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Report from the Secretary of the Treasury, on the finances.

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REPORT
FROM
THE SECRETARY OF THE TREASURY,

On the Finances.

DECEMBER 5, 1838.

Read, and ordered to be printed.

TREASURY DEPARTMENT,
December 3, 1838.

The undersigned respectfully submits the following report, in obedience to the "Act supplementary to the act to establish the Treasury Department:"

I. OF THE REVENUE AND EXPENDITURES.

The balance in the Treasury on the 1st of January, 1839, which will then be available and applicable to public purposes, is estimated at

\$2,765,342 36

This result is derived from the following data:

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:

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 harbors, 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

The receipts during the first three quarters of 1838, with exceptions similar to those before named, are ascertained and estimated to have been - \$31,075,723 19

Viz :

Customs, including postponed bonds - \$12,228,770 56

[Of this sum, about \$2,900,000, received in Treasury notes, cannot, until the settlements to which they belong shall be completed by the accounting officers, be entered upon the Register's books. A part will be carried into the Treasury by warrant during the fourth quarter, and the remainder next year.]

Lands - - - - - 2,036,828 54

Miscellaneous - - - - - 238,431 85

Proceeds of third bond of United States Bank sold

for - - - - - 2,254,871 38

Part of second bond - - - - - 1,600,000 00

Issue of Treasury notes - 12,716,820 86

The further receipts in the fourth quarter are estimated at - - - - - 7,052,230 84

Viz :

Customs, estimating the actual receipts during the quarter, and not the sums which may be formally carried upon the Register's books from former quarters - \$5,250,000 00

Lands - - - - - 1,100,000 00

[Including only a portion of the pre-emptions, and such of the sales as may be actually paid into the Treasury before the year expires.]

Miscellaneous - - - - - 15,000 00

On second bond of United States Bank, due in September, 1838, and paid in part before and in part after that date -

687,230 84

These united make the aggregate of receipts for the year 1838, as ascertained and estimated - - - - - 38,127,954 03

This, with the balance on the 1st of January last, would amount to - - - - - \$75,294,206 01

The expenditures during the first three quarters of 1838, with similar exceptions, were - - - - - \$28,427,218 68

Viz:

Civil list, &c.	- - - - -	\$4,029,674 13
Military service, &c.	- - - - -	15,731,323 62
Naval service, &c.	- - - - -	4,325,563 21
Public debt	- - - - -	1,217 08
Redemption of Treasury notes, including interest	- - - - -	<u>4,339,440 64</u>

The particulars are given in the document annexed, (A.)

The expenditures during the fourth quarter, including \$1,000 interest on funded debt, and the redemption of \$3,750,000 of Treasury notes, are estimated by the different departments at \$13,511,920 10. But it is not expected that the redemption of all these notes will appear on the Register's books till next year. Nor does the undersigned anticipate that the actual expenditures within this quarter, including the above notes redeemed, will exceed - - - - - 12,000,000 00

- Making an aggregate of expenditures for the year 1838 of \$40,427,218 68

This computation would leave in the Treasury, on the 1st of January, 1839, a balance of - - - - - \$34,866,987 33

It is proper to ascertain, in the next place, how much of this balance is not immediately available and applicable to public purposes.

The sum of \$28,101,644 97, which has been placed with the States for safe keeping, is a part of that balance, and cannot, by the provisions of the act of October 14, 1837, be made available till directed by Congress.

Another part is about \$1,100,000 00, due chiefly from various insolvent banks, on account of the money that before 1837 had been placed in their custody, to the credit of the Treasurer, and still remains unpaid.

Another portion is near \$2,400,000 00, which is due from banks that suspended specie payments in 1837, and will probably not be paid during the present year.

About \$500,000 of the amount which has been placed in the Mint, for the specific purposes designated in the laws on that subject, is another part of that balance, which could not at once be made available for other objects without much public inconvenience.

The aggregate of these items, not immediately available and applicable to public purposes, is \$32,101,644 97; and if deducted from the foregoing balance, it would leave on the 1st of January next, as stated in the commencement of this report, only the sum of \$2,765,342 36 then available, and applicable to those purposes.

Subjoined is a condensed view of the receipts and means, as well as the expenditures for 1838, as ascertained and estimated; also the funds not available in that year.

SUMMARY FOR 1838,

Receipts or means.	Amount.	Expenditures.	Amount.
Balance on the 1st of January, 1838	\$37,166,251 98	Civil and miscellaneous, first three quarters	\$4,029,674 13
Receipts from customs	17,478,770 56	Military, first three quarters	15,731,323 62
Receipts from lands	3,136,828 54	Naval, first three quarters	4,325,563 21
Miscellaneous	253,431 85	Estimate of above expenditures for the fourth quarter	8,249,000 00
Treasury notes issued	12,716,820 86	Public debt for the year	2,217 08
Second and third bonds of Bank United States of Pennsylvania	4,542,102 22	Redemption of Treasury notes for the year	8,089,440 64
		Balance on the 31st of December, 1838	34,866,987 33
	75,294,206 01		75,294,206 01

UNAVAILABLE FUNDS IN 1838.

Deposites 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

II. OF THE PUBLIC DEBT.

The payments on account of the funded and unfunded debt, since the 1st December, 1837, have been as follows:

1. On account of the principal and interest of the funded debt:

Principal	-	-	-	-	\$215	27	
Interest	-	-	-	-	2,001	81	
						<u>\$2,217</u>	<u>08</u>

Leaving unclaimed and undischarged - - - - - \$325,520 83

Viz:

Principal	-	-	-	-	\$75,954	47
Interest	-	-	-	-	249,566	36

2. On account of the unfunded debt existing previous to 1837, including \$1 08 interest on Treasury notes of 1815 \$21 08

Leaving the amount of certificates and notes payable on presentation - - - - - \$36,913 40

Viz:

Certificates issued for claims during the revolutionary war, and registered prior to 1798	-	-	-	\$27,293	31
Treasury notes issued during the late war	-	-	-	5,300	00
Certificates of Mississippi stock	-	-	-	4,320	09

In addition to the above, the United States, under the act of the 20th May, 1836, for the relief of the corporate cities of the District of Columbia, have assumed the following debts, bearing an interest of five per cent. exclusive of charges, viz:

Of the city of Washington	-	-	\$1,000,000
Alexandria	-	-	250,000
Georgetown	-	-	250,000
<u>\$1,500,000 00</u>			

The payments for the year 1838, on account of the interest and charges on this debt, amount to - - - \$76,995 99

3. Statement in relation to the issue and redemption of Treasury notes in 1837 and 1838.

Issued under the act of the 12th October, 1837	-	-	\$10,000,000	00
Do. do. 21st May, 1838	-	-	5,709,810	01

15,709,810 01

Of this amount, \$6,888,809 60	were at 6 per cent.
4,280,273 72	" 5 per cent.
2,784,844 73	" 2 per cent.
1,755,881 96	" 1 mill per cent.

The following amount has been redeemed:

There have been entered to the credit of the "account of redemption of Treasury notes" on the books of the Register	\$5,063,197 41
And there have been cancelled and returned to the Treasury, and are now in the course of settlement, as appears from the records of the First Auditor and the Commissioner of the General Land Office	2,892,052 59
	<u>\$7,955,250 00</u>
Leaving outstanding	<u>\$7,754,560 01</u>

III. EXPLANATIONS AS TO THE APPROPRIATIONS OUTSTANDING.

The appropriations heretofore made, which will remain unsatisfied at the end of the year 1838, and be chargeable on the balance then in the Treasury, and the revenue subsequently received, are estimated by the other departments at \$13,187,426 83, but by the undersigned at \$1,511,920 10 more, in consequence of estimating the expenditures of the fourth quarter differently.

Upon the view taken by this department, it is computed that \$12,369,623 68 of those appropriations will be required to be paid, in order to accomplish the objects contemplated by them.

Of the remainder, about \$370,360 40 may go to the surplus fund, or not be needed to accomplish those objects; and the residue, being \$1,959,362 85, it is proposed to apply to the service of the ensuing year, without reappropriation.

IV. ESTIMATE OF THE RECEIPTS AND EXPENDITURES FOR 1839.

The receipts into the Treasury during the year 1839, are estimated at

Viz:		\$28,780,000 00
Customs	-	\$19,000,000 00
Lands	-	4,500,000 00
Miscellaneous	-	500,000 00
The proceeds of the fourth bond of the United States Bank, if sold	-	2,380,000 00
And the sums likely to be realized from former deposit banks on instalments which become due in 1839	-	<u>2,400,000 00</u>

These, with the estimated balance of \$2,765,342 in the Treasury, which, on the 1st of January, 1839, will be available and applicable to public purposes, constitute an aggregate of efficient means amounting to

31,545,342 00

The expenditures for 1839, including the redemption of eight millions of Treasury notes, and interest, falling due in that year, are estimated at

\$30,500,000 00

Thus, of the old appropriations which will be outstanding on the 1st of January, 1839, it is computed that there will be expended in that year -	\$7,500,000 00
The Treasury notes to be redeemed, and interest, will amount to about -	8,000,000 00
Of the new appropriations called for, together with those which are permanent for 1839, it is computed that there will be expended within the year -	<u>15,000,000 00</u>
These constitute an aggregate of actual expenditures for 1839, estimated at -	<u><u>30,500,000 00</u></u>
Leaving a balance in the Treasury, on the 31st of December, 1839, available and applicable to public purposes, amounting to -	<u><u>\$1,045,342 00</u></u>
The estimates for new appropriations now presented from the different departments, amount to -	\$21,665,089 95
To these may be added permanent appropriations for the service of 1839, made by former acts, equal to -	<u>9,894,000 00</u>
These make all the new and permanent appropriations for 1839 -	<u><u>31,559,089 95</u></u>

Viz :

Civil, foreign intercourse, and miscellaneous -	\$3,658,157 87
Military service, &c. -	13,969,836 01
Naval service, &c. -	5,881,096 07
Redemption of Treasury notes and other public debt -	<u>8,050,000 00</u>

For further particulars see the details of the annual estimates.

It will be perceived by these statements, that no surplus balance will probably exist either on the 1st of January, 1839, or during that year, to be deposited with the several States for safe keeping, as a fourth instalment under the deposite act of June 23, 1836. Indeed, great care will be necessary in restricting the appropriations to the necessary wants of the Government, or the receipts will not be sufficient to meet the current demands on the Treasury, unless those receipts should unexpectedly exceed the present estimates.

When an unusual excess existed in the Treasury, it was proposed to place that fourth instalment with the States for safe keeping till needed; but before it became payable, the money was wanted to discharge existing appropriations. The deposite of it was, therefore, postponed by Congress till next January, and the money has been used by the United States, to which it belonged, without incurring the expense and inconvenience, to all the parties concerned, of paying and then immediately recalling it. That instalment is not a debt due to the States, and, hence, is not required to be paid like an appropriation for the public service. Yet the remark may properly be added, that if a surplus should hereafter accrue, large enough, after defraying all the existing charges imposed by Congress upon the Treasury, to make the deposite originally contemplated, this department,

with its present views, would feel bound to carry it into effect, unless Congress, in the mean time, should further modify the laws now in force in relation to the subject.

V. EXPORTS AND IMPORTS IN 1838.

The exports during the year ending September 30, 1838, are computed to have been \$103,136,000.

Of these, about \$90,666,000 were of domestic, and \$12,470,000 of foreign origin.

The former have diminished from the previous year, \$4,898,414, and the latter, \$9,384,962.

The imports for the same year were \$112,000,000.

These are \$28,989,217 less in value than those of the previous year, being nearly \$78,000,000 less than those under the enormous overtrading and other overactions which characterized 1836.

For further particulars reference may be had to the table annexed (C.)

It is an interesting fact, that during the last three years more than \$86,000,000 annually, or an average of nearly nine-tenths of our whole domestic exports, have been derived from agriculture. More than seven-tenths of our whole population are probably employed in that useful pursuit.

VI. EXPLANATIONS OF THE ESTIMATES OF RECEIPTS AND EXPENDITURES, AND SUGGESTIONS ON THE MODE OF MEETING FLUCTUATIONS IN THEM.

The receipts from customs during the present year, will vary but little from the estimate submitted in the last annual report. The receipts from lands will be less; but the amount of sales made, and pre-emption rights existing, will not differ essentially from what was anticipated, though the act of Congress, as to the latter, passed so late that payments for all of them could not be realized till another year, without causing much inconvenience and unnecessary pressure in some portions of the country.

The estimates presented for new appropriations and for expenditures in 1838, were quite as large as the views of the different departments, at the time Congress assembled in December last, appeared to justify. By the unexpected continuance of the Florida war, a solicitude to induce the Cherokees to remove peaceably, and an earnest desire to suppress, with promptitude, all threatened disturbances on our northern frontier, with several other measures of less importance, originating in Congress, led that body to make appropriations amounting to nearly ten millions beyond those requested in the annual estimates. Some provision of additional means, corresponding to this excess, became, therefore, necessary; and in order to discharge the excess, and guard against contingencies, as well as avert the consequences of a protracted suspension of specie payments by the banks, Congress wisely granted the additional authority, both to sell the bonds of the United States Bank, and to issue new Treasury notes instead of such as might be paid in before the time for their redemption arrived. The apprehensions of embarrassments in the finances within the year, which had arisen from those unexpected appropriations, and from the failure that then continued among the banks in most quarters of the Union to return to specie payments, were removed by these opportune provisions. Occasions, however, have not yet arisen to require the full use of either of them.

The whole amount of Treasury notes outstanding at any one time since they were first authorized, in October, 1837, has never equalled ten millions of dollars. The amount now outstanding is only \$7,754,560 01. Beside the restrictions on the sale of the bonds of the United States Bank, the want of power to guaranty their eventual payment, and the short period they had to run, with the great quantity of State stocks in the market of a better character for permanent investment, caused some temporary inconvenience, and prevented any offer for them above par, either at home or abroad. The sale, however, of one becoming expedient, it was effected within the limitations prescribed. It has not yet been found necessary to dispose of the other. But it is expected that, when the period for redeeming most of the outstanding Treasury notes arrives, it must be sold, unless other means to meet the public engagements shall, in the mean time, be provided by Congress.

If the receipts from customs or lands should exceed the estimates made for the ensuing year, which, in the vacillations of trade, is not very improbable, still it is not supposed the excess will be so large, that all the expected charges on the year can be defrayed without a sale of the remaining bond, or some equivalent resource.

The estimates of receipts for 1839, rest on the following general views: An overflowing tide of speculation and bank issues, like that of 1836, is not anticipated, while the recent evils and disasters from these sources are fresh in remembrance. Nor, on the contrary, is any expectation entertained of a repetition, so soon, of the mercantile revulsions which characterized the year 1837.

The receipts from duties during the last year, if the bonds had not been postponed, would have been about \$16,000,000. Those of the present year, in the ordinary operation of the laws, without the postponed bonds, will not probably exceed \$13,000,000.

By supposing a large increase of 50 per cent. in 1839, beyond the ordinary receipts for the last year, they would amount to between nineteen and twenty millions, and would be larger than the receipts in 1835. Such an increase would be greater than in any previous year of our history, not affected by commercial restrictions, foreign wars, or important changes in the tariff.

Considering that, under the present credits, the duties actually paid within any calendar year must be estimated chiefly on the imports from the first of July preceding, to the first of July in that year, and that two biennial reductions in the tariff have occurred since 1835, it is believed that nineteen or twenty millions is an estimate sufficiently high for 1839.

But, as the receipts of late have depended, much less than formerly, when credits were longer and almost universal, on the amount of bonds taken in previous years, the estimates must be much more conjectural; and intestine commotions, wars in Europe or on our own borders, fluctuations in crops or prices, and various other contingencies in the ensuing year, which cannot be foreseen or computed, may vary the result several millions.

The reduced receipts both from lands and duties in 1837 and 1838, as compared with the two preceding years, were anticipated by the department in 1836, and a permanent provision to meet any deficiency was earnestly urged on the consideration of Congress.

Confident as were the expectations entertained by many, that the revenue of 1837 would be so great as to justify further large deposits with the

States, and severe as were the censures bestowed on those who expressed apprehensions of a different result, a striking diminution in the revenue actually occurred. Although any difference of opinion on a point of so much importance to the public faith was deeply regretted by the department, yet it felt constrained, at that time, to regard many appearances of extraordinary prosperity as delusive; the existing surplus as temporary and fallacious in its character; and consequently believed that much of it was likely to be required in a few years to meet deficiencies in the revenue, arising from the progressive reduction of the tariff, and those fluctuations in income and expenditure to which all Governments are more or less subject, and to which our own system of finance is peculiarly exposed.

Apart from the contingencies of war, and other exigencies affecting expenditure, it is impossible, under the ebbs and floods of trade and speculations of all kinds, which, with the present banking system, are as certain though not so regular as the tides, that a revenue derived chiefly from foreign importations, and the sales of land, should not vibrate with such changes. The department, therefore, has discharged a duty deemed imperative, in urging on the attention of Congress, at several sessions, some permanent and efficient arrangement for enabling the Treasury to meet such fluctuations without injury to the public credit.

On one occasion, permanent legislation in respect to this point did place. But that has been repealed, or indefinitely postponed, by the act of October 12, 1837; and the temporary measures substituted having nearly ceased their operation, the necessity for some further provision is apparent. The form seems to be the great question of difficulty; there being, it is apprehended, a general concurrence of views in favor of having some effectual provision on a subject of such obvious importance.

The investment of a part of the surplus in the Treasury in State stocks, in the manner which for several years has been successfully practised, under the acts of Congress, as to large sums belonging to the Indians, so as to constitute a provident fund to meet contingencies and fluctuations, was the mode first recommended by the department. But a substitute for this plan was preferred by Congress, which directed the whole surplus to be deposited with the States for safe keeping, and enabled the Secretary of the Treasury to recall it, whenever needed for public purposes. In the autumn of 1837, however, when the necessity of resorting to this substitute was in view, Congress postponed its operation. Instead of it, the power to issue Treasury notes for a limited period was granted, and for additional security against deficiencies, the deposit of the fourth instalment with the States was deferred till next January, and afterwards the power to sell the bonds of the United States Bank was added. But both of those powers will soon be inoperative, and without some further legislation on this subject, which shall be of an efficient character, and be available at an early day, the preservation of the public faith must be endangered.

Recent experience is full of admonition on this question. Since the extinguishment of the national debt, and especially within the last three years, it has been the policy of Congress to avoid a large balance in the Treasury immediately available, which, if unemployed for the public service, was regarded as taken from the circulation of the country, and in some degree hoarded, though deposited in banks which had made the public money the basis of enlarged operations. This policy, as it obviates the hazard attending such operations, as well as the imputation of im-

proper influence in the management of the money, is certainly the most prudent. But the preservation of the public faith, either under the former practice of keeping the money in banks, or under the proposed system of an Independent Treasury, may occasionally render other resources necessary, from the considerable fluctuations which are frequently occurring in our receipts and expenditures from year to year, and even from month to month. Thus, the receipts from the usual sources, which were, in 1834 about twenty-one millions, rose unexpectedly in 1836 to forty-eight millions; but fell again as suddenly in 1837 to only about nineteen millions. So, the aggregate expenditures in 1834 and 1835, independent of any payments for trusts or the national debt, were only seventeen or eighteen millions; but from Indian wars and other causes they rapidly rose, and, notwithstanding the diminution in receipts, have remained since not far from thirty millions yearly. Again, in the month of January last, the expenditures were only about one million eight hundred thousand dollars; and in May last, only two million two hundred and forty-two thousand dollars; but in July, they suddenly increased to over four million five hundred thousand dollars, being an excess, in a single month, of nearly two millions and a third, or more than enough to sweep off, in thirty days, the whole balance on hand. Consequently, at any period, with only a million or two in the Treasury, and the current receipts being less than two millions monthly, it is obvious that the public engagements could not all be punctually met, unless some power, like those before named, shall exist to provide for calls so unequal in different portions of the year, as well as in different years. Though the receipts for any one year may be equal to the whole expenditures within it, even that will not remove the difficulty. The expenditures may be required in larger proportions in the first half of the year, and the greatest receipts occur in the last half.

Having the power to issue Treasury notes during 1838, the department has been enabled, by the aid of that and other means, to meet every authorized engagement with punctuality. A power of a similar kind has been found in other countries, during more than a century, to be indispensable to sustain public credit. If we keep only a small available balance in the Treasury, and realize only the comparatively small income which is desirable since the discharge of the national debt, and this income shall continue to be affected by the periodical fluctuations of receipts which are probable, under the changes going on in the tariff, as well as in banking and the habits of trade, this power, or some equivalent resource, seems to be essential to the support of the public faith, in the scrupulous manner required by justice and sound policy.

The estimates of expenditures in 1839, have been formed on the most economical basis which the different departments think the public interests will permit. They are less than those of either of the two preceding years, under many heads, and are several millions less than either the appropriations made by Congress in those years, or the expenditures actually paid within them. Judging from past experience alone, the probabilities would be, that the appropriations to be made at the present session, will exceed by some millions the estimates submitted.

But such additional appropriations, to any considerable extent, are not anticipated, when the whole circumstances of the country and of the Treasury shall have been calmly reviewed by Congress. No doubt exists

with the undersigned, that prudence, at this time, requires a reduction, rather than an increase, in the aggregate of the annual appropriations. Besides what is dictated on this subject by a wise public frugality, and the straitened condition of the Treasury, it is probable that, by the gradual reduction in the tariff, which is in progress under the existing laws, the receipts from customs, which now average sixteen or seventeen millions yearly, will, by 1842, be so far diminished as not then to exceed ten or twelve millions. Hence, if the annual expenses do not by that period undergo a reduction in some degree corresponding, so as not to surpass that sum and the few additional millions which may then be derived from the sales of the public lands, an unpleasant resort to another increase of the tariff, or to a recall of deposits with the States, or to permanent loans, will then, if not sooner, become indispensable.

The further details connected with the diminution in our revenue by 1842, under the existing laws, were so fully exhibited in the annual report in 1835, that the undersigned forbears, on this occasion, to repeat them. But in commencing the unpleasant task of reduction in the expenditures, a question naturally arises, as to what items it should first be applied? The department would not be understood as urging retrenchment or parsimony, where the object is great, pressing, and constitutional. It has always approved, not only those appropriations which are necessary to satisfy the ordinary wants of the public service, and others rendered proper to vindicate our rights and national character in war, but those which our unexampled increase in territory, numbers, and wealth may have required, in order, at all times, to afford due protection to persons and property abroad, as well as at home, and discharge with efficiency all those momentous duties which have been clearly and wisely devolved on the Government of the Union. A judiciary for twenty-six, instead of thirteen States, must of course require more officers and expense. An army to guard an inland frontier of five thousand miles in extent, and embracing one million and a half of square miles of territory more than in 1789; and a navy to protect a sea coast of over three thousand miles; and a commerce of two millions tonnage, instead of less than half a million, with annual imports and exports of nearly three hundred millions in value, instead of forty-three millions, must necessarily require a large addition to the public burdens. But, at the same time, some of these circumstances evince, with equal clearness, a flattering change in our ability to sustain those burdens.

This country is not, like most others, stationary in either its fiscal wants or its fiscal means, but exhibits more clearly every year the interesting development of the wants and means of manhood, compared with those of infancy.

Besides the increased demands on the Treasury before mentioned, there has sprung up a light-house establishment, exceeding, in extent, that of any of the powers in Europe, with a plan of river and harbor improvements, of constructing national roads, hospitals, mints, forts, arsenals, armories, navy yards, docks, and various public edifices, in some degree suited to our present growth and necessities.

On the other hand, corresponding changes, equally great, in our resources, have fortunately occurred, and which last, whenever required by the public wants, have been displayed with great facility. As evinced in the increase of our annual revenues, from five to twenty and thirty millions of dollars, those resources have enabled us not only to discharge all the aug-

mented current expenditures, but to defray from one to two hundred millions of national debt incurred in defence of our liberties; extinguish the Indian title to the greater part of several new States, so as to extend the boundaries of civilization and christianity; and make a liberal deposit with all the States of a surplus in our income, exceeding twenty-eight millions of dollars. Hence the various officers, institutions, and departments, appropriate for administering the whole of these affairs, and in fine for executing the laws of the General Government in respect to sixteen instead of four millions of people, are not so much just topics of complaint, as of admonition to increased caution in regulating establishments and expenditures necessarily so much enlarged. It is certain that some of them, however laudable in their origin, can be judiciously reduced as the advanced progress or completion of the business and works to which they relate, may sanction the measure. This would be sound economy; and its reasonableness should be duly appreciated by those who consume as well as those who pay the public revenue.

In the midst of fiscal operations so much greater in amount, and extended over a territory so much wider, none can be insensible to the further fact, that they open an avenue, which cannot be too closely guarded, to various excesses in expenses otherwise useful, and to numerous incidental charges, which, though not dishonest, may, on scrutiny, be found neither necessary nor useful. All these will demand untiring watchfulness, or their accumulation must prevent those reductions, which it is believed the public service can in many cases bear without injury; which comport with the economical principles always to be cherished in republican forms of Government; which the frugal and virtuous habits of the great mass of our population demand; and which are deemed essential to avoid embarrassment in the present and approaching condition of the public income.

The system of internal improvements is, for instance, voluntary, but very expensive, and the growth almost entirely of the last thirteen years. So is a large part of our light-house establishment and fortifications.

Does not true wisdom require reductions and postponements in appropriations towards these objects, at least till the revenue of the country shall again clearly indicate the safety and convenience of pushing them with more vigor?

In the prospective state of the finances, ought not numerous donations to local projects, which have of late years been so common, to be likewise forborne?

Our pension grants, which are in a great degree gratuitous, exceed in expense, annually, what was the whole yearly cost of the General Government, independent of the public debt, from 1789 to 1799. However generous, therefore, and grateful, and often just may have been the feelings which led to their increase, in times of a great and increasing revenue, does not prudence teach us to exercise caution in making further additions to them, while the tariff is undergoing a gradual reduction?

These suggestions might be extended to other matters of a similar character. But enough has been specified to attract attention to the subject generally. The amount of receipts and expenditures depending on the laws and the condition of the country, and not on this department, the latter can only recommend measures which appear suitable in relation to them. Having done this on the present subject, it cheerfully leaves their adoption or rejection where it properly belongs, to the superior wisdom and experience of Congress.

VII. ON THE KIND OF CURRENCY RECEIVED FOR THE PUBLIC DUES,
AND THE RESUMPTION OF SPECIE PAYMENTS BY THE BANKS.

The two circulars annexed (D and E) contain all the instructions which have been issued by this department concerning the currency receivable for public dues, since the passage of the resolution of Congress on that subject in May last, and the act of July 5, 1838. Previously, the notes of specie paying banks, as well as specie and Treasury notes, were permitted to be taken for duties, but only the last two for lands. A great part of the actual receipts, however, for both duties and lands, was in specie and Treasury notes. Since those instructions were given, more than half of the receipts for duties has consisted of notes of specie paying banks. Most of those for lands continue to be as before.

The kind of currency that should be taken for the public dues has, heretofore, been fully discussed by this department, and as the views then presented remain unchanged, it is not proposed, at this time, to enlarge on any former suggestions.

But what currency it is the most proper to encourage for private as well as public purposes, is a topic intimately connected with the recent resumption of specie payments.

Both these matters have of late had a highly important bearing on our financial operations; and the striking contrast between the state of the country in 1814, and its condition in 1837, in recovering from the suspensions of specie payments which occurred in those years, furnishes so instructive a lesson on the subjects before mentioned, as to justify and require a few details in connexion with them.

At the former period, there were only about seventeen millions of specie in the United States, whether in banks or in active circulation. This sum would average but two dollars to each individual of our population at that time. Small bills were receivable in almost every State and by the General Government. Such being the amount of specie and the condition of the currency, the Government felt compelled to acquiesce in the impolitic, as well as unjust, reception of depreciated paper of all kinds for public dues; and the suspension of specie payments, always calamitous however short, was protracted nearly three years. It was then terminated only by great personal sacrifices, by numerous insolvencies, and, as many have supposed, by the co-operation of a new national bank, which its friends established under the belief of its utility, if not necessity, to effect the accomplishment of that object.

But in 1837, the condition of the currency had become materially changed. There were about eighty millions of specie in the country, equal to five dollars per head of our population; or more than double the former average.

It had been thus increased, principally, by the firm and persevering policy of the General Government, during the last four years, to discourage the use of small notes, and introduce gold more extensively into the currency.

In this state of things, the public officers at once declined to violate the laws and countenance partiality among debtors; by receiving depreciated paper, and that of very different values, for public dues. Without hesitation, they also refused unjustly to abandon the specie standard of value either as to payments or receipts, and hence sustained, throughout, both that standard and the uniformity in imposts, so wisely established by the constitution.

This step tended strongly to encourage a resumption of specie payments,

and, in consequence of it, and of other measures about to be explained, the suspension, though it was more general than the former one, ceased in some places within less than a year, and has already ended in most parts of the Union without any aid from the dangerous and overshadowing influence of a national bank. The essential difference in the course which the public officers were able to pursue, as to the kind of money received, and the earlier period and greater ease of resuming specie payments, bear no unequivocal testimony to the wisdom of the policy which had previously been adopted in relation to the improvement of the currency.

It is believed that about seven hundred banks and branches, situated in twenty-two States and Territories, have already resumed specie payments. These, including not far from thirty which never suspended, make seven hundred and thirty now paying specie. Seventy more are expected to resume on or before the first of the ensuing month. Of the residue, amounting to about twenty-five, with a capital of from three to four millions, it is believed that six or eight are winding up their concerns, because unprofitable; and that the rest are insolvent.

Soon after the suspension, this department urged the deposite banks to use their utmost efforts to resume specie payments at an early day.

It was pressed that each, as an act of sound policy, no less than of strong moral obligation and imperative duty under the laws, should resume specie payments the moment it was able safely to effect them; or, at least, that all the banks in particular neighborhoods, cities, counties, and States, should unite in doing this, whenever able, without waiting for weaker institutions, or more embarrassed regions of the country.

The adoption of that course in some States, however much the measure was questioned at the time, and perseveringly opposed by many banks as well as influential individuals, has proved fortunate, and reflects great credit on the sagacity, firmness, and intelligence of those who adopted it. The encouragement given by the department to such institutions as resumed specie payments, by taking no paper but theirs for public dues, and by preferring them in the transaction of public business, was not without salutary influence. Suits against the banks in default, unless apparently insolvent, were also forborne, and drafts continued with great advantage to be issued gradually on all that were disposed to make satisfactory arrangements with the public creditors, and thus lessen those large immediate liabilities which stood in the way of an early resumption.

Indeed, every facility was promised and extended, which the limited power of the department permitted; and, on its recommendation, further measures of reasonable indulgence to the merchants and banks indebted to the Government received the prompt attention of Congress, and doubtless contributed much to shorten the suspension.

Under the laws granting such indulgence, the aggregate of merchants' bonds, the payment of which was postponed, is supposed to have reached between four and five millions of dollars. The chief benefit of this measure was felt in the Atlantic section of the country, while a similar extent of relief was experienced principally in the west and southwest, by the allowance to the banks of a long delay in paying the balances due from them.

The curtailment of paper issues, which was urged by this department in 1836 as indispensable to prevent impending disasters, and in 1837 as

equally indispensable to remove them and restore specie payments, has, since their suspension, equalled at least thirty millions of dollars. Another striking fact is, that the curtailment was most rapid and thorough in those sections of the country where the resumption of specie payments first took place, and the exchanges were first equalized. [See a comparative table annexed for each section of the country between the 1st of January, 1837, and the 1st of January, 1838, (F.)] The difference is believed to be still more striking between May, 1837, and May, 1838. Nor has this event been accompanied, as many predicted, by any ruinous fall in the prices of labor, or of our great staple commodities. As a further illustration of some of the real causes and cures of the embarrassments in the currency, it is computed that within a year from the suspension, a reduction was effected in bank discounts exceeding forty millions; that there was an increase of the whole amount of specie in the country, of five millions; and that the aggregate at this time must be from eighty-five to ninety millions of dollars. The official returns of the imports and exports of gold and silver during the year ending September 30, 1838, are given in the table annexed, and the former in that time will be found to exceed the latter more than fourteen millions, (G.)

Intimately connected with the currency and the suspension of specie payments is the condition of the domestic exchanges during the past year, as compared with some former periods. Although in 1825 a national bank had been in full operation for several years, and in 1819 for two years, those exchanges were then quite as much deranged between most places as in 1837. But of late they have improved more rapidly than in the two former periods, without receiving any aid from new banking incorporations by the General Government.

This fact demonstrates that the great nominal difference in exchanges at both periods has been produced by circumstances over which national legislation possesses but little influence.

When excesses of indebtedness, or other commercial causes, render money more desirable in one place than another, then, and not till then, the legitimate difference in exchanges begins; and that difference can never be corrected by banks or legislation, but only by the great laws of trade changing the relative indebtedness and demand.

But when a nominal difference in domestic exchanges occurs, extending beyond two or three per cent., or the small actual cost of transporting specie to the most distant cities in the Union, it is the consequence, not of an unequal indebtedness alone, but of that and an unequal quality or value in the local bank currency; and which event has been produced, and can be removed, only by measures operating on the soundness of that currency. Each State has in its own power an effectual remedy for any suffering by high exchanges from this source. Independent, and true to its vital interests, it can always adopt such effectual regulations in banking, as will remove the scourge of a depreciated paper, and thus avert any ruinous rate of domestic exchange.

From the whole of these considerations, it is manifest that the recent resumption of specie payments and the equalization of exchanges, have both been facilitated by the large amount of specie which has of late years been introduced and the course of policy pursued in other respects by the General Government, on topics connected with the circulating medium and the banks.

A restoration of equality in the foreign exchanges, also, and a perseverance in extinguishing old debts, with increased forbearance to contract new ones, either at home or abroad, have revived that foreign confidence which had been withdrawn with such disastrous precipitation. These favorable changes, united with a diminution in speculations, whether in banks, lands, or commerce, and a return to stricter frugality in individual expenses, and to more industrious energies for a livelihood, have aided good crops and some minor agencies in bringing about, with greater rapidity, events the most desirable, and a condition of the country highly auspicious. In many quarters money has become comparatively abundant, interest lower, and trade and manufactures active.

Nothing more seems to be necessary to perpetuate the present healthy action of the currency, except a rigid adherence to the system of policy which, by honest and resolute efforts, has produced the improvement. It cannot but be wise in respect to the circulating medium, for the General Government to persevere in a course which prepared the country better to meet, and quickly carried it through, so fearful a crisis. It would seem prudent, likewise, for the States, profiting by past experience, to insist on reform in their banking institutions, and particularly on greater self denial in their business, by imposing additional checks on over-issues, and stronger limitations to excessive discounts. The present system, if unchecked, has inherent defects of an alarming character; and, without indulging in timid misgivings or unjust suspicions, it may be said to tend, by its expansions and inevitable contractions, to unsettle frequently the value of labor as well as of the whole property of the country.

The General and State Governments might, also, with manifest advantage, abstain from applying any stimulants to the over-action of all kinds, that, under such specious but treacherous hopes, deluded so many into the recent embarrassments.

This would not evince any hostility either to banks or to credit, when well secured and properly regulated; but would serve to avert ruin from both.

Several of the banks, which are under the control of real capitalists and officers of prudence and foresight, have become satisfied that the use of the public money for discounts, subject to the restrictions of the present deposit act, and the liabilities to refund it suddenly, which must exist with a small balance in the Treasury, is attended with much inconvenience, and is likely, in the end, to prove more injurious than profitable to the banks and their borrowers, as well as to the Government. So widely impressed has this conviction become, that some of those institutions have declined to receive public deposits under the special provisions of that act.

VIII. ON THE MANNER OF KEEPING THE PUBLIC MONEY, AND THE CHANGES PROPOSED.

The present laws in regard to the keeping of the public money are defective in several particulars, which were explained in the last two reports on the finances.

The full advantages, either of the system of State banks or the proposed one of an Independent Treasury, are not now enjoyed; while the department, without all the securities which are practicable, is subjected to some of the inconveniences and many of the risks attending both.

The measures it would recommend as most suitable to remove the various imperfections which exist on this subject, have been so recently and fully explained, that a reconsideration of them all, at this time, cannot be regarded as necessary.

It is deemed proper; however, to communicate to Congress such details as are material for understanding, with accuracy, the mode in which the public money is now kept, and for appreciating duly the importance of those additional checks and securities which, though proposed as a part of the plan for an Independent Treasury, appear to be imperatively required under any system.

Four of the six banks reported at the last session of Congress as retained under the deposite act of June 23, 1836, still continue to be general depositories. Of the other two, the People's Bank, at Bangor, and the Louisville Savings Institution, the former has surrendered its charter, and the latter, having declined the general trust, is now employed merely for special depositories. The names of the four banks retained are annexed, with the amounts in each, subject to draft on the 1st instant, (H.) and their condition generally. (I.) Collectors and receivers, residing near to these institutions, have continued to deposite in them as formerly. Drafts are seldom made directly on officers so situated, nor are any considerable amounts of public money long retained by them. At points where other general depositories were needed, the department has not yet been able to complete arrangements with any banks, which were both competent and willing to be selected under the specific provisions of the deposite act.

In many of these last cases, therefore, the practice has been to leave the public money with the officers collecting it, to be held in their own custody, or placed in special deposite in banks, during the short period which might elapse, before it was wanted and drawn from them by drafts in favor of the public creditors.

A list of the collectors and receivers from whom the money has generally been so drawn, and who had any amounts on hand subject to draft the 1st instant, is annexed (J.)

The rest of those classes of officers, who have collected funds beyond the sums needed to defray their current expenditures, and who were not conveniently situated to conform to either of the above arrangements, have been required to make depositories of the same in banks to the special credit of the Treasurer.

Other funds received from the exchange of Treasury notes, from collections by attorneys and marshals, from patent fees and miscellaneous sources, have also, in most instances, been placed in banks to the credit of the Treasurer, in special deposite, except such amounts as could advantageously be put into the mint and its branches, for the only two purposes authorized in the laws on that subject.

An exhibit is presented of the names of these special depositories, with the sums in each. The amounts retained in the mint and its branches, under the provisions of those laws, are subjoined. (K.)

In the absence of suitable general depositories, some money, due from certain State banks, has been allowed to remain in deposite to the special credit of the Treasurer, till it was wanted for public payments; they being, under all the circumstances, considered proper depositories for that temporary purpose. A schedule of these banks, with the sums remaining in each subject to draft at the last returns, is annexed. (L.)

But this system of special deposits, or of deposits to the special credit of the Treasurer, has, from convenience, and indeed almost from necessity, not generally corresponded with the usual forms of special deposits:

A moment's reflection will show, that any deposit not subject to be paid out by the banks in the absence of the depositor, though at times convenient for officers living near banks, would cause much inconvenience to those residing remote from them; and that the making of frequent disbursements from it, by the latter, would be utterly impracticable. The Treasurer, in common practice, should retain his funds only in such condition as will allow them to be paid out promptly on the numerous drafts which must be made in favor of claimants in every section of the country. For this purpose, when a deposit of them is made, it must be general, or, if special, it must be with an understanding or contract, not only that they are to be ready for his call at all times and under all circumstances, but that they are to be paid out on his various drafts, without his actual presence.

From these details it is apparent, that the present system of keeping the public money is very complicated, and it may be deemed fortunate that the department has been able, during the past year, to conduct large financial operations under it without great public inconvenience. Few persons can doubt, that some change in the laws on this subject, is proper. But whatever plan Congress may adopt, too great care cannot be exercised in providing the best possible securities. All those additional guards against defaults, which have been urgently recommended in the last two reports on the finances, or incorporated into the bill to establish an Independent Treasury, are considered important. Recent experience in respect to the benefits of only ordinary collateral security evinces the utility of such measures.

Thus the losses expected to be sustained from deposits banks since 1834, are very small in comparison with those sustained between that period and 1817. This, in a considerable degree, is to be attributed to the additional requirements of such security.

The improvement was voluntarily introduced by the department in 1833, and was afterwards sanctioned by Congress in the deposit act of 1836.

The measure insured greater care in the management of the banks, and an increased watchfulness by the sureties in times of difficulty, to take efficient steps to indemnify the Treasury.

With a view to illustrate further the effects of requiring collateral security, in cases both of banks and collecting officers, as well as to communicate interesting facts in connexion with the safety of keeping the public money from the foundation of the Government, several tabular statements, prepared by the department, are herewith presented.

First. A list of the banks still indebted to the United States, for defaults previous to the close of 1834, none of which are believed to have given, originally, any collateral security, is annexed, (M.) The whole amount now due, without computing interest, equals \$1,000,676; and a great part of this must be regarded as a total loss.

Secondly. Another list of indebted banks is annexed, most of which gave collateral security. (N.) The remaining dues from them to the Treasurer, on defaults accruing between 1834 and October, 1837, though at first very large, have been reduced to about \$2,400,000, and most, if not all, of these debts, with some others, owing to public disbursing officers, for money on deposit, it is confidently expected will in the end be paid.

The first instalment due from those, which have since executed other

bonds and given new security under the act of October, 1837, has been promptly met, and portions of the second have already been advanced by some of them. Suits are pending against only two on account of their liabilities.

Thirdly. The eventual losses sustained from receivers and collectors, while, as a part of the bank deposit system, they were collecting the public funds, to be afterwards placed for safe keeping in banks, were, at the last session, estimated at a sum ranging from \$900,000 to \$1,200,000. (See printed report to House of Representatives 28th February, 1838, No. 101.)

Collateral security had generally been taken of these officers; but in former times it was not always in so large amounts and with so great care as of late, and consequently most of the foregoing losses happened many years ago.

A list of all those officers who, on the 12th of October, 1837, the time designated in the resolution of the House of Representatives, stood on the books of the Treasury, as having neglected to settle their accounts in season, may be seen, with the amount charged to each, in the printed report made on the 15th of January last, (document No. 111.) But several of these were not then actually indebted to the United States, though, having neglected to adjust their accounts at the Treasury, they came within the express words of the resolution, and consequently were included. Some defaults have occurred, or been discovered since October, 1837; but it is not apprehended that any losses will ultimately be sustained from them except in the case of the former collector of New York. That case has been recently detected, and the defalcations are supposed to have been continued for many years, and to have reached a large amount. From their character, they could perhaps have been effectually prevented only by penalties for false returns, a system of cash duties, and personal inspections of money and vouchers, with punishments for misuse of the public funds, similar to what was urged in the report from this department on the finances in September, 1837. It is intended to make the particulars of this case the subject of a special report to the President for the consideration of Congress.

The requirement of collateral bonds has undoubtedly diminished many of the losses before mentioned. But notwithstanding every precaution and security heretofore in force, the whole of these defaults, whether by collectors, receivers, or banks, have occurred under the old systems of making deposits in a United States Bank or State banks for safe custody.

Under either of those systems, if unreformed, Congress must continue to employ officers to collect the public money, as well as banks to keep it after collected, with all the former risks and probable losses incident to both classes of agents. But the proposed plan of an Independent Treasury, with all its checks and guards, will diminish the number of risks, and tend, in several respects, to strengthen the public security. By requiring the officers now employed in collections to hold most of the money for a time in deposits, it adopts only a part of the agents under either of the former systems; and hence, dispensing with the banks, unless it may be for a few strictly special deposits, avoids most, if not all, of the risks and losses which have been sustained from that class of agents.

It is true that, under this plan, it is contemplated to impose on collecting officers the duty of keeping somewhat longer in a few cases, and in sums somewhat larger in others, the money which, under the other sys-

tems since 1789, those officers have collected; and three or four new offices are proposed to be established, to hold general receipts in deposit at a few central points. These changes are all the material ones which have been recommended on this point. But, to increase the public security under all duties new or old, as well as those of any new agents, ample bonds are to be required; occasional examinations of their funds and accounts, of a new and rigorous character introduced; the use of the former strictly prohibited; and new and severe penalties should be imposed on fraud, falsehood in returns, and embezzlements, by rendering them penitentiary offences.

Honest diligence can never suffer by these changes, while carelessness in business and laxity of principle will be prevented, or exposed and properly rebuked.

Additional safeguards like these are also of vital importance in a moral view, by more effectually preventing as well as punishing wrong.

They are, therefore, earnestly urged again on the consideration of Congress. Whether looking to further security or other important ends, one of the most desirable alterations, which is incorporated into the plan of an Independent Treasury, provides that any use of the public money for private purposes be hereafter considered illegal, and punished as a dangerous breach of trust. The experience of the last few years demonstrates the propriety of such an organic change in our system, whoever and whatever may be the fiscal agents employed. The change, so far as respects mere collecting or disbursing officers, will have a decisive tendency to preserve not only the Government, but them and their securities, from those losses which it was never contemplated they should hazard, by making loans or speculations with funds held in sacred trust for purposes entirely public in their character and constant in their demands. Had such a provision been adopted early in our legislation, doubtless it would have prevented most, if not all, of the losses heretofore sustained from those classes of officers, and much wretchedness which has befallen both principals and sureties. Some of the earliest acts of Congress wisely prevented officers of the customs, and of the Treasury Department, from being concerned in commerce, or dealing in the public lands or public stocks. These restrictions were doubtless introduced chiefly with a view to remove the temptation and hazard incident to the possession of the public money. But the prohibition to employ that money for private purposes, under severe penalties, has not yet been introduced, except in substance in the mint, by making embezzlements there punishable as felonies. Its expediency has been urged by the department heretofore, and seems confirmed by experience as well as theory. The success of such a provision in the mint, where no losses, from its establishment to the present moment, have for so many years, and after having the custody of so many millions of money, been known to occur, is a very striking illustration of its efficacy.

Finding that no new act on this and some similar points was passed by Congress at its late session, a circular, bearing on them, was issued by this department soon after the adjournment, a copy of which is annexed, (O.)

In regard to deposit agents, heretofore consisting chiefly of banks, the change from former usages, which would be introduced by such a prohibition, would be greater. But the present condition of the Treasury and of the country is highly auspicious for the reform. Diminished as is the balance of the public money now on hand, and manifest as is the policy of

the Government to keep it so hereafter, the apparent pecuniary disadvantage caused either to the banks or their customers would be slighter than at any former period.

In the mean time, and under the speculating mania of the age, the alteration would yield a most valuable protection against the recurrence of disastrous adventures, so far as stimulated by the more easy loans of such funds, through bank depositories, and against the consequent losses to the institutions themselves, as well as bankruptcies and misery to numerous individuals.

Above all other considerations in favor of this change, if we advert to sound views in political economy, will be its influence in removing every temptation to the dangerous disposition to increase taxes or revenue on account of their incidental use for assistance and capital in private enterprises. It would also restore official practice to the true theory of the constitution; which, in its primitive purity, must, undoubtedly, have intended, that the public money should be collected solely for public purposes, and should be kept, not for the emolument of individuals or corporations, but for the single object of meeting, with promptitude and fidelity, the obligations of the Government.

Originally, the departure in practice from this theory, was not, in any case, even in implied terms, allowed by Congress. It was permitted only by early construction of the Treasury Department; and in relation to deposit banks alone, for the benefit, through them, of the mercantile interest, which constituted their principal customers and owners. But since the extinguishment of the national debt, and the accumulation of large balances in the Treasury, this departure has been expressly sanctioned by Congress, in the deposit act of 1836, and has tended, very undesignedly, without doubt, to place the Government in the invidious attitude of a great money lender of its current funds, rather than of a surplus, and that for the apparent benefit, not of public bodies, such as States, or of all persons equally, but of particular corporations and particular classes of society immediately connected with them. Besides this, the public servants, however scrupulous, have thus become exposed to the grossest imputations of favoritism, partiality, and corruption, in making these indirect loans. A radical change in the system, in this respect, is, therefore, very desirable; and, by preventing any individual or corporate employment of the public money, would render both the possession and the superintendence of it, which are now objects of just jealousy, but mere naked powers, and, by their great responsibility, dangerous only to their possessors. They would become entirely useless for either political influence or private emolument, and could contribute nothing to the depraved appetite of the age for power and speculation.

But important as are the eventual safety of the public money and purity of character in its management, it must be manifest, from the remarks already made, and from the warning events of the last two years, that legislation should look not only to them, but much further.

Recent occurrences have shown, that the whole treasure of the United States, when intrusted to banks, is liable, in critical periods, to be swept at once from the use and control of the General Government.

The good faith of the Union may thus be suddenly placed in extreme jeopardy. Indeed, it will be fortunate if the accumulated ills of a broken public credit throughout the land are not actually added, and are not

visited on the labor and pursuits of the whole people. It follows, therefore, though banking institutions have never been regarded by the undersigned as a class of agents generally unsafe, when looking to eventual losses; and though the additional securities and prohibitions before mentioned might be incorporated into some system of banks, but with less facility than into the plan of an Independent Treasury; that the great and wide-spread danger experienced of late from the employment of banks as fiscal depositories is one which ought, if possible, to be avoided. Arising, as it does, from their liability to a general suspension of specie payments, the individual officers who hold money in deposit are exposed to no such calamity; and when the recent suspension happened, the specie in the possession of many of them proved exceedingly seasonable and useful in discharging the public obligations, in the manner imperatively required by law. Though an apparent security against some of the mortifying embarrassments, resulting from such a general suspension, might be obtained by adopting a system of special deposits, yet, in order to render such deposits convenient in fiscal operations, the banks must, as heretofore explained, have access to the funds, and be tempted in an emergency to use them. The changes which have been proposed in keeping the public money by an Independent Treasury would entirely obviate most of these dangers.

If individual agents were chiefly employed, if the several checks and securities proposed were adopted, and if the use of the public money for private purposes were prohibited, under severe penalties, candor must concede that there would be much less tendency to any of the evils heretofore described, and none to the greatest of all disasters in fiscal agents—a general refusal to meet their liabilities in a legal manner.

No cause either for special favor or hostility between the banks and the Government would then exist. Without any alliance offensive or defensive between them, an appropriate and occasional use would still be made of the banks by the Treasury, as is done by others, whenever convenience should require it. But neither party would be forced into a species of vassalage; a constant, necessary, and dependant connexion, which, in the recent crisis, has been found not only perilous to public credit, but derogatory to one of the parties, and subjecting both to continued imputations of those unworthy influences so disreputable to the community as well as the Government.

On the whole, it is apparent that the system of an Independent Treasury is more plain and simple in its arrangements than any other, and much more accordant with that originally in use after the adoption of the constitution.

It is truer to the spirit of that sacred instrument, and those elementary self-sustaining principles which belong to an independent government.

It is more free from several formidable dangers; and, under the additional guards and restrictions proposed, is likely to unite all attainable security, with efficiency and purity, in the custody of the public funds.

In fine, experience has furnished satisfactory proof that the collecting officers can, in most places, keep and disburse, as well as collect the public dues, without great inconvenience; and that the exclusive employment of banks as deposit agents, though not regarded as comparatively unsafe in relation to eventual payment, has proved embarrassing and dangerous in other respects, and is unnecessary, provided a few additional receivers,

and the additional regulations, checks, and securities which have been urged in respect to collecting officers, are adopted.

IX. ON SEVERAL MISCELLANEOUS MATTERS.

Separate reports will soon be made on various other matters of public interest confided to the charge of this department.

These will include one on the progress made in the manufacture of weights and measures, and their distribution among the different States and custom-houses, as well as on the important survey of the Atlantic coast of the United States. Another will be submitted on the erection and discontinuance of light-houses; and others on the affairs of the General Land Office, and the mint and its branches.

Since last December, the sixth instalment due from France, and the fifth from Naples, for indemnities, after being punctually paid, have been transferred to this country, and distributed among the claimants. Notice has also been recently received, that the arrearages of interest due from France upon the first four instalments have been paid, and the amount, exceeding a million of francs, will forthwith be adjusted with those entitled to it.

The Smithsonian legacy, amounting to more than half a million of dollars, has been received and invested. For particulars, reference can be had to a special report, which will be made to the President and laid before Congress, under a resolution of the House of Representatives.

At an early day it is intended to submit to that House a valuable collection of facts, in compliance with its resolution calling for information concerning the number of steamboats, locomotives, and other machinery moved by steam within the United States, as well as the causes of the explosion in steam-boilers, and various matters connected with that interesting subject.

Such other questions of minor importance as have been referred to this office, will be answered as early as practicable.

It is hoped that the undersigned will not be regarded as too importunate, if he again expresses an earnest desire for a reorganization of the Treasury Department.

With some slight changes, rendered proper by new legislation since 1835, the less complex and more efficient system at that time recommended in a separate report, would be a great improvement.

That portion of it, proposing a separation of the duties of Commissioner of the Customs from those of comptrolling accounts, and requiring the undivided attention of one bureau to each subject, is of the most pressing importance, and would greatly conduce to promptitude, exactness, and skill in the respective business of each.

An alteration in the commencement of the fiscal year, and a revision of the number and compensation of custom-house officers, and also of several laws connected with the collection of the imposts, are measures still as desirable as when they were heretofore submitted to the consideration of Congress. Some legal provision on the subject of return duties, regulating the manner of keeping them while under protest, and the mode of repayment, is necessary to remove doubts and promote the public security. The employment of more boys in the merchant service is, in some degree, connected with the customs, on account of its tendency to afford additional protection to the lives and property engaged in commerce, as well as to im-

prove the morals of mariners, and prevent smuggling, mutinies, and piracies.

The encouragement by law of such an acquisition to the marine of our country, by soon bringing into active usefulness a class of intelligent, virtuous, and able seamen, would tend materially to avert some of the numerous evils from that quarter, which now bear upon commercial energy and prosperity.

Respectfully, yours,

LEVI WOODBURY,
Secretary of the Treasury.

Hon. R. M. JOHNSON,
*Vice President of the United States,
and President of the Senate.*

LIST OF DOCUMENTS
1. Circulars and reports of the Secretary of the Treasury, 1837-1840.
2. Circulars and reports of the Secretary of the Treasury, 1841-1844.
3. Circulars and reports of the Secretary of the Treasury, 1845-1848.
4. Circulars and reports of the Secretary of the Treasury, 1849-1852.
5. Circulars and reports of the Secretary of the Treasury, 1853-1856.
6. Circulars and reports of the Secretary of the Treasury, 1857-1860.
7. Circulars and reports of the Secretary of the Treasury, 1861-1864.
8. Circulars and reports of the Secretary of the Treasury, 1865-1868.
9. Circulars and reports of the Secretary of the Treasury, 1869-1872.
10. Circulars and reports of the Secretary of the Treasury, 1873-1876.
11. Circulars and reports of the Secretary of the Treasury, 1877-1880.
12. Circulars and reports of the Secretary of the Treasury, 1881-1884.
13. Circulars and reports of the Secretary of the Treasury, 1885-1888.
14. Circulars and reports of the Secretary of the Treasury, 1889-1892.
15. Circulars and reports of the Secretary of the Treasury, 1893-1896.
16. Circulars and reports of the Secretary of the Treasury, 1897-1900.

LIST OF DOCUMENTS.

1. Expenditures of the first three quarters of 1838, marked A.
2. Statement of imports and exports for 1838, marked C.
3. Circulars as to the kind of money receivable, D and E.
4. Comparative table of bank circulation, F.
5. Imports and exports of specie in 1838, G.
6. Amount subject to draft in deposit banks, H.
7. Condition of deposit banks, I.
8. Amount subject to draft in the hands of collectors and receivers of public money, J.
9. List of late deposit banks employed as special depositories, with amount subject to draft in each, K.
10. List of banks holding public money in special deposit derived from debts due by banks to the United States, with the amount in each subject to draft, L.
11. List of banks in default previous to 1834, and the sums due from each to the United States, exclusive of interest, M.
12. List of banks selected as depositories under the act of 23d June, 1836, which gave bonds for the sums of public money held by them on taking the credit authorized by the act of 16th October, 1837, and the sums now due from each, N.
13. Circular respecting the safe keeping of public money, issued on the adjournment of the last session of Congress, O.

A.

Statement of expenditures of the United States, exclusive of the trust funds, from 1st of January to 30th of September, 1838.

CIVIL, MISCELLANEOUS, AND FOREIGN INTERCOURSE.		
Legislature		\$893,808 20
Executive Departments		658,540 72
Officers and clerks of the mint and branches		17,194 78
Surveyors and their clerks		33,377 92
Secretary to sign patents for public lands		1,979 17
Commissioner of the Public Buildings		1,725 00
Governments in the Territories of the United States		54,305 71
Judiciary		298,117 92
		\$1,959,049 42
Sundry annuities, per acts of Congress		900 00
Mint establishment		81,115 22
Support and maintenance of light-houses, &c.		249,814 36
Building light-houses, &c.		103,129 89
Surveying the coast of the United States		62,691 82
Surveys of public lands		83,793 46
Registers and receivers of land offices		750 00
Keepers of the public archives in Florida		750 00
Repayment for lands erroneously sold		18,729 31
Marine hospital establishment		83,653 00
Marine hospital at Mobile		4,000 00
Roads and canals within the State of Indiana		16,000 00
Roads and canals within the State of Mississippi		5,900 00
Roads and canals within the State of Michigan		4,994 96
Furniture for the President's house		678 27
Public buildings, &c., in Washington		201,858 50
Penitentiary in the District of Columbia		7,000 00
Completion of Alexandria canal		75,000 00
Relief of the several coporate cities in the District of Columbia		56,370 99
Building custom-houses and warehouses		165,375 17
Documentary History of the Revolution		20,000 00
Relief of sundry individuals		92,485 09
Payment for horses, &c.		28,456 67
Additional compensation to collectors, &c.		54,404 04
Debentures and other charges		315,181 06
Patent fund		30,267 00
Registers of ships and vessels, and lists of crews		4,000 00
Expenses incident to issuing Treasury notes		10,661 85
Relief of certain inhabitants of East Florida		111,558 25
Miscellaneous		15,512 69
		1,905,031 60
Salaries of ministers of the United States		28,500 00
Salaries of secretaries of legation		5,500 00
Salaries of chargés des affaires		34,316 44
Outfit and salary of diplomatic agent to Texas		2,361 89
Outfit of ministers of the United States		9,000 00
Outfit of chargés des affaires		9,000 00
Contingent expenses of missions abroad		11,669 20
Salary of drogoman to Turkey, and contingencies		1,647 76
Contingent expenses of foreign intercourse		11,272 80
Salaries of the consuls at London and Paris		4,000 00
Relief and protection of American seamen		35,711 91
Allowance for clerk hire, &c., American consulate at London		2,573 05
Intercourse with Barbary powers		6,137 81
Expenses of the commission under the convention with the Queen of Spain		2,577 85
Carrying into effect the 4th article of the treaty with Spain		1,324 40
		165,593 11
PUBLIC DEBT.		
Interest on the funded debt		1,601 81
Redemption of the 3 per cent. stock		215 27

A—Continued.

Reimbursement of Treasury notes issued per act of 12th October, 1837 -	\$4,279,490 48	
Reimbursement of Treasury notes issued per act of 21st May, 1838 -	52,151 82	
Interest on Treasury notes issued per act of 12th October, 1837	7,693 43	
Interest on Treasury notes issued per act of 21st May, 1838	104 91	
		\$4,340,657 72
MILITARY ESTABLISHMENT.		
Pay of the army - - - - -	951,899 89	
Subsistence of officers - - - - -	248,550 81	
Subsistence Department - - - - -	608,966 55	
Quartermaster's Department - - - - -	287,159 30	
Incidental expenses of Quartermaster's Department - - - - -	71,702 35	
Transportation of officers' baggage - - - - -	40,547 64	
Transportation of the army - - - - -	188,562 54	
Forage - - - - -	40,387 28	
Purchasing Department - - - - -	438,024 70	
Payments in lieu of clothing for discharged soldiers - - - - -	27,238 00	
Clothing for officers' servants - - - - -	17,721 48	
Two months' extra pay to re-enlisted soldiers - - - - -	25,248 95	
Contingencies of the army - - - - -	4,947 83	
Medical and Hospital Department - - - - -	24,134 46	
Arrearages prior to 1st of July, 1815 - - - - -	2,972 75	
Invalid and half-pay pensioners - - - - -	155,281 63	
Pensions to widows and orphans - - - - -	4,902 93	
Pensions to widows and orphans, per act of 4th July, 1836 - - - - -	990,810 49	
Revolutionary pensions, per act of 18th March, 1818 - - - - -	276,753 14	
Pay of officers, cadets, and musicians, West Point Academy - - - - -	39,064 00	
Subsistence of officers and cadets, West Point Academy - - - - -	29,946 00	
Forage for officers' horses, West Point Academy - - - - -	1,318 00	
Clothing of officers' servants, West Point Academy - - - - -	337 00	
Fuel, forage, stationery, printing, &c., West Point Academy - - - - -	7,647 50	
Pay of adjutants and quartermasters' clerks, West Point Academy - - - - -	475 00	
Expenses of the Board of Visitors, West Point Academy - - - - -	2,696 79	
Repairs and improvements of buildings, ground, &c., West Point Academy - - - - -	3,628 75	
Miscellaneous and incidental expenses, West Point Academy - - - - -	788 75	
Increase and expenses of library, West Point Academy - - - - -	400 00	
Erection of a building for recitation and military exercises, West Point Academy - - - - -	18,254 60	
Erection of a barn and public stables, West Point Academy - - - - -	500 00	
Printing and binding the regulations, West Point Academy - - - - -	360 00	
Re-construction of the buildings for the library, &c., destroyed by fire, West Point Academy - - - - -	13,000 00	
Arsenals - - - - -	129,535 20	
Supplying arsenals with ordnance stores - - - - -	79,399 22	
Payment of taxes on the United States arsenal on the Schuylkill - - - - -	1,450 00	
Repairs and improvements of the arsenal at Charleston - - - - -	4,450 00	
Purchase of sites, and construction of arsenals in Arkansas, Missouri, and Tennessee - - - - -	5,579 26	
Purchase of land, &c., at Mount Vernon arsenal, Alabama - - - - -	2,221 66	
Magazine at the arsenal at Baton Rouge - - - - -	5,000 00	
Claims of the State of Connecticut - - - - -	55,923 79	
Tennessee volunteers, liabilities incurred by Governor Cannon - - - - -	593 23	
Arming and equipping militia - - - - -	212,585 49	
Accoutrements of the army - - - - -	4,063 00	
Ordnance service - - - - -	105,872 00	
Purchase of light field artillery, &c. - - - - -	34,977 79	
National armories - - - - -	281,900 00	
River wall, tilt hammer shop, &c., Harper's Ferry - - - - -	500 00	
Hospitals - - - - -	10,429 76	
Purchase of gunpowder - - - - -	32,775 51	

A—Continued.

Copper rifle flasks - - - - -	\$11,000 00
Percussion cannon locks - - - - -	15,000 00
Elevating machines for barbette and casemate carriages - - - - -	214 46
Armament of fortifications - - - - -	105,938 29
Repairs and contingencies of fortifications - - - - -	3,098 56
Fort Adams, Rhode Island - - - - -	28,600 00
Fort Calhoun, Virginia - - - - -	16,800 00
Fort Delaware, Delaware river - - - - -	33,480 00
Fort Caswell, Oak island, North Carolina - - - - -	7,800 00
Fort Schuyler, Throgg's neck, New York - - - - -	90,000 00
Fort Warren, George's island, Massachusetts - - - - -	55,000 00
Fort Pulaski, Cockspur island, Georgia - - - - -	48,570 59
Fert on Foster's bank, Florida - - - - -	16,500 00
Fort McHenry, Redoubt Wood, and Covington Battery, Maryland - - - - -	7,572 50
Fort on the Arkansas frontier - - - - -	5,300 00
Erection of a fence round the burying ground of Fort Gibson - - - - -	500 00
Preservation of Castle island, and repairs of Fort Independence - - - - -	25,000 00
Fortifications of Charleston, and preservation of the site of Fort Moultrie - - - - -	53,654 55
Repairs of Fort Marion, and sea-wall at St. Augustine, Florida - - - - -	15,855 55
Purchase of charter right to bridge across Mill creek, Fort Monroe - - - - -	4,000 00
Repairing Fort Niagara, New York - - - - -	2,000 00
Fortifications at New London harbor, Connecticut - - - - -	2,000 00
Incidental expenses of fortifications, and purchase of lands in their neighborhood - - - - -	915 00
Barracks, quarters, storehouses, &c., at Fort Jesup, Louisiana - - - - -	10,000 00
Barracks, quarters, storehouses - - - - -	110,610 50
Breakwater at the mouth of Delaware bay - - - - -	69,000 00
Breakwater at Stanford's ledge, Portland harbor, Maine - - - - -	5,098 00
Breakwater at Church's cove harbor, in the town of Little Compton - - - - -	2,778 70
Breakwater at Sandy bay, Massachusetts - - - - -	5,000 00
Breakwater and pier at the harbor of Burlington, Vermont - - - - -	14,000 00
Pier and breakwater at the mouth of the St. Joseph's, Michigan - - - - -	18,784 00
Breakwater and pier at the harbor of Plattsburg, New York - - - - -	9,137 00
Constructing two piers, and improving the navigation at the mouth of Vermillion river, Ohio - - - - -	7,500 00
Pier at the entrance of Kennebunk river, Maine - - - - -	2,425 00
Pier to give direction to the Mississippi river near St. Louis - - - - -	47,165 88
Pier and mole at Oswego, New York - - - - -	12,569 82
Deepening the channel of the Coheco leading into Dover harbor - - - - -	1,700 00
Deepening the channel of the River Thames, Connecticut - - - - -	4,500 00
Deepening the channel between the islands of North and South Hero, near St. Albans, Vermont - - - - -	4,000 00
Building ice-breaker on Staten Island, New York - - - - -	9,500 00
Securing beach at Cedar point, in Connecticut - - - - -	160 00
Works at the mouth of Genesee river, New York - - - - -	8,500 00
Improving the harbor of Presque Isle, Pennsylvania - - - - -	8,600 00
Improving the harbor of Chicago, Illinois - - - - -	9,000 00
Improving the harbor of Dunkirk, New York - - - - -	6,500 00
Improving the harbor at the mouth of Bass river, Massachusetts - - - - -	3,050 00
Improving the harbor of Saybrook, Connecticut - - - - -	4,290 00
Improving the harbor of Westport, Connecticut - - - - -	1,700 00
Improving the harbor of Portland, on Lake Erie, New York - - - - -	13,439 46
Improving the harbor at the mouth of Salmon river, on Lake Ontario, New York - - - - -	8,081 00
Improving the harbor at the mouth of Oak Orchard creek, New York - - - - -	5,000 00
Improving the harbor at the mouth of Black river, New York - - - - -	7,131 00

A—Continued.

Improving the harbor at the mouth of Cattaraugus creek, on Lake Erie, New York	\$12,041 00
Improving the harbor of New Brunswick, New Jersey	6,963 00
Improving the entrance of Whitehall harbor, on Lake Champlain	2,500 00
Opening a passage between Beaufort and Pamlico sound, and improving New Brunswick, &c.	12,500 00
Construction of a harbor at Michigan City, Indiana	18,836 00
Improving the harbor of New Castle, Delaware	7,000 00
Removing sand bar in the harbor of New Bedford, Massachusetts	500 00
Improving the harbor of Wilmington, Delaware	3,000 00
Deepening the harbor of Baltimore, Maryland	6,011 00
Improving the harbor of Mobile, Alabama	5,000 00
Improving the harbor of Cleveland, Ohio	24,990 00
Improving the harbor at the mouth of the River Raisin, Michigan	9,000 00
Improving the navigation of the Hudson river, New York	48,550 25
Improving the navigation of Cape Fear river, North Carolina	6,062 99
Improving the navigation of Cumberland river, Tennessee	26,500 00
Improving the navigation of the Ohio, between Pittsburgh and the falls	20,000 00
Improving the navigation of the Ohio, Missouri, and Mississippi rivers	21,000 00
Improving the navigation of the Ohio and Mississippi rivers, from Louisville to New Orleans	21,687 00
Improving the navigation of the Mississippi above the mouth of the Ohio, and the Missouri river	40,000 00
Improving the navigation of Arkansas river	5,000 00
Improving the navigation of the inland channel between the St. Mary's and St. John's	3,950 00
Improving the navigation of natural channels at the northern and southern entrances of the Dismal Swamp canal	6,000 00
Increasing the depth of water in the mouth of the Mississippi river	131,000 00
Improving the navigation of Red river	70,000 00
Removing obstructions from Huron river, Ohio	1,250 00
Removing obstructions from Grand river, Ohio	7,148 00
Removing obstructions from Big Sodus bay, New York	10,000 00
Removing obstructions from Black river, Ohio	3,660 00
Removing obstructions from Cunningham creek, Ohio	3,000 00
Removing obstructions from Ashtabula creek, Ohio	3,370 00
Removing obstructions from Conneaut creek, Ohio	3,500 00
Selection of sites for marine hospitals on the Mississippi and Ohio, and Lake Erie	35 97
Improving the navigation of Pamlico or Tar river, below Washington, North Carolina	1,000 00
Works at Buffalo harbor	10,250 00
Erecting a mound and sea-wall along the peninsula which separates Lake Erie from Buffalo creek	15,000 00
Preservation of Plymouth beach	1,200 00
Rebuilding light-house on Brandywine shoals	7,500 00
Light-house on Flynn's knoll, near Sandy Hook	2,590 74
Roads and canals	13,255 82
Cumberland road in Ohio, west of Zanesville	51,508 17
Cumberland road in Indiana	85,471 95
Cumberland road in Illinois	67,000 00
Bridge over Dunlap's creek, on Cumberland road, in Pennsylvania	9,000 00
Military road from the Mississippi, between the mouths of St. Peters and Des Moines rivers, to Red river	29,411 72
Road from the northern boundary of Florida to Appalachicola	18,821 00
Mars Hill military road	364 03
Mail route and post road through the Creek country	1,544 50

A—Continued.

Surveys of a military character, and for the defence of the Atlantic and western frontiers	\$8,608 50
Survey of the railroad from Milwaukee to Dubuque	2,000 00
Preventing and suppressing Indian hostilities	994,223 27
Forage for dragoons, volunteers, officers, &c.	309,976 35
Freight or transportation into Florida or Cherokee country	203,449 92
Wagons, carts	85,226 20
Transportation of supplies, &c.	368,012 95
Miscellaneous and contingent charges	457,289 60
Hire of corps of mechanics, &c.	79,384 40
Transportation of four thousand volunteers	91,675 33
Drafts lying over, and arrearages for services in Florida, or the Cherokee country	1,044,531 60
Pay of four thousand volunteers for 1838, including arrearages for 1837	947,265 34
Subsistence for militia, volunteers, and friendly Indians	185,234 29
Purchase of powder and other materials for cartridges	34,950 00
Correcting an error in paying Indians in the public service in Florida	7,775 53
Arrearages of annuities for Cherokees	62,000 00
Protection of the northern frontier	342,683 86
Civilization of Indians	7,179 50
Pay of superintendents of Indian affairs and Indian agents	7,940 76
Pay of sub-agents	5,943 65
Pay of interpreters	5,213 58
Presents to Indians	4,893 58
Provisions for Indians	4,535 44
Contingencies	16,737 91
Salary of a clerk for the acting superintendent Western Territory	500 00
Salary of a clerk for the superintendent Wisconsin Territory	400 00
Fulfilling treaties with the Pottawatamies	121,917 55
Fulfilling treaties with the Pottawatamies of Huron	400 00
Fulfilling treaties with the Pottawatamies of Prairie	16,000 00
Fulfilling treaties with the Pottawatamies of Wabash	20,000 00
Fulfilling treaties with the Pottawatamies of Indiana	15,000 00
Fulfilling treaties with the Creeks	282,373 72
Fulfilling treaties with the Florida Indians	62,181 00
Fulfilling treaties with the Six Nations, New York	4,500 00
Fulfilling treaties with the Sioux of Mississippi	7,340 00
Fulfilling treaties with the Yancton and Santee Sioux	3,980 00
Fulfilling treaties with the Sacs and Foxes	12,473 75
Fulfilling treaties with the Sacs and Foxes of Missouri	3,280 00
Fulfilling treaties with the Sacs and Foxes of Mississippi	40,780 00
Fulfilling treaties with the Otoes and Missourias	4,430 00
Fulfilling treaties with the Omahas	3,580 00
Fulfilling treaties with the Iowas	34,430 00
Fulfilling treaties with the Choctaws	41,229 43
Fulfilling treaties with the Sacs and Foxes, Iowas, Sioux, Omahas, and Otoes and Missourias	1,584 00
Fulfilling treaties with the Wyandots, Munsees, and Delawares	1,000 00
Fulfilling treaties with the Senecas of New York	6,000 00
Fulfilling treaties with the Wyandots	6,480 00
Fulfilling treaties with the Ottawas	11,825 00
Fulfilling treaties with the Christian Indians	400 00
Fulfilling treaties with the Miamies	97,120 50
Fulfilling treaties with the Chippewas, Menominies, Winnebagoes, and New York Indians	750 00
Fulfilling treaties with the Chippewas, Ottawas, and Pottawatamies	34,415 00
Fulfilling treaties with the Menominies	31,630 00
Fulfilling treaties with the Winnebagoes	35,467 26
Fulfilling treaties with the Chippewas	250 00
Fulfilling treaties with the Chippewas of Saginaw	4,300 00
Fulfilling treaties with the Kanzas	5,680 00

A--Continued.

Fulfilling treaties with the Osages - - - - -	\$12,242 68
Fulfilling treaties with the Kickapoos - - - - -	5,250 00
Fulfilling treaties with the Kaskaskias and Peorias - - - - -	3,000 00
Fulfilling treaties with the Piankeshaws - - - - -	800 00
Fulfilling treaties with the Weas - - - - -	3,000 00
Fulfilling treaties with the Delawares - - - - -	7,780 00
Fulfilling treaties with the Shawnees - - - - -	6,340 00
Fulfilling treaties with the Senecas - - - - -	1,940 00
Fulfilling treaties with the Shawnees and Senecas - - - - -	1,820 00
Fulfilling treaties with the Chickasaws - - - - -	963 00
Fulfilling treaties with the Quapaws - - - - -	3,531 50
Fulfilling treaties with the Pawnees - - - - -	9,300 00
Fulfilling treaties with the Cherokees - - - - -	5,617 50
Fulfilling treaties with the Caddoes - - - - -	10,000 00
Fulfilling treaties with the Ottawas and Chippewas - - - - -	57,285 00
Fulfilling treaties with the Eel Rivers - - - - -	1,100 00
Current expenses of the Indian Department - - - - -	982 00
Miscellaneous objects - - - - -	3,286 90
Subscription to the Indian Biography - - - - -	300 00
Expenses of Indian medals - - - - -	2,024 31
Expenses of delegation of Iowas, Yancton, Sioux, and Sacs and Foxes in 1837 - - - - -	6,523 18
Expenses of delegation of Pawnees, Otooes, and Missouriias and Omahas, in 1837 - - - - -	8,296 97
For value of improvements on lands ceded by Miamies - - - - -	308 00
Carrying into effect treaty with Chippewas of Saginaw, in 1837-8 - - - - -	19,866 61
Carrying into effect treaty with Chippewas of Mississippi, in 1837 - - - - -	183,000 00
Carrying into effect treaty with Sioux of Mississippi, in 1837 - - - - -	132,000 00
Carrying into effect treaty with Sacs and Foxes of Mississippi, in 1837 - - - - -	33,360 00
Carrying into effect treaty with Sacs and Foxes of Missouri, in 1837 - - - - -	2,600 00
Carrying into effect treaty with Yancton and Santee Sioux - - - - -	4,000 00
Carrying into effect treaty with Winnebagoes - - - - -	214,859 64
Carrying into effect treaty with Iowas - - - - -	2,500 00
Carrying into effect treaty with Oneidas at Green Bay - - - - -	2,546 65
Payment to the Choctaws for depredations - - - - -	825 00
Expenses attending the negotiation of the treaty with Senecas and other bands of New York Indians - - - - -	8,137 26
Expenses of submitting the Seneca treaty for the assent of the tribes - - - - -	1,000 00
Negotiation with the Miami Indians - - - - -	870 00
Treaty stipulations - - - - -	166 62
Education of Indian youths - - - - -	2,611 00
Transportation and incidental expenses - - - - -	38,983 13
Removal and subsistence of Indians - - - - -	251,124 23
Holding treaties with certain Indian tribes, per act 14th June, 1836 - - - - -	1,166 94
Carrying into effect treaty with the Cherokees of 29th December, 1835 - - - - -	870,137 43
Carrying into effect treaty with the Ottawa and Chippewa Indians of 28th March, and supplementary act of March 31, 1836 - - - - -	20,712 41
Expenses of removing Choctaw Indians from Mississippi - - - - -	11,090 00
Fulfilling treaties with the Osages, per act 6th January, 1838 - - - - -	12,000 00
Completing medal for General Ripley - - - - -	210 00
Expenses of medals and swords for Croghan and others - - - - -	200 00
Pay to Adam Echfold, for medals to officers, per act 16th April, 1838 - - - - -	1,008 86
Balance due to the heirs of William Meldrum, per act 6th April, 1838 - - - - -	268 55
Relief of sundry individuals - - - - -	30,968 10
Virginia claims, per act 5th July, 1832 - - - - -	38,119 19
Revolutionary claims, per act 15th May, 1828 - - - - -	76,199 99

A—Continued.

Revolutionary pensions, per act 7th June, 1832	- - -	\$345,872 75
Unclaimed pensions, per act 6th April, 1833	- - -	30,912 52
Commissioners to adjust claims, under the treaty with the Choctaws	- - -	17,415 57
		16,000,730 25
<i>From which deduct the following repayments, viz :</i>		
Fort Monroe, Virginia	- - -	\$304 22
Removal of light-house on Goat island	- - -	6 75
Removing the wreck in the harbor of New Bedford	- - -	155 73
Arrearages of astronomical observations	- - -	38 69
Volunteers, and an additional regiment of dragoons	- - -	52,440 90
Repressing Seminole hostilities	- - -	82,577 91
Suppressing hostilities of Creek Indians	- - -	1,481 73
Blacksmiths' establishments	- - -	603 49
Indian annuities	- - -	405 00
Purchase of iron, steel, coal, &c.	- - -	978 69
Carrying into effect treaty with the Cherokees, per act 4th June, 1832	- - -	545 79
Treaty with the Cherokees, per act 2d March, 1831	- - -	11 00
Carrying into effect treaty with the Pottawatomies of 1832	- - -	14,820 15
Treaty with the Pawnees, per act 28th June, 1833	- - -	1,336 20
Treaty with the Shawnees, per act 4th June, 1832	- - -	84 00
Commission west, per act 28th June, 1834	- - -	38 03
Pawnees, Otoes, and Missourias, per act 28th June, 1834	- - -	131 27
Senecas and Shawnees, per act 4th June, 1832	- - -	258 74
Pay of the army, and subsistence of officers	- - -	232 66
Bounties and premiums	- - -	425 08
Pay due the executive staff of the Governor of Tennessee	- - -	384 43
Tennessee volunteers, mustered into service by Governor Cannon's proclamation of 28th April, 1836	- - -	58,494 43
One month's pay to volunteers and militia of Kentucky, Alabama, Mississippi, &c., per act 1st March, 1837	- - -	9,683 18
Road from Fort Towson to the northern boundary of Louisiana	- - -	12 01
For the more perfect defence of the frontier Barracks, quarters, &c., at New Orleans	- - -	10 00
Pay of Illinois militia	- - -	87 87
Removing intruders, per act 20th February, 1833	- - -	2,030 14
Running lines, per act 26th June, 1834	- - -	788 42
Running lines, per act 28th June, 1834	- - -	7,251 41
Provisions to Indians, per act 28th June, 1834	- - -	2,837 00
Extinguishment of claims to land in Georgia, per act 2d March, 1831	- - -	339 48
Treaty with the Kickapoos of 1833	- - -	16,995 57
Western Creeks, 28th June, 1834	- - -	700 00
Rifles, blankets, &c., (Creeks,) 28th June, 1834	- - -	1,850 00
Payment of claims, (Creeks,) 20th June, 1834	- - -	532 52
Creek treaty, 4th June, 1832	- - -	151 83
Transportation and contingencies, 2d March, 1831	- - -	206 29
Contingencies prior to 1829	- - -	30 55
Transportation and distribution of annuities, 4th June, 1832	- - -	49 57
	- - -	339 61

A—Continued.

Effecting Indian treaties, 15th June, 1832	\$78 08	
Surveying Pottawatamie and Miami cessions, 2d March, 1831	227 00	
Choctaw and Chickasaw treaty, 30th April, 1830	3,126 17	
Expenses of Red river agency, 2d March, 1831	1,300 00	
Claim against the Osages, 2d March, 1819	834 50	
Rifles for Cherokees, 2d March, 1831	400 00	
Extinguishment of Creek titles, 2d March, 1831	1,051 41	
Corn for Seminoles, 31st March, 1832	1,500 00	
Choctaw treaty, relating to cattle	215 75	
Expenses of arresting Iowa prisoners, 2d March, 1833	1,023 38	
		\$269,406 63
		\$15,731,323 62

NAVY ESTABLISHMENT.

Pay and subsistence of the navy	1,625,185 49
Pay of superintendents	46,648 68
Provisions	439,531 76
Medicines, surgical instruments, &c.	58,568 46
Navy yard at Portsmouth	12,300 00
Navy yard at Boston	27,000 00
Navy yard at New York	37,675 96
Navy yard at Philadelphia	8,416 48
Navy yard at Washington	15,873 00
Navy yard at Norfolk	89,570 51
Navy yard at Pensacola	58,432 98
Survey of the harbors of Beaufort and Wilmington, North Carolina	1,500 00
Survey of May river from Tybee bar to Hunting island	1,500 00
Wharves at the navy yard at Pensacola	8,666 00
Magazine near Boston	44 64
Magazine, Ellis's island, in the harbor of New York	1,625 00
Hospital at Boston	1,173 86
Hospital at Broklyn	43,300 00
Hospital at Norfolk	7,000 00
Hospital at Pensacola	26,525 72
Navy Asylum, near Philadelphia	253 92
Fixtures, &c. for asylum near Philadelphia	103 69
Ordnance and ordnance stores	69,579 31
Gradual improvement of the navy	206,709 16
Repairs of vessels in ordinary, and wear and tear of vessels in commission	761,294 84
Contingent expenses of the navy	339,997 53
Contingent expenses not enumerated	580 79
Rebuilding frigate Congress	16,721 78
Building and equipping two sloops of war	156,658 58
Building and equipping six vessels of war	43,406 90
Launching the ship of the line Pennsylvania	10,962 99
Completing steam vessels building at the navy yard at Brooklyn	5,078 90
Arrearages of survey of the coast and harbors of the United States	166 50
Relief of Charles Blake	180 00
Relief of Daniel T. Patterson	3,391 00
Relief of Abraham Lansing	103 96
Pay and subsistence of the marine corps	108,991 76
Subsistence of non-commissioned officers, &c., serving on shore	12,766 09
Clothing	43,454 44
Medicines and hospital stores	3,201 88
Fuel	15,853 44
Military stores	1,513 34

A—Continued.

Contingent expenses - - - - -	\$16,709 04
Transportation and recruiting - - - - -	3,921 77
Repairs of barracks - - - - -	5,068 62
	<hr/>
	4,337,208 77
<i>From which deduct the following repayments, viz :</i>	
Powder magazine at Pensacola - - - - -	\$0 10
Brick wall or enclosure, Pensacola - - - - -	3,800 00
Gradual increase of the navy - - - - -	103 83
Repairs of sloops of war - - - - -	233 50
Iron tanks - - - - -	92 50
Surveying and exploring expedition to the Pacific - - - - -	6,366 42
Arrearages to captains and subalterns, marine corps - - - - -	1,049 21
	<hr/>
	11,645 56
	<hr/>
	\$4,325,563 21
	<hr/>
	28,427,218 68

TREASURY DEPARTMENT,

Register's Office, November 30, 1838.

T. L. SMITH, Register.

C.

A statement exhibiting the value of imports and exports during the commercial year ending on the 30th of September, 1838.

Imported merchandise free of duty - - - - -	\$60,146,000 00
Imported merchandise paying duty ad valorem - - - - -	22,650,000 00
Imported merchandise paying specific duties - - - - -	29,204,000 00
	<hr/>
Value of imports - - - - -	\$112,000,000 00
	<hr/>
Exported merchandise free of duty - - - - -	\$8,043,000 00
Exported merchandise paying duty ad valorem - - - - -	2,090,000 00
Exported merchandise paying specific duty - - - - -	2,337,000 00
	<hr/>
Foreign merchandise - - - - -	12,470,000 00
Domestic produce, &c. - - - - -	90,666,000 00
	<hr/>
	\$103,136,000 00

TREASURY DEPARTMENT,

Register's Office, December 3, 1838.

T. L. SMITH, Register.

Circular to all collectors and receivers of public money.

TREASURY DEPARTMENT, June 1, 1838.

By a resolution, passed the 31st ultimo, Congress has declared: "That it shall not be lawful for the Secretary of the Treasury to make, or to continue in force, any general order, which shall create any difference between the different branches of revenue, as to the money or medium of payment in which debts or dues, accruing to the United States, may be paid."

To carry this resolution into effect, it has become necessary to issue new instructions to collectors and receivers of public money.

By the present laws, specie and Treasury notes alone are expressly made receivable for all kinds of public dues, and you will of course continue to take them till otherwise instructed.

A circular was issued, under the direction of the President of the United States, on the 11th of July, 1836, which, after a certain period, prohibited any currency from being taken in payment of the public lands except specie; no authority for the issue of Treasury notes being then in existence.

This circular did not order any different medium to be taken for duties; yet the various reasons contained in it were not applicable to the revenue from customs, and a practice had existed before, and has been continued since, to receive bank notes of a certain character in payment of duties.

In this condition of things, and without any new legislation either to extend the provisions of that circular to every branch of the revenue, or to abolish the practice of taking bank notes for any branch of it, Congress directed, by the resolution above quoted, that no difference or discrimination shall be created or continued in force by any general order emanating from this department. It has thus been made the imperative duty of the Secretary of the Treasury to either require the collection of the whole revenue, in all its branches, in gold, or silver, or Treasury notes, or to permit, under such restrictions as the existing laws impose, and as the safety of the public money may seem to require, the acceptance of bank notes, for lands sold as well as for other public dues.

However desirable it may be, on some accounts, that the receipts and payments of the General Government shall be in the currency provided in the constitution, and however inexpedient it may be to give undue encouragement to a different currency, which, by its fluctuations in quantity and value, often renders the wages of labor uncertain, gives instability to the value of property, and thus enables the artful to accumulate wealth at the expense of the unwary, it is not believed that this department can find a sufficient warrant, in the proceedings of Congress or in public opinion, to justify the sudden and total exclusion, at this time, of the notes of specie-paying banks from reception for public dues of every description.

Important changes have also taken place since July, 1836, in the condition of the banks and of business generally, which have diminished the necessity for unusual checks on excesses and overactions.

Influenced by these considerations, and by a desire to accommodate the public debtors as far as is compatible with the restrictions of law and the safety of the pecuniary interests committed to my care, I feel bound to enforce the uniformity now required, by availing myself of the permission

given in the resolution of 1816, to receive the notes of banks, and by extending, under suitable limitations, the receipt of such notes equally to all branches of the public revenue.

The limitations as to the character of the notes receivable will be such as are required by express laws, or by necessary implication. Some of these limitations have always, except at one brief interval, been adopted in practice since the formation of the constitution, and are deemed essential to maintain a sound currency, so indispensable to the prosperity of trade and a healthy state of public morals. Others have been introduced more recently to promote fiscal convenience, the public security, and an equal standard of value.

1st. You will, in conformity to the obvious intent of the resolution of 1816, take such bank notes only as are "payable, and paid on demand, in the legal currency of the United States."

2d. You will receive none of a less denomination than twenty dollars; the reception of all smaller denominations being virtually prohibited by the second section of the act of April 14th, 1836, which forbids their being paid out to any creditor of the United States. Though smaller notes offered for duties could, from the nearness of banks in most seaports, be taken, and easily exchanged before making payments, yet, from the remoteness of many land offices from banks, this could not be effected there without much delay and expense; and, as uniformity is now required, the provision must be made general.

3d. Nor will you accept bank notes of any denomination, unless the same be "payable, on demand, in gold or silver coin *at the place where issued,*" and "equivalent to specie at the place where" received, as is substantially required by the last mentioned act in respect to payments. These requirements can, in the opinion of the department, be enforced with greater certainty, and unnecessary risk and loss more surely avoided, by confining the receipt, as has been the usage at some former periods, to the notes of banks situated within your State and in the adjoining States. The credit of these notes can usually be best known, counterfeits of them more easily detected, and specie obtained for them with less delay when it is wanted for public purposes.

4th. You will not take the notes of any bank which, since the 4th of July, 1836, has issued "any note or bill of a less denomination than five dollars;" the notes of all such banks being expressly excluded by the eighth section of the act of the 23d June, 1836.

Great care will be expected from you in carrying into effect this and all former circulars still in force; and particularly is it enjoined that receivers be vigilant to furnish every facility to the registers for making the monthly examinations, recently required, of the funds and vouchers on hand, and to guard against the imposition upon the land offices of bank notes not safe or equivalent to specie, and not well known to be receivable according to the spirit of these instructions and the manifest intentions of the acts of Congress, which they are designed to enforce.

Respectfully,

LEVI WOODBURY,
Secretary of the Treasury.

E.

Circular to all collectors and receivers of public money.

TREASURY DEPARTMENT, July 6, 1838.

Congress having passed the following act, the fourth limitation specified in the circular of this department, issued on the 1st day of June last, will be considered as modified so as to conform to the present law :

§⁴ AN ACT to modify the last clause of the fifth section of the deposite act of the twenty-third of June, eighteen hundred and thirty-six.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last clause of the fifth section of the act entitled 'An act to regulate the depositories of the public money,' approved on the twenty-third day of June, eighteen hundred and thirty-six, declaring that the notes or bills of no bank shall be received in payment of any debt due to the United States, which shall, after the fourth day of July, in the year one thousand eight hundred and thirty-six, issue any note or bill of a less denomination of five dollars, shall be, and the same is hereby, so far modified as that the interdiction as to the reception of the bills and notes shall not continue against any bank which has, since the said fourth day of July, in the year one thousand eight hundred and thirty-six, issued bills or notes of a less denomination than five dollars, or which shall issue any such bills or notes prior to the first day of October, in the year eighteen hundred and thirty-eight, but that, from and after the said last mentioned day, the bills or notes of no bank shall be received in payment of any debt due to the United States, which bank shall, after that date, issue, re-issue, or pay out any bill or note of a denomination less than five dollars."

"Approved, July 5, 1838."

Respectfully,

LEVI WOODBURY,
Secretary of the Treasury.

LEVI WOODBURY
Secretary of the Treasury

F.

Comparative statement of the condition of the banks in the different divisions of the Union, according to returns dated nearest January 1, 1837, and January 1, 1838.

Division in which situated.	Number of banks and branches.		Capital.		Loans and discounts.		Stocks.	
	1837.	1838.	1837.	1838.	1837.	1838.	1837.	1838.
Eastern - - - - -	314	321	\$62,172,720	\$65,257,540	\$98,651,703	\$93,575,135	\$553,904	\$647,731
Middle - - - - -	212	213	78,454,949	81,169,776	154,047,085	127,740,077	6,536,234	8,607,394
Southern - - - - -	82	89	31,444,448	32,111,573	62,035,190	56,337,073	3,084,724	2,822,912
Southwestern - - - - -	83	94	62,307,111	75,048,052	112,554,311	122,305,066	152,000	2,022,459
Western - - - - -	78	92	21,392,863	29,049,837	40,438,704	40,492,662	2,080,250	4,946,000
Pennsylvania Bank of the United States	19	20	35,000,000	35,000,000	57,393,709	45,181,854	-	14,862,108
Total -	788	829	290,772,091	317,636,778	525,115,702	485,631,867	12,407,412	33,809,604

NOTE.—In the eastern division are included Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. In the middle, New York, Pennsylvania, New Jersey, Delaware, Maryland, and the District of Columbia. In the southern, Virginia, North Carolina, South Carolina, Georgia, and Florida. In the southwestern, Alabama, Louisiana, Mississippi, Arkansas, and Tennessee. In the western, Kentucky, Missouri, Illinois, Indiana, Ohio, Michigan, and Wisconsin.

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E. Continued

F Continued.

[2]

Division in which situated.	Number of banks and branches.		Real estate.		Other investments.		Due by other banks.	
	1837.	1838.	1837.	1838.	1837.	1838.	1837.	1838.
Eastern - - - - -	314	321	\$1,768,440	\$1,866,163	\$41,616	\$177,744	\$6,788,935	\$8,534,440
Middle - - - - -	212	213	8,032,150	5,438,757	4,285,648	4,388,516	26,535,986	31,928,397
Southern - - - - -	82	89	2,211,341	3,272,151	690,507	686,380	5,571,205	4,653,404
Southwestern - - - - -	83	94	5,296,646	6,096,672	533,876	7,182,784	7,867,811	5,626,321
Western - - - - -	78	92	518,775	897,216	337,669	948,919	10,625,375	3,795,340
Pennsylvania Bank of the United States	19	20	1,237,099	1,504,772	4,534,314	10,809,774	2,284,598	3,657,251
Total -	788	829	19,064,451	19,075,731	10,423,630	24,194,117	59,663,910	58,195,153

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Note.—In the eastern division are included Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. In the middle, New York, Pennsylvania, New Jersey, Delaware, Maryland, and the District of Columbia. In the southern, Virginia, North Carolina, South Carolina, Georgia, and Florida. In the southwestern, Alabama, Louisiana, Mississippi, Arkansas, and Tennessee. In the western, Kentucky, Missouri, Illinois, Indiana, Ohio, Michigan, and Wisconsin.

Compared with the condition of the country in the different divisions of the United States in 1838

F—Continued.

Division in which situated.	Number of banks and branches.		Notes of other banks.		Specie funds.		Specie.		Circulation.	
	1837.	1838.	1837.	1838.	1837.	1838.	1837.	1838.	1837.	1838.
Eastern - - -	314	331	\$4,745,817	\$3,952,019	\$1,874,152	\$228,462	\$2,588,973	\$2,902,980	\$22,513,292	\$18,307,544
Middle - - -	212	213	19,083,345	9,100,540	3,268,648	618,277	11,887,557	9,937,187	45,076,371	29,631,248
Southern - - -	82	89	3,451,474	2,727,429	223,700	16,872	7,178,864	6,145,384	28,483,170	20,156,891
Southwestern - - -	83	94	3,518,017	6,014,927	-	40,395	6,429,049	4,984,616	24,346,667	25,194,559
Western - - -	78	92	4,528,120	2,302,745	-	-	7,192,448	7,443,103	17,318,422	16,080,601
Pennsylvania Bank of the United States - - -	19	20	1,206,754	866,597	-	-	2,638,449	3,770,842	11,447,968	6,768,067
Total -	788	829	36,533,527	24,964,257	5,366,500	904,006	37,915,340	35,184,112	149,185,890	116,138,910

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NOTE.—In the eastern division are included Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.
 In the middle, New York, Pennsylvania, New Jersey, Delaware, Maryland, and the District of Columbia.
 In the southern, Virginia, North Carolina, South Carolina, Georgia, and Florida.
 In the southwestern, Alabama, Louisiana, Mississippi, Arkansas, and Tennessee.
 In the western, Kentucky, Missouri, Illinois, Indiana, Ohio, Michigan, and Wisconsin.

Division in which situated.	1837.	1838.	1837.	1838.	1837.	1838.	1837.	1838.
Number of banks and branches.	314	331	19,083,345	9,100,540	3,268,648	618,277	11,887,557	9,937,187
Notes of other banks.	82	89	3,451,474	2,727,429	223,700	16,872	7,178,864	6,145,384
Specie funds.	83	94	3,518,017	6,014,927	-	40,395	6,429,049	4,984,616
Specie.	78	92	4,528,120	2,302,745	-	-	7,192,448	7,443,103
Circulation.	19	20	1,206,754	866,597	-	-	2,638,449	3,770,842

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F—Continued.

F—Continued.

Division in which situated.	Number of banks and branches.		Deposites.		Due to other banks.		Other liabilities.	
	1837.	1838.	1837.	1838.	1837.	1838.	1837.	1838.
Eastern - - - - -	314	321	\$15,505,933	\$11,412,803	\$6,428,863	\$6,906,442	\$6,993,810	\$6,488,955
Middle - - - - -	212	213	53,009,882	31,999,806	30,379,347	28,220,448	16,288,248	14,650,718
Southern - - - - -	82	89	15,182,406	9,707,821	4,397,900	3,356,782	1,554,991	3,941,582
Southwestern - - - - -	83	94	22,137,627	18,874,996	16,120,192	15,226,242	2,997,734	11,019,634
Western - - - - -	78	92	19,228,928	10,078,505	3,729,576	2,348,397	1,799,140	3,370,222
Pennsylvania Bank of the United States	19	20	2,332,409	2,617,253	1,365,240	4,957,291	6,926,366	20,524,568
Total -	788	829	127,397,185	84,691,184	62,421,118	61,015,592	36,560,289	59,995,679

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NOTE.—In the eastern division are included Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.
 In the middle, New York, Pennsylvania, New Jersey, Delaware, Maryland, and the District of Columbia.
 In the southern, Virginia, North Carolina, South Carolina, Georgia, and Florida.
 In the southwestern, Alabama, Louisiana, Mississippi, Arkansas, and Tennessee.
 In the western, Kentucky, Missouri, Illinois, Indiana, Ohio, Michigan, and Wisconsin.

Condensed comparative statement of the condition of the banks in the different divisions of the Union, according to returns dated nearest January 1, 1837, and January 1, 1838.

	Eastern.		Middle.		Southern.		Southwestern.
	1837.	1838.	1837.	1838.	1837.	1838.	1837.
Investments supposed to yield income -	\$101,015,663	\$95,266,773	\$172,901,117	\$146,124,744	\$68,021,762	\$63,118,516	\$118,536,833
Excess of such investments beyond capital paid in - - - - -	38,842,943	30,009,233	94,446,168	63,911,688	36,577,314	31,006,943	56,229,722
Total of immediate liabilities - - - - -	44,448,088	36,626,759	128,465,600	89,851,502	48,063,476	33,221,494	62,604,486
Total of immediate means - - - - -	15,987,877	15,617,901	60,775,536	51,584,301	16,425,243	13,543,089	17,814,877
Excess of immediate liabilities beyond immediate means - - - - -	28,460,211	21,008,858	67,690,064	38,267,201	31,638,233	19,678,405	44,789,609
Total of means - - - - -	117,003,540	110,884,674	233,676,653	197,709,045	84,447,005	76,661,695	136,351,710
Total of liabilities, exclusive of those to stockholders - - - - -	51,441,898	43,095,744	144,753,848	104,504,220	49,618,467	37,163,076	65,602,220

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F—Continued.

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	Southwestern.	Western.		Pennsylvania Bank of the United States.		Total.	
	1838.	1837.	1838.	1837.	1838.	1837.	1838.
Investments supposed to yield income -	\$137,606,981	\$43,370,348	\$47,284,797	\$63,165,122	\$72,358,508	\$567,010,895*	\$561,760,319
Excess of such investments beyond capital paid in - - - -	62,658,929	21,977,535	18,234,960	23,165,122	37,358,508	276,238,804	243,180,261
Total of immediate liabilities - - - -	59,295,797	40,376,926	28,507,493	15,145,617	14,342,611	339,004,113	261,845,686
Total of immediate means - - - -	16,666,259	22,345,943	13,541,188	6,129,801	8,294,690	139,479,277	119,247,428
Excess of immediate liabilities beyond immediate means - - - -	42,629,538	17,930,983	14,966,305	9,015,816	6,047,921	199,524,916	142,598,258
Total of means - - - -	154,273,240	61,301,381	60,825,985	69,294,923	80,643,198	706,490,172	704,358,577
Total of liabilities, exclusive of those to stockholders - - - -	70,315,431	42,076,066	31,877,715	22,071,983	34,867,179	375,564,482	321,823,365

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* This sum represents the amount of the deposits of the public in the banks of the United States, and is not included in the above.

G.

Statement exhibiting the value of bullion and specie imported and exported during the year ending on the 30th of September, 1838.

PERIOD.	IMPORTED.			
	BULLION.		SPECIE.	
	Gold.	Silver.	Gold.	Silver.
1837. 4th quarter -	\$22,973	\$106,746	\$526,330	\$1,350,350
1838. 1st quarter -	83,364	107,773	833,038	1,261,897
1838. 2d quarter -	52,781	48,142	8,531,701	1,959,964
1838. *3d quarter -	137,102	19,295	1,510,686	898,400
	296,220	281,956	11,401,755	5,470,611
PERIOD.	EXPORTED.			
	BULLION		SPECIE.	
	Gold.	Silver.	Gold.	Silver.
1837. 4th quarter -	-	\$2,500	\$373,282	\$1,249,168
1838. 1st quarter -	-	-	116,233	158,037
1838. 2d quarter -	-	-	171,531	455,165
1838. *3d quarter -	-	-	65,337	683,593
	-	2,500	726,383	2,545,963
Total imports -	-	-	-	\$17,450,542
Total exports -	-	-	-	3,274,846
Excess of imports -	-	-	-	<u>\$14,175,696</u>

* The amount of imports and exports for the third quarter of 1838, is made up from the weekly returns made by the collectors to the Secretary of the Treasury.

TREASURY DEPARTMENT,
November 29, 1838.

H.

List of general deposite banks and the amount in each subject to draft, and in accordance with returns received at the office of the Treasurer, to the 1st day of December, 1838.

Brooklyn Bank, Brooklyn, New York	-	-	\$23,160	39
Planters' Bank of Georgia, Savannah, Georgia	-	-	2,069	22
Insurance Bank of Columbus, Columbus, Georgia	-	-	3,699	50
Bank of the State of Missouri, St. Louis, Missouri	-	-	184,101	72
			<hr/>	
			\$213,030	83

NOTE.—The Commercial Bank of Cincinnati, Ohio, did not avail of the credit authorized by the act of October, 1837, but continued to pay the drafts of the Treasurer upon the amount on general deposite therein.

The amount on general deposite to credit of the Treasurer of the United States, on the 1st January, 1838, was - \$402,395 09
 The amount subject to draft, to credit of the Treasurer of the United States, on the 1st of December, 1838, is - 68,848 97

TREASURER'S OFFICE, December 1, 1838.

JOHN CAMPBELL,
 Treasurer of the United States.

1837	4th quarter	22,000	
1838	1st quarter	118,338	
1838	2d quarter	171,311	
1838	3d quarter	62,734	
1838	4th quarter	1,282	

\$17,150,612	Total imports
2,374,216	Total exports
\$14,776,396	Excess of imports

*The amount of imports and exports for the first quarter of 1838, is made up from the weekly returns made up the collection in the Treasury.

I—Statement of the condition of deposit banks, on or near the first day of November, 1838, according to returns received at the Treasury Department.

State.	Names and location of banks.	Date of return.	Loans and dis- counts.	Bills of ex- change.	Suspended debt.	Real estate.	Other invest- ments.
New York -	- Brooklyn Bank, at Brooklyn	- October 31	\$158,341 65	-	\$98,626 32	\$11,265 10	\$4,175 00
Georgia -	- Insurance Bank of Columbus	- November 1	338,456 05	\$11,776 98	176,934 60	20,000 00	91 59
Georgia -	- Planters' Bank of the State	- October 30	675,463 56	5,519 06	133,511 64	11,000 00	29,144 94
Missouri -	- Bank of the State of Missouri	- 31	1,154,411 08	326,406 40	4,410 19	43,358 09	247,686 39
			2,326,672 34	343,702 44	418,482 75	85,623 19	281,097 92

I—Continued.

State.	Names and location of banks.	Date of return.	Expenses.	Due from other banks.	Notes of other banks on hand.	Specie on hand.	Circulation.
New York	- Brooklyn Bank, at Brooklyn	- October 31	\$4,595 55	-	\$2,204 96	\$3,266 36	\$4,267 00
Georgia -	- Insurance Bank of Columbus	- November 1	1,402 11	\$117,531 11	175,705 00	201,781 79	18,939 00
Georgia -	- Planters' Bank of the State	- October 30	4,334 35	197,309 58	29,705 00	281,356 52	152,374 00
Missouri -	- Bank of the State of Missouri	- 31	5,454 85	373,081 45	506,240 00	681,778 77	629,220 00
			15,786 86	687,922 14	715,854 96	1,167,183 44	804,800 00

47

191

I—Continued.

State.	Names and location of banks.	Date of return.	DEPOSITES.			Due to other banks.
			Treasurer of the United States.	Public officers.	All other depositors.	
New York	Brooklyn Bank, at Brooklyn	October 31	\$28,507 94	-	\$10,714 26	\$10,918 62
Georgia	Insurance Bank of Columbus	November 1	5,699 50	-	103,865 54	233,576 68
Georgia	Planters' Bank of the State	October 30	23,605 06	\$88,214 34	256,569 06	177,079 60
Missouri	Bank of the State of Missouri	31	237,301 92	-	732,739 87	468,700 13
			295,114 42	88,214 34	1,103,888 73	940,275 03

I—Continued.

State.	Names and location of banks.	Date of return.	Other liabilities.	Capital stock.	Contingent fund.	Profit and loss, discount and interest.
New York	Brooklyn Bank, at Brooklyn	October 31	\$408 00	\$200,000 00	-	\$26,659 12
Georgia	Insurance Bank of Columbus	November 1	156 16	600,000 00	\$8,000 00	23,442 35
Georgia	Planters' Bank of the State	October 30	-	535,400 00	111,040 34	28,062 25
Missouri	Bank of the State of Missouri	31	209,498 85	1,019,750 78	-	47,615 67
			210,063 01	2,355,150 78	119,040 34	126,779 39

List of Collectors of the Customs and Excise of the public moneys
 have been placed, and are intended to be continued, for the same to the
 to draft in conformity with the returns rendered at this office up to

Amount subject to draft	Collector	Total	State	Dept return
310,107 27	John Anderson		Maine	Nov 24
201 00	Asa W. Hyde		Vermont	Oct 1
45,118 24	William Beach		Massachusetts	Oct 27
24,343 00	James Miller		Massachusetts	Nov 2
37,000 11	George Hancock		London	Nov 21
9,282 30	Thomas W. Leland		Massachusetts	Nov 21
10,800 00	W. L. Durland		Rhode Island	Nov 21
3,000 00	Edward S. Allen		Rhode Island	Nov 21
11,163 00	William H. Ellis		Connecticut	Nov 17
2,000 00	John Gray		New York	Nov 2
23,200 24	George Wolf		New York	Nov 2
27,511 25	William Pike		Philadelphia	Nov 25
10,300 21	George Ryan		Maine	Nov 21
188 80	Thomas Nelson		Virginia	Nov 21
32 25	John W. Campbell		Virginia	Nov 21
1,218 97	Johns Bayne		North Carolina	Nov 21
100 00	L. M. Marshall		North Carolina	Nov 21
0 00	James B. Wright		South Carolina	Nov 21
20,500 00	James W. Hodge		South Carolina	Nov 19
1 23			South Carolina	Nov 19
1 23			South Carolina	Nov 19

BALANCES SUBJECT TO DRAFT

IN THE HANDS OF

COLLECTORS AND RECEIVERS,

DECEMBER 3, 1838.

Treasurer's Office
 December 3, 1838.

J.

List of Collectors of the Customs and Receivers of the public moneys, time been placed, and are intended to be continued, for the sums to the to draft in conformity with the returns received at this office up to

Date of return.	State.	Town.	Collectors.	Amount subject to draft.
Nov. 24	Maine -	Portland -	John Anderson -	\$10,167 47
Oct. 1	Vermont -	Burlington -	Archibald W. Hyde -	301 06
Oct. 27	Massachusetts -	Gloucester -	William Beach -	6,115 34
Nov. 3	Massachusetts -	Salem -	James Miller -	14,440 41
Nov. 24	Massachusetts -	Boston -	George Bancroft -	57,692 14
Nov. 24	Massachusetts -	Fall River -	Phineas W. Leland -	9,283 59
Nov. 24	Rhode Island -	Providence -	W. R. Danforth -	19,859 00
Nov. 24	Rhode Island -	Bristol -	Samuel S. Allen -	9,640 00
Nov. 17	Connecticut -	New Haven -	William H. Ellis -	11,162 69
Nov. 5	New York -	Catago -	George H. McWhorter -	2,000 00
Nov. 24	New York -	New York -	Jesse Hoyt -	65,296 24
Nov. 26	Pennsylvania -	Philadelphia -	George Wolf -	27,541 32
Nov. 24	Maryland -	Baltimore -	William Frick -	19,902 81
Nov. 24	Dis. of Columbia	Alexandria -	George Brent -	188 88
Nov. 24	Virginia -	Richmond -	Thomas Nelson -	32 55
Nov. 24	Virginia -	Petersburg -	John W. Campbell -	1,219 97
Nov. 24	North Carolina	Plymouth -	Joseph Ramsey -	100 00
Nov. 24	North Carolina	Wilmington -	L. H. Marsteller -	9 67
Nov. 24	South Carolina	Charleston -	James R. Pringle -	29,592 70
Nov. 12	Louisiana -	New Orleans -	James W. Breedlove -	1 92
Nov. 5	Alabama -	Mobile -	John B. Hogan -	668 33
				285,216 08.

TREASURER'S OFFICE,
December 3, 1838.

J.

having public money in their hands, on whom drafts have from time to time been drawn to the credit of the Treasurer; showing also the balances in their hands subject December 3, 1838.

Date of Return.	State.	Town.	Receivers.	Amount subject to Draft.
Nov. 24	Ohio	Bucyrus	Joseph H. Larwill	\$430 00
Nov. 17	Ohio	Lima	William Blackburn	23,251 77
Nov. 24	Ohio	Marietta	Charles Humphreys	9,613 98
Oct. 31	Ohio	Steubenville	John H. Viers	98 98
Sept. 8	Ohio	Wooster	James Findley	901 56
Nov. 24	Ohio	Zanesville	John Hall	7,032 79
Nov. 10	Illinois	Chicago	E. D. Taylor	7,673 03
Nov. 3	Illinois	Shawneetown	Stephen R. Rowan	5,787 17
July 21	Alabama	Cahaba	Matthew Gayle	485 01
Nov. 19	Alabama	Huntsville	Samuel Cruse	789 53
Nov. 10	Alabama	Sparta	A. D. Catey	503 68
Nov. 19	Alabama	Tuscaloosa	Wm. G. Parrish	441 26
Nov. 3	Mississippi	Chocchuma	James A. Girault	224 08
Nov. 10	Mississippi	Columbus	Francis Leech	5,701 08
Nov. 3	Mississippi	Washington	Anthony W. Rabb	1,650 44
Oct. 20	Louisiana	Opelousas	Benj. Rush Gantt	446 62
Nov. 10	Michigan	Bronson	Thomas C. Sheldon	205 16
Nov. 17	Michigan	Detroit	Jonathan Kearsley	6,074 74
Nov. 17	Michigan	Monroe	Daniel B. Miller	32 15
Nov. 10	Michigan	Saganaw	Charles C. Hascall	2,019 40
Nov. 3	Arkansas	Batesville	Aaron W. Lyon	13 14
Oct. 6	Arkansas	Fayetteville	Matthew Leipet	97 94
Oct. 31	Arkansas	Helena	D. Thompson	3,024 02
Nov. 10	Arkansas	Little Rock	P. T. Crutchfield	2,521 08
Oct. 31	Arkansas	Washington	Daniel T. Wilter	245 78
Nov. 17	Florida	Tallahassee	Henry Washington	663 70
Nov. 17	Florida	St. Augustine	John C. Cleland	6,535 24
Nov. 10	Wisconsin	Green Bay	Thomas Lee	4,355 25
Nov. 12	Wisconsin	Milwaukee	Rufus Parks	14,560 93
Nov. 10	Mississippi	Postotoc	Solomon Clark	8,203 25
				113,602 76

JOHN CAMPBELL,
Treasurer of the United States.

K.

List of late deposite banks in which "special deposites" have been made to the credit of the Treasurer of the United States; being in exchange for Treasury notes, patent fees, &c., as well as by some public officers; and the amount of such special deposites, subject to draft, on the 1st day of December, 1838; to which is added the amount subject to draft in the Mint and its branches, to same date.

Piscataqua Bank, Portsmouth, New Hampshire	-	-	\$14,655	26
Merchants' Bank, Boston, Massachusetts	-	-	80,155	43
Merchants and Farmers' Bank, Albany, New York	-	-	5	22
Manhattan Company, New York city	-	-	167,889	22
Bank of America, New York city	-	-	410,973	49
Merchants and Manufacturers' Bank, Pittsburgh, Pennsylvania	-	-	598	66
Franklin Bank, Baltimore, Maryland	-	-	209	34
Bank of the Metropolis, Washington, District of Columbia	-	-	29,803	19
Branch Bank of Alabama, Mobile, Alabama	-	-	883	00
Commercial Bank, New Orleans, Louisiana	-	-	6,970	45
Planters' Bank of Mississippi, Natchez, Mississippi	-	-	23,180	80
Union Bank of Tennessee, Nashville, Tennessee	-	-	1,191	49
Louisville Savings Institution, Louisville, Kentucky	-	-	75,263	18
Commercial Bank of Cincinnati, Cincinnati, Ohio	-	-	2,038	83

813,817 56

Mint of the United States, Philadelphia, Pennsylvania,	\$1,184,427	62
Mint of the United States, branch, Charlotte, North Carolina	32,000	00
Mint of the United States, branch, Dahlonega, Georgia	20,000	00
Mint of the United States, branch, New Orleans, Louisiana	84,400	00

1,320,827 62

TREASURER'S OFFICE, December 1, 1838.

JOHN CAMPBELL,

Treasurer United States.

L.

List of banks in which "special deposites" have been made, to the credit of the Treasurer of the United States, derived only from debts due from banks, and the amount in each subject to draft, on the 1st of December, 1838.*

Bank of the United States of Pennsylvania, Philadelphia	-	\$1,738,488	36
Bank of Virginia, Richmond	-	32,146	28

1,770,634 64

TREASURER'S OFFICE, December 1, 1838.

JOHN CAMPBELL,

Treasurer United States.

* Some few deposites, derived from debts due from late deposite banks, have been made, and placed in banks (see list K) which hold money, derived also from other sources.

M.

Statement of balances stated to be due the United States on the 10th of November, 1834, from banks formerly depositories of the public money, as per report of the Secretary of the Treasury to Congress of the 12th of December, 1834; with the credits to which they are entitled for payments since that date; and the balance due from them November 10th, 1837, after deducting those credits, and including interest from the date of their stoppage of payment to that day.

Date of stoppage of payment.	Name and style of the bank.	Balance due November 10, 1834, per report of the Secretary of the Treasury of December 12, 1834.	Payments made since the 12th of December, 1834.
1817	Saline Bank of Virginia	\$10,021 00	
1817	Juniata Bank of Pennsylvania	3,200 00	
1817	Bank of Washington, Pennsylvania	2,484 57	
1817	Cumberland Bank of Alleghany	1,176 61	\$548 62
1817	Bank of Somerset	55,273 41	3,013 27
1817	Miami Exporting Company	8,791 00	
1819	Farmers and Mechanics' Bank of Cincinnati	36,966 01	
1821	Bank of Vincennes	168,329 27	1,160 00
1821	Bank of Missouri	113,552 22	
1821	Bank of Edwardsville	46,800 00	
1822	German Bank of Wooster	39,364 00	4,966 91
1823	Centre Bank of Pennsylvania	8,928 48	
1823	Franklin Bank of Alexandria	48,000 00	
1824	Bank of Columbia	215,287 61	
1825	Bank of Illinois, Shawneetown	28,367 85	25,173 16
1825	Farmers and Mechanics' Bank of Indiana	23,325 00	20,647 55
1825	Bank of Steubenville	134,086 38	2,082 84
1827	Tombeckbee Bank	83,910 64	
1828	Bank of Nashville	6,267 00	6,625 86
1831	Bath Bank, of Maine	20,623 65	3,103 55
1834	Bank of Alexandria	21,200 30	7,957 00
		1,075,954 00	75,278 76

LEVI WOODBRURY

Secretary of the Treasury

N.

List of former deposit banks which suspended specie payments, and gave bonds to the United States, under the provisions of the act of 16th October, 1837, and have not paid the whole balances due; together with the sums due to the United States from each, by the Treasurer's books, on the 3d of December, 1838, not including interest.

Commercial Bank, Buffalo	-	-	-	\$16,670	51
Branch of the Bank of the State of Alabama, Mobile	-	-	-	592,429	57
Planters' Bank of Mississippi, Natchez	-	-	-	397,187	49
Agricultural Bank, Natchez	-	-	-	531,644	14
Bank of Kentucky, Louisville	-	-	-	27,263	34
Franklin Bank of Cincinnati	-	-	-	55,257	05
State Bank of Indiana	-	-	-	206,034	78
Bank of Michigan, Detroit	-	-	-	333,020	46
Farmers and Mechanics' Bank, Detroit	-	-	-	186,028	41

2,345,535 75

O.

To collectors and receivers of public money.

TREASURY DEPARTMENT, July 14, 1838.

Congress having adjourned without making any additional provision for the security or safe-keeping of the public money, it is obvious that in the present state of the laws and of the banks, an unusual responsibility devolves upon those who collect the revenues of the General Government. The difficulty in obtaining suitable depositories for it, as well as in transferring or paying it out conveniently, without the aid of that further legislation, the necessity and character of which have been fully explained in public communications from this department, imposes on all collectors and receivers the duty of extraordinary vigilance and care.

The President expects that exertions corresponding to the occasion will be cheerfully made by every officer, and that no effort will be spared to have all the laws, as well as the regulations and instructions of the Treasury Department, scrupulously enforced. Accuracy in your accounts; punctuality in returns; promptness in your deposits and payments, and an entire forbearance to use any part of the public funds for private purposes, will, it is hoped, characterize the whole class of collecting officers hereafter. In the present condition of things, if any departure from such a course should unfortunately occur, it will be much regretted; and, however unpleasant the task, an exemplary and severe notice of the irregularity will become necessary, in order to secure the great public interests involved in the subject. The duty on the part of public officers to abstain from the employment of the public money for private advantage is so apparent, that no excuse whatever for it can be deemed admissible.

Respectfully yours,

LEVI WOODBURN,
Secretary of the Treasury.