

4th CONGRESS.]No. 107.[2d SESSION.]

ADDITIONAL REVENUES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, JANUARY 3, 1797.

Mr. WILLIAM SMITH made the following report:

The Committee of Ways and Means having taken into consideration the subject of further revenues, and the report of the Secretary of the Treasury thereon, recommend to the House the following resolution:

Resolved, That there ought to be apportioned, according to the last census, on the several States, the sum of _____, to be raised by the following direct tax, viz:

A tax ad valorem, under proper regulations and exceptions, on all lands, with their improvements, including town lots, with the buildings thereon.

A tax on slaves, with certain exceptions.

Mr. WILLIAM SMITH made the following report:

The Committee of Ways and Means having taken into consideration the provisions requisite for improving and more effectually securing the collection of the internal revenues, recommend to the House the following resolution:

Resolved, That it will be expedient to abolish the tax laid on spirits distilled from materials of the growth or produce of the United States, at any other place than a city, town, or village, or at any distillery in a city, town, or village, at which there shall be one or more stills, which, singly, if only one, or together, if more than one, shall be of less capacity than four hundred gallons; and to collect this branch of the revenue from a tax on the capacity of the stills.

4th CONGRESS.]No. 108.[2d SESSION.]

ENCOURAGEMENT TO MANUFACTURES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, JANUARY 9, 1797.

MR. SWANWICK, from the committee on Commerce and Manufactures, to whom were referred the petitions of Jacob Broom, of Robert Dawson, of William Crowley Jordan, of John Nicholson, and of sundry manufacturers of hats in the States of Massachusetts, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia, made the following report:

Jacob Broom states, that he is proprietor of a cotton mill, erected on Brandywine Creek, for encouragement whereof, and of cotton manufactures in general, he prays the duty existing on raw cotton may be repealed, and an additional one imposed on cotton goods imported into the United States.

Your committee are of opinion that it is not expedient to repeal the duty on foreign cottons, as it operates to encourage the growth of that article in the United States; and that, as a duty of twelve and a half per cent, *ad valorem*, already exists on the importation of cotton goods, they think this sufficient for all purposes of fair competition; they, therefore, recommend to the House to adopt the following resolution:

Resolved, That the prayer of the petitioner cannot be granted.

Robert Dawson states, that he is a manufacturer of bolting cloths, at Wilmington, in Delaware, in which article, raw silk is a component part; that he has succeeded to make bolting cloths of better quality than those imported, and asks a repeal of the duties on raw silk, for his better encouragement.

Your committee are of opinion that the superiority of the workmanship of this manufacture will sufficiently recommend his article, without the proposed repeal, which could only tend to embarrass the revenue system: wherefore they recommend to the House to adopt the following resolution:

Resolved, that the prayer of the petitioner cannot be granted.

William Crowley Jordan states, that he is a silk manufacturer, desirous of establishing himself in the United States, provided Congress could, for his encouragement, afford him an addition to his capital.

Your committee are of opinion, that the finances of the country are not, at present, such as to render advances of the kind, expedient, did not even the high price of labor equally discourage undertakings of this kind, at present: wherefore, your committee recommend to the House to adopt the following resolution:

Resolved, that the prayer of the petitioner cannot be granted.

John Nicholson, and the proprietors of the glass manufactory of Boston, state, that to encourage this branch of manufacture, additional duties on the importation of glass are requisite.

Your committee are of opinion that the high price of labor forms a greater obstacle, at present, than the defect of the system of duties, to the prosperity of manufactures, in general, and this is an evil which only time can cure.

They, therefore, recommend to the House the following resolution:

Resolved, That the prayer of the petitioners cannot be granted.

Sundry manufacturers of hats, in the United States, state, that their manufactures suffer, by the duties on hats imported not being sufficiently high to encourage their establishment.

Your committee are of opinion, that, in this case, as in the last stated, the high price of labor forms the chief obstacle, and that it is not expedient to make any alterations in the existing duties.

Wherefore, they recommend to the House to adopt the following resolution:

Resolved, That the prayer of the petitioners cannot be granted.

ADDITIONAL REVENUES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, JANUARY 23, 1797.

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES,

Thursday, the 10th of January, 1797.

Resolved, That the Committee of Ways and Means be instructed to inquire into the propriety and expediency of laying a tax upon all theatrical exhibitions, and, also, to inquire whether any, and, if any, what, articles of foreign growth or manufacture, imported into the United States, or articles manufactured or used within the United States, will allow of an additional duty to be laid upon them, and to report thereon.

Mr. WILLIAM SMITH made the following report:

The Committee of Ways and Means having taken into consideration the resolution of the House of the 10th instant, and a letter of the Secretary of the Treasury on the subject therein contained, are of opinion—

That the only articles on which it will be expedient to impose an additional impost duty, are the following, viz: *brown sugar, bohea tea, and cotton goods*, not printed, stained, or colored: They accordingly submit the following resolutions:

Resolved, That there be paid an additional duty of one half cent per pound on brown sugar, imported into the United States.

Resolved, That there be laid an additional duty of two cents per pound on all bohea teas, imported into the United States:

Resolved, That there be laid an additional duty of two and a half per cent. ad valorem, on all cotton goods, not printed, stained, or colored, imported into the United States.

TREASURY DEPARTMENT, January 19th, 1797.

SIR:

I have now the honor to communicate my opinion upon the subject referred to the Committee of Ways and Means, by the resolution of the House of Representatives of the 10th of January, 1797.

If it shall be determined to increase the duties on importations, the following appear to be the most safe and productive objects of revenue:

1st. *Salt*.

The existing duty is twelve cents upon each bushel of fifty-six pounds, and is much lower than what is imposed in many countries. There is no article of which the consumption is more uniform, nor of which an evasion of the duties would be more difficult; the natural value being inconsiderable, the importation requires and employs but little capital. Owing to the bulky nature of most of our articles of export, compared with those imported, and to the use of salt in lieu of ballast, it is introduced with a moderate charge for freight. All these circumstances render salt a fit object of revenue. As illicit importations are not to be apprehended, the extent to which the duty is to be carried, can be best determined by the committee. One cent on each fifty-six pounds of salt, will produce nearly thirty thousand dollars.

It will, however, be proper to re-adjust the bounties on the exportation of salted fish and provisions, and the allowances to vessels employed in the cod fisheries, to any augmentation of the duties on this article.

2d. *Brown Sugar*.

The duties on sugars will hereafter require revision; the rates now imposed, are as follow: On brown sugar, one and one half cent per pound; clayed sugar, three and one half cents; lump sugar and refined, other than loaf sugar, six and one half cents; loaf refined sugar, nine cents. The duties are already so high, that most of the sugars, other than brown, which are imported, are also exported; the revenue is not, therefore, benefitted by the importations. On the contrary, the public are exposed to the risk of collection, and are responsible for the drawback. Illicit importations cannot be easily practised in respect to so bulky an article as sugar, and it is not likely that they have been practised, except in a small degree, with respect to loaf refined sugar, the duty on which appears to be more than necessary to protect the business of domestic refiners.

To induce the consumption of any considerable quantities of clayed sugars, a reduction of the duty is necessary; and it is probable, that some reduction would be favorable to the interest of the refiners. On this point, my information is, however, too imperfect to justify a positive opinion.

The present duty on *brown sugar* is less, in proportion to the value of the article, than that on most other West India productions. The average importations of brown sugar into the United States, during the years 1790, 1791, and 1792, were about twenty-two millions of pounds weight; which, therefore, may be considered as the quantity usually consumed in this country in each year. Since 1792, the quantities imported have been increasing. In the term of a year, prior to October 1st, 1795, the quantity imported exceeded sixty millions of pounds weight. During the greater part of the year 1796, sugar and coffee were the most beneficial, and, in point of value, equal to any articles exported from the United States; considering the great quantities of these articles which have been imported, exceeding what were required for domestic consumption, their prices must have been determined by the state of foreign demand. These prices cannot, therefore, be stationary, and their vibrations have a tendency to embarrass commerce. These circumstances, and the risk to which the revenue is exposed on the importation, and also on the exportation of these articles, strongly admonish against excessive duties, and even dissuade from the imposition of such a duty as, under other circumstances might be safe and proper; nevertheless, an additional duty of one half cent per pound on brown sugar, appears to be as eligible as any which can be suggested.

3d. *Teas*.

The duties are, at present, as follows: On bohea tea, ten cents per pound; on souchong, and other black teas, eighteen cents; on hyson, imperial, gunpowder, or Gomee tea, forty cents; and on other green teas, twenty-four cents. It has been stated, as the opinion of the Treasury, that the revenue would be probably benefitted by a reduction of the higher, and an increase of the lower rates of duty. An addition of two cents per pound to the duty on bohea tea, may be expected to produce twenty-five or thirty thousand dollars.

4th. *Cotton Manufactures, not printed, stained, or colored*.

These are in very general use, and are commonly imported in valuable vessels, and by established merchants; they are, for the most part, bulky in proportion to their value, and, with velvets and velverets, are subject only to the duty of ten per centum ad valorem. It may possibly be safe to place these articles in the class of merchandise subject to the duty of twelve and a half per centum ad valorem; but in this case, it is conceived that adequate provision ought to be made for the protection of the business of printing cotton goods, which has been commenced in this country.

A variety of modifications of the existing duties might be proposed; but as their principal object would be the improvement of the system of collection, by means of a new classification of the articles, without intending, thereby, to produce any considerable augmentation of the revenue, they are at this time omitted. Materials for a report on this subject are preparing, but it cannot be completed during the present session.

With respect to a general augmentation of the duties on imports, I conceive it to be my duty to observe, that the average rate already imposed, exceeds sixteen per centum *ad valorem*; that the last advance of the duties was made at a time when the commerce of the United States was far from being in a natural state; that the temptations to illicit trade will increase in proportion to any reduction of the general rate of mercantile profit; and that a considerable reduction of this general rate is to be expected, whenever the present war in Europe shall terminate. On these grounds, I conclude that present experience affords no certain data for an opinion respecting the permanent operation of the existing duties.

The domestic manufactures best established, are those of leather, iron, flax, potters' wares, including bricks, ardent spirits, malt liquors, cider, paper of all kinds, hats, stuff and silk shoes, refined sugars, spermaceti and tallow candles, copper, brass, and tin wares, carriages, cabinet wares, snuff, gunpowder, and salt.

I have the honor to be, with perfect respect, sir, your most obedient servant,

OLIVER WOLCOTT, *Secretary of the Treasury.*

The Hon. WILLIAM SMITH, Esq.

Chairman of the Committee of Ways and Means.

4th CONGRESS.]

No. 110.

[2d SESSION.

REDUCTION OF DUTIES ON COCOA.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 8, 1797.

Mr. SWANWICK, from the Committee on Commerce and Manufactures, to whom was referred a memorial of sundry manufacturers of chocolate, made the following report:

That the petitioners complain of a hardship under which their manufactory labors, in consequence of the high duty laid on cocoa, which is the chief article in the composition of chocolate, and for the drawback of which, on the exportation of the chocolate, no provision is made.

The committee conceive that it would be impracticable to provide a regulation for allowing a drawback of the duty paid on cocoa, upon the exportation of it, in chocolate, without exposing the revenue to great danger of fraud and imposition.

The duty on this article, first laid by an act of the fourteenth of July, 1789, was at the rate of one cent per pound. By an act of the tenth of August, 1790, when that on many other articles was altered, it was continued at the same rate. By an act of the second of May, 1792, two cents were laid on cocoa, in lieu of one; and, by an act of the 7th of June, 1794, the duty was raised to four cents a pound.

The committee are of opinion that as much revenue was received from the article, while at two cents, as has been derived from it since the duty was raised to four; the increased duty having operated, if not to discourage the importation, to produce this effect, by causing an export of it before manufactured; and that the manufactory has, in consequence, been unreasonably oppressed, without benefit to the public revenue.

The committee are aware that objections might arise to a proposition of repealing the additional duty, on the ground of its being, among others, pledged and appropriated to certain purposes, not yet effected by the act of March 3d, 1795; yet, presuming that the House of Representatives have it in contemplation to lay some further impost duties, at the present session, which might be deemed a substitute for this, they recommend that the House adopt the following resolution:

Resolved, That the additional duty of two cents per pound, on cocoa, laid by the act of June 7th, 1794, ought to be repealed, from and after the — day of — next.

4th CONGRESS.]

No. 111.

[2d SESSION.

MINT.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 13, 1797.

Mr. HAVENS made the following report:

The Committee to whom it was referred to examine and report their opinion on the report of the Director of the Mint, communicated to the House by the Secretary of State, and suggesting the expediency of some alterations in its establishment, to render it less expensive to the public, and more accommodating to depositors, report:

That, by the act for the establishment of the mint, which was passed in April, 1792, no provision was made for purchasing gold and silver bullion, in behalf of the public, and replacing the capital that might be employed for that purpose, by the coins that might be produced from it, excepting that, in one case, it was provided that it should be optional for the depositors and the director of the mint to exchange coins of the United States for standard bullion, with a deduction of one half per cent. from the weight of the pure gold and silver that might be contained in the bullion, as an indemnification to the public for the loss that would be sustained by advancing the money for the time that would be necessarily required for coining it, and the Secretary of the Treasury was authorized to make the necessary advances for this purpose, whenever the state of the treasury would admit of it; but the great and continual demands upon the treasury for disbursements on other accounts, and the loss that would arise to the public by the delay that would frequently take place in coining, may be fairly assigned as the reasons why this provision in the law has never produced any effect, similar to that of purchasing bullion at its market price, and coining it in behalf of the public. It appears, however, by this act for regulating foreign coins, which was passed in February, 1793, that it was then intended to give some further employment to the mint, in coining the precious metals, than had before been provided for, at the time of its first establishment; for, this act provides that, at the expiration of three years next ensuing, the time when the coinage of gold and silver should commence at the mint, agreeably to the act for its establishment, which time should be announced by the proclamation of the President of the United

It ought to be remembered, that a considerable part of what are stated as expenses of collection, consist of the salaries and commissions of the supervisors and inspectors. These are principally officers of control and general superintendence; under any system of revenue operating through the interior country, an equal number of officers of this description must be maintained; a reduction of the existing duties would produce but little diminution of this part of the expense; and with a small augmentation of compensations, and a provision for defraying the expenses of clerkship, the same officers would be adequate to the superintendence of the most extended system of revenue.

The Secretary is of opinion that the following arrangement would promote the public interests:

1st. To allow the following sums to the supervisors of districts, for clerk hire in the respective offices, viz:

To the supervisors of the districts of Massachusetts, New York, Pennsylvania, Maryland, Virginia, North Carolina, and South Carolina, eight hundred dollars per annum, each.

To the supervisors of the districts of New Hampshire, Rhode Island, Connecticut, New Jersey and Georgia, four hundred dollars per annum, each.

To the supervisors of the districts of Vermont, Delaware, Ohio, and Tennessee, three hundred dollars per annum, each.

To establish the commissions of all the supervisors at one and a half per centum on the product of all the internal revenues now established, in addition to their present salaries.

2d. To allow to each of the inspectors of surveys, for clerk hire in their respective offices, two hundred dollars per annum, each.

To establish the commissions of all the inspectors of surveys, at one and one half per centum on the product of all the internal revenues now established, and by them respectively received, in addition to their present salaries.

3d. To establish the commissions of the collectors of the revenue at seven per centum, on the product of the internal revenues now established, and by them respectively received, in addition to the fund authorized to be distributed to the collectors and auxiliary officers, as yearly compensations; except that, in the districts of Massachusetts and Rhode Island, the commissions on the revenue from spirits distilled from foreign materials in cities, towns, and villages, may be restricted to four per centum.

4th. To direct that all officers employed in the collection of the internal revenues shall give bonds, with sureties, for the faithful execution of their trusts, and to provide a summary mode for the recovery of money from delinquents.

It is proposed that the fees for granting certificates to accompany spirits, wines, and teas, and for marking and gauging casks and packages, should be continued as at present, and that reasonable charges for printing, stationary, and postage, should be allowed.

The sums proposed to be allowed for clerk hire, are less than the expenditures which the public service will require for this object in several districts, particularly in Massachusetts, Pennsylvania, and Virginia; it is believed, however, that the proposed addition to the rate of commissions will compensate for the deficiency. An uniform rate of commission to each grade of officers, except in Massachusetts and Rhode Island, where considerable sums are collected from large distilleries, is suggested, to obviate an inconvenient complexity, which, by occasioning errors, retards the settlement of the accounts.

It is believed that, if the compensations now proposed should be established, the expenses of collecting the internal revenues would but little exceed the average proportion which attends the collection of the revenue on imports in other districts than Boston, New York, Philadelphia, Baltimore, and Charleston. In this estimate the fees paid by merchants, which do not appear in the public accounts, are, however, included.

The Secretary submits it as his opinion, that an augmentation of compensation, such as is proposed, is necessary to prevent the greatest embarrassments. Such of the officers as have strictly and fully discharged their duties, have derived little or no emolument from their services. Though it is believed to be generally true that no instance can be mentioned where, in this country, services of equal difficulty and extent have been performed for so little emolument as by the officers of the internal revenue, yet, it is certain that the degrees of exertion have been unequal; that the accounts have, in some instances, remained too long without settlement, or have been imperfectly stated, in consequence of inability on the part of the officers to support, without personal sacrifices, such expenses, in relation to their offices, as the good of the service has required. Specific allowances for the expenses of clerkship will probably remedy an evil from which much loss and disorder are to be apprehended.

All which is most respectfully submitted, by

OLIVER WOLCOTT, *Secretary of the Treasury.*

TREASURY DEPARTMENT, April 17th, 1798.

5th CONGRESS.]

No. 133.

[2d SESSION.

ADDITIONAL REVENUES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, MAY 1, 1798.

Mr. HARPER made the following report:

The Committee of Ways and Means, instructed to inquire whether any, and what, additional revenues will be wanted for the public service, having taken the subject into consideration, report:

That, in their opinion, it will be necessary to raise the sum of two millions of dollars by a tax on lands, houses, and slaves, to be apportioned among the several States, according to the constitutional rule, and on the basis of the last census; the mode of assessment and collection to be uniform throughout the United States.

This opinion they have founded on a view of the probable amount of the ordinary expenditure of the present year, and of revenue from the existing taxes, presented by certain statements from the Secretary of the Treasury, which, together with the letter of the committee to him on that subject, and his answer, are subjoined to this report.

From these statements it appears, that the ordinary expenditure of the present year, making an allowance of one hundred thousand dollars for occasional grants, and one hundred and thirty thousand for reimbursing the unfunded registered debt, and the payment of old accounts, will amount to six millions nine hundred and twenty-six thousand four hundred and sixty dollars.

And that the revenue from existing taxes, stating the impost and tonnage duties at seven millions of dollars, and the internal duties at seven hundred thousand dollars, will amount to eight million eleven thousand eight hundred and ninety-seven dollars.

The impost and tonnage are stated at something more than five hundred thousand dollars below the actual receipts of last year, which were seven million five hundred and forty-nine thousand six hundred and forty-nine dollars; an abatement which the Secretary has thought it prudent to make, on account of the effects likely to be produced on this great branch of the revenue by the depredations on our commerce. The internal revenues are stated higher, by a sum of one hundred and twenty five thousand dollars, than the actual receipts of the last year which

were five hundred and seventy-five thousand four hundred and ninety-one dollars; this increase the Secretary supposes may be expected from an improved mode of collection.

The stamp duties are stated at two hundred thousand dollars, annually; an estimate which the committee conceive to be sufficiently moderate.

Taking the total amount of revenue, from all the present branches of it, to be eight million eleven thousand eight hundred and ninety-seven dollars, as above stated, and deducting that of ordinary expenditure, taken at six millions nine hundred and twenty-six thousand four hundred and sixty dollars, there will be a clear surplus, in the present year, of one million eighty-five thousand four hundred and thirty-seven dollars, which, if left unappropriated, would go to the discharge of the public debt, but may be applied towards defraying the extraordinary expenses voted during the present session.

These expenses consist of the following items: Fortifications, three hundred and forty thousand dollars. Fabrication, or purchase of arms, cannon, and military stores, nine hundred thousand dollars. Naval armament, nine hundred and fifty thousand dollars. New regiment of artillery, one hundred and seventy-two thousand one hundred and forty-three dollars. Making an aggregate of two millions three hundred and sixty-two thousand one hundred and forty-two dollars.

To this it will be proper to add a sum, probably not exceeding forty thousand dollars, for quartermaster's and contingent expenses attending the new regiment of artillery; and, should the bill, now before the House, for providing galleys, be agreed to, an expense of eighty thousand dollars will be incurred on that account. These two sums, added to the former, will raise the aggregate of extraordinary expenses to two millions four hundred and eighty-two thousand one hundred and forty-two dollars.

The committee have not taken into view the expenses which may be incurred for the military defence of the country, either by a provisional army, or detachments of militia. It is certain, however, that, whichever of those modes may be preferred, a considerable expense, in case of actual service, must be incurred: it will be for the House to decide, how far a provision for this expense ought now to be contemplated.

Neither have the committee taken into their estimate a provision for the deferred debt; the interest and extinguishing annuity on which, amounting to one million one hundred and forty-six thousand three hundred and seventy dollars, will become payable in the year 1801; nor for the heavy instalments on the foreign debt, which will become due in the years 1802, 1803, and 1804. But they conceive it is of use to state, that those instalments, joined to the interest, which, in this year, are only six hundred thousand and forty-one dollars, will amount, in the year 1802, to one million nine hundred and one thousand nine hundred and thirty-one dollars; in the year 1803, to two millions six hundred and forty-one thousand four hundred and fifty-three dollars; and in the year 1804, to two millions fifty-two thousand six hundred and twenty-three dollars; after which, they decline to one million thirteen thousand two hundred and thirty-two dollars, in the year 1807; and to two hundred and fifty-four thousand five hundred and twenty dollars, in 1809, when the debt will be extinguished. Hence it appears that, in the year 1801, the ordinary expense will be increased one million one hundred and forty-six thousand three hundred and seventy dollars; and, in the year 1803, to the amount of three millions seven hundred and eighty-seven thousand eight hundred and twenty-three dollars, being the sums payable in that year on the foreign and deferred debts; which sums it will be necessary to provide, in those years, above the amount of the present ordinary expenditure.

To meet the above mentioned extraordinary expenses, amounting to two millions four hundred and eighty-two thousand one hundred and forty-two dollars, Congress has no present funds, beyond the surplus already stated, and amounting to one million eighty-five thousand four hundred and thirty-seven dollars, which, being deducted from the aggregate of extraordinary expenses, leaves a balance of one million three hundred and ninety-six thousand seven hundred and five dollars to be provided by new revenue.

The committee would also observe, that two instalments on the debts to the Bank of the United States, amounting to four hundred thousand dollars, and not continued on loan, will become due on the 31st of December, in the present year. It will be for the House to consider how far provision for the discharge of those instalments ought now to be made. Should such provision be considered as necessary, it will raise the amount to be provided for by new revenues, to the sum of one million seven hundred and ninety-six thousand seven hundred and five dollars.

This sum, it will be observed, falls considerably short of the proposed tax; but, in the present situation of the country, with such probability of increased expenses, such possibility, not to say probability, of defalcation in the greatest branch of the present revenue, the impost and tonnage duty, and the certainty of a great augmentation in the ordinary expenses, by the deferred debt, and the increasing instalments of the foreign debt, the Committee do not think it safe to contemplate an additional revenue, from permanent sources of taxation, to a less amount than two millions of dollars.

On this view of the subject, they submit to the House the following resolutions:

1. *Resolved*, That it will be expedient to raise an additional revenue of — dollars, annually, by a direct tax.
2. *Resolved*, That the said tax ought to be laid, by uniform assessment, on lands, houses and slaves.
3. *Resolved*, That the apportionment of the said tax ought to be made among the several States, according to their respective number of inhabitants, as ascertained by the last census.

COMMITTEE ROOM, April 21, 1798.

SIR:

By desire of the Committee of Ways and Means, and for their use, I have the honor to request from you the following information, as speedily as circumstances may permit.

1. An account of receipts and expenditures for the last quarter of the last year, and of the surplus of revenue for the last year beyond the appropriations and actual expenditure.

2. A statement of the account between the United States, and the Bank, as it now stands; more especially with respect to the reimbursement of former loans.

3. The probability of obtaining from the bank, temporary loans, in anticipation of new revenue; suppose to the amount of 2,000,000 of dollars; the revenue to be raised by direct taxes.

4. The probability of obtaining from the banks, or individuals, permanent loans, for the current service of the year, on the basis of new revenues, with an efficient sinking fund. Suppose the loans to amount to 5,000,000 in irredeemable stock, at 6 per cent., and the sinking fund to 1,000,000, to be applied quarterly in the purchase of old and new stock, except the present six per cents; and aided by an adequate provision for supplying deficiencies in former revenue.

5. An estimate of the ordinary expense and revenue of the current year: meaning, by ordinary expense, all expenditures other than those for defence; and by ordinary revenue, that to arise from the present existing taxes of every kind.

With the greatest respect, I have the honor to be, sir, your very humble servant,

ROBERT G. HARPER.

Hon. Mr. WOLCOTT.

TREASURY DEPARTMENT, April 27, 1798.

SIR:

In compliance with the letter which you did me the honor to write on the 21st instant, I herewith transmit, for the use of the Committee of Ways and Means, the following statements:

1st. A prospective view of the revenue and expenditure of the United States for the entire year 1798, being an estimate of the ordinary expenditure of the United States, under existing laws, and the probable product of taxes of every kind.

2d. A statement of the actual receipts and expenditures of the United States, during the last quarter of the year 1797.

3d. A like statement of receipts and expenditures during the first quarter of the present year, which, though not finally adjusted, are presumed to be correctly exhibited.

4th. A statement of the balances which remained unexpended of certain appropriations for the current service, on the 30th of September, and 31st of December, 1797, and 31st of March, 1798.

5th. A statement of the loans obtained from the Bank of the United States, and the sums which remain unpaid.

The statements before mentioned comprise all the information required by the committee, and exhibit, in a connected series, the principal results of the operations of this Department, subsequent to those stated in the documents which accompanied my report of the 8th of December, 1797, to the first of the present month.

It is the duty of the commissioners of the sinking fund to apply to the reduction of the public debt all surpluses of the revenue of the United States, which remain at the end of any calendar year, beyond the amount of the appropriations charged upon the said revenues, and which, during the session of Congress next thereafter, are not otherwise appropriated, or reserved by law. In pursuance of this direction, upwards of one million and nine hundred thousand dollars were applied of the proceeds of revenue, to the reduction of the public debt, in the year 1797. The sums which remained in the treasury, were necessarily reserved for the current service; there cannot, therefore, be stated any surplus of revenue, for the last year, as a fund for new appropriations; the probable surplus of the present year above the sums which will be required for the foreign debt, the reimbursement of domestic six per cent. stock, and the support of existing establishments, is stated in the account numbered I.

I entertain no doubt that the Bank of the United States will readily consent to continue the loans which they have made to the United States, and I feel entire confidence that funds can be obtained in anticipation of any solid revenues which can be established.

It is not easy to form a certain opinion of the sum, which can immediately be obtained on permanent loans, nor of the expense which will attend them. The United States are unquestionably entitled to credit on the most advantageous terms; the instalments in Holland, which became due prior to the present year, have been discharged; effectual remittances for the sums which will be payable before December next, have been assured; the sums of stock which are offered for sale are not considerable; there is no ground for distrusting the public ability or good faith; the present prices of stock are not considered as indications of distrust, but of the high value of money at the present time. Assurances have been received, from wealthy and influential men, that they will assist the United States with new loans, on reasonable terms. On these grounds, I conceive myself justifiable in expressing an opinion, that the public credit will afford resources adequate to any exigency which can be reasonably contemplated.

But to the success of new loans, and especially as a security against a too common abuse of the funding system, it is of the utmost importance to establish competent funds for the reimbursement, in a reasonable time, of any capitals which may be borrowed. The provision of a sinking fund, as mentioned in your letter, ought, therefore, to be considered as an indispensable requisite.

I have the honor to be, with perfect respect, sir, your obedient servant,

OLIVER WOLCOTT, *Secretary of the Treasury.*

The Hon. ROBERT GOODLOE HARPER, Esq.

Chairman of the Committee of Ways and Means.

<i>An estimate of the Expenditures of the United States, for the year 1798.</i>	Amount.	Total.
<i>For the Foreign debt, due in Amsterdam and Antwerp.</i>		
One year's interest on 27,500,000 guilders, calculated, according to the different contracts, at four, four and a half, and five per centum per annum, is	Guilders.	
First instalment of one million of guilders, obtained by a contract dated June 1st, 1784,	1,285,250	
Charges and commissions, estimated at	200,000 14,852 10	
	1,500,102 10	
Which sum of guilders, 1,500,102 10, estimated at 40 cents per guilder, amounts to		\$600,041 00
<i>For the domestic, funded, and unfunded debts.</i>		
Interest and reimbursement on \$29,430,423 61, of six per cent. stock, at 8 per cent.	\$2,354,433 88	
Interest on \$19,638,940 13, of three per cent. stock, at three per cent.	589,168 20	
Interest on \$1,848,900, of five and a half per cent stock, at five and a half per cent.	101,689 50	
Interest on \$176,000, of four and a half per cent. stock, at four and a half per cent.	7,920 00	
Interest on \$80,000, of new funded six per cent. stock, at six per cent.	4,800 00	
Interest on \$85,151 60, of the unfunded debt, being the amount on the first of Jan. 1798, calculated at six per cent.	5,109 09	
		3,063,120 67
<i>Amounting, in the whole, to</i>		
<i>For the interest on temporary loans.</i>		
On \$1,400,000, obtained of the Bank of the United States, at five per cent. per ann.	\$70,000	
On \$2,440,000, obtained of the said bank, at six per cent. per annum,	146,400	
		216,400 00
<i>Calculated upon the establishments which existed prior to the said year.</i>		
For the civil list,	\$460,227 41	
For the payment of annuities and grants,	1,863 33	
For the mint establishment,	11,700 00	
For diplomatic expenses,	103,650 00	
For the military establishment, viz:		
A sum equal to the expenditure of the year 1797,	\$1,069,247 03	
To which add the sum reported for deficiencies, on the 7th February, 1798,	164,165 95	
		1,233,412 98
For military pensions,	93,400 00	
For the naval department, being a sum estimated for the pay and subsistence of the officers and men, and the repairs of the frigates, for one year,	373,645 00	
For the annual support of light-houses, and other establishments for the security of navigation, including the annual support of such new erections as are understood to be contemplated,	40,000 00	
For the annual expenditures required by the treaty with the Dey and Regency of Algiers, viz:		
The sum appropriated by the act of May 6th, 1796,	\$24,000	
To which is to be added, extra expenses incident to the purchase and transportation of certain articles, in consequence of the war in Europe, estimated at	48,000	
		72,000 00
For Indian treaties,	11,000 00	
<i>The following expenses, though not of a permanent nature, are necessary to be introduced into an estimate for the present year.</i>		2,400,898 72
For the erecting new light-houses, beacons, buoys, and public piers,	\$40,000	
For the expenses incident to the treaties with Great Britain and Spain;	376,000	
For reimbursing the unfunded and registered debts, and the payment of old accounts, as proposed in the report of the Secretary of the Treasury, dated January 8, 1798,	130,000	
For grants which may be made by Congress, and for deficiencies and errors in the general estimate now made, it appears proper to add at least,		546,000 00
		100,000 00
		\$6,926,460 39
<i>Total expenditure,</i>		
Balance, being an estimated excess of revenue above the estimated expenditure for the year 1798, which will be applicable to the further reduction of the public debt, if not otherwise appropriated,	1,085,437 45	
		\$8,011,897 84

An estimate of the Revenue of the United States; for the year 1798.

Dolls. Cents.

From duties on Imports and Tonnage.

The actual receipts during the three last years have been, viz:

	Actual receipts in 1795.	Actual receipts in 1796.	Actual receipts in 1797.
First quarter, from January 1, to March 31,	\$1,224,449 28	\$1,177,882 13	\$1,434,186 06
Second quarter, from April 1, to June 30,	1,623,930 84	1,680,128 25	2,337,935 80
Third quarter, from July 1, to September 30,	1,385,666 14	1,923,011 26	1,794,600 25
Fourth quarter, from October 1, to December 31,	1,354,915 00	1,786,966 30	1,982,927 54
	\$5,588,961 26	\$6,567,987 94	\$7,549,649 65

The actual receipts, during the first quarter of 1798, amounted to \$1,901,789 82

From the foregoing data it is presumed that, notwithstanding captures, the revenue from duties on imports and tonnage, during the year 1798, may be calculated at

\$7,000,000 00

From duties on domestic distilled spirits, stills, sales at auction, licences for selling foreign spirits and wines, by retail, refined sugar, and on carriages.

The actual receipts during the three last years have been viz:

	Actual receipts in 1795.	Actual receipts in 1796.	Actual receipts in 1797.
First quarter, from January 1, to March 31,	\$59,237 52	119,458 75	\$142,108 58
Second quarter, from April 1, to June 30,	91,164 04	97,151 95	140,557 42
Third quarter, from July 1, to September 30,	59,614 62	125,729 43	155,436 08
Fourth quarter, from October 1, to December 31,	127,239 18	132,949 47	137,389 37
	\$337,255 36	\$475,289 60	\$575,491 45

The actual receipts, during the first quarter of the year 1798, amounted to \$173,158 63

It is probable that the internal revenues may be increased by measures for improving the collection; those above mentioned, for the year 1798, are calculated at

\$700,000

To which may be added, for stamp duties, during six months,

100,000

Making, in the whole,
 From revenue on the postage of letters,
 From fees on letters patent,
 From the proceeds of that part of the sinking fund which consists of interest and stock, purchased as redeemed,
 From dividends on 2,220 shares of capital stock of the Bank of the United States, belonging to the United States, calculated at thirty-two dollars per share,

Total revenue,

\$8,011,897 84

TREASURY DEPARTMENT, 27th April, 1798.

OLIVER WOLCOTT, *Secretary of the Treasury.*

Dr. { Account of receipts and expenditures of the United States, commencing on the first of October, and } Cr.
ending on the 31st of December, 1797.

Civil department,	\$106,662 37	1797.	Oct. 1. By balance in the hands of the Treas. this day, 1,829,246 26	
Treaties with the Mediterranean Powers,	198,523 20		Deduct warrants drawn on him before 1st Oct.	
Diplomatic department,	17,666 66		1797, which remained unpaid on that day, 3,390 00	
Mint establishment,	5,000 00		Balance subject to warrants, \$1,825,856 26	
Support and erection of light-houses,	2,831 42		For amount of receipts into the treasury, from duties on merchandise and tonnage, 1,982,927 54	
Miscellaneous expenses,	868 08		For duties on spirits distilled in the United States, and on stills, on sales at auction, licences for selling wines and spirituous liquors, by retail, on carriages for the conveyance of persons, on refined sugar, and on snuff and snuff mills, 137,389 37	
Trading houses with the Indians,	10,000 00		For postage of letters, 32,500 00	
Military department,	174,286 72		For six per cent. stock, sold by the bank of New York, 70,000 00	
Naval department,	65,052 12		Public lands sold at Pittsburg, 47,856 20	
Fortifications of ports and harbors,	20,018 89		Fees on letters patent, 360 00	
Protection of American seamen,	5,000 00		Fees on land patents, 126 00	
Annuities and grants,	418 33		Cents, and half cents, coined at the Mint, 4,860 00	
Military pensions,	8,147 61		From Willings and Francis, contractors for supplying salt-petre, for the principal, and part of the interest of a sum advanced them, 47,111 54	
Interest on the domestic debt, and reimbursement of six per cent. stock bearing a present interest, \$970,296 74	17,714 95			
Reimbursement of the six per cent. stock, out of moneys arising from debts due to the United States under the late Government,	88,376.73	1,076,388 42		
Reimbursement out of moneys arising from the sale of public lands,				
Dutch debt,	319,324 04			
Spanish treaty,	4,764 20			
British treaty,	54,000 00			
Treaty with Algiers,	70,000 00			
Treaty with Indians,	9,500 00			
Interest on domestic loans,	9,000 00			
Payment of agents, under the sixth article of the British treaty,	1,709 23			
Temporary domestic loans, Bank of the United States, in payment of the following loans, viz:]-				
On account of a loan of two millions, made in pursuance of "An act for incorporating the subscribers to the Bank of the U. States," and paid agreeably to "An act making provision for the payment of certain debts of the United States," passed the 31st May, 1796,	\$200,000 00			
On account of a loan of eight hundred thousand dollars, obtained 5th March, 1795, pursuant to an act passed the 21st Feb. 1795,	200,000 00			
On account of a loan of five hundred thousand dollars, obtained 24th March, 1795, pursuant to "An act making further appropriations for the military and naval establishments," &c. passed the 3d March, 1795,	230,000 00			
On account of a loan of two hundred thousand dollars, obtained 31st December, 1794, pursuant to "An act authorizing a loan of two hundred thousand dollars," passed the 18th December, 1794,	270,000 00			
In full of a loan of three hundred and twenty thousand dollars, obtained from the Bank of New York, the 16th Aug. 1796, pursuant to "An act making provision for the payment of certain debts of the United States, passed 31st May, 1796,	70,000 00	970,000 00		
Balance in the hands of the treasurer, on the 1st January, 1798,	\$1,021,899 04			
From which deduct warrants remaining unpaid on that day, which are charged as expenditures in this statement,	2,073 42			
Balance subject to warrants,	1,019,825 62			
	\$4,148,986 91			\$4,148,986 91

TREASURY DEPARTMENT, 27th April, 1798,

OLIVER WOLCOTT, Secretary of the Treasury.

1798.]

ADDITIONAL REVENUES.

585

Account of receipts and expenditures of the United States, commencing on the 1st of January, 1798, and ending on the 31st of March following.

EXPENDITURES.	
Civil department,	\$137,688 51
Treaties with Mediteranean Powers,	15,231 96
Diplomatic department,	9,000 00
Support and erection of light-houses,	1,782 02
Miscellaneous expenses,	15,002 73
Military department,	409,632 09
Naval department,	59,000 00
Fortification of ports and harbors,	7,640 87
Protection of American seamen,	3,000 00
Annuities and grants,	830 00
Military pensions,	48,615 30
Interest on the domestic debt, and reimbursement of six per cent. stock bearing a present interest,	709,340 98
Interest on domestic loans,	121,437 50
Dutch debt,	50,362 82
British treaty,	1,520 48
Paying agents under the 6th article,	2,150 00
Paying awards under the 7th article,	21,884 88
Contingent expenses of government,	307 53
Defraying the expenses of prize causes,	5,200 00
Debts due to foreign officers,	22,798 45
Balance in the treasury on the 1st April, 1798, subject to warrants,	\$1,641,426 12 1,521,745 17
	<u>\$3,163,171 29</u>

RECEIPTS.

January 1st, 1798.

By amount of balance in the hands of the Treasurer, this day,	\$1,021,899 04
Deduct warrants drawn on him before 1st January, 1798, which remain unpaid on that day,	2,073 42
Balance subject to warrants,	1,019,825 62
By amount of receipts into the treasury, from duties on merchandise and tonnage,	1,901,789 82
By duties on spirits distilled in the United States, and on stills, on sales at auction, licences for selling wines and spirituous liquors, by retail, on carriages for the conveyance of persons; on refined sugar, and on snuff and snuff mills,	173,158, 63
By postage of letters,	14,500 00
By public lands sold at Pittsburg,	393 32
By fees on letters patent,	270 00
By fees on land patents,	144 00
By cents and half-cents coined at the mint,	670 00
By dividends on capital stock in the Bank of the United States, due 31st December, 1797,	44,400 00
By Timothy Pickering, late quartermaster general,	3,878 86
By Edward Carrington, late deputy quartermaster general,	2,831 82
By ditto, late marshal for the district of Virginia,	51 75
By Sharp Delany, late agent for paying the invalid pensioners in the State of Pennsylvania,	1,087 68
By Tench Coxe, late commissioner of the revenue, and agent for defraying certain expenses incident to the light-house establishment,	159 98
By Zacheus Biggs, late agent for purchasing spirits for the army,	9 81
	8,019 90 00
	<u>\$3,163,171 29</u>

TREASURY DEPARTMENT, 27th April, 1798.

OLIVER WOLCOTT, *Secretary of the Treasury.*

Statement shewing the Balances of certain Appropriations on the 30th September and 31st December, 1797, and also on the 31st of March, 1798.

	Balances of Appropriations on September 30, 1797.	Expenditures in the quarter ending Decem. 31, 1797.	Balances of Appropriations on December 31, 1797.	Appropriations made in the quarter ending March 31, 1798.	Total amount of balances on Dec. 31, 1797, and of appropriations made in the quarter ending 31st March, 1798.	Expenditures in the quarter ending March 31, 1798.	Balances for Appropriations on April 1, 1798.
Civil Department,	\$385,198 38				737,440 17		
Add amount of fines, penalties, &c. appropriated for expenses of marshals, &c.	\$1,756 95	106,662 37	280,312 76	457,127 41		137,688 51	599,803 41
Amount of repayments,	19 80	1,776 75	-	-	51 75	-	
Military department,	508,363 15	174,286 72	381,187 97	200,000 00	581,187 97	408,632 09	172,565 69
Add amount of repayments,	47,111 54	-	-	-	9 81	-	
Mint establishment,	18,595 98	5,000 00	23,668 68	11,700 00	45,478 72	-	45,478 72
Add amount of cents and half cents paid into the treasury, and re-appropriated by act of May 27, 1796,	10,072 40	-	-	10,110 34	-	-	
Naval department,	196,554 01	65,052 12	131,501 89	394,712 00	526,213 89	59,000 00	467,213 89
Annuities and grants	3,098 88	418 33	2,680 55	3,463 33	6,143 88	830 00	5,313 88
Light house establishment,	71,958 45	2,831 42	69,127 03	56,505 12	125,632 15	-	
Add amount of repayments,	-	-	-	-	159 98	1,782 02	124,010 11
Miscellaneous expenses,	\$38,660 58	-	-	-	-	-	
Deduct this sum, carried to the credit of treaties made with Mediterranean Powers,	2,000 00	36,660 58	868 08	35,792 50	19,310 16	15,002 73	40,099 93
Diplomatic department,	83,162 56	17,666 66	65,495 90	73,650 00	139,145 90	9,000 00	130,145 90
British treaty,	66,360 46	54,000 00	12,360 46	12,000 00	24,360 46	1,520 48	22,839 98
Algerine treaty,	81,246 63	70,000 00	11,246 63	-	11,246 63	-	11,246 63
Spanish treaty,	4,764 20	4,764 20	-	-	12,000 00	-	12,000 00
Indian treaty,	12,500 00	9,500 00	3,000 00	-	3,000 00	-	3,000 00
Treaties with Mediterranean Powers,	\$366,289 29	-	-	-	-	-	
Add this sum, brought from miscellaneous expenses, November 1, 1797,	2,000 00	368,389 29	198,523 20	169,766 09	169,766 09	15,231 96	154,554 13
Fortifications of ports and harbors,	125,343 69	20,018 89	105,324 80	-	105,324 80	7,640 87	97,683 93
Contingent expenses of Government,	15,491 03	-	15,491 03	-	15,491 03	307 53	15,183 50
Expense of prize causes,	38,000 00	-	38,000 00	-	38,000 00	5,200 00	32,800 00
Trading houses with the Indians,	136,090 00	10,000 00	126,000 00	-	126,000 00	-	120,000 00
Payment of demands for unclaimed merchandise,	814 20	-	814 20	-	814 20	-	814 20
Relief and protection of American seamen,	20,000 00	5,000 00	15,000 00	-	15,000 00	3,000 00	12,000 00
Military pensions,	81,139 79	8,147 61	72,902 18	-	72,992 18	-	
Add repayment,	-	-	-	-	1,087 68	48,615 30	25,464 56
Debts due to foreign officers,	96,092 21	-	96,092 21	-	96,092 21	22,798 45	73,293 76
Payment of agents under the 6th article of the British treaty,	10,000 00	1,709 23	8,290 77	-	8,290 77	2,150 00	6,140 77
Payment of awards under the 7th article of the British treaty,	-	-	-	52,000 00	52,000 00	21,884 88	30,115 12
Payment of awards under the 6th article of the British treaty,	-	-	-	300,000 00	300,000 00	-	300,000 00
Balances, exclusive of repayments on 30th September, 1797,	\$2,359,633 49	-	-	-	-	-	
Amount of repayments stated above,	58,960 69	-	-	-	-	-	
Total sums appropriated and not expended,	\$2,418,594 18	-	1,664,145 35	-	-	-	\$2,507,748 11

TREASURY DEPARTMENT, 27th April, 1798.

OLIVER WOLCOTT, Secretary of the Treasury.

Statement of the Loans obtained from the Bank of the United States, and the sums which remain unpaid.

Titles and dates of the Acts authorizing Loans.	Dates of the loans.	At what rates of interest.	Amount of each loan in dollars.	Reimbursements which have been made.	Balances unpaid.	
"An act to incorporate the subscribers to the Bank of the United States," February 25, 1791.	1792. June 25.	6 per cent.	2,000,000	1,200,000	800,000	Reimbursable in annual instalments of 200,000 dollars, on the 31st December, in the years 1798, 1799, 1800, and 1801.
"An act to authorize a loan of two million of dollars," Dec. 18, 1794.	1794. December 31.	5 per cent.	2,000,000	600,000	1,400,000	Due by the terms of the contract, but continued on loan with the consent of the Bank of the United States.
"An act for the reimbursement of a loan authorized by an act of the last session of Congress," Feb. 21, 1795.	1795. March 5.	6 per cent.	800,000	400,000	400,000	Reimbursable in instalments of 200,000 dollars, on the 31st December, in the years 1798 and 1799.
"An act making further appropriations for the Military and Naval Establishments, and for the support of Government," March 3, 1795.	1795. March 24. 1795. September 30.	6 per cent. 6 per cent.	500,000 500,000	260,000	240,000 500,000	Due by the terms of the contracts, but continued on loan with the consent of the Bank of the United States,
"An act making a further provision for the support of public credit, and for the redemption of the public debt," March 3, 1795.	1795. December 31.	6 per cent.	500,000	-	500,000	
			\$6,300,000	2,460,000	3,840,000	

OLIVER WOLCOTT, *Secretary of the Treasury.*

TREASURY DEPARTMENT, 27th April, 1798.