combative with Mexico millions seven hundred and twelve thousand six hundred and sixty-seven dollars and eighty-seven cents from sales of public lands two millions six hundred and ninety-six thousand four hundred and fifty-two dollars and forty-eight cents, and from liberal and miscellaneous sources ninety-two thousand one hundred and twenty-six dollars and seventy-one cents. The expenditures for the same period were twenty-eight millions thirty-one thousand one hundred and fourteen dollars and twenty cents, and the balance in the treasury on the first day of July last, was nine millions one hundred and twenty-six thousand four hundred and thirty-nine dollars and eight cents.

The amount of the public debt, including treasury notes, on the first of the present month, was twenty-four millions two hundred and fifty-six thousand four hundred and ninety-four dollars and sixty cents; of which the sum of seventeen millions seven hundred and eighty-eight thousand seven hundred and ninety-one dollars and sixty-two cents was outstanding on the fourth of March, 1845, leaving the amount created since that time six millions four hundred and sixty-seven thousand six hundred and ninety-four dollars and seventy-eight cents.

In order to prosecute the war with Mexico with vigor & energy, as the best means of bringing it to a speedy and honorable termination, a further loan will be necessary, to meet the expenditures for the present and the next fiscal years. If the war should be continued until the 30th of June, 1848—being the end of the next fiscal year—it is estimated that an additional sum of $23,000,000 will be required.—This estimate is made upon the assumption that it will be necessary to create a subsidy in the treasury for millions of dollars, to get it against contingencies. If such subsidy be not required to be retained, a loan of a much smaller amount of dollars would be sufficient. However, Congress should, at the present session, impose a revenue duty on the principal articles now embraced in the free list, it is estimated that an additional annual revenue of about twenty millions of dollars, accruing, it is estimated, on the 30th of June, 1848, to our ordinary duties, would be derived from that source, and the loan required would be reduced by that amount. It is estimated, also, that a revenue duty graduated and to expire in a few years on the public lands as have been long in the market, the additional revenue derived from that source would be considerable, for several years to come, between half a million and a million of dollars; and the loan required may be reduced by that amount also.—Should these measures be adopted, the loan required would not probably exceed eighteen or nineteen millions of dollars—leaving in the treasury a contingent surplus of four millions of dollars. For the purposed, it is estimated, will be sufficient to meet the necessary expenditures, both for the war and for all other purposes, up to the 30th of June, 18 and an amount of loan not exceeding one half may be required during the present fiscal year, and the greater part of the remainder during the first half of the fiscal year succeeding.

In order that timely notice may be given and proper measures taken to effect the loan, or such portion of it as may be required, it is important that the authority of Congress to make it be given at an early period of your present session. It is suggested that the loan should be contracted for a period of twenty years, with the right to purchase the stock and pay it off at an earlier period, at its market value, out of any surplus which may at any time be in the treasury applicable to that purpose.—After the establishment of peace with Mexico, it is supposed that a considerable surplus will exist, and that the debt may be extinguished in much shorter period than that for which it may be contracted. The period of twenty years, as that for which the proposed loan may be contracted, in preference to a shorter period, is suggested, because all experience, both at home and abroad, has shown that loans are effected upon much better terms on long time, than when they are reimbursable at short days.

Necessary as this measure is, to sustain the honor and the interests of the country, engaged in a foreign war, it is not doubted but that Congress will promptly adopt it.

The balance in the treasury on the first of July last exceeded the estimate of that time, notwithstanding considerable expenses had been made for the war during the months of May and June preceding. Of this surplus, a portion will be required to be applied to the payment of the appropriations made by the act of the 13th of June last, for the prosecution of the war with Mexico, and the residue will be required to be applied to the payment of appropriations made by the act of the 10th of August last, for the same object. The amount of these appropriations, which will be required to be paid during the present fiscal year, cannot be accurately ascertained; but it is believed that the sum of $10,000,000 will be sufficient for that purpose. Should Congress, at its present session, impose a revenue duty on the principal articles now embraced in the free list, it is estimated that an additional annual revenue of about twenty millions of dollars, accruing, it is estimated, on the 30th of June, 1848, to our ordinary duties, would be derived from that source, and the loan required would be reduced by that amount. It is estimated, also, that a revenue duty graduated and to expire in a few years on the public lands as have been long in the market, the additional revenue derived from that source would be considerable, for several years to come, between half a million and a million of dollars; and the loan required may be reduced by that amount also.—Should these measures be adopted, the loan required would not probably exceed eighteen or nineteen millions of dollars—leaving in the treasury a contingent surplus of four millions of dollars. For the purposed, it is estimated, will be sufficient to meet the necessary expenditures, both for the war and for all other purposes, up to the 30th of June, 18 and an amount of loan not exceeding one half may