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## SPEECH

Hop. William A. Grahum, OF NORTH CAROLINA

ON THE LOAN BILL.

delivered in the Senate of the United States April 13, 1842.

Mr. Parement: In the division of the la ore of this body it has not fallen to my lot to have any especial charge of the finances nd expenditures of the Givernment. But ing called upon to vote for an additional instrained to examine whether it was deanded by necessity; and being now satis fied that such necessity exists, I must bepeak the patience of the Senute, while I eneavor to show its existence, and the causes by which it has been produced.

For more than five years past, the expendires of this Government have exceeded, ve ry far exceeded its revenues. By an official ument from the Treasury Department before me, it is plainly demonstrated that in four years, from the 1st of Jan. 1837, to the let of Jan. 1811, the expenditures were shove one hundred and twelve millions of dollars, whilst, in the same time, the aggregate income from revenue was but eighty four millions of dollars in round numbers, being an average annual expenditure of twentyght millions, with an annual revenue of but twenty-one millions, of dollars, I omit the fractions of millions to simplify the statement. It thus appears, that during that space of time, expenditure exceeded revenue by twenty-eight millions of dollars.

In the four years from the 4th of March 18 37, to the 4th of March 1841, the precise peiod of Mr. Van Buren's Administration, the reess of expenditure over revenue is still re surprising. It amounted to more than thirty-one million of dollars, being an averge annual excess of expense overcome, of near eight millions per year—an expenditure reater in four years than would have been ielded from the average revenues in five years and a half.

Such having been the condition of puridnerary afficire during the past Adminisiled to horrow now, but how they avoided greater debt heretofore. Having expended thirty-one millions of dollars beyond their in come from revenue, that would naturally be expected to be the amount of debt which hey left to their successors on the 4th of March 1811, instead of five and a half mil ions, which they admit. Such would have been the amount of debt left by them upon the country, had they, like other Adminis trations, had no other means to expend but such as they themselves raised. But, sir. it was their good fortune to inherit a full Trensary, in really money, and to have fallen into t, at convenient periods during their term, the average rate of expenditure was large, the Treasury was seventeen midious of dol. half millions of dollars. And it is vehementlars, nine of which had been directed to be ly contended, that the experience of that transferred to the States, as the fourth instal- year shows that sum to be the amplest ament under the deposite act of 1836. Nine mount for annual expense, and, indeed, that debte due to the United States, principally, found to be enough for the yearly support of late Bank of the United States, at \$115 per to see the annual expenses reduced to twenty ry means, over and above the revenue, ex- reason why no more than twenty-two and a d that we are regular the nation in debt. to awall the amount of these in the me

in their charge. The distinguished and able to income? Was an useless brunchof ser-Senator from Pennsylvania (Mr. Buchanan) vice cut off? Were all the objects which bout to consummate a public debt of seventeen and a half millions of dollars, which hend | propriations were mule as usual in all nits was contracted by their predecessors Sir, this may be very criminal; but, take i without any of the pulliation or apology to be were proper, and were still to receive the the wants of the public service, did the Sen- was inserted in the appropriation hills, auator and his friends do better when they had nine millions of dollars which had been given to the States by the bounty of Congress; (1 gress," manifestly implying that these obsay given, because, although in legal form it was but a deposite for custody, in substance and intention, at least on the part of many, it was a gift:) and in the act of Congress to which I refer, the transfer is merely postpon ed until the 1st of January 1839, but a repen of the gift is avoided. This was the first movement of Congress under that Adminis tration, and the second is like unto it; that is an act to horrow ten millions of dollars by the issue of Treasury notes. By deductions to pay the amounts due from them to Government; and that these measures were to be nerely temporary until those means could be realized. But although the merchants and the banks paid up what they owed, yet the fourth instalment was never paid to States, of whomat was borrowed, and Treasary notes were kept affoat by issuing and redeeming again and again, leaving five and half millions outstanding when that Adminis tration closed.

tMr. Woodbury would remark to the Se nator that there was yet due \$100,000 or \$200 000 from the banks of Mississippi, and he believed \$30,000 from the Bank of the U-

[Mr. Evens: No, the last has been paid.]

Mr. GRAHAM resumed. That is too triffing an amount to constitute the slightest apology for failing to pay the fourth instalment and redeem all the Trensury notes issued. It heurs no proportion to the nine millions of the form er, and the five and a ha. I millions of the lat ter. It now distinctly appears that th States lost the fourth instalment which had been promised them, and a permanent def of five and a hall millions was fixed on the country, not by reason of the defalcations of " the merchants and the banks," which, for some time, were represented as the sources of all ills which befell the Government, but ecause the expenditures during the last Ailministration were raised to an annual average amount of twenty-eight millions of dollars per year. With a revenue admitted to he deficient by their very first act of legislation, and which, by regula ion of the compre mise act of 1833 was to decline materially during their continuance in authority, a system of expense was pursued, which not only overran the yearly incomes and exhausted all the earnings of previous years, but superadded a national debt besides. A guardian who should thus manage the estate of his ward, would find no just cause for wonder in

his removal from office. We are now told however, that although ne upon millions of capital stock. (not the graduation was downward; and it has to absorb it. That many of the Stat irrent revenue,) which had been fail up by been repeatedly a matter of boast, that in he Government from the contributions of the the last year of Mr. Van Buren, the whole ople in previous years. The surplus in amount expended was but twenty two and a one more were received by them from it should fall below it. Sir, I hope it will be arest wholly, for the sales of its work to the Government. If we can avoid war, I hope hare. Adding these together, you have will one. But a very ensual examination of nty six millions of dollars of extraordina- the legislation of 1839-40 will show that the od by the late Administration. Yet, in built millions was expended in the fatter year ion to this, they borro ved five and a was, that the Administration had no more to salf millions of dollars by the issue of Trens- expend. The seventeen millions which they my notes, which were outstanding at the found in the Treasury were gone; the nine nd of their term, making in all more than millions of debts which they had collected riy one millions of extraordinary means. were gone, in addition to their current revenor, too, that this war during a period men; and a Presidential election being on they had a tariff of duties; on all the hand, it was not deemed prodent at that moby per cent. Yet, sir, we who feel new supplies. The perennial founthin o and to vote for this loan are faunted by the Treasury notes, it is true, was sull kept open, in the late Administration by Being but for sufficient reasons it was not expedient

a better administration of the finances while, which was adopted to bring down expenses proclaimed in this discussion the other day, yearly cost the Government money examinthat a Whig Administration, in the short ed, and those struck off and discontinued space of thirteen months, was by this bill, a- which were not supposed to be worth what millions of dollars, in addition to that of five No sir. A new expedient was devised. Applies on hand. When it was needed; he vobranches of expenditure; Congress thereby declaring that the objects of appropriation bund in the deficiency of the revenue and patronage of Government. But a proviso momentarily for the want of money, are all, thereafter, to be resumed and finished.

If, by such resorts as these, the public ex-

penditures were reduced in 1840 to twenty

two and a half million of dollars, it furnishes surely no occasion for the nuthors of that reduction to boast of their economy, nor to accuse their successors of extravagance in completing the works which they had begun. In the Administration of Mr. Van Buren hor- could arrest the operation of the thechanic rowed nineteen millions of dollars. This and laborer on the public works with his humwas alleged at the time to be indispensably mer or trowel in hand at mid day, and whilst necessary, because of the indulgence given to his contract was yet unexpired, though the merchants on duty bonds by an act of that walls of the barracks or quarters in which session, and the failure of the deposite banks they kibored were but half finished, with an assurance however, that the works were not abandoned, but only suspended until Congress should provide additional means for arrying them on; meanwhile the Presiden tial election will be over. In like manner saved by suspending the works on fortifications and leaving the half finished walls of your fortresses to wind and weather, until the Treasury should be replenished. Mr. President, this course of temporary reduction, to make a fair showing in the arithmetic of expenditure, so far from being economy was neglect of duty. Either the military estublishment and the system of fortificationsthe number of men in the army, and their harracks and quarter; the armories, arsenals, forts, &c .- should have been permanently lesprovided to support and carry them on efficiently. The policy which was adopted necessarily exposed the public property to dilapdation, expressly intended no permanent eduction in expenses, and threw over upon

the year 1841, many of the pecuniary bur

tens which properly belonged to 1840.

Mr. President, in tracing the causes of the been chiefly owing to their having a redunnant Treasury, which they had not been oof foctune is generally a prodigal, while the cumulate for himself, is economical from abits and necessity. In my humble opinion the first and prolific source of that system of expenditure as well as of muny of the other evils under which the country now labors, the States. It deprived the States of a boon they had a just right to expect, under for more than twelve months; upon the read public enterprises and incurred debts, hich, though taken from their grasp alstat the very moment when they were a out to clutch, was still suspended over their cads, like the bow of promise in the heavens, mil the turbid and overflowing waters of mblic expenditure were raised high enough icular, I do not doubt; but that the emwo, or one hundred and three millions,

Treasury of this Government, thereby affordby the means for extravagance Mr. Cathoun said the Senator was not here, and of course could not know the rea sons which had induced him to vote for withholding the 4th instalment from the States

He was opposed to collecting moneys for distribution, and went for distributing in the ted to restore it to the Treisury. But he had uniformly voted against extravagant

Mr. Graham said he had not been exam-

ining the votes of the Senator for purposes of censure, but was calling his attention, and that of the Senate, to what I conceive to have been an unfortunate mistake, in giving to the thorizing the President of the United States Government temporary means so far to exfirst act of Congress at the called Session deficiency of a revenue; " such postpone the present state of our finances would de-under Mr. Van Buren, was an act to horrow ments, in each case, to be merely temporary. mand so abrupt and hasty a descent. As gress," manifestly implying that these objects of appropriation, though suspended a half millions; and its weight is accumula ted by a public debt of five and a fault milions left by the last Administration, bearing an annual interest of \$330,000. To meet this ideficiency, what have we? Instead of surplus we have debt; instead of extraordinary means falling in, we have a daily increasing charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of interest; instead of a tariff of 40 charge of the United States, not for revenue, not for the benefit and enjayment of the United States, but for the per cent, we have one nearly approaching 20 States as to political corporation, but for the per cent, and that upon little more than half the imports. What then is to be done? If ca. North Carolina and Georgia inclusive, we propose to horrow money to defray the according to their respective and usual proporexpenses of Government, we are told that we tion in the general charge and expenditures," the issue of Treasury notes. By deductions the military establishment, the expenditure equally fair with those of the honorable Senator, it is shown that, not in thirteen months, but in seven months after coming into power, the Administration of Mr. Van Buren hore. war and that the most vigorous preparations 1st. Borrow such sum, upon the best ferms you can obtain, as will relieve your present necessities, and save the public bon or from diagmer.

2d. Reduce your expenditures to the low est point which is consistent with an efficient

3d. Levy such duties upon imports as are recessary for an economical administration of the Government, and no more.

But, sir, our opponents have one panaces for all the difficulties of the times. Take back the proceeds of the lands, say they. A di rect proposition to that effect was early introduced by the Senatur from Missouri, (Mr. Linn.) And no matter what may be the particular subject under consideration, it is perpetually moved by way of amendment Now, let meask in all candor, if they are resamed into the Treasury, of what avail are they? I ast year the nett proceeds but little xceeded a million of dollars, and it is exceed ingly doubtful what they may be in years to come To say nothing of the immense quantities in the hands of speculating companies, the very fact that large grants were made to sened, or adequate revenues should have been the several new States, by the distribution act, embracing in the whole, I think, near wo unlions of acres, with the like ty of selecting choice qualities-grants already perfeet because made by the state itself, an incapable of repeal, wherever modern democ racy may urge the contrary-will make thos States our competitors in the market, and apart from the depression of money affire diminish the receipts from that source But suppose the annual proceeds to be three millions of dollars, the maximum that has been eight millions per year during the last Ad-ministration. I believe it will be found to have been chiefly owing to their having a reduncurrent revenue of the year will be deficies With or without the lands, therefore, the ne

cessity for a to mis exigent and un evoluble on of industrious poverty, who must needs But, Mr. President, were it otherwise, would ponder long before I could consent to disappoint the just expectations of the States and the people in regard to these lands. No subject has been more discussed or better unlerstood in this country for the last ten years. than that of the distribution of their proceed among the States. None occupied a mor omment place in the great canvass of 1840 ellow cirizons, by the illustrious man w parties in our country have divided has, so quivocal evidences of public epinion in its

Sir, to my mind it is clear that the Constitution of the United States does not con-template the public bands as among the means for the ordinary support of Government.— When the venerable men who framed that hastened and increased by the loss of the fourth instalment. I believe, is equally certain. To them, in their p-culiar condition, it was every thing; to us, I fear, it has been worse than nothing. With it, the list Administration expended in their four years one hundred and eleven or one hundred and twelve millions of dollars. Without it, they would still have expended one hundred and sine ws of war, they proclaimed, as the very first of the authorities of Congress, the power first of the authorities of Congress, the power ing for average annual expenses tear twenty-six millions per year—enough for all reasonable purpose—enough, the country will say, has determined, for all the good that was accomplished.

By yielding this to the States, one of two results must have happened either of which would have had a happy effect, in minimizing let have had a happy effect, in minimating proceeds of the public domain, but an absorbance from the ordinary main according to the ordinary main according to the ordinary main for a material reduction of expenditure, to pleation to constitutional objects. As to the tenance of Government, and in my hunds respond to none degree with the research orbits, but so, and they are not mentioned this is Government of limited powers, confined on a travely provision of means for means of supply; they are not mentioned this is Government of limited powers, confined poor, by reason of which the articles of at all in the three first articles of the Goostie educations and those modes of supply points. senditure to expect source of contribution to the Treasury, but administration. For the stellars account that ty of public agents and have longest present to the disposal of which is ty of public agents and have longest present. traverance. And I committed to Congress. The Congress ad their liberties, who have kept their ruling the maximum, to repe shall have power to dispose of and, make all, powers constantly dependent upon the constant applied in 1837, headful rules and regulations, respecting the tributions. At the indirect approach testi-

whether by sale or gift, whether on one ob ect or another, is not defined. The trust i without limitation in the words of the Conution. And for instruction as to our dur on the directions of the donors in the deeds the ceding States. These declare them States as have become, or shall become members of the confederation, or federal silt, ance," &c.—Ami here let me remark, that ognise no distinction between the disition of the lands coded by Sates, and thu acquired by treaty. That great man, tMr. Jefferson,) by whose negotiation our first great purchase of public lands was made, entertained strong doubts to the power to do so, and it was surely a doubtful question. But that difficulty being overcome, and the question settled by practice, the lands thus States," to be "disposed of by Congress" n like manner with other territory. That that other territory was not looked to, in the Constitution, as a resource to pay current expenses, and that it was intended for the benefit of the States severally I have emicar oredto show. To enter no farther into the meral understanding of the deeds of the

But, sir, the whale legislation of Congress

n regard to these lands shows that they

nive never been considered as standing on he basis of the revenues of the nation. The mmense grants which have been made rom time to time to States, State corporaes to meritorious foreigners in distress who lave come among us, would never have been ittempted or allowed out of a fund which had heen raised by treation, direct or indirect. And for a series of years past the lending red in the opinion that, within a short period at his, the proceeds of the public lands ought no longer to be relied upon as a source of ievenue; the difference between them being that those with whom it is my price to be associated, adopting the policy of the eminent Selutor from Kentucky, (Mr. Clay) who has recently retired from this body, were for an equitable distribution of the land procee mong all the States, while our honorable of onents approving the suggestion of Ger ackson, on this subject, were for cedling t lands themselves to the States in which th are situated. In his message of Dec. 183 the then President says: "It is desirated however, that in convenient time this mi ery (the land offices) he withdrawn f om he states, and that the right of soil and the future disposition of it be surrendered to the States respectively in which it firs? I need not refer you to the repurt of the experien Senator from Alabama, (Mr. King) at the hend of the land committee of that session, and he speeches of other distinguished gentlemen of that political school, to show that in both parties there has been a general concurence in the propriety of " looking to the cuscontest up in the subject of the lands, has ocal and partial distribution. The evidence pon this point have been about d by the Senator from Indiana, ( Vir. Smith pon a recent occasion. I must therefore h rooned, Mr. President, if I canno tyield to and fund from the exchequer of this Got we are assured, from the same quarter, that have only to retain them in hand and w btain whatever creasure you want. o remember that those who oppe they will reflect that this taxation will be th same whether the land proceeds are taken from the Treasury by the plan of distribution in which the people of each State get the due share, or those other plans of surroude cession, or graduation, by which the whole is given to a lew States. And in this connexon let me remind you that, if there wer objections to the passage of the distribution bill, there are objections to the repeal like-wise.—As I have shown already, two mismions of acres of land bave been granted to certain States by that bill, which are incumhie of being recalled. With what propriety ean these grants be allowed to remi-