



ANNUAL TREASURY REPORT.

In obedience to the Acts entitled respectively, "An Act to establish the Treasury Department," and "An Act to amend the act, entitled an Act to establish the Treasury Department," the Secretary of the Treasury has the honor to lay before Congress the following Report, comprehending: I. A cursory review of the financial operations of the government, in reference to the recent state of war.

II. A view of the finances for 1815, with estimates of the public revenue and expenditures for 1816. III. Propositions for the improvement and management of the revenue, and for the support of the public credit. IV. A cursory review of the financial operations of the government, in reference to the recent state of war. In order to introduce to the consideration of Congress with advantage, the measures which will be respectfully requested, for replacing the finances of the United States upon the basis of a peace establishment, a review of the financial operations of the government, in reference to the recent state of war, appears to be a necessary preliminary. The restrictive systems, which commenced in the year 1807, greatly diminished the product of the public revenue; but it was not until the crisis involved an actual declaration of war, that the augmentation in the expenses of the government became obvious and apparent. With the occasional aid of temporary loans, the ordinary receipts of the Treasury had exceeded the ordinary expenditures, even during the period of a suspended commerce; and a report from this Department, presenting the estimates for the year 1812, seems to have given the first intimation that the portion of extraordinary expenses to be incurred for the naval and military service, on account of the then existing state of the country, would raise the demands upon the Treasury, to a considerable amount, beyond the estimated product of the current revenue. The ordinary disbursements for the year ending on the 30th of September, 1811, were stated as amounting to the sum of 13,052,657 dollars, 73 cts.; and the ordinary receipts for the same year were stated as amounting to the sum of \$ 13,541,446 27 cents independent of a temporary loan (raised in 1810 and repaid in 1811) as well as the balances in the Treasury at the commencement and the close of the year. But the estimates for the year 1812, required on account of the current expenses, the sum of 9,400,000 dollars.

Table with 2 columns: Description and Amount. Includes 'For the civil and diplomatic departments', 'For the military department', 'For the naval department', and 'And for the interest on the public debt'.

Such were the limited objects of expense, and such the limited means of supply at the commencement of the year in which war was declared. An increase of the expense, and a diminution of the supply, must have been anticipated, as the inevitable consequence of that event; but the government reposed with confidence, for all the requisite support, upon the untiring resources of the nation, in credit, in capital, and in industry. The confidence was justly reposed; yet, it may, perhaps, be considered as a subject for regret, and it certainly furnishes a lesson of practical policy, that there existed no system, by which the internal resources of the country could be brought once into action, when the resources of its external commerce became incompetent to answer the exigencies of the time. The existence of such a system would, probably, have invigorated the early movements of the war; might have preserved the public credit unimpaired; and would have rendered the pecuniary contributions of the people more equal and more effective. But owing to the want of such a system, a sudden and almost an exclusive resort to the public credit was necessarily adopted as the chief instrument of finance. The nature of the instrument employed was soon developed; and it was found that public credit could only be durably maintained upon the broad foundations of public revenue. On the opening of the session of Congress in November, 1811, the legislative attention was devoted to the organization of the military and naval departments, upon the enlarged scale of a war establishment; so that the appropriations for this purpose, far exceeded, in a short time, the estimates and resources of the Treasury, as they have been already described. Ways and means were, therefore, provided to meet the extraordinary demands thus created; but they were derived exclusively from the operations of foreign commerce and of public credit. 1. The Mediterranean fund was at first continued until the 4th of March, 1812, and afterwards until March, 1815, (when it became extinct) affording an additional duty of 2 1-2 per cent. ad valorem, on all imported goods paying duties ad valorem, and a discriminating duty of 10 per cent. upon that additional duty, in respect to all goods imported in vessels not of the United States. 2. There were imposed an additional duty of 100 per cent. upon the permanent duties on goods imported into the United States from any foreign place, a discriminating duty of 10 per cent. upon that additional duty, in respect to all goods imported in vessels not of the United States; and an additional duty of 1 dollar 50 cts. per ton (the previous duty being at the rate of 50 cts. per ton) upon all vessels belonging wholly, or in part, to the subjects of foreign powers. But the continuance of the act being limited to the expiration of one year after the conclusion of the peace, these additional duties will cease on the 17th of February 1816. 3. An authority was given to raise by loan, a sum not exceeding 11,000,000 of dollars, and to create stock for the amount, bearing interest not exceeding 6 per cent. per annum, and reimbursable at any time after the expiration of 12 years from the 1st of January, 1813. The payment of the interest, and the redemption or the purchase of this stock, are charged upon the Sinking Fund. 4. And an authority was given to issue Treasury Notes for a sum not exceeding 5,000,000 of dollars, bearing interest at the rate of 5 2-5 per cent. per annum, and reimbursable at such places respectively, as should be expressed on the face of the notes, one year after the day on which the same shall have been issued. The notes were declared to be receivable in payment of all duties and taxes laid by the United States, and all public lands sold by their authority; and the payment of the interest, and the redemption or the purchase of these Notes, were charged like the funded debt, upon the Sinking Fund. The effect of the additional ways & means provided by Congress, from time to time, during the late war, may readily be traced. From the Treasury report, dated the 1st of December 1812, it appears that the actual receipts into the Treasury, during the year ending on the 30th of September 1812, including a portion of the loan, and of the issue of Treasury Notes, amounted to the sum 16,792,159 dollars 40 cents, (almost double the amount of the previous estimate) and that the actual disbursements, for the same year, a-

resources of the country could be brought once into action, when the resources of its external commerce became incompetent to answer the exigencies of the time. The existence of such a system would, probably, have invigorated the early movements of the war; might have preserved the public credit unimpaired; and would have rendered the pecuniary contributions of the people more equal and more effective. But owing to the want of such a system, a sudden and almost an exclusive resort to the public credit was necessarily adopted as the chief instrument of finance. The nature of the instrument employed was soon developed; and it was found that public credit could only be durably maintained upon the broad foundations of public revenue. On the opening of the session of Congress in November, 1811, the legislative attention was devoted to the organization of the military and naval departments, upon the enlarged scale of a war establishment; so that the appropriations for this purpose, far exceeded, in a short time, the estimates and resources of the Treasury, as they have been already described. Ways and means were, therefore, provided to meet the extraordinary demands thus created; but they were derived exclusively from the operations of foreign commerce and of public credit.

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mounted to the sum of 18,368,325 7-100 (which was, also, almost double the amount of the previous estimate) independent of the balance in the Treasury at the commencement and the close of the year. But the estimates for the year 1813, required, on account of the accumulated expenditures, a sum of 31,925,000 dollars. For the civil and diplomatic departments 1,500,000 For the military department 17,000,000 For the naval department 4,925,000 And for the interest & reimbursement of the principal of the public debt 8,500,000 31,925,000 And the subsisting revenue to meet these expenditures was estimated at the sum of 12,000,000 of dollars, proceeding From the customs 11,500,000 From the sale of public lands, 500,000 12,000,000 Leaving a deficit, for which it was proposed to provide, 1st, by the outstanding balances of the authorized loan and issue of Treasury Notes, and 2d, by a new authority to borrow, and to issue Treasury Notes to the amount of 19,925,000. During the session of Congress, which commenced in November, 1812, and closed on the 3d of March, 1813, the appropriations for the army, the navy, and the other branches of the public service, were considerably augmented, but (without adverting to the imposition of a small duty upon imported iron ware) no new source of revenue was then opened; but additional aid was extended to the Treasury, by authorising a repetition of the appeal to public credit. 1. An authority was given to raise by loan a sum not exceeding 16,000,000 of dollars, and to create a stock for the amount, bearing interest not exceeding the rate of 6 per cent. per annum, and reimbursable at any time after the expiration of 12 years from the 1st of January, 1814. The payment of the interest, and the redemption or purchase of this stock, are charged upon the Sinking Fund. 2. And an authority was given to issue Treasury Notes for a sum not exceeding 5,000,000 of dollars absolutely; with a provisional authority to issue an additional sum of 5,000,000 of dollars, to be deemed & held to be a part of the loan of 16,000,000 of dollars, authorized as above stated, to be raised. The notes were to bear interest at the rate of 5 2-5 dollars per cent. per annum, to be reimbursable at such places respectively, as should be expressed on the face of them, one year after the day on which they should be issued; to be receivable in payment of all duties and taxes laid by the U. States, and all the public lands sold by their authority; and the payment of the interest, and the redemption or purchase of these notes, were charged, like the funded debt, upon the Sinking Fund. The necessities of the Treasury becoming, however, more urgent, and the reliance on the public credit becoming more hazardous, Congress determined, at a special session, which commenced in May, 1813, to lay the foundation of a system of internal revenue; selecting, in particular, those subjects of taxation, which were recommended by the experience of a former period, and computing their general product at the sum of 5,000,000 of dollars. The continuance of these taxes being limited, at first, to one year after the termination of the war, they acquired the denomination of "the war taxes;" but, by subsequent laws, almost all the existing revenues are pledged, with the faith of the United States, to provide for the payment of the expenses of government, for the punctual payment of the public debt, principal and interest, according to the contracts; and for creating an adequate Sinking Fund, gradually to reduce, and eventually to extinguish, the public debt; until those purposes shall be accomplished, or until Congress shall provide and substitute by law, for the same purposes, other duties, which shall be equally productive. In the session of May, 1813— 1. A direct tax of 3,000,000 of dollars, was laid upon the United States, and apportioned to the states respectively for the year 1814; and it was afterwards subjected to the general pledge above stated. 2. A duty of 4 cents per pound was laid upon all sugar refined within the United States. The continuance of the duty, was limited to one year after the war; and as the general pledge has not been applied to it, the duty will cease on the 17th of February, 1816. 3. A duty was laid on all carriages, for the conveyance of persons, kept by any person for his own use, or to be let out for hire, or for the conveyance of passengers; which was graduated according to the denomination of the carriage, from the yearly sum of 20 dollars, to the yearly sum of 2 dollars. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with some modification in the mode of laying and collecting the duty. 4. A duty was imposed on Licences to Distillers of Spirituous Liquors, which was graduated according to the capacity of the still, the time of employing it, and the materials consumed. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with considerable modifications in the principle and provisions of the law. 5. A duty was laid on sales at auction of merchandize, and of ships and vessels, at the rate of 1 per cent. of the purchase money of goods, and of 25 cents for every hundred dollars of the purchase money of ships and vessels. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with a considerable addition to the amount, and a modification of the provisions of the law. 6. A duty was laid on licences to retailers of wines, spirituous liquors and foreign merchandize, graduated according to the place of retailing, and the nature of the article retailed. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it. 7. A duty was laid on notes of banks and bankers; on bonds, obligations, or promissory notes, discounted by banks or bankers; and on foreign or inland bills of exchange above 50 dollars, and having one or more endorsers; graduated according to the nominal amount of the instrument. The continuance of this duty was limited to one year after the war; and as the general pledge has not been applied to it, the duty will cease on the 17th February, 1816. But besides the direct tax and the internal duties, there were added to the resources of the Treasury during the session of May, 1813— 8. A duty of 20 cents per bushel upon all salt imported from any foreign place into the United States; which being limited to the war, and not being included in the general pledge, it will cease on the 17th of February, 1816. 9. And an authority to raise a loan not exceeding 7,500,000 dollars, and to create stock for the amount reimbursable at any time after the expiration of twelve years from the 1st of January, 1814. The rate of interest was not limited by the law; but it was provided that no certificate of stock should be sold at a rate less than 88 per cent or 88 dollars in money for 100 dollars in stock. The payment of the interest and the redemption, or the purchase of this stock are charged upon the Sinking Fund. The sources of revenue thus opened in 1813, could not, however, be expected to aid the Treasury until 1814; & accordingly, in the annual report from this Department, dated the 8th of January, 1814, neither the direct tax, nor the internal duties, will be found as an item of the actual receipts into the Treasury, during the year ending the 30th of September, 1813. The amount of those receipts was stated, in the proceeds of the customs, of the sales of public lands, &c. at 13,568,042 dollars 43 cents, and in the proceeds of loans & treasury notes at 25,976,912 dollars 50 cents, making together 39,907,607 dollars 62 cents; and the actual disbursements of the same period were stated at 32,928,855 dollars 19 cents, independent of the balances in the Treasury, at the commencement and the close of the year. But the estimates for the year 1814 required a sum of 45,350,000 dollars. For civil, diplomatic and miscellaneous expenses, 1,700,000 For the payment of interest on the old and new debts, and the instalments of the principal of the old debt 12,200,000 For the military establishment 24,550,000 For the naval establishment 6,900,000 45,350,000 And the subsisting revenue to meet these expenditures was estimated at the sum of 14,370,000 dollars, proceeding from the customs and sales of public lands, 6,600,000 From the internal duties and direct tax 5,500,000 From a balance of loans and treasury notes 4,270,000 14,370,000 Leaving a deficit for which it was proposed to provide, 1st, by a part of the balance in the Treasury, and 2d by loans and Treasury notes, amounting to 30,980,000 For the deficit thus approaching the sum of 31,000,000 dollars, the only provision made during the session which commenced in December 1813, rested again upon the public credit. 1. An authority was given to issue treasury notes for a sum not exceeding 5,000,000 of dollars absolutely; with a provisional authority to issue an additional sum of 5,000,000 of dollars to be deemed and held to be a part of any loan which might be authorized during the session. The notes were to bear interest at the rate of 5 2-5 dollars per cent. per annum; to be reimbursed at such places respectively, as should be expressed on the face of them, one year after the day on which they should be issued; to be receivable in payment of all duties and taxes laid by the United States, and all public lands sold by their authority; and the payment of the interest, and the redemption, or purchase of these notes were charged, like the Funded Debt, upon the Sinking Fund. 2. And an authority was given to raise by loan a sum not exceeding 25,000,000 of dollars; and to create stock for the amount, reimbursable after the expiration of twelve years from the last day of December, 1814. Neither the rate of the interest, nor the price of the stock was limited; & the payment of the interest, and the redemption, or purchase of the stock, are chargeable on the Sinking Fund. The embarrassments of the Treasury, after the adjournment of Congress in the year 1814, became extremely apparent, that the disbursements during the first half of that year amounted to the sum of 19,693,781 27 cents. For the civil, diplomatic and miscellaneous expenses 1,444,062 60 For the military department 11,210,288 For the naval department 4,012,199 90 For the public debt 3,026,580 77 19,693,781 27 And the balance of the appropriations for the same objects of expenditure required during the other half of the same year was stated at the sum of 27,576,591 19 But the actual receipts into the Treasury during the first half of the year 1814, had amounted to 19,219,946 dollars, 33 cents, proceeding, From the customs 4,182,093 25 From the sale of public lands (including those in the Mississippi territory, the proceeds of which are payable See the annual report of the Acting Secretary of the Treasury, dated 8th of January, 1814. See the act of the 4th of March, 1814 (12 vol. 276.) See the act of March 24, 1814, (12 vol.) See the annual report of the Secretary of the Treasury, dated Sept. 1814.

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1. An authority was given to raise by loan a sum not exceeding 16,000,000 of dollars, and to create a stock for the amount, bearing interest not exceeding the rate of 6 per cent. per annum, and reimbursable at any time after the expiration of 12 years from the 1st of January, 1814. The payment of the interest, and the redemption or purchase of this stock, are charged upon the Sinking Fund. 2. And an authority was given to issue Treasury Notes for a sum not exceeding 5,000,000 of dollars absolutely; with a provisional authority to issue an additional sum of 5,000,000 of dollars, to be deemed & held to be a part of the loan of 16,000,000 of dollars, authorized as above stated, to be raised. The notes were to bear interest at the rate of 5 2-5 dollars per cent. per annum, to be reimbursable at such places respectively, as should be expressed on the face of them, one year after the day on which they should be issued; to be receivable in payment of all duties and taxes laid by the U. States, and all the public lands sold by their authority; and the payment of the interest, and the redemption or purchase of these notes, were charged, like the funded debt, upon the Sinking Fund.

The necessities of the Treasury becoming, however, more urgent, and the reliance on the public credit becoming more hazardous, Congress determined, at a special session, which commenced in May, 1813, to lay the foundation of a system of internal revenue; selecting, in particular, those subjects of taxation, which were recommended by the experience of a former period, and computing their general product at the sum of 5,000,000 of dollars. The continuance of these taxes being limited, at first, to one year after the termination of the war, they acquired the denomination of "the war taxes;" but, by subsequent laws, almost all the existing revenues are pledged, with the faith of the United States, to provide for the payment of the expenses of government, for the punctual payment of the public debt, principal and interest, according to the contracts; and for creating an adequate Sinking Fund, gradually to reduce, and eventually to extinguish, the public debt; until those purposes shall be accomplished, or until Congress shall provide and substitute by law, for the same purposes, other duties, which shall be equally productive. In the session of May, 1813— 1. A direct tax of 3,000,000 of dollars, was laid upon the United States, and apportioned to the states respectively for the year 1814; and it was afterwards subjected to the general pledge above stated. 2. A duty of 4 cents per pound was laid upon all sugar refined within the United States. The continuance of the duty, was limited to one year after the war; and as the general pledge has not been applied to it, the duty will cease on the 17th of February, 1816. 3. A duty was laid on all carriages, for the conveyance of persons, kept by any person for his own use, or to be let out for hire, or for the conveyance of passengers; which was graduated according to the denomination of the carriage, from the yearly sum of 20 dollars, to the yearly sum of 2 dollars. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with some modification in the mode of laying and collecting the duty. 4. A duty was imposed on Licences to Distillers of Spirituous Liquors, which was graduated according to the capacity of the still, the time of employing it, and the materials consumed. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with considerable modifications in the principle and provisions of the law. 5. A duty was laid on sales at auction of merchandize, and of ships and vessels, at the rate of 1 per cent. of the purchase money of goods, and of 25 cents for every hundred dollars of the purchase money of ships and vessels. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with a considerable addition to the amount, and a modification of the provisions of the law. 6. A duty was laid on licences to retailers of wines, spirituous liquors and foreign merchandize, graduated according to the place of retailing, and the nature of the article retailed. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it. 7. A duty was laid on notes of banks and bankers; on bonds, obligations, or promissory notes, discounted by banks or bankers; and on foreign or inland bills of exchange above 50 dollars, and having one or more endorsers; graduated according to the nominal amount of the instrument. The continuance of this duty was limited to one year after the war; and as the general pledge has not been applied to it, the duty will cease on the 17th February, 1816. But besides the direct tax and the internal duties, there were added to the resources of the Treasury during the session of May, 1813— 8. A duty of 20 cents per bushel upon all salt imported from any foreign place into the United States; which being limited to the war, and not being included in the general pledge, it will cease on the 17th of February, 1816. 9. And an authority to raise a loan not exceeding 7,500,000 dollars, and to create stock for the amount reimbursable at any time after the expiration of twelve years from the 1st of January, 1814. The rate of interest was not limited by the law; but it was provided that no certificate of stock should be sold at a rate less than 88 per cent or 88 dollars in money for 100 dollars in stock. The payment of the interest and the redemption, or the purchase of this stock are charged upon the Sinking Fund. The sources of revenue thus opened in 1813, could not, however, be expected

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Leaving a deficit for which it was proposed to provide, 1st, by the outstanding balances of the authorized loan and issue of Treasury Notes, and 2d, by a new authority to borrow, and to issue Treasury Notes to the amount of 19,925,000. During the session of Congress, which commenced in November, 1812, and closed on the 3d of March, 1813, the appropriations for the army, the navy, and the other branches of the public service, were considerably augmented, but (without adverting to the imposition of a small duty upon imported iron ware) no new source of revenue was then opened; but additional aid was extended to the Treasury, by authorising a repetition of the appeal to public credit.

1. An authority was given to raise by loan a sum not exceeding 16,000,000 of dollars, and to create a stock for the amount, bearing interest not exceeding the rate of 6 per cent. per annum, and reimbursable at any time after the expiration of 12 years from the 1st of January, 1814. The payment of the interest, and the redemption or purchase of this stock, are charged upon the Sinking Fund. 2. And an authority was given to issue Treasury Notes for a sum not exceeding 5,000,000 of dollars absolutely; with a provisional authority to issue an additional sum of 5,000,000 of dollars, to be deemed & held to be a part of the loan of 16,000,000 of dollars, authorized as above stated, to be raised. The notes were to bear interest at the rate of 5 2-5 dollars per cent. per annum, to be reimbursable at such places respectively, as should be expressed on the face of them, one year after the day on which they should be issued; to be receivable in payment of all duties and taxes laid by the U. States, and all the public lands sold by their authority; and the payment of the interest, and the redemption or purchase of these notes, were charged, like the funded debt, upon the Sinking Fund.

The necessities of the Treasury becoming, however, more urgent, and the reliance on the public credit becoming more hazardous, Congress determined, at a special session, which commenced in May, 1813, to lay the foundation of a system of internal revenue; selecting, in particular, those subjects of taxation, which were recommended by the experience of a former period, and computing their general product at the sum of 5,000,000 of dollars. The continuance of these taxes being limited, at first, to one year after the termination of the war, they acquired the denomination of "the war taxes;" but, by subsequent laws, almost all the existing revenues are pledged, with the faith of the United States, to provide for the payment of the expenses of government, for the punctual payment of the public debt, principal and interest, according to the contracts; and for creating an adequate Sinking Fund, gradually to reduce, and eventually to extinguish, the public debt; until those purposes shall be accomplished, or until Congress shall provide and substitute by law, for the same purposes, other duties, which shall be equally productive. In the session of May, 1813— 1. A direct tax of 3,000,000 of dollars, was laid upon the United States, and apportioned to the states respectively for the year 1814; and it was afterwards subjected to the general pledge above stated. 2. A duty of 4 cents per pound was laid upon all sugar refined within the United States. The continuance of the duty, was limited to one year after the war; and as the general pledge has not been applied to it, the duty will cease on the 17th of February, 1816. 3. A duty was laid on all carriages, for the conveyance of persons, kept by any person for his own use, or to be let out for hire, or for the conveyance of passengers; which was graduated according to the denomination of the carriage, from the yearly sum of 20 dollars, to the yearly sum of 2 dollars. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with some modification in the mode of laying and collecting the duty. 4. A duty was imposed on Licences to Distillers of Spirituous Liquors, which was graduated according to the capacity of the still, the time of employing it, and the materials consumed. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with considerable modifications in the principle and provisions of the law. 5. A duty was laid on sales at auction of merchandize, and of ships and vessels, at the rate of 1 per cent. of the purchase money of goods, and of 25 cents for every hundred dollars of the purchase money of ships and vessels. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it, with a considerable addition to the amount, and a modification of the provisions of the law. 6. A duty was laid on licences to retailers of wines, spirituous liquors and foreign merchandize, graduated according to the place of retailing, and the nature of the article retailed. The continuance of this duty was originally limited to the war; but the general pledge has been applied to it. 7. A duty was laid on notes of banks and bankers; on bonds, obligations, or promissory notes, discounted by banks or bankers; and on foreign or inland bills of exchange above 50 dollars, and having one or more endorsers; graduated according to the nominal amount of the instrument. The continuance of this duty was limited to one year after the war; and as the general pledge has not been applied to it, the duty will cease on the 17th February, 1816. But besides the direct tax and the internal duties, there were added to the resources of the Treasury during the session of May, 1813— 8. A duty of 20 cents per bushel upon all salt imported from any foreign place into the United States; which being limited to the war, and not being included in the general pledge, it will cease on the 17th of February, 1816. 9. And an authority to raise a loan not exceeding 7,500,000 dollars, and to create stock for the amount reimbursable at any time after the expiration of twelve years from the 1st of January, 1814. The rate of interest was not limited by the law; but it was provided that no certificate of stock should be sold at a rate less than 88 per cent or 88 dollars in money for 100 dollars in stock. The payment of the interest and the redemption, or the purchase of this stock are charged upon the Sinking Fund. The sources of revenue thus opened in 1813, could not, however, be expected

to aid the Treasury until 1814; & accordingly, in the annual report from this Department, dated the 8th of January, 1814, neither the direct tax, nor the internal duties, will be found as an item of the actual receipts into the Treasury, during the year ending the 30th of September, 1813. The amount of those receipts was stated, in the proceeds of the customs, of the sales of public lands, &c. at 13,568,042 dollars 43 cents, and in the proceeds of loans & treasury notes at 25,976,912 dollars 50 cents, making together 39,907,607 dollars 62 cents; and the actual disbursements of the same period were stated at 32,928,855 dollars 19 cents, independent of the balances in the Treasury, at the commencement and the close of the year. But the estimates for the year 1814 required a sum of 45,350,000 dollars. For civil, diplomatic and miscellaneous expenses, 1,700,000 For the payment of interest on the old and new debts, and the instalments of the principal of the old debt 12,200,000 For the military establishment 24,550,000 For the naval establishment 6,900,000 45,350,000

And the subsisting revenue to meet these expenditures was estimated at the sum of 14,370,000 dollars, proceeding from the customs and sales of public lands, 6,600,000 From the internal duties and direct tax 5,500,000 From a balance of loans and treasury notes 4,270,000 14,370,000

Leaving a deficit for which it was proposed to provide, 1st, by a part of the balance in the Treasury, and 2d by loans and Treasury notes, amounting to 30,980,000 For the deficit thus approaching the sum of 31,000,000 dollars, the only provision made during the session which commenced in December 1813, rested again upon the public credit. 1. An authority was given to issue treasury notes for a sum not exceeding 5,000,000 of dollars absolutely; with a provisional authority to issue an additional sum of 5,000,000 of dollars to be deemed and held to be a part of any loan which might be authorized during the session. The notes were to bear interest at the rate of 5 2-5 dollars per cent. per annum; to be reimbursed at such places respectively, as should be expressed on the face of them, one year after the day on which they should be issued; to be receivable in payment of all duties and taxes laid by the United States, and all public lands sold by their authority; and the payment of the interest, and the redemption, or purchase of these notes were charged, like the Funded Debt, upon the Sinking Fund. 2. And an authority was given to raise by loan a sum not exceeding 25,000,000 of dollars; and to create stock for the amount, reimbursable after the expiration of twelve years from the last day of December, 1814. Neither the rate of the interest, nor the price of the stock was limited; & the payment of the interest, and the redemption, or purchase of the stock, are chargeable on the Sinking Fund. The embarrassments of the Treasury, after the adjournment of Congress in the year 1814, became extremely apparent, that the disbursements during the first half of that year amounted to the sum of 19,693,781 27 cents. For the civil, diplomatic and miscellaneous expenses 1,444,062 60 For the military department 11,210,288 For the naval department 4,012,199 90 For the public debt 3,026,580 77 19,693,781 27

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And the balance of the appropriations for the same objects of expenditure required during the other half of the same year was stated