states of the Union. This sum amounted to 37,468,859 dollars, and was to be paid in quarterly instalments. The last instalment was however deferred for a time, in conse­quence of the commercial embarrassments that occurred, and afterwards, by an act of Congress, indefinitely. The prudence, forethought, and economy of the American go­vernment in the management of its affairs is singularly contrasted with the reckless improvidence of the mother country, whose vast debt, increasing for more than a cen­tury, now swallows up for interest thirty millions a year, about two thirds of the whole national revenue. The following is the state of the American finances for 1837.

Dollars.

On the 1st of January 1837, the balance in the treasury, exclusive of trust funds and those belonging to the post-office, was 46,337,688·36

The receipts during that year, from all sources exclusive of the funds aforesaid, were 22,643,973·53

Viz. Dollars.

Customs 11,169,290∙39

Lands 6,776,236∙52

Miscellaneous 1,705,457∙47

Treasury notes 2,992,989∙15

These, with the balance last mentioned, constitute an aggregate of. 68,981,661∙89

The expenditures during the same year, exclusive of the trust funds, and those belonging to the post-office, were 31,815,409∙91

Viz.

Civil list, foreign intercourse,

and miscellaneous 5,524,252∙76

Military service, including for­tifications. Indian affairs, pensions, arming the mili­tia, the Florida war, remov­al of the Cherokees and Creeks, improvement of rivers and harbours, con­structing roads, and build­ing armories and arsenals..19,417,274∙44

Naval service, including gra­dual improvement and ex­ploring expedition 6,852,059·80

Public debt 21,822·91

This left in the treasury, on the 1st of Ja­nuary 1838, a balance of 37,166,251∙98

We subjoin the following summary for the first three quarters of 1838.

Receipts or Means. Dollars.

Balance on the 1st of January 1838 37,166,251∙98

Receipts from customs 17,478,770∙56

Receipts from lands .3,136,828·54

Miscellaneous 253,431∙85

Treasury notes issued 12,716,820∙86

Second and third bonds of United States Bank of Pennsylvania 4,542,102·22

75,294,20601

Expenditures. Dollars.

Civil and miscellaneous, first three quarters ...4,029,674·13 Military, first three quarters 15,731,323·62

Naval, first three quarters 4,325,563·21

Estimate of above expenditure for the fourth

quarter 8,249,000·00

Public debt for the year ...2,217·08

Redemption of treasury notes for the year 8,089,440·64

Balance on the 31st of December 1838 34,866,987·33

Total 75,294,206∙01

*Unavailable Funds in* 1838.

Deposits with the states 28,,101,644∙97

Due from insolvent banks before 1837 1,100,000·00

Due from banks that suspended payment in

1837, and not payable till 1839 2,400,000·00

Part of money in the mint 500,000·00

Total 32,101,644·97

From balance on the 31st December 1838,

being 34,866,987·33

Deduct total unavailable as above 32,101,644·97

Available balance remaining 2,765,342·36

Available balance in the treasury 1st January 1841 esti­mated at one million and a half of dollars.

The article entitled “ deposits with the states” is the sur­plus revenue that was distributed among the several states. The United States are entirely free from the grievance of internal taxes, the public revenue being wholly derived from the customs and the sale of public lands. The post-office merely defrays its own expense.

Besides the public debt of the United States, several states of the Union have incurred debts for money laid out on rail­roads, canals, banking schemes, and public institutions of every description. In 1835 these debts were estimated at sixty millions of dollars ; and they have since been greatly increased. Of the amount raised from 1835 to 1838, about forty millions of dollars were appropriated to the establish­ment of banks, and about sixty-eight millions to works of internal improvement. In many cases the funds have been judiciously laid out, and will make a suitable return;@@\* but in other cases they will not yield a revenue sufficient for the repairs of the canals or railroads on which they have been expended, and for the payment of interest. When there are no adequate auxiliary funds, taxation must be resorted to for upholding the credit of the state. The Pennsylvania legislature has already agreed to the imposition of taxes, if no adequate funds accrue from other sources ; and it is not doubted that all the other states will follow this example, and join in upholding the credit of the state bonds, which now form an article of traffic in the money markets of Europe. The following table, taken from the American Almanac for 1840, contains an account of the total amount of stock issued and authorized to be issued by each of the eighteen states where this mode of raising money has been resorted to. It is partly founded on the Annual Report for 1839, of the comptroller appointed under the general bank­ing law passed in 1838, to inquire into the amount of the public debt in all the states, which was stated in that Re­port at 123,703,750 dollars, and partly on information de­rived from the state laws, which have been carefully ex­amined, though it is probable that the aggregate amount of stock authorized by all the states is even greater than the amount stated in the table.

@@@1 See Trotter’s Observation· on the Financial Position and Credit of the States of the North American Union, chap. viii.