

[3d CONGRESS.]

No. 61.

[1st SESSION.]

PUBLIC DEBT AND RECEIPTS AND EXPENDITURES.

COMMUNICATED TO THE SENATE, FEBRUARY 10, 1794.

TREASURY DEPARTMENT, *February 6, 1794.*

SIR:

Having made the necessary examination into the means possessed by the treasury, for complying with a late order of the Senate, and of the time which would be requisite for preparing them, I have the honor now to communicate the result.

Several custom house returns of exports, amounting to a large sum, having been rendered for a term longer than a quarter, it is found impossible to make up that return for the twelve months, directed by the Senate, in the first paragraph. A statement, however, for one year, differing therefrom only in one quarter, is nearly matured. It can be completed in a few days after the receipt of a quarterly return for the port of Philadelphia, the custom house business of which was exceedingly deranged by the late malady.

The detailed statement of imports, for the year ending on the 30th day of June, 1792, required by the second paragraph, can be made up in about two months, by suspending the formation of that for the year ending with September, 1792, which, in the course of the treasury business, was in preparation, and would have been completed in a few days. This will require eight extra clerks for two months, and will produce an additional expense of about six or seven hundred dollars.

The detailed statement of imports, for the year ending on the 30th of June last, also required by the second paragraph, cannot be made up at present, for want of the returns from the custom houses.

The returns of tonnage, in the old form, will exhibit what is required by the third paragraph, and can be made out in the proper office in a short time.

The two sets of tonnage, required by the fourth paragraph, can be made out in about six weeks after the preceding documents shall be completed, as they can be matured at the same time, by employing four more extra clerks, at an expense of about two hundred and fifty dollars.

The Senate will perceive, from this, the state of the business, and will judge whether it is expedient to pursue it in the form contemplated by the order. Such of the matters required, as can go on without additional expense, or the derangement of what is already on hand, are in train. And if no revocation of the order is speedily received, the other objects, as far as they are practicable, will also be prosecuted. But I feel it a duty to use the liberty of taking the present occasion to remark, that it is extremely to be desired that the two Houses of the Legislature could fix upon a plan for regulating the returns which they would choose to have made to them periodically, from the treasury, that the business might be prosecuted in conformity to that plan. Congress would then have the information which they may deem useful, and the treasury could be prepared, systematically, to furnish it, without any derangement of the current course of its operation, and without an unnecessary increase of expense. Occasional and desultory calls, frequently made for returns and statements, which involve complicated and elaborate investigations, and much clerkship, interfere more materially with the regular conducting of the public business, than can easily be imagined, except by those who have the progress of it immediately under their eye. They oblige the principal officers and the most expert clerks to transfer so much of their attention from the ordinary and indispensable operations of the Department, as must render it impossible (if the practice should continue in the same degree in which it has for some time existed) for the officers of the Department to be responsible for the orderly, punctual, and efficacious execution of its primary and most essential objects. This conclusion has so pressed itself upon me, from experience, that I have thought it incumbent upon me to submit these reflections to the consideration of the Senate.

With perfect respect, &c.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

The VICE PRESIDENT of the *United States*
and President of the *Senate.*

[3d CONGRESS.]

No. 62.

[1st SESSION.]

LOAN.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 27, 1794.

Mr. SEDGWICK, from the Committee appointed to report whether any, and what, sum may be necessary to be loaned, for the purpose of carrying on the public service, for the year one thousand seven hundred and ninety-four, made the following report:

That, in their opinion, it is expedient that the President be authorized to borrow, on the credit of the United States, a sum not exceeding one million dollars, if, in his opinion, the public service shall require it.

PHILADELPHIA, *22d February, 1794.*

SIR:

A committee of the House of Representatives, having in charge "to report whether any, and what, sum may be necessary to be loaned, for the purpose of carrying on the public service, for the year 1794," have directed me to request of you answers to the following questions:

1. Whether money collected on account of the United States, and deposited in banks, is, from the time of deposit, considered as in the treasury?
2. Are any, and, if any, what, means necessary to subject money, so deposited, to the control of the Treasurer?
3. In case money, so deposited, is not considered as in the treasury from the time of deposit, who is, from that time, until it passes in the treasury, responsible to the United States?
4. Is any money now so deposited, and, if any, is the probable amount such as to render a present provision for a loan, inexpedient or unnecessary?

With much esteem, &c.

THEODORE SEDGWICK.

The Honorable the *Secretary of the Treasury.*

SIR:

TREASURY DEPARTMENT, *February 25, 1794.*

The following are answers to the questions stated in your letter of the 22d instant, viz:

Answer to question the first.

All moneys collected on account of the United States, and deposited in banks, *to the credit of the Treasurer*, are considered as in the treasury *from the time of deposit*. The steady course, with regard to the standing revenue is, that the money deposited in banks passes immediately to the credit of the Treasurer. But it is necessary to discharge the payers, that receipts of the Treasurer should be endorsed upon warrants signed by the Secretary, countersigned by the Comptroller, and registered by the Register, which is the course regularly observed.

Answer to question the second.

After moneys are deposited in banks to the credit of the Treasurer, they are in his control, though they may not legally be disbursed but upon warrants of the above description. If deposited without passing, in the first instance, to the credit of the Treasurer, the means used for placing them in his custody and disposal, are warrants of the like kind.

Answer to question the third.

In respect to any moneys of the United States deposited in banks, but not passed to the credit of the Treasurer, the banks are considered as directly responsible to the United States; in the case of deposits to the credit of the Treasurer, they are responsible, in the first instance, to him; ultimately, to the United States.

Answer to question the fourth.

Only two cases are recollected, in which moneys of the United States may be considered as having been deposited in bank, without passing, in the first instance, into the account of the Treasurer. These relate—

1. To the proceeds of foreign bills sold for the Government, and received by the bank, (all accounts of which are finally closed.)

2. To the sum of two hundred thousand dollars, *being* the only sum now so deposited, which arises from the last loan had of the bank. It is left (subject to the eventual decision of the Legislature) as an offset against the second instalment of the two million loan from the bank. The effect of the operation will be this: An interest of six per cent., payable to the bank, upon the instalment, will be extinguished, from the 31st of December last, by an interest of five per cent., payable to the bank, upon the sum borrowed of itself, and left in deposit. And it has been endeavored, thereby, to preserve consistency and regularity in the arrangements of the treasury. The first instalment, by leaving in deposit an equal sum of the proceeds of foreign bills, was considered as effected on the 31st of December, 1792, though there was not power to consummate the payment till some months after. Hence it becomes regular, that each succeeding instalment should be paid on the last of December of each year. The *provisional* measure thus adopted, was the only expedient in the power of the treasury, to reconcile, as far as practicable, considerations relative to the public interest and credit, with legality of procedure. Neither the sum in deposit, on the one hand, nor the instalment payable to the bank, on the other, is brought into the probable state of cash, lately presented to the House of Representatives, because they balance each other, and leave the result the same.

There are no existing sources from which moneys can come into bank, on account of the United States, except from the proceeds of the revenue, which, as far as known, are comprised in the statement before the House of Representatives. So that there is no resource, but a loan, which can supply the deficit of a receipt, in the course of the present and succeeding quarter, compared with the expenditure. Without one, a failure in the public payments is inevitable.

If what has been said should not give the committee all the light they desire, it is imagined that personal explanations would lead more fully to their object, than the course of written interrogatories and answers, which can only partially embrace the subject, and may procrastinate a right understanding of it.

I am, sir, &c.

ALEXANDER HAMILTON.

THEODORE SEDGWICK, Esq. *Chairman of a Committee.*

3d CONGRESS.]

No. 63.

[1st Session.]

REMISSION OF DUTY.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, MARCH 12, 1794.

Mr. SAMUEL SMITH, from the Committee appointed to consider and report on the propriety of remitting the duty on imported bar iron, in certain cases, made the following report:

That a regulation respecting the duty on bar iron, would conduce to the promotion of the growing manufactures of the United States, and might tend to prevent a monopoly in the hands of the makers of an article essential to agriculture, improvement, and manufacture.

They therefore submit the following resolutions:

1st. *Resolved*, That it shall be the duty of the collector, naval officer, and supervisor of the revenue, at the ports of New York, Philadelphia, Baltimore, and Alexandria, to assemble on the first day of January, April, July, and October, in every year, and after having carefully informed themselves, to report to the Secretary of State, the average price of bar iron for the preceding three months, as sold by the wholesale dealers in that article, at the port in which they reside.

2d. *Resolved*, That it shall be the duty of the Secretary of State, immediately after he shall receive the said reports, to state to the President of the United States, the average prices at which the said article of bar iron has been sold, at the aforesaid ports of New York, Philadelphia, Baltimore, and Alexandria, for the three months preceding.

3d. *Resolved*, That, whenever the average price of bar iron, agreeably to the report of the Secretary of State, shall exceed ——— dollars per ton, it shall be the duty of the President of the United States to direct, by proclamation, that the duty thereon shall cease to be collected for two years after the issuing of such proclamation.