

2d CONGRESS.]

No. 51.

[2d SESSION.

## DUTY ON PAPER AND RAGS.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 15, 1793.

Mr. BENJAMIN BOURNE, from the committee to whom was referred the petition of sundry printers and booksellers of the city of Philadelphia, made the following report:

That the fact, stated in the petition, of the extreme difficulty in procuring adequate supplies of printing paper, appears to be well founded; but, from information communicated to the Committee, they are of opinion, a competent supply of this necessary article will, in all probability, be soon furnished from the domestic manufactories. The Committee have been informed that, in addition to the numerous paper mills in various parts of the United States, several new mills, on a very large scale, are now building. In the opinion of the Committee, it will not be expedient to reduce the existing duties on imported printing paper; but it appears to the Committee highly proper, that the article of rags, suitable for the paper manufactory, should be exempted from all duty on importation.

2d CONGRESS.]

No. 52.

[2d SESSION.

## LOANS.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 20, 1793.

TREASURY DEPARTMENT, February 19, 1793.

SIR:

The last letter which I had the honor to address to the House of Representatives, contained a pretty full exposition of the conduct and views of this Department, in regard to the foreign loans.\* There remain, however, some incidental topics, which it may not be expedient to pass over in silence.

In order to carry the attention of the House immediately to a just application of the remarks which will be submitted, it is necessary to premise, that it is known to have been suggested that the proceeds of the foreign bills drawn for to this country, had no object of public utility—answered none—and were calculated merely to indulge a spirit of favoritism towards the Bank of the United States.

It has already been shewn, clearly I trust, that, but for the instrumentality of the parts of the loan drawn for prior to April, 1792, amounting nearly to one half of the whole sum, the purchases of the debt which were made to that time, could not have been made; and that these purchases, besides being *the object designated by law*, for the application of the fund, were productive of positive and important advantages.

How far the operation could have been influenced by motives of favor to the Bank of the United States, the following facts will still more completely decide.

That bank did not begin its operations till the 12th of December, 1791.

The Banks of North America and New York were the agents of the treasury for the sale of the bills in question. They sold them, collected, and, with the exception which will be presently stated, disbursed the proceeds.

The receipts on account of those bills began in March, 1791, and concluded in March, 1792.

On the 31st of December, 1791, as the Treasurer's account before the House will shew, the public cash was deposited as follows:

In the Bank of the United States,	-	-	-	-	-	-	-	\$ 133,000
Bank of North America,	-	-	-	-	-	-	-	471,972 28
Bank of New York,	-	-	-	-	-	-	-	224,677 35
Bank of Massachusetts,	-	-	-	-	-	-	-	65,578 22
Bank of Maryland,	-	-	-	-	-	-	-	50,665 29
Bank of Providence,	-	-	-	-	-	-	-	7,969 61
Making, together,								\$ 953,862 75

There was then also some moneys in the Banks of North America and New York, in a course of receipt, which had not been passed over to the treasurer; but all the public moneys, of whatever kind, in the Bank of the United States, are included in the above sum of 133,000 dollars, which had arisen from the duties on imports and tonnage.

It appears, then, that, on the 31st of December, 1791, no transfer for the benefit of the Bank of the United States had been made; and that the deposits of the Government there, (exclusive of the proceeds of the bills remaining in the two banks, of North America and New York) amounted to little more than one-fourth of the deposits in the Bank of North America, and little more than one-half of those in the bank of New York.

As late as the 1st of February, the State banks continued to share with the Bank of the United States a large proportion of the public deposits. The state of the treasury then was as follows, viz:

In the Bank of the United States,	-	-	-	-	-	-	-	\$ 456,278 90
Bank of North America,	-	-	-	-	-	-	-	151,516 32
Bank of New York,	-	-	-	-	-	-	-	123,708 21
Bank of Massachusetts,	-	-	-	-	-	-	-	71,215 55
Bank of Maryland,	-	-	-	-	-	-	-	49,583 25
Bank of Providence,	-	-	-	-	-	-	-	7,969 61
Making, together,								\$ 865,271 84

A concentration of the public deposits in the Bank of the United States was a measure which grew out of the relation between that establishment and the Government. Yet, instead of hastening it through favor, it was resolved to let it have a gradual course; so as to consult, in a due degree, the convenience of the other banks. and to effect it rather by letting the public disbursements fall upon the moneys in those banks than by direct transfer.

But a state of things took place in the month of February, between the Banks of the United States and North America, which rendered a more expeditious transfer than was meditated, for the mutual convenience of the two institutions.

\* See No. 49.

The effect of this was, that the state of the treasury, on the 1st of March, stood as follows:

In the Bank of the United States,	-	-	-	-	-	-	\$ 692,959 6
Bank of Massachusetts,	-	-	-	-	-	-	31,769 5
Bank of New York,	-	-	-	-	-	-	32,352 52
Bank of North America,	-	-	-	-	-	-	31,515 74
Bank of Providence,	-	-	-	-	-	-	8,404 94
Bank of Maryland,	-	-	-	-	-	-	34,752 85
Making, together,							<u>\$ 831,754 16</u>

But at this time, there was in the Bank of New York, from the proceeds of the foreign bills, 121,984 dollars and 71 cents, not transferred to the account of the Treasurer.

This accumulation, however, in the Bank of the United States, was of very short duration.

On the 1st of April ensuing, the state of the public cash was as follows:

In the Bank of the United States,	-	-	-	-	-	-	\$ 359,643 64
Bank of New York,	-	-	-	-	-	-	254,930 41
Bank of North America,	-	-	-	-	-	-	31,515 74
Bank of Massachusetts,	-	-	-	-	-	-	37,712 58
Bank of Providence,	-	-	-	-	-	-	7,156 65
Bank of Maryland,	-	-	-	-	-	-	60,418 32
Making, together,							<u>\$ 751,377 34</u>

A similar state of things lasted to the 1st of June, comparatively more disadvantageous to the Bank of the United States. The receipts of public revenue continued to go into the Bank of New York till the 1st of April, 1792, when a branch of the Bank of the United States began to operate in that city; which is the reason of the sum in the Bank of New York bearing so near a proportion to that of the United States, and so far exceeding the Bank of North America. By this time, also, the balance of the proceeds of foreign bills had been passed to the account of the Treasurer; yet still remaining in deposit in the Bank of New York.

These views of the state of the public cash are conformable to the treasurer's statement of half monthly balances, accompanying my letter of the 13th instant, No. V.\*

The same statement will shew, that a proportion of the public deposits has continued, since the 1st of April, 1792, in the State banks; in those of North America and New York down to the end of the period which that statement embraces.

From these details, the following inferences are deducible.

That, as far as any advantages may have accrued from the deposits on account of the foreign bills drawn prior to April, 1792, they accrued substantially to the Banks of North America and New York, not to the Bank of the United States, or to its branches. That, in transferring the pecuniary concerns of the Government from the pre-existing banks to that of the United States and its dependencies, a cautious regard has been paid to the convenience of the former institutions, and the reverse of a policy unduly solicitous for the accommodation of the Bank of the United States has prevailed. Indeed, so much has this been the case, that it might be proved, if it were proper to enter into the proof, that a criticism has been brought upon the conduct of the Department, as consulting less the accommodation of the last mentioned institution, than was due to its relation to the Government and to the services expected from it.

But further examination will demonstrate another point; which is, that none of the establishments in question have received any accommodations which were not in perfect coincidence with the public interest, and in the due and proper course of events.

This examination will be directed towards two objects; one, the state of the treasury at the commencement of each quarter, during the years 1791 and 1792; the other, the state of the market in regard to the prices of stock during the same years.

These periods are selected, because they afford the truest criterion of the state of the treasury, from time to time, being those at which the principal public payments are made; and for which it is necessary to be prepared by intermediate accumulations.

The state of the treasury at the periods in question, was as follows:

In the year 1791.	January 1,	-	-	-	-	-	\$569,886 55
	March 1,	-	-	-	-	-	373,434 53
	June 1,	-	-	-	-	-	533,638 24
	October 1,	-	-	-	-	-	662,233 99
In the year 1792.	January 1,	-	-	-	-	-	953,862 75
	April 1,	-	-	-	-	-	751,377 34
	July 1,	-	-	-	-	-	623,133 61
	October 1,	-	-	-	-	-	420,914 51
1793.	January 1,	-	-	-	-	-	783,212 37

This appears from the statements Nos. 4 and 5, forwarded with my last letter.

The state of the stock market, during the several quarters of the same years, was as follows:

First quarter of 1791.	-	Six per cents. from	-	16s. 9d.	to	17s. 6d.
	-	Three per cents. from	-	8s. 6d.	to	9s. 4d.
	-	Deferred, from	-	8s. 6d.	to	9s. 4d.
Second quarter of 1791.	-	Six per cents. from	-	17s.	to	17s. 9d.
	-	Three per cents. from	-	9s.	to	10s.
	-	Deferred, from	-	8s. 11d.	to	9s. 4d.
Third quarter of 1791.	-	Six per cents. from	-	17s. 10d.	to	21s. 3d.
	-	Three per cents. from	-	9s. 9d.	to	12s. 5d.
	-	Deferred, from	-	9s. 9d.	to	12s. 10d.

As early as the 6th of August, the six per cents. had a temporary rise to 21s. but by the 16th, they had fallen to 20s.; on the 20th, they had risen to 20s. 6d., and were sometimes above that rate, but never lower during the rest of the quarter.

As early as the 23d of July, the three per cents. had reached 12s., and were sometimes higher, but never lower during the rest of the quarter.

On the 23d of July, the deferred also reached 12s., and afterwards rose to 12s. 6d.

Fourth quarter of 1791.	-	Six per cents. from	-	20s. 4d.	to	22s. 4d.
	-	Three per cents. from	-	12s. 2d.	to	13s. 8d.
	-	Deferred, from	-	11s. 8d.	to	13s. 6d.

The prices were lowest in the early, and highest in the latter part of the quarter.

During the whole of the month of December, the deferred was at 12s. 8d. and upwards; the greatest part of the time at 13s.

\* See No. 49, statement V. page 214.

First quarter of 1792.	-	Six per cents. from	-	21s.	to	25s.
		Three per cents. from	-	12s. 6d.	to	15s.
		Deferred, from	-	12s.	to	15s.
The low prices were in the last ten days of March.						
Second quarter of 1792.	-	Six per cents. from	-	20s.	to	22s. 6d.
		Three per cents. from	-	12s.	to	13s. 9d.
		Deferred, from	-	11s. 6d.	to	13s. 4d.
Third quarter of 1792.	-	Six per cents. from	-	21s.	to	22s. 3d.
		Three per cents. from	-	12s. 4d.	to	13s. 6d.
		Deferred, from	-	12s. 3d.	to	13s. 7d.
Fourth quarter of 1792.	-	Six per cents. from	-	20s. 2d.	to	21s. 9d.
		Three per cents. from	-	12s. 3d.	to	13s. 6d.
		Deferred, from	-	11s. 10d.	to	13s. 6d.

In October, the deferred was at the highest. The lowest prices were in the month of December.

This view of the subject is derived from a statement of prices, pursuant to actual purchases and sales, furnished by a dealer of this city, respectable for his intelligence and probity, combined with the accounts from time to time published in the Gazette of the United States. The papers marked (A x.) and (B y.) are transmitted for the more particular information of the House on this head.

The market prices of stock no doubt varied at other places; at some may have been higher, at others lower. At Philadelphia, too, 'tis believed that small sums were obtainable at particular periods, from necessitous individuals, below the prices in the statement.

But there is good ground of reliance, that it is substantially a just representation of the state of the stock market, during the periods to which it refers.

The state of the treasury, from the first of January, to the first of October, 1791, may be said to have been at its proper level, exhibiting none, or an inconsiderable excess beyond the sum which has been mentioned as necessary to be there, and concerning which, a further explanation has been promised, and will be given in the course of this letter. The public purchases in August and September, 1791, amounted to 349,744 dollars and 99 cents.

In the last quarter of the year 1791, beginning with the month of November, and the first quarter of the year 1792, there appears to have been an excess of some magnitude in the treasury, being from about 250,000 to about 450,000 dollars. Taking the first quarter of 1792 as the truest criterion (which it certainly was, because, at the expiration of that quarter, the payment of interest on the assumed debt began, and was to be provided for) the real excess ought to be considered as 250,000 dollars; with the addition of about 80,000 dollars then in the Bank of North America, from the proceeds of Amsterdam bills, beyond the advances of the bank for the public service, which had not been passed into the Treasurer's account. It is proper to remark, that the course of importations occasions large receipts in the latter part of each year, which circumstance contributed to the accumulation in question.

From the last of November to about the 21st of March, an investment of the excess on hand, in purchases, was impracticable.

To enable the House to understand what is meant by saying that purchases were impracticable during that period, it is necessary to add, that the prices of stock exceeded the limits which the commissioners of the sinking fund had prescribed to themselves. Indeed, a large proportion of the time, those prices were manifestly artificial, and such as predicted a great fall not far distant. The delay incurred, was accordingly well compensated by the prices at which investments were afterwards made.

From the 21st of March to the 25th of April, purchases were effected to the extent of 242,688 dollars and 31 cents, in specie; within 80 or 90,000 dollars of what could have been spared, consistently with the rule which has been mentioned, as proper to regulate the arrangements of the treasury.

But two circumstances operated against a further investment; a sudden rise of prices, and a state of temporary disorder in the two principal mercantile scenes of the country (occasioned by the excessive speculations that had preceded) which admonished the treasury to be cautious in its disbursements.

It results from the foregoing view of the subject, that, as far as any extraordinary sum may appear to have remained unemployed in the banks a longer term than was desirable, it proceeded essentially from a state of things which did not permit its employment, and is in no degree attributable to that spirit of favoritism towards those establishments, or any of them, which has been imagined, as the solution of appearances, not rightly understood, and much over-rated.

The only question, then, of which the matter is susceptible, is this: Was not the state of things, that did take place, to have been foreseen, so as to have influenced the drawing for a proportionably less sum?

This question may safely be answered in the negative.

The bills, the proceeds of which contributed to constitute the excess, which remained unemployed during the two quarters, were drawn in May, 1791. In that month, the highest prices of stock were 17s. 2d. for six per cents. 9s. 2d. for three per cents. and 9s. 3d. for deferred.

No reasonable anticipation, at this juncture, of the progressive rise of stock, could have carried it in so short a time to the height which it attained, or beyond the limits within which purchases were deemed advantageous. The rapid and extraordinary rise which did ensue, was, in fact, artificial and violent; such as no discreet calculation of probabilities could have pre-supposed. It, therefore, cannot impeach the prudence or expediency of having made provision, on a different supposition, for an extension of purchases.

The proceeds of the bills which were drawn subsequent to May, only began to be collected about the beginning of February, and continued in collection until the 29th of March. On the 2d of February, the sum received amounted to no more than 13,431 dollars and 33 cents.

These last bills were drawn when the rapid rise of stock commenced, and were sold upon a credit of three months. It was a natural conjecture, that a rise so sudden and violent could not be of long duration; and that a declension would shortly succeed, which would afford an opportunity of purchasing with advantage, and render the intervention of public purchases advantageous in more than one respect. The event fully corresponded with the anticipation.

With regard to the bills drawn in April last, it has been stated, that they were directed to be sold upon a credit of six months; that those drawn in July, August, and October, were made payable, one moiety in two, the other moiety in four months. Hence, with a moderate allowance for delay in the sales, the period contemplated by the arrangement for the commencement of receipts, was the month of October; that for their consummation, the month of February.

The inducements to the drawing of these bills have been stated. The present examination has relation merely to the question, whether the Bank of the United States, by premeditation of this Department, or subsequent omissions, had enjoyed any undue advantage from the deposits of the proceeds of the bills at the end of the year 1792, the point of time to which this inquiry has reference.

The statement which has been made, as to the time the moneys received to that period had remained in deposit, might alone be relied upon as a sufficient answer. If delinquency can be attached to the non-employment of one or two hundred thousand dollars for a few weeks, in the money operations of a nation, it implies a minuteness of responsibility, which could never be encountered with prudence, and never will be fulfilled in practice. The distractions of attention, incident to a great and complicated scene of business, would alone disappoint the expectation.

But I have more than this to offer upon the present occasion. The opportunity for investing the moneys on hand, during the period in question, was not favorable. This was experienced by the Treasurer, in his endeavors to invest the fund arising from the interest on the purchased debt. There was no part but the deferred which could be had at all within the limits prescribed. Several indications of an approaching season, more advantageous for purchases, were discernible, and a better employment of the money than at the then prices presented itself to the option of the

Legislature. This mode of employing it, formed, in my mind, part of a general plan for the regular redemption of the public debt, according to the right reserved to the Government. The one per cent. which might be saved, was regarded as one means of constituting the proposed annuities.

Accordingly, on the 30th of November last, pursuant to a reference of the 22d of that month, and connected with the plan of redemption contemplated, I submitted to the House of Representatives a proposition for applying the moneys in question towards discharging the debt which the Government owes to the bank, and upon which an interest of six per cent. is payable. This was manifestly, at the time of the proposition, the most profitable use that could be made of the fund. It has been already stated, that it would produce a saving, if extended to the whole two millions, worth to the Government an annual sum of 20,000 dollars—equal to a capital of 400,000 dollars.

This proposition tended to accelerate the employment of the moneys on hand, in a way the most beneficial to the Government; and consequently to shorten the duration of the advantage to the banks of holding them, by way of deposite. I submit it to the candor of the House, whether it be not full evidence that there was no disposition, on my part, to prolong to those institutions a benefit at the expense of the Government.

The proposition itself has not yet received the decision of the House.

Another ground upon which the suggestion of mismanagement and undue concession to the interest of the banks has been founded, respects the domestic loans which have been obtained. Those of them which have been made of the Bank of the United States, are represented as unnecessary, tending to afford an emolument to that institution, for which the United States had no equivalent advantage.

It will conduce to a correct judgment of this matter, to resume a point already touched upon, and to add here the further illustrations of it which have been promised, to wit: that it ought to be a general principle to have constantly in the command of the treasury, at its different places of deposite, a sum of about 500,000 dollars—a principle, too, which must be understood with reference to the beginnings of the quarters of a year, when the chief public payments are made and making.

The following observations will apply generally to the balances which appear at the commencement of each quarter. The greatest part of the interest for the preceding quarter will have been then deducted; but a part is always in a different situation.

The payment of interest upon a public debt, at thirteen different places, is an operation as difficult and complicated as it is new. In carrying it into execution, it is of necessity to lodge, for some time previous to the expiration of each quarter, at several of the loan offices, drafts of the Treasurer, for the sums estimated to be necessary at those offices, with blanks for the direction, and with liberty to the respective officers to dispose of them upon different places, as a demand accrues. This arrangement has an eye to two purposes; to avoid large previous accumulations at particular points; to facilitate the placing of the requisite sums, where they are wanted, without the transportation of specie. The allowing of the drafts to be disposed of on several places, gives larger scope to a demand for them, and renders them more easily saleable. But it is a consequence of this, that a part of the drafts are often not placed and brought into the accounts of the Treasurer, 'till some time after the expiration of the quarter. The fund for them of course appears on hand 'till the transaction is completed.

Connected with the circumstance of paying the interest upon the public debt at different places, is this further consequence. The transfers continually going on from one office to another, render it impossible to know, at any moment when provision for the payment of interest is to be made, what sum is requisite at each place. Estimate must supply the want of knowledge; and, to avoid disappointment any where, the estimate must always be large, and a correspondent sum placed in the power of the commissioners. This circumstance alone requires an extra sum at the different places of payment, which ought not to be computed at less than 50,000 dollars.

Again, the sums payable on account of the civil list, at the end of each quarter, which amount to about fifty thousand dollars, exclusive of what relates to the two Houses of Congress, are always in a course of payment for some time within the succeeding quarter. The fund for them consequently appears in the moneys on hand at the beginning of such quarter.

Again, there are constantly considerable arrears of existing appropriations, for which demands on the treasury are at every moment possible; the times when they will be presented, and to what extent, at any given time, being in a great degree contingent. The arrears for the different objects of the War Department, can seldom be estimated at less than 150,000 dollars.

It is presumed to be a clear principle, that the treasury ought to be always ready to face such arrears as may be claimed at every instant, or within any short period. An hour's distress or embarrassment, to make good a public payment, already due, would be baneful to public credit. It has been a uniform maxim of the present administration of the treasury never to risk such distress or embarrassment.

Independently, therefore, of the weighty consideration of being prepared (especially with a war on hand liable every moment to greater extension) for future casualties, the mere satisfaction of arrears ought to cause the constant reservation of a sum, that would be moderately stated at half the sum which it has been alledged ought always to be in the treasury. It is to be observed, that it does not often happen that the current receipts to be expected in any immediately succeeding quarter, are likely to exceed the probable expenditure of the quarter. The reverse is as often the case. Hence the greater necessity of maintaining a constant surplus.

There are still other considerations of weight, in a just estimate of the point in question.

The sum stated as necessary to be always in the command of the treasury, is never in fact at the seat of the Government, where far the greatest part of the public disbursements are to be made. The depositories of it are the several banks from Charleston to Boston. The whole sum, therefore, can never be brought into immediate action, for answering the claims upon the treasury. No part can be properly viewed as in this situation, beyond New York on the one side, and Baltimore on the other. Whatever part is more remote than those points, ought not to be regarded as capable of being commanded in less time, upon an average, than sixty days, making allowance for the usual delays in the sale of bills, and the usual terms of credit, which experience has shewn to be convenient.

In estimating the effective sum at any time on hand, in the Bank of the United States, it is necessary to be known, that a practice for the simplification of the treasurer's bank account, begun with the Bank of North America, has been continued with the Bank of the United States, of this nature: The bills drawn by the Treasurer upon distant places, and deposited with the bank for sale, are immediately passed to his credit as cash, though they are allowed to be sold at credits from thirty to sixty days; and it is understood, that the proceeds are not demandable of the bank, till they are collected. Hence the apparent sum in the Bank of the United States is always greater than the real; sometimes to a large amount.

The deductions to be made for this circumstance, are shewn in the treasurer's half monthly statement of balances No. 5, beginning with the first of June, 1792, and ending with the first of January, 1793. The period begun with is that when the first instalment of the loan from the bank was payable, and has been selected for this reason.

The propriety of these deductions appears to have been objected to, by anticipation, on two grounds; one, that the bills deposited answer all the purposes of cash, and ought to be credited as such, on the receipt of them; the other, that "there is a regular and constant influx of moneys into the bank, by the operation of these bills, and that it is not very material whether a bill lodged in the bank to-day, should be paid to-day, provided something like the same sum should be paid in consequence of a bill lodged in bank one or two months ago, and the bill of to-day should be paid one or two months hence."

Neither the one nor the other of these two positions is correct.

In no sense are the notes of the purchasers of the bills, which are taken payable in thirty, forty-five, and sixty days, the same thing to a bank as *cash*. 'Tis evident it could not pay its own bills with those notes. In this primary particular, therefore, the comparison fails; neither could it make discounts upon the basis of those notes as *cash*. Because, every discount gives a right to a borrower to call and receive in coin, if he pleases, the amount of the sum discounted. Notes are not coin, nor do they confer an equal power to pay. It is true, that a bank will, in its discounts, make some calculation on expected receipts; but it can never consider them as equivalent to cash in hand, nor operate upon them in any degree to the same extent as upon equal sums in cash. If notes payable at future periods were

equivalent to cash, then every discount made by a bank would confer a faculty to make another for an equal sum; for there is always a note deposited for the sum discounted, and the power of discounting might, by the mere exercise of it, become *infinite*. An hypothesis of this kind will never be acted upon by any prudent directors of a bank, and could not be long acted upon, without ruin to the institution. It is to be observed that the great profitable business of a bank consists in discounting.

There is but one light in which the position under examination is in any degree founded. It is this, that, were it not for the instrumentality of the bills, the specie of the bank would be sometimes emitted for purposes which are answered by the bills. As often as this happens, they are a substitute to the bank for cash, because they prevent equivalent sums from being carried away.

But this only sometimes happens. In numerous instances, the enterprises to which the bills are subservient, would not be undertaken at all, were it not for the power of anticipation which the credits upon them afford. In many other instances, the bills of the bank itself would be remitted instead of specie; in others, private bills would be substituted; in others, mutual credits between the merchants, to be liquidated in the course of mutual dealings, would supply the call.

Hence it is only true that treasury bills *sometimes* answer the purpose of cash to the bank, whence it does not follow that they ought *always* to be considered and credited definitively as cash. It is also true, though in a less degree, that notes deposited with the bank by individuals, for collection, sometimes answer to it the purposes of cash; but it will be readily perceived that it would be inadmissible, as a general rule, to receive and credit them as such.

The effect in both cases would be, that the bank would make an *advance* of a present sum *without interest*, for a sum to be received in future.

An arrangement, indeed, has been for some time, depending between the Bank of the United States and the treasury, for securing to the Government the advantage of an immediate *absolute* credit for the bills deposited, as so much cash, to be coupled with some collateral accommodations to the bank. But it has not yet been carried into effect. The fact heretofore, has been as stated, and the reasoning, to be just, must proceed on that basis.

The last of the two positions which have been cited, has still less foundation than the first.

A sum received to-day, for a bill deposited two months past, can in no view be deemed a substitute for the amount of a bill deposited to-day, *to be received* two months hence. It is to be remembered, that the amount of the first bill was itself credited *at the time of the deposit*; and that the sum received to-day on that account, can only *realize the antecedent credit*. It cannot represent or be an equivalent for the *future receipt* upon a different bill. To affirm that it could, is to make *one* sum the representative of *two*. The consequence of the reasoning would be, that the Government ought to receive the money paid in to-day as a satisfaction, as well for the bill deposited to-day, as for that which was deposited two months past.

Making the proper deductions on account of the bills, the amount of the effective cash in the banks at Philadelphia, New York, and Baltimore, was, on the first of June, 587,091 dollars and 11 cents; in other banks, there was then also the further sum of 9,591 dollars and 89 cents, making together 596,683 dollars. The amount of the effective cash on the second of July, in the banks at Philadelphia, New York, and Baltimore, was 217,234 dollars and 76 cents; there were then also in the other banks, 184,998 dollars and 85 cents; making, together, 402,233 dollars and 61 cents. The amount of the effective cash on the first of October, in the banks at Philadelphia, New York, and Baltimore, was 244,394 dollars and 27 cents; there were then also in the other banks, 145,420 dollars and 24 cents; making, together, 389,814 dollars and 51 cents.

The deductions for bills at the several periods, were, June first, 157,508 dollars and 33 cents; July second, 220,900 dollars; October first, 31,100 dollars; so that, including the bills at that epoch, the whole sum in the banks at Philadelphia, New York, and Baltimore, amounted to no more than 275,494 dollars and 27 cents; the sums in the other banks, to 145,420 dollars and 24 cents.

On the first of June, there were paid on account of the debt to France, 100,000 dollars; the day following, the first instalment of 100,000 dollars, on account of the loan from the bank, was received. On the 30th of June, the second instalment of 100,000 dollars was received. These two instalments, amounting to 200,000 dollars, are included in the sum of 217,234 dollars and 76 cents, which, on the 2d of July, constituted the cash in all the banks at Philadelphia, New York, and Baltimore.

About the beginning of August, another instalment on account of the loan of the bank was received, and on the 29th of September, another, making, with the preceding ones, 400,000 dollars. This sum was involved in the balance in the treasury on the first of October, which, it has been seen, did not exceed in the banks at and near the seat of the Government, including even unsold and unpaid bills, 275,494 dollars and 27 cents; and comprehending the sums in all the other banks, amounted to no more than 420,914 dollars and 51 cents.

From the foregoing detail, it appears that, excluding the 200,000 dollars received on loan of the bank of the United States, in the month of June, there would have been, on the 2d of July, 1792, in the command of the treasury at those places, from which immediate supplies may be derived, no greater sum than 17,234 dollars and 76 cents; that, excluding the 400,000 dollars, before that time received on loan of the same bank, there would have been, on the 1st of October, 1792, an absolute deficiency within the scene described, of 124,505 dollars and 73 cents; that the whole balance then in the treasury, wheresoever deposited, amounted only to 420,914 dollars and 51 cents, and, excluding the loan of the bank, would not have been more than 20,914 dollars and 51 cents.

There must be some very radical error in my conceptions of the proper condition of the treasury, if it was not in a sufficiently low state, during the whole period under consideration; and if it be not demonstrated, that the moneys taken of the bank on loan were necessary for the public service, and were obtained with a due regard to economy.

There are circumstances which still further manifest the attention which has been paid to this point. The powers given to make loans for domestic purposes at different times, up to the 8th of May, 1792, comprehend an aggregate of 1,053,355 dollars and 74 cents; the sums which have been actually obtained upon interest, amount to no more than 455,000 dollars.

The contract upon which the 400,000 dollars were obtained, was made the 25th of May, 1792, extending to 523,500 dollars, and contemplating the payment of 400,000 dollars of that sum by the bank, in equal monthly instalments, beginning on the 1st of June, and ending the 1st of September; the residue on the 1st of January, 1793.

Previous to the making of that contract, there had been stipulated to be paid on account of the French debt, for the supplies to St. Domingo, 400,000 dollars, of which one-fourth was paid in March, another fourth was payable on the 1st of June, another fourth on the 1st of September, another fourth on the 1st of December.

Particular causes rendered it an accommodation to the agents of France, to postpone and subdivide the September instalment. A similar postponement took place with regard to the instalment payable by the bank on the 1st of September, which was not demanded till the latter end of the month, and the remainder of the sum contracted for has not yet been demanded. The spirit of the precaution, which secured to the public the privilege of making or forbearing its calls, according to circumstances, needs no comment.

There remain to be noticed two circumstances, which will serve to throw additional light upon the conduct which has been observed with regard to the sums from time to time kept on hand. A comparison of the sums in the treasury, during the years 1791 and 1792, will contradict the idea of any disposition to suffer the public moneys to accumulate, for the benefit of the Bank of the United States and its subdivisions, and will at the same time indicate the general rule which has governed. In this comparison, it is necessary to recollect that larger operations were to be performed in 1792.

It may be objected, that the rule laid down has been on several occasions exceeded. How this has happened at certain periods, has been explained. But there is a view of the subject which will throw further light upon it.

The sums which appear on hand at the end of any quarter, are always larger on a *retrospective* than on a *previous* view. This proceeds from the following cause:

The judgment to be formed beforehand of the sums which will be received within any future period, must of necessity be regulated by the returns in possession of the treasury, at the time the examination is made. As these

come forward with more or less punctuality, that judgment will be more or less accurate; but, the appearance on the returns will always be short of the fact, because a certain number of returns, at any period of examination, will necessarily be deficient. What does not appear, must of course be essentially excluded from the calculation of the receipts to be expected within any near period. Because the extent of the sums which may have accrued, beyond those shewn by the returns in hand, is unknown, and it is still more uncertain in what months the payments of them may fall; and the combinations of the treasury, as to the means of fulfilling the demands upon it, ought to proceed as little as possible upon conjectures and uncertainties.

Monthly abstracts of the bonds taken at each port, are the documents which serve to inform the treasury of the progress of the receipts upon the duties of imports. From these, a general abstract is made up once a month at the treasury, for the information of the head of the Department, shewing the amount payable in each month.

But very considerable differences appear from one month to another. The statement C Z, will serve as an illustration.

It contains a comparison of the sums shewn by two successive abstracts, one of the 7th of November, the other of the 7th of December last, for a term of ten months, distributed into monthly subdivisions. The aggregate difference upon the whole term between the two abstracts, is 495,308 dollars and 73 cents; upon two months, beginning with November, and ending with December, it is 151,789 dollars and 40 cents; upon a quarter beginning with January, and ending with March, it is 174,471 dollars and 66 cents; upon a subsequent quarter, it is 81,055 dollars and 81 cents; upon a still subsequent quarter, it is 87,991 dollars and 86 cents.

Hence it is evident, that an arrangement, founded upon the abstract of the 7th of November, would suppose a receipt during any part of the time embraced by it, even the most proximate, considerably less than would appear by the abstract only one month later; and it must always happen, from this circumstance, that the actual receipts, while punctuality is preserved, will exceed the anticipations of them, and that greater balances will be found to exist at any given period, than could have been beforehand safely calculated or acted upon.

This circumstance, duly considered, will be a further and powerful justification of the conduct pursued generally, in relation to the moneys from time to time kept on hand, and particularly with regard to the loans of the bank. Low as the state of the treasury appears to have been on a retrospective view, when the moneys upon those loans were called for, the prospect, at each time, must have presented the appearance of a less competent supply, or a greater deficiency, than was afterwards realized.

I am not sure but that I owe an apology to the House for taking up so much of its time in obviating the imputation of partiality or favoritism towards the banks; the aspect under which I view it, admonishes me, that I may have annexed to it greater importance than was intended to be given to it by its authors.

That a disposition friendly to the accommodation of those institutions, as far as might be consistent with official duty and the public interest, has characterised the conduct of the Department, will not be denied.

No man, placed in the office of the Secretary of the Treasury, whatever theoretic doubts he may have brought into it, would be a single month without surrendering those doubts to a full conviction, that banks are essential to the pecuniary operations of the Government.

No man, having a practical knowledge of the probable resources of the country, in the article of specie, (which he would with caution rate beyond the actual revenues of the Government) would rely upon the annual collection of four millions and a half of dollars, without the instrumentality of institutions that give a continual impulse to circulation, and prevent the stagnation, to be otherwise expected from locking up from time to time large sums for periodical disbursements; to say nothing of the accommodations, which facilitate to the merchant the payment of the considerable demands made upon him by the treasury.

No man, practically acquainted with the pecuniary ability of individuals, in this country, would count upon finding the means of those anticipations of the current revenue for the current service, which have been, and will be necessary, from any other source than that of the banks.

No prudent administrator of the finances of the country, therefore, but would yield to the disposition, which has been acknowledged, as alike essential to the interest of the Government, and to the satisfactory discharge of his trust; a disposition which would naturally lead to good offices, within the proper and justifiable bounds.

After the explanation which has been offered, to manifest the necessity and propriety of the loans made of the bank, it can scarcely be requisite to enter into a refutation of the process by which it has been endeavored to establish that the Government pays seventeen per cent. upon those loans. The state of the treasury rendered it expedient to borrow the sums which were borrowed; they have been duly received, and the rate of interest stipulated upon them is five per cent. The Government then pays upon them five per cent. and no more.

The history which was given, in my last letter, of the course and situation of the foreign fund, proves that the supposition from which the inference, of paying seventeen per cent. upon the domestic loan, has been drawn, is erroneous. The balances on hand, at the respective periods in question, are the residues of the moneys which had been received from every source, including the loans, foreign and domestic.

But, if the supposition which appears to have been made, had been true, it was still impossible that seventeen per cent. could have been paid. By no construction can the rate be extended beyond ten. The mean interest of the money borrowed abroad, including charges, is five per cent.; the interest stipulated to be paid on the loan from the bank is also five; the sum of the two is ten. It is immaterial for what purpose the foreign fund was obtained, whether to pay to France or to purchase the debt; the worst consequence that can result is *double not treble* interest. The interest payable to France is payable for moneys *borrowed and spent* during the war. It can never be truly said, that that interest is now payable on any existing fund, whether borrowed in Holland or borrowed in the United States, or borrowed there and re-borrowed here. It can never serve to make an addition to the cost or charges of any such fund. 'Tis payable upon one long since *procured and used*.

But it is not obvious how the supposition came to be entertained, that all the moneys drawn here from the foreign fund had been borrowed for the payment of the debt to France. The presumption would seem to have been more natural, that they had been principally, if not wholly introduced with a view to purchases of the debt, and consequently had a more special reference to the act authorizing a loan for that purpose. And the fact is, that this was the destination of far the greatest proportion of the sums drawn for. It has been stated that a part had an eye to the supplies to St. Domingo, and that another part was introduced with a view to the payment of the foreign officers.

The additional observations to which I shall request the attention of the House will apply to the course and state of the sinking fund, concerning which, I transmitted with my last communication, three statements, numbered I. II. and III.\*

To give a more collected view of this part of the subject, it may be of use to include here a recapitulation of some ideas, which have been stated in other places.

It is the course and practice of this Department, for all public moneys, from whatever source proceeding, to pass into the treasury, and there form a common mass; subject, under the responsibility of the officers of the Department, to the dispositions which have been prescribed by law.

The surplus at the end of the year 1790, appropriated to the sinking fund, amounting to 1,374,656 dollars and 40 cents, went, as it was received, into the treasury.

All the proceeds of the bills drawn upon the foreign fund, prior to April, 1792, except the sum of 177,998 dollars and 80 cents, left in deposit with the Bank of North America, for reasons which have been explained, passed from time to time into the treasury. The whole amount of the sums paid in is 907,294 dollars and 23 cents.

The proceeds of the bills drawn for, in, and subsequent to, April, 1792, have not yet passed into the treasury, for reasons which have been likewise assigned. It would have been done before this time, as far as the receipts had gone, but for the present inquiry, which temporarily suspended it. I thought it best to make no alteration in the state of things, as they stood when it began, at least till all the information desired had been given. Measures will

\* For these statements, see No. 49, pages 210, 211, and 212.



now be taken for a settlement of the accounts, and for a transfer of the proceeds. The whole amount of those bills, paid and unpaid, including an estimated sum of interest, will be, as heretofore stated, 1,220,476 dollars and 10 cents.

The whole amount of the bills drawn is 2,305,769 dollars and 13 cents.

Out of the sinking fund composed of the surplus of the revenue, to the end of 1790, and the proceeds of the foreign bills, there were issued from the treasury, and expended in purchases, to the end of 1792, 957,770 dollars and 65 cents.

For reasons which have been stated, it was finally deemed advisable to place those purchases wholly to the account of the surplus of 1790.

Consequently, there remained on the 1st of January, of the present year, 416,885 dollars and 75 cents, of the above mentioned surplus, unapplied to purchases; and the whole of the foreign fund, except the sum of 726,000-dollars, paid, and reserved to be paid, for the use of the colony of St. Domingo, and the sum of 191,316 dollars and 90 cents paid, and reserved to be paid, to the foreign officers, became free for future application. The balance of the proceeds of the bills, after deducting for those reservations, is 1,388,452 dollars and 22 cents.

Since the 1st of January, 1793, there have been issued, on account of the foreign fund, for purchases, 284,901 dollars and 89 cents.

The practice has uniformly been, not to separate any of the moneys belonging to the sinking fund, from the common mass of the moneys in the treasury, but in proportion to the occasions of investing them in purchases.

Hence the sum of 957,770 dollars and 65 cents, issued previous to the present year, and the sum of 284,901 dollars and 89 cents, issued during the present year, making, together, 1,242,672 dollars and 54 cents, are all the moneys which have been ever separated from the common mass of the treasury, for the purpose of the sinking fund; the whole of which, except 49,282 dollars and 74 cents, have been actually expended in purchases.

The unapplied sum remains deposited in the Bank of the United States, except a small balance of 61 dollars and 76 cents, in the hands of William Heth.

From the above rule, the part of the sinking fund arising from interest on the debt extinguished by purchases or otherwise, is to be excepted. The practice hitherto, has been to include this interest in the general dividend of each quarter, and the warrant issued to the cashier of the bank for paying it. The statement No. 3,\* accompanying my last letter, shows the application of this fund hitherto.

The law directs that this fund shall be invested within 30 days after each quarter. This provision began to take effect on the 1st of July last.

But the investments were not made within the respective times prescribed. This proceeded partly from the state of the market, and partly from the regulations adopted by the commissioners, who were the Secretary of State, the Attorney General, and the Secretary of the Treasury.

Their regulations, applying to the two first quarters, limited the prices to certain rates, and prescribed the mode of sealed proposals. The Treasurer was appointed agent for the commissioners.

The proposals, with regard to the first quarter, were receivable till 28th of July inclusively; none were offered, as the Treasurer reported to me, and nothing was done.

The experiment of sealed proposals was again tried the second quarter, with somewhat more, though with but little success. The restriction to this mode of proceeding was rescinded, on the last day of the thirty allowed for purchasing, and some further purchases were made, but the whole sum invested was only 25,969 dollars and 96 cents.

The residue of this fund, except some small sums noted at foot of statement No. 3,\* was in January past.

The unapplied part of the surplus of 1790 having been expended in aid of the *receipts* of 1791, according to the provision which was made for that purpose, will remain suspended until the future *receipts* shall so far exceed the current *disbursements* as to produce a surplus for replacing it.

In computing the amount of the unapplied foreign fund, it is necessary to take into the account the payments made from it during the years 1791 and 1792, on account of the interest of the foreign debt.

Provision having been made for paying this interest out of the domestic revenues, the sums which have been paid on that account, from the foreign fund, are to be considered in the same light as if they had been transferred here by drafts.

The amount paid at Amsterdam is 1,633,189 guilders and two stivers, equal at 36 $\frac{4}{11}$  ninetieths per guilder, to 659,874 dollars and 34 cents.

There will be additions to be made, which are not at present ascertained.

Adding this sum to the proceeds of the bills, and deducting the sums paid and to be paid for St. Domingo, and the foreign officers, and those applied to purchases during the present year, there will remain a sum of 1,763,424 dollars and 68 cents, subject to a future application.

Of this sum, 1,715,098 dollars and 11 cents will be properly applicable to the purchase of the debt. But circumstances may render it eligible to appropriate a part of it towards the discharge of the foreign debt.

From the plan which has been pursued, it is also liable to this application.

I have the honor to annex to the statements heretofore transmitted, those in the printed schedules marked A, B, and C.†

A exhibits the relative state of *revenue* and *appropriations*, to the end of 1792. B the relative state of *appropriations* and *expenditures* to the same period; showing the balance unsatisfied of each head of appropriation. C, applies these statements to an explanation of the demands or charges upon the excess of income, beyond the disbursements, to the end of 1792.

In addition to these are two statements, marked D and E.

D, showing what proportion of the balances unsatisfied of the several appropriations are likely to be real expenditures, and what part are not likely to be so. In this, however, in several instances, probability must guide, the nature of the thing not admitting of certainty.

E, showing the cash on and upon the first of January last, and likely to be received from that day to the first of April next, and the sums paid and payable during that period.

The result, founded upon facts, contradicts very essentially that statement, which aims at showing the ability of the treasury, besides defraying the current expenses of the quarter, to pay off two millions to the bank; still leaving a balance in favor of the treasury of 664,263 dollars and 54 cents.

It shows that, after satisfying the demands for which the treasury is bound to be prepared, including a payment to the bank of only one tenth part of the 2,000,000, of which the statement alluded to supposes the complete payment; there would remain a balance in favor of the treasury of no more than 664,180 dollars and 89 cents.‡

It could answer no valuable purpose to delay the House with a particular examination of the various misapprehensions which have led to a result so different from the true one. It will be sufficient, as an example, to state a single instance. It is assumed as an item in the calculation, that a sum of a million of dollars will come into the treasury by the first of April, on account of the revenue of the *current* year; while the probability is, that the sum received may not exceed ten thousand dollars; this presumption of a million is evidently founded upon two mistakes. 1st. It proceeds on the basis of an annual revenue of four millions of dollars, and supposes this sum equally distributed between the different quarters of the year, a million to each quarter; when, in fact, there are two seasons of the year incomparably more productive than the other parts of it, viz: Those portions of the spring and fall which are embraced by the second and third quarters; the first and fourth being far less productive. 2d. It supposes all the duties which accrue are *immediately paid*; whereas the cases of prompt payment are confined to those in which the duties on particular articles imported in one vessel, by one person or co-partnership, do not exceed 50 dollars; in all other instances, a credit not less than four months is allowed, which carries the payment on the importations, upon the very first day of the quarter, a month beyond the expiration of it.

\* For statement III, see No. 49, page 212.

‡ For A, B, and C, see No. 50, pages 219 to 222.

§ The sum here mentioned was omitted, through hurry, to be inserted in the original. The blank is here filled conformably to the statement E.

If the whole amount of the duties, which accrued during the first quarter of 1792, in cash and bonds, was no more than 307,163 dollars and 84 cents, adding one seventh for the additional duties, it ought, by analogy, to be the first quarter of the present year, 322,472 dollars and 94 cents; less, in totality, than the sum which it has been computed would be actually in money in the treasury, by 677,527 dollars and 6 cents; and less, by the whole million, nearly, than will probably be in money in the treasury on that account.

With perfect respect, I have the honor to be, sir, your most obedient and most humble servant,

ALEXANDER HAMILTON,  
*Secretary of the Treasury.*

The Hon. the SPEAKER of the House of Representatives.

(A x.)

*Market prices of Public Stocks, taken from actual Purchases and Sales.*

Dates.	6 per cents.	3 per cents.	Deferred.	Dates.	6 per cents.	3 per cents.	Deferred.
1791.	s. d.	s. d.	s. d.	1791.	s. d.	s. d.	s. d.
January 3	17 0	9 0	8 9 to 9 0	Treasurer's price, 8-14	- -	12 0	12 6
20	17 3	9 0	8 10 to 9 0	September 16	20 9	12 0	12 6
Treasurer's purchases 24	17 4			October 1-14	20 4 to 20 9	12 3	12 4 to 12 6
26	17 6			25	21 8	12 3	13 3
February 2	17 to 17 4	9 1	9 2	November 2	21 7	12 3	13 2
8	17 4	9 1	9 2	12	- -	12 6	13 0
14	17 6	9 2	9 4	16	22 0	12 7	13 3
21	17 2	- -	9 2	December 2	22 1		
28	17 0			6	22 2	12 10	13 2
March - 5	17 0	- -	9 0	12	- -	12 10	13 2
12	17 0	9 0	9 0	22	22 4	13 0	13 2
25	- -	- -	9 0	1792.			
April - 2	17 0	9 0	9 0	January 4	23 4		
7	17 1			9	23 9		
20	17 2			20	24 3	14 6	14 6
26	17 0	9 0	8 11	February 9	24 9	14 6	15 0
30	17 5	9 3	9 0	15	24 7		
May - 4	- -	9 0	9 0	21	- -	- -	15 0
14	17 2			23	24 0	14 3	14 9
20	17 2	9 2	9 1	March 7	24 0	14 6	15 0
25	17 2	9 1	9 0	15	22 0		
27	17 2	- -	9 0	26	21 3		
June - 7	17 2	9 3	9 3	April - 12	20 0	12 0	12 6
10	17 6	9 6	9 4	May 12	21 3		
15	17 6			14	21 6		
25	17 9	10 0		25-29	22 0		
July - 1	17 10	9 9 to 9 10	9 9 to 9 10	June - 7	22 0		
5	18 0	10 0	10 0	16	- -	- -	13 0
11	- -	10 3	10 8	July - 2	21 3	12 6	13 0
14	18 7	9 9		14	21 2		
21	19 0			17	- -	12 4	12 10 to 13
23	19 3	12 0	12 0	20	21 6	12 4 to 12 6	12 10 to 13
29	20 0			August 6	21 11 }	- -	12 10 to 13
August - 1	20 6			9	22 0 }	- -	
6	21 0			13	- -	- -	13 3
16	21 0	12 0	12 6	September 12	22 0	13 1	13 6
Treasurer's price, 17	- -	- -	12 6	22	21 11		
20	21 0			26	- -	13 1	13 7
25	21 0	12 5	12 10	October 2	21 9 to 21 11		
30	- -	- -	12 10	5-8	- -	13 0	
September 1	21 3	- -	12 9	23-26	21 6	13 0	13 6
3	21 0	- -	12 9	December 7	- -	12 5	
				14	20 2-3		

At the request of the Secretary of the Treasury of the United States, I do certify, that the prices, mentioned in the foregoing statement, are taken from entries made in my books, of purchases and sales of Public Stocks, in this city, at the respective dates therein mentioned.

MATTHEW McCONNELL.

PHILADELPHIA, February 16th, 1793.



(B y.)

*Prices of the Public Stocks, taken from the Gazette of the United States.*

DATES.	Six per cent.	Deferred.	Three per cent.	Dates	Six per cent.	Deferred	Three per cent.	Dates	Six per cent.	Deferred.	Three per cent.
1791	s. d.	s. d.	s. d.	1791	s. d.	s. d.	s. d.	1792	s. d.	s. d.	s. d.
Jan. 1	17 6	8 6	8 6	Sept. 7	21 0	12 9	12 5	May 2	21 0	12 6	12 2
5	17 3	8 6	8 6	10	21 0	12 6	12 0	5	21 3	12 9	12 2
8	do	8 9	8 6	14	do	do	do	9	do	do	do
12	17 0	8 9	8 6	17	20 6	12 6	12 0	12	21 6	13 0	12 6
15	do	8 9	8 6	21	20 9	12 0	11 9	16	21 8	13 0	12 6
19	do	9 0	8 9	24	do	do	do	19	do	do	do
22	17 4	9 4	9 0	28	do	do	do	23	22 0	13 2	12 8
26	16 9	9 0	9 0	Oct. 1	20 6	12 2	11 6	26	22 0	13 2	12 8
29	17 0	9 0	9 0	5	20 6	12 3	11 6	30	22 6	13 9	13 4
Feb. 2	17 3	9 1	9 0	8	20 6	12 3	11 3	June 2	do	do	do
5	17 3	9 1	9 0	12	20 8	12 4	11 4	6	—	—	—
9	17 4	9 2	9 2	15	20 8	12 6	11 4	9	22 3	13 9	13 2
12	17 8	9 2	9 2	19	21 0	12 9	11 9	13	22 2	13 6	13 0
16	17 3	9 2	9 1	22	21 6	13 0	12 0	16	22 0	13 2	13 0
19	17 6	9 2	9 1	26	22 0	13 4	12 6	20	22 0	13 2	13 0
23	17 2	9 2	9 1	29	22 0	13 4	12 6	23	21 7	13 0	12 4
26	17 3	9 2	9 2	Nov. 2	21 6	13 3	12 3	27	21 0	13 0	12 4
March 2	do	do	do	5	21 8	13 3	12 6	30	do	do	do
5	17 0	9 1	9 1	9	21 6	13 0	12 3	July 4	21 4	13 0	12 6
9	do	do	do	12	22 0	13 2	12 6	7	do	do	do
12	17 0	9 0	9 0	16	22 0	13 2	12 6	11	21 3	13 0	12 3
16	17 1	9 0	9 0	19	22 2	13 4	12 6	14	do	do	do
19	do	do	do	23	22 0	13 0	12 6	18	21 0	12 10	12 3
23	do	do	do	26	21 10	13 2	12 4	21	21 3	13 0	12 4
26	do	do	do	30	21 9	13 0	12 5	25	21 4	13 1	12 6
30	do	do	do	Dec. 3	22 2	13 3	12 8	28	do	do	do
April 6	17 2	9 0	9 0	7	22 2	13 3	12 10	Aug. 1	21 4	13 0	12 6
9	do	do	do	10	22 4	13 4	13 0	4	21 6	13 6	12 6
13	17 0	9 0	9 1	14	22 2	13 3	13 0	8	22 0	13 4	12 10
16	17 2	9 0	9 2	17	22 6	13 3	13 0	11	21 9	13 0	12 6
20	17 0	9 0	9 0	21	22 3	13 3	13 0	15	21 9	13 2	12 10
23	do	do	do	24	22 6	13 3	13 0	18	21 9	13 3	12 9
30	17 2	9 1	9 2	28	22 9	13 6	13 4	22	22 0	13 4	12 9
May 4	do	do	do	31	23 0	13 8	13 6	25	22 0	13 6	13 0
7	do	do	do	1792				29	22 0	13 6	13 0
11	—	—	—	Jan. 4	23 4	14 2	14 0	Sept. 1	22 0	13 6	13 0
14	do	do	do	7	23 4	14 0	13 10	5	—	—	—
18	do	do	do	11	23 9	14 6	14 3	8	22 0	13 6	13 0
21	do	do	do	14	24 0	15 1	14 8	12	22 2	13 7	13 1
25	do	do	do	18	24 9	15 3	15 0	15	22 0	13 7	13 1
28	17 2	9 2	9 3	21	24 8	15 2	15 0	19	22 0	13 6	13 0
June 1	17 2	9 2	9 4	25	25 9	15 8	15 4	22, 26	do	do	do
4	17 3	9 3	9 4	28	25 0	15 3	15 0	29	—	—	—
8	17 6	9 4	9 5	Feb. 1	25 6	15 6	15 4	Oct. 3	22 0	13 7	13 1
11	17 6	9 4	9 5	4	25 3	15 3	15 0	6	21 9	13 6	13 0
15	do	do	do	8	25 1	15 3	15 0	10	do	do	do
18	17 7	9 5	9 7	11	—	—	—	13	do	do	do
22	do	do	do	15	24 7	15 0	14 8	17	21 6	13 4	12 10
25	17 8	9 9	9 9	18	24 2	15 0	14 6	20	do	do	do
29	18 0	10 0	10 0	22	24 1	14 8	14 5	24	do	do	do
July 2	18 0	10 0	10 0	25	24 4	14 8	14 3	27	21 4	13 4	12 9
6	17 10	9 11	9 11	29	24 6	14 10	14 4	31	do	do	do
9	18 0	10 0	10 0	March 5	24 8	15 0	14 4	Nov. 3	21 4	13 3	12 8
13	18 6	10 6	10 6	7	25 0	15 0	14 6	7	do	do	do
16	18 9	10 9	10 9	10	24 0	14 9	14 0	10	21 2	13 2	12 6
20	19 0	10 9	10 9	14	22 0	13 6	13 2	14	21 3	13 3	12 6
23	19 1	11 0	11 0	17	do	do	do	17	—	—	—
27	19 6	11 9	12 0	21	22 0	13 0	12 6	21	21 3	13 3	12 7
30	20 0	12 0	12 0	24	21 4	12 6	12 0	24	do	do	do
Aug. 3	20 6	13 0	12 6	28	21 0	12 6	12 0	28	21 3	13 3	12 6
6	21 3	13 11	12 9	31	21 3	12 6	12 0	Dec. 1	do	do	do
10	22 3	13 6	13 3	April 4	21 0	12 6	12 0	5	21 0	13 0	12 4
13	22 6	13 4	13 2	7	do	do	do	8	20 9	13 0	12 0
17	20 0	12 6	12 6	11	20 0	12 6	12 0	12	20 3	12 3	12 0
20	20 6	13 0	12 6	14	20 0	12 0	11 6	15	—	—	—
24	21 3	12 6	12 3	18	—	—	—	19	20 2	12 4	12 0
27	21 3	12 9	12 5	21	20 0	12 0	11 6	22	20 0	12 4	11 4
31	do	do	do	25	—	—	—	26	20 0	12 4	11 10
Sept. 3	do	do	do	28	21 0	12 9	12 3	29	20 6	12 8	12 0

TREASURY DEPARTMENT, February 19th, 1793.

JOHN MEYER, Principal Clerk.

*A comparative statement of bonds for duties becoming due from November, 1792, to September, 1793, inclusive, as per monthly abstracts thereof, taken 7th November, and 7th December, 1792.*

Date of abstract.	Due in November, 1792.	Due in December, 1792.	Due in January, 1793.	Due in February, 1793.	Due in March, 1793.	Due in April, 1793.	Due in May, 1793.	Due in June, 1793.	Due in July, 1793.	Due in August, 1793.	Due in September, 1793.	Total.
	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>	<i>Dolls. Cts.</i>
Amount per abstract taken } 7th November, - }	487,313 90	341,600 58	85,992 87	26,870 03	83,168 12	78,843 05	54,898 21	50,118 64	39,716 75	7,858 01	13,953 66	1,270,333 82
Amount per abstract taken } 7th December, - }	520,577 89	460,125 99	128,710 62	60,607 55	181,184 51	95,596 37	61,362 99	107,956 35	56,667 84	32,807 22	60,045 22	1,765,642 55
Excess of December ab- } stract, - }	33,263 99	118,525 41	42,717 75	33,737 52	98,016 39	16,753 32	6,464 78	57,837 71	16,951 09	24,949 21	46,091 56	495,308 73

*February 19th, 1793.*

L. WOOD, Jr.

## D.

*Statement shewing the sums of appropriation to the end of the year 1792, which will probably not be required to satisfy the same.*

	Balance of appropriation unexpended on the 31st Dec. 1792.	Balance which will probably not be required.	Balance which will be required.
For discharging the warrants issued by the late board of treasury,	32,176 73	20,000 00	12,176 73
For the support of the civil list under the late and present Government, - - - - -	191,648 31	50,000 00	141,648 31
For the support of the army of the United States, - - - - -	316,161 77	150,000 00	166,161 77
For paying the pensions due to invalids, - - - - -	83,292 89	43,017 24	40,275 65
For defraying the expenses of negotiations, or treaties of peace, with the Indians, - - - - -	13,000 00	13,000 00	-
For interest due on temporary loans obtained by the Secretary of the Treasury, - - - - -	2,401 88	-	2,401 88
For the support of the ministers, &c. of the United States at foreign courts, and maintaining intercourse with foreign nations,	89,500 00	-	89,500 00
For effecting a recognition of the treaty of the United States with the new emperor of Morocco, - - - - -	7,000 00	-	7,000 00
For the building, equipment, and support, of ten revenue cutters, (a.) - - - - -	32,704 48	32,704 48	-
For discharging certain debts contracted by Abraham Skinner, late commissary of prisoners, - - - - -	209 62	209 62	-
Towards discharging certain debts contracted by Colonel Timothy Pickering, - - - - -	35,939 74	20,000 00	15,939 74
For paying the interest due on the domestic debts of the United States, - - - - -	1,395,824 65	-	1,395,824 65
For the support and repairs of light houses, beacons, buoys, and public piers, - - - - -	18,824 11	10,000 00	8,824 11
For defraying the contingent charges of Government, - - - - -	8,302 50	-	8,302 50
For the reduction of the public debt, - - - - -	416,885 75	-	416,885 75
For satisfying miscellaneous claims, - - - - -	11,471 36	-	11,471 36
For balances due to the French Government, to Oliver Pollock, &c. - - - - -	28,844 25	-	28,844 25
For paying the debt due to foreign officers, - - - - -	172,962 11	-	172,962 11
For payments on account of the French debt, - - - - -	290,736 17	-	290,736 17
Dolls.	3,147,886 32	338,931 34	2,808,954 98

(a.) This sum has been adjusted in the accounts of the collectors, as a charge on the collection of the revenue.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

TREASURY DEPARTMENT, *February 19th, 1793.*

## E.

Dr.

*Probable state of Cash, from the last of December, 1792, to the 1st of April, 1793.*

Cr.

To balance of cash in the Treasury, per statement A, - - -	\$783,444 51	By amount of warrants which were drawn prior to the 1st of January, 1793, and not paid by the Treasurer,*	\$42,136 33
To cash in the banks, on account of foreign bills, not passed to the credit of the Treasurer, per statement A B, -	605,883 08	By sums for which warrants have issued subsequent to the year 1792, -	549,640 91
To amount of proceeds of ditto, deposited with the Bank of North America, -	177,998 80	By sums which were payable to foreign officers on the 31st December last, - 172,962 11	
To proceeds of Amsterdam bills, expected to be received by the first of April, -	614,593 02	From which deduct payments made since that period, included in the amount above stated, of warrants issued subsequent to the year 1792, - - - 9,985 27	
To cash in the hands of the collectors at the end of 1792, per abstract D, -	151,851 25		162,976 84
To sums expected to be received during the present quarter, on account of duties prior to 1793, - - -	918,254 82	By sums payable on account of the debt to France, to the 1st of April, inclusively, - - -	165,000
To sum which may be received on account of duties of the current quarter, -	10,000	By arrears for the War Department, -	50,000
To excess of dividend beyond the interest on the stock of the Government in the Bank of the United States, for the last half year, - - -	20,000	By other arrears to the end of 1792, -	50,000
		By quarter's interest on the public debt, -	712,298 68
		By quarter part of the expenditure for the current service, - -	404,196 27
		By sum requisite for the proposed Indian treaty, - - -	75,000
		By sum advanced by the Bank of North America, included in the deposit of the proceeds of bills per contra, -	156,595 56
		By sum to be issued from the treasury, to enable the Secretary of State to pay for the bills furnished to him for the purpose of the third section of the act of last session, making certain appropriations therein specified, -	50,000
		By first instalment of two millions dollars due to the Bank of the United States, - - -	200,000
		By balance, - - -	664,180 89
	\$3,282,025 48		\$3,282,025 48

TREASURY DEPARTMENT, *February 20th, 1793.*ALEXANDER HAMILTON, *Secretary of the Treasury.*

\* These, of course, did not come into his account for the last quarter of 1792.

2d CONGRESS.]

No. 53.

[2d SESSION.

## SINKING FUND.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 25, 1793.

PHILADELPHIA, *February 25, 1793.*

SIR:

In pursuance of a resolution of the House of Representatives, bearing date the 19th day of this instant, we lay before them a copy of the journal of our Board, and a statement of the purchases made since our last report to Congress.

We have the honor, sir, to be, your most obedient servants,

JOHN ADAMS,  
TH. JEFFERSON,  
ALEXANDER HAMILTON,  
EDM. RANDOLPH.

To the SPEAKER of the House of Representatives.

Pursuant to the act, entitled "An act making provision for the reduction of the public debt," the following persons named therein, on Thursday, the 26th day of August, 1790, at the city of New York, met and proceeded to business, viz.

JOHN ADAMS, Vice President of the United States and President of the Senate,  
JOHN JAY, Chief Justice,  
THOMAS JEFFERSON, Secretary of State,  
ALEXANDER HAMILTON, Secretary of the Treasury.

The Secretary of the Treasury communicated for the information of the Board sundry papers, as follow:

No. 1. Statement of the probable product of duties on imports and tonnage from the first of August, 1789, to the last of December next, and of the amount of the appropriations thereout; shewing what surplus will remain at the end of the present year, after satisfying those appropriations.