

the Florida war, and the further adjustment of claims in behalf of Indians.

Had these events not happened, less even than that amount of notes would have been issued, and the Treasury might, with ease, have redeemed within the year all that were outstanding.

It could have done this, also, with most of them, had Congress, at the last session, passed the declaratory act concerning the tariff, modified the system of drawbacks to correspond with the existing duties, and adopted the propositions made for grading the price of the public lands, as well as forming new land districts.

It must be gratifying to learn, however, that, though unaccompanied by the failure of these measures, and the unexpected circumstances before enumerated, the Department has been enabled by other means under its control, to redeem every note presented, and to pay, with punctuality, all debts that have fallen due.

The credit of the General Government has thus been preserved so high, that, instead of sacrificing its securities at large discounts, as in this and some foreign nations have been compelled to do with public stocks, the Treasury notes have continued at par during the year, though never bearing an interest higher than 5 1/2 per cent, and subject even to the stoppage of that, after sixty days notice.

In fact, on a review of the whole subject, our situation respecting a public debt of any kind will be found a most favored one. Regarded as an indication either of the good state of the national credit, or the ample resources of the General Government, or the discreet legislation relative to its fiscal concerns, it will be difficult to discover many eras more prosperous in these respects, whether in the annals of this or any other country.

V. The exports and imports within the year ending September 30, 1840, exhibit several striking peculiarities. While the foreign commerce of the country constitutes the chief basis of the revenue of the General Government, and is indicative of the extent of our surplus produce, the statistical returns in relation to the subject must excite constant attention among statesmen and political economists, as well as merchants.

The exports during the year amounted to have been \$131,371,950. This amount is quite \$10,513,534 more than in 1839, notwithstanding the reduced price of some of our great staples, and is larger than ever existed before in our history.

Of the whole exports, only \$17,800,333 were of foreign origin. Thus 88 1/2 per cent. of our exports are of domestic origin, and \$113,571,617, being \$6,713,287 more than in any previous year.

The imports during 1840 were also \$10,505,691. This shows the great falling off from the previous year of \$37,256,221. It furnishes, likewise, the principal explanation of the extraordinary diminution which has occurred in the revenue from customs; a diminution, however, which has been caused, in part, by evasions of the laws, and judicial constructions left uncorrected, and the payment of too large sums for bounties and drawbacks, under an omission in the existing tariff to reduce them in a ratio equal to the reduction going on in the duties.

The difference between our exports and imports has usually been in favor of the latter. Several years ago it ranged that way about seven millions of dollars annually; but of late the average has risen to near twenty millions annually; the excess of imports having been, in 1836, even, \$61,316,326, and in 1839, \$41,082,716. But during 1840, the extraordinary occurrence of a reverse at this state of things has taken place. Such a circumstance as the exports at all exceeding the imports, is believed to have happened previously only six times since the Constitution was adopted; and then, never to an extent beyond \$7,916,531. Now, however, without any inflation, and in some important articles, under a contraction of prices, the excess of imports is not only more than ever known before, but quite three fold greater, being computed to equal \$26,766,059.

The excess having failed to produce the usual corresponding increase of imports, but on the contrary, having been accompanied by a diminution nearly equivalent in amount, except on the influence of the war-tariff in 1838, the whole matter furnishes another proof of the hazardous fluctuations in the chief source of our present revenue, which Congress has been repeatedly so repeatedly to guard against by wise permanent provision.

It is also a strong illustration of the probability of the conjecture expressed in the last annual report, that the country had become alarmingly indebted abroad; in part on ordinary mercantile credit, but chiefly on stocks of corporations and States.

To meet what would soon be due for interest alone, it was then supposed would require twelve or thirteen millions of exports; and which, in that event, would of course furnish no returns in imports. The same result must follow yearly, till the old stocks are redeemed, unless new ones can, for some time longer, be sold; and the difficulty be thus deferred, though merely at the expense of increasing the whole ultimate indebtedness.

But it is a course of great satisfaction, to witness the indications which the unprecedented increase of exports, during the last five years, has given of the continued prosperity of the country.

Notwithstanding some depression in particular branches of business, or in particular places, the general prosperity has been such as to create a large surplus of products, and to enable us to send abroad more and more increased values of them, however great the complaints have been as to low prices.

These official records are some of the most authentic tests of truth, almost contradictory conjectures on topics like these. They show that we have been able to spare, in exports of domestic productions during the last four years, quite \$198,791,743 in value; while in no previous term of that length, since the adoption of the Constitution, have they exceeded \$65,447,622. Except in the last two years of four years, they have never fallen below \$29,579,749; nor, for a similar length, as from 1837 to 1840. The whole balance of the country has also advanced within the four years past, more than 20,000,000.

Seldom, indeed, if ever, has the navigating interest, one of the great sources of our wealth increased commerce, been so prosperous as within the last twelve months.

It is true that a portion of the increase in exports may be attributed to some extension of the habits of the community, not connected with national wealth. The disposition in families to rely less on their own resources, and to obtain more by means of mercantile exchanges abroad, as at home, has, without doubt, grown more rapidly than in former times; and it is not to be wondered at, that the amount of products would be increased by the great excess of exports during the last few years, over those of previous times. Granting, however, that some of it has, the consequences to be expected, and in another view of the subject, are not

so well calculated to excite gratification.

The increased dependence which the change of habits, in selling and buying so much more of what is consumed, has occasioned between different countries and those engaged in different vocations, as well as the increased credit thus demanded through many new innovations and the greater subsistence thus produced of almost every pursuit to the extent of the fluctuations in prices, on Bank expansions, and recessions in commerce have probably excited an influence on the events of the last four years not inconsiderable nor salutary. Combined with other causes, they must certainly have tended to effect a wide and unfavorable alteration in public manners; and may, in time inflict an injury on the morals and character of the nation, which will more than counterbalance all the gains in wealth.

V. The estimates of the receipts and expenditures for 1841 next demands attention.

The actual receipts and expenditures in that year can, of course, be so regulated by Congress, through new legislation, as to reach nearly any amount it may deem proper. But the undersigned can neither increase nor diminish them; though a duty is developed on him, in respect to the subject, while at the head of the Treasury, which he now proceeds to perform—of presenting some opinion concerning the amounts to which, under existing laws, and the calls of the different departments, they are likely to attain.

He will further suggest any general changes which appear to him expedient, as well as any new means deemed necessary to meet all the burdens, which it is apprehended, may be imposed.

The estimates for the ordinary receipts and expenditures in the ensuing year differ some millions from what will be actually received and expended in the present one.

It is calculated, however, that the difference will be what is always most desirable,—some increase of the receipts, and a further diminution of the expenditures.

The estimates for the latter, in the present year, were made less than those of 1839; and the result has corresponded. Indeed it is a cause of much gratification that the expectations heretofore cherished, of materially reducing the public burdens, have been verified to so great an extent. Thus the expenses of 1839 fell below those of 1837; while the expenses of 1839, notwithstanding the extraordinary expense of the Florida war, were nearly eight millions below those of 1838; and it is expected that the expenses of 1840 will be from two to three millions still lower, or quite ten millions less than those of 1838.

They would have been nearly twelve millions less, had not that war continued, and unusually large payments been made to Indians, under old appropriations.

It is believed that the ordinary expenses of 1841 ought to fall some millions below those of 1840, as the pensions have diminished by deaths, fewer Indians remain to be removed, several expensive public buildings have been finished, and hostilities with the Seminoles must be nearer to a close.

More details concerning the estimates for the next year will be proper, and will illustrate the correctness of some of the preceding results.

It may be stated, from the best data in possession of this Department, that the receipts, under the existing laws, will probably be as follows:

From customs	\$19,000,000
From lands	3,500,000
From miscellaneous	80,000
And the expected balance in the Treasury, available on the 1st of January next	1,590,855
The aggregate of ordinary means for the next year would then be	24,170,855
There will be nothing more, either of principal interest, or of funds, which will be available, except about	220,000
A power will exist, under the act of 31st March, 1840, to issue Treasury notes for a year from this passage expires, but not to make the whole amount outstanding at any one time excessive millions of dollars. They will furnish additional means equal to the computed amount which can be saved at the close of the present year, being about	312,618
Hence, there may be added from these several sources, so much as to make the whole means for the next year, on the other hand, the expenditures for 1841 for ordinary purposes, if Congress make no reduction in the appropriations requested by the different departments, are estimated at	19,250,000
This would leave a balance in the Treasury, at the close of the year, equal to	5,273,473

But certain payments must also be made on account of the funded and unfunded debt, unless Congress authorize contracts to be formed for extending the time of their payment.

Thus, there will be required, on account of the funded debt, chiefly for the calls of this District, the redemption of Treasury notes, and all the stocks be issued which can be under the present law, at the amount returned within A. D. 1841 will probably not exceed

Estimated balance in the Treasury at the close of the next year, after all payments whatever

Thus it will be seen that if the whole of these charges, both ordinary and extraordinary, should be required to be extinguished in 1841, the estimated means will be sufficient for that purpose, but may not besides, leave so large a balance in the Treasury as is convenient and useful. The best mode of obtaining any deficiency which might arise from that carelessness, will soon be considered by itself.

VI. A few more explanations of minor grounds for the estimates of receipts and expenditures for the next year may be useful.

It will be a novel that the estimates for the next year be founded principally on the existing laws. Should Congress, therefore, alter the Tariff, so as to increase or reduce the duties, the expected annual receipts must, of course, be varied to that proportion.

So it must be if Congress makes any essential change in respect to the public lands, and either passes a gratification bill, and creates new lands, or in which surveys are ready for large sales, as they would increase the amount of receipts in proportion to the extent of the distribution.

The estimates of the receipts from customs have been lessened somewhat, because the continuation of certain articles, paying a duty will, in 1841, be

partially postponed to 1842, in consequence of the great reduction in the Tariff on them, which will take place in the latter year under the existing laws.

So have they been on account of the greater proportionate bounties and drawbacks which are now returned on several articles, and some beneficial operation anticipated from the Independent Treasury in checking speculation.

On the contrary, the revolution in business which have occurred since the middle of 1839, and deeply affected the revenue of some other countries as well as our own, and the protracted suspension of specie payments by many of the banks, which has continued over a large part of the United States since October in that year, will probably terminate soon, by the salutary reaction of great commercial principles; and that event must be accompanied by a considerable increase of imports and duties. The amount of the latter, therefore, has been estimated higher than the actual receipts in the present year, but not so high as they were in 1839 by about two millions, nor so high as many anticipate they will be. But if the banks do not speedily resume, it is to be feared that the estimate will prove larger, instead of smaller, than events will verify.

The revenue from lands most continue to be lower under the present laws than might otherwise be expected, because that portion of the vast sales in 1835 and 1836 which were made to speculators, must, for some years longer, come into the market in competition with the Government; and the emigration to Texas, as well as the continuance of the suspension of specie payments by the banks over much of the West and South-west, is likely to operate injuriously somewhat longer, though probably with a force much diminished.

In respect to the estimates for expenditures, it need only be observed here, that any considerable addition made by Congress to the new appropriations called for, would require a provision of further means to meet them, corresponding in amount; and any diminution in those appropriations would also reduce, in a similar manner, the amount of means otherwise necessary.

VII. The mode of keeping the public money recently established by Congress, has thus far answered the expectations of this Department.

The numerous labors, perplexities, and delays of putting a new system into operation, have been mostly overcome, and no losses whatever are known to have occurred under it.

Some of the provisions in the law are deemed objectionable in their details, and are respectfully recommended to Congress for revision. But they are not supposed to affect in the slightest degree any principle involved in the measure.

Thus, the ordinary clerks authorized are unnumbered enough, yet a principle is needed at New York city, with such compensation as is usual at a place of so large and important business.

On full inquiry, it has been found also that no site could probably be purchased for the erection of an office at St. Louis, which would be more suitable than a lot now owned by the United States; and it may be, under a further examination which is in progress, that no new building could be erected on that site, which would prove more economical and convenient, than one which can be purchased already erected. A similar change in the appropriation on that subject is therefore respectfully recommended.

A provision is needed likewise in case of vacancies, from any cause whatever, in the offices of receivers general and treasurers. One has formerly been asked in relation to the collectors of the customs, in cases of removals and expiration of the terms of office, to prevent an interregnum in the discharge of the duties. This might properly be adopted as to them, and extended to receivers general and the treasurers of the United States, as to the Mint and its branches, in all instances whenever of the vacancy of temporary inability of the principal. Perhaps the least objectionable mode to effect this object would be, to direct that the chief clerk of all of these offices should, in such cases, where no other legal provision now exists, be authorized and required to discharge those duties, at the risk and under the responsibility of the principal and his securities, till the vacancy is filled, or his disability removed.

In consequence of some defects in the phraseology of the present parts of the act, a new clause extending to all disbursing officers of every character under the General Government would be judicious. A further provision also, respecting the places of deposit, by disbursing officers, of money not in the Treasury, but drawn out and put into their hands for making payments, appears necessary.

The keeping of such money is now regulated by the act of 31st March, 1839; and if it is intended to bring it within the operation of the late law as to money in the Treasury, it seems proper to do so by an explicit enactment.

The section requiring disbursing officers to sell their drafts for specie alone, though certain proportions of paper are allowed to be received for all public dues, appears not to be in symmetry with those other provisions. The general influence of the present system is believed to have been thus far salutary. The true standard of value has been rendered more familiar, confidence has been increased in its stability, prices have gradually risen, business improved, and exchanges altered greatly for the better.

If something has been or may be lost in convenience, (which is not unlikely,) by the increasing issue of a paper currency for public payments, much more will probably be gained by the circumstances before enumerated, as well as by the greater security in the use of specie, the more stable value imparted by the present system to property and labor, and the strong check established by it, not only against delinquencies, but against bank expansions, excessive speculations, and commercial disturbances.

Even any inconvenience attending this change in the currency used, if found particularly embarrassing, can be overcome hereafter, and the system still maintained, should Congress feel disposed to adopt the measure, which was suggested for that purpose by the undersigned in September, 1837.

Such a measure would often furnish every advantage of a circulating medium, easy of transportation, of the highest possible credit, and at the same time require an equal amount of specie to be employed, (though in deposits,) and without subjecting any of the fiscal affairs of the Government to that legal dependence on corporations for their management, which is so objectionable in many respects, as never to have been attempted in the management of any of its other affairs, civil or military.

One of the greatest evils to the public service, as well as to the security of private business, during a part of the above period, has consisted in the fluctuations to which both have been subjected, with only a single year intervening, and without any material change in the tariff, or any variation in the price of the public lands, we have seen the revenue from ordinary sources suddenly vary

from nearly fifty millions annually to eighteen; and, on two occasions since, vibrate to the extraordinary extent of nearly eight and eleven millions yearly.

The transactions of individuals upon which our revenue depends, must of course, have undergone an unusual change at the same time.

The imports fell within two years, in case first referred to, from near one hundred and ninety millions to one hundred and fourteen; and in the single year just passed, fell almost sixty millions. Such inflations and contractions must be destructive of all confidence in calculations for the future, while the causes of them shall continue to operate unremedied.

What were those causes? They will be found to have been chiefly connected with the abuses of banking. On the occasion first referred to, they were the superabundance of a fictitious medium of circulation, with the attendant overtrading and speculations in 1836, and the consequent suspensions of specie payments in 1837, as well as the disasters and scarcity of any medium till the latter part of A. D. 1838. Then another expansion commenced, extending into 1839, and accompanied by another increase in imports of nearly fifty millions, which ended again in the contractions by banks, suspensions, and commercial reverses, which have suddenly reduced the imports of 1840 more than one third, and in many places augmented seriously the embarrassments before existing from similar vacillation in the paper currency.

How far some imprudences abroad, at the same time, similar to these, though in a country enjoying any advantages which can result from a National Bank, may have augmented the evils here, by means of the intimate moneyed relations between us, need not now be discussed, though probably their influence was large and unfavorable. The cause first named were, likewise, in full operation here in 1816 and 1817, and were succeeded by many of the same deplorable consequences in 1819 and 1820. One followed the other as inevitably as the ebb of the tide succeeds its flood. The great principles of trade can never be long violated with impunity; and any fictitious or unnatural excess of credit soon ends in revolutions, as the essence of legitimate commerce consists in an exchange of values for each other, or of values for what truly represents values, and can be readily converted into them. All business otherwise becomes a mere game of hazard; speculations must enter into every affair of life; riches and poverty will be dependent on the merest bubbles; prices will change oftener than the wind; regularity in receipts and expenditures be impossible; estimates for the future, whether in public, or private matters, become mere conjectures; tariffs require yearly alteration to meet the fluctuations of business; and the community be kept under the constant excitement and depression of the hot and cold fits of a violent fever.

The first remedy sought in 1816 by the establishment of a National Bank, was supposed, during a few ensuing years, to have aggravated these evils; and the next remedy, adopted in 1824 by a high tariff, did not prevent the low prices and bankruptcies of 1825, which covered the country with wretches and ruin.

Undoubtedly the best relief on such occasions is to be found in removing the cause of the disease. So far as regards the General Government, this was attempted in 1837, and since, by gradually withdrawing from the use of banks and their paper in its fiscal operations, so as neither to stimulate nor contract their issues by other influences than ordinary business; and by urging on those, who might find their employment sometimes useful, a closer regard in doing it, to the safe and sober influences of the universal laws of trade, as well as an inflexible adherence to the constitutional standard of value.

While the General Government shall continue to pursue such a course, it will mitigate and check the evils which otherwise produce, and which they alone, under the limitations in the Constitution, are able entirely to remove. At all events, it will faithfully perform a momentous duty, and exhibit a useful example for imitation.

With much respect,
LEVI WOODBURY,
Secretary of the Treasury.

To the President of the Senate of the U. States.

From the Portsmouth (Va) Times, of Dec. 10.

We learn that a series of most atrocious murders was perpetrated by a miscreant in Southampton county, on Monday night. An aged Quaker, of the name of Scott, residing not far from Jerusalem, his sister, also aged, a little girl, about nine years old, named Prewell, a negro woman, and her child, were successively butchered to further the design of robbery entertained by their destroyer. Six persons were on the premises at the time—and but one escaped. This was a young negro girl. She relates, we understand, that a man residing in the neighborhood visited the house a little after sunset, and spent the evening with the friends of Mr. Scott in conversation with the family. As he was about to quit, he asked Mr. S. to walk with him to the gate, as he had a word to say to him in private. For this the unfortunate man consented.

The girl saw no more of him. A violent struggle was next heard in the kitchen. The murderer, armed with a short, heavy dogwood pestle, had seized the negro woman, and was beating out her brains, when the aged sister of Mr. Scott, attracted by the noise, appeared and begged him to desist. Irrevocably bent on his design, he instantly despatched the poor negro, and, seizing the old lady, feigned her to the floor with a blow of the pestle. A negro boy about nine years old was then killed in the same manner. He next proceeded in search of the little white girl and the young negroes. The latter made her escape unobserved. The other child was not so fortunate. She was caught in the room and murdered as summarily as the rest.

Not seeing the negro girl, and resolved to leave no clue to his fearful secret, the monster made a careful search in the rooms, turning over the beds and scanning every corner narrowly. Convinced that one of the family had escaped, he seems to have gone off without consummating the robbery. The girl fled immediately to the nearest neighbors, and communicated what had occurred in her sight and hearing. They repaired to the premises forthwith, and found the melancholy confirmation of her story. The murderer had fled, and the house was burning slowly. The fire was extinguished before it had defaced the bodies or done much injury to the building. In the morning, among the spectators of the night's bloody fruit, was the individual spoken of by the girl as the actor in the scene. He gave an instant contradiction to her story, and referred to the absence of blood from his clothing as proof of his innocence. He denied, also, we learn, having been on the premises for a fortnight. Traces of blood, however, it is said, were found among his whiskers, and he was detained till search was made at his house. This resulted, we learn, in the discovery of a suit

of his clothing extensively besmeared with blood. He was forthwith apprehended.

Mr. Scott was an old and esteemed resident of the county, and was reported to be wealthy. The hope of securing his money led to a scheme of murder as boldly conceived and deliberately executed as any furnished by the annals of crime. The escape of the girl alone prevented the full execution of the plot. If she had fallen, all explanation of the mystery would have been impossible. The house and bodies of the slain would have been consumed together, and the murderer would have possessed in security the poor reward of his atrocities beyond the fear of detection.

STATE LEGISLATURE.

SENATE.

Thursday, Dec. 17.

Mr. Worth, from the joint committee on Education, made a report, accompanied with a bill, for the establishment and better regulation of Common Schools; which were ordered to lie on the table and be printed.

HOUSE OF COMMONS.

Mr. J. P. Caldwell introduced a Bill to amend an act passed at the session of 1838, to divide the Counties into School Districts, and for other purposes—which was read the first time and passed, and on motion of Mr. Withers, ordered to be printed.

HOUSE OF COMMONS.

Friday, December 18.

Mr. Mendenhall, from the Joint Select Committee on that subject, reported a Bill upon the subject of a Penitentiary, which was read the first time and passed.

Mr. Barringer, from the Committee of Internal Improvements, to whom the subject had been referred, reported against the expediency of the State's undertaking the construction of a Railroad from Raleigh to Waynesborough at this present time, and asked that the committee be discharged from the further consideration of the subject. Concurred in.

SENATE.

Saturday, Dec. 19.

Mr. Shepard presented a bill to establish Free Schools with the several counties of the State; which passed its first reading, and was ordered to be printed. [Proposes to appropriate \$70,000 annually from the accruing interest of the Literary Fund, to be divided among the Counties according to their federal population, for the support of Free Schools; but no county to receive its rateable proportion, until it shall have collected an equal amount for the same purpose, which the acting Justices may levy and collect as other taxes; that at the next August elections ten commissioners shall be elected in each county, to lay off the county into school Districts; that \$5,000 be annually appropriated for the support of Normal Schools, for the purpose of educating poor young men as teachers; and that the Legislature shall select a Superintendent of Schools, who shall annually visit each county in the State, &c.]

The resolutions authorizing the erection of a Lunatic Hospital, were taken up, and, after some discussion, in which Messrs. Morehead and Moore advocated, and Mr. Edwards opposed the measure, were laid on the table.

HOUSE OF COMMONS.

The Engraving Bill to prevent betting on elections was read the second time and postponed indefinitely, by a vote of 62 to 44.

SENATE.

Monday, Dec. 21.

The Senate took up for consideration the bill for the establishment and better regulation of Common Schools. Mr. Shepard proposed an amendment thereto, and after some discussion, in which the proposed amendment was advocated by Mr. Shepard, and opposed by Messrs. Morehead and Dockery, the whole subject was laid over for the present.

HOUSE OF COMMONS.

The Bill for the relief of the Wilmington and Raleigh Rail Road, being under discussion, was, on motion of Mr. Hoke, so amended, as to make the amount borrowed on the faith of the State, payable in annual instalments of Fifty thousand dollars each, till all be paid.

Mr. Guthrie offered an amendment, prohibiting the Company from declaring any Dividend or Bonus, until the Debts contracted by virtue of this Act shall have been discharged; and authorizing the Company to pay into the Treasury of the State, the whole or any part of the amount of Debt so contracted; and on making such payment into the Treasury, to be forthwith absolved from all further liability for such amount of said Debt so paid. This amendment was rejected by a vote of 84 to 24.

Here Mr. Guthrie made a question of order, whether a Stockholder in said Company had a right, under the 19th Rule of Order, to vote on any question presented by this Bill. The Speaker, after stating the Rule as follows, to wit: "No person shall vote on any question, in the event of which he is immediately and directly interested," decided that no member who is a Stockholder has such right to vote. From this decision, Mr. Thompson appealed to the House; and the House sustained the Chair in its decision.

Mr. Biggs then offered an amendment, making the Stockholders liable as securities to the State in their individual capacity, in proportion to the amount of Stock held and owned by said Stockholders. This amendment was rejected by a vote of 63 to 44.

The bill was further amended on motion of Mr. Brogden, by adding the Governor of the State to the Attorney General, as Inspector of the Deed of Mortgage to be made by said Company for the benefit of the State.

The Bill, as amended, was then passed by a vote of 56 to 52.

SENATE.

Tuesday, Dec. 22.

Mr. Arrington presented a resolution to raise a joint committee to report at what time the Legislature can adjourn sine die, which was read and rejected.

On motion of Mr. Spiers, the resolutions on Internal Improvements, were taken up. Mr. Shepard moved an amendment by striking out the 5th resolution and inserting the following: Resolved, That the Governor of the State be required to employ a competent Engineer to survey a route from Fayetteville to the Tennessee line by the way of Wilkesborough, intersecting the former route at some point east of the Yadkin; and that the Engineer, in making his report, shall indicate what route is preferable on account of expense, directness and facility of construction; and whether there is material for paving said route