

account of salaries or commissions without the certificate of the commissioner that all reports required by law or regulation have been received, or a satisfactory explanation rendered him of the cause of the delay.

REFUNDING TAXES ERRONEOUSLY PAID.

Taxes erroneously or illegally assessed and collected, which, under the 44th section of the act of June 30, 1864, the Commissioner is authorized to refund, subject to the regulations of the Secretary of the Treasury, were, prior to the 30th of June last, by the provisions of the same section, paid by draft drawn on collectors of internal revenue. The 3d section of the act of March last prescribed that after the 30th of June the gross amount of all duties, taxes, and revenues received or collected should be paid, by the officers, collectors or agents receiving or collecting the same, into the treasury of the United States, without any abatement or deduction on account of "salary, compensation, fees, costs, charges, expenses or claims of any description whatever, anything in the law to the contrary notwithstanding."

Such payment, of course, does not allow collectors to honor drafts of the Commissioner, and no little embarrassment has arisen, both to the department and the public, from the want of a clearly authorized method of refunding such taxes. This trouble did not suggest itself during the pendency of the amendatory act, and it is only necessary, I apprehend, to call the attention of Congress to the subject to secure the appropriate legislation.

TAXES IN THE INSURRECTIONARY DISTRICTS.

By circular bearing date June 21, 1865, the Secretary of the Treasury announced that, "without waiving in any degree the rights of the government in respect to taxes which had before that time accrued in the States or Territories in insurrection, or assuming to exonerate the taxpayer from his legal responsibility for such taxes, the department did not deem it advisable to insist at present on their payment, so far as they were payable prior to the establishment of a collection district embracing the territory in which the taxpayer resided."

This office, in pursuance of that circular, commenced and continued the collection of such taxes only as accrued in the several collection districts subsequent to their establishment by the order of the President.

I would respectfully suggest whether or not section 46 of the act of June 30, 1864, which relates to the collection of taxes in States at that time insurrectionary, and referred to in this circular, does not require the careful attention of Congress.

All the instruments enumerated in schedule B of the revenue law, and subject to stamp duty, which were issued for nearly three years in that portion of the United States above referred to, were unstamped and invalid. Immense monetary interests are covered by these instruments, and although much wrong has not yet been suffered by their invalidity, the subject deserves, and will of course receive, special consideration.

PEDDLERS AND SUBSTITUTE BROKERS.

The apparent necessity for two provisions in the act of March last, amendatory of the 79th section of the act of June prior, has passed away with the rebellion. One of them denies license as peddlers to all who are not regularly enrolled for military duty, or physically disabled from service; the other imposes a tax of one hundred dollars upon substitute brokers. Both of them are now useless, while the former, from the discharge of enrolling officers, is liable to produce hardship. They should be repealed.

DEMANDS FOR PAYMENT OF TAXES.

Many complaints have arisen from manufacturers, and no little embarrassment to those charged with the administration of the law, by reason of the amendment to the 83d section, repealing the requirement of demand in writing before the imposition of ten per cent. penalty for non-payment of tax. The purpose of the change was, undoubtedly, to secure punctuality of payment, but neglect is often the result of forgetfulness only, and I believe it but just that written demand notices should be served upon all taxpayers, except when payment accompanies their returns.

DEDUCTIONS BY MANUFACTURERS UNDER SECTION 86.

I would suggest the propriety of amending the 86th section, relative to manufacturers' returns, by striking out so much thereof as relates to deductions.

The law now authorizes the deduction of freight from the place of manufacture to the place of delivery, commission not exceeding three per centum, (except where sales are made at the place of manufacture,) and other expenses of sale *bona fide* paid.

There are so many peculiarities in the method of manufacture and sale of different classes of merchandise in different parts of the country that it has been found impossible to define by any precise and specific rules the deductions allowable as "other expenses of sale *bona fide* paid," while general rules, however carefully drawn, are liable to such a variety of construction that too much diversity of practice has prevailed where it is but just to the honest manufacturer that there should be perfect uniformity. Much time is spent by assessors and assistant assessors in adjusting claims for deductions, and unfortunate differences of opinion often arise between them and the manufacturers, which should be avoided. This diversity of practice has furnished opportunity for numberless short returns, and a large proportion of the manufacturers who have been detected in fraud have urged "expenses of sale" either in extenuation or defence.

It is apparently reasonable to allow for freight, as some manufactories are more remote from the markets than others; but their disadvantage in this respect is, perhaps, fully compensated by the reduced cost of fuel, labor, rents, and motive power. The deductions are allowed only where the tax is *ad valorem*.

The duties upon iron, salt, sugar, molasses, petroleum, and other articles, the freight of which to market is no inconsiderable part of their value, are all specific and without deduction. The amendment proposed would, of itself alone, enhance the burden upon manufacturing; but I believe that a tax of five per centum upon the gross sales of the manufactures in question is preferable to the present rate, with the allowances.

TAX UPON GROSS RECEIPTS OR TONNAGE OF VESSELS.

By section 103 of the act of June 30, 1864, a tax of two and a half per centum is imposed upon the gross receipts of steamboats, ships, barges, canal-boats, or other vessels, employed in the business of transporting passengers or property for hire. The fourth section of the amendatory tariff act of March last relieves vessels paying tonnage duty from the taxation of their receipts. The tonnage duty upon the vessels relieved is but an annual one of thirty cents per ton, and it is respectfully suggested that the amended law imposes unequal burdens upon persons employed in like pursuits.

SECTION ONE HUNDRED AND FIFTY UNNECESSARY.

The peculiar language of section 150 of the act of June 30, 1864, would seem to indicate a purpose at one time of, in some way, collecting the duties

upon successions in the insurrectionary districts through the direct tax commissioners. However this may be, there is now certainly no necessity of the section, and I respectfully recommend its repeal.

STAMP DUTIES.

That part of the law which relates to "stamp duties" is not only susceptible of improvement in its details, but is worthy of attention in respect to its general scope, and the objects of taxation.

While the results of its administration are, perhaps, more satisfactory than those of most other parts of the law, yet evasions and violations are frequent, and, though the amount lost to the revenue may be small in the individual instance, it is large in the aggregate. Without asserting that greater vigilance than that heretofore exercised may not secure a more perfect enforcement of the statute, it is yet safe to say that the risk of detection and punishment under the existing system, with the precise phraseology of the law, in respect to violation and punishment, as it is, must always remain so small as to afford too much inducement for its evasion.

Were it not for the inconvenience the change might inflict upon thinly settled districts, it would be wise, it seems to me, to dispense entirely with adhesive stamps, as has been done elsewhere, and substitute stamped parchment or paper, the use of which is its cancellation. Frauds would diminish, but I fear the advantage to the revenue would hardly justify the burden upon the public. Penalty is provided for issuing unstamped instruments only when there is intent to evade the provisions of the law. The instrument itself may be invalid, but there is no punishment of the party who makes or issues it.

Some of the courts have held the government to the proof of fraudulent intention, and thus practically stayed proceedings for neglect to affix or cancel the requisite stamps.

Sufficient time should, undoubtedly, be given the public, whose attention is not specially directed to its obligation in this particular; but as the law has been so long in operation, it is a question worthy of consideration whether or not a reasonable penalty for simple neglect would be oppressive, as it certainly seems necessary.

Every person who sells unstamped articles named in schedule C is subject to penalty; small for neglect alone, larger when there is purpose to evade the law. Similar provisions in relation to unstamped instruments would, I believe, be both just and salutary.

The invalidity of unstamped instruments in the hands of their receiver must always prevent their issue more effectually than the liability of those who sign them to penalty. A more general compliance with the law could therefore be secured, if only those instruments which are of value in the hands of their holder were subjected to stamp duty. The small loss to the revenue from the necessary amendments would, it is believed, be more than compensated by the convenience of the public and the more general observance of the law. It is wise, too, it seems to me, to have few statutes which can easily be violated with impunity. Familiarity with their infringement in their minor details makes it easier for one to forget his obligations when larger sums are in question between himself and the government. Moral as well as bodily diseases are contagious.

A question has frequently arisen concerning the proper rule to be adopted in the case of official papers issuing from the executive departments of the several States, as well as from county and municipal offices. While there is in such cases no express exemption from stamp duty, such as is provided in regard to official documents made or issued by officers of the general government, yet the law has always been most liberally construed in their behalf. It has, how-

ever, not always been easy to define the proper limits of such exemption, nor to determine the particular cases to which the rule should apply.

It seems, therefore, desirable that legislation should regulate with its special provisions a matter like this of large and growing importance, and which, it must be confessed, now rests mainly upon the basis of "liberal construction."

In this connexion, it is proper to call attention to the fact that there has arisen in some quarters an attempt, sustained by the judicial decisions of certain State courts, to evade the stamp duty imposed upon "writs or other original process by which any suit is commenced in any court of record."

Neither my predecessors nor myself have been convinced by the arguments upon which those decisions are founded, and this office has not altered nor modified the directions heretofore given requiring such duty to be paid. It has not been deemed advisable, however, to take any steps to bring the question involved before the appellate court for final decision, or to induce others to do so. It is undoubtedly desirable that in such a case an authoritative decision should be reached; but, as in other like cases, it seemed proper that the suit for that purpose should be prosecuted, if at all, by individuals, and in the ordinary way.

The power given to collectors by section 163 of the act of June 30, 1864, to affix exemption stamps, and to determine the rate of stamp duty in certain cases, is one of importance to the revenue, and sometimes of embarrassment to this office in its administration of the law. Without derogating from the intelligence and integrity of those charged with this important duty, it is my conviction that their decisions, under the pressure of other duties, and generally without reference to those made in other districts, must commonly be given with less consideration than if made by those who have larger opportunities for investigation, and whose decisions would produce greater uniformity of practice. The inconvenience of referring such matters directly to this office might in some localities seem, at first, to be an objection to the change; but, if desirable, copies might be forwarded, instead of original papers, and decisions made thereon, in pursuance of which the requisite instructions could be given. Indeed, from a large part of the country inquiries are, even now, constantly presented for consideration, accompanied by documents, or copies, under the impression that the final decision in such cases rests here. It is deemed the duty of this office to give answers to such inquiries; but such answers may encounter or be followed by decisions of subordinate officers based upon opinions directly at variance with those held here, and which are made final by law. It is apparent that such an incongruity in the administration of the law should not exist. Whether the correction should be made in the manner I have suggested, is for the superior wisdom of Congress to determine. As the attention of that body will no doubt be called to the details of the stamp schedules, as well as to other points of the law, it is not necessary that I should refer to all the particulars in which amendments may seem advisable. I would suggest, however, that the difference in the terms applied in different localities to the same kind of instrument, and the various forms of process and modes of proceeding in the several States, have rendered it difficult many times to make a satisfactory application of the provisions of schedule B, as it now exists, to all the cases which are presented for decision. Material advantage, too, might be derived from a more careful and enlarged specification, as in the case of different kinds of conveyance, and from a more definite requirement in the statement of the amount or character of the consideration in cases of conveyance, corresponding in that respect to the approved practice abroad. But these and other amendments can be more particularly pointed out at another time, if desired.

OTHER CHANGES IN THE LAW NOT DEFINITELY STATED, DEEMED NECESSARY.

I purposely omit the consideration of several important changes in the provisions of the law relative to successions and legacies, as well as to tobacco,

snuff, cigars, and distilled spirits, which appear to be necessary for the prevention of fraud, the protection of honest taxpayers, and the more uniform and certain collection of the revenue. The patience of the people, burdened as they have been by taxation, is an argument sufficient for their relief from its most annoying and oppressive exactions, so far as is consistent with the public necessities. Unskilled labor contributes in some instances disproportionately to its means, and several requirements of the law are more irritating and burdensome than productive. All these things are, however, being subjected to the thorough scrutiny of the Revenue Commission, and I defer further reference to them for the present.

OPERATIONS UNDER THE DIRECT TAX LAWS.

No appointment of "Commissioner of taxes," authorized by the 56th section of the direct tax law of August 5, 1861, has ever been made; but after the assumption by the loyal States of their apportionment of the twenty millions of dollars thereby imposed, the general superintendence of the collection of the tax in the insurrectionary districts was assigned to the office of internal revenue. For this collection, "a board of tax commissioners" in each of the States in which the insurrection existed was provided by the fifth section of the amendatory act of June 7, 1862. They were appointed, and during the last fiscal year they have been engaged in South Carolina, Virginia, Florida, Tennessee, North Carolina, Louisiana, and, for a portion of the year, in Arkansas.

Since its close they have also been appointed for the States of Georgia, Mississippi, Texas, and Alabama, and have commenced the discharge of their duties.

I herewith submit a statement of the amounts collected by the several commissions prior to June 30, 1865, the amounts received by them from sales of lands, from collections, and other sources, and the quantity or assessed value, or the number of lots purchased by them for the United States, so far as reported to this office, together with their salaries and expenditures:

Districts.	From sales.	Collections.	Othersources, including rents and leases.	No. of acres, assessed value, and number of lots bid in.	Salaries and expenditures.
Florida	\$40,414 81	\$4,000 00	.....	2,337 lots and 28 blocks.	\$27,900 16
South Carolina	170,578 01	99,990 03	\$14,654 96	*39,703 acres.	41,412 22
Virginia	131,608 38	119,308 00	.....	8,701 acres, as- sessed value, \$104,645 75	23,816 29
Tennessee	112,366 00	187,634 00	.....	\$1,586,882 00	23,637 18
Louisiana	108,203 72	.....	.....	.....	8,447 10
North Carolina	33,986 10	.....	.....	.....	9,175 31
Arkansas	33,537 00	9,729 67	.....	\$76,000 00	4,763 03

* This amount is exclusive of lands resold under section 11 of the act of June 7, 1862.

It will be seen that there has been great lack of uniformity in the operations of the several commissions, dependent largely as they were upon the amount of territory protected by the national forces. The quantity of real estate abandoned by disloyal owners, and forfeited to the government, differs in different States, as do the sales of such property, and the amounts of taxes collected.

Of the property purchased for the government at the sales for taxes, leases under section 9 of the act of June 7, 1862, have been made only by the South Carolina commission. In South Carolina, too, and not elsewhere, resales of

lands bid in at the sales for taxes have been made by the commission, under section 11 of the same statute. This section provides that purchasers at the sale who shall have faithfully served for the term of three months as an officer, musician, or private soldier, or sailor, in the army or navy or marine service of the United States, as a regular or volunteer, and who shall pay one-fourth part of the purchase money, shall receive a certificate, and shall have the term of three years in which to pay the remainder. The amount which will become due in 1867 and 1868 upon army and navy certificates, issued as above, is \$206,994 30. In this State, also, a board of selection, appointed by the President of the United States for that purpose, and comprised in part of the tax commissioners, under his instructions of September 16, 1863, selected and reserved for military, naval, charitable, educational, and police purposes, eighty-one plantations, situated on the several Sea islands of that State.

Under the same instructions the commission made sale of homesteads of ten and twenty acres each to heads of families of African descent.

Since December 10, 1863, there have been 617 certificates of homesteads of this character issued by the commission, most of which were during the last fiscal year.

It is evident from what I have stated that when the duties of the commissioners under the present laws shall be completed, the burdens imposed by it will have fallen unequally upon the people of the districts lately in insurrection. Some will have paid little in addition to their original distributive share of the twenty millions of dollars, while others will have lost their entire estates.

Some States, too, will have paid only the amount apportioned them under the act of August 7, 1861, while others, for the reasons before given, will, through the collections and sales, have contributed largely in excess of such apportionment.

After all the taxes shall have been collected, too, there will remain in several of the States large tracts of land belonging to the general government, bid in at the sales. When the offices of the commissioners shall be vacated there will be no person whose special duty it will be to take charge of these lands, or at least such part of them as shall be subject to redemption, and which, under the opinion of the Attorney General of the United States, referred by the Secretary of the Treasury to this office, the tax commissioners are not bound to turn over to the Bureau of Freedmen Refugees, nor has the Commissioner of the Freedmen's Bureau authority to set them or any portion of them apart for the uses mentioned in the statute of March 3, 1865, or sell them under the same statute.

The direct authority of the commissioners under section 9 of the act of June 7, 1862, to lease lands in any State, extends only until the said rebellion and insurrection in said State shall be put down and the authority of the United States established, and until the people of said State shall elect a legislature and State officers who shall take an oath to support the Constitution of the United States, to be announced by the proclamation of the President, and until the first day of March next thereafter.

Under the law and the proclamation of the President, each and every parcel of land in the States and parts of States lately in insurrection is charged with the payment of so much of the whole tax laid and apportioned upon the State where the same is situated, as shall bear the same direct proportion to the whole amount of the direct tax apportioned to such State as the value of such tract bears to the whole valuation of the real estate of such State, and in addition thereto a penalty of fifty per centum thereon. This charge is a lien upon all lands subject to it from and after the proclamation of the President, on the 1st day of July, 1862. The statutory remedy in default of payment of taxes determined by the commissioners is the sale at public auction of the lands upon which they are a charge.

After the cessation of hostilities, and on the 17th day of May last, the several commissions were directed by this office, in pursuance of the instructions of the Secretary of the Treasury, to suspend all sales of lands for taxes in districts before that time in insurrection until otherwise ordered. Collections, however, have been made in several of the States, because of improved opportunities, with greater success than before, and since the close of the heated term all the boards are at their places of duty.

I submit that the disposition of the lands purchased and now held by the United States, as well as the whole subject of the collection of taxes above referred to, requires the careful consideration of the Secretary of the Treasury and of Congress.

ORGANIZATION OF THE BUREAU.

The Secretary of the Treasury, under the amendment to the first section of the act of June 30, 1864, is authorized only until the 1st day of July, 1866, to assign to this office such number of clerks as he may deem necessary, or the exigencies of the public service may require. Legislative action is therefore indispensably necessary that the requisite clerical force may be provided after June next. And here—were I not aware that all that can be said is already within the knowledge of the Secretary—I would urge the importance of increased compensation, by positive enactments, to a portion, at least, of the officers and employés of this office.

It needs no facts or argument to prove that, in a bureau where the details are so numerous and complicated, the value of one's services increases with experience, almost as much as in the studio or laboratory. Private enterprise is everywhere offering superior inducements to those who are willing to sacrifice their days and nights in its service, and it is not strange that a proper regard for themselves and families compels many of the most deserving to retire from public employment. An organization of this office, somewhat like that of the Treasurer's, was approved and referred to the last Congress by the late Secretary, and I respectfully submit that the necessity of one even more liberal in its provisions was never greater than now.

The correspondence of this bureau is voluminous, and the ladies engaged in its copying, and the discharge of other clerical services assigned them, should be remembered in this organization, and receive compensation more commensurate with their services. There is no reason why they should not be recognized and classed as clerks.

I cannot forbear cheerfully testifying to the punctuality and industry of the persons employed with me in this office, and their compliance with its regulations. Several of those charged with the most important duties, disregarding the customary hours of service, have almost uniformly been at their desks for several hours at night.

The same faithfulness has generally characterized the subordinate officers in the several districts of the country, and I am happy in the belief that at no period since the passage of the revenue law in 1862 have the taxes been more uniformly and thoroughly assessed and collected.

With great respect, your obedient servant,

E. A. ROLLINS, *Commissioner.*

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

REPORT OF THE TREASURER.

TREASURY OF THE UNITED STATES,
Washington, October 25, 1865.

SIR: In compliance with provisions of statutory law and departmental regulations, the following statements in regard to the moneyed transactions of the treasury of the United States, and of the office in Washington city, and of the necessary business and labor connected with said transactions, during the fiscal year ending with June 30, 1865, are most respectfully submitted.

The books of the various offices of the department, including this office, have been closed as follows:

CASH DR.	
Balance from June 30, 1864	\$96,739,905 73
Repayments	20,135,881 21
Trust funds	7,242,242 00
RECEIPTS.	
Loans	\$1,475,579,740 85
Internal revenue	209,464,215 25
Customs (coin)	84,928,260 60
Miscellaneous	39,760,371 03
Direct tax	1,200,573 03
Lands	996,553 31
War Department	6,160,524 57
Navy Department	7,787,268 69
Interior Department	197,719 81
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	1,826,075,227 14
	<hr/>
	1,950,193,256 08

These receipts were carried into the treasury by four thousand nine hundred and eighty-one covering warrants.

CASH CREDIT.	
Repayments	\$20,135,881 21
Trust funds	4,146,718 42

PAYMENTS.	
Public debt	695,168,336 31
Civil diplomatic, &c	40,346,543 63
War Department	1,037,483,885 36
Navy Department	130,400,213 98
Interior Department	21,653,368 02
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	1,925,052,347 30
Cash on hand to balance	558,309 15
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	1,950,193,256 08

The above payments were made by thirty-one thousand eight hundred and fifty-six drafts, issued on twenty-eight thousand one hundred and ten warrants.

The actual receipts have been as follows:

From customs, in coin	\$84,622,916 66
From internal revenue	208,753,813 52
From loans	333,694,397 60

From temporary loans	\$147,898,540 95
From seven three-tenths treasury notes	676,610,188 21
From certificates of indebtedness	123,237,000 00
From compound interest notes	191,404,140 00
From legal-tender notes	2,159,830 00
From fractional currency	14,614,563 15
From prize captures	8,206,538 74
From captured and abandoned property	2,427,349 38
From confiscation	187,232 34
From fines, penalties, and forfeitures	436,752 57
From drafts and substitutes	5,321,181 14
From internal and coastwise intercourse	4,020,522 74
From premiums and interest on loans	13,988,143 36
From public lands	919,324 52
From patent fees	278,444 50
From sick and wounded soldiers	393,704 86
From Indian trusts, &c.	191,890 89
From National Bank duty	716,081 15
From real estate, direct tax	1,028,679 51
From repayments	4,489,091 59
From conscience money refunded	20,900 65
From fees, licenses, and miscellaneous	10,301,320 88
From War Department	3,602,431 42
From Navy Department	8,504,205 49
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	1,848,029,185 82

The receipts on account of the War Department consist, mainly, in repayments into the treasury by disbursing officers, and proceeds of confiscation.

The receipts on account of the Navy Department were, mainly, repayments into the treasury by disbursing officers, and from captures.

The following tables exhibit the movement of the treasury for the five years comprised, in whole or in part, in the period of time between the breaking out and the suppression of the rebellion:

Receipts for the preceding year to June 30.

1861	\$88,694,572 03
1862	589,197,417 72
1863	888,082,128 05
1864	1,498,474,234 51
1865	1,826,075,227 14

Payments for the preceding year to June 30.

1861	\$90,012,449 79
1862	578,376,242 79
1863	895,796,630 65
1864	1,313,157,872 94
1865	1,925,052,347 30

The receipts and expenditures on account of the Post Office Department were as follows:

Balance from last year	\$1,074,294 97
Receipts from postmasters and others	3,445,744 88
Received, but not covered in	3,000 00
Warrants cancelled	25,253 94
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	4,548,293 79

There has been paid on 3,148 warrants	\$3,091,025 99
Balance to new account	1,457,267 80
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	4,548,293 79

The aggregate business transactions, including all necessary entries in the cash accounts on the books, at the principal office in the city of Washington for the last five years, show the following results:

1861	\$41,325,339 20
1862	929,630,814 38
1863	2,696,059,087 86
1864	3,889,171,151 00
1865	4,366,551,844 73

Being more than one hundred times as much in the last as in the first year.

But to give a correct idea of the magnitude of the business of the treasury, in Washington, there should be added

to this last named amount of	\$4,366,551,844 73
The aggregate of receipts and payments, as above	3,647,566,764 32
And transfers by letters of instruction, &c.	1,103,736,403 53

Giving a grand aggregate of

9,117,855,012 58

As the office was open only three hundred and three days, the average is over three million of dollars for every day, and this is exclusive of the agency accounts at all the other offices.

New currency in kinds and amounts as follows has been received, counted, and issued, viz:

Three-years six per cent. compound interest notes	\$215,835,440 00
United States legal-tender notes	5,386,870 00
Fractional currency	14,618,757 30
	<hr/>
Total issues	235,841,067 30

Certificates of indebtedness were issued of the amounts and denominations, as follows:

19,106 certificates of \$5,000 each, is	\$95,530,000 00
33,315 certificates of \$1,000 each, is	33,315,000 00
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Total issued within the year	128,845,000 00

Being over forty-three millions less than the issue of the preceding fiscal year. Certificates of indebtedness have been redeemed to the amount of

\$185,161,077 27

Currency has been redeemed and destroyed as follows:

Old issue United States notes	\$316,434 00
New issue United States notes	4,242,416 60
One-year five per cent. notes	36,052,430 00
Two-years five per cent. notes	8,764,050 00
Two-years five per cent. coupon notes	77,178,900 00
Six per cent. compound interest notes	5,742,670 00
First issue fractional currency	4,903,747 34

Second issue fractional currency.....	\$6,956,634 30
Third issue fractional currency.....	49,530 00
Add discount on mutilated notes.....	13,108 09
Total withdrawal of currency.....	144,219,920 33

This redemption involved the separate examination and counting of over seventy million of distinct pieces.

The uncanceled currency of the United States, including time interest notes, and all kinds in the treasury, its various offices and depositories, stood at the close of the fiscal year as follows:

Old issue United States demand notes.....	\$472,603 50
New issue United States legal-tender notes.....	431,066,427 99
Six per cent. compound interest notes.....	191,721,470 00
One-year five per cent. notes.....	8,467,570 00
Two-years five per cent. notes.....	7,715,950 00
Two-years five per cent. coupon notes.....	34,441,650 00
Fractional currency.....	25,033,128 76
Total uncanceled currency.....	698,918,800 25

In addition to these, there was held in the reserve fund, legal-tender notes, \$16,139,633 51.

National banks had deposited securities in this office preliminary to their organization at the date of the last annual statement to the number of 473
Securities have been deposited during the fiscal year by..... 916

Whole number so depositing June 30, 1865..... 1,389

Two of the number have voluntarily discontinued doing business and are winding up their affairs. These have withdrawn their securities. Another has failed, and its circulating notes are being redeemed by this office from avails of securities deposited in it, which are amply sufficient to redeem all its outstanding circulating notes at their full face value.

At the date of the preceding annual statement there had been designated of these banks as depositories of public moneys and financial agents of the United States..... 204
There have been added during the fiscal year..... 141
And there have been discontinued..... 15

Leaving the whole number of national banks so designated on the 30th June, 1865, at 330.

These banks have been a great help to this office in the collection of the internal revenue tax, and in the procuring of subscriptions to and the placing of the various government loans. Thus far, with a single unimportant exception, they have all promptly responded to every demand that has been made upon them by this office for the payment of government funds in their custody.

Amount of bonds held for security of circulation at date of last statement.....	\$44,266,900
Received during last fiscal year.....	191,722,800
Total amount held for circulation.....	235,989,700

At the date of last report there were held for security of government deposits—

Government securities.....	\$10,697,050
Personal bonds.....	19,312,700
Total, June 30, 1864.....	30,009,750

There are now held government securities.....	\$32,682,500
Personal bonds.....	25,000

Total, June 30, 1865..... 32,707,500

Total securities held for national banks, \$268,697,200.

Statement of bonds held in security for circulating notes:

Five per cent. coupon bonds.....	\$1,104,900
Five per cent. registered bonds.....	64,283,700
Six per cent. coupon bonds.....	6,282,250
Six per cent. registered bonds.....	164,318,850
Total.....	235,989,700

In security for public deposits:

Five per cent. coupon bonds.....	\$3,225,500
Five per cent. registered bonds.....	2,691,800
Six per cent. coupon bonds.....	3,162,250
Six per cent. registered bonds.....	5,520,450
Seven three-tenths treasury notes.....	13,817,500
Certificates of indebtedness.....	4,265,000
Personal bonds.....	25,000
Total.....	32,707,500

Total securities held for national banks, \$268,697,200.

To facilitate payments at the points where the disbursements must necessarily be made, 5,141 transfer orders have been issued, by which there has been moved from one depository to another, \$1,103,736,403 53. being nearly three times as much as was so moved two years ago, and about fifty per cent. more than last year.

There have been issued during the fiscal year upon the offices of New York, Philadelphia, Boston, and San Francisco, 68,138 transfer checks, by which there has been paid at those points \$277,371,468 53, of which amount \$6,364,922 40 was paid in coin.

There are at the office in Washington 274 open accounts of disbursing officers.

There have been received, during the fiscal year, one hundred and five thousand and sixty-four official letters. All of them have received attention; most of them, it is true, by the filling up of printed circulars. But notwithstanding these labor-saving devices, nine thousand eight hundred and seventy-three manuscript letters have been written. This is an increase of more than two thousand over last year, and more than double the number written the year before.

By the tables, wherein are compared the movements of the office for the last five years, it will be seen that the business, labor, and money transactions of the office have again been enormously increased. The tables would not be unaptly represented by a truncated pyramid. It is, however, hoped that the tables representing the business of the office, so far at least as the expenditures are con-

cerned, for the next five years, will be represented by such a pyramid with its base turned upward.

There is still great difficulty in obtaining, and in retaining when obtained, the services of persons of the talent and proved probity of character required for the safe transaction of the business of the treasury, at the rates of compensation now allowed by law. The assistant receiving teller, three clerks of the fourth class, six of the third class, five of the second class, and quite a number of the best clerks of the first class, have resigned their positions in this office, and have taken employment elsewhere, where their services were better appreciated and rewarded.

The cashier, the assistant cashier, and the chief of the division of national banks, and others, have remained at their places from motives and considerations other than and above mere pecuniary ones. It is, however, doubtful whether, now that the war is over, these patriotic considerations will continue to influence the conduct of this class of officers and clerks.

It is submitted, therefore, that the public interest requires that the pay of most of the employes in this office should be increased, or at least a percentage on their present salaries allowed them, during the continuance of the present high rates of living, and while their services would command better pay elsewhere.

It is also suggested that the female clerks, who in this office incur great responsibilities, should, like the other clerks, be classified, with salaries according to class, ranging from six to nine hundred dollars per annum.

It is again a subject of gratulation that notwithstanding the difficulty of retaining proper persons for want of adequate pay, the immense money transactions of this office have been satisfactorily accomplished without the loss of one cent to the people of the United States.

I have the honor to be, very respectfully, your obedient servant,

F. E. SPINNER,

Treasurer United States.

Hon. HUGH McCULLOCH,

Secretary of the Treasury, Washington, D. C.

REPORT OF THE REGISTER OF THE TREASURY

TREASURY DEPARTMENT,

Register's Office, November, 1865.

SIR: I submit the following report of transactions in this office during the year ending June 30, 1865.

RECEIPTS AND EXPENDITURES.

The business of this division for the last fiscal year has been greater than in any previous year.

The number of warrants issued for the civil, diplomatic, miscellaneous, and public debt expenditures was.....	15,627
In the previous year.....	12,645
An increase of over twenty per cent.....	2,982
The number of warrants for receipts from customs, sales of public lands, internal revenue, and miscellaneous for the year.....	3,764
In the previous year.....	2,870
An increase of over thirty per cent.....	894

The number of pay and repay warrants issued during the year in the War, Navy, and Interior (Indian and Pension) Departments was..	14,019
In the previous year.....	12,600

An increase of over twelve per cent..... 1,419

The number of journal pages filled with entries of accounts and warrants relating to civil, diplomatic, miscellaneous, and public debt receipts and expenditures for the year was—	
Treasury proper.....	1,153
Diplomatic.....	549
Interior, civil, &c.....	379
Customs.....	586

2,667

A slight increase over last year.

The number of drafts registered was 33,257.

The number of certificates given for the settlement of accounts was 6,200.

From the First and Fifth Auditor's Offices and the General Land Office there were received 14,047 accounts, an increase over last year of over ten per cent. A majority of these accounts were copied for warrants to issue; all of them were registered, and one-half or more journalized, and posted in the several ledgers. Considerable progress has been made during the year in balancing the ledgers of previous years, and the work is being rapidly brought up to the present time.

There are kept in the division nine ledgers containing personal accounts, and eight appropriation ledgers, an increase of one, arising from the increase in the public debt. It being found impracticable to keep this class of accounts in the civil appropriation ledger, they were transferred to one specially for them. The annual report in detail of the receipts and expenditures has become a work of considerable magnitude, and constantly employs two clerks, and sometimes more. There is much of the work of the division of which account cannot be given that requires time and care.

The care of filing records, copying accounts for suits, preparing the quarterly statement of the receipts and expenditures for the settlement of the Treasurer's accounts, and the copying of warrants, involves much labor, and, to the credit of those whose duty it has been, it has been done with care and celerity.

NOTES AND COUPONS.

This division was organized about the 30th June, 1864, commencing with ten clerks, and has continued under the efficient charge of Mr. Day to the present time. The work devolving upon the division has been constantly increasing, so that on the 30th June, 1865, there were thirty three (twelve male and twenty-one female) clerks employed. At the present date there are eighty-five (twenty-three male and sixty-two female) clerks in the division.

During the year embraced in this report, the first series of seven-thirty treasury notes, under acts of June 30, 1864, and March 3, 1865, was issued. There were received from the Currency Bureau 1,293,185 notes, each note having five coupons attached, making 6,465,925 coupons. Every note and coupon was examined and counted previous to issue. Of these notes there were registered and delivered on subscription to the loan branch of the Secretary's bureau 1,256,808 notes, amounting to \$301,693,350. The registering of these notes covered 2,515 pages. It is a matter of congratulation that this entire issue was effected without the occurrence of a mistake involving a loss to the government of a single dollar.

Of treasury notes (upper halves) there have been assorted, counted, and registered—

Two-years five per cent. coupon treasury notes, act of March 3, 1863, 294,811 notes, amounting to.....	\$100,445,150
Two-years five per cent. treasury notes, act of March 3, 1863, 117,409 notes, amounting to.....	8,411,500
One-year five per cent. treasury notes, act of March 3, 1863, 512,662 notes, amounting to.....	14,787,330
Making a total of 924,882 notes, amounting to.....	123,643,980

Of three-years six per cent. compound interest notes, (upper halves,) acts March 3, 1863, and June 30, 1864, there have been assorted, counted, and registered 54,820 notes, amounting to \$1,596,300. All of the above notes, after careful examination and comparison, were burned.

Of "seven-thirty" treasury notes, act of July 17, 1861, there have been examined, assorted, counted, and registered 156,836 notes, amounting to \$44,437,500. These notes, after examining the registering of redemption, are packed away in iron closets in the files-room for future destruction.

The assorting, arranging, counting, and registering of redeemed and mutilated coupons now employs the larger part of the clerical force of the division. The number of redeemed coupons assorted, arranged, and counted during the year is 2,583,117. The number of coupons registered during the year is 1,591,135, all of which have to be examined after they are registered.

A large amount of miscellaneous work has been performed, incident upon the commencement of a new division, which cannot be estimated by figures. The work of examining, arranging, counting, and registering redeemed coupons is one of great magnitude, and must necessarily require a large clerical force for many years to come. In this connexion I desire to add my conviction that a very large share of the work in this division is successfully accomplished by female clerks; and it is within my observation that there are very many of these in this bureau receiving a salary of only sixty dollars per month, who are as capable every way as male clerks who receive \$1,200 per annum. It is not easy to justify this discrimination. The just expenses of ladies are as great as those of single men. Their sacrifices for the country have gone beyond all recompense. I therefore believe it to be due from Congress to authorize by law a classification of female clerks into three or four classes, with salaries graded from \$600 to \$1,000 per year.

REDEEMED CURRENCY COUNTED AND DESTROYED.

Of redeemed United States legal-tender notes there have been counted and destroyed in amount.....	\$4,152,134
Demand notes.....	316,434
Postal currency.....	4,688,588
Fractional currency.....	6,418,722

There has also been counted and destroyed a large amount of surplus bonds, notes, and fractional currency, never issued by the department, most of which having been done since the 30th June last, will be more properly stated in my next report.

COMMERCE AND NAVIGATION.

It is a pleasure to be able to report the work of this division in better progress than for several years past. The statements for the report for the last fiscal year will be in readiness for the printer within the time required by law.

This gratifying condition of the work of the division is due to the energetic efforts of the gentlemen employed in it to bring their division to its proper position in the bureau. The statements required for the financial report for 1865 require great *additions*, calling for increased labor beyond any that have preceded it. It embraces summary statements of the imports and exports of foreign merchandise, exports of domestic products, statements of entrances and clearances of vessels in the foreign trade by countries and by districts, statements of the registered, enrolled, and licensed vessels belonging to the United States, by districts, under the new and old admeasurement, in addition to those heretofore required. The work has been resumed upon "imposts," and is now pushed as rapidly as consistent with perfect accuracy in results. Statements are in course of compilation, and will be ready for the report on commerce and navigation for 1865.

The system of book-keeping used in this division, and the successful results effected by the accomplished experts in its application, will justify me in placing on record the fact that the clerks perform the highest character of clerical duty, and deserve the highest clerical compensation.

Since my last report, the annual commerce and navigation report for 1863, as well as that for 1864—both, for causes set forth by my predecessor, considerably delayed—have been issued.

Attached to the former volumes is a series of comparative tables, exhibiting for a period of four years the trade to and from each distinguishable division of every foreign country. The preparation of these tables has been attended with severe labor, and has been the cause of inconvenient delay in the issue of the annual publications from this division. In the succeeding volumes, those for 1864 and 1865, these tables have been, in pursuance of your order, discontinued. For practical use it is quite certain that a comparative exhibit of the leading articles only for a period of four or five years may be all that will be required.

LOANS.

During the last fiscal year the issues of United States stock have been as follows:

Coupon bonds, direct issue.

Loans.	Number of cases.	Number of bonds.	Amount.
1861, acts July 17 and August 5.....	19,464	113,475	\$87,678,050
1862, act February 25, 5-20s.....	12	4,020	4,012,750
1863, act March 3.....	1,000	70,698	51,380,600
1864, act March 3, 10-40s.....	6,703	117,869	79,530,300
1865, act June 30, 5-20s.....	544	111,615	83,306,300
Totals.....	27,723	437,677	305,908,000

Registered bonds, direct issue.

Loans.	Number of cases.	Number of bonds.	Amount.
1861, acts July 17 and August 5	2,023	9,850	\$27,026 850
1863, act March 3	345	4,134	17,821 900
1864, act March 3, 10-40s	670	3,975	20,859,900
1864, act June 30, 5-20s	110	1,591	8,519,700
Totals	3,148	19,550	74,228,350

Registered bonds issued for transfers or assignments.

Loans.	Number of cases.	Number of bonds transferred and cancelled.	Number of bonds issued.	Amount.
1847, act January 28	164	515	448	\$1,237,900
1848, act March 31	66	200	167	569,600
1858, act June 14	19	30	30	150,000
1860, act June 22	23	72	84	235,000
1861, act February 8	160	465	405	1,312,000
1861, acts July 17 and August 5	985	4,205	3,603	14,748,350
1862, act February 25, 5-20s	1,366	5,978	5,451	17,867,200
1863, act March 3	493	2,115	1,900	8,311,800
1864, act March 3, 10-40s	741	3,622	2,596	9,959,850
1864, act June 30, 5-20s	179	814	766	3,140,950
Totals	4,196	18,016	15,450	57,532,650

Registered bonds issued in exchange for coupon bonds.

Loans.	Number of cases.	Number of bonds issued.	Amount.
1848, act January 28	4	10	\$14,000
1858, act June 14	24	84	420,000
1860, act June 22	8	14	62,000
1861, act February 8	109	274	858,000
1861, acts July 17 and August 5	957	5,668	32,980,150
1862, act February 25	1,352	6,588	39,636,200
1863, act March 3	829	3,937	21,562,000
1864, act March 3	1,260	6,422	41,636,250
1864, act June 30	917	3,876	22,951,450
Totals	5,460	26,873	160,060,050

Total number of bonds signed	497,650
Total number of letters signed	40,527
Total number of signatures	536,140
Total amount of bonds issued	\$597,729,050

In addition to the work attending the issue of stock, is that of preparing, semi-annually, schedules of the interest payable on all registered stock, which are sent to each of the United States depositaries.

These schedules contain the names of the creditors, the amount of stock held by each, the rate, date of the commencement, and amount of interest.

The schedules are made out in duplicate, one copy being retained in the office, and one sent to the Treasurer, assistant treasurer, or depositary, who pays the interest.

The number of accounts open for the different loans is, at this date, 18,925.

I present herewith a resumé of the number and amount of bonds issued from this office under the different loans since and including the year 1841.

Statement showing the number and amount of bonds of the following loans issued in the office of the Register of the Treasury to June 30, 1865.

Loan.	Registered or coupon.	Number of bonds issued.	Amount.
1841		14,045	\$5,672,976 88
1842	Registered ..	9,721	24,677,400 00
1842	Coupon ..	2,415	3,461,000 00
1843	Registered ..	6,848	24,770,900 00
1843	Coupon ..	2,186	2,836,000 00
1846	Registered ..	7,510	14,382,500 00
1847	Registered ..	36,912	76,519,050 00
1848	Registered ..	8,296	18,227,500 00
1848	Coupon ..	7,011	8,313,000 00
1848	Texan Indemnity ..	5,000	5,000,000 00
1858	Registered ..	1,375	6,875,000 00
1858	Coupon ..	17,561	17,561,000 00
1860	Registered ..	2,016	7,756,000 00
1860	Coupon ..	1,682	1,682,000 00
1861, 8th February	Registered ..	9,871	25,748,000 00
1861	Coupon ..	8,533	8,533,000 00
1861, 17th July	Registered ..	32,124	121,596,650 00
1861	Coupon ..	190,697	137,517,950 00
1862	Registered ..	34,064	145,892,950 00
1862	Coupon ..	844,238	439,423,650 00
1863	Registered ..	9,975	47,637,300 00
1863	Coupon ..	76,698	57,178,100 00
1864, 3d March	Registered ..	21,152	90,641,350 00
1864	Coupon ..	230,071	135,342,750 00
1864, 30th June	Registered ..	6,178	34,783,450 00
1864	Coupon ..	111,615	83,306,300 00
Central Pacific Railroad	Registered ..	1,508	1,508,000 00
Total		1,699,302	1,546,843,776 88

This vast amount of highly responsible labor, examining, counting, filling up, signing, entering, and transmitting these masses of bonds, representative of money, with all its temptation to the weak, has been accomplished, I am happy to say, without the loss, in this office, to the government or to any individual, of one dollar. For this success great credit is due to the systematic order of business which has matured under the veteran leading clerks in charge, so many years, of the division and its important subdivisions.

This report would be incomplete without a brief reference to the "files-room." Here is kept the infallible "guide book" to all the accounts coming from various sources through the offices of the First Comptroller and Commis-