

DEBT AND RESOURCES
OF
THE UNITED STATES:

AND THE
EFFECT OF SECESSION

UPON THE
Trade and Industry of the Loyal States,

BY
DR. WILLIAM ELDER.

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Philadelphia, June, 1863.  
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THE NATIONAL DEBT.

FOREBODINGS.

We have entered upon an era of National Debt—the amount already contracted of great magnitude, and its prospective extent undetermined. The rapidity, and the unknown limit of its growth, help to give it gigantic proportions. Unparalleled and unmeasured in our experience, the figures in which it is expressed unconsciously lose the definite certitude of fact, and fancy runs away with the conception into the region of the fabulous. It awakens imagination in such a way as leads to honest over-estimate and over-statement, and at the same time gives tempting occasion and encouragement to careless or intentional exaggeration. Nearly a year ago, when its ascertained amount stood at five hundred and eleven millions, a caucus of congressmen, over their signatures, declared that it had then reached a thousand millions, and was growing at the rate of three millions a day. The means of better information were at hand; the Treasury Department practised neither concealment nor reserve. The Secretary published the account current of the nation then, and frequently since, and has at all times allowed the public to ascertain the amount of the debt both in items and aggregate. Yet still the rumor ran, and still the wonder grew, until the rumor lost its freshness, and the wonder became familiar, and the excitement got itself postponed to await the occurrence of the catastrophe which, happily, has not yet arrived.

The idea of millions by the score is difficult of apprehension, but when they run up into hundreds, the mind gets no better grasp of the sum than it does of infinity. Our unit of value is nearly five times less than the British pound sterling, while it is more than five times larger than the French franc; yet, such is the indefiniteness of enormous numbers that the French debt, stated at twelve thousand millions of francs, the British at eight hundred millions of pounds, and the American, at one thousand millions of dollars, might be interchanged without much affecting our apprehension of their respective magnitudes. They are well defined in arithmetical expression, but to our comprehension they have no fixed limits; we measure them as we do the distances to the sun, moon, and stars; and they lie, to the sense we have of them, in a like far-away firmament, beyond the mental span with which we measure and compute the spaces and quantities which we can traverse and comprehend.

The British debt during the war with the French Republic and the first Napoleon, grew at an unprecedented rate, and to amounts which at several successive periods set calculation at defiance, and baffled statisticians and political economists, as much as it alarmed and confused the politicians and the people. Even before the epoch of its grand expansion, the celebrated Adam Smith, in the year 1776, when the debt was only one hundred and twenty-nine millions, said: "Great Britain could not without great distress support a burden *a little greater* than what has been laid upon her." In seven years the American Revolution had added one hundred and three millions to the burden, and he lived still another seven years to see the total at two hundred and forty-eight millions, or nearly double the amount which he had fixed as the utmost endurable limit, without seeing any of that distress which he had predicted.

Dr. Price, the author of Pitt's sinking fund system and of the general financial system which still prevails in England, and therefore a financier of no mean rank, as early as 1777 said: "we are now involved in another war, and the public debts are increasing again fast; the present year must make another great addition to them; and what will be at the end of these troubles no man can tell. The union of a foreign war to the present civil war might perhaps raise them to two hundred millions, but more probably *it would sink them to nothing.*" Dr. Price was mistaken. In the ensuing six years England went through that civil war, (the American Revolution) a foreign war with France, another with Holland, and another with Spain, and at the end of them all Consols sold at 94, which is quite the full value of three per cents in the English money market.

But the alarm of Smith and the apprehensions of Price sink into absolute despair in the mind of the great historian, David Hume. Writing at the same time and in the same condition of affairs, he says: "I suppose there is no mathematical, still less an arithmetical demonstration, that the road to the Holy Land is not the road to Paradise, as there is, that the endless creation of National Debt is the direct road to National ruin. But having now *completely reached that goal*, it is needless at present to reflect on the past. It will be found in the present year, 1776, that all the revenues of this Island, north of the Trent and west of Reading, are mortgaged or anticipated for ever. Could the small remainder be in a worse condition were those Provinces seized by Austria or Prussia? There is only this difference, that some event might happen in Europe which would oblige these great Monarchs to disgorge their acquisitions. But no imagination can figure a situation which will induce our creditors to relinquish their claims, or the public to seize their resources. So egregious, indeed, has been our folly, that we have even lost all title to compassion in the numberless calamities that are waiting us."

But England had been thus languishing for a hundred years in the reports of her economical doctors. Before the outbreak of the French Revolution her burden had been greater than she could bear at every successive stage of its growth, and always threatening to become still more intolerable. The authorities for these distresses and fearful lookings-for of the worse to come might be cited from fifty or an hundred writers of note, embracing statesmen, historians, pamphleteers, editors and statist, of every variety, who at once made, and represented, the general opinion as well as their own. Whoever desires model forms of declamatory despair for the present necessity, may find them prepared in the current literature of that period to fit any apprehension he may have of the debt and danger

that now press upon the people of this Union. It is true that these distresses were not true in the facts, nor were they verified in the event, but we can warrant them none the less trial-proof, for no disproof ever dispelled them, and they are just as good for rehearsal now among us, as they were for a full century and a half in England.

Lord Macaulay, who knew the domestic history of England, from the gloomy month of November to the merriest day in May of every year, throughout the period of her great struggle with the Republic and the empire of France, even to the minutest scraps of newspaper gossip, sums up the state of opinion thus:—"At every stage in the growth of that debt it has been seriously asserted by wise men that bankruptcy and ruin were at hand. At every stage of the growth of that debt the nation has set up the same cry of anguish and despair. Yet still the debt went on growing; and still bankruptcy and ruin were as remote as ever." Speaking specially of the debt at the time it reached its highest point, he adds:—"It was in truth a gigantic, a fabulous debt; and we can hardly wonder that the cry of despair should have been louder than ever. But again the cry was found to have been as unreasonable as ever. The beggared, the bankrupt society not only proved able to meet all its obligations, but while meeting them, grew richer and richer so fast that the growth could almost be discerned by the eye."

These outcries of a desponding people, all along their melancholy march to inevitable ruin, it will be perceived, are not quoted as "scriptures given by inspiration," nor as "profitable for doctrine," but as very good and timely "for reproof, for correction, and for instruction" in circumstances so nearly parallel, that the history ought now to have a practical application. They do afford us high authorities for the gloomiest forebodings, and so far give countenance to our fears; but as history sternly refused to verify the evil prophecies of a kindred emergency, we had better look that there be no fallacy in the facts and philosophy which we employ in forecasting our own fortunes. Macaulay exposes the sources of error of our English exemplars in a manner well entitled to our consideration:—"They erroneously imagined that there was an exact analogy between the case of an individual who is in debt to another individual, and the case of society which is in debt to *a part of itself*. They were under an error not less serious, touching the resources of the country. They made no allowance for the effect produced by the incessant progress of every experimental science, and by the incessant efforts of every man to get on in life. They saw that the debt grew; and they forgot that other things grew as well as the debt."

It is not expected that this sort of exposure of a great blunder will prevent its repetition in the like circumstances. A popular error that is not quite causeless, is apt to be quite cureless; but in the light of the history before us, we may perhaps proceed somewhat reassured, however little convinced, in a better mood and tone of mind, to an examination of

OUR DEBT, EXISTENT AND EXPECTANT.

The statement of the national debt, it must be observed, embraces all ascertained and adjusted claims upon the Government, for which requisitions upon the Treasury have been issued by the other departments—all bonds, all notes, and other evidences of debt issued by the Treasury, including temporary loans and certificates of indebtedness to public creditors. The floating, or unascertained debt, is not given, nor can it

be even approximately estimated; for at one time, only the maturing claims for supplies and services are outstanding; at another, ship building and other heavy items are under contract, with larger or smaller amounts in that sense due, that they wait only to be ascertained or settled before payment is made. These, however, fall in much more promptly than is generally supposed, and get their place in the reports of the department, leaving the "floating debt" greatly less at any given time than has been currently believed. Thus understood,

THE PUBLIC DEBT ON THE 1ST OF MAY, 1863, WAS AS FOLLOWS:

4 per cent Temporary Loan,.....	\$27,672,518
5 " " " "	77,394,521
Post due Treasury Notes (old),.....	41,600
Old Public Debt, (average interest 5½ per ct.),.....	67,221,591
3 Year Bonds, (7 ³ / ₁₀ per ct.).....	139,996,950
2 Year do (6 per ct.),.....	1,925,300
United States Notes and Fractional Currency,..	394,920,956
20 Year Bonds, (6 per ct.),	50,000,000
Oregon War Debt, 20 year, (6 per ct.),.....	878,450
1 Year Certificates of Indebtedness, (6 per ct.),.....	142,761,441
5-20 Year Bonds, (6 per ct.).....	64,386,400
<hr/>	
Total debt,.....	\$967,199,727
Less, in the Treasury.....	3,154,511
Amount of debt bearing interest,.....	\$572,237,169
" " without "	394,962,556
" of interest per annum, assuming that the items and aggregate remain unchanged,.....	34,490,686
Average rate of interest on interest-bearing debt of May 1, 1863,.....	6.009 per ct.
Average rate of interest on total debt,.....	3.566 "
" " " on that part of the debt created since 7th March, 1861,.....	3.42 "
Average rate of interest on total debt in 1791,.....	4.24 "
" " " " " of 1816,.....	6.14 "
" " " " funded debt of 7th March, '61..	5.5 "
" " " " Treasury Notes issued in the last quarter of Mr. Buchanan's administration—interest stopped by Mr. Chase, in February, 1862,.....	11.0 "

The average rate of interest per annum upon the total debt is here given in comparison with the rates of the total debts of 1791 and 1816, to show how far the burden of our debt is lightened by the financial policy of the Treasury Department. The use of the United States Notes saves about twenty-four millions a year to the Government, and in effect reduces the rate of interest upon the whole debt from 6 per cent. to 3½ per cent per annum.

RECEIPTS, EXPENDITURES AND REBELLION EXPENSES.

The existence of the old debt, the redemption of a part of it, and the sources of the receipts, are important to a clear understanding of the expenditure occasioned by the rebellion. This involves certain estimates which are possibly not quite accurate. The ordinary expenditures on account of the Army and Navy in times of peace, are not distinguished

from those of the present strife in the reports of the departments; and the civil expenditure is affected by the secession of the rebel States. Moreover, the amount received for the direct taxes levied by Congress in 1861 is not exactly ascertained, but the care bestowed on these matters assures a very fair approach to accuracy.

The total <i>Receipts</i> from 7th March 1861, to the 1st May 1863—784 days, from Direct Taxes, Internal Revenue, (Excise, &c.) Customs, Public Lands, and miscellaneous sources, we put at.....	\$149,953,530
From Loans, United States Notes, fractional currency, and Certificates of indebtedness—outstanding,.....	899,058,084
Total Receipts,.....	\$1,049,011,614

EXPENDITURES, 7TH MARCH, 1861, TO 1ST MAY, 1863.

Total civil expenditures, with estimated ordinary expenditures of Army and Navy in time of peace, expenses of the census, &c.,.....	\$105,607,129
Paid on principal and interest of old debt,.....	27,405,594
Total estimated peace expenditures, and old debt,.....	\$133,012,723
Total rebellion expenses—784 days.....	\$915,998,891
Average, per diem,.....	\$1,168,366

These statements present the debt, its annual charge, the immediate liabilities, the rates of interest, and dates of maturity—with the receipts and expenditures of the period of the rebellion till 1st May, 1863, as they stand in figures on the books of the Department.

Let us now look at the

BURDEN OF THE DEBT, AND ITS ANNUAL INTEREST, AND, AT THE NATIONAL RESOURCES

in reference to the current charge of the debt while unredeemed, to the credit of the debt, and to its ultimate extinguishment.

The tabular statement No. 1, (appendix) affords the data for the judgment to be formed on these points. To make the facts and figures of our own account clearly comprehensible they are measured by the corresponding items in the national accounts of Great Britain and France.

The authorities for the data used in the construction of the table, as it respects Great Britain, are, the Finance Reports of the House of Commons, Pablo Pebrer, Joseph Lowe, Porter's Progress of the Nation, Levi on Taxation, and Northcote's Twenty Years of Financial Policy. For France, the Budget of 1864 presented to the Corps Legislatif, and the report of the committee upon it in April last. For the United States, the several census reports, Tucker's Progress of the United States, the Financial Reports of the Treasury, and the current official reports of the National Debt. From these and numerous other equally reliable sources the facts are obtained. The calculations made upon them are open to the revision of experts. The array of the materials is a question for the judgment of those who understand statistical principles and reasonings. The difference made in the value of the real and personal property of the United States from the totals of the Census Bureau is occasioned by the deduction of the value of the slaves from the official totals. For all statistical purposes they are producers and consumers of wealth, and not themselves

property or wealth, in any sense different from the wealth that any other country has in its people.

Thus treated the valuation of the loyal States in 1860 was, 10,716,191,691 dollars. An addition of 25 per cent for the increased wealth of 1863 is not made as allowance for increase of market prices, but for the actual and intrinsic enhancement of wealth estimated in the prices ruling in 1860. The increased value of the property of the loyal States in the ten years from 1850 to 1860 was $126\frac{1}{2}$ per cent, about 10 per cent per annum, but to be quite within the range only 25 per cent is here added for the increase of three years ending in midsummer of the present year.

The annual interest of the French debt is official, but its principal is very probably stated much below the truth. The Minister of Finance, two years since, was unable to ascertain the principal of the total debt; the amount of the floating debt being so involved in the accounts as to leave it in great uncertainty. Besides, the Government is rapidly effecting a reduction of the $4\frac{1}{2}$ to 3 per cent stocks by an equivalent increase of the nominal capital, so that the apparent total undergoes daily changes.

Before we proceed to the examination of our debt, absolute and comparative, it is worthy of remark that its present magnitude and rapid increase are owing to a circumstance not usually noticed in comparing it with that of Great Britain.

There is, indeed, a general impression that the debt of England, meaning its maximum amount in 1816, "was forty years in growing," while ours is the growth of two years only, and that already it is relatively as large as theirs. But the fact is that England added three thousand one hundred and thirteen millions of dollars to her debt in the twenty-two years of her great French wars, and expended, besides, no less than five thousand four hundred and seventy-one millions derived from taxation, while the war expenditure of our two years is all in the form of debt except the sum of seventeen millions derived from taxation and other ordinary sources of revenue beyond the ordinary peace expenditure of the country. In fair comparison therefore, the Government account should be charged with this seventeen millions in addition to its loans of eight hundred and ninety-nine millions, making 916 millions; and England's account, in correspondence for her 22 years would be her increase of debt, and 5,471 millions of taxes amounting together to 8,584 millions or more than nine times the equal of ours. Of the total revenue of the period our treasury derived but $14\frac{1}{2}$ per cent from taxation. England's Exchequer drew 63 per cent of her's from that source. If the British loans had borne the proportion of ours to receipts from ordinary sources, her debt in 1816, without the current interest added, would have stood at 10,560 million of dollars instead of 4,300 millions; and, if our debt had been kept down by a system of taxation equivalent to hers, instead of footing up 967 millions, it would have stood on the first of May last at 380 millions, less the accruing interest on the surplus of 587 millions. This should be remembered whenever a comparison of the growth and the amount of our present debt with that of England is instituted.

So far as the national resources and our relative ability to meet our debt are concerned, these 587 millions are to be regarded as undrawn revenue in the pockets of the people. This amount subtracted, along with 10 millions of current interest upon the sum, would leave our debt, old and new, at 427 millions.

Nor is this view of the case either illogical or unpractical; on the contrary, it is far below the true statement of our advantage, for it still leaves us fresh, untaxed, unexhausted and almost untouched, while England was in the condition of a people taxed for twenty-two successive years, to the average amount of 248 millions a year, with an interest account rising, steadily and rapidly, from $47\frac{1}{4}$ millions at the beginning, to $161\frac{1}{4}$ millions at the end of the term. Moreover, be it remembered, that in 1816 the population of Great Britain was but 19,300,000, the total value of their property 10,450 millions of dollars, and their annual products worth but 1,667 millions; while the population of the loyal States, in 1863, is 24,000,000, the value of their property, at the market rates of 1860, 13,395 millions, and their products of the current year worth 3,500 millions; giving us the present advantage of 30 per cent in population, 28 per cent in property, and 110 per cent of annual products.

The just parallel in the statement of the respective debt accounts of the two nations would be: England borrowed, for twenty-two running years, an average of 150 millions a year; we, for two years, 185 millions per annum, (an equal ratio of taxation being deducted from the actual loans,) with a difference of wealth and resources in our favor more than equal to the difference against us in the amounts thus estimated.

LOANS OR TAXES IN THE CRISIS.

In the first months of the rebellion, the Government had no choice, either as to the source or the cost of the required revenue; but the wisdom of abstaining from the imposition of heavy taxes till the close of the second year, while it commands the admiration of thorough-bred financiers, deserves the warmest and most earnest approbation of the people. England, as we have seen, (Table No. 1,) levied, in each of the years 1813 and 1814, the enormous average amount of three hundred and forty millions of dollars per annum in taxes, direct and indirect, full $3\frac{1}{4}$ per cent of the total value of the United Kingdom, and an average of \$18.74 per capita upon the population.

If our Government had taxed the loyal States in the same proportion to its expenditures, the impost would have amounted to three hundred millions in the year, the percentage would have been $2\frac{8}{10}$ on the property, and the assessment \$12.50 per head.

When we look at the magnitude of the debt, which is almost the total expenditure, and give way to the feeling with which it oppresses us, we should turn the other side of the picture, and consider the relief which the temporary postponement of its burden has afforded. It is quite impossible now to say what distress the imposition of even one hundred millions would have occasioned; but it is certain that it would have been heavier than thrice that amount exacted in 1863-4.

In the emergency, the Government interposed its credit, averted the calamity, provided the means, and prepared the conditions, which at once secured adequate revenue, at the smallest cost any nation in any exigency ever effected, and made the people able to bear its demands as easily as they have heretofore supplied the Treasury with its ordinary fifty or sixty millions a year!!

PAYMENT OF THE NATIONAL DEBT.

The combined debts of the Revolution and of the War of 1812, amounting to one hundred and twenty-seven millions in 1816, with twenty-eight millions more, contracted and discharged in the meantime.

were virtually extinguished in 1833—the revenues all derived from ordinary sources, except nine millions of direct taxes, levied under the Act of January 5, 1815, and March 5, 1816. The total amount required for the payment of this principal of 155 millions, was \$265,295,873, or an average annual appropriation of \$14,738,682, for a period of eighteen years. The total revenue of the period from all sources, except loans and Treasury Notes, was 458½ millions, or an average annual receipt and expenditure of 25½ millions, from all ordinary sources, and for all purposes.

The debt of 1816, apportioned to the total population, was \$14.67 per capita, its proportion to the property of the people 7.07 per cent, and to their annual income 25¼ per cent. The debt of May 1, 1863, amounts to \$40.30 per head of the people of the loyal States, and 7.22 per cent of their property, or less than one-fifth of one per cent more than in 1816, and its proportion to our annual income or product of the year is 27.45 per cent, or less than 2½ per cent more.

On the assumption that the ordinary expenses of the Government, and the ordinary taxes for the required length of time from May, 1863, shall hold the same ratio to the present debt and wealth of the country, as in the period from 1816 to 1833, the proportion of our present debt to the property of the loyal States admits of its extinguishment on equal terms in eighteen years and four and a half months; or, if calculated by the per centage of the annual products of industry to the debt, in nineteen and a half years—the increase of wealth and annual income for the period being taken at the same ratio as that of the eighteen years of the former debt-paying period.

The proportionate average revenue from all sources in the period assumed for the payment of the present debt would be \$189,459,600 per annum. The proportionate amount applied to the extinguishment of the debt would be \$129,655,794 per annum. But, if we allow only 95 millions for ordinary expenses, and 80 millions for the payment of the debt and interest—together 175 millions, or 14½ millions less than an equal ratio to our present wealth—the debt would be extinguished in twelve years and eight months, if 700 millions of it be funded at 6 per cent; or if the total debt of 967 millions be put at the same rate of interest, in twenty-one years and eleven months.

It will be recollected that our estimate of the peace expenditure of the loyal States for the past year is under 50 millions; an average allowance of 95 millions for the next twenty years is therefore a liberal one—too large, indeed; but we are careful, in all our calculations, to underrate none of the risks and liabilities.

Tabular Statement No. 2 (Appendix) gives the burden of our debt in the process of payment, compared with that of 1816, and the burden of the British debt, in process of reduction in amount, and in burden, by the effect of the enhancing national wealth.

OUR PROSPECTIVE DEBT—ITS BURDEN AND PAYMENT.

Our debt is still increasing, with no certain limit assignable while the war of the rebellion continues. It is now in round numbers a thousand millions. Assuming the limit of 1500 millions, we shall have made ample allowance for its probable increase if the war shall continue even till the first of June, 1864, or 400 days from the first of May, 1863. This aggregate puts the daily expenditure at one and a quarter millions, which exceeds our estimate by 80,000 dollars a day.

Fifteen hundred millions funded at 6 per cent, payable half yearly, would be discharged in 39 years by the appropriation of 100 millions a year to that purpose, but if 300 millions of that amount were kept in circulating notes, without interest, the remaining 1200 millions would be paid by the like appropriation in 21 years.

Tabular statement No. 2, shows the *burden* of the present, and of the assumed limit of our national debt, respectively, with the comparative burden of our debt of 1816 under process of extinguishment, and the British debt, which is not undergoing extinguishment or important reduction in absolute amount.

We see that if seven hundred millions of the present debt were funded the whole would be paid in twelve years and eight months by an annual tax of a fraction less than six mills on the dollar of the people's property at its present valuation; while the actual annual payments made in discharge of the debt of 1816 were equal to eight and a fifth mills on the dollar of the valuation of that time. The payment of 1500 millions, all funded, in 39 years would be a tax of seven and a half mills, or, if only 1200 millions were funded, it would be discharged in 21 years, at the same rate of assessment. By statement No. 1, it appears that the *interest* alone of the British debt was a tax of above fifteen mills on the dollar, per annum, in 1816, and is even now quite four mills upon the enormously increased wealth of the nation, or more than half the annual charge that both principal and interest of ours carries while being paid off in the short periods proposed.

UNITED STATES DEMAND NOTES.

In our calculations the Debt, present and prospective, is treated both in its least and most burdensome form. In the one case, assuming that from 267 to 300 millions of the amount may be kept in United States notes, free of interest; in the other, the whole amount is supposed to be funded at 6 per cent interest. The greatness of the benefit of the former policy is well shown by observing that it reduces the annual interest of the existing debt from 58 to 34 millions, or the average interest from 6 to 3½ per cent, and the term of payment 9 years on the smaller debt, and 18 years on the larger; in both cases leaving the amount of such circulation to be redeemed at the end of the term.

England has issued exchequer bills every year since the reign of William the Third, a period of 167 years. In 1815 they were outstanding to the amount of 202 millions of dollars. Since 1835 the amount outstanding at the close of the year has ranged from 66 to 102 millions, furnishing to that extent the means of anticipating the revenue, and generally at the easy rate of about 2½ per cent interest per annum. This policy is an obvious advantage to the exchequer, and to the people it is no less beneficial, for it furnishes them with the medium of tax payment in advance of the levy.

The United States would do well to consider the benefit to both treasury and people, resulting from the system of the present Secretary; the large annual saving, and the greatly better command of the debt, which the Government has, by dealing in its own currency, at the comparatively trivial cost of executing and issuing its circulation notes. It is full time, and a very good time, for the Federal Government to reclaim its right of regulating the currency of the country, saving the amount of banking profits upon some share of it, and keeping a circulation of uniform value sufficiently large in the community to relieve the people of their usually

heavy domestic exchange. The policy being at once reasonable and likely to be adopted, is so far considered that its effect in the payment of the interest and principal of our debt is formally stated.

GROWTH OF WEALTH AND BURDEN OF DEBT.

In the tabular statements and in the argument of the subject we have felt obliged to treat the future debt-paying periods as if they held exact equality in the growth of wealth with our own past periods, and the past and future periods of England's indebtedness; but the grand difference in our present condition must not be overlooked, though the data are not sufficiently exact to afford the means of arithmetical computation. Something of this will be seen and felt in the following facts:—

The increase of wealth in the United States from 1820 to 1830 was 41 per cent; from 1830 to 1840, 42 per cent; in the next decade 64 per cent and in the last census decade, the property of the loyal States, (slaves excluded,) increased 126 per cent, while the wealth of Great Britain did not increase between the years 1850 and 1860 more than 37 per cent upon her large capital, which was nearly five-fold the value of ours at the beginning of the term. What shall be the rate of increase in our next ten years may be safely left for the time to determine. Under the head of *Resources of the Nation*, we shall offer our estimates, for consideration, and here only call attention to the vast effect it is likely to have in reducing the burden of our debt greatly below the comparative statement of the tables referred to.

Before leaving this branch of our subject we have something to say upon

THE CREDIT OF THE NATION.

and under this head, a comparison with the credit of the government during our last war with Great Britain, and with that of Great Britain through her wars with the French Republic and Bonaparte.

In the reign of William and Mary, and thenceforward till that of George the Second, (1689 to 1727,) the British Government loans were made at the varied rates of interest of the money market of the time, and the stocks issued for such loans were, for the exact amounts of the money received at the exchequer; but before the debt reached one hundred millions it became the practice of the fiscal ministers to fix the rates of interest as nearly at 3 or 3½ per cent as possible, necessarily increasing the nominal amount of the stocks issued to the equivalent of the higher rate of interest ruling the loan at the time. It was the avowed policy of the ministers to raise their loans at the least annual expense, without regard to the amount of the nominal, or fictitious capital; a policy by which the debt is so much increased upon those who must pay its principal, and the current burden diminished to those who contract it.

Under this rule the total unredeemed debt of England is known to be quite two-fifths greater than the aggregate of the moneys advanced by the lenders. In round numbers the present debt of 800 millions of pounds sterling stands for 480 millions borrowed, and 320 millions added, as a capital equivalent to the difference between the annual rate of interest paid and the actual rate at which the money was borrowed. As this subject touches the relative credit of our government in the money market, we propose to give it due consideration.

COST OF BRITISH LOANS.

The English loans, made from 1793 to 1816, amounted to £906,267,803 sterling; of this sum, £225,828,771 were redeemed within the period, at a loss of discount on the principal of £6,638,831. Taking no further

notice of these temporary loans, let us look at the cost of those which stood unredeemed at the end of the period.

Between 1793 and 1803, these loans nominally amounted to £286-913,703, which were sold at the average of £57 7s. 6d., cash received for every £100 of stocks issued—discount $42\frac{5}{8}$ per cent. From 1803 to 1816, (inclusive,) £393,525,329 sold at £60 7s. 6d.—discount $39\frac{5}{8}$ per cent. In dollars, these discounted loans amounted to 3309 millions; cash received, 1957½ millions; average discount upon the aggregate, 40.84, or nearly 41 per cent. To avoid laborious and unnecessary calculations, we shall assume that all the loans of the period, whether made at 4 or 5 or any other rate of interest, were made at a rate of discount equivalent to that of the 3 per cents.

These loans were some of them perpetual, some of them for lives, some of them for terms of years. This circumstance, however, does not affect the amount of annual interest paid upon them, which raises the rate of the nominal 3 per cents to 5.0715 per cent on the amount of money received from the lenders. But this is not the whole cost. There is a surplus of exactly 40.84581 per cent excess of principal, or fictitious capital, to be paid when the debt is reimbursed or converted. To obtain a comparison with the rates and costs of our own loans, we must treat them as maturing for reimbursement or conversion in twenty years; and to ascertain the value of the excess of nearly 41 in the 100 dollars of debt, we will suppose it provided for out of the cash proceeds of the loans themselves, by investing the required amount in a sinking fund for that purpose, at the rate of interest paid upon the cash proceeds. The principal of such sinking fund, or the sum which, in forty semi-annual re-investments of the accruing interest, at the yearly rate of 5.0715 per cent, will amount to the excess or fictitious principal, is \$15.0015 in the 100 of such excess; and this sum, deducted from the cash received, leaves but \$44.15269 in the hundred of the stocks issued at the nominal rate of 3 per cent per annum, and raises the actual rate to exactly 6.7946, or over $6\frac{3}{4}$ per cent upon the net proceeds of the loans.

Thus analyzed, the interest of the boasted 3 per cents of the English funds rises nearly eight-tenths of one per cent higher than that of our 6 per cents, sold at par. (See Statement No. 3.)

It is true that the longer a discounted loan, or a loan sold under par, has to run before maturing, the less the principal required to provide for the excess by the sinking fund system. But, on the other hand, the longer such loan runs, the longer the borrower pays interest upon the fictitious part of the principal. England pays one and eight-tenths per cent, annually, above the normal rate, so long as the loan stands unredeemed. This must be taken to quite over-balance the advantage arithmetically deducible from the longer term, as compared with American twenty-year loans. This procedure evidently does the English loans no injustice; but we are the less anxious to be exact here, because the supposed sinking fund provision is a mathematical chimera at best, as we shall presently see.

But, before we leave this point, it is to be observed that the relative credit of the two governments involves, necessarily, the consideration of the

DIFFERENT NORMAL RATES OF THE RESPECTIVE GOVERNMENT LOANS.

When we show that the annual rate of interest paid by England on her nominal 3 per cents amounts to 5.0715 per cent on the cash received from the lender, we have only the arithmetical proportion to the rate of

our own loans; we must see how far the actual rate paid exceeds the usual rate, when no cause is operating either to raise or depress the price of Government stocks. Taking £93 in the hundred as the normal price of English 3 per cents, in their own money market, we obtain 3.225 per cent as the normal rate of interest upon her Government loans.

The extremes of fluctuation in the price of consols, in the last twenty years, were from $78\frac{3}{4}$ to $101\frac{3}{4}$. When the Government buys up a few millions of her debt, consols rise to par, or above it slightly. When it borrows a few additional millions, they go down. In 1848 they fell to 90; in 1854, with the Crimean War on hand, they fell to 85. They are fairly worth 93 when all things are in good usual order. The credit of the British Government, then, during the period of her long struggle with the first Napoleon, was at $1\frac{8}{10}$ per cent below par, measured by the rate of interest on loans, in their own market.

OUR LOANS MADE DURING THE PRESENT REBELLION,

compare with the English just considered, thus:—In April, May and July, 1861, the Secretary of the Treasury sold \$60,409,000 six per cent loans, below par, receiving for that amount of stocks issued, \$53,813,596—average discount, 10.91 per cent. The rate of interest on these loans, therefore, rises to 6.7353 per cent upon the money received for them, and, taking our normal rate as 5 per cent, they were 1.7353 above it—not so bad as the English 3309 millions by one-tenth of one per cent. Compared with 42 millions borrowed by our own Government in 1813 and 1814, they look even better. Those were discounted at a rate that put the interest on the money received up to 7.0473 per cent, or two per cent above our normal rate.

In the autumn of 1861, Mr. Chase offered his popular loan of 140 millions, at $7\frac{3}{10}$ per cent interest, redeemable in three years. It was taken at par. By our rule of estimating the credit of these loans, this was at $2\frac{3}{10}$ per cent above the normal rate. In 1815, the British Government sold a loan of 175 millions of dollars—giving 174 pounds of 3 per cents, and 10 pounds of 4 per cents, for every hundred pounds received. That price puts the interest up to 5.62 per cent on the money received, or 2.395 above the normal rate.

These loans of ours, made in the worst days of the rebellion, it appears, compare favorably with those made by England in the time of her troubles. Our loans of 1861 were made at $34\frac{1}{2}$ per cent above our normal rate of interest; the mass of England's, at 56 per cent above hers.

Mr. Chase has sold no other loans below par. For comparison and contrast of all these transactions, see Tabular Statement No. 3, Appendix. But

THE ACTUAL COST OF THESE LOANS

is not found or shown truly by the mode of statement and estimation usually adopted with loans sold under par. The sinking fund system, as applied to providing for the payment of the amount of discount out of the cash proceeds of the loans, or other money borrowed for the purpose, has proved itself a failure. In England it so far disappointed the expectation of relief, that the part of it which consisted of borrowed money was abolished thirty-five years ago; the Finance Committee of the House of Commons reported that in the twelve years ending in 1828, the commissioners had effected a reduction of the debt to the extent of only three and a half millions. A sinking fund made up of surplus revenues, has some meaning and use;

but when it is supplied by direct loans, or by over-estimates of expenditures made for the purpose of putting the surplus of such appropriations to this use, it is a failure. The real cost of a discounted loan is the whole excess of interest paid upon it while it runs, and the excess of the principal paid at maturity; and this total may be well expressed by the proportion it bears to the sum actually received from the lender.

We have added to our comparative statement (No. 3) of the English and American loans, several columns, to exhibit this apprehension of the cost of the loans, and the relative credit of the Governments making them.

FEDERAL CREDIT IN 1861 AND 1863.

The credit of our Government, as expressed by the enthusiasm with which the people have met the calls of the Treasury, first in the autumn of 1861, and now in the summer of 1863, is a theme fitter for the poet and orator, than for the graver treatment of a mere statistician. It cannot be justly despatched in a paragraph, but a word or two will be in place here.

The 7-30 loan of 140 millions was issued in bonds of 50, 100, 500, 1,000, 5,000 and 10,000 dollars. Of these, 154,518 of the lowest denomination, and 194,141 of the next higher grade were sold, being nearly three fourths of the whole number (485,608.) Mr. Jay Cooke, the Philadelphia agent for the sale of these bonds, reports that full eighty millions of the amount went through the agents and first purchasers directly into the hands of *the people* in exchange for coin.

This popular loan was made at par a few weeks after the first Bull Run battle, and in answer to the announcement of the London *Times*, that England would not advance a shilling upon the faith and credit of the Federal Government.

Just now, in the month of May, 1863, another *popular* loan is running at the rate of 64 millions subscribed at par, 6 per cent stock, in 31 days, —running at this rate under the shadow of another announcement of the “Thunderer” that: “If the American war be prolonged much longer, or if the subjugation of the South be accomplished either late or soon, American finance must be without hope”—to which the people of the North reply by taking 36,691 of the \$50, 56,554 of the \$100, and 48,871 of the \$500 bonds, and greatly more than the half of them within the space of a calendar month!

Now, recollecting that on the failure of a treaty of peace with France in 1797, and the mutiny of a handful of British sailors, Consols tumbled down to $47\frac{3}{8}$, and stood at from 57 to 60 from 1793 to 1816, we should like to hear from the *Times* on the probable effect upon British Government stocks and the credit of the English exchequer, if a civil war, like that now raging in the United States, were to break out in Great Britain, involving one-third of the United Kingdom in revolt against the British Government.

We will help the reply by furnishing the facts of the money market history which show—

THE COMPARATIVE CREDIT OF GREAT BRITAIN AND THE FEDERAL GOVERNMENT, IN THEIR RESPECTIVE TIMES OF TRIAL.

The normal prices of the British 3 per cents being 93, and standing always above 89 from 1730 to 1745, they fell during the Scotch rebellion of 1745 to 76; at the close of the American war, (1781,) to 54; in 1797 to $47\frac{3}{8}$, and in 1854 (Crimean war) to $85\frac{1}{8}$.

The United States 6 per cent 20 year coupon bonds were at 89 to 92 in September 1861, in April 1862 rose to 98, in June to 107 $\frac{1}{4}$, fluctuated, between July and December, from par to 104, and from January 1863 to April varied from 99 to 106 $\frac{1}{2}$.

The price of Gold in the respective markets presents the following relative ranges:

In the English market gold was above 25 per cent premium for 3 years from 1811; for two of those years above 30 per cent; one year and a quarter above 36, and at 41 $\frac{1}{4}$ from November 1812 to March 1813. At New York 5 months after the suspension of specie payments gold was at 4 per cent premium; during 3 $\frac{1}{2}$ months, from 3d July to 20th October 1862, it was under 30; for two months after, above 33; from 1st January 1863 to 3d of March, fluttering from 33 $\frac{1}{2}$ to 72 $\frac{1}{2}$; after which it went down to 46 on the first of June.

This history, considered with reference to the respective conditions of the two nations, is all in favor of the Federal Government.

A comparison of our present credit with that of our own government in former exigencies, is even more surprising. The loans of 1799 and 1800 were sold at a discount of 17.29 per cent; those of 1813 at 12 and 11.75; those of March 1814 at 19.86; and the total of the discounted loans from 1799 to 4th March 1861, at an average discount of 12.55 per cent; while the total of the present Secretary's loans sold under par, calculated upon the par of 6 per cents, fall to 5.9 per cent, average discount!

On a full review of all the facts are we not safe in saying that in the very midst of this hurricane of civil war, our Treasury *is in smooth water*.

Closely connected with the Federal debt and the expenditures of the civil war, is the

UNITED STATES CURRENCY.

which represents so large a portion of the debt, and is used as the medium of payment by the Treasury in liquidating the extraordinary expenditure of the war.

As in the case of our national debt, we are best able to grasp and understand the question of our currency by comparing its present condition with that of the corresponding period of England's history—a history which worked itself into issues so well understood, that we may readily see the facts of our own case, and forecast the results, by the light thus afforded us.

The jeremiads rehearsed and wept over the English debt we have seen. More doleful, if that were possible, was the public feeling on the subject of their currency. The figures that did the service of reducing John Bull to despair in 1815 stood thus, according to the estimate of Mr. Lloyd, who is received as the best authority in this branch of statistics:

Bank of England Notes,.....	27 $\frac{1}{4}$	millions of pounds.
Country Banks,.....	45	“ “
Scotland and Ireland,.....	31 $\frac{1}{2}$	“ “
	<hr/>	
	103 $\frac{3}{4}$	equal to 504 millions dollars.
Exchequer Bills,.....	41 $\frac{1}{4}$	“ “ 202 “ “
	<hr/>	
Total circulation,.....	145	“ “ 706 “ “

This amount, in a population of 19 millions gives an average of \$37.16 per capita.

In the 8 years from 1844 to 1851 the average circulation of all the Banks and Bankers of the three kingdoms was $172\frac{1}{2}$ millions of dollars, and the average outstanding exchequer bills $87\frac{1}{2}$ millions dollars. Total average circulation of those years, 260 millions of dollars, which in a population of $27\frac{1}{4}$ millions gives a circulation of \$9.53 a head. Thus, when the wealth of England was but 10,400 millions of dollars, the circulation was four times greater than in 1844-51, when the wealth was more than the double of 1815, or, in relative amount full eight times greater.

Here was abundant opportunity and no slight apparent warrant for an outcry. England's gold was drained to exhaustion by her war expenses and subsidies paid abroad. Bonaparte held the opinion that she must succumb when reduced to an utterly redemptionless note currency. The opponents of the government, the bullion-heads and the whole body of the alarmists and despondents, held the same doctrine. The famous bullion committee of the House of Commons, of which the afterwards distinguished Mr. Huskisson was a member, sustained it; arguing as ably as the best of our democrats, for a cash, and against a credit, circulation; and recommending an instant return to cash payments, without regard to consequences, or any respect for impossibilities.

The prevalent feeling is thus stated in Knight's History of England: "The members of the Parliamentary opposition, and the opposition newspapers had assured the world, that Great Britain was altogether incapable of continuing a struggle which was draining up her resources; that she was exhausted and impoverished; and that every effort she made against the power and will of France, only hurried on her final ruin. But here was a voice of another kind; here a Committee of the House of Commons, composed of men of name and reputation, some of whom had recently belonged to the Ministry, declared in a report to the whole country that the paper currency was *depreciated*, and was becoming every day more and more like the *assignats of the French Revolutionists*."*

Now let us see how our green-backs and other currencies compare—not with the *Assignats*, nor even with the "Continental money" of our Revolution, but with "the depreciated and depreciating" Bank of England notes, every dollar of which was at the par of gold, three years after they were at their worst, which was three times worse than at the date of the Parliamentary report, which we have quoted at some length, to show that the Vallandigham Committee Address of last year has an authority for facts, forms, principles and prophecy, clear and close enough for a precedent, and well nigh proving itself a plagiarism besides.

THE BANK NOTE CIRCULATION OF THE UNITED STATES,

from 1852 to 1859—8 years—averaged 146 millions, making \$9.06 per capita. On the 1st of May, 1863, the bank circulation of the loyal

*These assignats which have been rendering a like service to the "opponents" of our government, in our "House of Commons" and in the newspapers, were a paper currency issued by the National Assembly of France in 1790. At one period the enormous sum of eight milliards or eight thousand millions of francs, equal to 1480 millions of dollars, were in circulation in France and its dependencies. They were called assignats because the national domain, consisting chiefly of the property of the church and the confiscated estates of the emigrant noblesse, was *assigned* for their security and redemption. They became waste paper, and at a very late period might be seen pasted upon the cottage walls of the French provinces as monuments of the time when they fell worthless in the hands of the holders.

States (assumed to be the same as in December last) was \$168,400,000; the United States notes and fractional currency, \$394,920,956. To these add the one year Certificates of Indebtedness, which may be taken to correspond, in the way of circulation, to the Exchequer Bills of England. In tabular statement, thus:—

	AMT. IN MILLIONS OF DOLLS.	PER CAP.	MILLIONS OF DOLLS.	PER CAP.
Great Britain, in 1815, Bank Notes,.....	504	\$26.52		
Loyal U. S., 1st May, '63, Treas. & B'k N'ts,			563 $\frac{1}{8}$	\$23.47
Great Britain, 1815, Exchequer Bills,.....	202	10.63		
Loyal U. S., 1st May, '63, Certfs. Indebt's,..			142 $\frac{3}{4}$	5.96
Totals,.....	706	\$37.15	706	\$29.43
Total average circulation of Great Britain, 1844 to 1851,.....	260	\$9.53		
Total average circulation of loyal United States, 1851 to 1859,.....			146	9.06
Wealth of England in 1815,.....	10,400			
Wealth of loyal U. S. in 1863,.....			13,395	

Thus it appears that our total circulation, in 1863, is exactly equal to that of England in 1815—our wealth being three-tenths greater, and our per capita circulation more than one-fifth less. Moreover, their circulation quadrupled their own average of a much later date; ours slightly more than trebles our average of a period three years gone.

Now if England's Exchequer Bills, and Bank of England Notes, making 335 millions of their circulation, were as good as gold three years after the time of their greatest "depreciation," the hackneyed comparison with the *Assignats* failed terribly; and we may very properly call the attention of our committees of Congress, statesmen, editors, and their copyists, to the difference there has been, once before, between the *Assignats*, as a figure of speech, and the currency they were employed to caricature.

Our "inflated currency," so far as the banks are concerned, does not exceed our average, in specie-paying times, more than 22 millions, or 15 per cent. As to the green-backs, the history of the 5-20 loan, in the month of May, shows that the Secretary can fund any surplus of them in circulation, at the rate of two millions a day; or, if he were in a hurry, by calling for bids he could do it, at twenty days notice, at once—which brings us to the conclusion, that the day on which the war closes will be just the day before the resumption of specie payments, to all intents and purposes.

The suspension of specie payments lasted twenty years in England. Her Bullionists bravely, for all those twenty years, in the very teeth of the facts, declared that a purely credit circulation could not be maintained; and, under favor of war prices and speculations in gold, kept up the cry of "depreciation," to the bitter end. Taking it for certain that this piece of history must get a rehearsal among us, we content ourselves with furnishing the materials for better opinions, to better men; and precedents and forms of despair to those who must needs see things the way they don't like them, and don't like to see things just the way they are.

OUR NATIONAL RESOURCES.

We propose to treat this subject under the following heads:—

1st. The capital, or present value of the property of the people—estimates based upon the official returns of the Census Bureau.

2d. How the resources of the Union are affected by the secession of the rebel States.

3d. Our prospective resources.

1ST. PRESENT CAPITAL OF THE LOYAL STATES.

Having already given the official valuations, we give now only a brief recapitulation, with explanations:—

	YEAR.	POPULATION.	REAL AND PERSONAL PROPERTY.	Increas'd val. p. ct.	PRODUCTS OF THE YEAR.
United States,...	1840	17,049,453	\$ 3,764,000,000	\$1,063,135,000
“ “ ...	1850	23,191,876	6,174,349,828	64	1,985,831,000
Loyal States,....	1850	15,924,122	4,728,247,586	1,513,039,227
United States,...	1860	31,429,891	14,183,215,628	129.7	3,736,000,000
Loyal States,....	1860	22,328,133	10,716,109,961	126.6	2,818,336,919
“ “	1863	24,000,000	13,395,137,451	25	3,522,921,184

EXPLANATION OF THESE ESTIMATES.

The authority for the population and valuation of the property of the country and the rate per cent of increase for the years 1840, 1850 and 1860 is the official reports of those decades made by the Census office. The values of the products of the census years 1840 and 1850 are the estimates of Professor Tucker, based upon the census returns. The estimates of the products of 1860 are our own, following the same rule of computation. The population and valuation of 1863 are obtained by the same rule.

It will be observed that the products of the year 1850 are 32 per cent, and those of 1860 are 26.3 per cent of the valuation of the property.

These amounts are greatly below the truth. They do not yield a per capita production of annual values beyond the necessary consumption of the people, and, of course, can afford nothing to the constant accumulation of wealth. The obvious deficiency is owing to the following causes:—

The census returns take no account of the agricultural products and domestic manufactures of our farmers consumed by their families and their employes; who in 1840 were quite three-fourths of the population, and were nearly in as large proportion in 1850, and approaching it in 1860.

Again, the vast total of mechanical products which individually fall below the value of \$500 per annum, is omitted.

Nor is there any notice taken of the labor employed in clearing and improving lands, in building and repairing railroads, canals, houses, manufactories, steamships and other vessels; nor of the labor in transportation on the ocean, lakes, rivers, canals, railroads, highways, &c.; nor, of the labor in the mines and forests. The labor thus overlooked finds expression only in the reports of such products as go into market, by the addition it makes to their value. But very much the largest portion escapes

all notice, except in the decennial valuation of the real and personal property of the people.

Another cause of disproportion between our estimated annual production and the enhanced value of property, is the great and rapid enhancement in the value of our real property, which is immense in the new States and Territories, and even more surprising in the older States.

In this brief and imperfect enumeration of the industrial products and services omitted by the Marshals, probably one-half of the annual yield of the country lies uncounted. Even in England, where the assessor and the exciseman watch the labor and business of the country with the vigilance and the authority of inquisitors, it is believed that one-fourth of the industrial products escape them. How much more of this must happen among a people living in such abundance that the half of them take no note for themselves of what they acquire or consume.

Our official valuations, and the estimates of experts, are, for these reasons, very short of the mark; but they serve the purpose of comparative estimates very well. They probably correspond with sufficient exactness to give us, not the amount of our wealth, but the rate and proportions of its progress, and so enable us to measure the relative ability of the country at different periods to bear its burdens and provide for its expenditures—a subject already presented to the reader in sufficient fullness. Let us now endeavor to understand—

2ND. HOW OUR RESOURCES ARE AFFECTED BY SECESSION.

The Rebellion leaves our capital in real and personal property just where it was before secession.

The public domain lying within their limits, and the material wealth on its surface and under it, never did, and, under the slave system, never would repay expenses of purchase and charges to the Federal Government; and, with a thousand millions of acres of unseated lands, all lying north and west of the slave region, which the Government is ready to give free of charge to the occupants, it is not soil or minerals, forest or rivers, mountains or valleys that we need, (for any purpose) beyond that which is in our possession. (See Tabular Statement No. 4.) These lands undisposed of, are practically unlimited in value to the nation, and indirectly to the Treasury. A national debt thrice the amount of England's could not outlast the period in which they will be coming into available value, or the production of taxable wealth to our people, as we shall presently see.

The abated resources of the nation in direct taxes, occasioned by the rebellion, may be stated in a word:

Congress by the act of 5th August, 1861, assessed a tax of twenty millions upon the whole United States, apportioning to each State its constitutional share of the levy. Of this sum the portion charged upon the loyal States was \$15,846,047; the portion of the Rebel States was \$4,153,952, a trifle more than one-fifth of the whole amount. Even in this meagre amount 3,470,121 slaves are charged as 2,082,072 persons; an element of taxation which it is to be presumed would not long remain in the present aspect of this world's affairs, and which if deducted would leave the rebel states at one-seventh of the Union for this purpose, or liable for one dollar in seven of the direct taxes to be raised for the use of the nation.

Since 1816 the Slave States have contributed nothing to the treasury in land or property tax. They have enjoyed the political power of a slave

basis of representation in congress and in the electoral college, nearly half a century, in entire exemption from the cost of their side of the compromise.

So far then this is only a loss of that which we have not had, and, at best or worst, a very small one in any time of need. But the secession of the rebel States is a question of both

PROFIT AND LOSS.

Among other things, we are disburdened of near five millions per annum of mail expenses, which their accommodation cost the North. Along with this, innumerable items and grand aggregates of civil expenditure; annexation and filibustering enterprises—such as extinguishing Indian title to lands within their borders, or beyond them, for their use; and perpetual acquisitions of territory for their exhaustive slave culture, with the national wars and wickedness attending. Their contingent of one dollar in five or seven of direct taxes, weighs like a feather in the scale against these masses of expenditure made in their behalf at the cost of the free people of the nation.

One other item of the political account current—

THE INDIRECT TAXES,

paid by them into the treasury as consumers of foreign imports, has been a source of strife ever since the customs, of which the five-sixths were paid by the north, seemed no longer necessary to save them from the payment of all other taxes. While the debt of the revolution and of the last war remained to be met, they were content to let the free states pay 86 per cent of it in customs duties—the great nullifier of 1833 voting for the tariff of 1816. But so soon as the national debt was discharged, duties for protection became vastly more unconstitutional than nullification or rebellion.

As profit and loss this item stands thus: the South consumed of foreign imports something less than 50 per cent of their proportion according to population, which runs their contribution down to 14 per cent of the total import duties, or seven millions of the ordinary income from customs, per annum.

If they are sure that this was a loss to them, we know that it was not a corresponding profit to the North. Their incessant endeavor, and not unfrequent success, at reducing the productiveness of this branch of the revenue, really occasioned incalculable losses to the North. But such as it is, it must stand in finance reports as a loss, and we have given the full amount of it.

The effect of the severance of the Union upon the commercial and industrial interests of the North would, under the laws of trade be nothing. Commerce is not limited by political boundaries. But the rebellion, the war of the rebellion and the blockade, must have had some influence. Let us see:—

1ST. UPON OUR EXPORTS TO FOREIGN COUNTRIES—

which may be expressed in the reported money values, as the prices of commodities in foreign markets are unaffected by the rebellion and our domestic currency.

Our fiscal year ends on the 30th of June. During the year ending June 1862, trade with the seceded States was interdicted and suspended. For this year we have the official report of our foreign trade complete. In Tabular Statement No. 5 our domestic exports (exclusive of gold and

silver) for the complete year 1861-2 are compared with those of all the States of the Union in the year 1859-60 the last complete fiscal year before the rebellion; showing also, the necessary decrease of Southern exports in 1861-2, and the increase and decrease of Northern exports in the latter fiscal year as compared with those of 1859-60.

The estimated share of the South in the exports of the year 1859-60, of animal and vegetable products, usually classed as agricultural, of tobacco, hemp, manufactures, &c., is carefully made. The statement shows the increase of Northern exports, as follows:—animal products, (ag'l) $19\frac{1}{2}$ millions of dollars, vegetable $60\frac{1}{2}$ millions, of tobacco near 7 millions, and of other articles of domestic production, the balance of 89 millions. The decrease in the products of the sea and forest together, is less than two millions; of manufactures, $13\frac{1}{2}$ millions; $10\frac{1}{4}$ millions of this decrease being in cotton goods and manufactured tobacco, for lack of the staple of the former, and by closure of the Southern ports against the export of the latter. The total decrease amounting to $15\frac{1}{2}$ millions; which leaves a resulting total increase of $73\frac{1}{2}$ millions of exports of Northern products over their own total in 1859-60.

But the total exports, Northern and Southern, of 1859-60 exceeded the average of the preceding six years by 69 millions, and the highest of them, 1858-59, by 38 millions. To the average total exports of those six years the loyal States contributed 101 millions; in 1860, 108 millions; and in 1862, $181\frac{3}{4}$ millions; which makes the excess of 1862 full 80 millions above the average of the previous six years.

The amount of profit and loss in the export trade of the two years compared, therefore, stands thus:—a gain in the proprietary profits of 73 millions worth of exports, against the commissions and transportation profits upon that portion, about one-twelfth perhaps, of 208 millions of Southern products which would otherwise have found their way out into the world through Northern hands.

None of the rules of arithmetic will prove that a loss is a gain, but the laws of productive industry have often converted losses into profits, "from seeming evil still educing good," as under their rule many an instance of great commercial gain has resulted in still greater loss.

This case of our foreign exports is an eminent instance of the truth of an apparent paradox; and in the effects of the rebellion upon the total productive industry of the loyal States, irrespective of their foreign trade, we have another grand instance of great benefit gathered from a rough trial, in which a people lose their largest customer, and gain thereby increased industrial productiveness and profit. This involves an inquiry into the mechanical and manufacturing industry of 1862-3 as compared with that of 1860.

COMPARATIVE STATE OF NORTHERN INDUSTRY DURING THE SUSPENSION OF TRADE WITH THE SOUTH.

This inquiry into the business affairs of the day, to be caught on the wing, before they have settled themselves into fixed and formally recorded results, throws us necessarily upon the estimates of experts. The results of the most reliable investigation are given in detail in our tabular statement No. 6. Business men having the advantage of an inside view of their own specialties, will make their own corrections of the estimated productions of the current year, and we think it will be found that a cautious avoidance of excess and over-statement has kept down the figures considerably below the truth. The estimates were first made in December

last for the use of the Bureau of Internal Revenue. In April Mr. Blodget felt assured that the advance in manufacturing during four months, required an increase in the quantities of about 15 per cent: and we are now satisfied upon inquiry that another addition of 10 per cent would not more than meet the increase indicated by the business of June. This would bring the manufacturing industry of the present year in the loyal States just up to the quantities produced in 1860. The middle column of the statement expresses the quantities or relative quantities in the prices of 1860; the third column is an estimate of the same quantities at the current wholesale or first cost prices of the present time, which in the average are 25 per cent above those of 1860; some of them being fifty, a few seventy-five, but many of them below twenty per cent higher than two years ago.

The total Northern manufactures of 1860, according to the census report, amounted to \$1,754,650,000. About one hundred and fifty millions of these items are not compared with the like products of 1863, but assuming that these hold the same ratio as those estimated in the table, it would result that the temporary loss of customers, who formerly took six times more of our manufactured products than all the world besides, has affected this branch of our industry to the extent of barely 10 $\frac{1}{2}$ per cent; or if our judgment be correct, has not lessened our production at all in quantity. We believe that business men generally will hold this higher estimate to be quite within the bounds of fact.

The knowledge of an immensely enhanced activity in all branches of industry is brought home to every body in the free States by the almost perfect distribution of its benefits. One class, and one class only, of the people, and that a class which the general prosperity always injures, suffers something,—the class of annuitants, salaried officers, and people living upon accumulated capital. Their incomes stand still at their former figure, and vast amounts of their investments in mortgages and funds secured upon property are paid off and sent seeking new investments. Debts of record are settled this year to three times the amount ever known before, and millions of property are liberated from encumbrances. But it is the fate of those who have thrown their support upon the industry of others to suffer alike by general insolvency and general prosperity, with this difference, that in the one case they suffer irreparable loss, but in the other, must some way or other participate in the general advantage.

We speak not only upon common fame, but by the record on this subject. The Recorders of Deeds and Mortgages and Clerks of Courts of Record every where are our witnesses.

But the evidence is just as strong in every department of business. The house, shop, and factory building in Philadelphia, taken from the registry of permits, shows that in 1860, 636 buildings were in process of erection in the first four months of the year, whereas in the corresponding months of 1863, the number of permits rose to 911, and for the month of May the office reports a larger amount of Inspector's fees than ever was received in any month before. This report, better than the number of buildings, measures the value of the erections, for the fees are proportioned to the size of the structures.

The reports of the Savings Banks are to the same effect, and most remarkable among them is the state of those institutions in New England. In the five largest manufacturing towns, Lowell, Lawrence, Waltham, Fall River, and Taunton, where diminished incomes if not absolute destitution, among the people, who are the chief depositors, was expected from the

suspension of the Cotton Mills, the account published in March last shows that in the year 1862 the number of depositors increased 2,687, and that the amount of deposits increased \$1,162,264. The Bank Commissioners of Massachusetts in their report to the Legislature for 1862-3 exhibit an increase of 23,842 depositors and an increase of \$5,618,235 in the deposits, for the year, in the Savings Banks of the State.

When New England, that was believed to live upon cotton, shows such an account at the end of two years of threatened ruin, the condition of the rest of the country may be considered safe and sound.

One other sign and a very significant one, deserves notice here. The price of paper, composition and other elements of the cost of book-making have advanced quite 25 per cent, yet the best informed man in the trade, the publisher of the *Bookseller's Circular*, Mr. G. W. Childs, of Philadelphia, answers an inquiry put to him thus: "From present appearances I am satisfied that there will be more books sold this year in the loyal portion of the United States than were ever sold in any one year when we had the whole country to supply (both North and South.) Besides, business is done mostly for cash, which never could be done with the Southern trade. A leading house in Chicago writes me that they are selling more books than ever before—the same report from Cincinnati."

Such is the present state of the manufacturing and mechanical industry of a people who have sent a million of their laborers and wealth-producers into the Army!

We make no estimate of the agricultural products of the present year. It is unnecessary. The region that in 1861-2, the first full fiscal year of the rebellion, could spare from the sustenance of its army in the field, eighty millions of bread stuffs and provisions for foreign trade above the amount of its greatest exports in any former year, needs no other proof of its capacity. The crops now ripening to harvest promise grandly. They will not fall below the best and largest. The soil will yield its usual abundance, and in the usual excess of the home demand; and it depends only upon the foreign demand to bring our exports of food up to the amount in 1862, or above it.

Such results as we have reached may well awaken some wonder. But such demonstration as we have been able to give them, though sufficient for the argument, may leave some doubt—rather, opinions surprised by such contradiction may require explanations before they admit the conclusions we have reached.

There is an inveterate opinion abroad that the profits of labor and the resulting wealth of a nation can be realized only through *foreign* trade; that a State grows rich only upon the profits of its traffic with some other, State and the greater the distance between them the better.* The doctrine strengthens in proportion to the size of the community. A nation must bring its wealth across a sea, and *a fortiori*, we must infer that the only chance the globe has for growing rich all over, is by a trade with the moon or some other outlying province of the solar system. Consequently when a working community loses a large foreign customer it must go into bankruptcy. A very free-trader holds that a State can no more prosper by its own domestic commerce, than two boys can make five dollars *each* by

*If a nation's wealth grows only by its foreign trade, then the United States in the decade ending 1860 must have made 8,000 millions clear gain out of its 2,322 millions of domestic exports.

exchanging their jackets. Yet he asserts that *foreign* trade yields reciprocal profits. Leaving this philosophy for the enjoyment of its inventors, let us see how

THE NORTH LOSES A LARGE CUSTOMER AND PROSPERS.

The half of our population of both sexes are over fifteen years of age. The same proportion held in 1850; but in that year only 27 per cent of the total population were in the various classes of the "employed," which was but 54 per cent, or a fraction more than half of those over 15 years of age, leaving $5\frac{1}{2}$ millions unemployed.

The proportion in 1860 may be safely taken to be the same, taking care to remember, besides, how many of the "employed" were but half employed.

In 1863 the population of the loyal States by the usual rule of increase would be 24,400,000. Taking it at 24 millions, 27 per cent of this number gives us $6\frac{1}{2}$ millions as the number "employed" on the peace establishment, and leaves us $5\frac{1}{2}$ millions of both sexes, as a reserve guard of industrial forces to draw upon. $2\frac{3}{4}$ millions of these are males above the age of 15—An abundant source of supply to fill the places of one million of men in the military service.

But put these $2\frac{3}{4}$ millions of men, and the $5\frac{1}{2}$ millions left after the military draft, upon full time at tempting wages, and all the wonder of the increased production of a period of war vanishes. We could spare another million and carry on the nation's work to a higher figure than it ever has yet reached. Our calculations do not ask *more* than an increased productiveness of 25 per cent above that of the year 1860. There is abundant provision for it. We have 12 millions of people above the age of 15. We send one million of them to the field, leaving us 11 millions. We put but $8\frac{1}{4}$ millions of them to work, against the $6\frac{1}{2}$ millions employed in 1860, which gives us 27 per cent increase in numbers merely, to say nothing of the greater productiveness of the mass, under the stimulus of war prices, choice of labor, and fullness of time, with all their earnings and savings. The fact that a large proportion of our soldiers were of the "unemployed" in 1860 makes still more margin for our estimates, and strengthens the explanation.

A close reader of these pages will notice that our calculations do not require an increase of 25 per cent in the industrial products of the year. We have not put either the manufacturing or agricultural estimates above the products of 1860, but we have a lurking conviction that they are at least that much enhanced, and finding the causes ample, give a conjectural place to the effects, with abundant allowance for the inactivity or failure among the causes which we find potentially present.

The very best and healthiest of all the causes of this prosperity is that one which has given us our own work to do—the congressional legislation of 1861–2 upon import duties, aided by the high rate of foreign exchange.

For more than a year we have had the competing industry of Europe under a tolerable commercial blockade, and the policy which saves a nation's work for its own hands has had a demonstration of its wonder-working power among us, which will not be lost when gold falls to par and peace puts in practice the wisdom that war has taught.

Occupied with the horrors and evils, the waste and the terrors of this rebellion, some one may turn upon us with impatience and ask whether we mean to prove that war is a blessing? No, alas! No. War, Pestilence and Famine are a leash of evils, usually associated, but happily separated

in our case, sparing us the most terrible, and so far modifying the fury of the leader of the train, and with this further mitigation, that for the time it has broken up a wretched system of commercial policy, greatly more destructive to the industrial interests of the nation than all the usual waste of war. It has muzzled the two blood-hounds that always hunt in couples, *slavery* and *free trade*, slavery ever crying for free *foreign trade*, and *free trade* meaning nothing but *slave men*. Even a national debt may be lighter than a paralyzed industry, and may indirectly give the strength to bear its burden, by protecting labor itself from foreign invasion, and keeping it free to build up a nation's wealth.

PROSPECTIVE RESOURCES OF THE UNITED STATES.

In the treatment of this subject, we limit ourselves to the simplest presentment of the principal data for the estimates and opinions to be formed of the available wealth of the nation in the immediate future which has our debt and expenditure to provide for. No reader, of common understanding in these affairs, can need our help in forming his conclusions.

THE PUBLIC LANDS

lying within the loyal territory of the Union, open to settlement, and undisposed of, are exhibited in Tabular Statement No. 4. This statement was prepared in the Land Office, in the month of May, 1863. We have added, from the official returns of the Census Bureau, the population of the several States and Territories, embraced in the statement, and the official valuation of the private property, real and personal, of the inhabitants in 1850 and 1860, with the rate of increase per cent, to give some notion of the progress of which that region is capable. It appears that nearly a thousand millions of acres of these lands remain undisposed of, within an area of eleven hundred and thirty-two millions.

These lands, yet belonging to the Government, are not relied upon for revenue arising directly from their sale to the occupants. The liberal provisions of the law of May, 1862, granting homesteads to actual settlers, the bounty lands assigned to our soldiers, and the large donations made to the States and Territories for educational and other purposes, with the grants to rail road and telegraph companies, will, in the opinion of the Secretary of the Interior, prevent the receipt of any considerable revenue from that portion of these public lands fitted for agricultural and pastoral uses. A very moderate and very reasonable reservation of the products of the precious metals, it is believed would in good time pay off our whole public debt; but no such tax having yet been laid upon the miners of these treasures, they are not now considered as a source of national revenue.

It is only as contributing to the wealth of the cultivators, and thus to the taxable wealth of the nation, that they are now presented.

We see that in the region of these lands the private property of its inhabitants increased in value in the ten years from 1850 to 1860, from four hundred and fifty-two, to two thousand five hundred and twelve millions of dollars, or full 450 per cent; and the population from 2,613,000 to 6,027,000 persons—a clear gain of 130 per cent.

This is not the description of a wilderness, but rather realizes the idea of "a nation born in a day." A progress so stupendous at, and even

before, the golden era of their destiny, scarcely allows any limit to the prospect which it opens.

No one, acquainted with the movement in this vast domain of 1,862,876 square miles, can have any doubt that the advance of the next ten years will immensely overpass the last. We are personally acquainted with hundreds of men who are as old as the States of Ohio, Indiana and Illinois, which now have an aggregate population of 5,400,000 souls, drawing their living from the *surface* of the soil. If this has happened within the little limits of a human life-time, and within an area of 130,000 square miles, what is the promise of a space fifteen times their measure, as rich in agricultural forces, and underlaid with unlimited *mineral wealth*?

The Commissioner of the General Land Office, in his report of the 29th December, 1862, says :

“The great auriferous region of the United States, in the western portion of the Continent, stretches from the 49th degree of North latitude and Puget Sound, to the 30° 30' parallel, and from the 102d degree of longitude west of Greenwich, to the Pacific Ocean, embracing portions of Dakota, Nebraska, Colorado, all of New Mexico, with Arizona, Utah, Nevada, California, Oregon and Washington Territories. It may be designated as comprising 17 degrees of latitude, or a breadth of eleven hundred miles, from North to South, and of nearly equal longitudinal extension, making an area of more than a million of square miles.

“This vast region is traversed from North to South, first, on the Pacific side, by the Sierra Nevada and Cascade Mountains, then by the Blue and Humboldt; on the East, by the double ranges of the Rocky Mountains, embracing the Wasatch and Wind River Chain, and the Sierra Madre, stretching longitudinally and in lateral spurs, crossed and linked together by intervening ridges, connecting the whole system by five principal ranges, dividing the country into an equal number of basins, each being nearly surrounded by mountains, and watered by mountain streams and snows, thereby interspersing this immense territory with bodies of agricultural lands, equal to the support not only of miners, but of a dense population.”

“These mountains,” he continues, “are literally stocked with minerals; gold and silver being interspersed in profusion over this immense surface, and daily brought to light by new discoveries.” “In addition to the deposits of gold and silver, various sections of the whole region are rich in precious stones, marble, gypsum, salt, tin, quicksilver, asphaltum, coal, iron, copper, lead, mineral and medicinal, thermal and cold springs and streams.”

“The yield of the precious metals alone of this region will not fall below one hundred millions of dollars the present year, and it will augment with the increase of population, for centuries to come.” “Within ten years the annual product of these mines will reach two hundred millions of dollars in the precious metals, and in coal, iron, tin, lead, quicksilver and copper, half that sum.” He argues the propriety of subjecting these minerals to a Government tax of 8 per cent, and counts upon a revenue from this source of 25 millions per annum, almost immediately, and upon a proportionate increase in the future. He adds that “an amount of labor relatively equal to that expended in California, applied to the gold fields already known to exist outside of that State, the production of this year, including that of California, would exceed four hundred millions.” “In a word, the value of these mines is absolutely incalculable.”

To open up these lands for immediate settlement, develop their wealth, and connect them and the Atlantic States with the Pacific coast, Congress in July, 1862, incorporated a Company to construct a line of Rail Road and Telegraph: granting to the Company ten square miles of public land in ten alternate sections on both sides of the road and within ten miles of it, for every mile of road made, completed and equipped; engaged, also, to extinguish the interfering Indian titles along the route, and lending the bonds of the Government to the Company to the amount of sixteen thousand dollars for every mile of finished road, equipped and in running order, holding the road mortgaged for the payment of the interest and redemption of these bonds at maturity by the Company.

This, with all the independent inducements, promises an early achievement of the great enterprise of connecting the Pacific coast with the valley of the Mississippi; unlocking the treasures of the vast region traversed, and peopling the great belt of highway with a race destined to open the trans-continental trade of the civilized world, and ultimately occupy the vast basins of the Cordilleras from the 49th degree of North latitude to the heart of the semi-tropical Zone on their Southern border. These things are not merely in the possible of the far-future, they lie not only in speculation, with centuries for its range—we touch the things we contemplate; they are in our grasp, and answer to the exigencies of the present.

The people of the non-slave-holding States increased from 2,601,509 in the year 1800 to 13,330,650 in 1850 or nearly six times, before the Pacific coast had fairly opened to them, and while all the wealth of these 1,000 millions of acres lay unrealized and almost unknown. Upon that basis they swelled their numbers in the next ten years $41\frac{1}{2}$, and their wealth 126 per cent. This grand capital of men in the next 40 years will rise to 75 millions, and, their wealth beyond computation by the arithmetic of progress in the past. The loyal States to-day lack but one-fifth of the population of all the British Islands. They have in their hands a wealth in the useful minerals, independently of those usually called the precious, capable of a hundred times the product of theirs; an agricultural sweep equal to feeding the world, and capable of bringing out of their domain all that man can compel nature to yield to his wants.

The new and the golden lies out large and grand along the track of our future, encumbered with a debt only one-third of the magnitude of that under which England has augmented her wealth in 45 years from eleven to thirty one thousand millions of dollars in value.

But this dazzling picture of our West and Northwest must not be allowed to overshadow the hope that is in the States now called the older of the Sisterhood. In the last ten years they have more than doubled the capital of their wealth and added $41\frac{1}{2}$ per cent to their free population. Old as they are called in the young family of the still younger, they are fresh in all their energies and resources as on their natal day; and stronger by all they have achieved for still greater achievement. The new States of the Northwest have contributed handsomely to the national growth, and greatly augmented their own, but while Ohio appreciated 136 per cent, the old States, New Jersey increased 133, Connecticut 185, and New York and Pennsylvania, millionaires among the States, added respectively 70 and 96 per cent to their great capitals of 1850.

Who, and what shall limit the probabilities in the immediate future, of such a people, the masters of such possessions? If the statesmen of England feel assured that their debt is not only lessening but relatively

dwindling in the progress of their wealth, a debt which in 1816 was an incumbrance of \$41,14 upon every hundred of the value of the three kingdoms but now only \$12,34 on the hundred, though it stands in pounds sterling within a trifle of its highest figure, what will be the effect upon ours?

Under our greater rate of growth—three-fold greater in the last decade, we will not venture to say how much still greater in the next twenty years—what will be the burden of a debt of twelve or fifteen hundred millions, upon the wealth that shall spring from our mines, our fields, our work-shops and our commerce? Their acquisitions are the small profits extorted by ill-paid labor from sources limited in quantity and variety to a trifle in comparison;—ours are practically unlimited; measured, not by miles and acres but by degrees of latitude and longitude, and varied by every shade of influence that the sun rains on civilized mankind; stored with every species of wealth that the world knows and wants; lying all along and covering the historic zone of civilization; measuring an area equal to all Europe, Russia excepted, and offering one-half of its tribute gratuitously, while with the other half it rewards industry at full four-fold the rate of profit known in the old world.

May we not now conclude that a people so situated, so circumstanced, may not only bear, but quickly discharge a debt relatively no heavier than that which they extinguished in less than a score of years, a whole generation since, with this important difference between them, that in the poverty of our national infancy the principal and the profits of our loans went away from us into foreign hands, but now we are our own creditor; having all the advantage in the liquidation of our comparatively small debt that enables England to support her immense one. In the language of one of their best writers and thinkers, "The money collected and expended at home, equalizes itself and acts only as a force to increase activity of circulation."

This is sound doctrine. The business prosperity of the passing year is a demonstration; and we may assure ourselves that so long as this burden rests upon us, its profits to the lenders will return to the treasury in abatement of that burden,—a perpetual circulation, replenishing the treasury as the rivers feed the sea, and reflowing upon the people as the sea refreshes the land.

TABULAR STATEMENT No. 1.

National Expenditure, National Debt, Burden of Debt, and Taxes of the United Kingdom of Great Britain and Ireland, France, and the United States, at the times mentioned with the Population and Valuation of Real and Personal Property.

EXPENDITURE.

	Population.	Valuation in Millions of Dollars.	Valuation per Capita.	Total Expenditure.	Total Expend'tre per Cap.
Great Britain, average of 1813 and 1814.....	18,500,000	\$10,400	\$ 562 10	\$517,364,812	\$27 94
Do. do. 1816.....	19,275,000	10,450			
Do. do. 1856.....	28,350,000	26,699	941 43	439,753,041	15 51
Do. do. 1861.....	29,334,788	31,512	1074 22	350,556,576	12 00
France, 1863.....	37,282,000	24,318	650 18	422,086,108	11 29
U. States, 1791.....	4,067,371	750	187 00	9,141,569	2 24
“ 1816.....	8,678,866	1,800	207 40	48,244,495	5 56
Loyal U. States, average of two years, 1861-3... }	24,000,000	13,395	558 00	482,109,406	20 08

DEBT.

	Year.	Public Debt.	Debt per Capita.	Interest per Annum.	Int'st per Capita.	Proport'n of Debt to Property Per Cent.	Proport'n of Int. to Property Per Cent.
G. Britain,...	1816	\$4,299,824,588	\$222 79	\$161,243,421	\$8 35	41.14	1.543
“ ...	1861	3,890,155,911	132 61	126,876,934	4 32	12.34	0.4026
France.....	1863	2,304,000,000	61 79	115,608,191	3 10	9.47	
U. States.....	1791	75,463,476	18 55	3,201,628	0 78	10.06	
“ ...	1816	127,334,933	14 67	7,822,923	0 90	7.07	0.4346
Loyal St's, May 1..	1863	967,199,727	40 30	34,490,686	1 44	7.22	0.2576

TAXES.

	Taxes.	Propor. of Taxes to Valua'n of Prop. p. ct.	Taxes Per Capita.
Great Britain, average of 1813 & 1814.....	\$339,215,950	3.26	\$18 74
“ “ “ 1816.....	302,792,487	2.90	15 68
“ “ “ 1856.....	351,760,544	1.31	12 30
“ “ “ 1861.....	338,826,991	1.07	11 55
France, 1863.....	395,839,799	1.63	10 62
United States, 1791.....	4,418,913	0.59	1 08
“ 1816.....	47,676,985	2.64	5 49
“ 1856.....	73,856,899	0.67	3 06
Loyal St's. av'age of 2 yrs. ending June 30, '63,	70,568,330	0.53	2 94
“ (suppose).....per annum.....	150,000,000	1.12	6 25
“ “ “	100,000,000	0.74	4 16

TABULAR STATEMENT No. 2.—Burden of National Debt.

DATE.	Amount.	Proportion to Property per cent.	Period of Payment.	Average Annual Cost of Extinguishment.	Proportion of Annual Payment to Property per cent.	Annual Interest.	Proportion of Annual Interest to Property per cent.	Value of Real and Personal Property.
United States debt of.....1816.....	\$ 127,334,933	7.07	18 years.	\$ 14,738,682	0.8187	\$ 7,822,923	0.4335	\$ 1,800,000,000
*Loyal States debt of.....1863.....	967,199,727	7.22	21 " 11 months.	80,000,000	0.5972	58,031,983	0.4329	13,395,000,000
" " " at.....	700,000,000	5.22	12 " 8	80,000,000	0.5972	42,000,000	0.3135	13,395,000,000
" " ".....1864.....	1,500,000,000	11.20	39 " "	100,000,000	0.7465	90,000,000	0.6718	13,395,000,000
" " " at.....	1,200,000,000	8.95	21 " "	100,000,000	0.7465	72,000,000	0.5375	13,395,000,000
Great Britain debt.....1816.....	4,299,824,588	41.14				161,243,421	1.5430	10,450,000,000
" " ".....1861.....	3,890,155,911	12.34				126,876,934	0.4026	31,512,000,000

NOTE.—In all these estimates the value of the property at the date is taken for the whole term of the debt-payment and interest charge. If the rate of increase of wealth in the Loyal States during the coming period of debt-payment were the same as in the 18 years ending in 1833, and the same as in England after 1816, the comparative burden would be rightly expressed in the table; but the growth of our wealth in the last decade was at double the rate of increase from 1816 to 1833, and four times the rate of increase in England in her last ten years.

*The Annual interest of the debt in its present form is but \$34,490,686.

TABULAR STATEMENT No. 3.—Showing the Cost of English and American Loans sold under Par.

	Amt. in Millions of Dolls.	Rates of Interest on Stocks Issued.	Annual rate of Interest on Money Received.	Normal rate of Interest on Government Loans.	Rate of Interest above Normal Rates.	On Sinking Fund System.		Total cost of Loans in excess of the normal rate, and excess of Principal paid at the end of the term.		Excess of cost in per-centage of amt. rec'd.	
						Rate of Int. on amt. rec'd.	Rate of Int. above Normal Rate.	Excess of Principal.	Excess of Interest.		
British Loans, 1793 to 1816, if redeem'd in 20 years.....	3309	3	5.0715	3.225	1.8465	6.7946	3.5696	\$1,351,579,644	\$722,875,357	\$2,074,455,001	105.9
U. S. 12 year Loans of 1813 and 1814.....	42	6	7.0473	5	2.0473	7.6307	2.6307	6,282,014	11,360,760	17,642,774	49
U. S. 20 year Loans of 1861.....	60	6	6.7553	5	1.7353	6.96219	1.96288	6,395,404	18,676,547	25,271,951	46.96
British Loan of 1815, treated as a 3 year Loan.....	175	3 & 4	5.62	3.225	2.395	If redeem'd in 3 years.		147,000,000	12,573,750	159,573,750	91.18
U. S. 3 year Loan, 1861.....	140	7.3	7.5	5	2.5	Red'm'd in 3 years.			9,660,000	9,660,000	6.9
5-20 year Bonds, (say).....	100	6	6	5	1	6	1		5 to 20 millions.		5 to 20
1 year Certificates of Indebtedness.....	143	6	6	5	1	Red'm'd in 1 year.			1,430,000	1,430,000	1
5 per cent Temporary Loan.....	77	5	5	5	0	Red'd on 10 days notice.					
4 " " ".....	27	4	4	5	1 below.	" " " " " " " "					

*This Loan redeemable after five years at the option of the Government.

TABULAR STATEMENT No. 4

Statement showing the number of Square Miles, total number of Acres of Public Land, amount sold and otherwise disposed of, and amount remaining unsold in each of the following States and Territories of the United States, with the Population and value of the Real and Personal Private Property in 1850 and 1860, respectively.

STATE OR TERRITORY.	NUMBER OF SQUARE MILES.	TOTAL NUMBER OF ACRES.	TOTAL NO. ACRES DISPOSED OF.	TOTAL NO. ACRES UNDISPO'D OF.	POPULATION IN		VALUE OF PRIVATE PROPERTY.		INCREASE'D VAL. P. CT.
					1850.	1860.	1850.	1860.	
California.....	158,687	101,659,680	7,645,978	94,013,702	92,597	379,994	\$ 22,161,872	\$ 207,874,613	838
Dakota.....Ter....	148,932	95,316,480	12,076,326	83,240,154		4,837			
Nevada....."....	81,539	52,184,960	2,295,111	49,889,849		6,857			
Colorado....."....	104,500	66,880,000		66,880,000		34,277			
New Mexico... "....	121,201	77,568,640	8,857,955	68,710,685	61,547	93,516	5,174,471	20,813,768	302
Arizona....."....	126,141	80,730,240		80,730,240					
Utah....."....	106,382	68,084,480	6,427,567	61,656,913	11,380	40,273	986,083	5,596,118	467
Oregon....."....	95,248	60,958,720	5,072,174	55,886,546	13,294	52,465	5,063,474	28,930,637	471
Idaho....."....Ter....	326,373	208,878,720		208,878,720					
Washington... "....	69,994	44,796,160	6,312,861	38,483,299		11,594		5,601,466	
Nebraska....."....	75,995	48,636,800	5,511,704	43,125,096		28,841		9,131,056	
Illinois....."....	55,410	35,462,400	35,461,467	933		1,711,951	156,265,006	871,860,282	458
Iowa....."....	55,045	35,228,800	33,847,296	1,381,504		674,948	23,714,638	247,338,265	943
Missouri....."....	65,350	31,417,663	31,417,663	10,406,337		1,182,012	137,247,707	501,214,398	265
Michigan....."....	56,451	36,128,640	27,034,943	9,093,697		749,113	59,787,255	257,163,983	330
Minnesota....."....	80,386	51,447,040	15,501,747	35,945,293		6,077	Not returned.	52,294,413	
Wisconsin....."....	53,924	34,511,360	22,487,353	12,074,007		775,881	42,056,595	273,671,668	551
Kansas....."....	81,318	52,043,520	7,538,870	44,504,650		107,206		31,327,895	
TOTALS.....	1,862,876	1,192,340,640	227,439,015	964,901,625	2,613,668	6,027,620	\$452,457,101	\$2,512,818,562	455

Increase, 130 per ct.

TABULAR STATEMENT No. 5.

Domestic Exports in the years ending 30th June, 1860 and 1862, (exclusive of Gold and Silver,) with the Increase & Decrease.

	YEAR ENDING 30 JUNE, 1860.	YEAR ENDING 30 JUNE, 1862.	TOTAL EXPORTS OF 1862, COMPARED WITH THOSE OF 1860.	SOUTHERN PROD'CTS, 1862. DECREASE OF EXPORTS.	NORTHERN PROD'CTS, 1862.	
					INCREASE.	DECREASE.
Products of the Sea.....	\$ 4,156,480	\$ 3,913,477	Decrease, \$ 243,003	\$ 67,528		\$ 175,475
“ Forest.....	13,738,559	9,934,211	“ 3,804,348	2,017,545		1,786,803
[Rosin and Turpentine.....	1,818,238	293,400	“ 1,524,838]			
Products of Agriculture—Animal.....	20,215,226	38,580,964	Increase, 18,365,738	990,119	\$19,355,857	
“ “ Vegetable.....	27,590,298	84,925,206	“ 57,334,908	2,922,275	60,257,183	
[Rice.....	2,567,399	156,899	Decrease, 2,410,500]			
Cotton.....	191,806,555	1,180,113	“ 190,626,442	190,626,442		
Tobacco.....	15,906,547	12,325,356	“ 3,581,191	10,514,630		6,933,439
Hemp.....	9,531	8,300	“ 1,231	381		
Other Agricultural Products.....	736,839	1,046,644	Increase, 309,805	103,244	413,049	
Manufactures.....	37,146,953	23,053,027	Decrease, 14,093,926	519,261		13,574,665
[Tobacco and Cotton Manufactures.....	14,307,843	4,014,544	“ 10,293,299]			
[Iron Manufactures.....	5,703,042	4,526,971	“ 1,176,071]			
Coal.....	740,783	837,117	Increase, 96,334	5,203	101,537	
Ice.....	183,134	182,667	Decrease, 467			467
Quicksilver.....	258,082	1,237,643	Increase, 978,961		978,961	
Non-enumerated, manufactured.....	2,397,445	2,880,347	“ 492,902	20,445	522,347	
“ raw.....	1,355,391	1,770,916	“ 415,525	37,303	452,828	
Totals.....	\$316,242,423	\$181,878,988	Decrease, \$134,366,435	\$207,843,376	\$89,015,201	\$15,538,260
Coin and Bullion.....	56,946,851	31,044,651		Less Decrease,	15,538,260	
Total Domestic Exports.....	\$373,188,274	\$212,920,639		North'n Inc.,	\$73,476,941	

TABULAR STATEMENT No. 6.

Estimate of Mechanical and Manufacturing products of the Loyal States, prepared by Lorin Blodget, Esq., Secretary of the Philadelphia Board of Trade, for the use of the Bureau of Internal Revenue in December, 1862, and revised by him for this publication in April, 1863.

The first column gives the value produced in 1860; the data taken from the census of that year and other sources. The second column estimates the relative *quantity* produced in the year ending October, 1863, expressed in the prices of 1860. The third column gives the value of the products of the year ending October, 1863, in the prices current.

PRODUCTS OF 1860.		Quantity produced in 1862-3, expressed in the prices of 1860.	Value of the pro- ducts of 1862-3, at the current prices.
Textile Fabrics.....	\$ 181,949,685	\$ 135,462,264	\$ 147,703,813
Iron and Steel.....	125,387,220	112,848,498	178,552,633
Steel Manufactures.....	11,196,514	11,096,105	15,534,650
Manufactures part Steel & Iron.	21,293,000	16,628,576	19,358,604
“ of Metals.....	31,860,070	20,964,121	29,181,751
Glass, Pottery & Earthen Ware.	12,327,915	8,603,592	10,754,490
Paper and Manufactures of....	19,129,800	15,714,385	21,999,270
Blank Books, Cards, Bills, } Photograph Cases..... }	6,968,380	5,395,097	7,013,627
Books, Bound Volumes.....	11,667,709	12,000,000	15,000,000
Leather and Manufactures of...	156,000,000	127,507,000	170,957,000
Liquors, Spirit., Vinous & Malt	64,659,422	64,879,439	84,340,670
Tobacco Manuf'd and Segars..	11,491,000	11,491,000	20,000,000
Petroleum.....	800,000	8,178,000	8,178,000
Soap, Candles, Oils.....	26,692,500	26,825,191	33,672,750
Refined Sugar, Confection- } ery, Maple Sugar..... }	33,509,200	25,180,000	40,000,000
Chemicals, Paints & Fertilizers	13,260,000	11,812,800	14,766,000
Wood Manuf'rs, Furniture, &c.	41,000,000	34,889,000	41,900,000
Gas.....	10,000,000	10,000,000	12,000,000
Clothing, Hats, Millinery, } Furs, Umbrellas, India } Rubber Goods, Gloves, &c. }	102,180,222	81,955,000	96,300,000
Miscellaneous taxed Manuf'rs.	290,500,000	250,442,000	300,000,000
Coal.....	18,702,274	21,507,614	27,959,899
Salt.....	1,800,000	1,800,000	2,340,000
Sawed and Planed Lumber.....	77,971,124	85,768,236	107,210,295
Flour and Meal.....	192,376,912	211,614,603	238,066,428
	\$1462,722,947	\$1312,562,521	\$1642,789,880
	1312,562,521		1312,562,521
	\$ 150,160,426		\$ 330,227,359
		Decrease of Quantity, 10.26 per cent.	Increase of Price, 25.15 per cent.

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