

Annual Treasury Report.

TREASURY DEPARTMENT.
December 12th, 1826.

Sir: I have the honor to submit a Report, prepared in obedience to the directions of the Act supplementary to the act, entitled "An act to establish the Treasury Department," passed on the tenth of May, 1800.

I have the honor to be, with the highest respect your obt. servant,

RICHARD RUSH.

The Honorable The SPEAKER
of the HOUSE OF REPRESENTATIVES.

REPORT.

IN submitting to Congress the Annual Report required by law, on the Finances, the Secretary of the Treasury is happy in being able to represent them for the present year, as in a satisfactory condition. Whilst other countries, and some with which the United States maintain extensive dealings, have beheld great branches of their industry, if not altogether prostrated, interrupted to an extent productive of a high degree of suffering, the United States have experienced within themselves, no such calamitous occurrences, and have been freed from all other than a slight recoil of the pecuniary evils which have been seen to press so heavily in other regions. When adverted to the complicated connexions that bind together the pecuniary interests of commercial States, having large exchanges with each other, the reaction from abroad has been less felt than might have been expected, and has brought with it no results afflictive to the community, or inauspicious to the regular operations of the Government. The present obligations have all been punctually fulfilled, without any increase of the public burdens, and the National Revenue, which derives no aid from the existence of direct taxes or internal duties of any kind, but rests upon the Customs almost exclusively, has been unusually abundant, in the sums realized for the year drawing to a close, and promises to be fully adequate to meet every stated head of the public expenditure, including the sum annually devoted to the extinguishment of the debt, for the year that is to come. This substantial prosperity, the result of the general industry fostered by good laws, and a just economy in the public administration—laws which, by enlarging the home demand for the productions of the soil have aided in supplying deficiencies in the foreign demand, and which, by superadding to exports the results of manufacturing to those of agricultural labor, have tended to open new avenues to external traffic—this state of the country, in its financial resources and concerns for the year, will be seen in the recapitulations that follow. They will consist, first, of the amount of moneys paid into the Treasury in 1826, and in the year preceding; and the expenditures for those two years. Next, of the state of the Public Debt, and the portions of it that have been paid off; which will be seen to exceed the sum regularly appropriated by law for that purpose, within the year. And lastly, of the Estimates of the Public Revenue and Expenditure for the year 1827.

I. Of the Public Revenue and Expenditure of the years 1825 and 1826.

The nett revenue which accrued from duties on imports and tonnage, during the year 1825, amounted (see Statement A) to \$24,358,202 57

The actual receipts into the Treasury, from all sources, during the year 1825, amounted to 25,840,859 02

viz: Customs, (Statement A) 20,098,713 45

Public Lands, (Statement B) 1,216,093 56

Dividends on Stock in the Bank of the U. States, arrears of interest, duties, and direct taxes, and incidental receipts, (Statement C) 482,134 69

Repayments of advances made in the War Department for services or supplies, prior to the first of July, 1815, 43,919 33

Loan of five millions, under the act of Congress of the 26th of May, 1824, 5,000,000 00

Making, with the balance in the Treasury, on the 1st of January, 1825, of 1,946,597 13

An aggregate of 28,787,455 15

The actual expenditures of the U. States, on all accounts, during the year 1825, amounted (Statement D) to 23,585,804 72

viz: Civil, diplomatic and miscellaneous, 2,748,544 89

Military service, including fortifications, ordnance, Indian Department, Revolutionary and Military pensions, arming the militia, & arrears prior to the 1st of January, 1817, 5,692,831 19

Naval service, including the gradual increase of the Navy, 3,049,083 86

Public debt, 12,095,344 73

Leaving a balance in the Treasury, on the first of January 1826, of \$3,201,650 43

The difference, amounting to \$5,201,650 43, between this balance and that stated in the last Annual Report from the Treasury, which was \$3,202,061 78, is owing to the balance last year, having been given as an estimate only. Actual statement has fixed it at the sum now stated.

The actual receipts into the Treasury during the three first quarters of the year 1826, are estimated to have amounted to \$19,585,932 50

viz: Customs, 18,031,426 85

Public Lands, (Statement E) 1,053,961 29

Dividends on Stock in the Bank of the U. States, 402,500 00

Arrears of internal duties and direct taxes and incidental receipts, (Statement F) 80,492 72

Repayments of advances made in the War Department for services or supplies, prior to the first of July, 1815, 17,551 63

And the actual receipts into the Treasury during the fourth quarter of the year are estimated at 6,300,000 00

Making the total estimated receipts into the Treasury during the year 1826, 25,885,932 50

And with the balance in the Treasury on the 31st Dec. 1825, of 5,201,650 43

An aggregate of 31,087,582 93

Statements B and C, connected with this document, reserved for a separate communication.

The expenditures of the three first quarters of the year 1826, are estimated to have amounted (Statement G) to 19,714,236 66

viz: Civil, Diplomatic and Miscellaneous, 2,020,331 34

Military service, including fortifications, ordnance, Indian Department, Revolutionary and Military pensions, arming the militia, & arrears prior to the 1st of January, 1817, 5,266,980 93

Naval service, including the gradual increase of the Navy, 3,321,532 79

Public debt, 8,096,581 39

And the expenditures of the fourth quarter are estimated at 5,947,817 30

viz: Civil, Diplomatic and Miscellaneous, 840,000 00

Military service, including fortifications, ordnance, Indian Department, Revolutionary and Military pensions, arming the militia, & arrears prior to the first of January, 1817, 1,293,000

Naval service, including the gradual increase of the Navy, 900,000 00

Public debt, viz. Reimbursement of principal, 2,003,306 71

Payment of Interest, 912,510 59

2,914,817 30

Making the total estimated expenditure of the year 1826, 24,662,043 96

And leaving in the Treasury, on the first of January, 1827, an estimated balance of 6,425,538 97

Should the estimate of receipts for the fourth quarter prove to be correct, the total amount of receipts for the year 1826 will have exceeded the total estimates presented to Congress last year, by a sum approaching four hundred thousand dollars.

Of the balance of 6,425,538 97, stated, by estimate, as that which will be in the Treasury on the first of January, 1827, it is proper to remark, that it will be subject to the following charges:

1. The balances of unapplied appropriations which will remain to be satisfied after the first of January, 1827, amounting by estimate to \$3,425,000. 2. About one million of dollars in funds not at present effective, as particularly explained (page 8,) in the last Annual Report. 3. The reservation of \$2,000,000, under the fourth section of the act of Congress, of the 3d of March, 1817, entitled "An act to provide for the redemption of the Public Debt."

The directions issued last year to the Receivers and Collectors of the Public Revenue in all parts of the U. States, not to receive in any payments made to them, bank notes of any of the State Banks of a less denomination than five dollars, continue in full force, and are lending their aid in discountenancing the circulation of small notes, and substituting in their stead a greater proportion of the metallic medium.

II. Of the Public Debt.

That the precise nature and amount of the funded debt of the United States, as it exists at the present time, may be seen, the several descriptions of debt, of which it is composed, with the periods at which they were contracted, and are redeemable, will be stated.

The aggregate amount of debt on the first of October last (Statement No. 3) was \$75,923,151 47 cts. This sum includes the remnant of the debt of the Revolution, amounting to \$13,296,247 70, at an interest of 3 per cent; and the sum of \$7,000,000 subscribed to the Bank of the U. States; the U. States owning an equal amount in the shares of the Bank. These sums making together \$20,296,247 70, are both redeemable at the pleasure of the Government.

The remainder of the debt has been contracted since the 1st of January, 1812, and consists of the sums that follow, redeemable at the dates that follow:

1. The sum of \$11,254,197 46, at 6 per cent, being the residue unpaid of the loan under the act of the 8th of February, 1813, and redeemable in 1826.

2. The sum of \$13,096,542 90, at 6 per cent, being the residue unpaid of loans made in 1814, and redeemable in 1827.

3. The sum of \$9,49,099 10, at 6 per cent, being the residue unpaid of loans made in 1815, and redeemable in 1828.

4. The sum of \$769,668 08, at an interest of 4 per cent, being one-half of the 6 per cent stock of 1815, exchanged under the act of Congress of the 3d of March, 1825, and redeemable in 1829.

5. The sum of \$769,668 08, at an interest of 4 per cent, being the other half of the 6 per cent stock, exchanged as above, and redeemable in 1830. These two last enumerated sums were set down last year by estimate, at \$792,569 44, respectively. The accounts of the Commissioners of Loans having since been adjusted, the true amounts are ascertained to be as now exhibited.

6. The sum of \$18,901 59, at 5 per cent, being the one-third part of the sum of \$56,704 77, issued in exchange for the 6 per cent stocks of 1815, 1814, and 1813, under the act of the 20th April, 1822, and redeemable in 1831.

7. The sum of \$18,901 59, at 5 per cent, being one other third part of the sum subscribed as above stated, and redeemable in 1832.

8. The sum of \$10,000,000, at 4 per cent, being stock borrowed under the acts of May the 24th and 26, 1824, of the Bank of the U. S.—one-half to pay the Florida Claims, the other half to pay off the 6 per cent stock of 1812, and redeemable in 1832.

9. The sum of \$999,999 13, at 5 per cent, being the stock created by the act of Congress, of May the 15th, 1820, and redeemable in 1832.

10. The sum of \$18,901 59, at 5 per cent, being the remaining third, subscribed under the act of April the 20th, 1822, and redeemable in 1833.

11. The sum of \$2,227,363 97, at 4 per cent, being one-half of the amount subscribed in exchange for 6 per cent stock of 1813, under the act of May the 26th, 1824, and redeemable in 1833.

12. The sum of \$2,227,363 98, at 4 per cent, being the other half, subscribed under the act last above stated, and redeemable in 1834.

13. The sum of \$4,735,296 30, at 5 per cent, being the amount of stock issued under the act of March the 3d, 1821, and redeemable in 1835.

By the foregoing enumeration it appears, that the amount of debt redeemable at the periods specified is \$55,626,903 77

That the amount redeemable at the pleasure of the Government is 30,296,247 70

Making the total amount of the funded debt on the 1st of October, 1826, 75,923,151 47

This amount will be reduced by a payment to be made on the 1st of January, 1827, so as to stand on that day at \$73,920,844 76

The amount of Treasury Notes outstanding on the first of October, 1826, is estimated (No. 4) at \$15,040; and the amount of Mississippi Stock

unredeemed on that day, including awards not applied for (No. 5) at \$7,400 17

will next be proper to state the operations that have been had in relation to the debt since the last annual report from this Department. In that report it was stated, that the unpaid loans of 1813, bearing an interest of six per cent, amounting to the sum of \$16,270,797 24, the whole of which was redeemable in 1826. It was thought to be incumbent upon the Department to recommend to the consideration of Congress such provision for paying off this sum during the year 1826, as in the judgment of the Department, gave promise of being most advantageous. The exhibition in detail of the entire public debt, as contained above, serves to show, that considerable savings in interest had heretofore accrued to the nation by exchanges effected under the authority of Congress, of stock bearing an interest of six per cent, for stock bearing a lower interest; or by loans, under the same authority, for the purpose of paying off portions of the debt contracted at six per cent, when the time for redemption had arrived, by the creation of new debt to the same amount, subject to an interest of less than six per cent. Under the sanction of past legislative approbation of this economic process in relation to the debt, it was recommended that a loan should be authorized for 1825, to the amount of nine millions of dollars, redeemable in 1829 and 1830, at a rate of interest not exceeding five per cent, to extinguish this debt of sixteen millions and upwards, bearing an interest of six per cent, which the Government was thus at liberty to extinguish in 1826, provided it had the means. Nine millions, it was believed, would have formed a sum adequate to this operation, in conjunction with the other means which it was supposed the Treasury would probably have had at command for the service of the debt in 1826. There is reason to think, from the prices which the public stocks bore in the course of the last winter, and subsequently to the winter that had Congress sanctioned a loan to that amount, the efforts to obtain it would not have proved unsuccessful, and the whole of the stock in question had consequently been paid off. But as no loan was authorized, it became the duty of the Department to proceed otherwise in its measures for extinguishing as large a portion of this six per cent stock, redeemable within the year, as the means of the Treasury, without the aid of the loan, rendered practicable. This was accordingly done in the manner following: The stock consisted of the residue unpaid, amounting to \$5,054,732 65, of the loan of seven million five hundred thousand dollars, under the act of the 2d of August, 1813; and of the residue unpaid, amounting to 11,254,197 46, of the loan of sixteen millions under the act of February 8th, 1813. The former of these balances was wholly paid off with the moneys which the Treasury had at its disposal on the first of last July. As regards the latter, the Commissioners of the Sinking Fund, at a meeting held on the 27th of September, resolved, that two millions of dollars should be applied towards its reduction at the end of the present year. The holders of this stock, have, accordingly, had notice, that, on the first of January, 1827, they will receive payment of the whole of the principal sum specified in their certificates. By the terms under which this loan of the 8th of February, 1813, was contracted, it became redeemable at the pleasure of the United States, after the 31st of December, 1825, by the reimbursement of the whole sum which stood credited to any proprietor of the stock, at the time when the reimbursement took place. It followed, that, in paying off any portion of this loan, no partial payments could be made to the holder of a certificate; but that he was entitled to receive its full and absolute amount, without deduction; and also, the full amount of all other certificates of this particular stock of which he was at the same time owner. It therefore became necessary, as no preference could be shown to one public creditor over another, to determine by lot the numbers of the certificates to be redeemed, until their aggregate amount should represent the sum intended to be paid off; and such was the plan pursued. The precise mode in which it was carried into effect, will be seen by an explanatory paper (L) among the documents transmitted. This resort to chance terminated in giving a small excess over the sum wanted; so that the sum to be paid off on the first of January, amounts, in exact figures, to \$2,002,306 71.

It may be proper to mention, that the unpaid six per cents of 1813, were stated last year at 16,270,797 24, when the true amount was 16,516,599 96. The difference was included in the four and a half per cent stock, under the act of March the 3d, 1825, since ascertained to have belonged to the stock of 1813. It should be further mentioned, that the three per cents, were stated last year at \$13,296,247 70; to which have been added this year sixteen dollars twenty-five cents, since issued for interest on the old registered debt under the act of the 12th of June, 1798.

After the proposed payment of \$2,002,306 71 shall have been made on the first of January, the funded debt will have been reduced from 80,985,537 72, its amount last year, to 73,920,844 76, the amount at which it will stand on the first of January, 1827. It hence appears, that the means which the Treasury was found to possess for the reduction of the principal of the debt within the year 1826, using those means as largely as could be justified, and as the Commissioners of the Sinking Fund thought proper to sanction, amounted to \$7,067,039 36; and that this sum has served to extinguish so much of the unpaid six per cent loans of 1813, amounting as by statement in the annual report of December last, to \$16,270,797 24. The payment of interest upon the whole debt within the year, will have amounted, by the close of the last quarter, to 3,944,359 33, making in the whole, principal and interest, applied to the debt in 1826, 11,011,393 69, sixty nine cents.

Of the foregoing sum of \$73,920,844 76, of which the debt will consist on the first of January 1827, \$1,838,532 75 will be at an interest of six per cent; 12,792,000 20 at an interest of five per cent; 13,994,064 11 at an interest of four and a half per cent; and 13,296,247 70, the remnant of the Revolutionary debt, at an interest of three per cent.

It remains to offer such suggestions, connected with the debt, for the ensuing year, as a provident regard to the public resources is thought to point out. It is seen, from the recitals that have preceded, that much the largest part of the debt exists at present in stock of six per cent.—This is the highest rate of interest which is paid by the Government. It is conceived to be higher than it is proper should be paid, unless where demanded by the public faith. The time and concomitant circumstances which characterized the creation of this part of the debt, necessarily burdened it with so heavy a rate of interest, but that with the ample resources, the unquestioned security, and the exalted credit of the Government, it should continue to pay it, where the option concurs with the presumed ability to shake it off, seems no longer warrantable. Of the whole sum, approaching thirty-two millions of dollars, which stands at this interest, nine millions have been redeemable within the present year. Thirteen millions will become redeemable on the 1st of January, 1827, and nine millions on the 1st of January, 1828. Fractions are dropped in the recapitulation. The advantage to the nation of converting, by loans, or by exchanges, as large a portion as possible of this part of the debt into debt that shall be charged with a lower interest, appears to be so obvious, that the expediency of recommending to Congress the proper measures to effect it, again suggests itself as an incumbent obligation upon the department. It is not overlooked, that the probability of obtaining a loan

for his purpose, diminishes, other things remaining equal, as we are brought nearer to the time proposed for its redemption. But the prospect of obtaining it is still believed to be sufficient to justify the endeavor. It is, therefore, respectfully recommended, that authority be given by law, and at an early period of the session, to borrow the sum of sixteen millions of dollars at a rate of interest not to exceed five per cent, to be redeemable at the pleasure of the United States, in equal portions in 1829, and 1830. These years are fixed as the periods of redemption, for the reason that operated last year; namely, that under the present arrangement of the entire debt, only a very small portion of it (less than one million of dollars) becomes redeemable in either of those years. Should such a loan succeed, it would pay off at once more than one-half of the stock at six per cent, thereby producing a clear saving to the nation of at least one per cent on a capital of sixteen millions of dollars for two years; and for a longer period on a part of that capital. The residue of the six per cent stock, amounting to \$15,338,532 75, would await the application of the disposable means of the Treasury during the years 1827 and 1828. Whether those means would prove sufficient for its complete reduction within those years, depends upon events that cannot be accurately foreknown. All that can be remarked is, that, to the full extent of the ability of the Treasury, the means would be applicable, and at the periods of time best adapted to the exigencies of the public service, under the directions of the sinking fund act, and the lights of past experience at the Treasury. It is nevertheless, a part of this residue of the six per cent stock should be found unextinguished on the arrival of the year 1829, as probably would be the case, the obligation of paying it off the year, would constitute neither objection nor inconvenience to the measure of a loan upon the terms proposed. It is, consequently, believed, that under all views of the subject, the measure would give promise of public advantage. Such a law as is recommended being passed, and its execution confided to the discretion of the Executive, that discretion would be exerted to ensure the accomplishment of its object, regarding both the time of obtaining the loan and its conditions, in a manner the most satisfactory.

III.—Estimate of the Public Revenue and Expenditure for 1827.

The importation of foreign articles into the U. States, in 1825, was larger than common, having amount, as by the statements transmitted to Congress on the 15th of last March, to more than \$95,000,000 in value. This exceeded, by about \$16,000,000 the average value of importations for the three years preceding. The excess was larger than could be justified by the mere gradually increasing demand of the country, through its increasing population, for foreign supplies, and could only have proceeded from the influence of the two accidental and temporary causes, which, in commercial countries, are always affecting the operations of trade. A supply, so redundant, for one year, might have been expected, by the natural reflux of those operations, to be followed by supplies more limited for the year succeeding. On this account, as well as from other causes that were adverted to in the Annual Report of last December, the probability of there being a falling off in the value of the importations of 1826, as compared with those of 1825, was intimated, and has been the fact. The whole importations for 1826 have amounted, from the returns and estimates at present before the Treasury, to about \$85,000,000 in value. The whole of the exports, for the same time, to about 78,000,000. Of the imports, about 80,000,000 have been carried in American vessels; and, of the exports, about 70,000,000. Of the latter, about 55,000,000 consisted of the productions of the U. States; and the remainder of foreign productions. The diminished value of importations for 1826, has obviously arisen, in some degree, from the fall of prices in those countries of Europe, from which the largest quantity of manufactured articles are sent to the U. States, and gives countenance to the opinion that the decrease in quantity has not been in proportion to the decrease in value. If, indeed, the comparative amount and value of exports be assumed as the measure of a correct judgment upon this point, it would even lead to the inference that, as regards some of the principal articles of importation into the United States for 1826, there has been no decrease in quantity, as compared with the importations of 1825. The value of exports from the U. States, for 1825, exhibits a greater excess over those of 1826, than is seen in the imports; yet, in some of the chief articles of export, the records of the Treasury attest, that the quantity, as far as yet known, was greater in 1826. In 1825, the export of cotton was 176,000,000 of pounds. In 1826, it was 192,000,000. The value of the latter, or larger quantity, was \$24,000,000. The value of the former, or smaller quantity, was 36,000,000. In like manner, the quantity of flour exported in 1826 was greater than in 1825, whilst the value was less, though not in the same proportion as with cotton. The same is true of rice. The export of flour in 1826, was, in quantity, 856,366 barrels—in value \$4,139,063. In 1825, it was 815,906 barrels; and, in value, \$3,212,327. The export of rice in 1826, was 110,635 tons in quantity, and \$1,909,227 in value. In 1825, it was 97,015 tierces in quantity, and \$1,925,243 in value. It may be proper to submit, that of the export of cotton in 1825, between 9 and 10,000,000 of pounds were of the Sea Island cotton; and of the export of 1826, between 6 and 7,000,000. Of tobacco, the quantity exported, as well as its value, rose higher in 1825 than in 1826. But, in 1826, the export of tobacco, though considerably less than that of 1825, in quantity, was greater in value. The comparative amounts, in quantity and value, for the 3 years, stand thus: For 1825, 75,984 hogsheds, and \$6,115,623; for 1826, 59,780 hogsheds, and \$5,322,964; for 1824, 77,883 hogsheds, and \$4,885,566. Taking the 3 years, therefore, it appears, that the quantity exported was greatest in 1824, and the value least.

It would be desirable, with a view to judge accurately of the effects of the tariff upon the importations of foreign merchandise, to ascertain the fluctuations from year to year, in the quantity of such importations. This cannot be done at present, so far as any official or satisfactory standard at the Treasury is concerned. The returns of the Collectors of the Customs in relation to goods which pay duty ad valorem, have hitherto, fixed nothing but their value; and it is known, that goods subject to duty under this form comprehend much the largest class of foreign importations. Measures have been put in train for ascertaining, henceforth, as far as practicable, the entire quantity of goods subject to this description of duty, as well as the value. But even when time should have matured these measures and exhibited their results, they will furnish no standard of comparison as to the quantity of importations prior to their adoption. The information will, however, become useful after the lapse of a few years, in its bearing upon the course and developments of our home industry and foreign trade; showing how each, under wise principles adapted to each, may advance co-equally; how the channels and the objects of the latter may shift under the advance of the former, without any loss, but with gain in effective national results—results operating upon the most extensive interests, and enriching to the greatest mass of numbers; or how, under the growth of the one, the other is at last destined to become disadvantageously and lastingly abridged. The beneficial parts of these consequences are looked to with confidence and hope from the tariff, as well from our own experience, thus far, as from that of other nations of the world distinguished by high degrees of opulence and civilization, and where

both have rested upon duties, in relation to protective foundations, or foundations that have been carefully laid in applying the same industry to the multiple operations of domestic industry, no less than to the tillage of the soil, and to the basis of a great foreign trade. But facts that may shed a distinct light upon the whole subject, should be sedulously collected, to serve as a system of legislation in relation to a course of character of the social state, and with interests of all prosperity and power. The foreign trade of the United States, to its inherent causes for protective extension, superadds another and distinct one in the constant desire of the Government, as manifested in their permanent laws, and emphatically in their recent treaties, to carry it out from all restrictions upon navigation, as well as upon the most enlarged principles, as the most entire reciprocity in all other respects. If these principles, of which the United States have largely set the example, were practiced upon more universally by nations, and to the extent more firmly proposed by this government to their acceptance, the fact might be more important to their influence upon general trade, and upon the relations, illustrative of commentary of them.

The value of cotton goods, subject to ad valorem duty, imported into the U. States in 1825, as far as at present ascertained, was 825,160 dollars. The value of the same description of goods, imported in 1826, was 12,509,516 dollars. The value of woolen goods, subject to ad valorem duty, imported in 1826, was 7,445,493 dollars. The value of the same description of goods imported in 1825, was 11,392,254 dollars. It is, as already intimated, this difference in value, not being relied upon as a safe test of the difference in quantity. There are reasons when it is particularly misleading, and the present is believed to be one of them. The duties on each description of these manufactures, were calculated on the prices which each respectively bore at the places of exportation during the respective years; and the great fall in prices in 1826, will undoubtedly serve to account, in part, for the difference in the aggregate value of the two importations. Further elucidation will be afforded to the point, when it is added, that although the value of cotton manufactures imported in 1826, stands below those imported in 1825, in the proportion stated, it exceeds the value of the same kind of manufactures imported during either of the two years preceding, viz. 1824 and 1823. The same is true of the woolen manufactures. The value of the latter, paying duty ad valorem, imported in 1826, is found, from the returns as yet before the Treasury, to be below the value of the same kind of importations for 1824 and 1825; though the difference is far less considerable, than between their value in 1826 and 1825; nor is it known at this Department, what may have been the comparative value of woolen goods at the places of exportation during the four consecutive years indicated. The valuation of merchandise constituting the total aggregate of our foreign trade, is always made at the port or place of shipment, and the rule applies consequently in both ways; that is, to all articles of export as well as import; thereby freeing it from objections to which it might otherwise be open. The mode of valuing is, in effect, as follows: The party making the shipment annexes the value to the manifest or list of articles, superadding his oath, that it is their true value according to their actual cost, or according to the value which they may bear at the port and time of shipment. This oath is taken under the supervision of the Collectors as regards exports, and under that of four Consuls or other Commercial, or substituted Agency agents, as regards imports. Some other formalities are observed under our laws, particularly in relation to imports; but they are all in aid of the chief provision here stated.

The articles of American Manufacture exported from the United States in 1825, with the exception of flour, are found to exceed six millions of dollars in value. The particular kinds of Manufacture, which have made up this profitable and growing branch of the export trade, will be presented in detail, and their total value ascertained with more precision in the general Statistical Tables, now in course of preparation, and which will be transmitted to Congress as its early duty as their voluminous nature will allow. Of the amount of American Manufactures, produced for consumption within the United States during the year 1825, it is impossible to speak with exactness; but from indications that cannot deceive, it is evident that it is large; so large, that the amount exported would sink to a level below all comparison with it. The surest guide to our belief, under this head, is, that in those branches which at length have been enabled, through a prudent legislation, to stand up against the overwhelming competition of pre-established excellence imported from abroad, which must otherwise have kept down forever their first attempts, the article can now be had cheaper in price, as well as better in quality, than the same article from abroad, as it was seen in our markets prior to the effect of protection afforded to our own. Hence, the apprehensions of monopoly pass away. Hence, the certainty, that competition at home will bring down prices, eventually, if not immediately, whilst it creates and diffuses new wealth at home; labor being the foundation of wealth, and producing and disseminating it more universally, and in higher degrees, in proportion as it exists under diversified forms, and in full activity. It is then, that the farmer, the artisan, and the merchant, give support to each other, each enlarging the occupations and the gains of each; the State, meanwhile reaping the fruits in fiscal prosperity and political power. As regards the Cotton Manufactures of the country, there are grounds for supposing that they now make a call for one-fourth of all the raw Cotton grown in the United States. A not indeed, possessed at the Treasury; but as an approximation, it is believed that the above proportion may be taken without the hazard of essential error. It is gratifying to add, that those parts of the United States, whose manufacturing establishments, of all kinds, flourish most, exhibit an animated industry, an orderly aspect, and an increasing population. Towns and villages are seen rapidly to rise up in such districts, as resorting to which the rural population of the vicinity find ready and profitable sales for the various productions of farms, enterprise and labor. It is believed that, as these establishments shall rear themselves up, under adequate encouragement in an augmented number and importance, a corresponding activity in foreign trade, will become their concomitant in the same portions of country, since, besides the trade in exports, to which, after supplying their full share of the home demand, they open the way, and which will not fail to bring its proper returns on the broad scale of exchanges, the very existence of Manufactures, as they assume great variety and reach perfection, superadduces the necessity of constantly bringing into the country, new varieties of ingredients, as subsidiary to them.—So wide, so full of dependence upon all other kinds of labor, not only of our own, but of other regions, is this great department of national industry. So certainly do its modifications and beneficial operations in large, refined, and busy communities, perpetually react upon all the other departments; so quick are the alternations of consumption and supply, and over so great a surface of things do both spread themselves, in such communities. It cannot escape attention, that the portions of our country, for the most part, answering to these remarks, or to some of them, are not favored, or favored in but a slight degree, with the capacity of producing luxuriance and exhaustless treasures of the soil, and