

ticles as we can manufacture ourselves in sufficient quantity to supply the wants of the country, and then to lay a tax on the home manufactures. Such a system of revenue would be unaffected by war, and admit of the necessary expansion when an increase of revenue was required. This *per parenthese*.

"When war was contemplated, Mr. Gallatin, then Secretary of the Treasury, endeavoured to cool down the war party in Congress, by representing that war would render it necessary to resort again to a stamp act and tax on whisky, taxes which, on account of former associations, were peculiarly unpopular. But the war spirits were not thus to be deterred. They declared that the money to carry on the war was to be raised, not by taxing but by borrowing; and Gallatin, who did not wish to risk his reputation as a financier on such a philosophical experiment, soon withdrew from the concern, and procured for himself a mission to France.

"He was succeeded by G. W. Campbell, an honest, well-meaning man, I believe, but destitute of all fiscal talents. He tried the borrowing scheme, forgetting that to borrow there must be lenders, and that people are not inclined to lend to government unless the regular payment of the interest be secured by a permanent revenue. The result of this experiment was a rapid declination of the credit of the United States. I do not now recollect what was the precise price of stocks in each particular year of the war, but I know it kept constantly decreasing. In 1811 United States stock was at 103 $\frac{1}{2}$  per cent. In