

**REPORT UPON THE
FINANCES AND INTERNAL
IMPROVEMENTS OF THE
STATE OF NEW-YORK 1838**

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Report Upon the Finances and Internal Improvements of the State of New-York 1838 by
Various

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In N.Y. list

New York State Legislature, Assembly, Committee on

R E P O R T

UPON THE

FINANCES

AND

INTERNAL IMPROVEMENTS

OF THE

STATE OF NEW-YORK.

1838.



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Transcript

STATE OF NEW-YORK.

On the 12th of March, 1838, MR. SAMUEL B. RUGGLES, Chairman of the Committee of Ways and Means, of the Assembly of the State of New-York, submitted to the House the following

REPORT

on the United States Deposit Fund, and on the recommendation of the Comptroller to levy a direct tax.

MR. RUGGLES, from the standing committee of ways and means, to whom were referred so much of the annual message of his excellency the Governor, as relates to the surplus revenues of the United States deposited with this State, and also the annual report of the Comptroller, upon the finances, begs leave, in respect to that portion of the message, and also in respect to that portion of the Comptroller's report which recommends the imposition of a direct tax, to submit the following
REPORT:

That under the act of Congress, passed June 23, 1836, which directed the surplus moneys in the treasury of the United States, beyond the amount

of five millions, to be deposited with the several States, the sum of \$3,974,520 71 has been paid over to this State, being three-fourths of the moneys which it was entitled to receive under that law. By virtue of the subsequent act of Congress, passed October 2, 1837, which directed the transfer of the remaining fourth to be postponed until the first day of January, 1839, the residue of those moneys, amounting to \$1,338,000, has hitherto been withheld; and whether it will be paid at the time specified in that act, may for the present be regarded as doubtful. Serious differences of opinion have prevailed in respect to the expediency of thus depositing this surplus revenue with the States; and if the sentiments of those who believe it more politic for the federal government to retain it, shall happen to prevail, the fourth instalment may possibly be permanently withheld from this State.

It is not, however, reasonably to be anticipated, that the money already received will be withdrawn. The act of June 23, 1836, which directed the deposite to be made, declared that when the money, or any part of it, "should be wanted by the Secretary of the Treasury of the United States" to meet appropriations by law, it should be called for upon certain notice mentioned in the act; but the subsequent law of October 2, 1837, provided that the amount thus deposited should

remain with the States, "until otherwise directed by Congress."

It cannot be deemed probable, that a majority of the States represented in the National Congress, will direct the withdrawal of these moneys. Whatever may have been the literal provisions of the law, directing these moneys to be "deposited" with the States, the intention of those who passed it evidently was to secure a permanent distribution, and not a temporary loan of the surplus revenues. In fact the doctrine on that subject, as it was first advanced by President Jackson himself, plainly contemplated an irrevocable appropriation. In his message to Congress, in 1829, he declared that "the most safe, just, and federal disposition which could be made of the surplus revenue, would be its apportionment among the several States, according to their ratio of representation:"— and in the message of the subsequent year, he removed all doubts as to his intention in that respect, by stating, that in his prior message, he had felt it to be his duty "to recommend the adoption of some plan for the *distribution* of the surplus funds among the States, in proportion to the number of their representatives, to be applied by them for objects of internal improvement."

The sentiments thus promulgated at Washington, were distinctly responded to and adopted by

the Governor of this State, in his annual message to the Legislature, in the year 1830; in which, after speaking of the funds to be derived from the surplus revenue, as "applicable to the extension of our public works," he says that "there can be no valid objection to the distribution of the surplus revenue among the States, to be disposed of at their discretion." The same chief magistrate, in the succeeding year, 1831, after stating that one of his most distinguished predecessors (Governor Clinton,) had alluded to the same subject in his message in 1827, renewed the suggestion contained in his former communication; and pressed it earnestly upon the consideration of the Legislature. A committee of the Senate in the same year, reported that in their judgement, the proposed distribution was "a matter of the first importance;" and for the reason, among others, that it would enable the State, in prosecuting her works of internal improvement, "to satisfy the just claims of all her citizens." The committee fully concur in the soundness of the opinions thus expressed, in respect to the distribution of these moneys; and in their judgement, the receipt by this State, of the large sum of \$3,974,520 71 thus allotted to it, whatever may be the opinions of those who doubt the expediency of the measure, ought to be a subject of unmixed congratulation.

Without pretending to question the obligation of

this State to repay the money thus deposited, whenever it shall be legally demanded by an act of Congress, it may, nevertheless, be assumed that no reasonable probability exists that it will ever be thus demanded. Of the several States which have received their respective portions, amounting in the aggregate to nearly forty millions of dollars, the greater number have already appropriated it to objects of a permanent nature, from which it cannot be withdrawn without serious injury and inconvenience. Many of the States have expended it in works of internal improvement, or in paying debts previously incurred for that purpose. In some instances it has been loaned to their citizens; while one example, at least, is presented, in which it has been actually distributed, numerically, among all the inhabitants of the State. In nearly all these instances, the repayment of the money, if called for by Congress, will become inconvenient and oppressive to the people of those States, and can only be made by incurring a debt or imposing burthensome taxes. Under these circumstances, therefore, it may be safely predicted, that a majority of the representatives of the States and of the people in Congress, will hesitate long before they consent to withdraw from the States the moneys thus distributed; but on the contrary, that they will prefer (in case it should be found necessary) to replenish the treasury by temporary loans in anticipation of the revenue.