



ANNUAL TREASURY REPORT.

(CONTINUED.)
OF THE LOAN.

The act of the 3d of March, 1815, authorised a loan, for a sum not exceeding 18,452,800 dollars; it was made lawful to accept in payment of subscriptions such Treasury Notes, as had been charged on the sinking fund; and a commission not exceeding one quarter of one per cent. was allowed for selling the certificates of stock, or procuring subscriptions to the loan. Under this authority the annexed notice, marked F, dated the 10th of March 1815, was published, opening a loan for the sum of 12,000,000 dollars, with a view, 1st, to absorb a portion of the Treasury Note debt; 2d, to obtain funds for paying the unsubscribed arrearages of that debt; and 3d, to aid the Treasury with a supply of the local currencies of different places, in some proportion to the probable amount of the local demands.

The offers to subscribe to the loan prior to the 19th of April, 1815, placed (as was proper to place) money and Treasury Notes upon the same footing; but the offers varied essentially, in the terms and conditions that were annexed to them; and, in point of fact, no direct offer was made to subscribe at a higher rate than 89 per cent. while some of the offers were made at a rate lower than seventy-five per cent. Upon this experiment, therefore, it was seen at once, that the new situation of the treasury required a new course of proceeding, and that neither the justice due to the equal rights of public creditors, nor a fair estimate of the value of the public property, nor an honorable regard for the public credit, would permit the loan to assume the shape and character of a scramble; subservient to the speculations which create what is called a market price, and shifting in every town and village of every state, according to the arbitrary variations of what is called the difference of exchange.

In this view of the subject, all the offers of subscription to the loan, made in the first instance, were declined; but it was declared, at the same time, that offers at the rate of 95 per cent. would be accepted. The rate thus proposed, was adopted, upon a consideration of the value of the stock; of the equitable, as well as legal claim of the holders of treasury notes; and of the real condition of the public credit. The objects of the loan being (as already stated) to absorb a portion of the treasury note debt, and to acquire a sufficiency of local currency, for local purposes, the price of the stock at the treasury was, of course, independent of the daily up-and-down prices of the various stock markets in the union, and could only be affected by the progress towards the attainment of those objects. Thus, while the wants of the treasury were insufficiently supplied, offers to subscribe were freely accepted, and the parties were sometimes authorised and invited to increase the amount of their offers; but where local funds had so accumulated, as to approach the probable amount of the local demand, the price of the stock was raised at the treasury; and where the accumulation was deemed adequate to the whole amount of the local demands, the loan was closed.

The policy of the course pursued at the treasury was soon demonstrated. Offers of subscription to the loan, at the rate of 95 per cent. payable in treasury notes, or in money, were presented to a large amount, soon after the rule of the treasury was declared; and the annexed table marked G, will exhibit the progressive and actual state of all the subscriptions to the 30th of September last.

In the District of Columbia, the money subscriptions (including the subscriptions of certain liquidated claims upon the treasury) were successively at 95, 96, 97, and 98 per cent. and finally, at par. In the city of Baltimore, the money subscriptions have been at 95 and 96 per cent. In the city of Philadelphia, the money subscriptions have been entirely at 65 per cent.

The price was raised at the treasury from 95 to 98 per cent. on the 18th of June (subject, of course, to all unexecuted subscriptions previously accepted or authorised) and, since that time, considerable offers have been made at 95 & 96 per cent. but none have been received at the increased rate of 98 per

cent. The subscriptions payable in treasury notes have been made in all places, at the same rate of 95 per cent. A general abstract of the state of the loan, may, therefore be reduced to the following form:

In the District of Columbia the subscriptions have amounted.

1. In money to the sum of 2,282,037 38
2. In treasury notes to the sum of 257,276 65
2,539,314 03

In Baltimore, the subscriptions have amounted,

1. In money to the sum of 1,994,818 50
2. In Treasury notes to the sum of 608,661 90
2,603,480 40

In Philadelphia, the subscriptions have amounted,

1. In money to the sum of 1,845,000
2. In treasury notes to the sum of 1,260,568 69
3,105,568 69

In New-York the subscriptions have amounted,

1. In money to the sum of 601 44
2. In Treasury notes, 658,371 61
658,973 05

In Rhode-Island, the subscriptions have amounted, in treasury notes, to the sum of

132,020 69

In Massachusetts, the subscriptions have amounted, in treasury notes, to the sum of

97,301 32

In New-Hampshire, the subscriptions amounted, in treasury notes, to the sum of

52,386 20

In North-Carolina, the subscriptions amounted, in treasury notes, to the sum of

95,000
9,284,044 38

Having thus absorbed a portion of the treasury note debt, and deeming the treasury to be possessed of a sufficient supply of the local currency of the places at which the treasury notes, unsubscribed and in arrears, were payable by law, except in the cities of New-York and Boston, the Secretary of the Treasury proceeded to assign funds for the payment of the Treasury Notes, and to give notice thereof, in the form of the annexed copies, (marked respectively H and I,) in pursuance of the act of Congress, passed on the 3d of March, 1815. As a sufficient supply of the local currencies of Boston and New-York, had not been obtained, the overture was made in the same notice, to discharge the treasury notes payable in those cities and in arrears, by accepting them in subscriptions to the loan, at the rate of 95 per cent. by exchanging them for other treasury notes, in which the interest due should be included as principal; or by giving drafts for the amount upon any of the banks, in which the government possessed funds. This overture is still open to the consideration and acceptance of the holders of the treasury notes in question; and it has been accepted, in the shape of subscriptions to the loan, to a considerable extent. Since the 30th of September these amount, including some subscriptions, the details of which have not yet been completed, to more than two millions of dollars.

Of the transfer of balances of appropriations and of revenue from 1814 to 1815.

In the administration of the finances, it has been the practice to consider the demands and supplies of each year, as distinct subjects for legislative provision, independent of the balances of appropriations, or revenue, existing at the close of the preceding years. The same course will now be pursued, but with a few explanatory remarks. The annual appropriations have never been entirely absorbed, during the year for which they were made; and the credit given by law, for payments in every branch of the revenue, necessarily introduces a discrimination between the amount of duties which accrues within the year, as a debt to the government; and the amount which is paid, within the year, as money into the treasury. The annual appropriations, however, are not charged upon the revenue of the year, specifically, in which they are made; and, in point of fact, they are satisfied whenever demanded out of any unappropriated money in the treasury; without reference to the time, when the revenue accrued, or when the money was actually received at the treasury.

The inconvenience of continuing ap-

provements on account of the public debt, made & arising during the year 1815, amounting to 32,703,948 06

Of the ways and means of the Treasury for the year 1815.

These may be considered in a twofold aspect: 1. As to the ways and means placed by the laws within the power of the Treasury; and 2. The amount capable of being realised, or made actually available by the Treasury, during the year.

Under the 1st view, the ways and means consisted,

1. Of the cash in the Treasury at the commencement of the year, which amounted to 1,526,998 63
2. Of the outstanding revenue, which accrued prior to the year 1815, and remained unpaid at its commencement, estimated, exclusive of the sums due for public lands, at about 4,600,000
3. Of the revenue accruing in the year 1815, estimated at 38,850,000 dollars, viz: Customs 25,000,000 Direct Tax, net product 5,400,000 Internal Duties, do. 7,000,000 Public Lands 1,000,000 Postage and incidental receipts 450,000 38,850,000

4. Of the unexecuted authority to borrow money, and to issue Treasury Notes, conferred by Acts of Congress, passed prior to the year 1815, viz: The Loan Act of March 14, 1812 765,300 Do. of March 24, 1814 7,562,119 Do. of November 15, 1814 3,000,000 12,327,419 Treasury Note Act of March 4, 1814 2,772,720 Do. of Dec. 26, 1814, estimated at 8,600,000 11,372,720

5. Of the authority to borrow money and to issue Treasury Notes, conferred by Congress passed in the year 1815, viz: The Loan Act of March 3, 1815, 18,452,800 Do. of February 13, 1815, (for public buildings in Washington) 500,000 Treasury Note Act of Feb. 24, 1815, (exclusive of the re-issues authorised by this act) 25,000,000 43,952,800

112,629,337 63

This great apparent surplus of ways and means within the power of the Treasury arose, in part, from the great increase in the amount of the customs, accruing in the year 1815, which instead of 4,000,000, the amount estimated prior to the peace, will probably, in consequence of that event, amount to the sum of 25,000,000 as here stated. A great portion also of the sums authorised to be borrowed, or raised, upon Treasury Notes, it was evident, could not be obtained or raised within the year; and the several successive acts, by which the authority was given, although they were nominally accumulative, were actually the results of attempts to vary or modify this authority in such a way as to render it more easy or more effectual in its execution.

The 2d view of the ways and means for the year 1815, exhibits the amount actually authorised and received into the Treasury during that year. As the year is not yet terminated, this can only be given by way of estimate: the result will probably not differ materially from the following—

1. Cash in the Treasury at the commencement of the year 1,526,998 63
2. Receipts from revenue, including that which was outstanding at the commencement of the year, viz: Customs 8,000,000 Direct Tax 2,200,000 Internal Duties 4,700,000 Public Lands 1,000,000 Postage and incidental receipts 450,000 16,350,000

3. Receipts from loans and Treasury Notes: Loans, under the act of March 14, 1812 50,000 Do. do. Nov. 15, 1814 950,000 Do. do. March 3, 1815, 9,284,044 38 Do. do. Treasury

405

The total amount, therefore, demandable at the Treasury during the year 1815, was 30,061,871 95 consisting of appropriations made prior to that year, and unsatisfied at its commencement, amounting to 17,357,923 89 And of appropriations and de-

mands on account of the public debt, made & arising during the year 1815, amounting to 32,703,948 06

30,061,871 95

Under the act of Feb. 1814 100,000

Amount actually borrowed to the 30th Sept. 1815, per statements annexed (marked G and K) 11,034,044 38

Amount estimated to be borrowed from the 1st Oct. to 31st Dec. 1815 3,000,000

Treasury Notes, Amount issued prior to the 1st October, 1815: Under the act of March 4, 1814 2,772,720 Do. do. Dec. 26, 1814 8,318,400 Do. do. Feb. 24, 1815 694,600

Per statement annexed, (marked L) 11,785,730

Small Treasury Notes not bearing interest under the act of Feb. 24, 1815: amount issued and re-issued per statement, marked E 4,153,850

Amount estimated to be issued and re-issued from Oct. 1 to Dec. 31, 1815 1,000,000 16,938,570

30,972,614 38

Making the total amount estimated to be actually received into the Treasury during the year 1815 48,848,613 01

The application of the monies actually received into the Treasury during the year 1815, will be as follows: to the 30th of Sept. the payments have amounted to the following sums nearly—the accounts not being made up, the precise amount cannot be given:

For civil, diplomatic and miscellaneous expenses 2,537,000 Military service 15,190,144 71 Naval service 7,050,000 25 Public debt (exclusive of the sum of 300,000 dollars repaid by the Commissioner of Loans for Georgia) 8,909,178 22 33,686,323 48

During the fourth quarter of the year, the payments are estimated to amount to the following sums, viz: For civil, diplomatic and miscellaneous expenses 500,000 Naval service 1,500,000 Public debt to the 1st Jan. 1816, inclusive 3,000,000 5,000,000 36,686,323 48

As the receipts into the Treasury during the year have been estimated at 48,848,613 01 The sum left in the Treasury at the end of the year will be 19,162,289 83

And will consist principally of Treasury notes, paid on account of the revenue and of loans.

Of the Estimates of the Public Revenue and Expenditures for 1816.

In the consideration of this subject it is proper to premise, that the revenue of 1816 must be charged with the payment of a considerable amount of the unliquidated debts incurred during the war; and, consequently, that the proportions of revenue and expenditure for that year, cannot be reduced by the scale of a peace establishment. The arrearages in the war and navy departments, and generally outstanding balance of the floating public debt, including treasury notes and temporary loans, must be satisfied, before a permanent and uniform arrangement of the finances can be effected; but it is believed that the period of a single year will be sufficient for that purpose.

It is, also, proper to premise, that altho' the estimates of the demands on the treasury for 1816 may be satisfactorily made, there is no settled ground on which estimates of the ways and means can be confidently founded. The entire system of the external & internal taxation must necessarily be revised, during the present session of congress; and the sources as well as the product of the public revenue can only be ascertained from the result