

value of six millions sterling. After the United States' Bank had ceased to be connected with the Federal Government, many other States, besides Pennsylvania, granted charters to banks, which led to an over-issue of notes, and a hot-bed forcing of trade throughout the Union. Then came, in 1839, the miserable expedient of authorizing banks to suspend cash payments, and in 1841, the stoppage of the great U. S. Bank of Pennsylvania, followed by a general panic and financial crisis.

It is necessary to reflect on these events, in order to understand how the insolvency of Pennsylvania was brought about; but no American writer or statesman of any character pretends to excuse or palliate the conduct of her legislature in 1839, 1840, and 1841. In these years, there was an actual excess in the ordinary expenditure of the State for the purposes of government and education, over the receipts from all sources of revenue, except the public works. The proceeds of these last were appropriated to the payment of the interest of the debt, for which they were lamentably insufficient. In what manner were these various deficits provided for? Not by the imposition of new burdens, but by borrowing, and adding annually to the public debt. The party in power shrank from the unpopularity of laying on new taxes; and the slight share of discredit incurred by them at the time, for this glaring act of bad faith, places in a strong light the mischief arising from the small power here confided to the executive.

The Governor tells the Houses that there is a deficiency in the revenue, and they are left to make the best of it, and appoint a committee of ways and means, composed usually of members very incompetent as