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THE WAR DEBTS OF LOYAL STATES.

S P E E C H

OF

MR. BLAINE, OF MAINE,

IN THE HOUSE OF REPRESENTATIVES, APRIL 21, 1864.

The House being in Committee of the Whole, on the special order, Bill No. 117, "to reimburse the State of Pennsylvania for expenses incurred in calling out the militia during the invasion of said State"

Mr. BLAINE said :

Mr. CHAIRMAN: I move to amend the amendment of the gentleman from Illinois [Mr. FARNSWORTH] by adding thereto the following, which I design as a substitute for the bill reported by the gentleman from Pennsylvania, [Mr. STEVENS:]

SEC. 1. That a board of three commissioners, to be appointed by the President, is hereby established to ascertain the total amount of indebtedness that has been incurred by the loyal States, and by the towns, cities, and counties within those States, in their efforts to raise, organize, and equip troops for the present war; and said commissioners shall hold their sessions in the city of Washington from and after the 1st day of October next, and shall have power to employ such number of clerks as they may find necessary, not exceeding four—one of each class.

SEC. 2. Said commissioners shall give notice by advertisement in at least one paper in each loyal State, of the time and place of their sessions, that all duly authorized agents may attend and present their claims for debts incurred for the general or particular defense during the war, and on the evidence thereof according to the principles of general equity, (although such claims may not have been sanctioned by the laws of Congress,) to allow the same as a charge against the United States, subject to the approval of Congress, to be liquidated and paid by the issuance to said claimants of bonds of the United States, payable in — years, with interest at the rate of — per cent. per annum, or in lawful money of the United States, as may hereafter be elected by Congress: *Provided always*, That the rule for apportioning to States the amounts to be refunded under this act shall be the same that is provided by the Constitution of the United States for the apportionment of Representatives and direct taxes.

SEC. 3. Said commissioners shall respectively take an oath before a judge of the United States court that they will faithfully discharge their duties. They shall each be paid at the rate of — dollars per day, and shall make final report of their doings to Congress on or before the first Monday of December, A. D. 1865.

Mr. STILES. I raise the point of order on that amendment that it is not germane to the original bill.

Mr. STEVENS. I hope the gentleman from Maine will withdraw it. It is upon a different subject altogether.

Mr. BLAINE. I submit the question to the Chair. If my amendment is out of order, of course I cannot press it.

The CHAIRMAN. The Chair decides the amendment to be in order, as it relates to the general subject of the bill, and in effect includes the pending measure.

Mr. BLAINE. As early as the 7th of January last, Mr. Chairman, I called the attention of the House by a simple declaratory resolution to the subject of refunding to the loyal States the amounts expended by them in the prosecution of the existing war. Instead of asking a vote on the resolution then submitted, I desire the action of the House on the bill which I have just offered as a substitute for that reported from the Committee of Ways and Means by the distinguished gentleman from Pennsylvania, [Mr. STEVENS.] His bill proposes to refund a certain amount of money claimed to be due from the General Government to his own State for expenses incurred during the Gettysburg campaign. My bill proposes to establish a commission for the purpose of ascertaining the amounts due to all the loyal States for their war expenditures, with the view of ultimately refunding the same from the common Treasury of the nation.

It is of course well known to all, that in addition to the enormous outlay of the national Government in its effort to suppress the southern rebellion, there has been a necessary and legitimate expenditure in aid of the same great object

on the part of all the loyal States. These expenditures arose from absolute necessity; they have not been made thoughtlessly or wastefully, but with due consideration, and with a prudent economy which compares most favorably with many departments of the national disbursement. My proposition is that all expenditures thus made in good faith for the defense and preservation of the national life should be refunded by the national Government. And I shall proceed to discuss, as briefly as may be, the justice and expediency of refunding these amounts; the precedents for so doing; and our ability to do so without impairing the national credit. And of these in their order.

THE JUSTICE AND EXPEDIENCY OF REFUNDING THESE EXPENDITURES.

If the twenty-four loyal States now striving with patriotic rivalry to outdo each other in defending and rescuing the nation from its perils were hereafter to constitute the entire Union, there might be nothing gained and nothing lost to any one of them by consolidating their respective war debts into one common charge upon the aggregate resources of the nation. Under such circumstances each State would be freed from an individual tax only to incur a burden of similar magnitude in meeting its component part of the total national debt. But the actual case presented for our consideration and decision is far different from this. We are engaged in a struggle which must inevitably result in restoring to loyalty and to duty eleven States now in rebellion against the authority of the national Government. And beyond that, as a consequence of a restored Union and of the boundless prosperity which awaits the auspicious event, our vast Western domain will be peopled with a rapidity exceeding all precedent, and States without number almost will spring into existence, to add to the strength and insure the perpetuity of our Government. Well-considered estimates based on past progress, and the established ratio of our advance in wealth and population, assure us that within less than a century from this time we shall have added forty new States to our Union, making, with the number now composing it, a grand total of seventy-five prosperous Commonwealths. Were it not for the blood so freely poured out and the treasure so lavishly expended by the twenty-four loyal States represented on this floor, the eleven States now in revolt would not be saved from self-destruction, and the forty States so speedily to grow up in the Mississippi valley and on the Pacific slope would never come into existence.

Of the immense national debt which we are incurring in this struggle, each State will of course have to bear a share; but it is quite manifest that for two generations to come, owing to our established system of taxation, the present loyal States will have to endure vastly the larger proportion of the total burden. Is it fair or just, that in addition to this they shall each be called upon to bear unaided a large local debt, necessarily and yet generously in-

curring in aid of the one common object of preserving the life of the whole nation? The question which I present, therefore, is not one for dispute or difference between any of the States here represented, for they all have a common interest in adopting the proposed measure. The financial issue is rather between the twenty-four loyal States, on the one hand, and the eleven revolted States, together with all future new States, on the other. We have it in our power to-day to determine the matter upon principles of the highest equity, and at the same time for the interest of the loyal States who are bearing the heat and burden of the great contest.

From such data as I have been able to collect, I estimate the war debts of the loyal States and of the towns, cities, and counties within those States, as amounting at least to one hundred and fifty millions of dollars. The annual tax to meet the interest on this sum must be raised by a direct levy on the property of the people, without the intervention of an excise system or any other indirection to lighten or disguise it. If this burden is to remain permanently on the communities now sustaining it, we shall witness the anomalous spectacle of less than one third of the prospective number of States bearing in its most oppressive form one hundred and fifty millions of debt, every dollar of which was contracted as much for the benefit of the other two thirds of the Union as for themselves. And the injurious working of such a discrimination will be made odiously and cruelly manifest in the emigration from the old to the new States, and from the North to the South, for the purpose of escaping the very tax which was incurred that the new States might be born and that the South might be saved from suicide. I could not, by any argument, enhance the force of such a fact as this, nor strengthen the plea which it makes for the equalization of the entire debt created by the war.

I anticipate an objection which will be made to the measure on the score of expediency. Many gentlemen, while admitting the abstract justice and equity of the proposition, have suggested the danger of impairing the national credit by adding to it a burden which need not be assumed. The national Treasury they fear is already overloaded by the inevitable demands upon it, and they protest against incurring any fresh obligation where it can possibly be avoided. I shall, before closing my remarks, speak somewhat in detail of our ability to bear the national debt which the suppression of the rebellion will leave upon us. At this point I desire only to say that it is a mistake, palpable and radical, to assume that the adoption of the refunding measure which I have proposed would in any degree add to the national burden or actually increase the debt of the country. The States and communities which owe the debts proposed to be refunded, are precisely the same States and communities upon which must rest the maintenance of the national credit during the entire period that it may be said to

be in doubt or on trial before the world. If this \$150,000,000 of local indebtedness is upon them, it affects their resources and their ability to carry the national debt by precisely that amount. And if the national debt be increased \$150,000,000 by refunding to the States, the local burdens are correlatively and proportionally reduced. Not only is this so, as an actual fact, but it is so in its impression and its influence in financial circles. You will find that the bankers in New York and London maintain a close observation upon our State and local indebtedness, and thence measure our ability to carry a national debt. Should the refunding policy be adopted, no class of men will appreciate it so thoroughly or weigh its effect so clearly as those who so largely control the loan market. The policy will need neither explanation nor vindication with that sagacious and far-seeing class of men.

It is worthy of remark that at the organization of the Government, when the policy of refunding to the States their outlays in the revolutionary struggle was under discussion, the very objection which I have just been considering was vehemently urged by those who were opposed to the measure. Their whole argument was very quietly overthrown by Mr. Hamilton in his celebrated report of January 9, 1790, when he summed up and disposed of the entire case in these few words:

"Admitting that a provision must be made in some way or other for the entire debt, it will certainly follow that no greater revenues will be required, whether that provision be made wholly by the United States or partly by them and partly by the States separately."

Instead of having an injurious effect on the public credit, Mr. Hamilton further maintained that the refunding policy "would contribute, in an eminent degree, to an orderly, stable, and satisfactory arrangement of the national finances."

THE PRECEDENTS FOR THE PROPOSED MEASURE.

Every measure of legislation having sufficient importance to enlist the interest and challenge the scrutiny of the country is greatly strengthened if its policy can be sustained by the practice of the past. Happily, in this instance we are not without the most pertinent and suggestive precedents—not only settling all questions of constitutional power, but vindicating by results the policy of refunding all war expenditures to the States.

I need not remind the House that one of the earliest and one of the gravest questions that came up for adjustment upon the organization of the Government was the payment, from the common purse of the nation, of all debts contracted by the States in their great struggle to achieve our independence. All the possible questions and issues involved in such a policy were fully and freely discussed by the leading statesmen of that day; and the decision was in favor of refunding—a decision which was followed by the almost instant revival and subsequent continued maintenance of the public credit. The argument in favor of the policy was admirably condensed by Mr. Hamilton in

a single paragraph which I quote from one of his ablest papers:

"The equalizing of the condition of the citizens of every State, and exonerating those of the States most indebted from partial burdens which would press upon them in consequence of exertions in a common cause, is not completely fulfilled until the entire debt of every State contracted in relation to the war is embraced in one general and comprehensive plan. The inconvenience to the United States of disburdening the States which are still incumbered with considerable debts, would bear no proportion to the inconvenience which they would feel if left to struggle with those debts unaided."

Following the views and recommendations of Mr. Hamilton, Congress, on the 5th of August, 1790, passed "An act to provide more effectually for the settlement of accounts between the United States and the individual States." By this act, a board consisting of three commissioners was appointed to hear and adjudicate all claims submitted to them. The generous and comprehensive basis on which claims were to be determined, may be seen from the third section of the act, a part of which I will read:

"SEC. 3. It shall be the duty of said commissioners to receive and examine all claims which shall be exhibited to them before the 1st day of July, A. D. 1791, and to determine on all such as shall have accrued for the general or particular defense during the war, and on the evidence thereof, according to the principles of general equity, although such claims may not be sanctioned by the resolves of Congress, nor supported by regular vouchers," &c.

By legislation contemporaneous with the foregoing, the act indeed being approved one day in advance of that from which I have read, Congress agreed to liquidate the claims of States to a specified amount, with the simple proviso, that the claims should be for "compensations and expenditures for service or supplies toward the prosecution of the late war and the defense of the United States or some part thereof during the same." The amounts for which United States stocks were, in pursuance of this legislation, exchanged for certificates of State indebtedness were as follows in the various States: viz.: New Hampshire, \$300,000; Massachusetts, \$4,000,000; Rhode Island, \$200,000; Connecticut, \$1,000,000; New York, \$1,200,000; New Jersey, \$800,000; Pennsylvania, \$2,200,000; Delaware, \$200,000; Maryland, \$800,000; Virginia, \$3,500,000; North Carolina, \$2,400,000; South Carolina, \$4,000,000; Georgia, \$300,000. Massachusetts, which furnished the most men in the revolutionary war, and South Carolina, which furnished the least number, had the same amounts liquidated; and the aggregate sum thus refunded to all the States for war expenditures was twenty-one and a half millions of dollars; immeasurably larger, in proportion to the wealth and resources of the country at that time, than one hundred and fifty millions would be for the nation as it exists to-day.

The second precedent for refunding the expenditures made by States was in the war with England in 1812-15. Every dollar was repaid on the most liberal principles, the only limit or qualification being that the money whose restitution was claimed, "had been actually expended for the use and benefit of the United States during the late war with Great Britain."

And the principle was carried further than simply refunding the amounts advanced, for interest also was subsequently allowed to every State, except Massachusetts, upon all debts incurred on behalf of the common cause. The payment of interest was a much-discussed and long-delayed act, and its accomplishment was finally due to the clear and forcible presentation of the merits and rightfulness of the policy by President Monroe, in a message to Congress during the session of, 1824-25. In consequence of the argument and influence of the President, interest was allowed to Virginia "on all sums on which she had paid interest;" and subsequently, by separate acts, each State that had made advances for war purposes was allowed interest in full thereon, with the exception just noted; and a bill to refund interest to Massachusetts is now pending. Reference may be had to United States Statutes at Large, volume 4, pages 161, 175, 192, 241, 499.

The third and freshest precedent for the policy now urged was the course pursued by our Government with reference to State expenses incurred during the war with Mexico. The refunding to the States, in that instance was upon a basis so comprehensive and broad as to be almost liable to the charge of looseness and prodigality. Before the war had continued a year, before the intelligence of Taylor's victory at Buena Vista had reached this country, and before Scott had even landed at Vera Cruz, Congress provided by joint resolution of March 3, 1847, for refunding, as follows:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of War be and he is hereby authorized and required to cause to be refunded to the several States, or to individuals, for services rendered, acting under the authority of any State, the amount of expenses incurred by them in organizing, subsisting, and transporting volunteers previous to their being mustered and received into the service of the United States for the present war."

Under this resolution many claims were presented which the auditing bureaus of the Treasury Department refused to allow, because of the restriction contained in the phrase "acting under the authority of any State." There was, moreover, a class of claims presented by counties and municipal corporations which did not seem to be included within the specific terms of the resolution. To remedy all such defects, Congress the next year passed an act, approved June 2, 1848, the first section of which was in the following terms:

"Be it enacted, &c., That the provisions of the joint resolution approved March 3, 1847, entitled 'A resolution to refund money to the States that have supplied volunteers, &c.,' be and the same are hereby extended so as to embrace all cases of expenses heretofore incurred in organizing, subsisting and transporting volunteers previous to their being mustered and received into the United States service for the present war, whether by States, counties, corporations, or individuals, either acting with or without the authority of any State: Provided, however, That proof shall be made to the satisfaction of the Secretary of War of the amount thus expended, and that the same was necessary and proper for the troops aforesaid."

Sweeping and conclusive as was the general scope of this resolution, the simple proviso requiring satisfactory proof that the expenditures were "necessary and proper for the troops afore-

said," operated as a bar to the payment of certain classes of claims. The auditing bureaus, under the strict scrutiny applied by them, held a considerable amount suspended for three or four years, until finally, in 1852, Congress again came to the relief of the States by declaring that their accounts should be allowed "as presented." This legislation is contained in the tenth section of the Army appropriation bill, approved August 31, 1852, as follows:

"And be it further enacted, &c., That there be appropriated as aforesaid for refunding to the State of Michigan the amount advanced by said State in organizing, subsisting, and transporting volunteers previous to their being mustered into the United States service during the late war with Mexico, \$20,000, which said sum or so much thereof as shall be necessary to pay and cancel the claim of said State, as presented, and now on file in the office of the Third Auditor of the Treasury Department, shall be paid by the Secretary of the Treasury to the Governor or other proper officer of the said State of Michigan: Provided, That the same principles be applied in the settlement of the claims of the State of Alabama and all other States for money advanced in raising, subsisting, and transporting troops for the Mexican war."

In one of the instances which I have cited, the claims of States were paid by substituting United States bonds for certificates of local indebtedness. The bill which I have submitted proposes a similar plan at this time, so that its adoption involves no danger of an expanded circulation. It neither adds to the currency by an issue of legal-tender notes, nor does it increase the bonded debt of the loyal States. It simply changes the form of the latter from a local and diverse, to a general and uniform series of obligations.

Thus we find the precedents are ample, broad, and conclusive. In the three wars in which our country has been engaged, the policy of refunding to the States all their contributions to the common cause has been uniformly and rigidly followed by Congress. It was so in our first war, which was a struggle for independence; it was so in our second war, which was waged for maritime rights and for national dignity; it was so in our third war, which, in its spirit and in its results, was mainly a war of conquest. We are now engaged in war for the fourth time, and the struggle is for national unity and self-preservation. Instead of narrowing these precedents left us by former wars, every consideration of justice and equity requires that we should give them their widest application in the present instance. If it were just to refund the expenditures heretofore made in a common cause, it is so now in a ratio enhanced by the magnitude of the issues involved in the pending contest.

OUR ABILITY TO REFUND THE WAR EXPENDITURES OF STATES FROM THE COMMON TREASURY OF THE NATION.

In one aspect it is scarcely necessary to argue this question, for the simple reason, as already suggested, that if we are not able to carry the war debts of the States as a common charge upon the nation, we are not able to carry them where they are now placed. The refunding policy which I have proposed, neither adds to nor subtracts from the debt of the loyal people

who are now struggling for the Union and for nationality. It simply equalizes the burden and places it impartially on the shoulders of those who are to be benefited by the victorious issue of the war, for the support of which the State debts have been contracted.

The real question of interest in this connection is whether we are able as a nation to sustain the entire debt which the close of the war will leave upon us, without oppressively burdening the business and crippling the energies of the people? I propose to show by some simple facts and figures that we are abundantly equal to the great trial, and that in bearing it we are assuming far less responsibility in proportion to wealth, population and prospective development, than has been successfully and triumphantly assumed in the past by another great nation, and even by ourselves at the organization of the Government.

In estimating the debt with which we are to be incumbered it is not wise, in my judgment, to adopt a too sanguine anticipation of the speedy close of the war. Very many gentleman, whose opinions the public are accustomed to respect, predict the entire suppression of the rebellion within the ensuing summer. For myself, I cannot indulge in so pleasing a prospect. Whatever false reckonings we may have made in the past in regard to the shortness of the war, I have latterly been of those who believe that the leading conspirators of the South intend at all events to prolong the struggle until the contest for the Presidency is ended. They have a hope—baseless enough it seems to us—that in some way they are to be benefited by the result of that election, and hence they will hold out until it is decided, and with a view, indeed, of affecting its decision. Let us not then deceive ourselves with regard to the speedy reduction of the enormous expenditures to which we are now subjected. It is wiser for us to look soberly at facts as they are, and not beguile ourselves with rose-colored views of facts as we wish they might be. Let us make our calculations in regard to the national debt, therefore, on the assumption that the war will last until July, 1865, instead of closing in July, 1864, as has been so confidently assumed by many. Should it come to a termination earlier, our error will be the happiest feature in our entire calculation.

Heretofore the estimates of the Secretary of the Treasury in regard to the amount of the national debt at any given period have proved astonishingly accurate. And the safest feature of his estimates is seen in the fact that he has in no instance understated the prospective amount of indebtedness, as actually ascertained when the day for which the estimate was made had arrived. For instance, in December, 1862, the Secretary stated that the debt, July 1, 1863, would be \$1,122,297,403 24. In fact when the time arrived, the debt had only reached \$1,098,793,181 37, or some twenty-four millions less than Mr. Chase estimated. With fuller data for reckoning than when he made the calculation just referred to, the Secretary now esti-

mates that if the war shall continue so long, at its current rate of cost, our debt in July, 1865, will reach the large sum of \$2,231,935,190 37. To this vast amount let us add \$150,000,000 to be incurred by refunding to States as proposed in the measure I am advocating, and \$150,000,000 more to cover unforeseen expenses in closing up the great contest, and you have a grand total of *twenty-five hundred millions of dollars*, the annual interest and ultimate redemption of which must be provided for by the nation. Besides contracting this enormous debt, we shall have expended all the current receipts of the Treasury in conducting the war, amounting in the aggregate, for the four years, to more than five hundred millions, making thus a gross outlay of over three thousand millions as the cost of subduing the rebellion—an expenditure of *two millions* per day from the inception to the close of the contest.

Let us see how, by the experience of our own country in a former generation, as well as by the experience of another great people, we may hope to meet this burden with confidence and courage—bearing it without oppression when it is heaviest, and coming in good season to its total discharge, or by attainment of superior strength making it so light as to be practically disregarded.

At the organization of our Government in 1789, the entire population, free and slave, was under four millions, scattered along the seaboard from the St. Croix to the St. Mary's, not fifty thousand in all living one hundred miles distant from the flow of the Atlantic tide. Facilities for intercommunication were greatly restricted, manufactures and the arts were in feeble infancy, agriculture was rude and not highly remunerative, because commerce, its handmaid, was languishing and waiting to be quickened to enterprise and vigor. The entire valuation of the thirteen States, according to the weight of authority, did not exceed six hundred millions of dollars—three hundred millions less than the valuation of Massachusetts to-day, and not one half so great as that of Pennsylvania. Property at that time was ill adapted to bear taxation, profits were small, and to the political economist, measuring the condition and capacity of the country, it seemed utterly unable to carry a debt of any considerable magnitude. And yet our ancestors did not hesitate to assume the burden of ninety millions of dollars—more than one seventh of all the property they owned. Mr. Jefferson, who was the most distrustful of all the statesmen of that day in regard to the ability of the nation to sustain the load, was yet willing to say that it could be easily borne if our annual increase of population and property could maintain an average of *five per cent.*—then the most sanguine estimate which any one dared to place on the future growth of the country. Had we realized only the ratio of increase assumed by Mr. Jefferson, our population in 1860 would have been some fifteen instead of thirty-one millions, and our wealth twenty-seven hundred millions instead of sixteen thousand millions. Upon Mr.

Jefferson's assumed basis of increase, the debt would never have been oppressive; but with the rate of growth actually realized, the country paid the interest on the debt and accumulated a fund for its redemption with such ease that the people never felt they were taxed. And yet I hope to show that our debt at the close of this war will be relatively lighter than the debt which our Revolutionary fathers thus assumed, and proceeded so early and so easily to discharge.

Look also at the case of Great Britain. At the close of her gigantic struggle with Napoleon in 1815, the national debt of that kingdom amounted to £861,000,000 Sterling, or *forty-three hundred millions of dollars*; and for readier comparison I shall speak of her debt in dollars rather than in pounds. Her entire population at that time was less than twenty millions, and the valuation of all her property was about nine thousand five hundred millions of dollars. She owed, indeed, nearly half of all she possessed. Her population was less than two thirds of what ours is to-day. Her entire property was not three fifths of what ours was by the census of 1860, while her debt was *eighteen hundred millions of dollars* greater than ours will be in July, 1865. And in contracting this debt she was compelled to sell her bonds at the most enormous sacrifice. From 1792 to 1815 her debt was increased three thousand millions of dollars, and yet in exchange for this amount of bonds she received in money but \$1,730,000,000, thus submitting to a discount of \$1,270,000,000. In other words, England, during the twenty-three years of continental war only realized on an average for the whole period, \$100 in money in exchange for \$173 of her bonds. This, be it remembered, was the average for the whole time. As the contest waxed desperate, her sacrifices became desperate in proportion, and the money which enabled her to fight the decisive campaign of Waterloo, was obtained by selling her bonds to the European bankers at less than fifty cents on the dollar. Compared with this our sacrifices on our national securities have thus far been light, not averaging from the inception of the war to the present day, with all elements of expenditure fairly estimated, more than from twenty to twenty-five per cent., reckoning on the gold basis.

To meet their enormous debt, the British people had nothing but the commercial and industrial resources of the United Kingdom, whose whole area is not double that of the single State of Missouri. They had a population of but twenty millions, as already stated, subject to no increase from immigration, and growing in half a century no more than we have added during the last decade. And yet on this restricted area, the enterprise and energy of the British people have increased their property, until it is valued at *thirty-three thousand millions of dollars*; and in defiance of the large expenditure resulting from several costly wars since 1815, they have actually reduced their debt some three hundred millions of dollars. Their steady progress in

wealth under their large debt, is comprehended in the statement that the average property *per capita* in 1815 was less than five hundred dollars, and in 1861 about eleven hundred dollars. In 1815 some twenty-five per centum of all the earnings and income of the people was absorbed in taxation, and in 1861 less than ten per centum was taken for the same object. In 1815 the proportion of taxes per head for the whole people exceeded seventeen dollars, and in 1861 it had fallen below ten dollars.

These brief details of British experience show how a great debt, without being absolutely reduced to any considerable extent, becomes relatively lighter by the increased capacity to bear it. The wealth *per capita* of the entire population in a period of forty-six years has more than doubled; the aggregate property of the realm has more than trebled; and all this on a fixed area of one hundred and twenty thousand square miles and with a population increasing at the slow rate of only one per cent. per annum. If such results can be wrought out by a kindred people, against such obstacles and hindrances, what may we not hope to accomplish under the auspicious circumstances that surround our own nation!

In the light of the national experiences we have been glancing at, we may clearly read our own great future. It is not, indeed, a matter of surmise or speculative query, but of well-founded and confident calculation—a calculation which, however sanguine it be made, will have its only error in falling short of results actually to be realized. The war closing in July, 1865, will leave us in this condition: a nation numbering some thirty-three millions of people, owning over sixteen thousand millions of property, and carrying a debt of twenty-five hundred millions of dollars. The proportion between debt and property will be just about the same that it was when the Union was formed, while the ratio of our advance and the largely enhanced productiveness of agricultural, manufacturing and commercial pursuits, gives the present generation an advantage that renders the debt far less burdensome at the very outset. And if the revolutionary debt became in a very brief period so light as to be unnoticed why may we not, with a vastly accelerated ratio of progress, assume a similar auspicious result with regard to the debt we are now contracting? Were our future advance in wealth and population to be no more rapid than Great Britain's has been since 1815, we should at the close of the present century have a population of forty-five million souls, and a property amounting to fifty thousand millions of dollars. Even upon this ratio of progress our entire debt would cease to be felt as a burden. But upon the increase of population and development of wealth to be so assuredly anticipated, the debt would be so small, in comparison with the total resources of the nation, as to become absolutely inconsiderable. Let us look at the figures.

According to the estimates made in the report of the Eighth census, and made with great care upon very complete data, our population in the year 1900 will be one hundred millions.

The property of the country during the last decade increased one hundred and twenty-six per cent.; our aggregate wealth in 1850 being a trifle over *seven thousand millions of dollars*, and in 1860 exceeding *sixteen thousand millions*. Some of the States exhibit an almost fabulous progress—Iowa, the highest in ratio, gaining nine hundred and forty-two per cent., or nearly one hundred per cent. per annum; and California, not far behind her, making a gain of eight hundred and thirty-eight per cent.; the average of all the States being, as I have already stated, one hundred and twenty-six per centum. The aggregate addition of wealth for the ten years was thus absolutely larger than all that had been accumulated in the country from the settlement of Jamestown and Plymouth down to the year 1850. We can hardly hope to maintain this enormous ratio for each successive decade; but it is assuming very much less than the average of the past would justify, to say that our property will increase in double the ratio of our population. From 1790 to 1860 our population increased in all about seven hundred per cent., while our property increased some twenty-six hundred per cent., thus showing an increase in property nearly four fold greater than in population. A population of one hundred millions in A. D. 1900 implies an increase of two hundred and ten per cent. on the census of 1860. Doubling the ratio, for increase in property, gives us a gain of four hundred and twenty per cent., which would give a total valuation at the time specified of *eighty-five thousand millions of dollars*, of which vast amount our estimated national debt would constitute only the trifling proportion of three per centum. The embarrassment to the country under such circumstances would prove as light as would a debt of \$3,000 to an individual who had an otherwise unincumbered estate of \$100,000, the estate all the while receiving a steady increase of ten per cent. per annum.

All that I have said has been based on the supposition of the debt remaining at a fixed sum, the country simply paying the interest. As a matter of fact, however, it is perfectly obvious that in the progress and prosperity of the future, one of our first acts will be to provide for the gradual but absolute redemption of the principal. That this will be consummated without oppressively adding to the annual burden of taxes, may be inferred with certainty from a slight examination of our capacity to make increased payments proportioned to our increased amount of consolidated wealth. The time of redemption will depend wholly on the will of the tax-payers; but it is quite evident that the condition of the country may justify its being done as rapidly as Mr. Hamilton proposed to redeem the debt which he funded in 1790. The period assigned by him was thirty-five years, and so well based were his calculations, that the entire debt, augmented largely and unexpectedly as it was by the war of 1812, was paid in forty-four years from the date of funding; and in 1834 the United States found itself owing but thirty-seven thousand dollars.

To those who may be disposed to doubt the future progress of our country according to the ratio assumed, a few familiar considerations in respect to our resources may be recalled with advantage. We occupy a territory at least three million square miles in extent; within a fraction as large as the whole of Europe. Our habitable and cultivable area is indeed larger than that of all Europe, to say nothing of the superior fertility and general productiveness of our soil. So vast is our extent that though we may glibly repeat its numerical measure, we find it most difficult to form any just conception of it. The State of Texas alone is equal in area to the Empire of France and the kingdom of Portugal united; and yet these two monarchies support a population of forty millions, while Texas has but six hundred thousand inhabitants. Or, if we wish for a comparative measure nearer home, let me state that the area of Texas is greater than that of the six New England States, together with New York and New Jersey and Pennsylvania and Ohio and Indiana all combined. California, the second State in size, is equal in extent to the kingdom of Spain and the kingdom of Belgium together. Spain and Belgium have twenty millions of people, while California has not half a million. And we might pursue this species of comparison almost indefinitely, clearly showing that in capacity and assured destiny our individual States, if peaceful and united, are to become as wealthy, as populous and as powerful as the separate great nations of Europe. Mere territorial extent does not of course imply future greatness, though it is one great requisite to it. And in our case it is so vast an element that we may be pardoned for dwelling on it with emphasis and iteration. The land that is still in the hands of our Government, not sold nor even pre-empted, amounts to a thousand millions of acres—an extent of territory thirteen times as large as Great Britain, and equal in area to all the kingdoms of Europe, with Russia and Turkey alone excepted.

Combined with this almost limitless expanse of territory we have facilities for the acquisition and consolidation of wealth—varied, magnificent, and immeasurable. Our agricultural resources, bounteous and boundless by nature, are, by the application of mechanical skill and labor-saving machinery, receiving a development each decade, which a century in the past would have failed to secure, and which a century in the future will place beyond all present power of computation—giving us so far the lead in the production of those staple articles essential to life and civilization that we become the arbiter of the world's destiny without aiming at the world's empire. The single State of Illinois, cultivated to its capacity, can produce as large a crop of cereals as has ever been grown within the limits of the United States; while Texas, if peopled but half as densely as Maryland even, could give an annual return of cotton larger than the largest that has ever been grown in all the cotton States together. Our facilities for commerce and exchange, both domestic and foreign—who shall

measure them? Our oceans, our vast inland seas, our marvelous and unlimited flow of navigable streams, our canals, our network of railroads more than thirty thousand miles in extent, greater than the railroads of all Europe and all the world besides—*these* give us avenues of trade and channels of communication both natural and artificial, such as no other nation has ever enjoyed, and which tend to the production of wealth with a rapidity not to be measured by any standard of the past. The enormous field for manufacturing industry in all its complex and endless variety—with our raw material, our wonderful motive-power both by water and steam, our healthful climate, our cheap carriage, our home consumption, our foreign demand—*these* shadows a traffic whose magnitude and whose profit will in no long period surpass the gigantic industrial system of Great Britain, where to-day the cunning hands of ten million artisans accomplish, with mechanical aid, the work of six hundred millions of men! Our mines of gold and silver and iron and copper and lead and coal, with their untold and unimaginable wealth, spread over millions of acres of territory, in the valley, on the moun-

tain side, along rivers, yielding already a rich harvest, are destined yet to increase a thousand fold, until their every-day treasures,

“familiar grown,
Shall realize Orient's fabled wealth.”

These are the great elements of material progress; and they comprehend the entire circle of human enterprise—Agriculture, Commerce, Manufactures, Mining. They assure to us a growth in property and population that will surpass the most sanguine deductions of our census tables, framed as those tables are upon the ratios and relations of our progress in the past. They give into our hands, under the blessing of Almighty God, the power to command our fate as a nation. They hold out to us the grandest future reserved for any people; and with this promise they teach us the lesson of patience, and make confidence and fortitude a duty. With such amplitude and affluence of resources, and with such a vast stake at issue, we should be unworthy of our lineage and our inheritance if we for one moment distrusted our ability to maintain ourselves a united people, with “one Country, one Constitution, one Destiny.”