THE FINANCES OF THE NATION.

The Financial Condition of England, France, the United States and the Rebel States.

The Laws Enacted by Congress in 1862.

The Great Financial Measures of the Year and Their Effects.

COINAGE OF THE UNITED STATES.

The Amount of Gold, Silver and Copper Coined in the United States.

Taxation in Our Own and Other Countries,

&c., &c., &c.

The questions relating to our national finances have assumed, during the past year, an interest which they never before possessed. Abstract questions of finance have been, in times gone by, the delight of theoretical financiers. Speculations on the probable effect of the introduction of certain systems have ever been indulged in; but the stern necessities of war, the demands of importunate generals, the obligations of the government towards the hundreds of thousands of heroic men risking their lives in its defence, have deprived the subject, of late, of its merely theoretical and speculative interest, and have brought it home with impressive earnestness to the minds of all. Every one now has an interest in it, not only the banker and professional financier, but even the laborer and mechanic, who are, in common with their richer fellow citizens, called on to contribute their support to the government. From time to time we have placed before our readers valuable information concerning the finances of our own and other nations, pointing out to the legislator the rocks and shoals on which other governments have struck and stranded, and teaching the great mass of our patrons the duties and obligations imposed on them by the laws of Congress. We have before us a vast number of statistics, some of which are of great importance and interest. The opening year is a fitting season for a review of the great financial measures which have been adopted, and we propose, therefore, in the present article, to present a general recapitulation of them, together with such facts and figures connected with the financial systems of the United States and the principal nations of the Old World as, in our judgment, may prove of interest to the general reader.

THE FINANCES OF ENGLAND.

England has always been regarded by us as a nation to be pitied on account of its vast national debt. Our own people—heretofore free from taxation—have congratulated themselves each year on their happy lot, as compared with that of the tax-burdened subjects of Queen Victoria. We have thought of the hardship of being compelled to pay tribute, in the form of a tax, on almost everything consumed or used; we have sympathized with the poor peasant of Ireland, who has been bound to a government he despised, and has been compelled to pay his taxes to its support; it has been our boast that we have had the best government in the world, and one for the support of which our people have had less to contribute than any other. The gigantic rebellion has, however, humbled our pride, and brought us to the level of England, inasmuch as that we are required to submit to the payment of taxes for governmental support, though we can congratulate ourselves that our debt is still small as compared with that of Great Britain. The financial report of the British House of Commons states that the debt, funded and unfunded, of the United Kingdom on the 31st of March, 1861, was £805,054,387, or, expressed in our currency, $3,899,415,633 00. The following table shows how this debt increased up to March 31, 1859:—

DEBT OF GREAT BRITAIN AND IRELAND.

	Millions Sterling.
British debt in 1775	128 5-10
Contracted during American war	121 5-10
Debt in 1784	249 8-10
Paid from 1784 to 1793	10 5-10
Debt at beginning of French war	239 3-10
Contracted during the French war	601 5-10
Debt, funded and unfunded, Feb. 1, 1817	840 8-10
Decreased from Feb. 1, 1817, to March 31, [illegible]	35 7-10

Total debt United Kingdom, March 31, 59—£805,078,554
At 4 84, mint price of pound sterling...$3,896,580,201 36

Unfunded debt, March 31, 59	£786,801,154	
Exchequer bills outstanding	13,277,400	
Exchequer bonds	5,000,000	
Total	£805,078,554	
Interest on funded debt in 1859	£23,611,055	at 3 per cent.
Annuities	4,023,729	
Management of debt	90,019	
Charged on debt and annuities in 1859	£27,724,804	—$134,186,051
Interest on exchequer bills at 1½d. per diem	734,153	
Interest on exchequer bonds at 3½ and 3¼ per cent per an.	156,250	
Total charged on debt in 1859	£28,615,207	—$138,483,081
British debt per capita		$134 84
Annual charge of debt per capita		4 77
The British debt per capita in 1821 was		193 00
Average annual increase of debt from 1793 to 1817		$121,273,376

The table above shows that the British debt has been by no means stationary. A few years of peace occurring, the nation was enabled to reduce the debt slightly; but then a great war rapidly increased the indebtedness until it had reached, in 1861, the enormous sum of nearly $4,000,000,000. The greatest augmentation which the debt received was during the French war, which of itself cost the British the nice sum of $2,911,260,000, while our Revolution added over $585,000,000. These facts and figures speak for themselves. It is not our purpose to dwell longer on them at present; comparisons will be more proper in another place.

THE FINANCES OF FRANCE.

Although France has been engaged in many wars—some of them among the most gigantic ever waged—her debt is, notwithstanding, greatly inferior to that of Great Britain. She has an immense army, a strong navy, and has been constantly engaged in the improvement of them both, in the accomplishment of which great expenditures have been necessary; but yet we find that the debt on the 1st of January, 1862, was probably only $2,206,000,000, which, great as it is, is small compared with the $4,000,000,000 of indebtedness of Great Britain.

Below is presented a table similar to that given in relation to British finances, showing the increase of the national debt of France from time to time. It will be seen that the debt in 1857 was seven times as great as in 1814. The debt *per capita* in France and England is, in the former, $61 28; in the latter, $131 84, or more than twice as much in England as in France:—

DEBT OF FRANCE.

	France.
Consolidated debt Jan. 1, '57	8,031,992,466
Floating debt, bearing int't	773,521,900
Floating debt not bearing int't	79,415,200
Debt Jan. 1, 1857	8,884,929,566 $1,705,906,476
Int. and charges on debt, 1856	$100,393,176 (nearly 6 p ct.
Debt in 1814	$240,000,000
Debt in 1851	1,200,000,000
Debt in 1857	1,706,000,000
Average inc. per annum from 1814 to 1851	26,000,000
Average inc. per annum from 1851 to 1857	84,000,000
Increase from Jan. 1, 1856, to Jan. 1, 1857	115,000,000
Estimated increase since Jan. 1, 1857	100,000,000
Public debt on Jan. 1, 1862 (estimated)	2,206,000,000
At six per cent interest per annum	132,360,000
Debt per capita	$61 28
Annual interest per capita	3 67

The French, like the English, are heavily taxed. They pay annually to the government $350,000,000, of which in the neighborhood of $320,000,000 are paid in the form of internal taxes, the customs revenue being quite small comparatively. The principal sources of internal revenue are as follows:—

License, excise and similar taxes	$93,000,000
Taxes on land, &c.	90,000,000
Stamps	68,000,000

FINANCIAL HISTORY OF THE UNITED STATES.

At the beginning of the present rebellion our indebtedness was very small indeed, so small that it could easily have been paid in six months or a year, without imposing any very hard burden on our population. It was then, after a national existence of over seventy years, less than $60,000,000, or $16,000,000 less than when we commenced our existence as a constitutional government, in 1789, and less than one-half the annual interest alone on the British debt.

It has been believed by many not familiar with our financial history that the introduction of taxation was a new thing in our history. Such, however, is not the fact. Though never before was it found necessary to impose taxes as heavy as those levied by the acts of 1862, yet twice before was it found expedient to require of the people contributions for the support of the government in the form of direct taxes. The first occasion of their imposition was after the close of the Revolution, when they were found necessary in order to liquidate the debt remaining on us. The second occasion was during the war of 1812.

Though we were a newborn nation in 1789, having just emerged from the long and dispiriting contest of the Revolution, we were fortunate enough to have at the head of our Treasury Department one whose views were as clear and able as though he had had years of experience in its management, and whose administration of his high and responsible office was such as to inspire confidence in our nation. A sinking fund was established under the control of five commissioners, and to supply it a portion of the import duties were specifically set apart and internal duties levied. By these means the prompt payment of interest on the public debt and the eventual liquidation of the debt itself were provided for. Nothing could have been more gratifying than the result of this scheme. The market value of our debt was raised from a point twenty-five per cent below par to one twenty five per cent above.

In 1813 it was found necessary to impose a direct annual tax of $3,000,000, which was afterwards increased to $6,000,000, the internal duties imposed to pay the Revolutionary debt having been repealed eleven years before.

As a nation our financial condition has almost always been prosperous. At times our revenue has been greater than we needed, and it has been found expedient to reduce tariffs and abolish internal duties, that our treasury might not overrun with money. This prosperous condition has, however, been reversed during the past year, and it has been a perplexing question how to obtain the requisite money without damaging the interests of the people. Whether the best plans have been adopted or not is a disputed question.

During the year 1862 the greatest responsibility has rested on those having the management of our national finances. The enormous army has been fed, clothed, equipped and maintained in the field at an immense expense; the navy has been largely increased, and its efficiency promoted by the expenditure of much treasure throughout the sessions of Congress in 1861 and 1862. Therefore no more important measures were introduced or passed than those intended to give aid to the treasury.

The United States government had generally, up to the beginning of the rebellion, been enabled to obtain its revenue from the duties on imports, by the payment of which an indirect tax is levied on the people, and by sales of public lands. But to these sources of revenue is now added the internal tax.

When it became necessary to obtain loans, and even to issue paper money, it also became necessary, in the highest degree, to provide for the payment of interest on those loans, and for the final liquidation of the debt thus created. This could be done in no other way than by direct taxation, and the Tax bill of the last session was therefore introduced.

The measures adopted during the year have been of three classes, each, however, connected with the other, namely:—

I. Loan bills, authorizing the Secretary of the Treasury to borrow money on the credit of the United States.

II. The Tax bill, passed in order to give security to those who advanced money to the government, and in order to provide for the payment of the interest on the debt, and eventually the debt itself.

III. The Tariff laws, passed with the same intent as the Tax law.

The acts of the first class were as follows, namely:—

First—The Treasury Note bill of February 25, 1862, which was one of the most important measures introduced. Its principal provision was that authorizing the issue of $150,000,000 of demand notes, of denominations not less than $5. Only $150,000,000 of notes were authorized by this law to circulate at any one time, $50,000,000 of the $150,000,000 being in place of those whose issue had already been authorized by the act of July 17, 1861, and which the law required to be taken up and not reissued. The law of February 25, 1862, contained the legal tender clause, making the notes receivable for all dues except duties on imports. Five hundred millions of the "Five-Twenty" bonds were also provided for, which the Secretary was authorized to dispose of at market rates. It appears that this last mentioned provision has not operated favorably, as the Secretary, in his last report, recommended its repeal, for the following reasons:—"The effect of these previsions was to make negotiations of considerable amounts impossible; for considerable amounts are seldom taken, except with a view to resales at a profit, and resales at any profit are impossible under the law. Negotiations below market value are not allowed, and if not allowed the taker of the bonds can expect no advance, unless a market value considerably below par shall become established. The act makes advance above par impossible, by authorizing conversion of United States notes into bonds at that rate."

The act of which we are speaking required duties to be paid in gold or demand notes of the first issue, and set apart the coin received as a special fund for the payment of interest and for the purchase of one per centum of the entire debt of the United States.

As all the demand notes first authorized have not been redeemed, the payment of duties in gold has not yet been resumed. On the 1st of January, 1863, the quantity of those outstanding will probably be—according to the best estimates—about $11,459,000. As it was necessary to obtain gold with which to pay the interest on the national debt becoming due last November, in the absence of any receipts at the Treasury Department in coin, the Sub-Treasurer at New York adopted the plan of offering to take on deposit gold coin, paying therefor interest at the rate of four per cent, and agreeing to return the same to the depositors within a specified time, notice having first been given of the intention to withdraw such deposit. The plan was eminently successful. A vast amount of gold was in the possession of business firms and banks, they having invested largely in it as the safest way of keeping their money, and as it was, at one time, one of the best of articles in which to speculate. This gold, previous to this time, had been lying idle, being productive of no interest, only affording the owner profit by its constantly increasing value, as compared with that of legal tender notes. When the offer was made, however, to take it on deposit and pay four per cent for it, it was manifestly for the interest of owners to avail themselves of the interest rather than allow the gold to lie idle.

Second—The second loan act of the year was approved by the President March 17, 1862. It authorized the issue of certificates of indebtedness, the purchase of coin on terms considered advantageous by the Secretary of the Treasury, and made the demand notes of the first issue a legal tender.

Third—The third loan bill of the year was equally important with the first. It was approved July 11, 1862. It authorized the issue of $150,000,000 more of legal tender notes.

Fourth—The Postage Currency bill, approved July 17, 1862, may also properly be mentioned under the head of loan bills, inasmuch as it authorized the issue of a new small note currency, to take the place of specie, which had gone out of circulation, and by the issue of which, it is believed, $40,000,000 will be loaned to the government without interest.

Such were the loan bills passed and approved in 1862.

THE TAX BILL.

The Tax bill, signed by the President July 1, 1862, has been placed in operation, and already yields a considerable revenue.

THE TARIFF ACT.

During the months of June and July the Tariff act of 1862 was under consideration, and finally passed July 11. The new act greatly raised the duties on foreign goods imported, and it was believed that its passage would enable the government to realize $100,000,000 of revenue in addition to that afforded by the Tax bill. The receipts for duty throughout the year at our Custom House have been very great indeed as compared with those of other years. The new tariff, for some time after its passage, seemed to have little effect on the importations, as they continued very heavy, and yielded a large revenue. Toward the end of the year, however, a considerable decrease was manifest, which will not probably continue. The following table exhibits the receipts for duty at the New York Custom House in each month of the last three years. A comparison is interesting, showing, as it does, the effect of the different tariff laws enacted during those years:—

TABLE OF CUSTOM HOUSE RECEIPTS AT NEW YORK IN 1860, 1861 AND 1862.

	1860.	1861.	1862.
January	$3,899,166	2,069,292	3,351,657
February	3,378,043	2,528,736	3,565,063
March	3,477,545	2,603,178	4,281,775
April	2,444,267	1,643,261	4,147,451
May	2,466,462	979,145	4,704,924
June	2,724,193	885,062	4,604,927
July	4,504,066	2,069,590	7,211,817
August	4,496,243	1,558,824	4,762,881
September	3,038,803	1,642,382	5,289,045
October	2,632,078	1,672,616	4,369,419
November	1,806,520	1,851,384	3,003,270
December	1,171,862	2,334,847	*2,532,805
Total	$36,039,253	21,728,233	51,774,638

*About

THE EFFECT OF PAPER ISSUES.

The issue of such large quantities of paper money by the government was an act of great moment. By it the volume of currency throughout the country was greatly increased, and this increase has, of course, brought its attendant evils. At all times a certain amount of money, other than specie, can be absorbed, and is in fact needed by the people. But this amount is limited; it cannot be indefinitely increased without the most disastrous effects. At the beginning of the rebellion the circulating medium of the country, aside from the specie coined by the government, was in the form of bank notes, some of them amply secured and as good as the gold which would have been given for them on demand; others worthless, or nearly so. A year ago the bank note circulation of the country was about $130,000,000, and was not greatly in excess of the amount which could readily and properly be absorbed by the people. During the year, however, this circulation alone had increased $37,000,000, making the bank note circulation on the 1st of November $167,000,000. Added to this were the issues of demand notes, which had come into general use. Together they had increased the circulation of paper enormously, until it had greatly exceeded the absorbing powers of the people. But the government issues had been made receivable for all debts—they are a legal tender for all kinds of indebtedness. By making them thus receivable, it was thought by some that the troubles naturally incident to their issue could be averted. But in this our legislators have been woefully disappointed. You cannot alter the laws of finance any more than you can those of nature, and this is one of the fundamental rules—that paper money cannot be issued in great quantities without depreciating its value, the depreciation keeping pace with the issue. But it was not foreseen by all how this depreciation could occur, when the notes authorized by Congress were made a legal tender. How can their value be less, when all are compelled by law to take them for debts? If I buy a barrel of flour—so it was reasoned before the notes were issued—and offer in payment a legal tender note, I obtain what I wish as readily as if I offered a bank note or specie. How, then, can the notes be depreciated? The people have found the answer to the question sooner than they would have wished. To be sure the notes are nominally worth the amount expressed on their face; but the market value of every species of merchandise and produce has increased so that the effect has been exactly the same as if the notes themselves were received for but seventy cents on a dollar. Five dollars in paper money would buy, during the latter months of the year, only as much as $3 50 in gold.

The great difference in the values of specie and of paper money did not manifest itself until after the terrible battles before Richmond last June and July. Up to that time the value of gold, as compared with legal tender notes, was, most of the time, only as about $1 02 a $1 04 is to $1. But shortly after that time the difference in value began to increase rapidly, until in the autumn the premium on gold had reached nearly forty per cent. It will be interesting, at some future time, to revert to this season of doubt, and to examine the fluctuating value of gold (or, more properly, of legal tender notes) at that time. We therefore present below a table of the market value of gold as compared with that of legal tender notes during the most exciting month of the season:—

TABLE EXHIBITING THE DAILY FLUCTUATIONS IN THE VALUE OF GOLD AS COMPARED WITH THAT OF LEGAL TENDER NOTES, FOR THE MONTH FROM OCTOBER 10 TO NOVEMBER 8, 1862.

October 10	127½ a 129	October 27	130¾ a 131¼
October 11	128¾ a 129	October 28	— a 132
October 13	129¼ a 130	October 29	131½ a 131¾
October 14	— a 133½	October 30	— a 130
October 15	135 a 137¾	October 31	129½ a 130
October 16	132½ a 135	November 1	130 a 130½
October 17	130 a 130¼	November 2	— a 130½
October 18	— a 130	November 3	130¾ a 131¼
October 20	127 a 127½	November 4	131¼ a 131½
October 21	126 a 131¾	November 5	129¾ a 131¼
October 22	129 a 133	November 6	131½ a 131¾
October 23	132¼ a 133	November 7	131¾ a 132
October 24	— a 131	November 8	131¾ a 132
October 25	— a 131		

With the depreciation of demand notes (or advance in the price of gold, as many erroneously state it), the prices of every kind of stock, security and merchandise advanced. Two classes of government notes were favorably affected by the financial condition of which we have spoken, namely, the 7.30 notes and the demand or Custom House notes. The government profited by the advance in the value of the former, as they had not all been issued, and as Secretary Chase was desirous of disposing of these remaining on his hands. The price attained by the 7.30 notes was at one time 105; but the government was considered quite fortunate in disposing, at a later date, of about $13,500,000 in these notes at a premium of from 3.65 to 4.12½ per cent. The award of these notes was made on November 17.

The demand notes, used in payment of duties, and hence called Custom House notes, were all issued, and hence the great advance in their price was of no avail to the government or to the people at large. In fact it was only a tax on the latter, because when demand notes were worth twenty-five or thirty per cent more than legal tender notes the importer, of course, increased the price of his merchandise to the buyer by that amount. Many importers, engaged in a heavy business, however, had foreseen the advance in value of these notes, and had purchased very large quantities of them, so that they profited greatly by their advance, inasmuch as the market value of their commodities increased in the same proportion as though they had been compelled to purchase demand notes each time they had duties to pay. Some of the more fortunate of these will have on hand a large number of these notes when the smaller dealers will be compelled to buy gold with which to pay their duties. In this way their profits will, of course, be much greater than those of their less favored rivals.

One of the events of the exciting period of speculation last fall was the action of the New York Stock Board in striking from the stock list gold and demand notes. It was believed that the speculation in gold would act injuriously to the government, and hence this action was taken October 22. Though the effect was to decrease the speculation in gold, and the consequent depreciation of United States notes for a time, it was found that no great permanent difference was made. The Board therefore, restored gold to the stock list on November 15, less than a month after it had been stricken therefrom.

The debt of the United States, funded and unfunded, on the 1st of December, 1862, was $638,209,879, made up as follows:—

PUBLIC DEBT OF THE UNITED STATES, DEC. 1, 1862.

Under what Act.	Rate of Interest.	Amount.
Loan of 1842	6 per cent	$2,583,364
Loan of 1847	6 per cent	9,415,250
Loan of 1848	6 per cent	8,906,842
Loan of 1861, Feb.	6 per cent	18,415,000
Loan of 1861, July	6 per cent	50,000,000
Loan of 1860	5 per cent	3,461,000
Loan of 1858	5 per cent	20,000,000
Loan of 1860	5 per cent	7,022,000
Total funded to February 25, 1862		$129,105,956
Loan of 1862, February	6 per cent	23,750,000
Loan of 1862, Org'n	6 per cent	878,650
Total funded to date		$144,734,600
Treasury bonds, 1861, 7.30 per cent		150,000,000
Treasury certificates, 1862, 6 per cent		87,363,000
Treasury deposits, 1862, 4 & 5 per cent		79,798,000
Old Treasury notes, 6 per cent		3,362,162
Total interest bearing		$465,277,706
United States notes of circulation		222,932,111*
Total debt		$688,209,879

* The United States notes of circulation include the balances on hand in the Treasury at New York and at other points, not disbursed at the close of November. They also embrace about $14,000,000 of United States notes of the issue of July 17, 1861, and February 12, 1862, which are receivable for customs.

Our readers are already familiar with the estimates of the Secretary of the Treasury for the next two years. Suffice it to say that, if his calculations be correct, our debt on June 30, 1864, will be $899,300,701 22 more than on December 1, 1862, or $1,587,510,580.

THE FINANCIAL CONDITION OF THE REBEL GOVERNMENT.

The rebel government, in waging its war against the old flag, has been plunged deeply in debt. It has resorted to nearly every plan to obtain money to defray its expenses, and has managed its finances so badly that the Confederate Treasury notes, which are not worth more than the paper on which they are printed outside of the rebel States, are valued there at only thirty or forty cents on the dollar, the value of gold as compared with Confederate notes being as 300 to 400 is to 100 throughout the South. In the rebel States the principal expenditure has, of course, been on the war and navy accounts, the civil expenses up to the 1st of last August having been but $15,766,503. The Confederates have resorted to loans, to issuing Treasury notes, and to direct taxation, their principal reliance, however, having been on issuing Treasury notes. The Confederates have not been very successful in converting their notes into bonds. The future of their government has been altogether too uncertain to warrant the purchase of the latter to any great extent.

The total expenditure of Jeff Davis' government had been, on August 1, 1862, $347,272,958 85. The following extract from the Richmond *Examiner* of September 12, 1862, gives the details of the expenditures and receipts of the rebel government, and will be found very interesting in connection with the view of the finances of our own and other nations, already presented. The information republished below, from the Richmond *Examiner*, was gained from official papers before the rebel Congress:—

THE PUBLIC DEBT OF THE CONFEDERACY.

It is ascertained from official data, furnished by the Treasury Department, that the whole expenditures of the government from its commencement to the 1st of August last amount to $347,272,958 85. It should be stated, however, that five millions of the amount charged as expenditure has been paid for the redemption of deposit certificates, and the aggregate above stated is subject to that abatement when considered in the light of actual expenses.

The expenditures up to the 1st of August are as follows:—

War Department	$298,376,549
Navy Department	14,605,777
Civil and miscellaneous	15,766,503
Total	$328,748,830

To which must be added outstanding requisitions upon the Treasury, upon which warrants are not yet issued, to the amount of $18,524,128 15, making the aggregate, as stated above, $347,272,958 85.

CLASSES OF THE PUBLIC DEBT.

An examination of our funded debt account will show that a lamentably small portion of our public debt exists in this form. The whole amount of bonds and stock issued is as follows:—

Eight per cent stock and bonds	$41,677,250
Six per cent call certificates	32,784,400
Total	$74,361,650

This statement indicates an evident indisposition of our people to make investments in this form, and furnishes an explanation of much of that disturbance of the standard of value and enhancement of prices in the country which have been the consequence of the large and disproportionate issue of Treasury notes.

The issue already made of Treasury notes amounts to $183,244,135, leaving authority to issue $16,755,865.

RECEIPTS AT THE TREASURY.

The recipts at the treasury up to the 1st of August from all the various sources of income are as follows:—

Customs	$1,437,399
Miscellaneous sources	1,974,769
Loan, act of February 28, 1861	15,000,000
Loan, act of August 19, 1861	22,613,346
Call deposits under act of December 24, 1861	87,585,200
Treasury notes, act of March 9, 1861	2,021,100
Treasury notes, act of May 16, 1861	17,347,955
Treasury notes, act of August 19, 1861	167,764,615
Interest Treasury notes, act of April 17, 1861	22,799,900
One dollar and two dollar notes	845,000
Temporary loan from banks—balance	2,625,000
War tax	10,639,900
Total	$302,565,196

This statement of receipts is short of the whole amount of the expenditures of the government by $44,707,762, on account of which the government has authority to issue only balance of Treasury notes, $16,755,865, leaving $27,951,897 to be provided for by Congress in a further extension of the general currency, unless this balance can be paid by bonds or otherwise.

FUNDS TO BE RAISED BY THE 1ST OF JANUARY.

It is supposed that the authority to issue general currency notes must also be extended by Congress to meet the appropriations already made by it and not yet paid, and also the further appropriations to be made.

The appropriations already made by Congress and not drawn on the 1st of August amount to $164,687,389 93.

The estimates submitted by the various departments of the additional supplies required to make good deficiencies and to support the government to the 1st of January next are as follows:—

For the War Department	$44,373,590
Civil list	386,607
Miscellaneous	102,899
Total	$44,863,097

So that the whole amount of supplies required to January 1 presents a total of $209,550,487

Congress is left to determine the best mode of raising this sum; and as there seems but little prospect of raising the money by a sale of bonds or stock, a resort to Treasury notes seems to be all that will be left to its discretion.

INTEREST BEARING NOTES.

The experiment of diminishing the quantity of circulation by interest bearing notes and deposits on call is said to have been very successful, and is likely to be encouraged as a relief from excess in the quantity of the national currency, which, as it exceeds the usual business wants of the community, must be productive of high prices without relation to the actual value of the currency.

It is understood that the interest notes, although current to a certain degree, have been generally withdrawn from circulation, on account of their value as temporary investments. Most of them have been taken under the belief that the interest would be paid like other interest, and the Secretary of the Treasury has encouraged this belief by a recommendation to Congress that the interest should be paid annually.

TAXATION.

The main reliance of the government for the payment of its dues has been on direct taxation, of which we have already spoken. Such has almost always been the case in great national struggles, when extraordinary expenditure has been rendered necessary. The revenue from direct taxes and internal duties levied during the war of 1812 was as follows:—

1814	$3,800,000
1815	11,686,877
1816	7,181,476
1817	4,511,287
1818 (arrears)	1,211,878
1819 (arrears)	308,294
1820 and 1821 (arrears)	204,769
Total	$30,904,075

The revenue to be derived from the Tax bill of this year is as yet entirely speculative, although it is estimated that during the first year of its operations it will be $85,000,000, and during the second $150,000,000.

The income from taxes, &c., in Great Britain for the year ending December 31, 1861, was as follows:—

Customs	£23,774,000
Excise	18,161,000
Stamps	8,488,170
Taxes	3,119,000
Property taxes	9,962,000
Post Office	3,500,000
Crown lands	293,479
Miscellaneous	1,306,202
	£68,603,851

—Or $332,042,688 84.

TREASURY NOTES A LEGAL TENDER FOR TAXES.

The legal tender Treasury notes form a convenient medium for the payment of taxes throughout the country, and are in this respect, therefore, much more valuable than bank notes. The notes are receivable for all taxes due to the United States, by the provisions of the law authorizing their issue. The question has arisen, however, whether they are a legal tender for State, county and town taxes. An interesting case, deciding this point, was tried in Illinois last summer. A taxpayer offered $150 in gold in payment of State taxes, and $210 in Treasury notes in payment of county and town taxes, which latter amount was refused. The Court decided that the Treasury notes were receivable for the county and town taxes, but were not for the State taxes, the State law requiring these to be paid in gold.

COINAGE OF THE UNITED STATES.

Before closing the present article we will present our readers with a few statistics of the coinage in the United States. They will no doubt be instructed and surprised by the figures. Up to the end of the fiscal year 1861 the gold and silver coinage at the mints and assay offices located at Philadelphia, San Francisco, New Orleans, Charlotte, Dahlonega and New York had been as follows:—

Gold	$669,116,406 62
Silver	129,159,481 97
Copper	2,647,478 56
Total	$799,923,362 14

The total number of pieces of money coined has been 800,802,475. Of the sum named above $580,000,000 was from bullion derived from the mines of the United States.

City Intelligence.

FIRE IN LIBERTY STREET.—Shortly before one o'clock on Sunday morning a fire was discovered in the fourth story of the five story building No. 18 Liberty street, occupied by George Eull, manufacturer of imitation coral beads. The firemen, as usual, were very prompt, and succeeded in preventing the spreading of the fire beyond the premises of Mr. Eull. Mr. Eull's loss may be estimated at about $1,000; said to be insured. The first floor, which is connected with No. 20, is occupied by Wm. Demuth & Co., importers and dealers in tobacco and segars. Their loss is estimated at about $500, by water, insured as follows:—Irving $2,000, Continental $2,000, Home $2,000, Central Park $1,000, Etna, New York, $1,000; Relief $1,000, Excelsior $1,000 and Exchange $1,000. The fifth floor is occupied by Barnes & Martin, printers. Damaged by water about $150; said to be insured. Fourth floor over No. 20, occupied by C. F. Durant, book ruler, damaged slightly by water. Third floor, occupied by A. B. Bennett, book binder, damaged by water about $200; said to be insured. On same floor two offices, occupied by S. McBean and C. A. Leverredge, office furniture damaged slightly by water. A part of the second floor is occupied by a card engraver; the other part is unoccupied. Basement is occupied by Louis Beese, dining saloon—slightly damaged by water; insured. The building is owned by Mr. Hellick, damaged about $500; insured. The origin of the fire is at present unknown.

THE YOUNG MEN'S DEMOCRATIC CLUB—EXPECTED ADDRESS BY THE HON. S. S. COX.—The Hon. Samuel S. Cox has been invited by the Young Men's Democratic Union Club, to deliver an address before them next Tuesday evening, on the state of the country. The honorable gentleman has consented to do so, and has chosen as the subject of his discourse "Puritanism in Politics."

THE LADIES' HOME FOR SICK SOLDIERS.—Quite a number of changes have been made lately in the arrangements of this hospital, tending to the comfort and convenience of the invalid soldiers whose wounds or other causes of sickness compel them to remain for a time under the care of the benevolent ladies in charge of this institution. Extensive barracks have been added recently, by which means a much larger number of inmates can be provided for than heretofore.

ANOTHER FOOT RACE AT BLOOMINGDALE.—Another foot race, similar to the one which took place a few weeks ago, will come off at two o'clock to-morrow afternoon, at the corner of Ninety-first street and Bloomingdale road. The prize to be contended for will be a purse containing $400.

EMANCIPATION IN MARYLAND.—A Washington despatch says that the committee on emancipation, on Thursday, agreed to recommend that the bonds of Maryland be endorsed for ten millions of dollars, to pay for the slaves of loyal men, if the Legislature will abolish slavery.

INTERESTING FROM ARKANSAS.

Despatch from General Blunt—Fort Gibson Taken by Colonel Phillips—Indians Returning to Their Allegiance.

HEADQUARTERS, ARMY OF THE FRONTIER, VAN BUREN, Dec. 30, 1862.

Major T. J. WEED:—

The enemy retreated during the night of the 28th in the direction of Arkadelphia. About six hundred sick and wounded Confederates were abandoned at Fort Smith, with instructions to take care of themselves. I sent a small force to Fort Smith to destroy two steamers there, but the rebels had saved us the trouble by burning them before they retreated. The four steamers captured at Van Buren, also the ferry boat, were burned by my order last night. As much of the sugar and other supplies as I had transportation to remove was landed.

The remainder, including about one hundred and thirty thousand bushels of corn shipped from Little Rock for the rebel army, shared the fate of the boats. As it is impossible to sustain an army here for want of forage and supplies until they can be brought up the river, or the animals subsist on grass, I shall therefore commence moving my troops back to day north of the mountains.

Despatch just received from Colonel Phillips (whom I had sent with two hundred men to the Indian Territory), dated Fort Gibson, 27th, informs me that he has driven and pursued the forces of Cooper and Stand Waitie across the Arkansas river, and destroyed the rebel fortifications, barracks and commissary building at Fort Davis. Colonel McIntosh and the rebel Creeks are desirous of laying down their arms and uniting their destinies again with the federal government. The same feeling is also manifested by the Choctaws. Respectfully,

JAMES G. BLUNT, Brig Gen. Commanding.

The Negro as a Soldier in Massachusetts.

Much has been said and written of late concerning the military employment of negroes, and the historical aspects of the subject have been ventilated on more than one occasion. Last July Mr. George H. Moore, of this city, favored the public with some historical notes concerning the employment of negroes in the American army of the Revolution, which demonstrated that the patriots of the Revolution were guided mainly by the necessities of their situation from time to time with regard to the use of negroes in the army; that they regarded the question as one of expediency; that great objections existed to their employment, except in menial capacities, at the outset; and, although they were afterwards used as soldiers to a certain extent, the numbers enlisted at any one period were small. Mr. Moore gives in his pamphlet the only formal return of negroes in the army which has ever been published within our knowledge, from which the inference is irresistible that the whole number in the entire army was very small. So far as we are able to judge, while our ancestors seem to have been actuated by much higher motives than many of their descendants they accepted, if not reluctantly, at least with hesitation, the services in arms of an inconsiderable number of negroes against an enemy who did his best, not very successfully, to entice them into the service of the King.

A more recent publication, under the auspices of the Massachusetts Historical Society, by Mr. George Livermore, is now before us. It is an octavo volume of nearly two hundred and fifty pages, beautifully printed, and is entitled "An Historical Research. Opinions of the Founders of the Republic on Negroes as Slaves, as Citizens and as Soldiers." It embraces a large amount of materials for a history of the subject, with occasional remarks by the writer to connect together the copious extracts and authorities of which it chiefly consists.

It is to one and but one of these remarks by the writer that we propose to direct our present criticism. Mr. Livermore says (and he is endorsed by the Massachusetts Historical Society), that

At the commencement of the war, it appears to have been customary for the free negroes to be enrolled with the white citizens in the militia.—P. 124.

This is a gross error. We do not believe it to have been true of a single one of the thirteen colonies; and with respect to the colony, province and the State of Massachusetts, we propose to show from the record that it is utterly without foundation.

We will go back to the beginning and come down to the present day in a brief sketch of the legislation on the subject, which can neither be explained away nor denied.

The necessities of the situation for a few years after the first settlements made everybody a soldier; indeed, put arms in the hands of women and children.

The General Court made an order, 27th May, 1652, "that all Sootemen, Negeres and Indians inhabiting with or servants to the English, from the age of sixteen to sixty years, shal be listed, and are hereby enjoyned to attend trayninges as well as the English." At the session in May, 1656, however, this order was repealed, so far as it related to negroes and Indians, as follows:—

For the better ordering and settling of severall cases in the military companyes within this jurisdiction, which, upon experience, are found either wanting or inconvenient, it is ordered and declared by this Court and the authoritie thereof, that henceforth no negroes or Indians, although servants to the English, shal be armed or permitted to trayne, and yt. no other person shal be exempted from trayning but such as some law doth privileage, or some of the county courts or courts of assistants, after notice of the partyes desires, to the officers of each company to which they belonge, upon just cause, shal dismiss.

This exclusion from military employment and the privilege of bearing arms seems to have continued without change until the brief administration of Sir Edmund Andros.

The act for settling the militia, enacted by this very unpopular Governor and his Council for his Majesty's territory and dominion of New England, March 24, 1687, provided "that no person whatsoever above sixteen years of age remain unlisted by themselves, masters, mistresses or employees." Negroes and Indians are not exempted by any provision of this act; but it is extremely doubtful whether it ever went into practical operation. One of the most obnoxious of his measures was his attempt to control the militia in New England. This is, however, not very important; for after the English Revolution and the establishment of the new province charter, among the earliest of their laws was the act for regulating the militia—1693—by which Indians and negroes were exempted from all trainings.

A subsequent act for the regulating of free negroes, &c.—1707—illustrates their exact position more clearly. The recital in the preamble is that

Whereas, in the several towns and precincts within this province, there are several free negroes, and mulattoes able of body, and fit for labour; who are not charged with trainings, watches and other services required of her Majestie's subjects; whereof they have share in the benefit, &c.

The act, therefore, provided that they should do service equivalent to trainings, &c., each able-bodied free negro or mulatto so many days' work yearly in repairing of the highways, cleansing the streets, or other service for the common benefit of the place.

In common with all able to bear arms, they were required to make their appearance at parade in cases of sudden alarms, where they were to attend such service as the first commissioned officer of the military company of their precinct should direct, during the time the company continued in arms. This obviously points to menial service, or, at any rate, a service different from that of the enrolled militia.

This state of things continued down to the period referred to by Mr. Livermore, "the commencement of the war" of the Revolution, and the very first contemporary act shows that negroes were not legally enrolled at the outset.