

REPORT

Of the SECRETARY of the TREASURY to the HOUSE of REPRESENTATIVES.

TREASURY DEPARTMENT, Jan. 9, 1790.

[CONTINUATION.]

THE general principle of it seems to be equitable, for it appears difficult to conceive a good reason, why the expences for the particular defence of a part in a common war, should not be a common charge, as well as those incurred professedly for the general defence. The defence of each part is that of the whole; and unless all the expenditures are brought into a common mass, the tendency must be, to add, to the calamities suffered, by being the most exposed to the ravages of war, an increase of burthens.

This plan seems to be susceptible of no objection, which does not belong to every other, that proceeds on the idea of a final adjustment of accounts. The difficulty of settling a ratio, is common to all. This must, probably, either be sought for in the proportions of the requisitions, during the war, or in the decision of commissioners appointed with plenary power. The rule prescribed in the Constitution, with regard to representation and direct taxes, would evidently not be applicable to the situation of parties, during the period in question.

The existing debt of the United States is excluded from the computation, as it ought to be, because it will be provided for out of a general fund.

The only distinction of a preliminary kind, which remains, relates to the distinction of the debt into principal and interest. It is well known, that the arrears of the latter bear a large proportion to the amount of the former. The immediate payment of these arrears is evidently impracticable, and a question arises, what ought to be done with them?

There is good reason to conclude, that the impressions of many are more favorable to the claim of the principal than to that of the interest; at least so far, as to produce an opinion, that an inferior provision might suffice for the latter.

But to the Secretary, this opinion does not appear to be well founded. His investigations of the subject, have led him to a conclusion, that the arrears of interest have pretensions, at least equal to the principal.

The liquidated debt, traced to its origin, falls under two principal discriminations. One, relating to loans; the other to services performed and articles supplied.

The part arising from loans, was at first made payable at fixed periods, which have long since elapsed, with an early option to lenders, either to receive back their money at the expiration of those periods, or to continue it at interest, 'till the whole amount of continental bills circulating should not exceed the sum in circulation at the time of each loan. This contingency, in the sense of the contract, never happened; and the presumption is, that the creditors preferred continuing their money indefinitely at interest, to receiving it in a depreciated and depreciating state.

The other parts of it were chiefly for objects, which ought to have been paid for at the time, that is, when the services were performed or the supplies furnished; and were not accompanied with any contract for interest.

But by different acts of government and administration, concurred in by the creditors, these parts of the debt have been converted into a capital, bearing an interest of six per cent. per annum, but without any definite period of redemption. A portion of the loan-office debt has been exchanged for new securities of that import. And the whole of it seems to have acquired that character, after the expiration of the periods prefixed for re-payment.

If this view of the subject be a just one, the capital of the debt of the United States, may be considered in the light of an annuity at the rate of six per cent. per annum, redeemable at the pleasure of the government, by payment of the principal. For it seems to be a clear position, that when a public contracts a debt payable with interest, without any precise time being stipulated or understood for payment of the capital, that time is a matter of pure discretion with the government, which is at liberty to consult its own convenience respecting it, taking care to pay the interest with punctuality.

Wherefore, as long as the United States should pay the interest of their debt, as it accrued, their creditors would have no right to demand the principal.

But with regard to the arrears of interest, the case is different. These are now due, and those to whom they are due, have a right to claim immediate payment. To say, that it would be impracticable to comply, would not vary the nature of the right. Nor can this idea of impracticability be honorably carried further, than to justify the proposition of a new contract upon the basis of a commutation of that right for an equivalent. This equivalent too ought to be a real and fair one. And what other fair equivalent can be imagined for the detention of money, but a reasonable interest? Or what can be the standard of that interest, but the market rate, or the rate which the government pays in ordinary cases?

From this view of the matter, which appears to be the accurate and true one, it will follow, that the arrears of interest are entitled to an equal provision with the principal of the debt.

The result of the foregoing discussions is this—That there ought to be no discrimination between the original holders of the debt, and present possessors by purchase—That it is expedient, there should be an assumption of the state debts by the Union, and that the arrears of interest should be provided for on an equal footing with the principal.

The next enquiry, in order, towards determining the nature of a proper provision, respects the quantum of the debt, and the present rates of interest.

The debt of the union is distinguishable into foreign and domestic.

The foreign debt as stated in the schedule B. amounts to principal bearing an interest of four, and partly an interest of five per cent.

Arrears of interest to the last of December, 1789,

Making together, dollars

The domestic debt may be sub-divided into liquidated and unliquidated; principal and interest.

The principal of the liquidated part, as stated in the schedule C, amounts to bearing an interest of six per cent.

The arrears of interest as stated in the schedule D. to the end of 1790, amount to

Making together, dollars

This includes all that has been paid in indents (except what has come into the treasury of the United States) which, in the opinion of the Secretary, can be considered in no other light, than as interest due.

The unliquidated part of the domestic debt, which consists chiefly of the continental bills of credit, is not ascertained, but may be estimated at 2,000,000 dollars.

These several sums constitute the whole of the debt of the United States, amounting together to 54,244,644 dollars, and 56 cents.

That of the individual states is not equally well ascertained. The schedule E. shews the extent to which it has been ascertained by returns pursuant to the order of the House of the 21st September last; but this not comprehending all the states, the residue must be estimated from less authentic information. The Secre-

tary, however, presumes, that the total amount may be safely stated at 25 millions of dollars, principal and interest. The present rate of interest of the state debts is in general, the same with that of the domestic debt of the union.

On the supposition, that the arrears of interest ought to be provided for, on the same terms with the principal, the annual amount of the interest, which, at the existing rates, would be payable on the entire mass of the public debt, would be,

On the foreign debt, computing the interest on the principal, as it stands, and allowing four per cent. on the arrears of interest, 642,599 66

On the domestic debt, including that of the states, 4,044,845 15

Making together, dollars 4,587,444 81
(To be continued.)

A FUNERAL ORATION,

On the Most Worshipful and Hon. Major-General RICHARD CASWELL, Grand Master of the Masons of North Carolina.

And all Judea and Jerusalem mourned for Josiah.—Ch. B. 2, v. 24.
By FRANCOIS-XAVIER MARTIN.

Worshipful SIRS,
And worthy BROTHERS,

BEREFT of him who conducted our works, we are met to discharge the tribute of a tear due to his memory. How deeply the rest of the community sympathizes with us, on this melancholy occasion, the attendance of a respectable number of our Fellow-Citizens fully testifies.

Shall our griefs terminate in sterile tears? Shall this Discourse, sacred to the Memory of the Most Worshipful and Honorable Major General RICHARD CASWELL, Grand-Master of the Masons of North-Carolina, be, like the song of the untutored savage, the mere rehearsal of a Warrior's achievements? No. In admiring the virtues that have rendered his death, like Josiah's, lamented in *Judea and Jerusalem*, let us, as Christians and Masons, be stimulated, not to offer idle adulation to his Manes, but, to imitate, in the practice of every virtue, so bright a pattern.

Nothing excites more powerfully to virtuous deeds, than the examples of those whom they have rendered conspicuous. Man generally desires what he finds, applauded in others. And, either because Virtue appears more noble, when he hears it praised, or less difficult, when he sees it practiced, he is stimulated thereto—as the labour is not without reward, and remissness would be without excuse.

The examples of the Dead are no less powerful than those of the Living. We look upon the Virtues of the former with a greater degree of veneration. As we view those of the latter with a greater degree of envy; perhaps, because, Death having crowned them, we are willing to believe that posterity praises without flattery, as it praises without interest—or rather (for, why should the real reason be concealed in this temple of truth?) because, our pride will not suffer us to acknowledge them.

To convene the people when some illustrious popular Character had terminated his career, and to improve the opportunity of exciting them to Patriotic Virtues, is an ancient custom, frequent instances of which occur in sacred and profane history. The heart of man, however obdurate, when operated upon by grief, or the idea of a future state is prepared to receive such favourable impressions; as the stiff and close grained stone becomes pliant and ductile, when heated by the fire of the furnace.

Thus we read that the corps of Cæsar, having been brought into the forum of the metropolis of the world, Anthony, holding up that Dictator's garment, addressed the Roman people. "You well know," said he, "this mantle. I remember the first time Cæsar put it on. It was on the day he overcame the *Nervii*. If you have tears to shed, prepare to shed them now."

With as much propriety, can I rise to day, and, addressing you, say:—

You well know these Badges. They are the Insignia of MASONRY—of a society which for its antiquity and utility acknowledges no equal among the institutions of the sons of man. Behold the White Apron that was girded on him, the loss of whom we bemoan, on the day he became a Mason. He has left it to you, unsullied. He has left it to you, decorated with those marks of dignity, to which merit alone gives title.

If you have tears to shed, prepare to shed them now.

He is no more. No longer shall he, like the eastern sun illuminate our Lodges; no longer shall he plan or direct our works.

You well know, Fellow-Citizens, that Sword, emblematical of Supreme Executive Authority. I remember the first time it was delivered him. It was on the day we shook off the oppressive yoke of British domination and became a People.

If you have tears to shed, prepare to shed them now.

He is no more. No longer shall he wield the Sword of Justice attempered by mercy. No longer shall he preside in your Councils, or lead you to the hostile Field.

To enter here into a minute detail of the services he rendered you, would be to promise that they may be obliterated from your memory—You remember them. Brothers and Fellow-Citizens, they cannot have been forgotten.

It was he who headed you on the day you broke down the superior phalanx of Scotch insurgents, at Moore's creek; and thereby preserved the cause of freedom from the deadly blow, this reinforcement would have enabled our enemies to strike.

It was he who presided in the assembly of Patriots, who framed that instrument, which, defining your rights and the authority of your rulers, has secured your liberties to this day.

It was he whom your united voices twice called to the Supreme Magistracy of this State—and it was he, whom, but a few days ago, still filled the Chair of your Senate.

If his Public character affords a vast field to the panegyrist's fancy, his Private one deserves no less our attention and praise. In it we shall always find an example worthy of imitation.

Public Virtue may procure a more shining reputation, but Domestic Virtue gives a more solid merit. The former, when unsupported by the latter, is, in the Warrior, a thirst of glory—in the Civil Ruler, a thirst of power.

A single instance of momentary intrepidity may make a name to the Chieftain; but a continued spirit of moderation alone characterises the Virtuous individual.

Valour is a noble passion, which evinces a greatness of soul. But too oft it is a vain generosity excited by ambition, and which has for its aim the mere gratification of a selfish pride; an inconsiderate boldness justified by success; a blind ferocity which stifles the voice of humanity, and by the tears it causes to flow and the blood of its victims, tarnishes the laurels of the vanquisher.

Domestic virtue on the contrary, is so perfect, that it is laudable even in its excesses. It is peaceable and constant; and springs from a meekness and tenderness which regulate desire, and, giving the virtuous individual the command of his own, causes him to reign over the hearts of others. The one excites astonishment and fear; the other commands reverence and love.

The Swede boasts of the name of Charles XII, but blesses that of Gustavus Vasa.

In him, of whom the hand of death has bereft us, public and domestic virtues were ever united. Not satisfied in watching with unremitting attention over the welfare of the community, he anxiously endeavored to promote the felicity of its members. Blest with a complacency of disposition and equanimity of temper, which peculiarly endeared him to his friends, he commanded respect even from his enemies. The tender sensibility of his heart was such, that he needed but to see distress, to feel it and contribute to its relief. Deaf to the voice of interest, even in the line of his profession, whenever oppressed indigence called for his assistance, he appeared at the bar without even the hope of any other reward, than the consciousness of having so far promoted the happiness of a fellow man.

Such is, worshipful sirs and worthy brothers, the character of one, whose lessons shall no longer instruct us, but the remembrance of whose virtues will long continue to edify us.

Such is fellow-citizens, the character of one who bore so great a share in the revolution by which you became a nation, who, during his life, was ever honored with some marks of your approbation, and whose memory will, I doubt not, be embalmed in your affections.

SHADES of Warren, Montgomery, and Mercer! and ye Shades of those other Columbian Chiefs, who bore away the palm of political martyrdom! attend, receive, and welcome, into the happy mansions of the just, a soul congenial with those of your departed heroes, and meriting alike our esteem, gratitude and tears.

NOTIFICATION.

ALL persons who have not accounted for the expenditures of public money and stores, received from HUGH HUGHES, either in the capacity of Commissary of Military Stores, Assistant and Deputy Quarter Master General to the army of the United States, or Deputy Quarter Master for the State of New-York, &c. or Deputy Quarter Master to the Eastern and Main Army, are requested, by the said Hughes, to exhibit their accounts and vouchers, properly stated, as early as possible, to the auditor of the Treasury of the United States, in the city of New-York, that a final settlement of the same may be made.

The Executors, or Administrators, to the estates of any of the persons first mentioned, will be pleased to attend to this notification.

N. B. The Printers in the different States in the Union, will render an essential service to the public by inserting this in their newspapers.

ADVERTISEMENT.

NOTICE is hereby given to all the Creditors of THOMAS EATON, WILLIAM PELLIS, JABEZ SAYRS, ANTHONY SAYRS, and GEORGE WELCH, Insolvent Debtors, now confined in the common goal of Newark, in the county of Essex, and State of New-Jersey, that they are requested to appear on Monday the Twenty Second Day of February next, at Nine o'Clock in the forenoon of said day, at the Court-House in Newark aforesaid, before the Judges of the Inferior Court, and shew cause, if any there be, why an assignment of the above Insolvent Debtor's Estates should not be made, and they the Insolvents be discharged agreeable to law.

Thomas Eaton, William Pellis, Jacob Sayrs, Anthony Sayrs, George Welch.

Newark, 18th January, 1790. A. W. 4