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| From duties accruing and payable in 1842 - - - - - | 15,600,000 |
| Treasury notes - - - - - | 50,000 00 |
| Miscellaneous sources - - - - - | 150,000 00 |
| | 19,200,000 00 |
| From which deduct the estimated deficiency on the 1st of January, 1842 - - - - - | 627,559 90 |
| Leaving this amount applicable to the service of the year 1842 - - - - - | 18,572,440 10 |
| The expenditures for the year 1842, including \$7,000,000 for the redemption of Treasury notes, are estimated at - - - - - | 32,791, 78 |
| Leaving to be provided for this amount - - - - - | 14,218,570 69 |

The receipts from the customs for the year 1842 depending for their amount upon the action of Congress, at its present session in the adjustment of the tariff, it is not practicable to form estimates of the revenue which may be derived from that source with much precision. Those now submitted have in view the present rates of duty, and their final reduction to 20 per cent. ad valorem after the 30th of June next. The scale of duties thus established has been necessarily assumed as the basis of calculation for the remainder of the year 1842, estimated with reference to the anticipated importations of former years.

In the estimated receipts, the amount which will come into the Treasury from the sales of the public lands in 1842 has been excluded, as the act of Congress of the 4th of September last directs its distribution among the several States and Territories.

With regard to the receipts from the loan already authorized by law, it is to be remarked that, owing to the short period which is to elapse before it becomes redeemable, together with the unsettled state of the money market, it would not be safe to expect that any considerable portion will be obtained, for the service of the year 1842, before the expiration of the time limited for effecting it.

The law authorizing the issue of Treasury notes also expiring early in 1842, not more than 50,000, it is supposed, can be made available from that source.

In estimating the expenditures of the year 1842, it is assumed that no other appropriations will be made than those now submitted in the estimates from the several Departments; and the balance of those appropriations unexpended at the end of the year 1842, will be equal to that at the close of the present year.

It is proper further to remark that estimates of expenditures can only be made for such as may be required under existing laws, and arise in the ordinary operations of the Government. The power of appropriation, as well as the power of raising revenue, being at all times in the hands of Congress, this Department cannot find estimates upon its own sense of what the public interest may be thought to require, especially at a time when the country may be supposed to call for more than ordinary means of defence and security.

The amount required for surveys of the public lands, and the compensation of the officers employed in that branch of the public service, being payable out of the proceeds of the sales of those lands, is not included in this estimate of expenditure.

To the deficiency in the year 1842, amounting to \$14,218,570 69, it is respectfully recommended to congress to authorize—

1. An extension of the term within which the residue, not yet taken, of the loan already authorized shall be redeemable, amounting to say \$6,500,000.
2. The reissue of the Treasury notes heretofore authorized by law, amounting to \$5,000,000.
3. The balance still required of \$2,718,670 68, together with an additional sum of \$2,000,000, (a surplus deemed necessary in the Treasury, to meet emergencies of the public service,) to be supplied from imposts upon such foreign articles imported as may be selected, with due regard to a rigid restriction, in amount, to the actual wants of the Government, and a proper economy in its administration.

III. Readjustment of the Tariff.
The last reduction of duties on imports provided for by the act of the 2d March, 1833, will take effect immediately after the 30th of June next. From that day no duty will exist on any imported article exceeding twenty per cent ad valorem; and certain other legal provisions of the same act, of great importance, are to come into operation at the same time.

One of them is the enactment which, after that period, requires all duties to be paid in ready money; thus putting an end to a system of credits which has prevailed from the first establishment of this government; a system which, however necessary or convenient in the infancy of our commerce, when the mercantile capital of the country was inconsiderable, and a strong desire was felt to foster and encourage foreign trade by all practicable means, may at the present day well yield to the important objects to be secured by cash payments.

Another, decreed at the same time an essential provision of the act, is that which declares that after June, 1842, all duties on imported articles shall be assessed upon the value of such articles at the port where the same shall be entered, under such regulations as shall be prescribed

by law. Hitherto, throughout the whole history of the Government, the cost or value in the foreign market has been assumed as the basis for the calculation of ad valorem duties, and to this cost or value certain additions have been made, supposed to be equivalent to the charges of importation. But undervaluations abroad, frauds real or supposed invoices, and the unjust advantages which were believed to exist in the hands of foreign manufacturers, who had become, in fact, themselves the importers into the country of a large proportion of the manufactured goods from Europe, led congress to look to a home valuation for security as well as to the American importing merchant as to the revenue, and to the producers of similar articles in the United States.

The legal effect of 1833 would seem to be to abolish the practice, after June 30th, of assessing duties upon invoices or foreign valuation; and, therefore Congress shall not at this session prescribe regulations for assessing duties upon a valuation to be made at the port of entry, or pass some law modifying the act of 1833, it may well be questioned whether any ad valorem duties can be collected after the 30th of June. The language of the law seems explicit. It is that, "from and after the day last aforesaid," (June 30th, 1842,) "the duties required to be paid by law on goods, wares, and merchandise, shall be assessed upon the value thereof at the port where the same shall be entered, under such regulations as shall be prescribed by law." And it is further declared, that so much of any other act as is inconsistent with that act shall be and is repealed.

The assessment of duties, after the day limited, on the basis of the foreign cost or value, is inconsistent with the act; and the law authorizing it must therefore, as it would seem, be considered as repealed. The act of 1833, as must be obvious to all, contemplates no other than ad valorem duties after June, 1842; for although, in a given case, a specific duty may not amount to 20 per cent, on the cost of the article, yet that fact cannot be ascertained without reference to price of value—things constantly fluctuating—and much uncertainty, and perhaps confusion, would arise, as changes in the market price of articles might carry the duty beyond the limit at one period, though within it at another.

Indeed, there can be little room for doubt that it was in the contemplation of the act, that no duties on imports should exist in the country after June, 1842, but ad valorem duties. It must be admitted that this was a very important change in the whole system of imports into the U. States, since it has heretofore been regarded as the dictate of high prudence and the teaching of long experience, that, for the prevention of frauds and the security of the revenue, duties ought, as far as practicable, to be made not ad valorem, but specific.

The essential or peremptory provisions of the act, there are two, which, it is not to be disguised, were intended to stand towards each other in the relation of equivalents or mutual considerations. These are the reduction of all duties to twenty per cent, ad valorem, and the assessment of those duties upon a home valuation. It is impossible to read the act itself, and still more impossible to advert to the history of the times, without arriving at the most perfect conviction that the home valuation was resorted to for the purpose of guarding the revenue against undervaluations.—There could be no other possible object in this provision. It is a part of the act, therefore, connected with another part, and inserted for the purpose of qualifying essentially the operation of the other part.

But it is highly proper to look at the circumstances which led to the passage of the act of 1833, and to regard the motives in which it appears to have had its origin. It was the result of a spirit of compromise and conciliation, at a time when considerable agitation existed and much diversity of opinion prevailed. If events shall appear to make it necessary to reconsider or readjust the provisions of that law, all proceedings towards that end should be conducted under the influence of the same spirit. The undersigned is most deeply impressed with the force of these convictions, while offering suggestions to Congress on the subject. He is constrained to admit that it has appeared to him that the interest of the country required some modification of the act of 1833. In support of this opinion, he would first mention the great, if not insurmountable, difficulties of establishing a home valuation at our various ports, without incurring the risk of producing such diversity in the estimates of value as should not only lead to great practical inconvenience, but interfere also, in effect, with the constitutional provision, that duties on imports shall be equal in all the States. If such should be the opinion of Congress, then it is clear that some equivalent is to be provided for the home valuation, or else the whole basis upon which the act was expected to rest, as a measure of compromise and adjustment, is taken away or displaced. There ceases, in that event, to be the mutuality or compromise of interests evidently intended to be produced by placing home valuation as an equivalent against a reduction of ad valorem duties. It remains for the wisdom of Congress to determine whether such equivalent can be found.

But, in the second place, if Congress as should be of opinion either that home valuation is practicable, or that some equivalent and proper substitute may be found for it, the undersigned will not dis-

guise his opinion that it cannot be regarded as wise, by any portion of the country as a permanent system of policy, to augment the amount of revenue, when further exigencies may require such augmentation, by raising duties on all articles, including those of absolute necessity, to the full extent of twenty per cent, and preserving that limit, at the same time, as a fixed barrier against higher duties on any article whatever, even those of mere luxury. Such a plan of revenue, if to be regarded as a settled system, appears to the undersigned to be unnatural and inconvenient, and such as is not like to promote the best interests of the country. The probable effect of the future operation of the act of 1833 upon the manufactures and mechanical trades of the country, particularly if no home valuation found, gives rise to inquiry too important to be overlooked.

It is fully acknowledged that all duties should be laid with primary reference; and, it is admitted, without hesitation or reserve, that no more money should be raised, under any pretence whatever, than such an amount as is necessary for an economical administration of the Government. But within these limits, and as incidental to the raising of such revenues may be absolutely necessary, is believed that discrimination may be made, and duties imposed in such manner as that, while no part of protection will be extended to the labor and industry of large masses of the people, while the whole country will be rendered more prosperous in peace, and infinitely stronger and better prepared if foreign war should come upon us. The principle discrimination has obtained from the period of the foundation of the Government. In many cases it may be found to be indispensable to the interests of the revenue itself; and if, in fixing a system of duties, it consists with the best interests and true policy of the country so to apportion them among the various species of imports as to favor our own manufactures at the same time that the revenue itself is benefited, and no injustice done to any, it would seem proper and wise to reject arbitrary limits and the idea of a forced and unnatural uniformity.

The undersigned feels no difficulty in admitting that a duty of twenty per cent, ad valorem, assessed upon the value of imported articles in our own ports, would, in many instances be a rate sufficiently high for the benefit of the revenue, and also afford reasonable encouragement to home producers of the same articles. As to those, therefore, the object of the act of 1833 will be accomplished, if its provision for home valuation be carried out by Congress. But he still supposes that there are several descriptions of imported manufactures and produce, which would well bear a higher duty than twenty per cent, upon the home value, and thus yield a greater revenue to the Government, while, in regard to some of them, it will be found that, without such increased duty, the labor of large classes, engaged in producing similar articles, will be greatly depressed, if not entirely supplanted.

It is unquestionably true, and well worthy of remark, that the act of 1833 was avowedly conservative in its objects and character, and, while it was designed to remove what was esteemed a grievance by one part of the country, it was not intended that the interests of any other should be sacrificed by it. On the contrary, a reasonable security was intended for all. Its true spirit, therefore, will be but carried out by acting, under any new state of circumstances, with reference to the same great objects, and doing justice alike to all. The great principle of that act was moderation and conciliation, and this should never be lost sight of. But the measures proper and necessary to carry out that principle may be changed, if the altered circumstances of the country call for such change, without any departure from the principle itself.

Nothing is more established by our experience, and the experience of other nations, than that the augmentation of duties does not augment, in an equal degree, the cost of the article to the consumer. In many cases it appears not to increase that cost at all. Very often the price to the consumer is kept down, notwithstanding an increase of duties, partly by the greater supply of home production, and partly by the reduction of the price in the foreign market. It is believed, indeed, that there have been cases in which the joint operation of the two causes has occasioned prices to fall lower than they were before the increase of duties was laid.

This result in the operation of trade and business might readily be traced to its causes; but a full exposition of those causes, and the modes of their operation, would too much swell this report. Suffice it to say, that when an additional duty is laid on an article, in a country in which that article is extensively consumed, the burden always falls in part, and sometimes, as experience has shown, altogether, upon the foreign producer. The foreign producer must sell; and if, in the place of sale, he finds an article produced on the spot which comes into advantageous competition with his own, by reason of paying no duties, he still must sell, for the sake of being able to do it, he must be content to bear the burden of the duties himself. The duty borne by the foreign producer in such cases is like the charge of transportation—it is something which is necessary to bring him into the market of competition. Analogous instances occur in domestic trade. The wheat grower of Indiana, who incurs tra-

vy expenses in conveying his flour to an Atlantic port, expects no higher price for it when it arrives there than is paid for flour of the same quality to producers in the immediate neighborhood. The cost of transportation, therefore, does not operate so much to raise the price of sale as to diminish it at the place of production. Now, the great law which regulates prices by demand and supply, is sternly observed in cases of foreign importation, as in this instance of domestic trade. The undersigned cannot forbear to add, that vastly the greater proportion of the agricultural population of the United States is obliged to rely mainly upon the home market for a sale of its products, although a large part of those products (wheat, for instance) is such as often enters extensively into the consumption of the world. The quantity of flour and Indian corn exported from this country is altogether inconsiderable, in comparison with the quantity consumed in the large cities and manufacturing towns, which have either entirely grown up or added largely to their population under the influence of the laws of Congress, passed since the end of the last war, upon domestic labor and industry. The immense interchange of products, all being the result of labor, which now takes place between the producers of subsistence and the population above mentioned, shows the advantage which one class is to the other, and the essential importance to both of preserving their existing relations. If the consumption of flour and grain in the manufacturing districts, especially the North and East, decline, to that extent there is an absolute loss to the wheat and corn growing; since the quantity consumed by them will find a market no where else. To say nothing in this connexion of the incalculable importance of a home market to the producer of the great article of cotton, and limiting his remarks to the grain growers alone, the undersigned cannot but persuade himself that all will see and acknowledge the great value to that class of producers of the Northern and Eastern market, indeed, which is permanently open to them upon the face of the earth.

So long as the policy of other countries shall continue to exclude the products of our agriculture from their ports, and thus deny to us the advantage of a fair reciprocity in trade, it would appear to be equally the dictate of policy and of justice to our people to secure to them, as far as may be reasonably and properly done, a market of consumption for their produce in their own country.

The undersigned is of opinion that the condition of the Treasury and of the country demands an augmentation of the revenue. It cannot but be the true policy of Government to extinguish the amount of debt now existing as soon as practicable, and to avoid increasing it. The creation of debt by loans and other resorts, for revenue to supply deficiencies of regular income, cannot but be regarded, in a time of peace, as injudicious and objectionable. The general credit of the Government, always good, has been greatly raised, both at home and abroad, by the fact that it has fully paid off and discharged the debt created by the Revolution and by a subsequent war with England, and wars with the Indian tribes.—The preservation of this high credit is of the utmost importance. It must be the necessary reliance of the Government, if, in the vicissitudes of human affairs, sudden war should come upon us, requiring large and immediate expenditures. Exact punctuality in the payment of interest, while the debt shall continue, and its payment so soon as the time of payment arrives, as well as the known ability and honor of the Government, are the means of inspiring that general confidence which shall at all times enable it to use its credit to the greatest advantage.

The estimated expenditures of the Government for the coming year will exceed its probable income by \$14,218,570 68. Should Congress authorize a reissue of Treasury notes to the amount of 5,000,000, and the balance of the loan be disposed of, there will remain a deficit of \$2,718,570, for which provision must be made by law. But it is not supposed that Congress will deem it advisable to restrict the income of the Government to the precise amount of its expenditures. There ought to be a surplus of at least two millions, to meet unforeseen emergencies in the public service; and, should even the proceeds of the sales of the public lands be withdrawn from the States, a reference to the receipts from that source in the revenue, to meet the wants of the Government, must still remain.

The state of the national affairs, the disposition of the Government, in which, it is believed, the people fully participate, to put the country into a respectable state of defence, and especially to support and strengthen the military marine, all appear to suggest the propriety of such increase of duties on articles carefully selected as, while the amount shall not bear hard on individuals, by limiting their customary enjoyments, nor oppress nor derange the general business of the country, shall yet supply the Treasury, not extravagantly or excessively, but yet reasonably and justly for all the great purposes of national defence. Economy, that great public virtue which is so essentially proper to be practised by republican Governments, would be but half exercised if, while on the one hand it avoids all unnecessary expenditure, it does not on the other make a reasonable and judicious provision for such expenditures as are unavoidable.

All which is respectfully submitted.
W. FORWARD,
Secretary of the Treasury.



THE JOURNAL.

One country, one constitution, one destiny.

Huntingdon, Jan. 5, 1842.

The New Year.

Another year has sped. Time's ever rolling car has rolled over the hopes and fears—the joys and sorrows—the cares and afflictions, and the moments of gladness, of another year. Reader, reflect; you are one year nearer the grave; another, and perhaps kindred and friends may stand weeping around thy pale and lifeless clay. Has reflection ever led you to look into the future, and asked yourself where upon this "bank and shoal of time," you may launch your little bark upon the mysterious sea of eternity?—Another year has left you still enjoying the blessing of life. Look back upon the past, and learn from the lesson it will teach, how you can improve the coming year. Look back, and though its pathway may have been as bright as your own hopes portrayed, still you can see much over which you would like to cast the dark mantle of forgetfulness. Look back, and see how many of your friends and associates, who one year ago "rejoiced and were exceeding glad" with you, when your happy hearts bid them a happy new year, at the dawning of the past, now sleep the sleep of death. Their rising sun beamed with all that was beautiful and bright, but one little year ago. Hope told her flattering tale to them, but the golden bowl is broken, and their new year has ushered them into a world of spirits. What a theme for reflection. Let the mind hold communion with itself, and how soon the certainty that some one of us will be next called, breaks upon us; and the calm monitor whispers, Is it I? and hope's glad smile answers, No! That answer trust not. Another year! perhaps ere another day the bloom of health may give place to the palar of disease, and the activity of life to the dread stillness of death. It is written "be ye also ready," let not the monitor fall upon a heedless mind.

The New Year is always deemed a season of pleasure. It is well that it is so; but let not the pleasure of the present destroy the lesson of the past, or the fears for the future. Each returning year shows us how much we have neglected that should have been done, and how much may still be required at our hands.

We may have enjoyed health and plenty, while scores around us have been pinched by the gripping hand of poverty, or writhed under the tortures of disease.—Have we all performed our duties by ministering to the necessities of others? Have we all "remembered the poor?" The New Year always dawns when cold winter is here,—when Nature's chilly hand adds another pang to the cold charities of the world; and the blessings we enjoy, should but teach us, that of our fulness we have some to spare to those whom misfortune may bring to sit at our gates, to ask for the crumbs which fall from our table.

The year of '42 has commenced in our country, and with its rising beams we behold a still brighter light, which bears upon its radiance, in letters of living fire, "peace and good will to all men." It is the light of Temperance. Hundreds in our town, and thousands in our county, have been warmed into new life by its glorious influences. The face of the wretched inebriate now glows with sobriety and cheerfulness, and squalid wretchedness and want have been driven from the drunkard's fire-side. Peace, plenty, and the sweets of home now reign triumphantly, where, but a short time since, tears and suffering were the bitter fruits of drunken revels. Such is but the commencement of the cause. The banner is but just unfurled; but we rejoice that those who have gathered under its fold, are resolved

"To raise the Temperance banner high; 'Till it shall flap against the sky," and with an energy that shows their determination to devote their time and treasure to drive the prince of poverty and vice, Alcohol, from the land. Let every man who loves the cause, unite with them, and by his influence help them in the glorious work.

Patrons, we wish you a happy New Year! May you and yours profit by the stern teachings of the past, and may you

all be prepared to meet the dread realities of the future; and may many returning new years find you enjoying health and sobriety, and their many attendant blessings.

HON. JUDGE WOODWARD.—It will undoubtedly be a source of great gratification to the citizens of our county, to learn that the above named gentleman will preside at our coming court. It is true that he had purposed resigning his seat on the bench in this judicial district, immediately after the November Term. But we understand that that purpose was changed in order that the possibility of there being no courts at the January Term should be obviated. The Senate not being in session, we presume it was thought that the individual who might receive the appointment would not willingly enter upon his official duties until that body should meet and confirm his nomination, the result would be a loss of one term, and the consequent further accumulation of business.

We have, also, understood that should a bill be passed to divide the district, that Judge Woodward might still remain with us. If such is the fact, we should greatly rejoice to see the district divided. In fact, under any circumstances, we feel bound to say that the district is much too large, either for the convenience of its citizens as well as the judge, or for the ends of justice. We trust that an effort will be made at the present Legislature to accomplish so useful and desirable an object.

Penn'a. Legislature.

Yesterday the Solons of our State went to meet to manufacture laws to govern the people of Pennsylvania. We cannot, of course, as we are not gifted with the spirit of prophecy, tell what is likely to be their course. One thing we suppose may be looked upon as certain; and that is, that there will not be quite so many vetoes at the coming session. There will not, in all human probability, be such a passing and repassing of bills. The Governor and Legislature are now of the same strain, and consequently there is not likely to be such a difference of opinion, unless the Legislature may undertake to put some of their utopian notions of Banking in operation, then it is morally certain that honest Davy will be found, where he has always been,—between he dear Banks and their foes desolation. He has always preached a great deal of anti-Bank doctrines, yet he has always in practice been found fighting in their cause; and we have no hesitation in saying that such will again be the result.

The Legislature will have to elect a Stat. Treasurer; and, as a matter of course, the present honest and capable incumbent will have to step out, to give place to some pliant tool of power, who will do the bidding of our very conscientious Governor; and then there will be no difficulty in receiving any amount of small notes that some tottering issue. The people may mark their minds to such a result. Who is needed to pay their partisan sympathy at no means, legal or illegal, to accomplish their ends.

We shall endeavor to give our readers a complete history of their doings.—Of their useless and ceaseless gabble about their own love of the people, while at the same time they are squandering their money, which has been wrung from them by oppressive taxation. We shall take no note, unless it may be to say they are busy doing nothing, except earning, and perhaps squandering their three dollars a day. The people it seems have become so accustomed to see their money lavished upon the party hacks, that they really begin to think it is right; or else they have become afraid to rise in their might, and drive these vampyres from their prey.

Texian Santa Fe Expedition.

A report has found credence, that the expedition fitted out at Texas, for Santa Fe, was taken by the Mexicans, or fact that they surrendered at discretion, believe that the report is true, so relates to the capture, but we see "United States" that they did not der. They were 1800 in number, were attacked by an equal number of Mexicans, and after having for more than twelve hours, and killed 320 Mexicans, and losing only 2 party; and after having fired away round of their ammunition, then they rendered.