

The North Carolina Standard.

THOMAS LORING,
EDITOR AND PROPRIETOR.

THE CONSTITUTION AND THE UNION OF THE STATES—THEY "MUST BE PRESERVED."

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TERMS:

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* Letters to the Editor must come free of postage, or they may not be attended to.

White, Ann White, Emma C. White, Ruffin Williams, S. M. Wheaton, Gaston H. Wilder, Matild Wedding, Shadrack Wedding 2, George Watson, John Wall, Sally Weaver, George Weaver, Mary Washington.
Y.—Mathew A. Yates, Thomas Young.

Persons calling for any of the above Letters will please say they are advertised.

THOS. G. SCOTT, P. M.
Jan. 29, 1840. 273-31.

TIERCES.—Best quality Rice.
10 Half Tierces do. do.
For sale by FREEMAN & STITHS.
Jan. 29, 1840. 274-31.

DENTAL SURGERY.—Dr. W. R. Scott informs the public, that he has returned to this City. Raleigh, Jan. 29, 1840. 274-31.

REMEDY FOR CHOLERA &c.
Bernard's Remedy for Asiatic Cholera, an invaluable medicine, in cases of Cholera Morbus, Diarrhea, and Spring and Summer Complaints of the bowels, and which has the highest testimonials in its favor, is for sale, at \$1 per bottle, at the Office of THE N. C. STANDARD, and by ALEX. PARKS, of Hillsboro. Raleigh, N. C. 1840. 274-1f.

REPORT ON THE FINANCES.

REPORT FROM THE SECRETARY OF THE TREASURY ON THE FINANCES.
TREASURY DEPARTMENT,
December 3, 1839.

The undersigned respectfully submits to Congress the following report on the finances, in obedience to the "Act supplementary to the act to establish the Treasury Department."

It is gratifying to be able to state, notwithstanding the embarrassments of the present year, that the revenues of the General Government have been increased, the expenditures diminished, and most of the Treasury notes redeemed.

Revenue and means for 1839, exclusive of trusts and the Post Office.

The balance in the Treasury on the 1st of January, 1839, which could be considered available for general purposes, was \$2,466,961 95

The receipts from customs, the first three quarters, as appearing on the Register's books, are \$18,328,393 50

This includes about two millions and three-fourths collected last year in Treasury notes, but not carried on his books till 1839. From this cause the actual receipts in this year will, to that extent, appear larger than they ought.

Receipts from lands the first three quarters including also some collected last year in Treasury notes, 5,417,285 31
Miscellaneous receipts 125,208 78
Estimated receipts for the fourth quarter from all these sources 5,700,000 00

Receipts on some of the debts against banks not available 1st January, 1839, but since paid 1,322,685 00
From the third issue of Treasury notes under the act of March 2, 1839 3,857,279 21

Aggregate means \$37,217,812 75

Expenditures for 1839, exclusive of the Post Office and trusts.

Civil, foreign, and miscellaneous, for the first three quarters \$8,649,508 23
Military, for the first three quarters 10,791,799 21
Naval, for the first three quarters 4,713,701 57

Estimate for all during the fourth quarter 5,600,000 00
Funded debt for year 14,658 98

\$24,769,667 99

Redemption of Treasury notes in the first three quarters, interest as well as principal, 9,891,759 83

This includes two millions and three-fourths paid in for duties and lands last year, but not carried on the Register's books till 1839.

From this cause the expenditures on that account will appear larger by that amount than they actually have been within those quarters.

Estimated amount of notes redeemed in the fourth quarter 1,000,000 00

Aggregate payments 35,661,427 82

Leaving an available balance of money in the Treasury on the 31st of Dec. 1839, of 1,556,384 93

\$37,217,812 75

The funds computed to be not available, not applicable to public purposes, at the commencement and at the close of the present year, can be seen in the table before mentioned.

Public debt and Treasury notes.

The condition of the small remains of the funded debts has not materially altered since the last annual report. A statement of it, with the several payments made within the year, is here exhibited.

Though unimpaired by repeated pressures in the money market and suspensions of specie payments by the banks, within the last three years, the interest and all the principal due on that debt, as well as on the Treasury notes, have been punctually paid in specie whenever desired.

Not more than one fourth of a million of the first and second emissions, and two millions and a half of the third, will probably remain outstanding at the close of the year. The former emissions have been for some months redeemable, but the last one does not begin to be till March, 1840, except as previously offered in payment of public debts. The aggregate of two millions and three-fourths of principal is therefore all that it is computed will be unpaid of nearly twenty millions, which were issued since

October, 1837, in consequence of indulgences granted to the merchants on their bonds, and the banks on their deposit debts. At no one time has the amount of notes outstanding been allowed to exceed ten millions, and the present very reduced aggregate, unredeemed, is less than the sums still owing from the banks that suspended specie payments in 1837, and from the Pennsylvania Bank of the United States on its bond due in September next; and might with ease have been paid during the present year, had the money been received on the claims.

Exports and imports within the commercial year 1839.

The exports during the year ending September 30, 1839, are computed to have been \$118,359,004. This is \$9,872,388 more than those in the year 1838.

Of the whole exports only \$17,408,000 were of foreign origin, and of the excess in exports over 1838, only about five millions were domestic produce.

The imports during the same year were about \$157,609,560, being the very large excess of \$43,892,356 over those during the previous year. This may be a solution of a portion of the pressure in the money market. The difference between the imports and exports, being \$39,250,556 in favor of the former, is larger than in any year, except three, since 1789, and is much larger than any difference in the valuation of the same articles with the profits in the foreign trade added. It must, therefore, except so far as reduced by an unusual quantity of goods consigned here from abroad, and yet in store unsold, be a very decisive evidence of an increased indebtedness by this country to other nations.

And except so far as this new indebtedness may consist of stocks sold and the proceeds returned here in merchandise, it must furnish another proof of one immediate cause of the present pecuniary pressure.

The history of our commerce during the twenty years from 1818 to 1838, presents a singular change in the last half of that period, which tends strongly to illustrate the correctness of these suggestions. During the first half of it the excess of imports over exports was on an average of seventy-five millions of dollars, or the proportion of near seven millions and a half annually on an average.

But during the last ten years of it the excess was near two hundred and twelve millions, or over twenty millions annually, and thus more than two hundred and fifty per cent greater than it had been. Supposing that the seven and a half millions were composed principally of the fair profits and difference in valuation, the excess over that rate in the last ten years must constitute a debt, either mercantile, State, or corporate. It equals near one hundred and thirty-seven millions before 1839. The debt thus computed to have been created abroad, by stocks and otherwise, within that period, will, with the amount of previous indebtedness, form an aggregate quite as large as has been estimated by many from other data.

Further particulars, possessing a general interest and relating to this subject during the last six years, are exhibited in the statement annexed. Additional information of some importance concerning our exports and imports, from the commencement of the Government to 1838, inclusive, has been prepared, and is subjoined in other tables. These tables are intended to be in a form convenient for a reference, and are calculated, by easy as well as extensive comparisons, to throw new light on this several subjects of commerce and other branches of industry connected with the finances. They exhibit not only the whole exports and imports in each year, but the consumption of the latter, and the changes in the whole aggregate value of each principal article, whether exported or imported, and the progress of our foreign trade to and from each State separately, as far back as is practicable, and to and from each country of much commercial importance abroad. A few of the most striking results are condensed in a note.

Estimate of the Receipts and Expenditures for 1840.

For reasons hereafter to be explained, the receipts into the Treasury, the ensuing year, cannot be estimated so high as in 1839.

From the best information possessed by this department, it is computed that the aggregate of them, available for public purposes, will not exceed \$18,600, viz: from

Customs \$15,000,000
Lands 3,500,000
Miscellaneous 100,000

Add to these the balance available and applicable to other purposes, which it is supposed will be in the Treasury on the first of January 1840 1,558,385

The efficient means in that year will then amount, in the aggregate, to 20,158,385

If Congress should make appropriations to the extent desired by the different departments, the expenditures for 1840, independent of the redemption of Treasury notes, are estimated at 20,000,000

Including all the Treasury notes to be redeemed, the aggregate expenditure would be about 22,750,000

This would leave a deficit in the Treasury at the close of the year, amounting to 2,593,615

But there will be due from the United States Bank, in September next, on its fourth bond about 2,526,576

The principal now due on the Treasurer's deposits in other banks, which suspended specie payments in 1837, is 1,149,904

Should all these claims be collected 1840, they would prevent a deficiency, and leave an available balance in the Treasury of nearly 1,082,865

It is not, however, considered prudent to rely exclusively on the collection of these debts.

One mode, then, of obviating any difficulty from that circumstance, will be to reduce the aggregate of new appropriations, by postponing some and lessening others, so that the means probably available will be sufficient to meet all

calls upon the Treasury, and leave in it an average balance of about two millions.

It is believed, for reasons enumerated hereof, that such a reduction is possible without essential injury to any useful object, and that this balance is the smallest, which is adequate to secure promptitude and good faith in public payments, so heavy in amount as ours, so unexpected at times in the demands for them, and so dispersed over a wide territory. If the appropriations are not thus reduced, it will be wise to provide seasonably in some other way for the amounts of the contingent deficiency, and of such a balance.

According to the opinions of the different departments, as to the sums of money proper for each and which constitute the basis of the estimates submitted to Congress, the new appropriations required for the next year will equal the sum of \$18,280,600 55

Viz: Civil foreign intercourse and miscellaneous \$4,981,344 19
Military services, pensions, &c. 8,213,610 74
Naval service, 5,085,645 62

Besides these, the permanent appropriations, which, by existing laws and the modification of them recommended, first become chargeable on the Treasury in 1840, amount to \$1,586,000. They are, in the War Department, \$1,236,000; in the Navy, \$340,000; and public debt, \$10,000. The principal on Treasury notes falling due will be about \$2,750,000 more. The appropriations already made and chargeable, which will remain uncalled for at the end of the present year, are estimated, by the different departments, at the further sum of \$11,827,371, though that is considered by the undersigned as likely to be about two millions too small. Of these they compute that nearly \$8,270,793 will be required, in order to accomplish the objects contemplated by them. It is proposed to apply \$3,014,711 to the service of the ensuing year without re-appropriation, and the residue of about \$51,866, not being required in order to accomplish these objects, will go to the surplus fund. It therefore follows, if all the new appropriations called for are made, that the whole charge upon the Treasury in 1840, exclusive of the Treasury notes outstanding, will amount to at least \$31,152,106, of which, as previously observed, it is computed that \$29,000,000 will be expended within that year for ordinary purposes, or two millions and three-fourths more, including the redemption of Treasury notes. From these statements, it must be perceived that our condition in relation to the deposit of another installment of public money with the States remains much the same as at the close of the year 1838. Consequently, the views then expressed by the department have continued to govern its course.

This state of the finances renders it also unnecessary to submit any remarks upon the expediency of providing for the additional deposit or distribution of surplus not likely to occur, or for any donation of the proceeds of the public lands, while they are all needed to defray the ordinary expenses of the General Government.

Besides the further objection to some of these measures, arising from their apparent conflict with constitutional principles, it must be manifest, that if the proceeds of the lands should be given away when needed to discharge appropriations, the deficiency must be made up by the unpleasant alternative of a resort to loans or increased taxation.

Explanations concerning the estimates of receipts.
The estimates of the receipts from duties and other lands during the next year have been made low: A further reduction of certain duties, amounting to nearly \$800,000, will take place after the close of the present year. It likewise happens that, subsequent to a large importation and a fall of prices in the articles exported, as in 1839, the amount of imports often declines for one or two years. After 1825, it declined uninterruptedly for six years.

The contractions and expansions of our paper currency have at times proved another striking indication of the reduction and increase in importations. Without dwelling here on the intimate connection between them as cause and effect, by means of the foreign exchanges, and the necessity, after overtrading and oversues by the banks, of drawing on them and adjusting large balances in specie, it may be observed that a diminution in the circulation of paper has been going on for several months. Hence a diminution in the imports has already commenced, and is confidently expected to continue for some time.

The country is also supposed to be supplied with foreign merchandise in greater abundance than it was a year ago. This will lead not only to a reduced demand for the importation of more goods, but to a greater export of what is already here, to other and better markets, and thus, by increased drawbacks, as well as diminished imports, materially lessen the net receipts from customs.

The price of some of our principal articles of exports being lower, the same quantity will likewise furnish less ability to make purchases abroad, and, where the quantity is larger, the commercial embarrassments both there and here will tend to prevent buying, on either side of the Atlantic, much beyond what is needed for early consumption. The greatly increased liabilities on the part of many corporations, and States, for the payments of interest & dividends on their stocks owned by foreigners, will still more sensibly affect the revenue. Those payments must require millions of exports either in produce or specie, which will lead to no returns in additional imports. It is believed that within a few years past an annual tax or drain on this country has thus been created, equal to twelve or thirteen millions of dollars.

This is a new and important element, besides overtrading and overtrading, to disturb the industry, the commerce and finances of the Union. Its rapid growth has been accelerated by the distribution of the surplus in deposit among the States, tempting them in several instances to new and unprofitable enterprises, and simulating delusive hopes of still further distributions. Its influence for evil has been aggravated by a few other causes, some of them temporary in duration and limited in extent, but others diffused in a degree over considerable portions of the civilized world, and presenting some singular anomalies in credit, currency and trade.

But with out enlarging on the consideration of them here, the following conclusions may be regarded as inevitable.
Should the States not speedily suspend more of their undertakings, which are unproductive, but by new loans or otherwise, find means to employ armies of laborers in consuming rather than raising crops, and should prices continue to rise in many cases to be unaccountably inflated, they have been of late years in the face of a contracting currency, the effect of it on our finances will be still more to lessen exports, and consequently the prosperity and revenue of our foreign trade. It will also impede the sale of the public lands, by diverting labor from them to works which, for some time, must be without profit. Circumstances like these, with the scarcity of money and high rates of interest abroad produced by them and other causes, are not necessary to be now repeated, but have already diminished the income in the present year below what it otherwise would have been, and will probably manifest their power much more in the year to come.

The estimates for revenue from lands have been reduced the most in proportion, because besides the diminution of sales, which will probably be caused by the present and prospective scarcity of money and fall of the prices of produce, the amount received from them during the present year has, as was anticipated by the department, been much increased by the temporary power of the late pre-emption law.

The unusual quantity of land newly advertised during the year 1839, and the consequent large receipts connected with that cause and the pre-emptions, are circumstances not likely to recur in 1840. It is believed, therefore, that the low estimates submitted as to lands will prove sufficiently high, unless a graduation bill should pass. The effect of such a bill, judging from reason and from analogy to the graduated prices, under which lands are now selling, on account of the Chickasaw Indians, at Pontitor, much more freely than elsewhere within the same State, would be to add considerably to the revenue for a few years.

Explanations of the estimates as to expenditures and of some further reductions in them.
The estimates of expenditure for ordinary purposes in 1840 are in the aggregate about five millions less than what it is computed will be spent in 1839. This great reduction has been proposed, although the expenses of 1839 will be quite six millions less than those of 1838, and those of 1838 were somewhat less than the expenses of the previous year.
The various items of new appropriations asked for are, as usual, in the amounts requested by the different departments having charge of the different subjects. If any omissions or miscalculations occur in them, they must, therefore, happen from inadvertence by those officers best acquainted with the business within their own peculiar province.
But, in the present condition of the country and the finances, it is not expected that much necessity will arise, either in the opinion of those departments or of Congress, to make important additions to the sums now requested. On the contrary, it is confidently hoped that some reductions from them can be effected without material injury to any great national interest.
It is difficult in a young, growing, and enterprising community, to restrict public expenditure within reasonable limits. Certain exigencies also occasionally occur requiring extraordinary sacrifices. When patriotism and honor demand large pecuniary contributions, the latter are richly repaid by their tendency to impart vigor and security to the former. But, an expenditure of twenty millions for ordinary purposes, though much reduced from the aggregate during a few years past, is believed by the undersigned to be more instead of less, than sound policy justifies, while the present unusual embarrassment in moneyed affairs shall continue. Indeed, strong doubts exist, if it be not more than the real necessities of the General Government usually require. The reasons for this conclusion are briefly these: It is true that such an expenditure, equaling only a dollar and a fourth per head of our population, is not a very large one to sustain a Confederacy with such widely extended duties as this. It reduced to the amount of imposts, which are the whole real burden, and if compared with the taxes elsewhere, equaling sometimes fifteen dollars per head, under political institutions of different forms and less rigidity, the pressure from that source here would seem to be remarkably light.
But it should be remembered that the people of the United States are obliged to defray a large amount of other public expenses imposed upon them by State authorities, and, at the same time that their forms of government, among various excellencies, have been preferred particularly for their economy. Hence the true question with them, in respect to expenditures, is, not how large burdens can be borne, but how much can be dispensed with. It is not what is splendid, but what is useful and necessary; not how much can be collected from them without suffering, but how much can be left with them, both of money & power, and insure all the benefits of the social system.
As the interests and wishes of the people form the Government, they should control it. Considering these circumstances, & the severe simplicity and frugality befitting a republic, what amount of public expenses is necessary?
In 1831, it was calculated that the ordinary expenses of the General Government need not exceed fifteen millions of dollars. The undersigned expressed an opinion four or five years afterwards, that sixteen or seventeen millions would then be sufficient; and he still believes that, notwithstanding the continued increase of our population and wealth, they might, with prudence, be limited to eighteen millions in 1840, and perhaps, after the expiration of most of the present pensions, and the removal of the rest of the Indians, be for some time diminished still lower.
Indeed, in point of fact, so recently as 1834 and 1835, the whole yearly expenses were only seventeen and eighteen millions, independent of the public debt. Though the amount has since been increased by wars, pensions, Indian relics, and other peculiar causes, deemed at the time, in most cases, sufficient to justify the appropriations by large, and often unanimous votes in Congress, yet a reduction has been going on during 1838 and 1839, and all the ordinary expenditures would not in the present year, but

for the pension and Indian disbursements, exceed the same sum last mentioned. The whole increase, however, has not been confined to these two items, nor could the whole reduction safely be, which, in the opinion of the undersigned, sound economy appears to require.

In the inquiry as to the amount of expenditure which should be considered necessary, light may sometimes be obtained by adverting to the increase of population and wealth. Looking to the future, if the expenditure, independent of the public debt, were reasonable in magnitude during the first eight years of our present Government, the sum of seventeen or eighteen millions annually would not now be greatly disproportionate, nor probably be found either much deficient or very unnecessary. It would be nearly five times the average amount about half a century ago while our population, since that time, has undoubtedly increased more than four fold, and our wealth and resources have probably increased in a ratio still larger. The last remark, however, is a matter of inference from various data, more or less accurate in themselves; such as the average importations, which have only doubled in the last forty or fifty years; the foreign tonnage, which has increased but in a like ratio; the exports of domestic produce, which have quadrupled since 1792; and the whole tonnage, including domestic as well as foreign, which has also quadrupled, and become more than proportionally efficient by introducing into it over eight hundred steam vessels.

Other data, less accurate, but not less sure indications of a still larger increase in wealth, are to be found in the vast extension of agriculture, manufactures, the mechanic arts, and various useful applications of steam, as well as in opening roads and canals, building up flourishing cities, enlarging our territory, diffusing practical education, and multiplying by ways too numerous for repetition, the comforts, advantages, and powers of a great and prosperous people.

But such general considerations, though beneficial in comparative examinations, are usually better tests of the ability to pay than of the propriety of the expenses themselves. A scrutiny into the principal items of the latter, and their amounts at this time, compared with those from forty to fifty years ago, will add much, in connection with the considerations before mentioned, in forming a more accurate judgment on the propriety and necessity of most of the present expenditures. It will show what branches have since sprung into being, and what, from their character, should or should not be longer continued.

Some suggestions were submitted on this subject in the last annual report, and its importance must be the excuse for adding more on this occasion. The expenditures nominally connected with foreign intercourse have increased least. Those connected with the War Department have increased most. The civil and miscellaneous charges continue comparatively moderate. But several of our heaviest burdens, such as the navy, the pensions, Indian disbursements, and a class consisting of light-houses, fortifications, roads, and improvements in harbors and rivers, have augmented very largely since the first eight years of the Government. Some of them have increased more than fifty fold.

On a careful examination it will be seen that various vindications, more or less plausible, have been made for these additions at different periods, but they cannot be now applicable for the continuance of them all.

Thus, the enlargement of our naval expenses from less than half a million yearly before 1795, to more than six millions now, was in some degree justified, from time to time, as an efficient aid to foreign intercourse with semi-barbarous people and for the protection of our commerce and citizens against injustice or rapine whether in remotest Asia, or in nearer quarters of the globe. The increase of pensions from only forty or fifty thousand dollars yearly at first, and only eighty thousand as late as 1811, to nearly four millions now, was demanded on various grounds. But in most cases it was considered less as a liberal charity than as a payment of the Revolutionary debt to a patriotic soldiery, who advanced arduous services in the field rather than money, and endured sufferings in the establishment of our liberties, which a grateful posterity should endeavor to remunerate. The Indian expenditures, enlarged from a few thousands to three or four millions of dollars, have been regarded as the most efficacious means of improving permanently the condition of the aborigines, as wisely extending the boundaries of civilization over the new States, and, in a fiscal view, as profitable advances of money, soon to be fully repaid by the sales of lands, to which the Indian title has thus been amicably extinguished.

The other group of items, for forts, light-houses, roads, harbors, and rivers, some entirely new, and the whole augmented from fifty thousand dollars to three and four millions, have, on several occasions, and to a proper extent, been considered as prudent precautions for national defence and useful aids to the extension and security of commerce. Some expenses of smaller magnitude may have swollen quite as fast as these; others with less rapidity; and others still have been wholly created since 1797. Part of them have apparently become a permanent charge on the Treasury, and part undoubtedly may be, as others have been, properly discontinued. But, without time now to go into the consideration of details as to any except those four enumerated classes, it may be added that these are, when united, nearly quadruple all the other ordinary expenditures; and either of those four classes alone amounts yearly to a sum about equal to all the other ordinary expenditures and more than the whole of every kind except the public debt, each year, from 1789 to 1797.

The precise periods when the greatest increases happened, and the ratio of them, have not kept a uniform pace with the progress of population and wealth. In many respects the ratio has not been nearly so great during the last ten or twenty years as at some previous terms. Thus, the whole expenses of the Government in 1793, with the exception before mentioned, were about three millions yearly; and in 1818, after the lapse of a quarter of a century, had increased, though in a period of peace, to fifteen millions of dollars, or five fold, while our population in that period had only doubled.

But, during the next sixteen or seventeen years, as in 1834 and 1835, the expenses had enlarged not twenty-five per cent. while our population had advanced at least sixty per cent. During the present year, though in intermediate