

he found that if \$7,300,000 were set aside each year, the debt — principal and interest — could be discharged within sixteen years. But if the unpopular exise were abandoned, where was the needed revenue to be found? New taxes were not to be thought of. The alternative, then, was to reduce expenditures. But how and where?

Under these circumstances the President and his Cabinet adopted the course which in the light of subsequent events seems to have been woefully ill-timed and hazardous in the extreme. They determined to sacrifice the army and navy. In extenuation of this decision, it may be said that the danger of war with France, which had forced the Adams Administration to double expenditures, had passed; and that Europe was at this moment at peace, though only the most sanguine and shortsighted could believe that continued peace was possible in Europe with the First Consul in the saddle. It was agreed, then, that the expenditures for the military and naval establishments should be kept at about \$2,500,000 — somewhat below the normal appropriation before the recent war-flurry; and that wherever possible expenses should be reduced by careful pruning of the list of employees at the navy yards.