

4th CONGRESS.]

No. 95.

[1st SESSION.

INCREASE OF REVENUE.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, MARCH 17, 1796.

Mr. WILLIAM SMITH made the following report:

The Committee of Ways and Means, having taken into their consideration, the state of the receipts and expenditures of the United States, and the existing and approaching exigencies, for which provision will be requisite, make the following report:

1st. That, in their opinion, the proceeds of the duties on imports and tonnage, and of the internal revenues, which will be received in the treasury, during the year 1796, will be adequate to discharge the current expenditures of the said year, upon the scale of expense stated in the estimates transmitted with the report of the Secretary of the Treasury, dated 14th of December, 1795, including the payment of the interest on the public debt, and the reimbursement of the annuity due on the domestic stock, bearing a present interest of six per cent. But that they will be insufficient to repay either the anticipations heretofore obtained on the credit of the revenue, already accrued from imports and tonnage, but remaining uncollected, amounting to three millions eight hundred thousand dollars, or the instalments of the foreign debt and domestic loans, which fall due during the present year, amounting to one million two hundred thousand dollars, and that there is, therefore, a sum of five millions of dollars to be provided for, either by continuing the present anticipations, or by obtaining loans upon other terms.

2d. That, in like manner, the probable receipts into the treasury, for the years 1797, 1798, 1799, and 1800, will, respectively, defray the current expenditures of the same years, supposing the public expenses not to be increased; but will prove insufficient to discharge the instalments of foreign debt, or of domestic loans, which will fall due during those years.

3d. That, from and after the year 1801, the current expenditure will be increased by a sum of \$1,146,370 34, which will be required to discharge the annuity that will then become due, and payable on the deferred stock.

4th. That, exclusive of the anticipations mentioned in the first paragraph of this report, the instalments of the domestic loans, which will fall due after the present year, amount to one million six hundred thousand dollars; the whole of which will fall due before, and during the year 1801.

5th. That the whole of the foreign debt, exclusive of the instalment which falls due in the current year, amounts to 11,400,000 dollars; the whole of which fall due before, and during the year 1809; and that there is but little expectation that the holders of the said debt will convert the same into domestic debt, upon any reasonable terms, or that, in the present circumstances of Europe, the instalments that will become due within a short period, can be discharged by obtaining a reloan of the same, upon similar terms with those on which the original loans were obtained.

6th. That no means are provided, on the present scale of revenue and expenditures, either to discharge the domestic loans and instalments of the foreign debt above mentioned, or to pay the additional expenditure of \$1,146,370 34 arising from and after the year 1800.

7th. That, in order to discharge the anticipations, domestic loans and instalments of foreign debt, it will be necessary, either to provide further revenues, or to adopt such measures as will vest in the proper officers an efficient power to obtain loans, on such terms as they can now be obtained; but that, so far as relates to the additional expenditure of \$1,146,370 34, accruing after the year 1800, an adequate additional revenue must be provided after that year.

8th. That, if an additional revenue of one million two hundred thousand dollars be raised from and after the present year, it will not only be sufficient to discharge the annuity, which will become due and payable after the year 1800, but will also reimburse four millions eight hundred thousand dollars, in part of the anticipations, domestic loans, and foreign debt, before mentioned, antecedent to the year 1801, and the whole amount of the said loans and anticipations before the year 1807; leaving then a redeemed annuity, which is calculated at 396,000 dollars, to be applied to the reimbursement of the foreign debt.

9th. That, if an additional revenue of two millions, instead of 1,200,000 dollars, be raised, for a term of twelve years, it will, within that period, discharge, besides the accruing annuity arising from the deferred debt, and the domestic loans and anticipations aforesaid, the whole of the foreign debt, and the new domestic stock bearing an interest of five and a half and four and a half per centum, and that, at the end of the said period of twelve years, an annuity will be redeemed, which is calculated at 1,113,930 dollars; which, with the revenues now established, will be sufficient to meet all demands against the Government, upon the principles before assumed.

The committee having contemplated the various resources of the United States, which may be resorted to in the present exigency, and having, in the first instance, turned their attention to the subject of indirect taxes, were not able to agree upon objects suitable for that kind of taxation, from which an adequate revenue could be obtained, without great inconvenience and embarrassment. On recurring to objects of direct taxation, they are of opinion, that those are alone competent to yield such a revenue as appears necessary; the subject being, however, of a new impression, and presenting various difficulties, which, although of a nature to be overcome, yet are such as prevent the completion of a proper system, during the present session, the committee have concluded to go no further, at this time, than to report a resolution preparatory to that object.

The committee are, moreover, of opinion, that some further revenues, in addition to the improvements of the present internal revenues already, and hereinafter proposed, may, during this session, be obtained from an extension of the system of indirect taxation; and, therefore, submit certain resolutions to that effect.

But, inasmuch as the actual receipts into the treasury will be inadequate to discharge the current expenses of the Government, and the loans had of the Bank of the United States, which fall due in the course of the present year, and as future loans and anticipations may become necessary, the committee are of opinion that a loan, to the amount of five millions of dollars, ought to be opened, for the purpose of discharging the said debt to the Bank of the United States.

As the result of their deliberations on the important subjects referred to their consideration, the committee, therefore, recommend the following resolutions:

1st. *Resolved*, That the Secretary of the Treasury be directed to prepare, and report to the House of Representatives, at the next session, a plan for raising the sum of two millions of dollars, by apportionment among the several States, agreeably to the rule prescribed by the constitution; adapting the same to such objects of direct taxation, and such modes of collection, as may appear, by the laws and practice of the States, respectively, to be most eligible in each.

2d. *Resolved*, That a duty of two per centum ad valorem ought to be imposed on all testamentary dispositions, descents, and successions to the estates of intestates, excepting those to parents, husbands, wives, or lineal descendants.

3d. *Resolved*, That the following duties ought to be imposed by means of stamps, viz:

On Letters patent, two dollars.

Exemplification thereof, one dollar.

Awards, twenty cents.

Bottomry and respondentia bonds, fifty cents.

- On Indentures of apprenticeship, thirty cents.
 Certificates of debentures for drawbacks, twenty cents.
 Bills of lading coastwise, except those from one district to another, within the same State, ten cents.
 For bills of lading, forty cents.
 Bonds, bills, or notes, for the security of money, according to the following scale:
 Above 50, and not exceeding 100 dollars, ten cents.
 Above 100, and not exceeding 500 dollars, twenty cents.
 Above 500, and not exceeding 1,000 dollars, thirty cents.
 Above 1,000 dollars, fifty cents.
 Provided, That if any bonds or notes shall be payable at, or within sixty days, such bonds or notes shall be subject to only one-fourth part of the duty aforesaid.
 Notarial acts, twenty-five cents.
 Letters of attorney (except for invalid pensioners,) twenty-five cents.
 Policies of insurance, viz:
 From one district to another in the United States, ten cents.
 To and from the United States, to any foreign country, for any sum more than 500 dollars, and less than 1,000 dollars, twenty-five cents.
 For 1,000, and less than 2,000 dollars, thirty cents.
 For every sum of 2,000 dollars, and above, fifty cents.
 For all deeds, for the conveyance of houses or lands, twenty-five cents.
 For every other deed and specialty not enumerated, ten cents.
- 4th. *Resolved*, That there ought to be an addition of fifty per cent. to the duties now payable by law on carriages for the conveyance of persons.
- 5th. *Resolved*, That the sum of five millions of dollars ought to be obtained to discharge the debt due to the Bank of the United States, by creating a stock, bearing an interest of six per cent., and irredeemable for ——— years; the redemption thereof to commence thereafter, and to be payable in ——— yearly instalments.

Statement of the sums which will fall due after the year 1796, on account of instalments of the foreign debt, and domestic loans, till the year 1801, inclusive:

1797. Instalment of the loan of two millions, had of the Bank of the United States, for stock,	\$200,000	
Instalment of \$800,000, had of said bank, for expenses of foreign intercourse,	200,000	
Instalment of foreign debt, which will fall due in this year,	400,000	\$800,000
1798. Instalment of the loan of two millions, had of the Bank of the United States, for stock,	200,000	
Instalment of \$800,000, had of said bank for expenses of foreign intercourse,	200,000	
Instalment of foreign debt, which will fall due in this year,	80,000	480,000
1799. Instalment of the loan of two millions, had of the Bank of the United States, for stock,	200,000	
Instalment of \$800,000, had of said bank, for expenses of foreign intercourse,	200,000	
Instalment of foreign debt, which will fall due in this year,	160,000	560,000
1800. Instalment of the loan of two millions, had of the Bank of the United States, for stock,	200,000	
Instalment of foreign debt, which will fall due in this year,	400,000	600,000
1801. Instalment of the loan of two millions, had of the Bank of the United States, for stock,	200,000	
Instalment of foreign debt, which will fall due in this year.	500,000	700,000

4th CONGRESS.]

No. 96.

[1st SESSION.]

REMISSION OF DUTIES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, APRIL 5, 1796.

Mr. GOODHUE, from the Committee of Commerce and Manufactures, to whom were referred the several memorials and petitions of Joshua Johnson, of Gurdon Backus, and David Meade Randolph, of William Rotch and Sons, of David Pearce, and others, of Moses Myers, of Philip Finney, and of Samuel Brown, made the following report:

Joshua Johnson, consul of the United States, in London, states that, in March, 1795, he purchased, in London, of British merchants residing there, a certain brigantine that was built in Philadelphia, in 1789, and which had, prior to his purchase, been condemned in a British admiralty court, as lawful prize; that he sent the said brigantine to the United States, and, for want of proper American papers, he has been obliged to pay the tonnage, and other duties, as by law are required of foreign ships or vessels. He, therefore, prays for a reimbursement of the excess of the duties, which he has thus paid; and that he may be authorized to have a register granted for the said brigantine, whereby she may, in future, be entitled to the privileges of a ship or vessel of the United States.

The Committee, in conformity to a principle, which has heretofore been adopted by Congress, in a like case, viz: That an American vessel, once becoming the property of a foreigner, never ought to be restored to her former privileges, report, that the prayer of the petition ought not to be granted, and that leave be given to withdraw the same.

Gurdon Backus and David Mead Randolph state, that they were owners of a certain vessel, which, in the year 1792, was sold upon the coast of Africa, and that the register of the said vessel was stolen from the master; by which means they are subject to a penalty for not returning the said register into the office from which it issued, as is required by an act for registering and recording ships or vessels. They, therefore, pray, under those circumstances, that the penalty might be remitted.

The Committee, under a persuasion that great caution ought always to be had, to prevent foreigners from benefiting themselves, by getting possession of American registers, and though, in this case, it does not appear but that