have any steps been taken to test the question whether the Baltimore and Ohio railroad is liable to pay the taxes on their property? A. My opinion is there was, and they got an injunction out at one time. But I am not clear on that point. I was not collector at that time. I would state that they have recently purchased a square of ground for their new depot, and although there were taxes assessed on that, and assessed prior to their purchase, they claim exemption from the taxation.

Q. Under their charter? A. Yes, sir.

Q. What was the valuation for the second fiscal year? You gave it for the first. A. I thought I gave it for all. For the second year the valuation of the property was $87,969,936. The total levy for that year was $1,433,437.71.

Q. That is for the second fiscal year. A. Yes, sir.

Q. What is the valuation for the present fiscal year? A. Ninety-six million four hundred and thirty-three thousand and seventy-two dollars.

Q. What is the total assessment? One million eight hundred and eighty-eight thousand two hundred and fifty-two dollars and six cents.

Q. Can you give us any idea of the aggregate amount of this exempted property, or property that claims to be exempt, which is on the duplicate and which enters into this valuation? A. I can only say that we have made up a statement of the amount of property which is exempt from taxation, which we consider clearly exempt from taxation amounting to about six millions of dollars, I think.

Mr. Hamilton. That is not within the levy?

The Chairman. My question relates to that actually remitted by the assessors to-day, and about which a question whether it is taxable or not.

A. I could not tell that, but I think about half a million on our books.

Q. About half a million of this property about which there is a contest as to whether it is taxable or not. A. Yes, sir.

Probably it might be an interesting fact to give the amount of the levy here which would be coming to the public schools if it was paid up.

By the Chairman: Q. In the valuation made by the assessors, buildings are included, are they not? A. Yes, sir.

Q. Are they valued separately from the ground? A. Yes, sir.

Q. The assessor values the ground at so much, and the buildings at so much? A. Yes, sir.

Q. And new structures, and so on, from year to year? A. Yes, sir. Under our present law we assess now under the last act of the Legislature only once in three years; but improvements we assess every year.

Q. The improvements on the same property? A. No, sir; on real property.

Q. On new structures? A. Yes, sir.

Q. Or betterments? A. Yes, sir.

Q. By the law is the assessor to make these assessments at the actual cash value of the property or was there any direction of the law in respect to that? A. I hardly knew how they approximate to it in getting at what is considered a fair valuation. That is a matter, however, which belongs to the assessors. My impression is that it is on what the property would bring at a forced sale for cash.

Q. There are assessors for different wards, are there? A. Yes, sir. There are eleven assessors, I believe, in different sections.

Q. How are these different assessors appointed? A. They are appointed by the Governor.

Q. How long do they hold office? A. I think it is at the pleasure of the Governor.

Mr. Harrington. They hold for one year.

The Chairman *pro tem.*:

Q. Are they subject to removal by the Governor? A. Yes, sir.

By the Chairman *pro tem.*:

Perhaps the counsel, who are familiar with the law, can tell us whether they are subject to removal by the Governor?

Mr. Harrington. All the appointed officers of the District are subject to removal by the Governor.

By the Chairman *pro tem.*:

Q. Are these assessors appointed by and with the advice of the Council, or absolutely by the Governor?

Mr. Harrington. By the Governor.

By the Chairman *pro tem.*:

Q. Is there a board of equalization?

Mr. Harrington. There is a board of appeals.

Witness. There is a board of appeals. They are outside of the assessors—different altogether.

By the Chairman, *pro tem.*: They have jurisdiction of nothing but what is appealed to them? A. That is all.

Q. It is not a board which takes all these returns and equalizes them according to its own judgment. It only hears individual cases of appeal? A. That is all, I believe.

Q. Who appoints that board? A. The Governor.

Mr. Stanton. The section as to that board of appeals is found on page 128 of chapter 49 of the acts of the third Legislative Assembly, and reads as follows:

"That there shall be appointed a board of appeals, to consist of eleven citizens, one from each council district, who shall be familiar with the valuation of property, and have been residents of the District of Columbia for ten years prior to their appointment. The board shall hold its meetings on the second Monday in March of each and every year, and shall continue in session one hundred consecutive days in years when a triennial assessment is made, and thirty consecutive days in other years, to hear and determine any and all appeals that may be made from the valuations of the assessors of taxes. The board may make such changes in the returns of the said assessors as to a majority of its members may seem just and proper, and its action shall be complete and final; and after the assessments shall have been thus received and the books made up and corrected, it shall be a misdemeanor for any person or persons to alter or change the same; and any person so offending shall, on conviction thereof, before a court of competent jurisdiction, be subject to each and every offence to a fine of not less than fifty dollars nor more than five hundred dollars, and imprisonment in jail for a term not less than six months nor more than twelve months."

By Mr. Allison: The board of appeals is a board of equalization as well.

By Mr. Stanton. Yes. It would so appear. "To hear appeals, and to revise the returns" [illegible]

Q. Under what law was that funded? A. Partially under the law I referred to this morning, chapter 34, June 20, 1872.

Q. Of the first Legislative Assembly? A. I think it is the second.

Mr. Allison. June 20, 1872.

The Chairman. It must be the second Assembly? A. It is the second Assembly.

By Mr. Stanton: Q. The first act of January 19, 1872, chapter 34, page 56, second special session, first Assembly. That relates to the funding indebtedness represented by the report of the auditing commission.

Q. What is the page? Mr. Stanton: Page 20, of the second special session of the first Assembly; act approved January 19, 1872; that levies a tax to pay the floating indebtedness represented by the auditor's report, and other taxes for the bonded indebtedness of the late corporation, and authorized the anticipation of the revenue for an amount sufficient to meet the floating indebtedness. Then comes the further act.

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Mr. Stanton. That is the first act on the subject; on the floating indebtedness. That provides for the floating indebtedness represented by the report of the auditing commission, and as I stated, authorized an assessment and tax to the amount of thirty per cent., on each hundred dollars of property in Washington, for the payment of the floating indebtedness of the late corporation of Washington, as stated in the report of the auditing commission, mentioned in said act. The act itself sets forth the report of that auditing commission pretty fully, and the authority under which it was appointed. Then it levies, also, certain other taxes for the bonded debt of the corporation. The 10th section authorized the Governor to anticipate the revenue out of which may arise from the taxes levied under that act to an amount sufficient to satisfy any and all of the floating indebtedness of the city. That is all that particular floating indebtedness. Then comes the act of June 20, 1872, chap. 34, second Legislative Assembly, pages 43 and following. They relate to the various acts on this subject. The first is the one relating to the corporation of Washington.

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The Chairman. Now, will you please give us—you are very familiar with this matter—a reference to the legislation in regard to the sinking fund commissioners or the sinking fund.

Mr. Stanton. The first act authorizing their appointment, do you desire?

The Chairman. Yes, sir.

Mr. Stanton. I have not that here. I can give it to you in a moment.

Mr. Harrington. Here it is, (handing the act to Mr. Stanton.)

Mr. Stanton: The first is June 16, 1871, page 8 of the 1st session of the first Legislative Assembly. It is the act dated August, 19, 1871. It will be found on page 48 of the proceedings of the 1st session of the Legislative Assembly. It is an act to create the commissioners of the sinking fund, and prescribing their duties.

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Q. Have those same gentlemen remained in office all the time, or has there been any change? A. Been a change in the Governor.

Q. Are the four citizens are the same persons now? A. Yes, sir.

Q. Is there any other law in respect to that sinking fund? Mr. Stanton: There are several acts of the Legislative Assembly prescribing their duties with reference to bonds. If the committee desire that, we can very easily prepare a digest.

By the Chairman *pro tem.*: That will be more satisfactory.

By Mr. Stanton: If the committee will indicate any of these matters in which they desire the information to be given, it will give us pleasure to have them so arranged and perhaps be more satisfactory, as a great many of these officers cannot refer immediately to the act.

By the Chairman *pro tem.*: If you have nothing more to ask we will call the next witness.

Lewis Clephane, collector of taxes for the District of Columbia, was called and sworn by the Chairman.

By the Chairman *pro tem.*: Q. Can you tell us, Mr. Clephane, precisely how much revenue was collected for school purposes the first year of the District government? A. I can do so, but it may be proper for me to state that I have only been collector from the first of December, 1873—but I can show it from the books.

The Chairman. That, of course, will be sufficient, but I would prefer you should give the amount levied for school purposes and the amount collected. That will be for the year 1871, would it not? A. Yes ,1871-'72.

Mr. Allison. The amount levied first?

The Chairman *pro tem.* Yes, the amount levied and the amount collected.

A. There was levied for school purposes in Washington, $374,537.58; in Georgetown, $15,-091.08; in the county, $36,000. Witness. That would make a total for the year of $415,-619.06.

Q. Your fiscal year begins with the first of July, does it not? A. Yes, sir. It begins now, with the first of July.

Mr. Allison. Q. July 1871 to July 1872, that would be? A. Yes, sir.

Mr. Allison. We had all this yesterday, Mr. Chairman.

The Chairman. Yes, but you know the comptroller spoke from memory.

Q. What time did the District government actually go into operation? The act was approved in February, if I recollect aright. A. I think it was June, if I mistake not.

Mr. Harrington. June 1, 1871.

By the Chairman *pro tem.*: Q. What is the amount of collections?

Witness. For that year?

The Chairman *pro tem.* A. Yes.

Witness. A. Well, I have got that made up in a summary of every six months, running back from November 1, 1871, to July 1, 1873. There was collected on the school fund for Washington $317,002.06, on the school fund of Georgetown $13,670.50, for the county $28,-[illegible] making a total of that six months of $352,240.83. From July, 1872, to January, 1873, there was collected on the city $129,-745.68.

By Mr. Hubbell:

Q. You do not divide it into years? A. Yes, sir. We have made up our statement every six months.

Q. This is Washington? A. Yes, sir. Georgetown, $7,690.20. That is for salaries of teachers for that year. For school buildings in Georgetown, $6,866.07; in the county, $18,-761.70.

By Mr. Allison:

Q. For buildings? A. The county makes no distinction. That makes a total of that six months of $163,003.55 from January, 1873, to July, 1873, collected in the city of Washington, $43,144.77. For Georgetown, for salaries, $3,348.28.

By Mr. Wilson:

Q. What was that $43,000 you speak of collected for? A. For the city, sir.

Q. Is that school fund general? A. There was no distinction then.

Mr. Wilson. I suppose not. It all went in. Up to this time there was no distinction in the city with reference to that.

By the Chairman *pro tem.*:

Q. No distinction between what? A. Between the pay of the teachers and the school buildings.

By Mr. Allison: Q. That is January to July, 1873, you are giving? A. Yes, sir.

In Georgetown, for salaries, $3,348.28; for school-buildings, $2,989.33; for county, $7,-703.77—making a total of $37,185.14 from July, 1873, to January, 1874. Now begin a distinction in Washington city—for salaries, $38,-639.19; general expenses, $28,115.45; in Georgetown, general expenses there—it is all general expenses in Georgetown, except school-buildings—$4,872.88; school buildings, $2,-623.73; in the county, $12,655.96—making a total of $116,407.16.

Now, from January to March, 1874, there would be for salaries, for Washington, of teachers, $6,518.23; school fund, general purposes, $4,236.93; for Georgetown, $636.27; for school-buildings, $391.76; in the county, $1,-437.90—making a total of $13,211.17.

By the Chairman *pro tem.*: Q. State what was the aggregate levy for school purposes (school-houses included) since the District government went into operation?

Witness: The total?

By the Chairman *pro tem.*: Yes. A. The levy for school purposes for 1871 and 1872 was $415,619.06.

Q. That is for the fiscal year ending June 30, 1873? A. Yes, sir.

Q. Now for the fiscal year ending June 30, 1873. A. It is $317,303.93. That would end in July, 1874.

Q. How much was levied for that? A. $338,975.73.

Q. I want you to keep these years separate from the others, for my present purposes. How much did these first two years come to—the fiscal year ending June 30, 1872, and the fiscal year ending June 30, 1873. Will some one add it up?

Mr. Allison. $738,981.89.

Q. What was the aggregate amount of delinquencies in these two years for this school tax? A. That we did not keep separate. Our distribution is only made as we collect and pay over.

Q. You could not tell without making a calculation from the whole fund? A. No, sir.

Mr. Merrick. You can compute those collections you have already given from the levy, and that will, of course, give the delinquencies. A. That would be a measure.

By the Chairman *pro tem.*: Q. Can you tell us what has been the entire levy for all purposes since the District government went into operation for each fiscal year to-date? Give it for each fiscal year by itself; first for the year ending June 30, 1872. I mean the amount of the levy for all purposes. A. Yes, sir; and I can give you the valuation of the property, also, if you wish me to do it.

The Chairman. Very well, do that.

Mr. Allison. Let us take the other first.

The Chairman. Q. Has there been any change and re-valuation? A. Oh, yes, sir; every year.

The Chairman *pro tem.* Q. The assessors re-value every year? A. Yes, sir.

Q. All the real estate of the District? A. Yes, sir. The valuation for the years 1871 and 1872 was $86,315,337.

Q. Was that valuation taken under the present government? A. Yes, sir.

Q. What was the aggregate levy for that year? A. It was $1,251,073.12.

Q. What was the aggregate of the collections for that year for all purposes?

Witness. I do not think I have the aggregate collections for that year.

Q. Have you for either of the other years? A. I have for the present year.

Q. I wanted it for those two years. A. I have the amount unpaid.

Q. For each of the years? For each of the years.

Q. Just give us that. Give us the delinquencies for the first fiscal year. A. There was in February 1, 1874, on the levy of 1871-'72 $63,386.47.

By Mr. Allison: Q. That is for all purposes? A. That is for all purposes; and this includes a large amount of assessments which never can be collected.

By the Chairman *pro tem.* Q. We are not going to inquire about that now. Then what is the next? A. The next is for the years 1872-73.

Mr. Allison. Valuation?

Witness. No, sir; this is the unpaid taxes—the delinquencies, $238,219.09.

Mr. Allison. That is also up to the first of February? A. Yes, sir.

Q. Then the next fiscal year is not expired yet, and will not expire till the 30th of June? A. No; but I can tell you how much has been collected, and how much remains unpaid.

Q. Give us that? A. The assessment—the taxes was $1,188,238.56. We have collected up to the 1st of February, $761,960.72, leaving $1,196,311.34 unpaid.

Q. What is for the whole time? A. For the whole time.

Q. How much is unpaid for the two years which are complete and expired—the fiscal year ending June 30, 1872, and the fiscal year ending June 30, 1873; what is the amount unpaid for these two years? Please foot it up. A. It is $291,801.30.

Q. Now, what explanation would you give of that delinquency? A. There is a large portion of that. There are certificates, you remember, that have been issued for these unpaid taxes, bearing 10 per cent. interest, and there is a large portion of this which has been endorsed which is not properly taxable. Some school property, for instance, would get in; or, railroad property. The Baltimore and Ohio railroad property, which is not taxable; and yet they are all returned upon the books.

Q. Have any steps been taken to test the question? Take, for instance, the case furnished by Mr. Baker, yesterday, where a man leases a house for school purposes to the school board; and it is used for school purposes—the owner claiming that it is exempt. A. I would state that my predecessor did have exempted that property from taxation, but I have decided that they must pay it, and I propose to collect it.

Q. Have no steps been taken to bring it to a judicial decision? A. Yes, sir; I have notified the parties.

By Mr. Allison: Q. Any legal steps? A. It is not necessary. I suppose they will pay it. The certificates are out against the property, and when they are due the property will be sold the same as any other.

By Mr. Thurman: Q. Have any steps been taken to test the question whether the Baltimore and Ohio railroad is liable to pay the taxes on their property? A. My opinion is there was, and they got an injunction out at one time. But I am not clear on that point. I was not collector at that time. I would state that they have recently purchased a square of ground for their new depot, and although there were taxes assessed on that, and assessed prior to their purchase, they claim exemption from the taxation.

Q. Under their charter? A. Yes, sir.

Q. What was the valuation for the second fiscal year? You gave it for the first. A. I thought I gave it for all. For the second year the valuation of the property was $87,969,936. The total levy for that year was $1,433,437.71.

Q. That is for the second fiscal year. A. Yes, sir.

Q. What is the valuation for the present fiscal year? A. Ninety-six million four hundred and thirty-three thousand and seventy-two dollars.

Q. What is the total assessment? One million eight hundred and eighty-eight thousand two hundred and fifty-two dollars and six cents.

Q. Can you give us any idea of the aggregate amount of this exempted property, or property that claims to be exempt, which is on the duplicate and which enters into this valuation? A. I can only say that we have made up a statement of the amount of property which is exempt from taxation, which we consider clearly exempt from taxation amounting to about six millions of dollars, I think.

Mr. Hamilton. That is not within the levy?

The Chairman. My question relates to that actually remitted by the assessors to-day, and about which a question whether it is taxable or not.

A. I could not tell that, but I think about half a million on our books.

Q. About half a million of this property about which there is a contest as to whether it is taxable or not. A. Yes, sir.

Probably it might be an interesting fact to give the amount of the levy here which would be coming to the public schools if it was paid up.

By the Chairman: Q. In the valuation made by the assessors, buildings are included, are they not? A. Yes, sir.

Q. Are they valued separately from the ground? A. Yes, sir.

Q. The assessor values the ground at so much, and the buildings at so much? A. Yes, sir.

Q. And new structures, and so on, from year to year? A. Yes, sir. Under our present law we assess now under the last act of the Legislature only once in three years; but improvements we assess every year.

Q. The improvements on the same property? A. No, sir; on real property.

Q. On new structures? A. Yes, sir.

Q. Or betterments? A. Yes, sir.

Q. By the law is the assessor to make these assessments at the actual cash value of the property or was there any direction of the law in respect to that? A. I hardly knew how they approximate to it in getting at what is considered a fair valuation. That is a matter, however, which belongs to the assessors. My impression is that it is on what the property would bring at a forced sale for cash.

Q. There are assessors for different wards, are there? A. Yes, sir. There are eleven assessors, I believe, in different sections.

Q. How are these different assessors appointed? A. They are appointed by the Governor.

Q. How long do they hold office? A. I think it is at the pleasure of the Governor.

Mr. Harrington. They hold for one year.

The Chairman *pro tem.*:

Q. Are they subject to removal by the Governor? A. Yes, sir.

By the Chairman *pro tem.*:

Perhaps the counsel, who are familiar with the law, can tell us whether they are subject to removal by the Governor?

Mr. Harrington. All the appointed officers of the District are subject to removal by the Governor.

By the Chairman *pro tem.*:

Q. Are these assessors appointed by and with the advice of the Council, or absolutely by the Governor?

Mr. Harrington. By the Governor.

By the Chairman *pro tem.*:

Q. Is there a board of equalization?

Mr. Harrington. There is a board of appeals.

Witness. There is a board of appeals. They are outside of the assessors