

AMERICAN STATE PAPERS.

---

DOCUMENTS,

LEGISLATIVE AND EXECUTIVE,

OF THE

CONGRESS OF THE UNITED STATES,

FROM THE FIRST SESSION OF THE FIRST TO THE THIRD SESSION OF THE  
THIRTEENTH CONGRESS, INCLUSIVE:

COMMENCING MARCH 3, 1789, AND ENDING MARCH 3, 1815.

---

SELECTED AND EDITED, UNDER THE AUTHORITY OF CONGRESS,

BY WALTER LOWRIE, *Secretary of the Senate,*

AND

MATTHEW ST. CLAIR CLARKE, *Clerk of the House of Representatives.*

---

VOLUME V.

---

WASHINGTON:

PUBLISHED BY GALES AND SEATON.

---

1832.

But there is no truth which may be more firmly relied upon, than that the interests of the revenue are promoted by whatever promotes an increase of national industry and wealth.

In proportion to the degree of these, is the capacity of every country to contribute to the public treasury; and where the capacity to pay is increased, or even is not decreased, the only consequence of measures which diminish any particular resource, is a change of the object. If, by encouraging the manufacture of an article at home, the revenue which has been wont to accrue from its importation should be lessened, an indemnification can easily be found, either out of the manufacture itself, or from some other object which may be deemed more convenient.

The measures, however, which have been submitted, taken aggregately, will, for a long time to come, rather augment than decrease the public revenue.

There is little room to hope, that the progress of manufactures will so equally keep pace with the progress of population, as to prevent even a gradual augmentation of the product of the duties on imported articles.

As, nevertheless, an abolition in some instances, and a reduction in others, of duties which have been pledged for the public debt, is proposed, it is essential that it should be accompanied with a competent substitute. In order to this, it is requisite that all the additional duties which shall be laid, be appropriated, in the first instance, to replace all defalcations which may proceed from any such abolition or diminution. It is evident, at first glance, that they will not only be adequate to this, but will yield a considerable surplus. This surplus will serve—

First. To constitute a fund for paying the bounties which shall have been decreed.

Secondly. To constitute a fund for the operations of a board to be established, for promoting arts, agriculture, manufactures, and commerce. Of this institution, different intimations have been given in the course of this report. An outline of a plan for it shall now be submitted.

Let a certain annual sum be set apart, and placed under the management of commissioners, not less than three, to consist of certain officers of the Government and their successors in office.

Let these commissioners be empowered to apply the fund confided to them, to defray the expenses of the emigration of artists, and manufacturers in particular branches of extraordinary importance; to induce the prosecution and introduction of useful discoveries, inventions, and improvements, by proportionate rewards, judiciously held out and applied; to encourage by premiums, both honorable and lucrative, the exertions of individuals and of classes, in relation to the several objects they are charged with promoting; and to afford such other aids to those objects as may be generally designated by law.

The commissioners to render to the Legislature an annual account of their transactions and disbursements; and all such sums as shall not have been applied to the purposes of their trust, at the end of every three years, to revert to the treasury. It may, also, be enjoined upon them not to draw out the money, but for the purpose of some specific disbursement.

It may, moreover, be of use to authorize them to receive voluntary contributions, making it their duty to apply them to the particular objects for which they may have been made, if any shall have been designated by the donors.

There is reason to believe that the progress of particular manufactures has been much retarded by the want of skilful workmen. And it often happens, that the capitals employed are not equal to the purposes of bringing from abroad workmen of a superior kind. Here, in cases worthy of it, the auxiliary agency of Government would, in all probability, be useful. There are also valuable workmen in every branch, who are prevented from emigrating, solely, by the want of means. Occasional aids to such persons, properly administered, might be a source of valuable acquisitions to the country.

The propriety of stimulating by rewards the invention and introduction of useful improvements, is admitted without difficulty. But the success of attempts in this way, must evidently depend much on the manner of conducting them. It is probable that the placing of the dispensation of those rewards under some proper discretionary direction, where they may be accompanied by collateral expedients, will serve to give them the surest efficacy. It seems impracticable to apportion, by general rules, specific compensations for discoveries of unknown and disproportionate utility.

The great use which may be made of a fund of this nature, to procure and import foreign improvements, is particularly obvious. Among these, the article of machines would form a most important item.

The operation and utility of premiums have been averted to, together with the advantages which have resulted from their dispensation, under the direction of certain public and private societies. Of this, some experience has been had, in the instance of the Pennsylvania Society for the promotion of manufactures and useful arts; but the funds of that association have been too contracted to produce more than a very small portion of the good to which the principles of it would have led. It may confidently be affirmed, that there is scarcely any thing which has been devised, better calculated to excite a general spirit of improvement, than the institutions of this nature. They are truly invaluable.

In countries where there is great private wealth, much may be effected by the voluntary contributions of patriotic individuals; but in a community situated like that of the United States, the public purse must supply the deficiency of private resource. In what can it be so useful, as in prompting and improving the efforts of industry?

All which is humbly submitted.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

## ESTIMATES OF RECEIPTS AND EXPENDITURES FOR 1791-2.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, JANUARY 23, 1792.

The Secretary of the Treasury, in obedience to the order of the House of Representatives of the 19th instant, respectfully makes the following report:

At the close of the year 1790, there was a considerable surplus of revenue beyond the objects of expenditure, which had required a provision to that period; which surplus, by an act of the 12th of August in that year, was appropriated to the reduction of the public debt.

The statement A, herewith submitted, will shew, in one view, all the sums, which, according to the establishments heretofore made, and corresponding appropriations, have required, and will require, to be defrayed, from the beginning of the year 1791, to the end of the year 1792, amounting together, to seven millions and eighty two thousand one hundred and ninety seven dollars and seventy four cents.

The statement B will also shew, in one view, the nett product of all the public revenues, for the same period, according to the best calculation and estimate which can now be formed of it, amounting to seven millions and twenty-nine thousand seven hundred and fifty-five dollars and twenty-six cents.

The statement C exhibits a summary of the total annual expenditure of the United States, in conformity to existing establishments, amounting to three millions six hundred and eighty-eight thousand and forty-three dollars, fifty cents.

The statement B includes a view of the probable product, during the year 1792, of the existing revenues of the United States, amounting to three millions seven hundred thousand dollars.

From these statements will result substantially, the information which is desired by the House of Representatives, as far as it is now in the power of the Secretary to give it.

One or two matters, however, may be proper to be added, with a view to greater accuracy.

There are certain instances, in which the estimates of appropriations have exceeded, and will exceed, the sums actually expended. Hence the apparent excess of the expenditure, as exhibited in the statement A, beyond the product of the revenue, as shewn in the statement B, will, probably, not be found real. But the amount of these surplusses or over-estimates cannot be now ascertained, and it is not likely to be very considerable; and because, also, if it should do more than counterbalance the excess alluded to, it will be safest to set off the surplus against those contingent demands, which, from time to time, occur.

No deduction has been made from the annual interest on account of the debt purchased. This has proceeded from a supposition that it will be deemed expedient by the Legislature, to appropriate inviolably the interest of any part of the debt which shall be, at any time, extinguished, towards the extinction of the remainder. This point will be more particularly submitted in a report on the subject of the public debt.

All which is humbly submitted.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

TREASURY DEPARTMENT, *January 23, 1792.*

A.

*Statement of expenditures made, and to be made, pursuant to appropriations heretofore made, in conformity to the existing establishments of the United States, from the beginning of the year 1791, to the end of the year 1792, viz:*

Amount of moneys appropriated by an act of the 11th of February, 1791, making appropriations for the support of Government during the year 1791, and for other purposes,	\$740,232 60
Sum appropriated by an act of the 3d March, 1791, towards effecting a recognition of the treaty with the Emperor of Morocco,	20,000 00
Sum appropriated by an act of the same date, for raising another regiment, and making a further provision for the protection of the frontiers,	312,686 20
Amount of moneys appropriated by an act of the 23d of December last past, making provision, among other things, for the support of Government for the year 1792,	159,222 81
Sums to be advanced, pursuant to the act making provision for defraying the intercourse between the United States and foreign nations,	40,000 00
	<hr/>
	\$2,172,141 61
Amount of one year's interest on the public debt, foreign and domestic, during the year 1791,	2,060,861 40
Amount of one year's interest on the public debt, foreign and domestic, (including that of the respective States assumed) during the year 1792,	2,849,194 73
	<hr/>
Total expenditures to the end of the year 1792,	\$7,082,197 74

ALEXANDER HAMILTON, *Secretary of the Treasury.*

TREASURY DEPARTMENT, *January 23, 1792.*

B.

*Estimate of the nett product of the public revenues during the years 1791 and 1792.*

IMPORT DUTIES FOR 1791.

Quarter ending the 31st March,	}	(a)	{	\$314,881 11
Quarter ending the 30th June,				1,345,303 49
Quarter ending the 31st September,				919,570 66
Quarter ending the 31st December, (b)				600,000 00
				<hr/>
Total nett product of imports for 1791,				\$3,179,755 26
Duties on home-made spirits, from the 1st of July to the last of December, (c)				150,000 00
				<hr/>
Total nett revenue, 1791,				\$3,329,755 26
Duties on imports for the year 1792, estimated at (d)			3,300,000 00	
Duties on home-made spirits for the same year, estimated at (e)			400,000 00	
			<hr/>	
			3,700,000 00	
				<hr/>
Total of nett revenue, for the years 1791 and 1792,				\$7,029,755 26

NOTES TO STATEMENT B.

(a) The produce of these three quarters may be considered as ascertained. Though returns have not been received from all the ports, for the entire period, yet, so many have been received (including the principal ports) as to have admitted of a calculation with regard to the rest, not liable to material error.

The produce for the year 1790 has served as a guide in respect to the ports from which returns have not been received.

(b) The sum here stated, is altogether upon estimate; the time which has elapsed since the end of the quarter, not admitting of proper documents. It exceeds the produce of the same quarter, for the preceding year, fifty-five thousand seven hundred and seventy-three dollars and nineteen cents. If the ratio of increase of any preceding quarter, during the year 1791, had been applied to this quarter, the sum would have been considerably greater; but it is believed that this would not furnish a just rule. It is understood that the importations for the last quarter of 1790 were much increased, to avoid the additional duties, which were to take place on the first day of the year 1791; and although the additional duty on distilled spirits might, at first view, be expected to add to the product of the quarter in question, yet it is far from certain that this was the effect of it. Extraordinary exertions were made to import distilled spirits, prior to July, when the additional duty took effect, which may be supposed to have lessened the quantity afterwards, so as to leave it a question whether this article was more or less productive in that quarter, than in the same quarter of the former year. Making allowance for these circumstances, it does not appear probable that the last quarter of 1791 will exceed the last quarter of 1790, in so great a proportion as any of the preceding corresponding quarters.

(c) This sum is materially short of the originally estimated product; but, from the returns hitherto received, it does not appear likely to be greater. This is owing, partly, to a decreased distillation of spirits from foreign materials, in consequence of a sudden rise in the price of molasses, and partly to the obstacles which have retarded the complete execution of the law.

(d) The sum here estimated, cannot, in the nature of the thing, be accurate; it includes a compromise of opposite considerations. First, it contemplates an additional sum for the additional duty on imported spirits, which will be fully operative during the present year. Secondly, it contemplates the possibility, that the disturbances in Hispaniola may tend to diminish the supply of several articles, which are objects of considerable duties, and may proportionably diminish the revenue; hence, about one-third of the probable increase of the duties on spirits is added to the produce of the year 1791, and the aggregate is taken as the produce of the year 1792, abating two thirds of that increase as an equivalent for the other deficiencies.

(e) The same disturbances in Hispaniola may be expected to diminish the product of the duties on home-made spirits, by considerably reducing the supply of molasses; which, added to the obstacles already alluded to (and which it will require yet some time completely to surmount) cannot fail to render the real product of these duties, in the course of the present year, materially less than the estimated product; accordingly, an abatement of about one third is made in the present estimate.

TREASURY DEPARTMENT, *January 23, 1792.*

ALEXANDER HAMILTON, *Secretary of the Treasury.*

C.

*Estimate of Annual Expenditure, on the ground of existing establishments, viz:*

For the support of the civil establishments of the Government, including 40,000 dollars for foreign affairs,	\$368,653 56
Stated expenditure of the War Department, including 25,000 dollars for Indian affairs,	382,731 61
Pensions to invalids,	87,463 60
	<hr/>
	\$838,848 77
Interest on the public debt, foreign and domestic, including the amount of the State debts assumed,	2,849,194 73
	<hr/>
Total annual expenditure,	\$3,688,043.50

TREASURY DEPARTMENT, *January 23, 1792.*

ALEXANDER HAMILTON, *Secretary of the Treasury.*

2d CONGRESS.]

No. 33.

[1st SESSION.]

LOANS.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 7, 1792.

TREASURY DEPARTMENT, *January 23d, 1792.*

Pursuant to the order of the House of Representatives of the first of November 1791, directing the Secretary of the Treasury "to report to the House the amount of the subscriptions to the loans proposed by the act making provision for the public debt, as well in the debts of the respective States, as in the domestic debt of the United States, and of the parts which remain unsubscribed, together with such measures as are, in his opinion, expedient to be taken on the subject," the said Secretary respectfully submits the following report:

1. The whole amount of the domestic debt of the United States, principal and interest, which has been subscribed to the loan proposed concerning that debt, by the act, entitled "An act making provision for the debt of the United States," according to the statement herewith transmitted, marked A, and subject to the observations accompanying that statement, is,	\$31,797,481 22
Which, pursuant to the terms of that act, has been converted into stock bearing an immediate interest of six per cent. per annum,	14,177,450 43
Stock bearing the like interest from the first of January, 1801,	7,088,727 79
Stock bearing an immediate interest of three per cent. per annum,	10,531,303 00
	<hr/>
Making, together,	\$31,797,481, 22
Of which there stands to the credit of the trustees of the sinking fund, in consequence of purchases of the public debt made under their direction, the sum of	\$1,131,364 76
The unsubscribed residue of the said debt, according to the statements herewith transmitted, marked B and C, and subject to the observations accompanying the statement C, appears to amount to	\$10,616,604 65
	<hr/>
Consisting of registered debt, principal and interest,	6,795,815 26
Unsubscribed stock on the books of the commissioners of loans for New Jersey, Pennsylvania, and Maryland, principal and interest,	15,674 62
Credits on the books of the treasury, for which no certificates have been issued, principal and interest,	107,648 63
Outstanding or floating evidences of debt, estimated, per statement C, at	3,697,466 14
	<hr/>
Making, together,	\$10,616,604 65

Concerning which, some further arrangement is necessary.

The greatest part of the registered debt, hitherto unsubscribed, is owned by citizens of foreign countries, most, if not all of whom appear now disposed to embrace the terms held out by the act above mentioned; extensive orders having been received from those creditors, to subscribe to the loan, after the time for receiving subscriptions had elapsed.

A considerable part of the outstanding or floating debt consists of loan office certificates, issued between the first of September, 1777, and the first of March, 1778, bearing interest on the nominal sum. Many of the holders of this species of debt have come in upon the terms of this act, but others have, hitherto, declined it; alleging that the special nature of their contract gives a peculiarity to their case, and renders the commutation proposed not so fair an equivalent to them, as in other instances. They also complain, that the act has had, towards them, a compulsory aspect, by refusing the temporary payment of interest, unless they should exchange their old for new certificates, essentially varying the nature of their contract.

A resolution of Congress of the tenth of September, 1777, stipulates, in favor of this class of creditors, interest upon the *nominal*, instead of the *real principal* of their debt, *until that principal be discharged*. This, certainly renders their contract of a nature more beneficial than that of other creditors; but they are, at the same time, liable to be divested of the extra-benefit it gives them by a payment of their specie dues; and it may be observed, that they have actually enjoyed, and by accepting the terms offered to them, were enabled to realize, advantages superior to other creditors. They have been paid interest by bills on France from the tenth of September, 1777, to the first of March, 1782, while other creditors received their interest in depreciated bills of the old emissions; and the terms of the loan proposed put it in their power to realize the benefit of interest, on the nominal amount of their respective debts, at rates from  $6\frac{2}{3}\%$  nearly to  $10\frac{1}{2}\%$  per cent. on their real or specie capital down to the last of December, 1790.

It does not, therefore, appear to have been an unreasonable expectation, that they, as readily as any other description of public creditors, would have acquiesced in a measure calculated for the accommodation of the Government, under circumstances in respect to which, it has been demonstrated, by *subsequent events*, that the accommodation desired, was consistent with the best interest of the public creditors. A large proportion of the parties interested have, indeed, viewed the matter in this light, and have embraced the proposition. It is probable that the *progress* of things will satisfy the remainder that it is equally their interest to concur, if a further opportunity be afforded. But it is, nevertheless, for themselves only to judge, how far the equivalent proposed is, in their case, a reasonable and fair one; how far any circumstances in their claim may suggest reasons for moderation on their part; or how far any other motives, public or private, ought to induce an acceptance. And the principles of good faith require, that their election should be free.

On this ground, the complaint which regards the withholding of a temporary payment of interest, except on the condition of surrender of the old certificates for new ones, importing a contract substantially different, appears, to the Secretary, not destitute of foundation. He presumes that the operation of that provision, in the particular case, was not adverted to; or, that an exception would have been introduced, as most consonant with the general spirit and design of the act. Accordingly, the further measures which will be submitted, will contemplate a method of obviating the objection in question.

From the consideration that an extension of the time for receiving stipulations, upon the terms of the act making provision for the debt of the United States, is desired by a large proportion of the non-subscribing creditors; and from the further consideration, that sufficient experience has not, yet, been had of the productiveness of a considerable branch of the revenues which have been established, to afford the light necessary to a final arrangement, it is, in the judgment of the Secretary, advisable to renew the proposition for a loan in the domestic debt, on the same terms with the one which has been closed, and to allow time for receiving subscriptions to it, until the last day of September next, inclusively; making provision for a temporary payment of interest, to such who may not think fit to subscribe, for the year 1792, of the like nature with that which was made in the same case for the year 1791, except, as to the holders of loan office certificates, issued between the first of September, 1777, and the first of March, 1778; in respect to whom it is submitted as proper to dispense with the obligation of exchanging their old certificates for new, as the condition of their receiving interest in capacity of non-subscribers; and to allow them, without such exchange, to receive the same interest, both for the year 1791, and 1792, as if they had subscribed to the first loan. It will not be materially difficult so to regulate the operation at the treasury, as to avoid, in the particular case, that danger of imposition by counterfeits, which was the motive to the general provision for an exchange of certificates.

2. The amount of the subscriptions in the debts of the respective States, within the limits of the sum assumed in each, appears, by the statement marked D, to be \$17,072,334 39, subject to the observations accompanying that statement. Consequently the difference between the aggregate of the sums subscribed, and the aggregate of the sums assumed, is \$1,427,665 61. This difference is to be attributed to several causes—the principal of which are the following: First, that the sums assumed, in respect to certain States, exceeded the actual amount of their existing debts. Second, that, in various instances, a part of the existing debt was in a form which excluded it from being received, without contravening particular provisions of the law; as in the case of certificates issued after the first day of January, 1790, in lieu of certificates which had been issued prior to that period, which was reported upon by the Secretary on the twenty fifth day of February last. Third, ignorance of, or inattention to, the limitation of time for receiving subscriptions. It appears that a number of persons lost the opportunity of subscribing from the one or the other of these causes.

A strong desire that a further opportunity may be afforded for subscriptions in the debts of the States, has been manifested by the individuals interested. And the States of Rhode Island and New Hampshire have, by the public acts referred to the Secretary, indicated a similar desire. The affording of such further opportunity, may either be restricted within the limit, as to amount, which is contemplated by the act itself, or may receive an extension which will embrace the residuary debts of the States.

The first may be considered as nothing more than giving full effect to a measure already adopted.

The last appears to have in its favor all the leading inducements to what has been already done. The embarrassments which might arise from conflicting systems of finance are not entirely obviated. The efficacious command of the national resources for national exigencies, is not unequivocally secured. The equalizing of the condition of the citizens of every State, and exonerating those of the States most indebted, from partial burthens which would press upon them, in consequence of exertions in a common cause, is not completely fulfilled, until the entire debt of every State, contracted in relation to the war, is embraced in one general and comprehensive plan. The inconvenience to the United States of disburthening the States, which are still incumbered with considerable debts, would bear no proportion to the inconvenience which they would feel, if left to struggle with those debts, unaided.

More general contentment, therefore, in the public mind, may be expected to attend such an exoneration, than the reverse; in proportion as the experience of actual inconvenience would be greater, though only applicable to parts, in the one, than in the other case.

With regard to States, parts only of the debts of which have been assumed, and in proportions short of those which have prevailed, in favor of other States, and short, also, of what would have resulted from a due apportionment of the entire sum assumed; the claim to a further assumption is founded on considerations of equal justice, as relative to the measure itself, considered in a separate and independent light.

But there is a further reason of material weight for an immediate general assumption. Moneyed men, as well foreigners as citizens, through the expectation of an eventual assumption, or that, in some shape or other, a substantial provision will be made for the unassumed residue of the State debts, will be induced to speculate in the purchase of them. In proportion as the event is unsettled, or uncertain, the price of the article will be low, and the present proprietors will be under disadvantage in the sale. The loss to them in favor of the purchasers is to be regarded as an evil; and as far as it is connected with a transfer to foreigners, at an undervalue, it will be a national evil. By whatsoever authority an ultimate provision may be made, there will be an absolute loss to the community, equal to the total amount of such undervalue.

It may appear an objection to the measure, that it will require an establishment of additional funds by the Government of the United States. But this does not seem to be a necessary consequence. The probability is, that, without a supplementary assumption, an equal or very nearly equal augmentation of funds will be requisite to provide for *greater* balances in favor of certain States; which would be proportionably diminished by such assumption. The destination, not the quantum of the fund, will, therefore, be the chief distinction between the two cases.

It may, also, appear an objection to a total assumption, that the magnitude of the object is not ascertained with precision. It is not certainly known, what is the sum due in each State; nor has it been possible to acquire the information, owing to different causes. But, though precise data are deficient, there are materials which will serve as guides. From the returns received at the treasury, assisted by information in other ways, it may be stated, without danger of material error, that the remaining debts of the States, over and above the sums already subscribed will, not exceed the amounts specified in statement D, accompanying this report. And that, including sums already subscribed, the total amount to be *ultimately* provided for, in the event of a general assumption, will not exceed 25,403,362  $\frac{11}{100}$  dollars, which would constitute an addition of 3,903,362  $\frac{11}{100}$  dollars to the sum of 21,500,000 dollars already assumed.

Should a total assumption be deemed eligible, it may, still, be advisable to assign a determinate sum for each State, that the utmost limit of the operation may be pre-established; and it is necessary, in order to the certainty of a due provision, in proper time, that interest should not begin to be payable, on the additional sums assumed, till after the year 1792.

It will occur, that provision has been made for paying to each State, in trust for its non-subscribing creditors, an interest upon the difference between the sum assumed for such State, and that actually subscribed, equal to what would have been payable, if it had been subscribed.

In the event of a further assumption, either within the limits already established, or commensurate with the remaining debts of the States, it is conceived that it will not be incompatible with the provision just mentioned, to retain, at the end of each quarter, during the progress of the further subscription, out of the money directed to be paid to each State, a sum corresponding with the interest upon so much of its debts as shall have been subscribed to that period, paying the overplus, if any, to the State: An absolute suspension of that payment does not appear consistent with the nature of the stipulation included in that provision: for, though the money to be paid to a State be expressly a trust for the non-subscribing creditors, yet, as it cannot be certain beforehand, that they will elect to change their condition, the possibility of it will not justify a suspension of payment to the State, which might operate as, suspension of payment to the creditors themselves.

A further objection to such a suspension results from the idea, that the provision in question appears to have a secondary object: namely, as a pledge for securing a provision for whatever balance may be found due to a State, on the general settlement of accounts. The payment directed to be made to a State is "to continue *until* there shall be a settlement of accounts between the United States and the individual States, and, in case a balance should then appear in favor of a State, *until* provision shall be made for the said balance."

This secondary operation as a pledge or security (consistently with the intent of the funding act) can only be superseded in favor of the primary object, a *provision for the creditors*, and as far as may be necessary to admit them to an effectual participation of it. But as whatever money may be paid to a State, is to be paid over to its creditors, proportional deductions may, with propriety, be made from the debts of those creditors who may hereafter subscribe, so as that the United States may not have to pay twice for the same purpose.

If it shall be judged expedient either to open again, or extend the assumption, it will be necessary to vary the description of the debts which may be subscribed, so as to comprehend all those which have relation to services or supplies during the war, under such restrictions as are requisite to guard against abuse.

In the original proposition for an assumption of the State debts, and in the suggestions now made on the same subject, the Secretary has contemplated, and still contemplates, as a material part of the plan, an effectual provision for the sale of the vacant lands of the United States. He has considered this resource as an important mean of sinking a part of the debt, and facilitating ultimate arrangements concerning the residue. If supplementary funds shall be rendered necessary, by an additional assumption, the provision will most conveniently be made at the next session of Congress, when the productiveness of the existing revenues, and the extent of the sum to be provided for, will be better ascertained.

There is a part of the public debt of the United States, which is a cause of some perplexity to the Treasury. It is not comprehended within the existing provision for the foreign debt, which is confined to *loans* made abroad; and it is questionable, whether it is to be regarded as a portion of the domestic debt. It is not only due to *foreigners*, but the interest upon it is payable, by express stipulation, in a foreign country; whence it becomes a matter of doubt, whether it be at all contemplated by the act making provision for the debt of the United States. The part alluded to is that which is due to certain foreign officers, who served the United States during the late war. In consequence of a resolution of Congress, directing their interest to be paid to them in France, the certificates which were issued to them specify, that, "in pursuance of and compliance with a certain resolution of Congress, of the third day of February 1784, the said interest is to be paid, annually, at the house of Mons. le Grand, banker in Paris." Interest has accordingly been paid to them at Paris, down to the 31st of December, 1788, by virtue of a special resolution Congress, of the 20th of August in that year; since which period, no payment has been made.

It has been heretofore suggested, as the opinion of the Secretary, that it would be expedient to cause the whole of this description of debt to be paid off; among other reasons, because it bears an interest at six per centum per annum, payable abroad, and can be discharged with a saving. The other reasons alluded to are of a nature both weighty and delicate, and too obvious, it is presumed, to need a specification. Some recent circumstances have served to strengthen the inducements to the measure. But if it should, finally, be deemed unadvisable, it is necessary, at least, that provision should be made for the interest, which is now suspended, under the doubt that has been stated, and from the want of authority to *remit* it pursuant to the contract.

The amount of this debt, with the arrears of interest to the end of the year 1791, is \$220,646 81.

4. The act making provision for the debt of the United States, has appropriated the proceeds of the Western lands, as a fund for the discharge of the public debt. And the act making provision for the reduction of the public debt, has appropriated all the surplus of the duties on imports and tonnage, to the end of the year 1790, to the purpose of purchasing the debt at the market price, and has authorized the President to borrow the further sum of two millions of dollars for the same object.

These measures serve to indicate the intention of the Legislature, as early and as fast as possible, to provide for the extinguishment of the existing debt.

In pursuance of that intention, it appears advisable that a systematic plan should be begun for the creation and establishment of a sinking fund.

An obvious basis of this establishment, which may be immediately contemplated, is the amount of the interest on much of the debt as has been, or shall be, from time to time, purchased, or paid off, or received in discharge of any debt or demand of the United States, made payable in public securities, over and above the interest of any new debt, which may be created, in order to such purchase or payment.

The purchases of the debt, already made, have left a sum of interest in the treasury, which will be increased by future purchases; certain sums payable to the United States, in their own securities, will, when received, have a similar effect. And there is ground to calculate on a saving upon the operations, which are in execution with regard to the foreign debt. The sale of the Western lands, when provision shall be made for it, may be expected to produce a material addition to such a fund.

It is therefore submitted, that it be adopted as a principle, that all interest which shall have ceased to be payable by any of the means above specified, shall be set apart and appropriated in the most firm and inviolable manner as a fund for sinking the public debt, by purchase or payment; and that the said fund be placed under the direction of the officers, named in the second section of the act making provision for the reduction of the public debt, to be by them applied towards the purchase of the said debt, until the annual produce of the said fund shall amount to two per cent. of the entire portion of the debt which bears a present interest of six per centum, and thenceforth to be applied towards the redemption of that portion of the debt, according to the right which has been reserved to the Government. It will deserve the consideration of the Legislature, whether this fund ought not to be so vested, as to acquire the nature and quality of a *proprietary* trust, incapable of being diverted without a violation of the principles and sanctions of *property*.

A rapid accumulation of this fund would arise from its own operation; but it is not doubted, that the progressive development of the resources of the country, and a reduction of the rate of interest, by the progress of public credit, already exemplified in a considerable degree, will speedily enable the Government to make important additions to it in various ways. With due attention to preserve order and cultivate peace, a strong expectation may be indulged that a reduction of the debt of the country will keep pace with the reasonable hopes of its citizens.

All which is humbly submitted.

ALEXANDER HAMILTON,  
Secretary of the Treasury.

## A.

*Statement of the debt of the United States, funded agreeably to the act of Congress of the 4th of August, 1790, at the Treasury and the several loan offices, from the 1st October, 1790, to 30th September, 1791.*

	Funded 6 per cent. stock.	Deferred 6 per cent. stock.	Funded 3 per cent. stock.	Total Amount.
Treasury,	\$5,184,041 41	2,592,018 72	3,973,865 10	11,749,925 23
New Hampshire,	191,322 44	95,661 22	147,423 35	434,407 01
Massachusetts,	2,126,062 40	1,063,034 94	1,984,457 41	5,173,554 75
Rhode Island,	279,609 72	139,803 55	179,577 71	598,990 98
Connecticut,	461,644 31	230,823 38	342,760 99	1,035,228 68
New York,	2,204,016 07	1,102,012 12	1,643,224 96	4,949,253 15
New Jersey,	472,728 51	236,358 96	271,749 71	980,837 18
Pennsylvania,	1,871,455 80	935,730 39	865,216 21	3,672,402 40
Delaware,	26,191 19	13,095 64	16,242 75	55,529 58
Maryland,	717,818 71	358,903 15	621,188 48	1,697,910 34
Virginia,	453,079 69	226,996 35	343,128 22	1,024,104 26
North Carolina,	13,064 03	6,531 77	9,398 35	28,994 75
South Carolina,	135,366 33	67,682 68	96,060 87	299,109 88
Georgia,	40,149 82	20,074 92	37,008 29	97,233 03
	\$14,177,450 43	7,088,727 79	10,531,303 00	31,797,481 22

The amount of stock funded at the Treasury to 30th September, 1791, has been ascertained with accuracy; but, at that time, many subscriptions had been made, which have not yet been adjusted, for want of proper powers of attorney, and other documents. It is, therefore, probable, that, on settlement of all the loans, the amount will be found somewhat different from what is now represented.

The sums funded at the several loan offices, it is presumed, are ascertained with accuracy; but, as the loans had not been adjusted, in all instances, when the returns were made, some immaterial differences will probably hereafter appear.

TREASURY DEPARTMENT, *Register's Office, September 30th, 1791.*

JOSEPH NOURSE, *Register.*

## B.

*Statement of the Registered and Unsubscribed Debt of the United States, which remained unfunded upon the close of the Loan on the 30th September, 1791.*

*Registered or unfunded debt.*

The amount of this debt, as stated to Congress on the third of March, 1789, was	\$ 4,598,462 78	
There were treasury certificates, issued in exchange for loan office settlement certificates, cancelled by the Auditor of the treasury, from the 3d of March, 1789, to the 30th of April, 1791,	4,716,376 45	
There have been certificates issued to invalid pensioners and others, entitled thereunto, on final settlement, in pursuance of acts of Congress of the present and late Government,	134,883 18	
Of the said debt, there has been loaned as follow, viz:		
From the opening of the loan to the 31st of March, 1791,	1,371,978 37	9,449,722 41
1st April to 30th June, 1791,	1,088,466 60	
1st of July to 30th September,	1,611,194 82	4,071,639 79
Which, being deducted, leaves a balance,		5,378,082 62
Principal sum due the several creditors on the treasury books,		
The interest on said debt to 31st December, 1790, is as follows, viz:		
Arrearages to the 31st December, 1787,	479,677 88	
Three years interest from 1st January, 1788, to 31st December, 1790,	968,054 76	1,417,732 64
Registered debt, principal and interest,		6,795,815 26
<i>Unsubscribed debt.</i>		
The debt unsubscribed upon the books, New Jersey, Pennsylvania, and Maryland, amounts to	12,539 70	
Interest,	3,134 92	15,674 62
Credits on the treasury books to invalid pensioners and several corps, for which certificates of registered debt are yet to be issued.		
<i>Invalid Pensioners.</i>		
For the amount due to them under the act of Congress, providing for the payment of their arrearages,	56,152 76	
The following corps have credit on the treasury books, being for certain certificates of final settlement, returned to the treasury and cancelled, and which certificates had issued to non-commissioned officers and soldiers of said corps, respectively, for their pay:		
Fourth regiment, Pennsylvania artillery,	846 37	
Corps of light dragoons,	1,009 83	
Invalid regiment,	3,803 35	
Artillery officers,	386 28	
Willet's regiment,	2,565 42	
Hazen's regiment,	11,267 49	

Baldwin's regiment of artificers,		281 28
Corps of sappers and miners,		416 93
Armand's legion,		834 17
Lee's legion,		593 17
Fourth Pennsylvania regiment, Captain North's company,	487 67	
Lacy's,	1,062 97	
		1,550 64
Franklin's company of militia,		280 67
Individual creditors of the States of Pennsylvania and Maryland have credit on the treasury books, being for certificates of final settlement, returned to the treasury and cancelled, and which certificates had issued to them respectively.		
By Benjamin Steele, Commissioner of Pennsylvania,	5436 66	
John White, Maryland,	693 89	
		6,130 55
		86,118 91
Interest on the foregoing credits,		21,529 72
		107,648 63
		<u>\$6,919,138 51</u>

TREASURY DEPARTMENT, Register's Office, 30th November, 1791.

JOSEPH NOURSE, Register.

C.

Estimate of the outstanding debt, on the 30th of September, 1791, viz:

The amount of the domestic debt of the United States, as stated by the Secretary of the Treasury, in his report of the 9th January, 1790, to the House of Representatives, relative to a provision for the support of the public credit, is as follows:

Liquidated and loan office debt, as per schedule C.		\$27,383,917 67
Interest thereon, to the 31st of December, 1790, per do. D.		13,030,168 20
Additional sum for sinking the continental bills of credit, and for the discharge of the other parts of the unliquidated debt		2,000,000 00
		<u>42,414,085 87</u>
From which deduct amount, as per statement A.	\$31,797,481 22	
Amount of the registered debt and credit, with interest, per statement B.	6,919,138 51	
		38,716,619 73
Balance outstanding		<u>\$3,697,466 14</u>

NOTE.—The balance above, stated to be outstanding, probably exceeds the real sum. In the original estimate, the old emission bills were computed at forty for one; but they have been provided for, at one hundred for one. There are also loan office certificates, which were sent to public officers, to be applied to the public service, and which were supposed to have been so applied, but which have since, upon settlements of their accounts at the treasury, been returned and cancelled.

In addition to this, payments in public securities are expected to be made into the treasury, which will thereupon be cancelled. And it is presumable, that, in the course of the war, sums have been lost and destroyed, which are included in the estimate; but, as there is some arrearage of interest not included in the calculation, and as there are certain claims on the treasury, the event or amount of which is not yet determined, it is not possible, now, to make a precise estimate of the difference between the sum computed to be outstanding, and what will be really found so.

TREASURY DEPARTMENT, Register's Office, November 30th, 1791.

JOSEPH NOURSE, Register.

D.

Statement of subscriptions to the loan, payable in certificates or notes, issued by the respective States, in the several Loan Offices, from the 1st of October, 1790, to the 30th of September, 1791, agreeably to the act passed the 4th of August, 1790.

STATES.	Amount assumed by the act.	Amount unsubscribed.	Remaining unsubscribed to complete the am't assumed.	Subscribed beyond the am't assumed.	Estimated am't of the remaining debt of the State.
New Hampshire	\$ 300,000	\$242,501 25	\$ 57,498 75		\$ 100,000 00 (a)
Massachusetts	4,000,000	4,447,013 81		\$ 477,013 81	1,838,540 66 (b)
Rhode Island	200,000	344,259 49		144,259 49	349,259 69 (c)
Connecticut	1,600,000	1,455,331 81	144,668 19		458,436 52 (a)
New York	1,200,000	1,028,238 75	171,761 25		195,639 79 (a)
New Jersey	800,000	599,703 56	200,296 44		207,647 78 (a)
Pennsylvania	2,200,000	675,101 33	1,524,898 67		500,000 00 (a)
Delaware	200,000	53,305 84	146,694 16		none.
Maryland	800,000	299,225 40	500,744 60		430,000 00 (c)
Virginia	3,500,000	2,552,570 88	947,429 12		1,172,555 25 (d)
North Carolina	2,400,000	1,166,355 57	733,644 43		713,192 30 (e)
South Carolina	4,000,000	4,634,578 52		634,578 52	1,965,756 33 (b)
Georgia	300,000	300,000 00			400,000 00 (f)
	<u>\$21,500,000</u>	<u>\$18,328,186 21</u>	<u>\$ 4,427,665 61</u>	<u>\$1,255,851 82</u>	<u>\$8,331,028 32</u>



## NOTES.

1. The sums marked *a*, in the column of remaining debts, are inserted upon recent official communications.
  2. Those marked *b*, are founded upon official statements, some time since received, and reported to the House of Representatives, on the ninth of January, 1790, adding interest for the subsequent period.
  3. Those marked *c*, are founded on informal information, but such as is deemed substantially authentic and accurate.
- The estimate for Rhode Island includes a sum not ascertained, which has been cancelled in consequence of former laws of the State, enjoining the creditors to bring in their certificates, and receive payment in paper money, but has been revived by a late law of the State, directing the sums paid to be liquidated, according to a certain scale, and deducted from the original amount.
4. That marked *d*, is founded on a report of a committee of the 11th November, 1791, to the House of Delegates of Virginia, compared with a former return to the treasury, and other information.
  5. That marked *e*, is founded upon a statement of the Comptroller of North Carolina, of 20th May, 1790.
  6. That marked *f*, is founded on a statement of the Treasurer of Georgia, of the 30th of April, 1790, compared with other information.
  7. The sums, expressed in round numbers, is not meant to be understood as precisely accurate, but as very near the truth.
  8. The foreign, as well as the domestic debt of the States, is included.

TREASURY DEPARTMENT, *January 25, 1792.*

ALEXANDER HAMILTON, *Secretary of the Treasury.*

2d CONGRESS.]

No. 34.

[1st SESSION.]

MANUFACTURES OF LEATHER.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, FEBRUARY 23, 1792.

Mr. BOUDINOT, from the committee to whom was referred sundry petitions of the farmers of New York, New Jersey, and Pennsylvania, made the following report:

That, having examined into the facts mentioned in the said petitions, the following appeared to your committee to be satisfactorily established;

That the manufacturing of leather is a very extensive and important branch of the manufactures of the United States.

That the different kinds of bark are essential raw materials in this manufacture.

That the average price of bark, for some years past, has been from three to four and a half dollars per cord.

That a patent has lately been granted by the Government of Great Britain to an individual, for the importation of bark into that kingdom, where it is used both in dyeing and tanning.

That the patentee has employed agents in the different States to purchase and prepare bark for exportation.

That the average price given for bark by these agents, when shaved, is stated to be from ten to thirteen dollars, per cord.

That great complaints are made by the tanners, that this rise in price will greatly injure, if not prevent the manufacture of leather in the United States.

On a careful examination into the state of this business, your committee are of opinion that the subject is of high national importance, and worthy the attention of Congress; but, as the demand for bark is a circumstance of very considerable importance to the landed interest of the United States, as well as that of the manufacturers of leather; and your treasury (from the proper reports of the year, not having yet come in) is unable to furnish proper and sufficient documents herein, so as to enable your committee to form a decisive judgment on the whole subject, viewed in all its consequences, they are of opinion that the subject matter of the petitions referred to them should lay over to the next session of Congress; and, in the mean time, your committee beg leave to recommend the following resolution, as the only present measure necessary to be adopted:

*Resolved*, That, from and after the —— day of —— next, the following additional duties shall be laid on all saddles, and leather tanned or tawed, 2½ per centum ad valorem, except such as is or shall be otherwise rated.

On every pair of boots, ten cents.

On every pair of shoes, slippers, or golo shoes, made of silk, stuff, or leather, five cents.

2d CONGRESS.]

No. 35.

[1st SESSION.]

SPIRITS, FOREIGN AND DOMESTIC.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, MARCH 6, 1792.

In obedience to the orders of the House of Representatives of the first and second days of November last, the first directing the Secretary of the Treasury to report to the House such information as he may have obtained, respecting any difficulties which may have occurred, in the execution of the act "repealing, after the last day of June next, the duties heretofore laid upon distilled spirits, imported from abroad, and laying others in their stead, and, also, upon spirits distilled within the United States, and for appropriating the same," together with his opinion thereupon; the second directing him to report to the House whether any, and what, alterations in favor of the spirits which shall be distilled from articles of the growth or produce of the United States, or from foreign articles, within the same, can, in his opinion, be made in the act for laying duties upon spirits distilled within the United States, consistently with its main design, and with the maintenance of the public faith; the said Secretary respectfully submits the following report:

From the several petitions and memorials which have been referred to the Secretary, as well as from various representations which have been made to him, it appears that objections have arisen in different quarters against the

abovementioned act, which have, in some instances, embarrassed its execution, and inspired a desire of its being repealed; in others, have induced a wish that alterations may be made in some of its provisions.

These objections have reference to a supposed tendency of the act, first, to contravene the principles of liberty; secondly, to injure morals; thirdly, to oppress by heavy and excessive penalties; fourthly, to injure industry, and interfere with the business of distilling.

As to the supposed tendency of the act to contravene the principles of liberty, the discussions of the subject which have had place in and out of the Legislature, supersede the necessity of more than a few brief general observations.

It is presumed that a revision of the point cannot, in this respect, weaken the convictions which originally dictated the law.

There can surely be nothing in the nature of an *internal duty* on a *consumable* commodity, more incompatible with liberty, than in that of an external duty, on a like commodity. A doctrine which asserts, that all duties of the former kind (usually denominated excises) are inconsistent with the genius of a free government, is too violent, and too little reconcilable with the necessities of society, to be true. It would tend to deprive the Government of what is, in most countries, a principal source of revenue, and, by narrowing the distribution of taxes, would serve to oppress particular kinds of industry. It would throw, in the first instance, an undue proportion of the public burthen on the merchant and on the landholder.

This is one of those cases in which names have an improper influence, and in which prepossessions exclude a due attention to facts.

Accordingly, the law under consideration is complained of, though free from the features which have served in other cases, to render laws on the same subject exceptionable: and, though the differences have been pointed out, they have not only been overlooked, but the very things, which have been studiously avoided in the formation of the law, are charged upon it, and that, too, from quarters where its operation would, from circumstances, have worn the least appearance of them.

It has been, heretofore, noticed, that the chief circumstances which, in certain excise laws, have given occasion to the charge of their being unfriendly to liberty, are not to be found in the act which is the subject of the report, viz: first, a summary and discretionary jurisdiction in the excise officers, contrary to the course of the common law, and in abridgment of the right of trial by jury; and secondly, a general power, in the same officers, to search and inspect, *indiscriminately*, all the houses and buildings of the persons engaged in the business to which the tax relates.

As to the first particular, there is nothing in the act, even to give color to a charge of the kind against it, and, accordingly, it has not been brought. But, as to the second, a very *different power* has been mistaken for it, and the act is complained of as conferring that very power of indiscriminate search and inspection.

The fact, nevertheless, is otherwise. An officer, under the act in question, can inspect or search no house or building, or even *apartment* of any house or building, which has not been *previously entered and marked* by the possessor, as a place used for distilling or keeping spirits.

And even the power, so qualified, is only applicable to distilleries from foreign materials, and in cities, towns, and villages, from domestic materials; that is, only in cases in which the law contemplates that the business is carried on upon such a scale as effectually to separate the *distillery* from the *dwelling* of the distiller. The distilleries scattered over the country, which form much the greatest part of the whole, are in no degree subject to discretionary inspection and search.

The true principles of the objection which may be raised to a general discretionary power of inspection and search is, that the *domicil* or *dwelling* of a citizen ought to be free from vexatious inquisition and intrusion.

This principle cannot apply to a case in which it is put in his own power to separate the place of his *business* from the place of his *habitation*; and, by designating the former visible public marks, to avoid all intermeddling with the latter.

A distillery seldom forms a part of the *dwelling* of its proprietor, and even where it does, it depends on him to direct and limit the power of visiting and search, by marking out the particular *apartments* which are so employed.

But the requisition upon the distiller to set marks on the building or apartments which he makes use of in his business, is one of the topics of complaint against the law. Such marks are represented as a dishonorable badge; and thus a regulation, designed as much to conform with the feelings of the citizen, as for the security of the revenue, is converted into matter of objection.

It is not easy to conceive what maxim of liberty is violated, by requiring persons who carry on particular trades, which are made contributory to the revenue, to designate, by public marks, the places in which they are carried on. There can certainly be nothing more harmless, or less inconvenient, than such a regulation. The thing itself is frequently done by persons of various callings, for the information of customers; and why it should become a hardship or grievance, if required for a public purpose, can, with difficulty, be imagined.

The supposed tendency of the act to injure morals, seems to have relation to the oaths, which are, in a variety of cases, required, and which are liable to the objection, that they give occasion to perjuries.

The necessity of requiring oaths is, whenever it occurs, matter of regret. It is certainly desirable to avoid them as often and as far as possible; but it is more easy to desire than to find a substitute. The requiring of them is not peculiar to the act in question: they are a common appendage of revenue laws, and are among the usual guards of those laws, as they are of public and private rights in courts of justice. They constantly occur in jury trials, to which the citizens of the United States are so much and so justly attached. The same objection, in different degrees, lies against them in both cases, yet it is not perceivable how they can be dispensed with in either.

It is remarkable, that *both* the kinds of security to the revenue, which are to be found in the act, the oaths of parties, and the inspection of officers, are objected to. If they are both to be abandoned, it is not easy to imagine what security there can be for any species of revenue, which is to be collected from articles of consumption.

If precautions of this nature are inconsistent with liberty, and immoral, as there are very few indirect taxes, which can be collected without them, the consequence must be, that the entire or almost entire weight of the public burthens must, in the first instance, fall upon fixed and visible property, houses and lands—a consequence which would be found, in experiment, productive, of great injustice and inequality, and ruinous to agriculture.

It has been suggested by some distillers, that both the topics of complaint which have been mentioned, might be obviated by a fixed rate of duty, adjusted according to a ratio compounded of the capacity of each still, and the number and capacities of the cisterns employed with it; but this, and every similar method, are objected to by other distillers, as tending to great inequality, arising from unequal supplies of the material at different times, and at different places, from the different methods of distillation practised by different distillers, and from the different degrees of activity in the business, which arise from capitals more or less adequate.

The result of an examination of this point appears to be, that every such mode, in cases in which the business is carried on upon an extensive scale, would, necessarily, be attended with considerable inequalities; and, upon the whole, would be less satisfactory than the plan which has been adopted.

It is proved by the fullest information, that, in regard to distillers which are rated in the law, according to the capacity of each still, the alternative of paying, according to the quality actually distilled, is received in many parts of the United States as essential to the equitable operation of the duty. And it is evident, that such an alternative could not be allowed but upon the condition of the party rendering upon oath an account of the quantity of spirits distilled by him, without entirely defeating the duty.

As to the charge, that the penalties of the act are severe and oppressive, it is made in such general terms, and so absolutely without the specification of a single particular, that it is difficult to imagine where it points.

The Secretary, however, has carefully reviewed the provisions of the act, in this respect, and he is not able to discover any foundation for the charge.

The penalties if inflicted are in their nature the same with those which are common in revenue laws, and, in their degree, comparatively moderate.

Pecuniary fines, from fifty to five hundred dollars, and forfeiture of the article in respect to which there has been a failure to comply with the law, are the severest penalties inflicted upon delinquent parties, except in a very few cases: In two, a forfeiture of the value of the article is added to that of the article itself, and in some others, a forfeiture of the ship or vessel, and of the wagon or other instrument of conveyance, assistant in a breach of law, is likewise involved.

Penalties like these, for wilful and fraudulent breaches of an important law, cannot, truly, be deemed either unusual or excessive. They are less than those which secure the laws of impost, and as moderate as can promise security to any object of revenue which is capable of being evaded.

There appears to be but one provision in the law, which admits of a question whether the penalty prescribed may not partake of severity. It is that which inflicts the pains of perjury on any person who shall be convicted of "wilfully taking a false oath or affirmation in any of the cases in which oaths or affirmations are required by the act."

Precedents in relation to this particular, vary. In many of them, the penalties are less severe than for perjury, in courts of justice; in others, they are the same. The latter are, generally, of the latest date, and seem to have been the result of experience.

The United States have, in other cases, pursued the same principle as in the law in question. And the practice is certainly founded on strong reasons.

1st. The additional security which it gives to the revenue, cannot be doubted. Many who would risk pecuniary forfeitures and penalties, would not encounter the more disgraceful punishment annexed to perjury.

2d. There seems to be no solid distinction between one false oath in violation of law and right and another false oath in violation of law and right. A distinction in the punishments of different species of false swearing, is calculated to beget false opinions concerning the sanctity of an oath; and by countenancing an impression, that a violation of it is less heinous in the cases in which it is less punished, it tends to impair in the mind that scrupulous veneration for the obligation of an oath, which ought always to prevail, and not only to facilitate a breach of it in the cases which the laws have marked with less odium, but to prepare the mind for committing the crime in other cases.

So far is the law under consideration from being chargeable with particular severity, that there are to be found in it, marks of more than common attention, to prevent its operating severely or oppressively.

The 43rd section of the act contains a special provision, (and one which, it is believed, is not to be found in any law enacted in this country, prior to the present constitution of the United States) by which forfeitures and penalties incurred, without an intention of fraud or wilful negligence, may be mitigated or remitted.

This mild and equitable provision is an effectual guard against suffering or inconvenience, in consequence of undesigned transgressions of the law.

The 30th section contains a provision in favor of persons, who, though innocent, may accidentally suffer by seizures of their property, (as in the execution of the revenue laws sometimes unavoidably happens) which is, perhaps, entirely peculiar to the law under consideration. Where there has even been a *probable* cause of seizure, sufficient to acquit an officer, the jury are to assess whatever damages may have accrued from any injury to the article seized, with an allowance for the detention of it, at the rate of six per centum per annum of the value, which damages are to be paid out of the public treasury.

There are other provisions of the act which mark the scrupulous attention of the Government to protect the parties concerned from inconvenience and injury, and which conspire to vindicate the law from imputations of severity or oppression.

The supposed tendency of the act to injure industry, and to interfere with the business of distilling, is endeavored to be supported by some general and some special reasons, both having relation to the effect of the duty upon the manufacture.

Those of the first kind affirm generally, that duties on home manufactures are impolitic, because they tend to discourage them; that they are particularly so, when they are laid on articles manufactured from the produce of the country, because they have, then, the additional effect of injuring agriculture; that it is the general policy of nations to protect and promote their own manufactures, especially those which are wrought out of domestic materials; that the law in question interferes with this policy.

Observations of this kind admit of an easy answer. Duties on manufactures tend to discourage them, or not, according to the circumstances under which they are laid; and are impolitic or not, according to the same circumstances. When a manufacture is in its infancy, it is impolitic to tax it, because the tax would be both unproductive, and would add to the difficulties which naturally impede the first attempts to establish a new manufacture, so as to endanger its success.

But when a manufacture (as in the case of distilled spirits in the United States) is arrived at maturity, it is as fit an article of taxation as any other. No good reason can be assigned why the consumer of a domestic commodity should not contribute something to the public revenue, when the consumer of a foreign commodity contributes to it largely. And, as a general rule, it is not to be disputed, that duties on articles of consumption are paid by the consumers.

To the manufacture itself, the duty is no injury, if an equal duty be laid on the rival foreign article. And when a greater duty is laid upon the latter than upon the former, as in the present instance, the difference is a bounty on the domestic article, and operates as an encouragement of the manufacture. The manufacturer can afford to sell his fabric the cheaper, in proportion to that difference, and is so far enabled to undersell and supplant the dealer in the foreign article.

The principle of the objection would tend to confine all taxes to imported articles, and would deprive the Government of resources, which are indispensable to a due provision for the public safety and welfare, contrary to the plain intention of the constitution, which gives express power to employ those resources when necessary—a power which is found in all governments, and is essential to their efficiency, and even to their existence.

Duties on articles of internal production and manufacture, form, in every country, the principal sources of revenue. Those on imported articles can only be carried to a certain extent, without defeating their object, by operating either as prohibitions, or as bounties upon smuggling. They are, moreover, in some degree, temporary; for, as the growth of manufactures diminishes the quantum of duty on imports, the public revenue, ceasing to arise from that source, must be derived from articles which the national industry has substituted for those previously imported. If the Government cannot then resort to internal means for the additional supplies, which the exigencies of every nation call for, it will be unable to perform its duty, or even to preserve its existence. The community must be unprotected, and the social compact be dissolved.

For the same reasons that a duty ought not to be laid on an article manufactured out of the country, (which is the point most insisted upon) it ought not to be laid upon the produce itself, nor consequently upon the land, which is the instrument of that produce; because taxes are laid upon *land*, as the *fund* out of which the *income* of the proprietor is drawn; or, in other words, *on account of its produce*. There ought, therefore, on the principle of the objection, to be neither taxes on land, nor the produce of land, nor on articles manufactured from that produce. And if a nation should be in a condition to supply itself with its own manufactures, there could then be very little, or no revenue; of course, there must be a want of the essential means of national justice and national security.

Positions like these, however well meant by those who urge them, refute themselves, because they tend to the dissolution of government, by rendering it incapable of providing for the objects for which it is instituted.

However true the allegation, that it is, and ought to be, the prevailing policy of nations to cherish their own manufactures, it is equally true, that nations, in general, lay duties for the purpose of revenue, on their own manufactures; and it is obvious, to a demonstration, that it may be done without injury to them. The most successful nations in manufactures have drawn the largest revenues from the most useful of them. It merits particular attention, that ardent spirits are an article which has been generally deemed, and made use of, as one of the fittest objects of revenue, and to an extent, in other countries, which bears no comparison with what has been done in the United States.

The special reasons alluded to, are of different kinds:

1. It is said, that the act in question, by laying a smaller *additional* duty on foreign spirits than the duty on home-made spirits, has a tendency to discourage the manufacture of the latter.

This objection merits consideration, and, as far as it may appear to have foundation, ought to be obviated.

The point, however, seems not to have been viewed, in all its respects, in a correct light.

Before the present constitution of the United States began to operate, the regulations of the different States, respecting distilled spirits, were very dissimilar. In some of them, duties were laid on foreign spirits only; in others, on domestic as well as foreign. The absolute duty, in the former instances, and the difference of duty in the latter, was, upon an average, considerably less than the present difference in the duties on foreign and home-made spirits. If to this be added, the effect of the uniform operation of the existing duties throughout the United States, it is easy to infer, that the situation of our own distilleries is, in the main, much better, as far as they are affected by the laws, than it was previous to the passing of any act of the United States upon the subject. They have, therefore, upon the whole, gained materially, under the system which has been pursued by the National Government.

The first law of the United States on this head, laid a duty of no more than eight cents per gallon on those of Jamaica proof. The second increased the duty on foreign spirits to twelve cents per gallon, of the lowest proof, and by certain gradations, to fifteen cents per gallon, of Jamaica proof. The last act places the duty at twenty cents per gallon, of the lowest proof, and extends it, by the like gradations, to twenty-five cents per gallon, of Jamaica proof; laying, also, a duty of eleven cents per gallon on home-made spirits, distilled from foreign materials of the lowest proof, with a like gradual extension to fifteen cents per gallon of Jamaica proof; and a duty of nine cents per gallon on home-made spirits, distilled from domestic materials of the lowest proof, with the like gradual extension to thirteen cents per gallon, of Jamaica proof.

If the transition had been immediate from the first to the last law, it could not have failed to have been considered as a change in favor of our own distilleries, as far as the rate of duty is concerned. The mean duty on *foreign spirits*, by the first law, was nine cents; by the last, the mean *extra* duty on foreign spirits is, in fact, about eleven cents, as it regards spirits distilled from *foreign* materials, and about thirteen as it regards spirits distilled from *domestic* materials. In making this computation, it is to be adverted to, that the four first degrees of proof mentioned in the law, correspond with the different kinds of spirits usually imported, while the generality of those made in the United States, are of the lowest class of proof.

Spirits from domestic materials, derived a double advantage from the last law; that is, from the increased rate of duty on foreign imported spirits, and from a higher rate of duty on home-made spirits of foreign materials.

But the intervention of the second law has served to produce, in some places, a different impression of the business than would have happened without it. By a considerable addition to the duties on foreign spirits, without laying any thing on those of home manufacture, it has served to give to the last law the appearance of taking away a part of the advantages previously secured to the domestic distilleries. It seems to have been overlooked, that the second act ought, in reality, to be viewed only as an intermediate step to the arrangement finally contemplated by the legislature; and that, as part of a system, it has, upon the whole, operated in favor of the national distilleries. The thing to be considered is the substantial existing difference in favor of the home manufacture, as the law now stands.

The advantage, indeed, to the distillation of spirits from the produce of the country, arising from the difference between the duties on spirits distilled from foreign, and those distilled from domestic materials, is exclusively the work of the last act, and is an advantage which has not been properly appreciated by those distillers of spirits from home produce, who have complained of the law as hurtful to their manufacture.

Causes entirely foreign to the law itself, have also assisted in producing misapprehension. The approximation of the price of home-made spirits to that of foreign spirits, which has, of late, taken place, and which is attributed to the operation of the act in question, is in a great degree owing to the circumstances which have tended to raise the price of molasses in the West India market, and to an extra importation of foreign spirits prior to the first of July last, to avoid the payment of the additional duty which then took place.

It is stated in the petition from Salem, that, previous to the last act, the price of domestic to foreign spirits was as 1s. 9d. to 3s. 4d. of the money of Massachusetts, per gallon, and that, since that act, it has become as 3s. 3d. to 4s. 2d.

It is evident that a rise from 1s. 9d. to 3s. 3d. per gallon, which would be equal to twenty cents, is not to be attributed wholly to a duty of eleven cents. Indeed, if there were a concurrence of no other cause, the inference would be very different from that intended to be drawn from the fact, for it would evince a profit gained to the distiller of more than eighty per cent. on the duty.

It is, however, meant to be understood, that this approximation of prices, occasions a greater importation and consumption of foreign, and a less consumption of domestic spirits than formerly. How far this may, or may not be the case, the Secretary is not now able to say with precision, but no facts have come under his notice officially, which serve to authenticate the suggestion; and it must be considered as possible, that representations of this kind are rather the effect of apprehension than of experience. It would even be not unnatural, that a considerable enhancement of the prices of the foreign article, should have led to a greater consumption of the domestic article, as the cheapest of the two, though dearer itself than formerly.

But, while there is ground to believe, that the suggestions which have been made on this point, are, in many respects, inaccurate and misconceived, there are known circumstances, which seem to render advisable, some greater difference between the duties on foreign and on home made spirits. These circumstances have been noticed in the report of the Secretary, on the subject of manufactures, and an alteration has been proposed, by laying two cents in addition, upon imported spirits of the lowest proof, with a proportional increase on the higher proofs, and by deducting one cent from the duty on the lowest proof of home made spirits, with a proportional diminution in respect to the higher proofs.

This alteration would bring the proportion of the duties nearly to the standard which the petitioner, Hendrick Doyer, who appears likely to be well informed on the subject, represents as the proper one, to enable the distillation of Geneva to be carried on with the same advantage as before the passing of the act. He observes, that the duty on home made Geneva, being nine cents, the additional duty on foreign ought to have been twelve cents. By the alteration proposed, the proportion will be as ten to eight, which is little different from that of twelve to nine.

It is worthy of remark, that the same petitioner states, that, previous to the passing of the act of which he complains, he "could sell his Geneva sixteen and a quarter per cent. under the price of Holland Geneva, but that he cannot do it at present, and in future, lower than fourteen per cent." If, as he also states, the quality of his Geneva be equal to that of Holland, and, if his meaning be, as it appears to be, that he can now afford to sell his Geneva lower, by fourteen per cent. than the Geneva of Holland, it will follow, that the manufacture of that article is in a very thriving train, even under the present rate of duties. For a difference of fourteen per cent. in the price, is capable of giving a decided preference to the sale of the domestic article.

2. It is objected, that the duty, by being laid in the first instance upon the distiller, instead of the consumer, makes a larger capital necessary to carry on the business; and, in this country, where capitals are not large, puts the national distiller under disadvantages.

But this inconvenience, as far as it has foundation, in the state of things, is essentially obviated by the credits given. Where the duty is payable upon the quantity distilled, a credit is allowed, which cannot be less than six, and may extend to nine months. Where the duty is charged on the capacity of the still, it is payable half yearly. Sufficient time is, therefore, allowed, to raise the duty from the sale of the article: which supersedes the necessity of a greater capital. It is well known, that the article is one usually sold for cash, or at a short credit. If these observations are not applicable to distilleries in the interior country, the same may be said, in a great degree, of the objection itself. The course of the business, in that quarter, renders a considerable capital less necessary than elsewhere. The produce of the distiller's own farm, or of the neighboring farms, brought to be distilled upon shares, or compensations in the article itself, constitute the chief business of the distilleries in the remote parts of the country. In the comparatively few instances in which they may be prosecuted as a regular business, upon a large scale, by force of capital, the observations which have been made, will substantially apply.

The collection of the duty from the distiller, has, on the other hand, several advantages. It contributes to equality, by charging the article, in the first stage of its progress, which diffuses the duty among all classes alike. It the better secures the collection of the revenue, by confining the responsibility to a smaller number of persons, and simplifying the process. And it avoids the necessity of so great a number of officers, as would be required in a more diffuse system of collection, operating immediately upon purchasers and consumers. Besides, that the latter plan would transfer whatever inconveniences may be incident to the collection from a smaller to a greater number of persons.

3. It is alleged that the inspection of the officers is injurious to the business of distilling, by laying open its secrets or mysteries.

Different distillers, there is no doubt, practice, in certain respects, different methods in the course of their business, and have different degrees of skill. But it may well be doubted whether, in a business so old and so much diffused as that of the distillation of spirits, there are at this day secrets of consequence to the possessors. There will, at least, be no hazard in taking it for granted, that none such exist in regard to the distillation of rum from molasses or sugar, or of the spirits from grain usually called whiskey, or of brandies from the fruits of this country. The cases in which the allegations are made with most color, apply to Geneva, and, perhaps, to certain cordials.

It is probable that the course of the business might and would always be such as, in fact, to involve no inconvenience on this score. But, as the contrary is affirmed, and as it is desirable to obviate complaint as far as it can be done consistently with essential principles and objects, it may not be unadvisable to attempt a remedy.

It is to be presumed, that, if any secrets exist, they relate to a primary process, particularly the mixture of the ingredients; this, it is supposable, cannot take a greater time each day, than two hours. If, therefore, the officers of inspection were enjoined to forbear their visits to the part of the distillery commonly made use of for such process, during a space not exceeding two hours in each day, to be notified by the distiller, there is ground to conclude that it would obviate the objection.

4. The regulations for marking of casks and vessels, as well as houses and buildings, also furnish matter of complaint.

This complaint, as it regards houses and buildings, has been already attended to. But there is a light in which it is made, that has not yet been taken notice of.

It is said, that the requiring the doors of the apartments, as well as the outer door of each building, to be marked, imposes unnecessary trouble.

When it is considered, how little trouble or expense attends the execution of this provision, in the first instance, and that the marks once set, will endure for a great length of time, the objection to it appears to be without weight.

But the provision, as it relates to the apartments of buildings, has for its immediate object the convenience of the distillers themselves. It is calculated to avoid the very evil of an indiscriminate search of their houses and buildings, by enabling them to designate the *particular apartments* which are employed for the purposes of their business, and to secure all others from inspection and visitation.

The complaint, as it respects the marking of casks and vessels, has somewhat more foundation. It is represented (and upon careful inquiry appears to be true) that, through long established prejudice, home-made spirits of *equal quality* with foreign, if known to be home-made, will not command an equal price. This particularly applies to Geneva.

If the want of a distinction between foreign and home-made spirits were an occasion of fraud upon consumers, by imposing a worse for a better commodity, it would be a reason for continuing it; but as far as such a distinction gives operation to a mere prejudice, favorable to a foreign, and injurious to a domestic manufacture, it furnishes a reason for abolishing it.

Though time might be expected to remove the prejudice, the progress of the domestic manufacture, in the interval, might be materially checked.

It appears, therefore, expedient to remove this ground of complaint, by authorizing the same marks and certificates both for foreign and for home-made Geneva.

Perhaps, indeed, it may not be unadvisable to vest somewhere a discretionary power to regulate the forms of certificates which are to accompany, and the particular marks which are to be set upon casks and vessels containing spirits, generally, as may be found convenient in practice.

Another source of objection with regard to the marking of casks is, that there is a general prohibition against defacing, or altering the marks, and a penalty upon doing it, which prevents the using of the same casks more than once, and occasions waste, loss, and embarrassment.

It is conceived that this prohibition does not extend to the effacing of old marks, and placing of new ones, by the officers of the revenue, or in their presence, and by their authority. But as real inconveniences would attend a contrary construction, and there is some room for question, it appears desirable that all doubt should be removed by an explicit provision to enable the officer to efface old marks and substitute new ones, when casks have been emptied of their former contents and are wanted for new use.

5. The requisition to keep an account from day to day of the quantity of spirits distilled, is represented both as a hardship, and impossible to be complied with.

But the Secretary is unable to perceive that it can justly be viewed either in the one or in the other light. The trouble of setting down, in the evening, the work of the day, in a book prepared for, and furnished to the party, must be inconsiderable, and the doing of it would even conduce to accuracy in business.

The idea of impracticability must have arisen from some misconception. It seems to involve a supposition that something is required different from the truth of the fact. Spirits distilled are usually distinguished into high wines, proof spirits, and low wines. It is certainly possible to express, each day, the quantity of each kind produced, and where one kind is converted into another, to explain it by brief notes, showing in proper columns the results in those kinds of spirits which are ultimately prepared for sale.

A revision is now making of the forms at first transmitted, and it is not doubted that it will be easy to obviate the objection of impracticability.

On full reflection, the Secretary is of opinion that the requisition in this respect is a reasonable one, and that it is of importance to the due collection of the revenue, especially in those cases where, by the alternative allowed in favor of country distilleries, the oath of a party is the only evidence of the quantity produced. It is useful in every such case to give the utmost possible *precision* to the object which is to be attested.

6. It is alleged as a hardship, that distilleries are held responsible for the duties on spirits which are exported, till certain things, difficult to be performed, are done, in order to entitle the exporter to the drawback.

This is a misapprehension. The drawback is at all events to be paid in six months, which is as early as the duty can become payable, and frequently earlier than it does become payable. And the Government relies on the bond of the exporter for a fulfilment of the conditions upon which the drawback is allowed.

An explanation to the several collectors, of this point, which has taken place since the complaint appeared, will have removed the cause of it.

The same explanation will obviate another objection, founded on the supposition that the bond of the distiller and that of the exporter are for a like purpose. The latter is merely to secure the landing of the goods in a foreign country, and will often continue depending after every thing relative to duty and drawback has been liquidated and finished.

7. It is an article of complaint that no drawback is allowed in case of shipwreck, when spirits are sent from one port to another in the United States.

There does not occur any objection to a provision for making an allowance of that kind, which would tend to alleviate misfortune, and give satisfaction.

8. The necessity of twenty-four hours' notice, in order to the benefit of drawback on the exportation of spirits, and the prohibition to remove them from a distillery after sunset, except in the presence of an officer, are represented as embarrassments to business.

The length of notice required appears greater than is necessary. It is not perceived that any inconvenience could arise from reducing the time to six hours.

But it is not conceived to be necessary or expedient to make an alteration in the last mentioned particular. The prohibition is of real consequence to the security of the revenue. The course of business will readily adapt itself to it, and the presence of an officer in extraordinary cases will afford due accommodation.

9. It is stated as a hardship, that there is no allowance for leakage and wastage, in the case of spirits shipped from one State to another.

The law for the collection of the duties on imports and tonnage allows two per cent. for leakage, on spirits imported. A similar allowance on home made spirits at the distillery, does not appear less proper.

10. It is mentioned as a grievance, that distillers are required to give bond, *with surety*, for the amount of the duties, and that the sufficiency of the surety is made to depend on the discretion of the chief officer of inspection.

The requiring of sureties can be no more a hardship on distillers, than on importing merchants, and every other person to whom the public afford a credit. It is a natural consequence of the credit allowed; and a very reasonable condition of the indulgence, which, without this precaution, might be imprudent, and injurious to the United States.

The party has his option to avoid it by prompt payment of the duty, and is even entitled to an abatement, which may be considered as a premium, if he elects to do so.

As to the second point, if sureties are to be given, there must be some person on the part of the Government to judge of their sufficiency, otherwise the thing itself would be nugatory; and the discretion cannot be vested more conveniently for the party, than in the chief officer of inspection for the survey.

A view has now been taken of most, if not of all, the objections of a general nature, which have appeared.

Some few, of a local complexion, remain to be attended to.

The representation signed Edward Cook, chairman, as on behalf of the four most western counties of Pennsylvania, states, that the distance of that part of the country from a market for its produce, leads to a necessity of distilling the grain, which is raised, as a principal dependence of its inhabitants; which circumstance, and the scarcity of cash, combine to render the tax in question unequal, oppressive, and particularly distressing to them.

As to the circumstance of equality, it may safely be affirmed to be impracticable to devise a tax which shall operate with exact equality upon every part of the community. Local and other circumstances will inevitably create disparities, more or less great.

Taxes on consumable articles have, upon the whole, better pretensions to equality than any other. If some of them fall more heavily on particular parts of the community, others of them are chiefly borne by other parts. And the result is an equalization of the burthen as far as it is attainable. Of this class of taxes it is not easy to conceive one which can operate with greater equality than a tax on distilled spirits. There appears to be no article, as far as the information of the Secretary goes, which is an object of more equal consumption throughout the United States.

In particular districts, a greater use of cider may occasion a smaller consumption of spirits; but it will not be found, on a close examination, that it makes a material difference. A greater or less use of ardent spirits, as far as it exists, seems to depend more on relative habits of sobriety or intemperance than on any other cause.

As far as habits of less moderation, in the use of distilled spirits, should produce inequality any where, it would certainly not be a reason with the Legislature either to repeal or lessen a tax, which, by rendering the article dearer, might tend to restrain too free an indulgence of such habits.

It is certainly not obvious how this tax can operate particularly unequally upon the part of the country in question. As a general rule it is a true one, that duties on articles of consumption fall on the consumers, by being added to the price of the commodity. This is illustrated, in the present instance, by facts. Previous to the law laying a duty on home-made spirits, the price of whiskey was about thirty-eight cents; it is now about fifty-six cents. Other causes may have contributed in some degree to this effect, but it is evidently to be ascribed chiefly to the duty.

Unless, therefore, the inhabitants of the counties which have been mentioned are greater consumers of spirits than those of other parts of the country, they cannot pay a greater proportion of the tax. If they are, it is their interest to become less so. It depends on themselves, by diminishing the consumption, to restore equality.

The argument, that they are obliged to convert their grain into spirits, in order to transportation to distant markets, does not prove the point alleged. The duty on all they send to those markets will be paid by the purchasers. They will still pay only upon their own consumption.

As far as an advance is laid upon the duty, or as far as the difference of duty, between whiskey and other spirits, tends to favor a greater consumption of the latter, they, as greater manufacturers of the article, supposing this fact to be as stated, will be proportionably benefited.

The duty on home-made spirits from domestic materials, if paid by the gallon, is nine cents. From the communications which have been received, since the passing of the act, it appears that, paying the rate annexed to the capacity of the still, and using great diligence, the duty may be, in fact, reduced to six cents per gallon. Let the average be taken at seven and a half cents, which is probably higher than is really paid.

Generally speaking, then, for every gallon of whiskey which is consumed, the consumer may be supposed to pay seven and a half cents; but for every gallon of spirits, distilled from foreign materials, the consumer pays, at least, eleven cents, and for every gallon of foreign spirits, at least twenty cents. The consumer, therefore, of foreign spirits, pays nearly three times the duty, and the consumer of home-made spirits, from foreign materials, nearly fifty per cent. more duty, on the same quantity, than the consumer of spirits from domestic materials, exclusive of the greater price, in both cases, which is an additional charge upon each of the two first mentioned classes of consumers.

When it is considered that  $\frac{2}{7}$  parts of the whole quantity of spirits consumed in the United States are foreign, and  $\frac{1}{7}$  are of foreign materials, and that the inhabitants of the atlantic and mid-land counties are the principal consumers of these more highly taxed articles, it cannot be inferred that the tax under consideration bears particularly hard on the inhabitants of the Western country.

This may serve as an exemplification of a general proposition, of material consequence, namely, that, if the former descriptions of citizens are able, from situation, to obtain more for their produce than the latter, they contribute proportionally more to the revenue. Numerous other examples, in confirmation of this, might be adduced.

As to the circumstance of scarcity of money, as far as it can be supposed to have foundation, it is as much an objection to any other tax as the one in question. The weight of the tax is not certainly such as to involve any peculiar difficulty. It is impossible to conceive that nine cents per gallon on distilled spirits, which is stating it at the highest, can, from the magnitude of the tax, distress any part of the country, which has an ability to pay taxes at all—enjoying, too, the unexampled advantage of a total exemption from taxes on houses, lands, or stock.

The population of the United States being about four millions of persons, and the quantity of spirits annually consumed between ten and eleven millions of gallons, the yearly proportion to each family, if consisting of six persons, which is a full ratio, would be about sixteen gallons, the duty upon which would be less than *one dollar and a half*. The citizen who is able to maintain a family, and who is the owner or occupier of a farm, cannot feel any inconvenience from so light a contribution; and the industrious poor, whether artisans or laborers, are usually allowed spirits, or an equivalent, in addition to their wages.

The Secretary has no evidence to satisfy his mind that a real scarcity of money will be found, on experiment, a serious impediment to the payment of the tax any where. In the quarter where this complaint has particularly prevailed, the expenditures, for the defence of the frontier, would seem, alone, sufficient to obviate it. To this, it is answered, that the contractors for the supply of the army operate with goods, and not with money. But this still tends to keep at home whatever money finds its way there. Nor is it a fact, if the information of the Secretary be not materially erroneous, that the purchases of the contractors of flour, meat, &c. are *wholly* with goods. But, if they were, the Secretary can aver, that more money has, in the course of the last year, been sent into the Western country, from the treasury, in specie, and bank bills, which answer the same purpose, for the pay of the troops and

militia, and for quartermaster's supplies, than the whole amount of the tax in the four western counties of Pennsylvania and the district of Kentucky, is likely to equal in four or five years. Similar remittances are likely to be made in future.

Hence, the Government itself furnishes, and, in all probability, will continue to furnish, the means of paying its own demands, with a surplus which will sensibly foster the industry of the parties concerned, if they avail themselves of it, under the guidance of a spirit of economy and exertion.

Whether there be no part of the United States in which the objection of want of money may truly exist, in a degree to render the payment of the duty seriously distressing to the inhabitants, the Secretary is not able to pronounce. He can only express his own doubt of the fact, and refer the matter to such information as the members of any district, so situated, may have it in their power to offer to the legislative body.

Should the case appear to exist, it would involve the necessity of a measure, in the abstract, very ineligible, that is, the receipt of the duty in the article itself.

If an alternative of this sort were to be allowed, it would be proper to make it the duty of the party paying, to deliver the article at the place in each county, where the office of inspection is kept, and to regulate the price according to such a standard as would induce a preference of paying in cash, except from a real impracticability of obtaining it.

In regard to the petition from the district of Kentucky, after what has been said with reference to other applications, it can only be necessary to observe, that the exemption which is sought by that petition is rendered impracticable by an express provision of the constitution, which declares that "all duties, imposts, and excises, shall be uniform throughout the United States."

In the course of the foregoing examination of the objections which have been made to the law, some alterations have been submitted for the purpose of removing a part of them. The Secretary will now proceed to submit such further alterations as appear to him advisable, arising either from the suggestions of the officers of the revenue or from his own reflections.

1. It appears expedient to alter the distinction respecting distilleries from domestic materials in cities, towns, and villages, so as to confine it to one or more stills worked at the same distillery, the capacity or capacities of which together do not fall short of four hundred gallons.

The effectual execution of the present provisions respecting distilleries from home materials in cities, towns, and villages, would occasion an inconvenient multiplication of officers, and would, in too great a degree, exhaust the product of the duty in the expense of collection. It is also probable that the alteration suggested would also conduce to public satisfaction.

2. The present provisions concerning the entering of stills are found, by experience, not to be adequate, and, in some instances, not convenient.

It appears advisable that there shall be one office of inspection for each county, with authority to the supervisor to establish more than one, if he shall judge it necessary for the accommodation of the inhabitants; and that every distiller, or person having or keeping a still, shall be required to make entry of the same at some office of inspection for the county, within a certain determinate period in each year. It will be proper, also, to enjoin upon every person, who, residing within the county, shall procure a still, or who, removing into a county, shall bring into it a still, within twenty days after such procuring or removal, and before he or she begins to use the still, to make entry at the office of inspection. Every entry, besides describing the still, should specify in whose possession it is, and the purpose for which it is intended, as, whether for sale or for use in distilling; and in the case of a removal of the person from another place into the county, shall specify the place from which the still shall have been brought. A forfeiture of the still ought, in every case in which an entry is required, to attend an omission to enter.

This regulation, by simplifying the business of entering stills, would render it easier to comprehend and comply with what is required, would furnish the officers with a better rule for ascertaining delinquencies, and, by avoiding to them a considerable degree of unnecessary trouble, will facilitate the retaining of proper characters in the offices of collectors.

3. It is represented that difficulties have, in some instances, arisen, concerning the persons responsible for the duty. The apparent not being always the real proprietor, an opportunity for collusion is afforded; and without collusion, the uncertainty is stated as a source of embarrassment.

It also, sometimes, happens, that certain itinerant persons, without property, complying with the preliminary requisitions of the law as to entry, &c. erect and work stills for a time, and before a half yearly period of payment arrives, remove and evade the duty.

It would tend to remedy these inconveniences; if possessors and proprietors of stills were made jointly and severally liable, and if the duty were made a *specific lien* on the still itself; if, also, the proprietor of the land upon which any still may be worked should be made answerable for the duty, except where it is worked by a lawful and bona fide tenant of the land of an estate not less than for a term of one year, or unless such proprietor can make it appear, that the possessor of the still was, during the whole time, without his privity or connivance, an intruder or trespasser on the land; and if, in the last place, any distiller, about to remove from the division in which he is, should be required, previous to such removal, to pay the tax for the year, deducting any prior payments, or give bond, with approved surety, conditioned for the payment of the full sum for which he or she should be legally accountable to the end of the year, to the collector of the division to which the removal shall be, rendering proof thereof, under the hand of the said collector, within six months after the expiration of the year.

As well with a view to the forfeiture of the stills for non-entry, as to give effect to a *specific lien* of the duty, (if either or both of these provisions should be deemed eligible) it will be necessary to enjoin it upon the officers of the revenue to identify, by proper marks, the several stills which shall have been entered with them.

4. The exemptions granted to stills of the capacity of fifty gallons and under, by the 36th section of the law, appear, from experience, to require revision.

Tending to produce inequality, as well as to frustrate the revenue, they have excited complaint. It appears, at least, advisable, that the obligation to enter, as connected with that of *paying duty*, should extend to stills of all dimensions, and that it should be enforced, in every case, by the same penalty.

5. The 28th section of the act makes provision for the seizure of spirits, unaccompanied with marks and certificates, in the cases in which they are required; but as they are required only in certain cases, and there is no method of distinguishing the spirits, in respect to which they are necessary, from those in respect to which they are not necessary, the provision becomes nugatory, because an attempt to enforce it would be oppressive. Hence, not only a great security for the due execution of the law is lost, but seizures very distressing to unoffending individuals must happen, notwithstanding great precaution to avoid them.

It would be, in the opinion of the Secretary, of great importance to provide, that all spirits whatsoever, in casks or vessels of the capacity of twenty gallons and upwards, should be marked and certified, on pain of seizure and forfeiture, making it the duty of the officers to furnish the requisite certificates *gratis*, to distillers and dealers, in all cases in which the law shall have been complied with.

In those cases in which an occasional recurrence to the officers for certificates might be inconvenient, blanks may be furnished, to be accounted for. And it may be left to the parties themselves, in the like cases, to mark their own casks or vessels in some simple manner, to be defined in the law. These cases may be designated generally. They will principally relate to dealers, who, in the course of their business, draw off spirits from larger to smaller casks, and to distillers, who pay according to the capacities of their stills.

As a part of a regulation of this sort, it will be necessary to require, that, within a certain period, sufficiently long to admit of time to know and comply with the provision, entry shall be made, by all dealers and distillers, of all spirits in their respective possessions, which shall not have been previously marked and certified, according to law, in order that they may be marked and certified as old stock.

The regulations here proposed, though productive of some trouble and inconvenience in the outset, will be, afterwards, a security both to individuals and to the revenue.

6. At present, spirits may not be imported from abroad in casks of less capacity than fifty gallons. The size of these casks is smaller than is desirable, so far as the security of the revenue is concerned, and there has not occurred any good objection to confining the importation to larger casks, that is to say, to casks of not less than ninety gallons. Certainly, as far as respects rum from the West Indies, it may be done without inconvenience, being conformable to the general course of business. The result of examination is, that the exception as to this particular, in favor of gin, may be abolished. Should any alteration on this subject take place, it ought not to begin to operate till after the expiration of the year.

7. There is ground to suppose, that the allowance of drawback, without any limitation as to quantity, has been abused. It is submitted that none be made on any less quantity than one hundred and fifty gallons.

8. There is danger that facility may be given to illicit importations, by making use of casks which have been once regularly marked, and the certificates which have been issued with them, to cover other spirits than those originally contained in such casks. Appearances which countenance suspicion, on this point, have been the subjects of representation from several quarters.

The danger may be obviated by prohibiting the importation in such marked casks, on pain of forfeiture both of the spirits and of any ship or vessel in which they may be brought. A prohibition of this sort does not appear liable to any good objection.

9. The duty of sixty cents per gallon of the capacity of a still was founded upon a computation that a still of any given dimensions, worked four months in the year, which is the usual period of country distillation, would yield a quantity of spirits, which, at the rate of nine cents per gallon, would correspond with sixty cents per gallon of the capacity of the still. It will deserve consideration, whether it will not be expedient to give an option to country distillers, at the annual entry of their stills, to take out a licence for any portion of the year, which they may respectively think fit, and to pay at the rate of twelve and a half cents per gallon of the capacity, per month, during such period. This to stand in lieu of the alternative of paying by the gallon distilled; it would obviate in this case the necessity of accounting upon oath, and would leave it in the power of each distiller to cover the precise time he meant to work his still with a licence, and to pay for that time only. A strict prohibition to distill at any other time than that for which the licence was given would be of course necessary to accompany the regulation as far as regarded any such licensed distiller.

The only remaining points which have occurred, as proper to be submitted to the consideration of the Legislature, respect the officers of the revenue.

It is represented that, in some instances, from the ill humor of individuals, the officers have experienced much embarrassment, in respect to the filling of stills with water, to ascertain their capacity, which, upon examination, is found the most simple and practicable mode. The proprietors have, in some instances, not only refused to aid the officers, but have even put out of their way the means by which the filling might be conveniently accomplished.

It would conduce to the easy execution of the law, and to the very important purpose of retaining and procuring respectable characters as collectors, if the proprietors and possessors of stills were required to aid them in the execution of this part of their duty, or to pay a certain sum as a compensation for the doing of it.

The limits assigned in the law, respecting compensations, are found in practice essentially inadequate to the object.

This is so far the case, that it becomes the duty of the Secretary to state, that greater latitude in this particular, is indispensable to the effectual execution of the law.

In the most productive divisions, the commissions of the collectors afford but a moderate compensation. In the greatest part of them, the compensation is glaringly disproportioned to the service; in many of them, it falls materially short of the expense of the officer.

It is believed that, in no country whatever, has the collection of a similar duty been effected within the limit assigned. Applying in the United States to a single article only, and yielding consequently a less total product than where many articles are comprehended, the expense of collection must of necessity be proportionally greater.

It appears to the Secretary, that seven and a half per cent. of the total product of the duties on distilled spirits, foreign as well as domestic, and not less, will suffice to defray the compensations to officers, and other expenses incidental to the collection of the duty. This is to be understood as supplemental to the present custom house expenses.

It is unnecessary to urge to the House of Representatives, how essential it must be to the execution of the law, in a manner effectual to the purposes of the Government, and satisfactory to the community, to secure, by competent, though moderate rewards, the diligent services of respectable and trust-worthy characters.

All which is humbly submitted.

ALEXANDER HAMILTON,  
*Secretary of the Treasury.*

TREASURY DEPARTMENT, *March 5, 1792.*

2d CONGRESS.]

No. 36.

[1st SESSION.

### ADDITIONAL SUPPLIES FOR 1792.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, MARCH 17, 1792.

TREASURY DEPARTMENT, *March 16, 1792.*

The Secretary of the Treasury, pursuant to a resolution of the House of Representatives, of the 8th instant, directing the said Secretary to report to the House his opinion of the best mode of raising the additional supplies, requisite for the ensuing year, respectfully submits the following report:

The sum which is estimated to be necessary for carrying into effect the purposes of the act for making further and more effectual provision for the protection of the frontiers of the United States, beyond the provision made by the act making appropriations for the support of Government, for the year 1792, is \$675,950 08.

The returns which have been received at the treasury, subsequent to the Secretary's report of the 23d of January last, among which are those of some principal ports, afford satisfactory ground of assurance that the quarter, ending the last of December, was considerably more productive than it was supposed likely to prove, authorizing a reliance that the revenues, to the end of the year 1791, will yield a surplus of \$150,000, which may be applied, in part, of the sum of \$675,950 08 cents, above stated to be necessary.

Provision remains to be made for the residue of this sum, namely, \$525,950 08 cents.

Three expedients occur to the option of the Government, for providing this sum.

One, to dispose of the interest to which the United States are entitled in the Bank of the United States. This, at the present market price of bank stock, would yield a clear gain to the Government, much more than adequate to the sum required.



Another, to borrow the money upon an establishment of funds, either merely commensurate with the interest to be paid, or affording a surplus which will discharge the principal by instalments within a short term.

The third is, to raise the amount by taxes.

The first of these three expedients appears to the Secretary altogether unadvisable.

First. It is his present opinion that it will be found, in various respects, permanently the interest of the United States to retain the interest to which they are entitled in the bank. But,

Secondly. If this opinion should not be well founded, it would be improvident to dispose of it, at the present juncture, since, upon a comprehensive view of the subject, it can hardly admit of a doubt, that its future value, at a period not very distant, will be considerably greater than its present; while the Government will enjoy the benefit of whatever dividends shall be declared in the interval. And,

Thirdly. Whether it shall be deemed proper to retain or dispose of this interest, the most useful application of the proceeds will be as a fund for extinguishing the public debt. A necessity of applying it to any different object, if it should be found to exist, would be matter of serious regret.

The second expedient would, in the judgment of the Secretary, be preferable to the first.

For this, the following reason, if there were no other, is presumed to be conclusive, namely, that the probable increase of the value of the stock may itself be estimated as a considerable, if not a sufficient fund for the repayment of the sum which might be borrowed.

If the measure of a loan should be thought eligible, it is submitted, as most advisable, to accompany it with a provision sufficient not only to pay the interest, but to discharge the principal within a short period. This will, at least, mitigate the inconvenience of making an addition to the public debt.

But the result of mature reflection is, in the mind of the Secretary, a strong conviction that the last of the three expedients which have been mentioned, is to be preferred to either of the other two.

Nothing can more interest the national credit and prosperity, than a constant and systematic attention to husband all the means previously possessed, for extinguishing the present debt, and to avoid, as much as possible, the incurring of any new debt.

Necessity alone, therefore, can justify the application of any of the public property, other than the annual revenues, to the current service, or to the temporary and casual exigencies of the country, or the contracting of an additional debt, by loans, to provide for those exigencies.

Great emergencies, indeed, might exist, in which loans would be indispensable. But the occasions which will justify them, must be, truly, of that description.

The present is not of such a nature. The sum to be provided is not of magnitude enough to furnish the plea of necessity.

Taxes are never welcome to a community. They seldom fail to excite uneasy sensations, more or less extensive. Hence, a too strong propensity in the governments of nations to anticipate and mortgage the resources of posterity, rather than encounter the inconveniences of a present increase of taxes.

But, this policy, when not dictated by very peculiar circumstances, is of the worst kind. Its obvious tendency is, by enhancing the permanent burthens of the people, to produce lasting distress, and its natural issue is in national bankruptcy.

It will be happy if the councils of this country, sanctioned by the voice of an enlightened community, shall be able to pursue a different course.

Yielding to this impression, the Secretary proceeds to state, for the consideration of the House, the objects which have occurred to him as most proper to be resorted to, for raising the requisite sum by taxes.

From the most careful view which he is able to take of all the circumstances that, at the present juncture, naturally enter into consideration, he is led to conclude, that the most eligible mode in which the necessary provision can, at this time, be made, is, by some additional duties on imported articles.

This conclusion is made with reluctance, for reasons which were noticed upon a former occasion, and from the reflection that frequent and unexpected alterations in the rates of duties on the objects of trade, by inducing uncertainty in mercantile speculations and calculations, are, really, injurious to commerce, and hurtful to the interests of those who carry it on.

The stability of the duties to be paid by the merchants, is, in fact; of more consequence to them than their quantum, if within reasonable bounds.

It were, therefore, much to have been wished, that so early a resort to new demands, on that class of citizens, could have been avoided, and, especially, that they could have been deferred until a general tariff could have been maturely digested, upon principles which might, with propriety, render it essentially stationary.

But, while there are these motives to regret, there are others of a consoling tendency, some of which indicate that an augmentation of duties, at the present juncture, may have the effect of lessening some public evils, and producing some public benefits.

It is a pleasing fact, if the information of the Secretary be not very erroneous, that the improved state of the credit of this country enables our merchants to procure the supplies which they import from abroad, upon much more cheap and advantageous terms than heretofore; a circumstance which must alleviate to them the pressure of somewhat higher rates of duty, and must contribute, at the same time, to reconcile them to burthens, which, being connected with an efficacious discharge of the duty of the Government, are of a nature to give solidity and permanency to the advantages they enjoy under it.

It is certain, also, that a spirit of manufacturing prevails at this time, in a greater degree than it has done at any antecedent period; and, as far as an increase of duties shall tend to second and aid this spirit, they will serve to promote essentially the industry, the wealth, the strength, the independence, and the substantial prosperity of the country.

The returns for a year, ending with the thirtieth of September last, an abstract of which is in preparation to be communicated to the Legislature, evince a much increased importation, during that year, greater far than can be referred to a naturally increasing demand, from the progress of population, and announce a probability of a more than proportional increase of consumption; there being no appearance of an extraordinary abundance of goods in the market. If, happily, an extension of the duties shall operate as a restraint upon excessive consumption, it will be a salutary mean of preserving the community from future embarrassment, public and private. But, if this should not be the case, it is at least prudent in the Government to extract from it the resources necessary for current exigencies, rather than postpone the burthen to a period when that very circumstance may cause it to be more grievously felt.

These different considerations unite with others, which will suggest themselves, to induce, in the present state of things, a preference of taxes on imported articles to any other mode of raising the sum required.

It is, therefore, respectfully submitted, that the existing duties on the articles hereafter enumerated, be repealed, and that, in place of them, the following be laid, viz:

#### WINES.

				CENTS.
Madeira, of the quality of London particular,	per	gallon,		56
Ditto	per	do.		49
Other Madeira wine,	per	do.		40
Sherry,	per	do.		33
St. Lucar,	per	do.		30
Lisbon,	per	do.		25
Oporto,	per	do.		25
Teneriffe and Fayal,	per	do.		20
All other wines, 40 per centum ad valorem.				

SPIRITS.

Those distilled wholly or chiefly from grain.			CENTS.
Of the first class of proof,	per gallon,		28
Of the second do.	per do.		29
Of the third do.	per do.		31
Of the fourth do.	per do.		34
Of the fifth do.	per do.		40
Of the sixth do.	per do.		50

OTHER DISTILLED SPIRITS.

Of the second class of proof, and under,	per gallon,	24
Of the third do.	per do.	27
Of the fourth do.	per do.	31
Of the fifth do.	per do.	37
Of the sixth do.	per do.	45
Beer, ale, and porter,	per gallon,	8
Steel	per cwt.	100
Nails,	per lb.	2
Cocoa,	per do.	2
Chocolate,	per do.	3
Playing cards,	per pack.	25
Shoes and slippers, of silk,		20
Shoes and slippers of stained or colored leather, (other than black) for men and women,		10
Ditto do. for children,		7
All other shoes and slippers (for men and women) clogs and golo shoes,		10.
All other shoes and slippers for children,		7

ARTICLES AD VALOREM.

15 per cent. ad val.	}	China wares,
		Looking-glass, window, and other glass, and all manufactures of glass, black quart bottles excepted,
		Muskets,
		Pistols,
		Swords, cutlasses, hangers, and other fire and side arms,
		Starch,
		Hair powder,
10 per cent. ad valorem.	}	Wafers,
		Glue.
		Cast, slit, and rolled iron, and generally all manufactures of iron, steel, tin, pewter, copper, brass, or of which either of these metals is the article of chief value (not being otherwise particularly enumerated)
		Cabinet wares,
		Leather, tanned and tawed, and all manufactures of leather, or of which leather is the article of chief value, (not being otherwise particularly enumerated)
		Medicinal drugs, except those commonly used in dying,
		Hats, caps, and bonnets, of every sort,
		Gloves and mittens,
		Stockings,
		Millinery, ready made,
		Artificial flowers, feathers, and other ornaments for women's head dresses,
		Fans,
		Dolls, dressed and undressed,
		Toys,
		Buttons of every kind,
		Carpets and carpeting, mats and floor cloths,
		Sail cloth,
		Sheathing and cartridge paper,
		All powders, pastes, balls, balsams, ointments, oils, waters, washes, tinctures, essences, liquors, or other preparation or composition, commonly called sweet-scents, odors, perfumes, or cosmetics,
		All dentifrice, powders, tinctures, preparations, or compositions, whatsoever, for the teeth or gums,
Printed books, except those specially imported for a college, academy, or other public or incorporated seminary of learning, or institution, which shall be wholly exempted from duty.		

The foregoing duties to be permanently established, and to be appropriated, in the first place, to the payment of the interest of the public debt; in the second, to such other grants and appropriations, as have been, heretofore, made; and in the third, to the purposes of the act for making further and more effectual provision for the protection of the frontiers of the United States.

An addition of two and a half per cent. ad valorem to be made to the duty on all goods, heretofore rated at five per centum ad valorem.

This addition to be temporary, and accordingly to be so established as that it shall not continue longer than till the present Indian war shall terminate, and the expenses of carrying it on shall have been defrayed, which will of course include the reimbursement of any sums that may have been borrowed by way of anticipation of the product of the duties.

It is represented that the present duty on salt operates unequally, from the considerable difference in weight, in proportion to quantity, of different kinds of salt; a bushel weighing from about 56 to upwards of 80 weight. It would have an equalizing effect, if the bushel were defined by weight; and if 56 pounds were taken as the standard, a valuable accession to the revenue would result.

This regulation is, therefore, submitted as a resource upon the present occasion. The rate of duty to remain as it is.

It will be a reasonable accommodation to trade, if it is made a part of this arrangement, to extend the credit for the duty on salt to a longer term. It is an article, which, from the circumstances of its importation, frequently lies on hand for a considerable time; and in relation to the fisheries, is usually sold upon a credit of several months.

Some remarks may be proper in regard to the proposed duties. Those on spirits and wines may appear high. They are, doubtless, considerable. But there are precedents, elsewhere, of much higher duties on the same articles. And it is certainly, in every view, justifiable to make a free use of them for the purpose of revenue.

Wines, generally speaking, are the luxury of classes of the community, who can afford to pay a considerable duty upon them.

It has appeared advisable to adhere to the idea of a specific duty per quantity, on all the species of wines in most common consumption in the country, and those most susceptible of precise designation, as affording greatest certainty to the revenue; and to adopt a general ad valorem rate for other kinds, proportioned to the specific duties. This rate is 40 per cent.

The distinction has proceeded from the difficulty of a precise enumeration of all the other kinds of wine, which are, and may be, imported, and of such an adjustment of specific rates, as will bear some reasonable proportion to the value of the article. The present lowest rate of duty on wines amounts to 200 and 300 per cent. on the value of certain kinds, which may be considered as equivalent to a prohibition.

While, therefore, ideas of proportion will be better consulted than heretofore, by the proposed arrangement, it is probable that the revenue will be benefitted, rather than injured, by a reduction of the duties on low priced wines.

The considerations which render ardent spirits a proper object of high duties, have been repeatedly dwelt upon. It may be added, that it is a familiar, and a just remark, that the peculiarly low price of ardent spirits, in this country, is a great source of intemperance.

To bring the price of the article more nearly to a level with the price of it in other markets, by an increase of duty, while it will contribute to the advancement of the revenue, cannot but prove, in other respects, a public benefit.

The rates proposed will be still moderate, compared with examples in other countries; and the article is of a nature to enable the importer, without difficulty, to transfer the duty to the consumer.

A discrimination is suggested in respect to duties on spirits distilled from grain. To this, there have been two inducements; one, that the difference in the duty is conformable to the difference between the cost of the grain spirits usually imported, and that of West India rum. Another, that it is in a particular manner the interest of the United States to favor the distillation of its own grain, in competition with foreign spirits from the same material. In the second division of spirits, the first class of proof is dropped, because none of it comes from the West Indies, and because any other spirits, usually imported, which may be of so low a proof, are higher priced, even than some of the higher proofs of West India spirits. The dropping of that class of proof, therefore, in this case, is favorable to the revenue, and favorable to equality.

Several of the other specific duties which are proposed, besides the inducements to them as items of revenue, are strongly recommended by considerations which have been stated in the report of the Secretary, on the subject of manufactures. The same report states inducements to a 15 per cent. duty on some of the articles which are mentioned, as proper to be comprised under that rate.

With regard to china and glass, there are two weighty reasons for a comparatively high duty upon them. The use of them is very limited, except by the wealthier classes; and both their bulk, and liability to damage in transportation, are great securities against evasions of the revenue. It will, however, merit consideration, whether, for the accommodation of importers, a longer term of credit ought not to be allowed on these articles.

A duty of two cents per pound on cocoa is less, in proportion to the value, than the present duty on coffee. As an extensive article of consumption, it is a productive one of revenue.

The duty on playing cards can give rise to no question except as to the practicability of a safe collection. In order to this, it will be proper to superadd certain precautions, which will readily occur in regulating the details of a bill for the purpose. A similar attention will be requisite in regard to the duties on wines. The employment of marks and certificates may advantageously be extended to this article.

The rate of 10 per centum ad valorem, it is hoped, will not be deemed immoderate in relation to the articles to which it is proposed to apply it. It is difficult to assign rules for what ought to be considered as a just standard. But, after the best consideration which the Secretary has been able to bestow upon it, he cannot discover that any real inconvenience is likely, permanently, to result from the extension of that rate to the cases proposed.

The addition of  $2\frac{1}{2}$  per cent. to the duty on the mass of article now rated at five, will constitute an important, though not an excessive augmentation. Nevertheless, it is proposed that it shall be only temporary; and there is reasonable ground of expectation, that the cause for having recourse to it will not be of very long continuance.

It will not have escaped the observation of the House, that the duties which were suggested in the Secretary's report on that subject, as encouragements to manufactures, are, for the most part, included among the objects of this report.

It may tend to avoid future embarrassment, if such abolitions and drawbacks as shall be deemed expedient, with a view to promoting manufactures, shall accompany the establishment and appropriation of whatever further duties may be laid, for the object in contemplation. And it may be found convenient to qualify the appropriation of the surplus which is to be applied to that object, so as to let in such other appropriations, during the session, as occurrences may suggest.

An estimate of the additional revenue which may be expected from the proposed duties is subjoined.

It will occur to the House, that the credit allowed for the duties will require an anticipation of their product by a temporary loan, for which provision in the law will be requisite.

All which is humbly submitted.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

*Estimate of probable additional revenue from the proposed duties.*

Madeira wine, 300,000 gallons, average increase 12 cents per gallon,	\$36,000
Other wines, 700,000 gallons, average increase 3 cents per gallon,	21,000
Distilled spirits, 3,600,000 gallons, average increase, allowing for proposed deduction from the duties on domestic spirits, 2 cents,	72,000
Salt, from the equalizing regulation proposed, will probably yield $\frac{1}{4}$ more, or 2 cents per bushel on 2,000,000 bushels,	40,000
Malt liquors, 200,000 gallons, at $2\frac{1}{2}$ cents,	5,000
Nails and spikes, 1,800,000 pounds, at 1 cent,	18,000
Cocoa, 800,000 pounds, at 1 cent,	8,000
Playing cards, 20,000, at 15 cents,	3,000
Other enumerated articles ad valorem, at 15 per cent.,	10,000
Increased duty on articles rated permanently at 10 per cent. ad valorem, computed at 2 millions of dollars in value, at 3 per cent.,	60,000
Temporary addition of $2\frac{1}{2}$ per cent. on the articles now rated at 5, computed on 10,000,000 of dollars,	250,000
	<u>\$523,000</u>

2d CONGRESS.]

No. 37.

[1st SESSION.]

## REMISSION OF DUTIES.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, APRIL 20, 1792.

The Secretary of the Treasury, to whom was referred the memorial of Eliphalet Ladd, respectfully makes the following report thereupon:

It has been made a question, whether, under the laws of the United States, as they now stand, duties are payable on goods imported in vessels which have suffered shipwreck in the act of transportation. A suit, in which this question is involved, is depending in one of the courts of the United States.

But the terms of the law have rendered it the duty of the officers of the customs to advance the claim, which has been done on all the occasions that have hitherto occurred.

The casualty of shipwreck is so affecting a calamity, and is usually attended with such considerable loss to the concerned, that the exacting from the sufferers the public dues on the articles which escape, is apt to be regarded as partaking of severity and oppression.

The provision for the case of damaged goods is not, always, a sufficient remedy. It may happen that the goods saved are not damaged, though a large proportion may have been entirely lost.

It would seem, upon the whole, expedient, either entirely to remit the duties in every case of shipwreck, or to vest somewhere a power, either to remit, or abate, according to the circumstances of each case.

The last would best consist with a due apportionment of the degree of relief to the degree of suffering. From the rareness of the casualty, the loss to the revenue, from either arrangement, could not be very material.

The case stated in the petition appears to be a strong one for relief.

All which is humbly submitted.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

TREASURY DEPARTMENT, *April 19, 1792.*

2d CONGRESS.]

No. 38.

[2d SESSION.]

## SINKING FUND.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, NOVEMBER 19, 1792.

The Vice President of the United States and President of the Senate, the Chief Justice, the Secretary of State, the Secretary of the Treasury, and the Attorney General, respectfully report to the Congress as follows:

That, pursuant to the act, entitled "An act making provision for the reduction of the public debt," and in conformity to resolutions agreed upon by them, and severally approved by the President of the United States, they have, since their last report, caused purchases of the said debt to be made, through the agency of Samuel Meredith, Treasurer of the United States, and William Seton, Cashier of the Bank of New York, respectively, to the amount of three hundred and twenty-five thousand three hundred and seventy-eight dollars and sixty-two cents, for which there have been paid two hundred and forty-two thousand six hundred and eighty-eight dollars and thirty-one cents, in specie, as will more particularly appear by the several documents herewith submitted, marked A, B, C.

That, pursuant to the act, entitled "An act supplementary to the act making provision for the debt of the United States," and in conformity to resolutions agreed upon by them, and severally approved by the President of the United States, they have also caused purchases of the said debt to be made, through the agency of Samuel Meredith, Treasurer of the United States, to the amount of thirty-eight thousand seven hundred and fourteen dollars and fifty-one cents; for which there have been paid twenty-five thousand nine hundred and sixty-nine dollars and ninety-six cents, in specie, as will more particularly appear by the document herewith submitted, marked D.

An abstract of the whole of which purchases is contained in the statement E, herewith also reported, amounting to three hundred and sixty-four thousand and ninety-three dollars and thirteen cents; for which there have been paid two hundred and sixty-eight thousand six hundred and fifty-eight dollars and twenty-seven cents, in specie.

That the said several documents, marked A, B, C, D, (which are submitted as part of this report) shew in detail the places where, the times when, the prices at which, and the persons of whom, the purchases aforesaid have been made.

That the purchases now and heretofore reported, amount together to one million four hundred and ninety-five thousand four hundred and fifty-seven dollars and eighty-nine cents; for which there have been paid, nine hundred and sixty-seven thousand eight hundred and twenty-one dollars and sixty-five cents, in specie; and for which credits have been passed on the books of the treasury, as will be more particularly seen by the certified statement herewith also submitted, marked F.

On behalf of the Board.

TH: JEFFERSON.

## A.

*Statement of the purchases of Public Stock by the Agents named in the Act for the reduction of the Public Debt.*

DATE.	BY WHOM PURCHASED.	OF WHOM PURCHASED.	WHERE PURCHASED.	PRICE.	ASSUMED DEBT.		DOMESTIC DEBT.		SPECIE VALUE.
					Amount of deferred stock.	Amount of three per cent. stock.	Amount of deferred stock.	Amount of three per cent stock.	
1792				<i>s. d.</i>					
March 21	S. Meredith,	Fran. Ingraham,	Philadelphia,	12 0				7,569 22	4,541 53
	do.	Edward Carrell,	do.	12 6	412 52	-	604 01	-	635 33
	do.	James Lysle,	do.	12 0		721 87		190 75	547 57
	do.	George Eddy,	do.	12 6	1,540 91		2,598 19		2,586 93
	do.	Isaac Bronson,	do.	11 10		443 41		2,056 59	1,479 16
	do.	do.	do.	12 0				2,500 00	1,500 00
	do.	James C. Fisher,	do.	12 6			2,000 00		1,250 00
22	do.	Thos. McEwen,	do.	"			5,000 00		3,125 00
	do.	George Eddy,	do.	"	1,200 00				750 00
	do.	John Oldden,	do.	"	9,965 31		2,034 69		7,500 00
23	do.	Isaac Bronson,	do.	"	1,000 00		5,000 00		3,750 00
27	do.	Israel Loring,	do.	"	2,000 00				1,250 00
				Dolls.	16,118 74	1,165 28	17,236 89	12,316 56	28,915 52

SAMUEL MEREDITH, *Treasurer of the United States.*

TREASURY OF THE UNITED STATES, *Philadelphia, 31st March, 1792.*

TREASURY DEPARTMENT, *Register's Office, 15th November, 1792.*

I certify that the foregoing is a true copy from the original, filed in this office.

JOSEPH NOURSE, *Register.*

B.

Statement of the purchases of Public Stock, by the agents named in the act for the reduction of the Public Debt.

DATE.	BY WHOM PURCHASED.	OF WHOM PURCHASED.	WHERE PURCHASED.	PRICE.	ASSUMED DEBT.			DOMESTIC DEBT.			SPECIE VALUE.
					AMOUNT OF 6 PER CENT. STOCK.	AMOUNT OF 3 PER CENT. STOCK.	AMOUNT OF DEFERRED STOCK.	AMOUNT OF 6 PER CENT. STOCK.	AMOUNT OF 3 PER CENT. STOCK.	AMOUNT OF DEFERRED STOCK.	
1790.											
April 9	Samuel Meredith.	Thomas Leaming,	Philadelphia.	s. d.							
	do. do.	Joseph Boggs, -	do.	12 6						1,500 00	937 50
10	do. do.	William Campbell,	do.	12 0		3,000 00					1,800 00
	do. do.	James McCrea,	do.	20 0	6,000 00						6,000 00
	do. do.	Thomas Ketland, Jr.	do.	12 0		2,000 00					1,200 00
11	do. do.	Andrew Summers, Jr.	do.	12 6						5,000 00	3,125 00
	do. do.	Isaac Bronson,	do.	12 6			566 82			11,433 18	7,500 00
13	do. do.	James McCrea,	do.	12 0					10,000 00		6,000 00
	do. do.	Edward Fox,	do.	"		4,000 00					2,400 00
	do. do.	do. do.	do.	20 0	7,466 07						7,466 07
14	do. do.	Jeremiah Warder, Parker, & Co.	do.	19 11 <sup>3</sup> / <sub>4</sub>	3,000 00						2,096 87
	do. do.	William Poyntell,	do.	19 9	3,000 00						2,962 50
	do. do.	do. do.	do.	12 0 <sup>1</sup> / <sub>2</sub>						1,000 00	602 08
	do. do.	do. do.	do.	11 9 <sup>1</sup> / <sub>2</sub>			3,000 00				1,768 75
	do. do.	do. do.	do.	12 1 <sup>1</sup> / <sub>2</sub>			5,000 00				3,031 25
16	do. do.	Le Roy & Bayard,	do.	19 9				5,500 00			5,431 25
	do. do.	William Heysham,	do.	11 11						536 49	319 65
	do. do.	do. do.	do.	11 9					2,281 13		1,340 16
17	do. do.	John Wagner,	do.	11 11						3,000 00	1,787 50
18	do. do.	William Smith,	do.	19 9				1,000 00			987 50
19	do. do.	Clement Biddle,	do.	11 11			3,000 00				1,787 50
21	do. do.	George Eddy,	do.	"						2,000 00	1,191 67
25	do. do.	John J. Holmes,	do.	12 4			1,448 46			1,857 47	2,038 65
				Dolls.	19,466 07	9,000 00	13,015 28	6,500 00	12,281 13	26,327 14	62,673 90

FINANCE.

TREASURY DEPARTMENT, Register's Office, 15th November, 1792.

TREASURY OF THE UNITED STATES, Philadelphia, April 25th, 1792.  
SAMUEL MEREDITH, Treasurer of the United States.

I certify that the foregoing is a true copy from the original filed in this office.

JOSEPH NOURSE, Register.

C.

Statement of the purchases of Public Stock by the Agents named in the act for the reduction of the public debt.

Date.	By whom purchased.	Of whom purchased.	Where purchased.	Price.	Amount of 6 per cent. stock.	Amount of 3 per cent. stock.	Amount of deferred stock.	Specie value.
1792. April 2	Wm. Seton.	Bernard Hart for L. Bleecker,	New York.	s. d. 20 0	2,500			2,500
	do.	Richard Platt, per Sutton & Hardy,	do.	"	20,000			20,000
	do.	Benjamin Winthrop,	do.	"	1,200			1,200
	do.	Jacob Sebor, Jun.	do.	"	800			800
	do.	Gabriel Furman,	do.	"	11,104 86			11,104 86
	do.	O. Bowen, for E. Parker & Co.	do.	"	2,485 52			2,485 52
	do.	James R. Miller,	do.	"	1,562 50			1,562 50
	do.	Sutton & Hardy,	do.	"	9,500			9,500
5	do.	George Sutton,	do.	"	442 08			442 08
10	do.	Edward Parker & Co.	do.	"	405 04			405 04
	do.	Norman Butler,	do.	"	4,200			4,200
13	do.	George Lewis,	do.	12 6			1,600	1,000
14	do.	William Rodgers,	do.	12 0			1,666 67	1,000
	do.	Joseph Pitcairn,	do.	"			1,666 66	1,000
	do.	Comfort Sands,	do.	20 0	993 10			993 10
	do.	John Peters,	do.	"	734 12			734 12
	do.	Charles M'Evers,	do.	12 6			1,600	1,000
	do.	John & F. Atkinson,	do.	20 0	1,000			1,000
	do.	F. & P. Rhindander,	do.	12 6			1,600	1,000
	do.	James M'Evers,	do.	12 0			1,666 68	1,000
	do.	Theodosius Fowler & Co.	do.	12 6			1,600	1,000
	do.	William Steel,	do.	"			1,600	1,000
	do.	Thomas White,	do.	"			1,600	1,000
	do.	John R. Livingston,	do.	12 0			1,666 69	1,000
	do.	B. Livingston,	do.	"			1,666 66	1,000
	do.	William Henderson,	do.	12 0			1,666 67	1,000
	do.	Richard Platt,	do.	"			349 45	209 66
	do.	Do. for Man Salter,	do.	20 0	790 34			790 34
	do.	Daniel Penfield for Cortis & Olney, and S. Ward & Brothers,	do.	12 0			3,333 33	2,000
	do.	Geo. Lewis, for G. Storer,	do.	12 6			1,600	1,000
	do.	George Lewis,	do.	"			1,600	1,000
	do.	George Service,	do.	20 0	1,000			1,000
	do.	Eff. Lawrence, for himself and John Lawrence,	do.	"	2,000			2,000
	do.	Effingham Embree,	do.	12 0			1,666 66	1,000
	do.	Leonard Lespenarde,	do.	20 0	1,000			1,000
	do.	Peter Anspach,	do.	12 0			1,666 66	1,000
	do.	John Graham,	do.	"			1,666 66	1,000
	do.	Henry Sadler,	do.	20 0	1,000			1,000
	do.	George Turnbull,	do.	"	1,000			1,000
	do.	Andrew Stockholm,	do.	"	1,000			1,000
	do.	Jacob Reid,	do.	12 0			1,666 67	1,000
	do.	Gabriel Furman,	do.	"			1,666 66	1,000
	do.	Freeman Clarkson,	do.	20 0	1,000			1,000
	do.	Corn's C. Bogart, for himself and John Henry,	do.	"	2,000			2,000
	do.	Paul R. Randall,	do.	"	1,000			1,000
	do.	William Rhindander,	do.	12 6			1,600	1,000
	do.	Robert Gilchrist,	do.	20 0	1,000			1,000
	do.	Francis Childs,	do.	12 0			1,666 67	1,000
	do.	John Bush,	do.	"			1,666 66	1,000
	do.	Peter Curtenius,	do.	12 6			1,600	1,000
	do.	Richard Smith, Jun.	do.	12 0			1,666 66	1,000
	do.	Isaac Clason,	do.	20 0	1,000			1,000
	do.	Charles P. Rodgers,	do.	20 0	1,000			1,000
	do.	Jonas Stansbury,	do.	12 6			1,600	1,000
	do.	Sayns Crane,	do.	12 0			1,666 66	1,000
	do.	J. Delafield, for T. Rudy,	do.	20 0	1,000			1,000
	do.	Thomas Salter,	do.	12 0			1,666 66	1,000
	do.	H. B. Pierpont,	do.	"			1,143 00	685 80
	do.	James Sebring,	do.	20 0	680 60			680 60
	do.	Theodosius Van Wyck,	do.	"	365 23			365 23
	do.	Nicholas Fish,	do.	12 0			3,643 59	2,186 15
	do.	W. Rodgers, for D. Badcock, John Wilkes, Chas. Taylor, H. P. Stark, and Car. Pollock,	do.	"			9,290 48	5,574 29
	do.	D'l Badcock, for J. Wilkes,	do.	"			2,709 52	1,625 71
16	do.	Nicholas Gouverneur,	do.	12 6			10,617	6,635 62
	do.	Ephraim Hart,	do.	"			1,666 33	1,041 44
	do.	John Jacob Astor,	do.	20 0	1,027 26			1,027 26
	do.	Robert C. Livingston,	do.	"	1,000			1,000
	do.	Joseph Winter,	do.	12 and 12 6			1,065 25	996 57
	do.	Obadiah Bowen,	do.	"			304 07	1,047 76
	do.	John Templeman	do.	12 6			1,600	1,000

STATEMENT C.—Continued.

Date.	By whom purchased.	Of whom purchased.	Where purchased.	Price.	Amount of 6 per cent. stock.	Amount of 3 per cent. stock.	Amount of deferred stock.	Specie value.
1792. April 16	Wm. Seton.	James Davenport, for Jas. Watson and D. Penfield,	New York.	s. d. 20 0	2,000			2,000
	do.	Gulian Verplanck,	do.	20 and 12 6	3,000		10,000	9,250
	do.	Pas. N. Smith,	do.	20 0	1,000			1,000
	do.	John Motley,	do.	12 0		1,666 67		1,000
	do.	Benjamin Seixas,	do.	12 6			1,699 64	1,062 27
	do.	Jacob Morton,	do.				1,600	1,000
	do.	George Sutton,	do.	12 0		1,666 66		1,000
17	do.	P. Wetmore & Brothers, -	do.	12 0		1,666 67		1,000
	do.	Abijah Hammond,	do.	12 6			1,600	1,000
	do.	R. Bowne, for Thos. Eddy,	do.	20 0	1,000			1,000
	do.	Nicholas Low,	do.	12 0		1,654 54		1,000
	do.	Bernard Hart,	do.	12 and 12 6				992 72
	do.	Philip H. Livingston,	do.	20 0	4,000	1,531 68	130	1,000 25
				Total	86,790 65	56,691 53	48,469 35	151,098 89

RECAPIT LATION.

86,790 65 dollars 6 per cent. stock <i>a</i> 20s.	86,790 65
56,691 53 do. 3 do. <i>a</i> 12s.	34,014 91
48,469 35 do. Deferred do. <i>a</i> 12s. 6d.	30,293 33
<u>191,951 53</u>	<u>Total specie value, \$151,098 89</u>

Errors excepted.

NEW YORK, *May 5th*, 1792.

WM. SETON.

TREASURY DEPARTMENT, *Register's Office*, 5th November, 1792.

I certify that the foregoing is a true copy from the original filed in this office.

JOSEPH NOURSE, *Register*.

D.

*Statement of the purchases of the public stock by the agents named in the act for the reduction of the public debt.*

Date.	By whom purchased.	Of whom purchased.	Where Purchased.	Deferred 6 per cents. domestic & assumed.	Price.	Specie Value.
1792. October 29,	Samuel Meredith,	William Lynch,	Philadelphia,	241 20	13s. 4d.	160 80
" "	Ditto	Ditto	Ditto	473 31	13s. 5d.	317 50
" 30,	Ditto	Thos. M. Willing,	Ditto	20,000 00	Do.	13,416 66
" 31,	Ditto	Thomas Biddle,	Ditto	15,000 00	Do.	10,062 50
" "	Ditto	Robert Ralston,	Ditto	3,000 00	Do.	2,012 50
				<u>\$38,714 51</u>		<u>\$25,969 96</u>

TREASURY DEPARTMENT, *Register's Office*, 15th November, 1792.

JOSEPH NOURSE, *Register*.



## E.

General Statement of the purchases of public stock by the agents named in the act passed the 12th of August, 1790, for the reduction of the public debt.

	By whom purchased.	Where purchased.	Amount of assumed 6 per cent.	Amount of assumed 3 per cent.	Assumed 6 per c'ts. deferred.	Amount of 6 per ct. st'k.	Am't of 3 per cent. stock.	Amount of deferred stock.	Total amount of stock purchased.	Total amount of in specie paid for the purchases.
A	Samuel Meredith, Treasurer, from Mar. 21st to 27th, 1792,	Philadelp'a,		1,165 28	16,118 74		12,316 56	15,736 89	45,337 47	28,915 52
B	Do. from April 9th to 25th, 1792,		Do.	19,466 7	9,000 00	14,515 28	6,500 00	12,281 13	26,327 14	88,089 62
C	William Seton, from the 2d to the 17th April, 1792,	New York,		42,409 22	12,361 30		14,282 31	36,108 05	191,951 53	151,098 89
D	Sam. Meredith, from the 29th October to 31st do. inclusive,		Philadelp'a,	86,790 65		10,668 36		28,046 15	38,714 51	25,969 96
			106,256 72	52,574 50	53,663 68	6,500 00	38,880 00	106,218 23	364,093 13	268,658 27

TREASURY DEPARTMENT, Register's Office, 15th November, 1792.

JOSEPH NOURSE, Register.

## F.

DR. { The President of the Senate, the Chief Justice, the Secretary of State, the Secretary of the Treasury, and the Attorney General of the United States, for the time being, being the trustees named in the act passed the 12th August, 1790, making provision for the reduction of the public debt, their account } CR.

	1791. Oct. 25.	By extinguishment of the public debt, for amount passed to their credit, in consequence of purchases made to this date, per account, rendered to the Trustees, and by them stated to Congress, in their first and second reports, on the extinguishment of the public debt, viz: Domestic, 6 per cent. stock, Deferred do. 3 per cent. do.	\$311,123 44 510,619 76 309,621 56	1,131,364 76
	1792. Oct. 27.	By the following purchases made since said reports to Congress, viz: For amount, from 25th October, 1791, to this date: Domestic 6 per cent. stock, \$6,500 00 Deferred do. 78,172 08 3 per cent. do. 38,880 00  Assumed 6 per cent. do. 106,256 72 Deferred do. 42,995 32 3 per cent. do. 52,574 50	123,552 08  201,826 54	
	Nov. 13.	By amount, from 27th October last, to this date, inclusive, viz: Domestic deferred stock, 28,046 15 Assumed do. 10,668 36	38,714 51	364,093 13
				\$1,495,457 89

TREASURY DEPARTMENT, Register's Office, 15th November, 1792.

I certify that the trustees, abovementioned; have credit in the books of the several descriptions of stock, for the several sums above stated, amounting, in the aggregate, to one million four hundred and ninety-five thousand four hundred and fifty-seven dollars and eighty-nine cents.

JOSEPH NOURSE, Register.

## G.

Dr. { Samuel Meredith, Agent to the Trustees named in the act passed on the 12th day of August, 1790, } Cr.  
for reducing the Public Debt, in account current with the United States.

			AMOUNT OF DEBT PURCHASED.	SUMS PAID IN SPECIE BY THE AGENT.
To amount of the following warrants drawn in his favor, on account of said agency, since the 19th Sept. 1791, viz:		By balance due to Mr. Meredith, on account of purchases made by him up to the 19th September, 1791, per report No. 1659, dated October 12, 1791,		149,984 23
Warrant No. 1265, dated Sept'r. 30, 1791, for	149,984 23	By sundry accounts for the amount of purchases in the domestic debt of the United States, made by him as agent to the trustees, for reducing the public debt, from the 21st day of March, to the 25th day of April, 1792, inclusive, viz: By funded 6 per cent stock, bearing interest from April 1st, 1792, for amount of said stock, purchased at 19s. 9d. per pound,	6,500 00	6,418 75
Warrant No. 1605, dated March 31, 1792,	28,915 52	By funded 6 per cent. stock, assumed debt, bearing interest from April 1st, 1792, for amount of said stock, purchased at 20s. per pound,	13,466 07	
To balance due to Samuel Meredith, as ag't to the trustees, on acc't of purchases made up to April 25th, 1792,	62,673 90	Do. purchased at 19s. 11½d. per pound,	3,000 00	
		Do. purchased at 19s. 9d. per pound,	3,000 00	
		By funded 3 per cent. stock, bearing interest from April 1, 1792, for amount of said stock, purchased at 12s. per pound,	20,259 97	
		Do. purchased at 11s. 10d. per pound,	2,056 59	
		Do. purchased at 11s. 9d. per pound,	2,281 13	
		By funded 3 per cent. stock, assumed debt, bearing interest from April 1st, 1792, for amount of said stock, purchased at 12s. per pound,	9,721 87	
		Do. purchased at 11s. 10d. per pound,	443 41	
		By deferred 6 per cent. stock, for amount purchased at 12s. 6d. per pound,	33,670 07	
		Do. purchased at 12s. 4d. per pound,	1,857 47	
		Do. purchased at 12s. ½d. per pound,	1,000 00	
		Do. purchased at 11s. 11d. per pound,	5,536 49	
		By deferred 6 per cent. stock, assumed debt, for amount of said stock, purchased at 12s. 6d. per pound,	18,185 56	
		Do. purchased at 12s. 4d. per pound,	1,448 46	
		Do. purchased at 12s. 1½d. per pound,	5,000 00	
		Do. purchased at 11s. 11d. per pound,	3,000 00	
		Do. purchased at 11s. 9½d. per pound,	3,000 00	
			30,634 02	18,846 68
	\$241,573 65		\$133,427 09	\$241,573 65

TREASURY DEPARTMENT, Auditor's Office, June 16th, 1792.

Stated and examined, per

DOYLE SWEENEY.

COMPTROLLER'S OFFICE, June 29, 1792.

Examined.

A. BRODIE.

TREASURY DEPARTMENT,

Register's Office, 15th November, 1792,

These are to certify, that the foregoing statements, by Doyle Sweeney, clerk in the Auditor's Office, of an account current between Samuel Meredith, Esquire, agent to the trustees named in the act passed the 12th August, 1790, and the United States, is a true copy of the original, filed in this office.

JOSEPH NOURSE, Register.

## H.

TREASURY DEPARTMENT, AUDITOR'S OFFICE, June 18th, 1792.

I hereby certify, that I have examined and adjusted an account between the United States and Samuel Meredith, agent to the trustees, named in the act of Congress, passed on the 12th day of August, 1790, for reducing the domestic debt, for purchases of said debt made from the 21st day of March, to the 25th day of April, 1792, inclusive, and find that, by the statement of his account of purchases, up to the 19th day of September last, a balance was due to him as agent aforesaid, the sum of \$149,984 23.

I also find that the following warrants were drawn in his favor, on account of said agency, since the 19th September, 1791, viz:

Warrant No. 1265, dated September 30th, 1791,  
1605, dated March 31, 1792,

\$149,984 23  
28,915 52

Amounting to

\$178,899 75

And that the following purchases have been made by the said agent, within the period above mentioned; viz:

In funded six per cent. stock, bearing interest from 1st April, 1792, purchased at nineteen shillings and nine pence on the pound,	\$6,500 00
In funded six per cent. stock, assumed debt, bearing interest from April 1st, 1792, purchased at 20s. on the pound,	13,466 07
Ditto, purchased at nineteen shillings and eleven pence three farthings on the pound,	3,000 00
Ditto, purchased at nineteen shillings and nine pence on the pound,	3,000 00
In funded three per cent. stock, bearing interest from April 1st, 1792, purchased at twelve shillings on the pound,	20,259 97
Ditto, purchased at eleven shillings and ten pence on the pound,	2,056 59
Ditto, purchased at eleven shillings and nine pence on the pound,	2,281 13
In funded three per cent. stock, assumed debt, bearing interest from April 1st, 1792, purchased at twelve shillings on the pound,	9,721 87
Ditto, purchased at eleven shillings and ten pence on the pound,	443 41
In deferred six per cent. stock, purchased at twelve shillings and six pence on the pound,	33,670 07
Ditto, purchased at twelve shillings and four pence on the pound,	1,857 47
Ditto, purchased at twelve shillings and a half penny on the pound,	1,000 00
Ditto, purchased at eleven shillings and eleven pence on the pound,	5,536 49
In deferred six per cent. stock, assumed debt, purchased at twelve shillings and six pence on the pound,	18,185 56
Ditto, purchased at twelve shillings and four pence on the pound,	1,448 46
Ditto, purchased at twelve shillings and one penny half on the pound,	5,000 00
Ditto, purchased at eleven shillings and eleven pence on the pound,	3,000 00
Ditto, purchased at eleven shillings and nine pence half, on the pound,	3,000 00
Amounting to	\$133,427 09

For which amount, in the several kinds of stock before mentioned, the trustees for the reduction of the public debt have obtained credit on the books of the treasury. And for which purchases the said agent has paid in specie, at the rates before mentioned, agreeably to a particular statement of his account, herewith transmitted, the sum of \$91,589 42.

Leaving a final balance due to the said agent, in specie, on account of purchases made by him up to the 25th day of April, 1792, and for which he is to be credited, in a future settlement of his accounts, the sum of \$62,673 90.

The statement and vouchers on which this report is founded are herewith transmitted, for the decision of the Comptroller of the Treasury thereon.

R. HARRISON, Auditor.

To OLIVER WOLCOTT, Junr. Esqr. Comptroller of the Treasury,

COMPTROLLER'S OFFICE, June 29th, 1792.

Admitted and certified.

OLIVER WOLCOTT, Jun. Comptroller.

TREASURY DEPARTMENT, REGISTER'S OFFICE, 15th November, 1792.

I certify that the foregoing is a true copy of the original, filed in this office.

JOSEPH NOURSE, Register.

I.

Dr. { William Seton, agent to the trustees named in the act, passed on the 12th day of August, 1790, for } Cr.  
 reducing the public debt, in account current with the United States.

			Amount of debt purch'd.	Sums in specie paid by the agent.
To balance due to William Seton, on account of purchases made by him, up to the 17th of April, 1792,	\$151,098 89	By sundry accounts for the amount of purchases in the domestic debt of the United States, made by him, as agent to the trustees for reducing the public debt, from the 2d to the 17th day of April, 1792, inclusive, per his account, dated May the 5th, 1792, viz:		
		By funded 3 per cent. stock on the books of John Cochran, Commissioner of Loans for the State of New York, and transferred to the books of the treasury, for amount of said stock, bearing interest from April 1st, 1792, purchased at 12 per cent on the pound,	\$14,282 31	8,569 38
		By deferred 6 per cent. stock on the books of ditto, and transferred as above, for amount of said stock, purchased at 12s. 6d. on the pound,	36,108 5	22,567 52
		By funded 6 per cent. stock, assumed debt, on the books of ditto, and transferred as above, for amount of said stock, bearing interest from April 1st, 1792, purchased at 20s. on the pound,	86,790 65	86,790 65
		By funded 3 per cent. stock, assumed debt, on the books of ditto, and transferred as above, for amount of said stock, bearing interest from April 1st, 1792, purchased at 12s. on the pound,	42,409 22	25,445 53
		By deferred 6 per cent. stock, assumed debt, for amount of said stock, purchased at 12s. 6d. on the pound,	12,361 30	7,725 81
			\$191,951 53	\$151,098 89

TREASURY DEPARTMENT, Auditor's Office, June 30th, 1792.

Stated and examined, per  
 COMPTROLLER'S OFFICE, June 30th, 1792.  
 Examined by

DOYLE SWEENEY.

HENRY KUHL.

TREASURY DEPARTMENT, *Register's Office*, 15th November, 1792.

I certify that the foregoing statement, by Doyle Sweeny, clerk in the Auditor's office, of an account current between William Seton, agent to the trustees named in the act, passed 12th August, 1790, and the United States, is a true copy of the original, filed in this office.

JOSEPH NOURSE, *Register*.

J.

TREASURY DEPARTMENT, *Auditor's Office*, June 30, 1792.

I hereby certify, that I have examined and adjusted an account between the United States and William Seton, agent to the trustees named in the act of Congress, passed on the 12th day of August, 1790, for reducing the domestic debt for purchases of said debt, made from the 2d to the 17th day of April, 1792, inclusive, and find that the following purchases have been made by him, within the said period, viz:

In funded 3 per cent. stock, on the books of John Cochran, commissioner of loans for the State of New York, and transferred to the books of the treasury, for amount of said stock, bearing interest from April 1st, 1792, purchased at twelve shillings on the pound,	14,282 31
In deferred 6 per cent. stock, on the books of ditto, and transferred as above for amount of said stock, purchased at twelve shillings and six pence on the pound,	36,108 05
In funded six per cent. stock, assumed debt, on the books of ditto, and transferred as above for amount of said stock, bearing interest from April 1st, purchased at twenty shillings on the pound,	86,790 65
In funded three per cent. stock, assumed debt, on the books of ditto, and transferred as above for amount of said stock, bearing interest from April 1st, 1792, purchased at twelve shillings on the pound,	42,409 22
In deferred six per cent. stock, assumed debt, on the books of ditto, and transferred as above for amount of said stock, purchased at twelve shillings and six pence on the pound,	12,361 30
Amounting to	<u>\$191,951 53</u>

For which purchases the said agent has paid in specie, at the rates before mentioned, agreeably to a particular statement of his account, herewith transmitted, the sum of \$151,098 89

Which sum of one hundred and fifty-one thousand and ninety eight dollars and eighty nine cents, in specie, is due to the said agent, and for which he is to be credited in a future settlement of his accounts.

The statement and documents on which this report is founded are herewith transmitted, for the decision of the Comptroller of the Treasury thereon.

WM. SIMMONS, *Principal Clerk*.

To OLIVER WOLCOTT, Jr. Esq. *Comptroller of the Treasury*.

COMPTROLLER'S OFFICE, June 30, 1792.

Admitted.

OLIVER WOLCOTT, Jr. *Comptroller*.

To Jos. NOURSE, Esq. *Register*, &c."

TREASURY DEPARTMENT, *Register's Office*, November 15, 1792.

I certify that the foregoing is a true copy of the original, filed in this office.

JOSEPH NOURSE, *Register*.

K.

Dr. { Samuel Meredith, Esq. Agent to the Trustees named in the act passed on the 8th day of May, 1792, } Cr.  
for reducing the Public Debt, in account with the United States.

			Amount of debt purchased.	Sums in specie paid by the Treasurer.
To amount of warrant, No. 1,864, dated June 30th, 1792, drawn in his favor, to discharge the balance due to him on account of purchases of public debt, made up to the 25th April, 1792, -	\$62,673 90	By balance due to him on the settlement of his account, for purchases made up to the 25th April, 1792, per report, No. 2,575, dated June 18th, 1792,		62,673 90
To balance due Samuel Meredith, Esq. as agent to the trustees, on account of purchases made by him, up to the 31st October, 1792, inclusive,	25,969 96	By sundry accounts for the amount of purchases in the domestic debt of the United States, made by him as agent for the trustees for reducing the public debt, from the 29th to the 31st October, 1792, inclusive, per his accounts dated 30th October, and 7th November, 1792, viz:		"
		By deferred six per cent. stock on the books of the treasury, for amount of said stock, purchased at thirteen shillings and four pence on the pound, - 241 20		
		Do. purchased at thirteen shillings and five pence on the pound, - 27,804 95	28,046 15	7,317 47
		By deferred six per cent. stock, assumed debt, on the books of the treasury, for amount of said stock, purchased at thirteen shillings and five pence on the pound,	10,668 36	18,652 49
	<u>\$88,643 86</u>		<u>\$38,714 51</u>	<u>\$88,643 86</u>

COMPTROLLER'S OFFICE, November 14, 1792.

A. BRODIE.

Stated and examined, per

TREASURY DEPARTMENT, *Auditor's Office*, November 13, 1792.  
DOYLE SWEENEY.

TREASURY DEPARTMENT, *Register's Office*, November 15, 1792.

I certify that the foregoing statement by Doyle Sweeny, clerk in the Auditor's office, of an account current between Samuel Meredith, agent to the trustees, named in the act passed the 8th May, 1792, and the United States, is a true copy of the original, filed in this office.

JOSEPH NOURSE, *Register*.

L.

TREASURY DEPARTMENT, *Auditor's Office*, November 13, 1792.

I hereby certify, that I have examined and adjusted an account between the United States and Samuel Meredith, Esquire, agent to the trustees named in the act of Congress, passed on the 2d day of May, 1792, for reducing the domestic debt, for purchases of said debt, made from the 29th to the 31st of October, 1792, inclusive, and find that, by the statement of his account of purchases, up to the 25th of April last, a balance remained due to him, as agent aforesaid, the sum of

\$62,673 90

I also find that a warrant No. 1864, dated June 30th, 1792, was drawn in his favor to discharge the balance due to him, on the purchases made up to the 25th April, 1792,

\$62,673 90

And that the following purchases have been made by the said agent, within the period above mentioned, viz: In deferred six per cent. stock, purchased at thirteen shillings and four pence on the pound,

241 20

Ditto purchased at thirteen shillings and five pence on the pound,

27,804 95

In deferred six per cent. stock, assumed debt, purchased at thirteen shillings and five pence on the pound,

10,668 36

Amounting to

\$38,714 51

For which amount, in the several kinds of stock before mentioned, the trustees for the reduction of the public debt have obtained credits on the books of the treasury. And for which purchases the said agent has paid in specie, at the rates before mentioned, agreeably to a particular statement of his account, herewith transmitted, the sum of

\$25,969 96

Leaving a balance due to the said agent, in specie, on account of purchases made by him, up to the 31st October, 1792, and for which he is to be credited in a future settlement of his accounts, the sum of

\$25,969 96

The statement and vouchers on which this report is founded are herewith transmitted, for the decision of the Comptroller of the Treasury thereon.

R. HARRISON, *Auditor*.

To OLIVER WOLCOTT, Jr. Esq. *Comptroller of the Treasury*.

TREASURY DEPARTMENT, *Comptroller's Office*, November 14, 1792.

Admitted and certified.

OLIVER WOLCOTT, Jr. *Comptroller*.

TREASURY DEPARTMENT, *Register's Office*, 15th November, 1792.

I certify that the foregoing is a true copy of the original, on file in this office.

JOSEPH NOURSE, *Register*.

2d CONGRESS.]

No. 39.

[2d SESSION.]

SPIRITS, FOREIGN AND DOMESTIC.

COMMUNICATED TO CONGRESS, NOV. 22, 1792.

UNITED STATES, November 22d, 1792.

Gentlemen of the Senate  
and of the House of Representatives:

I send you, herewith, the abstract of a supplementary arrangement, which has been made by me, pursuant to the acts of the third day of March, 1791, and the eighth day of May, 1792, for raising a revenue upon foreign and domestic distilled spirits, in respect to the subdivisions and officers which have appeared to me necessary, and to the allowances for their respective services to the supervisors, inspectors, and other officers of inspection, together with estimates of the amount of compensations and charges.

GEO. WASHINGTON.

*Arrangement made by the President of the United States, pursuant to the act of Congress passed the third day of March, 1791, entitled "An act repealing, after the last of June next, the duties heretofore laid upon spirits imported from abroad, and laying others in their stead; and also upon spirits distilled within the United States, and for appropriating the same;" and to the act of Congress, passed the eighth day of May last, entitled "An act concerning the duties on spirits distilled within the United States."*

Maryland has been subdivided into three surveys. No. 1 comprehends all the counties on the western side of Chesapeake Bay, except Montgomery, Washington, Frederick, and Alleghany; that is to say, St. Mary's, Calvert, Charles, Prince George's, Anne Arundel, Baltimore, and Harford. No. 2 continues to comprehend the counties of Montgomery, Frederick, Washington, and Alleghany, and remains under the inspection of Phillip Thomas. No. 3 comprehends all the counties on the Eastern side of Chesapeake Bay, namely, Worcester, Somerset, Dorset, Tal-

bot, Queen Ann's, Kent, and Cecil. The compensations of the inspector of the third survey, when appointed, are to be the same as those in the second survey; that is, a salary of four hundred and fifty dollars per annum, and a commission of one per centum; but at present the duties of the inspector of the third survey are executed by the supervisor, who also performs the services of inspector for the first survey. The extent and number of the counties in the District of Maryland, lying on the eastern side of Chesapeake Bay, their natural separation from the remainder of the district, the difficulty and delay of communication with the supervisor, in the winter season, and the number of seaports therein, are the principal considerations which induced the erection of them into a third survey.

Measures have been taken to open one office of inspection in every county of the several districts, pursuant to the 2d section of the act concerning the duties on spirits distilled in the United States; and authority has been given to the supervisors to appoint officers for that purpose, denominated "auxiliary officers," in every county of a division, in which county a collector does not reside, whose services are to be compensated out of the emoluments of the collectors of the revenue, in aid of whom they shall respectively act, a small allowance for rent and fuel only being made to them out of the fund granted by law, as will hereinafter appear.

The compensations have been established as follow:

The supervisors and inspectors of surveys are to charge their commission on the gross amount of the revenue collected within their respective districts and surveys, which variation, while it formed a part of the increase of their compensations, in conformity with the enlargement of the fund assigned by law, was calculated to produce facility and promptitude of adjustment in the public accounts.

The commission of the supervisors of New Hampshire, Connecticut, Vermont, New York, New Jersey, and Pennsylvania, have been advanced to one per cent. being the same as was, heretofore, allowed to those of Virginia, North Carolina, South Carolina, and Georgia. The commissions of the supervisors of Maryland, North Carolina, and South Carolina, have been advanced to one and one half per cent., and the commission of the supervisors of Georgia and Delaware have been advanced to two per cent.

An addition of one hundred dollars per annum has been made to the salaries of each of the supervisors of Rhode Island, New York, Maryland, and South Carolina; and an addition of two hundred dollars per annum has been made to the salaries of each of the supervisors of Massachusetts and Virginia.

The salary of the inspector of the second survey of South Carolina has been advanced to four hundred and fifty dollars, and his commissions have been reduced to one per cent. it having been deemed expedient to render the compensations of the inspectors in that district similar and equal.

There are to be allowed to the inspectors of surveys, and to the supervisors acting as inspectors, for signing certificates to accompany domestic distilled spirits, two and one half cents; and to the collectors of the revenue, for issuing the same, and marking the casks or packages, two and one half cents. There have also been allowed for gauging domestic distilled spirits, six cents, unless the same shall be performed by an officer of inspection authorized to mark the casks containing the spirits, or to sign certificates accompanying the same, in which case only two cents and one half are allowed.

The sum of fifty cents is to be allowed to the collectors of the revenue, for measuring and marking every still.

The commissions on spirits distilled from native materials, in places other than cities, towns, and villages, allowed to the collectors, have been advanced to five per centum.

The supervisors have been authorized to allow, if it shall appear really necessary, a sum not exceeding forty dollars each, to any ten collectors in the district of Massachusetts; the sum of fifty dollars each, to any two collectors in the district of New Hampshire; the sum of sixty dollars to one collector in Rhode Island.

The sum of sixty dollars each to	2 in Vermont.
In Connecticut, do.	4
In New Jersey, do.	5
In New York, do.	2
In Pennsylvania, do.	14
In Delaware, do.	3
In Maryland, do.	9
In Virginia, including Kentucky, do.	24
In North Carolina, do.	14
In South Carolina, do.	8
In Georgia, do.	3.

This allowance is made, with a view to the compensation of the collectors in divisions which are not yet productive, and in those wherein the revenue may be exposed to injury, without the timely establishment of a few offices for the prevention thereof, after the manner adopted by the Legislature in the arrangement of the impost.

The auxiliary officers are to be allowed the sum of twenty dollars per annum, for the considerations before mentioned, and the distribution of those officers has been made as follows, if the public service shall appear to require them. There may be,

In the district of New Hampshire,	2
In Rhode Island and Providence Plantations,	1
In Massachusetts, including Maine,	10
In Vermont,	4
In New York,	10
In Pennsylvania,	5
In Maryland,	2
In Virginia, including Kentucky,	20
In North Carolina,	11
In South Carolina,	10
In Georgia,	6

For the services of the inspectors of the revenue for the ports, and of the persons deputed by them, (being the officers of the customs) some additional compensation has been deemed necessary. For signing, issuing, and checking certificates to accompany teas, wines, and foreign distilled spirits, the sum of two cents and one half has been allowed, which will accrue to the inspectors of the revenue for ports, except in regard to the certificates for foreign distilled spirits, for signing of which, one cent is to be allowed to the supervisors or inspectors of surveys; and for marking each cask or package of teas, wines, and foreign distilled spirits, the sum of two and one half cents has been allowed, which will accrue to the deputies of the inspectors of the revenue for the ports.

The paper E, which accompanies this statement, contains the estimate of the distribution of the fund assigned by law, for compensations and expenses, on which the foregoing arrangement was founded.

The compensations have been made retrospective to the year following the 30th of June, 1791, in regard to domestic spirits, only so far as relates to the increase of the rate of commissions to certain of the supervisors, and to the collectors; the allowance of the commissions of the supervisors and inspectors of surveys on the gross revenue; the addition to the salaries of certain of the supervisors, and the measuring and marking of stills; but not as to the allowances of the several sums of forty, fifty, and sixty dollars to the collectors in certain situations and circumstances, nor the allowance for auxiliary officers, nor for marking domestic spirits, nor for gauging the same.

The compensations have also been made retrospective to the year following the 30th of June, 1791, so far as regards the sum allowed for signing, issuing, and checking certificates for foreign distilled spirits, wines, and teas, but not as to the sum allowed for marking the same.

The paper A, which accompanies this statement, contains the estimate of the distribution of a part of the fund assigned by law, as it has been made retrospectively, to the year following the last day of June, 1791.

GEO. WASHINGTON.

## E.

*AN ESTIMATE for the compensations for, and contingent expenses on, the collection of the revenue on domestic distilled spirits, for one year following the 30th June, 1792; to which are added the compensations for, and expenses of, the inspection, marking, and certifying, teas and wines, for the same, by the officers of the revenue, pursuant to law.*

ARTICLE I.	Compensations to Supervisors.		
	NEW HAMPSHIRE.		
	Supervisor's salary, as before	\$ 500	
	Commissions, one per cent. on the gross revenue, in lieu of $\frac{1}{2}$ per cent. on the sum received, on 3,000 dollars	30	\$530
	MASSACHUSETTS.		
	Supervisor's salary, in lieu of 800 dollars	1,000	
	Commissions, $\frac{1}{2}$ per cent., as before, on the gross revenue, instead of a commission on the sum received, on 150,000 dollars, at $\frac{1}{2}$ per cent.	750	1,750
	CONNECTICUT.		
	Supervisor's salary, as before	600	
	Commissions, one per cent. on the gross revenue, in lieu of $\frac{1}{2}$ per cent. on the sum received, 15,000 dollars, at one per cent.	150	750
	RHODE ISLAND.		
	Supervisor's salary, in lieu of 500 dollars	600	
	Commissions on gross revenue, in lieu of commission on the sum received, 50,000 dollars, at $\frac{1}{2}$ per cent.	250	850
	NEW YORK.		
	Supervisor's salary, in lieu of 800 dollars	900	
	Commissions on gross revenue, in lieu of commissions on money received, and at 1 per cent., in lieu of $\frac{1}{2}$ per cent. on 30,000 dollars	300	1,200
	VERMONT.		
	Supervisor's salary, as before	400	
	Commissions on gross revenue, in lieu of commissions on money received, at one per cent., in lieu of $\frac{1}{2}$ per cent., on 2,000 dollars	20	420
	NEW JERSEY.		
	Supervisor's salary, as before	400	
	Commissions on gross revenue, in lieu of commissions on money received, at one per cent., in lieu of $\frac{1}{2}$ per cent., on 3,000 dollars	30	430
	PENNSYLVANIA.		
	Supervisor's salary, as before	1,000	
	Commissions on gross revenue, in lieu of commissions on money received, at one per cent., in lieu of $\frac{1}{2}$ per cent., on 80,000 dollars	800	1,800
	DELAWARE.		
	Supervisor's salary, as before	400	
	Commissions on gross revenue, in lieu of commissions on money received, at two per cent., in lieu of one per cent., on 1,000 dollars	20	420
	MARYLAND.		
	Supervisor's salary, in lieu of 700 dollars	800	
	Commissions on gross revenue, in lieu of commissions on money received, at $\frac{1}{2}$ per cent., in lieu of one per cent., on 20,000 dollars	300	1,100
	VIRGINIA.		
	Supervisor's salary, in lieu of 1,000 dollars	1,200	
	Commissions on gross revenue, in lieu of commissions on money received, at former rate of one per cent. on 80,000 dollars	800	2,000
	NORTH CAROLINA.		
	Supervisor's salary, as before	700	
	Commissions on gross revenue, in lieu of commissions on money received, at $1\frac{1}{2}$ per cent., in lieu of one per cent., on 10,000	150	850
	SOUTH CAROLINA.		
	Supervisor's salary, in lieu of 700 dollars	800	
	Commissions on gross revenue, in lieu of commission on money received, at $1\frac{1}{2}$ per cent., in lieu of one per cent., on 10,000 dollars	150	950

	<b>GEORGIA.</b>		
	Supervisor's salary, as before	500	
	Commissions on gross revenue, in lieu of commissions on money received, at two per cent., in lieu of one per cent., on 1,000 dollars	20	520
<b>ARTICLE 2.</b>	<i>Compensations to Inspectors of Surveys.</i>		<b>13,570</b>
	<b>MASSACHUSETTS.</b>		
	Salaries of two inspectors, as before, 500 dollars each	1,000	
	Commissions on gross revenue, in lieu of commissions on money received, at $\frac{3}{4}$ per cent., as before, on 150,000 dollars	750	1,750
	<b>PENNSYLVANIA.</b>		
	Salaries of three inspectors, as before	1,350	
	Commissions on gross revenue, in lieu of commissions on money received, at one per cent., as before, on 60,000 dollars	600	1,950
	<b>MARYLAND.</b>		
	Salary to one inspector, as before	450	
	Salary to one inspector for the Eastern Shore, No. 3, when appointed	450	
	Commissions on gross revenue, in lieu of commissions on money received, at one per cent., as before, on $\frac{1}{4}$ of the product of the district, i. e. 5,000 dollars	50	
	Commissions to inspector No. 3, when appointed	50	1,000
	<b>VIRGINIA.</b>		
	Salaries of seven inspectors, as before, at 450 dollars	3,150	
	Commissions on gross revenue, in lieu of commissions on money received, at one per cent., as before, on 80,000 dollars	800	3,950
	<b>NORTH CAROLINA.</b>		
	Salaries to the inspectors of survey, Nos. 4 and 5, as before, at 450 dollars	900	
	Commissions to do. on gross revenue, in lieu of commissions on money received, at one per cent., as before, on 6,000 dollars	60	
	Commissions of the inspectors of survey, Nos. 1, 2, and 3, on the gross revenue, in lieu of commissions on the money received, at two per cent., as before, on 4,000 dollars	80	1,040
	<b>SOUTH CAROLINA.</b>		
	Salary of the inspector of survey No. 3, as before, at 450 dollars	450	
	Salary of the inspector of survey No. 2, in lieu of 300 dollars	450	
	Commissions to the first named, on gross revenue, in lieu of commissions on the money received, at one per cent., as before, supposed on 7,500 dollars	75	
	Commissions to the last named, on gross revenue, in lieu of commissions on money received, at one per cent., in lieu of two per cent., on 5,000 dollars	50	1,025
<b>ARTICLE 3.</b>	<i>Compensations to the Collectors of the Revenue.</i>		<b>10,715</b>
	<b>NEW HAMPSHIRE.</b>		
	Two collectors, at 50 dollars each, an addition to commission (or such part thereof as shall be deemed necessary by the supervisor)	100	
	<b>MASSACHUSETTS.</b>		
	Two collectors, to receive among them 400 dollars, additional (as proposed by supervisor)	400	
	<b>RHODE ISLAND.</b>		
	Two collectors, at 50 dollars (or such part thereof as shall be deemed necessary by supervisor)	50	
	<b>GEORGIA, SOUTH CAROLINA, NORTH CAROLINA, VIRGINIA, MARYLAND, DELAWARE, PENNSYLVANIA, NEW JERSEY, NEW YORK, CONNECTICUT, AND VERMONT.</b>		
	Eighty-eight collectors, at 60 dollars each, additional (or such part thereof as may be deemed necessary by the supervisors)	5,280	
	Commissions to the collectors, of the sum of 205,000 dollars, computed as the gross product of the revenue in the districts of Georgia, North and South Carolina, Virginia, Maryland, Delaware, Pennsylvania, and New Jersey, at a medium of five per cent.	10,250	
	Commissions to the collectors, of the sum of 250,000 dollars, computed as the gross product of the revenue in the districts of New York, Connecticut, Vermont, Rhode Island, Massachusetts, and New Hampshire, at two per cent., on spirits from foreign materials, and four per cent., on spirits from domestic materials	7,500	
	Measuring and marking stills, in the year following June, 1792, computed to be not more than 4,000 dollars; at 50 cents, is	2,000	



	Compensations to eighty auxiliary officers of inspection, at 20 dollars, is	1,600	
	Gauging forty thousand casks of spirits in the United States, at a medium compensation of four cents	1,600	28,780
ARTICLE 4.	<i>Contingent Expenses, viz:</i>		
	1st. For stationary, printing certificates, marking implements, &c., including those foreign spirits, wines, and teas, which issue, by law, from the revenue offices		
	New Hampshire	160	
	Rhode Island and Providence Plantations	400	
	Massachusetts	800	
	Connecticut	400	
	Vermont	100	
	New York	800	
	New Jersey	160	
	Pennsylvania	1,200	
	Delaware	60	
	Maryland	800	
	Virginia	900	
	North Carolina	400	
	South Carolina	600	
	Georgia	100	
		6,880	
	2d. For marking and certifying domestic spirits, three million gallons, in casks of sixty gallons each, on a medium, is fifty thousand casks, at five cents dutied per gallon of spirits	2,500	
	And for marking and certifying distilled spirits, produced by stills, dutied on their capacity, in casks of thirty gallons each, is eighty thousand casks, at five cents	4,000	13,380
ARTICLE 5.	<i>Compensations for Port Inspectors of the Revenue, and their deputies, for marking and certifying foreign Distilled Spirits, Wines, and Teas.</i>		
	Forty thousand casks, of one hundred gallons each, at five cents, one-half to the officer of inspection for the certificate, and one half to the persons marking and making return	2,000	
	Ten thousand seven hundred packages of teas, of various kinds, at five cents, to be divided in like manner	535	
	Twenty thousand casks and packages of wines, at five cents, to be divided in like manner	1,000	3,535
			69,980

TREASURY DEPARTMENT, *Revenue Office, July 25, 1792.*TENCH COXE, *Commissioner of the Revenue.*

## A.

*An estimate of the compensations for, and contingent expenses on, the collection of the revenue on domestic distilled spirits for one year following the 30th June, 1791; to which are added the compensations for, and expenses of, the inspection of foreign distilled spirits, teas, and wines, for the same term, by the officers of the revenue, pursuant to law.*

Article 1.	Compensations to supervisors, as in the estimate E, relative to the permanent arrangement made by the President, on the 4th day of August, 1792		13,570
2.	Ditto to inspectors, as per the same	9,675	
	Deduct for 3d survey, Maryland, not in operation	500	9,175
3.	Commissions to the collectors, of the sum of 90,000 dollars, computed as the gross product of the revenue in the districts of Georgia, North and South Carolina, Virginia, Maryland, Delaware, Pennsylvania, and New Jersey, at a medium of five per centum		4,500
	Commissions to the collectors, of the sum of 297,500 dollars, computed as the gross product of the revenue, in the districts of New York, Connecticut, Vermont, Rhode Island, Massachusetts, and New Hampshire, at two per cent. on spirits from foreign materials, and four per cent. on ditto, from domestic ditto		6,550
	Measuring and marking stills, in the year following June 30, 1791, computed to be not more than 2,000, at 50 cents, is		1,000
4.	Contingent expenses, viz: 1st, for stationary, printing certificates, marking implements, &c., including those for foreign spirits, wines, and teas, which issue, by law, from the revenue offices, in the proportions in estimate E, abovementioned		8,000
	For certifying domestic spirits, dutied per gallon thereof 50,000 casks, at 2½ cents		1,250
5.	Compensations to port inspectors of the revenue, and their deputies, for certifying foreign distilled spirits, wines, and teas, 40,000 casks, of 100 gallons each, 2½ cents, to the officer of inspection, for the certificate		1,000
	10,000 packages of teas, of various kinds, at 2½ cents for the same		250
	20,000 casks and packages of wine, at 2½ cents for the same		500
			\$ 45,795

TREASURY DEPARTMENT, *Revenue Office, September 12th, 1792.*TENCH COXE, *Commissioner of the Revenue.*

2d CONGRESS.]

No. 40.

[2d SESSION.]

## PUBLIC DEBT.

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, DECEMBER 3, 1792.

In obedience to two resolutions of the House of Representatives, one of the 21st instant, directing the Secretary of the Treasury to report a plan for the redemption of so much of the Public Debt as, by the act, entitled "An act making provision for the debt of the United States," the United States have reserved the right to redeem; the other of the 22d instant, directing him to report the plan of a provision for the reimbursement of the loan, made of the Bank of the United States, pursuant to the 11th section of the act, entitled "An act to incorporate the subscribers to the Bank of the United States;" the said Secretary respectfully submits the following report:

The expediency of taking measures for the regular redemption of the public debt, according to the right which has been reserved to the Government, being wisely predetermined, by the resolution of the House of Representatives, referring the subject to the Secretary, nothing remains for him, but to endeavor to select and submit the most eligible means of providing for the execution of that important object.

With this view, the first inquiry which naturally presents itself is, whether the existing revenues are, or are not, adequate to the purpose?

The estimates which accompany the report of the Secretary, of the 14th instant, will shew that, during the continuance of the present Indian war, the appropriations for interest, and the demands for the current service, are likely to exhaust the product of the existing revenues; though they afford a valuable surplus beyond the permanent objects of expenditure, which, it is hoped, may, ere long, be advantageously applied to accelerate the extinguishment of the debt.

In the mean time, however, and until the restoration of peace, the employment of that resource, in this way, must, of necessity, be suspended, and either the business of redemption must be deferred, or recourse must be had to other expedients.

But, did no such temporary necessity, for resorting to other expedients, exist, the doing of it would still be recommended by weighty considerations. It would appear, in the abstract, advisable to leave the surplus of the present revenues free, to be applied to such casual exigencies as may, from time to time, occur; to occasional purchases of the debt, when not exhausted by such exigencies; to the payment of interest on any balances which may be found due to particular States, upon the general settlement of accounts; and finally, to the payment of interest on the deferred part of the debt, when the period for such payment arrives. There is a reasonable prospect that, if not diverted, it will be found adequate to the two last important purposes.

Relinquishing, then, the idea of an immediate application of the present revenues to the object in view, it remains to examine what other modes are in the option of the Legislature.

Loans, from time to time, equal to the sums annually redeemable, and bottomed on the same revenues, which are now appropriated to pay the interest upon those sums, offer themselves as one expedient, which may be employed with a degree of advantage. As there is a probability of borrowing at a lower rate of interest, a material saving would result; and even this resource, if none better could be devised, ought not to be neglected.

But it is obvious that, to rely upon this resource alone, would be to do little towards the final exoneration of the nation. To stop at that point would, consequently, be neither provident nor satisfactory. The interests as well as the expectations of the Union require something more effectual.

The establishment of additional revenues is the remaining resource. This, if the business is to be undertaken in earnest, is unavoidable. And a full confidence may reasonably be entertained, that the community will see, with satisfaction, the employment of those means, which alone can be effectual, for accomplishing an end, in itself so important, and so much an object of general desire. It cannot fail to be universally felt, that, if the end is to be attained, the necessary means must be employed.

It can only be expected that care be taken to choose such as are liable to fewest objections, and that, in the modifications of the business in other respects, due regard be had to the present and progressive circumstances of the country.

Assuming it as the basis of a plan of redemption, that additional revenues are to be provided, the further inquiry divides itself into the following branches:

1. Shall a revenue be immediately constituted, equal to the full sum which may at present be redeemed, according to the terms of the contract?

2. Shall a revenue be constituted, from year to year, equal only to the interest of the sum to be redeemed in each year, coupling with this operation an annual loan, commensurate with such sum? Or,

3. Shall a revenue be constituted each year, so much exceeding the interest of the sum to be redeemed, as to be sufficient, within a short definite term of time, to discharge the principal itself; coupling with this operation also, an annual loan, equal to the sum to be annually redeemed, and appropriating the revenue created to its discharge, within the term which shall have been predetermined?

The first plan, besides being completely effectual, would be eventually most economical; but considering to what a magnitude the revenues of the United States have grown in a short period, it is not easy to pronounce how far the faculty of paying might not be strained by any sudden considerable augmentation, wheresoever immediately placed; while the rapid progress of the country in population and resource seems to afford a moral certainty, that the necessary augmentation may be made with convenience, by successive steps, within a moderate term of time, and invites to temporary and partial suspensions, as capable of conciliating the reasonable accommodation of the community with the vigorous prosecution of the main design. For these, and for other reasons which will readily occur, the course of providing immediately the entire sum to be redeemed, is conceived *not* to be the most eligible.

The second plan, though much more efficacious than that of annual loans, bottomed on the revenues now appropriated for the payment of interest on the sums to be redeemed, does not appear to be sufficiently efficacious. The schedule A will shew the effect of it to the 1st of January, 1802, when the deferred debt will become redeemable in the proportions stipulated. Supposing the investment of the interest which is, each year, liberated, together with that which has been, and will be released by purchases, pursuant to provisions heretofore made, in the purchase of 6 per cent. stock; a sum of principal, equal to 2,043,837 dollars and 7 cents would be sunk, and a clear annuity, equal to 459,212 dollars and 82 cents would be created, towards further redemptions; but the fund then necessary for the future progressive redemption of the debt, according to the right reserved, would be 1,126,616 dollars and 44 cents, exceeding by 667,403 dollars and 62 cents, the amount of the redeeming fund. Something more effectual than this is certainly desirable, and appears to be practicable.

The last of the three plans best accords with the most accurate view which the Secretary has been able to take of the public interest.

In its application, it is of material consequence to endeavor to accomplish these two points: 1st. The complete discharge of the sums annually redeemable, within the period prefixed, and the reimbursement, within the same period, of all auxiliary loans, which may have been made for that purpose. 2ndly. The constituting, by the expiration of that period, a clear annual fund, competent to the future redemption of the debt, to the extent of the right reserved.

The period to which it is conceived the plan ought to refer, is the first day of January, 1802; because *then* the first payment, on account of the principal of the deferred debt, may rightfully be made.

In conformity to these ideas, the following plan is most respectfully submitted; premising, that the sum redeemable for the first year, of the six per cent. stock, bearing a present interest, is computed at 550,000 dollars.

Let an annual fund be constituted, during the present session, equal to 103,199 dollars and six cents, to begin to accrue from the first of January, 1793. Let the sum of 550,000 dollars be borrowed upon the credit of this annuity, reimbursable within five years, that is, by the first of January, 1799. The sum borrowed to be applied, on the first of January, 1794, to the first payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the first of January, 1799, and will, thenceforth, be free for any further application.

The sum redeemable the second year, that is, on the first of January, 1795, is computed at 583,000 dollars.

Let an annual fund be constituted, during the second session after the present, equal to 109,391 dollars and 60 cents, to begin to accrue from the first of January, 1794. Let the sum of 583,000 dollars be borrowed upon the credit of this annuity, reimbursable within five years, that is, by the first of January, 1800. The sum borrowed to be applied, on the first of January, 1795, to the second payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the first of January, 1800, and will be, thenceforth, free for any further application.

The sum redeemable the third year, that is, on the first of January, 1796, is computed at 617,980 dollars.

Let an annual fund be constituted, during the third session after the present, equal to 115,955 dollars and 17 cents, to begin to accrue from the first of January, 1795. Let the sum of 617,980 dollars be borrowed upon the credit of this annuity, reimbursable within five years, that is, by the first of January, 1801. The sum borrowed to be applied, on the first of January, 1796, to the third payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the first of January, 1801.

The sum redeemable the fourth year, that is, on the first of January, 1797, is computed at 655,058 dollars and 80 cents.

Let an annual fund be constituted, during the fourth session after the present, equal to 122,912 dollars and 48 cents, to begin to accrue from the first of January, 1796. Let the sum of 655,058 dollars and 80 cents be borrowed upon the credit of this annuity, reimbursable within five years, that is, by the first of January, 1802. The sum borrowed to be applied on the first of January, 1797, to the fourth payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the first of January, 1802.

The sum redeemable the fifth year, that is, on the first of January, 1798, is computed at 694,362 dollars and 33 cents.

Let an annual fund be constituted, during the fifth session after the present, equal to 152,743 dollars and 12 cents, to begin to accrue from the 1st of January, 1797. Let the sum of 694,362 dollars and 33 cents be borrowed upon the credit of this annuity, reimbursable within four years, that is, by the 1st of January, 1802. The sum borrowed to be applied on the 1st of January, 1798, to the fifth payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the 1st of January, 1802.

The sum redeemable the sixth year, that is, on the 1st of January, 1799, is computed at 736,024 dollars and 7 cents.

Let an annual fund be constituted, during the sixth session after the present, equal to 197,680 dollars and 20 cents, to begin to accrue from the 1st of January, 1798. Let the sum of 736,024 dollars and 7 cents be borrowed upon the credit of this annuity, reimbursable within three years, that is, by the 1st of January, 1802. The sum borrowed to be applied, on the 1st of January, 1799, to the sixth payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the 1st of January, 1802.

The sum redeemable the seventh year, that is, on the 1st of January, 1800, is computed at 780,185 dollars and 52 cents.

Let an annual fund be constituted, during the seventh session after the present, equal to 272,848 dollars and 38 cents, to begin to accrue from the 1st of January, 1799. Let the sum of 780,185 dollars and 52 cents be borrowed upon the credit of this annuity, reimbursable within two years, that is, by the 1st of January, 1802. The sum borrowed to be applied, on the first of January, 1800, to the seventh payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, by the 1st of January, 1802.

The sum redeemable the eighth year, that is, on the 1st of January, 1801, is computed at 826,996 dollars and 65 cents.

Let an annual fund be constituted, during the eighth session after the present, equal to 423,583 dollars and 64 cents, to begin to accrue from the 1st of January, 1800. Let the sum of 826,996 dollars and 65 cents be borrowed upon the credit of this annuity, reimbursable within one year, that is, on the 1st of January, 1802. The sum borrowed to be applied, on the 1st of January, 1801, to the eighth payment on account of the principal of the debt.

The proposed annuity will reimburse the sum borrowed, with interest, on the 1st of January, 1802.

The sum redeemable the ninth year, that is, on the 1st of January, 1802, is computed at 1,126,616 dollars and 44 cents.

The then existing means for the discharge of this sum, arising from the operation of the plan, will be:

1st. The amount of the annuity constituted the third year, which will have been liberated by reimbursement of the third loan. 2d. The arrears of interest not previously appropriated, and which are computed at 200,000 dollars.

There will consequently be a deficiency this year, of 810,661 dollars and 27 cents, which will require to be supplied by a temporary loan, to be reimbursed out of the surplus of the fund, which, on the 1st of January, 1802, will exist for future redemptions, and which surplus will be sufficient to reimburse this temporary loan, in about thirteen years and a half.

It may be proper to remark, that this deficiency upon one year is suffered to exist, to avoid an unnecessary augmentation of revenue, materially beyond the sum permanently requisite. No inconvenience ensues, because this temporary deficiency is made up by the surplus of the permanent fund, within the period mentioned. And that fund, from the 1st of January, 1802, is adequate to all future redemptions, in the full proportion permitted by the contract.

The table in the schedule B, herewith submitted, will shew, in one view, the principles and operation of this plan.

The schedule C will exhibit the means of constituting the several annuities proposed to be established. From it will be seen, that the proposed annuities are to be composed, partly of taxes, to be successively laid, at the respective periods of creating them, partly of the surplus dividend to be expected on the stock belonging to the Government, in the Bank of the United States, beyond the interest to be paid on account of it, and, partly, of the funds heretofore pledged for the payment of interest, which will have been liberated upon so much of the debt as will have been extinguished.

The respective amounts of the taxes to be severally laid, will be,

In the first year,	\$43,199 06
In the second year,	109,391 60
In the third year,	115,955 17
In the fourth year,	102,912 48
In the fifth year,	102,743 12
In the sixth year,	107,680 20
In the seventh year,	109,649 32

Making, together,

\$691,530 95

The sum which will have been redeemed *prior* to the 1st day of January, 1802, will be \$5,443,607 37. The sum redeemable on the 1st of January, 1802, will be \$1,126,616 44; and the fund which will, thenceforth, exist for the purpose of future redemption, (as is particularly shewn by the schedule D) will be \$1,210,744 34, exceeding the sum strictly necessary by \$84,127 90—a fund which, including the interest, from year to year liberated, will, as already intimated, be completely adequate to the final redemption of the whole amount of the six per cent. stock (as well the deferred as that bearing a present interest) according to the right which has been reserved for that purpose.

In the mean time, a further impression will be made upon the debt, by the investment of the residue of the funds heretofore established, in the purchase of it; and it is hoped, that the restoration of peace with the Indians will enable the application of the surplus of the existing revenues, together with the proceeds of the ceded lands in our Western territory, to the same object. These, whenever they can be brought into action, will be important aids, materially accelerating the ultimate redemption of the entire debt. The employment of these resources, when it can be done, by increasing the interest fund, will, proportionably, lessen the necessity of using the resource of taxation, for creating the proposed annuities—if the Government shall judge it advisable to avail itself of the substitute which may accrue from that circumstance.

Having now given a general view of the plan which has appeared, upon the whole, the most eligible, it is necessary, in the next place, to present to the consideration of the House the requisite funds for commencing the execution of it. These will embrace a provision for the first annuity only, that alone requiring, by the plan, immediate provision. With regard to a provision for the subsequent annuities, which is proposed to be successive, the Secretary will content himself with this general observation, that he discerns no intrinsic difficulty in making provision for them, as fast as shall be necessary, with due convenience to the people, and consistently with the idea of abstaining from taxing lands and buildings (with the stock and implements of farms) reserving them as a resource for those great emergencies which call for a full exertion of all the contributive faculties of a country.

The following means, for constituting the first annuity, are respectfully submitted, viz:

Annual surplus of the dividend on the stock of Government in the Bank of the United States, beyond the interest to be paid out of the said dividend, estimated at \$60,000.

Tax on horses, kept or used for the purpose of riding, or of drawing any coach, chariot, phaeton, chaise, chair, sulky, or other carriage for *conveyance of persons*, excepting and exempting all horses which are *usually* and *chiefly* employed for the purposes of husbandry, or in drawing wagons, wains, drays, carts, or other carriages, for the transportation of produce, goods, merchandise, and commodities, or in carrying burthens in the course of the trade or occupation of the persons to whom they respectively belong, and the horses of persons in the military service of the United States, viz:

For every horse, not above excepted and exempted, at the rate of one dollar per annum where only one is used or kept by the same person, with an addition of fifty cents per annum per horse, where more than one, and not more than two, horses are kept or used by the same person; with an addition of one dollar per annum per horse, where more than two, and not more than four, are kept or used by the same person; and, with an addition of one dollar and a half dollar per horse, per annum, where more than four are kept or used by the same person: Provided, That this addition shall not be made, in respect to horses usually employed in public stages, for the conveyance of passengers.

This progressive increase of rates on the higher numbers, has reference to the presumption of greater wealth, which arises from the possession of such higher numbers.

The product of this tax will, probably, be about equal to the residue of the proposed annuity, which is \$43,199 06. How near the truth this estimate may prove, experiment, alone, can, in so untried a case, decide. An aid to this fund may be derived from the surplus dividend on the bank stock, for the half year ending the last of December next, which, it is presumed, will be not less than \$20,000. Should a deficiency appear, upon trial, it can be supplied by a future provision.

Proper regulations for the collection of this tax will, it is believed, be found not difficult, if the tax itself shall be deemed eligible. Its simplicity has been a considerable recommendation of it. Qualified as it is, it is not likely to fall on any but such who can afford to pay it. The exemption from the tax, in regard to horses which are appropriated to the purposes of *husbandry*, or of any trade or occupation, or to the transportation of commodities, seems to obviate all reasonable objection.

If, however, there should appear to the Legislature, reasons for preferring a tax on carriages for pleasure, which, it may be observed, will operate on nearly the same description of persons, the sum required may, it is believed, be produced from the following arrangement of rates, viz: Upon every coach, the annual sum of four dollars. Upon every chariot, the annual sum of three dollars. Upon every other carriage *for the conveyance of persons*, having four wheels, the annual sum of two dollars; and, upon every chair, sulky, or other carriage *for the conveyance of persons*, having less than four wheels, the annual sum of one dollar.

The collection of this tax will be as simple and easy, and perhaps more certain, than that which has been primarily submitted.

With regard to the second object referred to the Secretary, namely, the plan of a provision for the reimbursement of the loan made of the Bank of the United States, pursuant to the 11th section of the act by which it is incorporated, the following is respectfully submitted, to wit: That power be given, by law, to borrow the sum due, to be applied to that reimbursement; and that so much of the dividend on the stock of the Government, in the bank, as may be necessary, be appropriated for paying the interest of the sum to be borrowed.

From this operation it is obvious that a saving to the Government will result, equal to the difference between the interest which will be payable on the new loan, and that which is payable on the sum now due to the bank. If the proposed loan can be effected at the rate of those last made in Holland, the nett saving to the Government may be computed at the annual sum of 35,000 dollars; which saving, whatever it may be, is contemplated as part of the means for constituting the proposed annuities.

The benefit of this arrangement will be accelerated, if provision be made for the application of the proceeds of any loans, heretofore obtained, to the payment suggested on the condition of re-placing the sums, which may be so applied, out of the proceeds of the loan or loans which shall be made pursuant to the power above proposed to be given.

It will also conduce to the general end in view, if the Legislature shall think proper to authorize the investment of the funds, destined for purchases of the debt, in purchases of six per cent. stock, at the market price, though above par. The comparative prices of the several kinds of stock have been, and frequently may be, such as to render it more profitable to make investments in the six per cents. than in any other species of stock.

All which is humbly submitted.

ALEXANDER HAMILTON, *Secretary of the Treasury.*

TREASURY DEPARTMENT, *November 30th, 1792.*

## A.

TABLE shewing the effect of a sum annually created, equal to the interest of the sum to be redeemed within each year, for a period of nine years, commencing from the 1st of January, 1793, on the supposition that the interest on the sum, annually redeemed, be invested, as it is liberated, in the purchase of six per cent. stock, at the price of twenty-two shillings on the pound.

PERIODS OF REDEMPTION.	Sums annually redeemable.	Interest annually liberated.	Sums annually purchased.
January 1st, 1794,	550,000	33,000	291,172 04
ditto 1795,	583,000	34,980	262,523 05
ditto 1796,	617,980	37,078 80	231,916 56
ditto 1797,	655,058 80	39,303 52	199,233 86
ditto 1798,	694,362 33	41,661 73	164,349 20
ditto 1799,	736,024 07	44,161 44	127,129 15
ditto 1800,	780,185 52	46,811 13	87,432 33
ditto 1801,	826,996 65	49,619 79	45,108 90
ditto 1802,	1,126,616 44	67,596 41	61,451 28
Interest on debt paid in and purchased,		65,000	572,520 70
		\$459,212 82	\$2,043,837 07

TREASURY DEPARTMENT, November 30, 1792.

ALEXANDER HAMILTON, Secretary of the Treasury.

## B.

TABLE exhibiting a view of the proposed plan of redemption.

Periods of Redemption or Payment.	Sums Redeemable.	Temporary Loans.		Amount of sums borrowed, with compound interest to the respective periods of reimbursement.	Years when annuities begin to accrue.	Years' Annuities.	Annuities.
		Times of Reimbursement.	Years' duration. <sup>1</sup>				
January 1, 1794	\$550,000	Jan. 1st, 1799	5	\$701,954	1793	6	\$103,199 06
ditto 1795	583,000	do. 1800	5	744,071 24	1794	6	109,391 60
ditto 1796	617,980	do. 1801	5	788,715 51	1795	6	115,955 17
ditto 1797	655,058 80	do. 1802	5	836,038 44	1796	6	122,912 48
ditto 1798	694,362 33	do. 1802	4	843,997 41	1797	5	152,743 12
ditto 1799	736,024 07	do. 1802	3	852,021 46	1798	4	197,680 20
ditto 1800	780,185 52	do. 1802	2	860,154 53	1799	3	272,848 38
ditto 1801	826,996 65	do. 1802	1	868,346 48	1800	2	423,583 64
ditto 1802	1,126,616 44						
Total sum redeemed by the 1st of Jan. 1802.	6,570,223 81						

N. B. All the calculations in this table proceed upon a rate of five per cent. interest.

TREASURY DEPARTMENT, November 30, 1792.

ALEXANDER HAMILTON.

## C.

Mode of constituting the proposed annuities.

1793. Surplus dividend of bank stock, beyond the interest which will be payable, estimated at 60,000 00	43,199 06	\$103,199 06
Tax,		
1794. Tax	-	109,391 60
1795. Tax	-	115,955 17
1796. Part of annual interest converted into annuity, Tax,	20,000 00	122,912 48
	102,912 48	
1797. Part of annual interest converted into annuity, Tax,	50,000 00	152,743 12
	102,743 12	
1798. Part of annual interest converted into annuity Tax,	90,000 00	197,680 20
	107,680 20	
1799. Part of annual interest converted into annuity, Annuity of the first year, now liberated by reimbursement of first loan, Tax,	60,000 00	272,848 38
	103,199 06	
	109,649 32	
1800. Part of annual interest converted into annuity, Annuity of second year, now liberated by reimbursement of second loan, Part of arrears of interest, to be applied for balance of annuity of this year,	220,000 00	423,583 64
	109,391 60	
	94,192 04	
But a supplementary provision will be to be made for the second year, equal to the sum of 94,192 dollars and four cents, as the fund in that particular is not annual; this may also arise from the arrears of interest.		
The payment to be made on the 1st of January, 1802, may proceed from the following funds:		
Amount of annuity of 3d year, liberated by reimbursement of third loan,	115,955 17	
Unappropriated arrears of interest,	200,000 00	
Temporary loan	810,661 27	
		1,126,616 44

TREASURY DEPARTMENT, November 30, 1792.

ALEXANDER HAMILTON.

## D.

*View of Redeeming Fund, to and upon the 1st January, 1802.*

Interest which will have been liberated by purchases and payments into the treasury, exclusive of redemptions, according to the proposed plan,				\$65,000 00
Jan. 1st, 1794,	by redemption of	550,000 00	dollars, rate 6 per cent.	33,000 00
do. 1795,	by do. of	583,000 00	at do.	34,980 00
do. 1796,	by do. of	617,980 00	do.	37,078 80
do. 1797,	by do. of	655,058 80	do.	39,303 52
do. 1798,	by do. of	694,362 33	do.	41,661 73
do. 1799,	by do. of	736,024 07	do.	44,161 44
do. 1800,	by do. of	780,185 52	do.	46,811 13
do. 1801,	by do. of	826,996 65	do.	49,619 79
do. 1802,	by do. of	1,126,616 44	do.	67,596 98
				\$459,213 39

*Taxes which will have been laid.*

1793,	\$43,199 06
1794,	109,391 60
1795,	115,955 17
1796,	102,912 48
1797,	102,743 12
1798,	107,680 20
1799,	109,649 32
	691,530 95
Surplus dividend of bank stock, beyond the interest which will be payable out of it,	60,000 00
	\$1,210,744 34

*Amount of interest converted into annuities.*

1796,	\$20,000
1797,	50,000
1798,	90,000
1800,	220,000
Annual sum, at the end of 1800,	\$380,000

TREASURY DEPARTMENT, *November 30, 1792.*

ALEXANDER HAMILTON.

2d CONGRESS.]

No. 41.

[2d SESSION-

## L O A N S .

COMMUNICATED TO THE HOUSE OF REPRESENTATIVES, JANUARY 4, 1793.\*

*In the House of Representatives of the United States,*MONDAY, *December 24, 1792.*

*Resolved,* That the Secretary of the Treasury be directed to lay before this House, an account of the application of the moneys borrowed, in Antwerp and Amsterdam, for the United States, within the present year.

THURSDAY, *December 27.*

*Resolved,* That the President of the United States be requested to cause this House to be furnished with a particular account of the several sums, borrowed under his authority, by the United States; the terms on which each loan has been obtained; the applications to which any of the moneys have been made, agreeable to appropriations; and the balances, if any, which remain unapplied. In this statement, it is requested that it may be specified at what times interest commenced on the several sums obtained, and at what times it was stopped, by the several payments made.

TREASURY DEPARTMENT, *January 3, 1793.*

SIR:

In obedience to an order of the President of the United States, I have the honor to transmit sundry statements, Nos. I, II, III, IV, respecting the several foreign loans, which have been made under his authority, by the United States, shewing, in conformity to the resolution of the House of Representatives of the 27th of December, as far as the materials in the possession of the treasury will now permit, the several particulars specified in that resolution; these statements will equally fulfil the object of the resolution of the House of the 24th of December.

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

ALEXANDER HAMILTON.

*The Honorable the SPEAKER of the House of Representatives.*

\* See No. 43.