

REPORT

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

TREASURY DEPARTMENT, Jan. 9, 1790.

[CONTINUATION.]

THE interesting problem now occurs. Is it in the power of the United States, consistently with those prudential considerations, which ought not to be overlooked, to make a provision equal to the purpose of funding the whole debt, at the rates of interest which it now bears, in addition to the sum which will be necessary for the current service of the government?

The Secretary will not say that such a provision would exceed the abilities of the country; but he is clearly of opinion, that to make it, would require the extension of taxation to a degree, and to objects, which the true interest of the public creditors forbids. It is therefore to be hoped, and even to be expected, that they will cheerfully concur in such modifications of their claims, on fair and equitable principles, as will facilitate to the government an arrangement substantial, durable and satisfactory to the community. The importance of the last characteristic will strike every discerning mind. No plan, however flattering in appearance, to which it did belong, could be truly entitled to confidence.

It will not be forgotten, that exigencies may, ere long, arise, which would call for resources greatly beyond what is now deemed sufficient for the current service; and that, should the faculties of the country be exhausted or even strained to provide for the public debt, there could be less reliance on the sacredness of the provision.

But while the Secretary yields to the force of these considerations, he does not lose sight of those fundamental principles of good faith, which dictate, that every practicable exertion ought to be made, scrupulously to fulfil the engagements of the government; that no change in the rights of its creditors ought to be attempted without their voluntary consent; and that this consent ought to be voluntary in fact as well as in name. Consequently, that every proposal of a change ought to be in the shape of an appeal to their reason and to their interest; not to their necessities. To this end it is requisite, that a fair equivalent should be afforded for what may be asked to be given up, and unquestionable security for the remainder. Without this, an alteration, consistently with the credit and honor of the nation, would be impracticable.

It remains to see, what can be proposed in conformity to these views.

It has been remarked, that the capital of the debt of the union is to be viewed 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. And it will not be required, that the arrears of interest should be considered in a more favorable light. The same character, in general, may be applied to the debts of the individual States.

This view of the subject admits, that the United States would have it in their power to avail themselves of any fall in the market rate of interest, for reducing that of the debt.

This property of the debt is favorable to the public; unfavorable to the creditor. And may facilitate an arrangement for the reduction of interest, upon the basis of a fair equivalent.

Probabilities are always a rational ground of contract. The Secretary conceives, that there is good reason to believe, if effectual measures are taken to establish public credit, that the government rate of interest in the United States, will, in a very short time, fall at least as low as five per cent. and that in a period not exceeding twenty years, it will sink still lower, probably to four.

There are two principal causes which will be likely to produce this effect; one, the low rate of interest in Europe; the other, the increase of the monied capital of the nation, by the funding of the public debt.

From three to four per cent. is deemed good interest in several parts of Europe. Even less is deemed so, in some places. And it is on the decline; the increasing plenty of money continually tending to lower it. It is presumable, that no country will be able to borrow of foreigners upon better terms, than the United States, because none can, perhaps, afford so good security. Our situation exposes us less, than that of any other nation, to those casualties, which are the chief causes of expence; our incumbrances, in proportion to our real means, are less, though these cannot immediately be brought so readily into action, and our progress in resources from the early state of the country, and the immense tracts of unsettled territory, must necessarily exceed that of any other. The advantages of this situation have already engaged the attention of the European money-lenders, particularly among the Dutch. And as they become better understood, they will have the greater influence. Hence as large a proportion of the cash of Europe as may be wanted, will be, in a certain sense, in our market, for the use of government. And this will naturally have the effect of a reduction of the rate of interest, not indeed to the level of the places, which send their money to market, but to something much nearer to it, than our present rate.

The influence, which the funding of the debt is calculated to have, in lowering interest, has been already remarked and explained. It is hardly possible, that it should not be materially affected by such an increase of the monied capital of the nation, as would result from the proper funding of seventy millions of dollars. But the probability of a decrease in the rate of interest, acquires confirmation from facts, which existed prior to the revolution. It is well known, that in some of the states, money might with facility be borrowed, on good security, at five per cent. and, not unfrequently, even at less.

The most enlightened of the public creditors will be most sensible of the justness of this view of the subject, and of the propriety of the use which will be made of it.

The Secretary, in pursuance of it, will assume, as a probability, sufficiently great to be a ground of calculation, both on the part of the government and of its creditors.—That the interest of money in the United States will, in five years, fall to five per cent. and, in twenty, to four. The probability, in the mind of the Secretary, is rather that the fall may be more rapid and more considerable; but he prefers a mean, as most likely to engage the assent of the creditors, and more equitable in itself; because it is predicated on probabilities, which may err on one side, as well as on the other.

Premising these things, the Secretary submits to the House, the expediency of promising a loan to the full amount of the debt, as well of the particular states, as of the union, upon the following terms.

First—That for every hundred dollars subscribed, payable in the debt (as well interest as principal) the subscriber be entitled, at his option, either

To have two thirds funded at an annuity, or yearly interest of six per cent. redeemable at the pleasure of the government, by payment of the principal; and to receive the other third in lands in the Western Territory, at the rate of twenty cents per acre. Or,

To have the whole sum funded at an annuity or yearly interest of four per cent. irredeemable by any payment exceeding five dollars per annum on account both of principal and interest; and to receive, as a compensation for the reduction of interest, fifteen dollars and eighty cents, payable in lands, as in the preceding case. Or

To have sixty-six dollars and two thirds of a dollar funded immediately at an annuity or yearly interest of six per cent. irredeemable by any payment exceeding four dollars and two thirds of a dollar per annum, on account both of principal and interest; and to have, at the end of ten years, twenty-six dollars and eighty-eight cents, funded at the like interest and rate of redemption. Or

To have an annuity for the remainder of life, upon the contingency of living to a given age, not less distant than ten years, computing interest at four per cent. Or

To have an annuity for the remainder of life, upon the contingency of the survivorship of the youngest of two persons, computing interest, in this case also, at four per cent.

STATE of RHODE-ISLAND and PROVIDENCE PLANTATIONS.

IN GENERAL ASSEMBLY, JANUARY SESSION, 1790.

WHEREAS the operation of the Federal Government, according to the existing laws of Congress, will prove greatly injurious to the commercial interests of this State, unless a further suspension of the same can be obtained. And whereas this General Assembly, at the present session have passed an Act recommending a State Convention, in conformity to the recommendation of the General Convention held at Philadelphia, and of the Congress of the United States; and there is every reason to hope that the accession of this State to the Federal Union will, in a short time, entitle the citizens thereof to all the benefits of the Federal Government. And whereas it is necessary that application be made in the mean time, for a suspension of the Acts of Congress subjecting the citizens of this State to foreign tonnage and duties:

It is therefore Voted and Resolved, that his Excellency the Governor be, and he is hereby requested to make application, in the name of this State, to the Congress of the United States, for reviving the indulgence granted to the citizens of this State by an Act of Congress of their last Session, during the good pleasure of Congress.

PRICE CURRENT.—NEW-YORK.

Table listing various commodities and their prices in New York for February 6th. Items include Jamaica Spirits, Antigua Rum, St. Croix, Do. in casks, Muscovado Sugar, Loaf, Lump, Pepper, Pimento, Coffee, Indigo, Do. French, Rice, Superfine Flour, Common do., Rye do., Indian Meal, Rye, Wheat, Corn, Do. (Northern), Beef, Pork, Oats, Flax-seed, Ship bread, Country refined bar-iron, Do. bloomery, Swedes, Russia, Pig-iron, German steel, Nails American, Do. do. do., Do. do. do., Do. do. do., Do. do. do., Do. do. do., Pot ash, Pearl ash, Bees-wax, Mackarel, Herrings, Mahogany, per foot, Dominico, Honduras, Logwood unchipped, Do. chipped, 2 inch white oak plank, 1 inch do., 2 inch white pine plank, 1 1/2 inch do., 1 inch do., 2 inch pitch pine do., 1 1/2 inch do., 1 inch do., Pitch pine scantling, Cyprus 2 feet shingles, Do. 22 inch do., Cedar 2 inch do.

WILLIAM TAYLOR, Has for Sale, at his EAST-INDIA GOODS STORE, No. 4, BURLING-SLIP,

A General Assortment of EAST-INDIA GOODS.

Among which are the following Articles: BOOK Muslins 8-4 6-4 5-4, JACKONET do., HANKERCHIEFS, of various kinds, Chintzes, Gingham, HUMHUMS, Long Cloths, Calas, Seerfucksers, Boglapores.

A Variety of handsome painted MUSLINS.

With many other Articles, which will be sold by the Piece or Package, low for cash.

And a few pair large handsome Cotton COUNTERPANES, much warmer than Blankets.

JANUARY 9, 1790. t. f.

WAR-OFFICE OF THE UNITED STATES.

INFORMATION is hereby given to all the Invalid Pensioners of the United States, residing within the States respectively, that one moiety of their annual pension, commencing on the fifth day of March last, will be paid at the places and by the persons herein after mentioned, on the fifth day of March ensuing, and that the second moiety of the said annual pension will be paid at the same places and by the same persons, on the fifth day of June ensuing.

Table with columns: The States, Places, and persons by whom the pensions will be paid. States listed include New-Hampshire, Massachusetts, Rhode-Island, Connecticut, New-York, New-Jersey, Pennsylvania, Delaware, Maryland, Virginia, North-Carolina, South-Carolina, Georgia. Places listed include Portsmouth, Boston, Providence, New-London, New-York, Perth-Amboy, Philadelphia, Wilmington, Baltimore, B. Hundred, Hillborough, Charleston, Savannah. Persons listed include Joseph Whipple, Benjamin Lincoln, Jeremiah Olney, Jedidiah Huntington, John Lamb, John Halted, Sharp Delany, George Bush, Otho H. Williams, William Heth, John Haywood, George Abbott Hall, John Habersham.

January the 28th, 1790. By order of the President of the United States. H. KNOX, Secretary for the Department of War.

IN order to prevent unsuccessful applications, the following information is re-published, respecting the vouchers which will be required.

THE returns which have been or shall be made to the Secretary for the Department of War by the several States of the pensions which have been granted, and paid by them respectively will together with the vouchers herein required, be considered as the evidence whereon the payments are to be made.

Every application for payment must be accompanied by the following vouchers.

1st. The certificate given by the state specifying that the person possessing it, is in fact an invalid, and ascertaining the sum to which as such he is annually entitled.

2dly. An affidavit agreeably to the following form: to wit— A. B. came before me one of the Justices for the county of in the state of and made oath that he is the same A. B. to whom the original certificate in his possession was given, of which the following is a copy (the certificate given by the state to be recited.)

That he served in (regiment or vessel) at the time he was disabled, and that he now resides in the and county of and has resided there for the last years, previous to which he resided in

In case an Invalid should apply for payment by an attorney, the said attorney must, besides the certificate and oath before recited, produce a special letter of attorney agreeable to the following form,

I A. B. of county of state of do hereby constitute and appoint C. D. of my lawful attorney to receive in my behalf of (the first or second moiety) of my annual pension, as an Invalid of the United States, from the fourth day of March, One thousand seven hundred and eighty-nine. In testimony whereof I have hereunto set my hand and seal, this

Signed and sealed in the presence of Acknowledged before me

Applications of executors or administrators must be accompanied with legal evidence of their respective offices, and also of the time the Invalid died, whose pension they may claim.

By Command of the President of the United States of America.

H. KNOX, Secretary for the Department of War.

War-Office, October 13, 1789.

The Printers throughout the United States are requested to insert the above information, for the benefit of the unfortunate invalids, who have suffered severely in the cause of their country.

A NEW MAGAZINE.

THE Public are respectfully informed, that the first Number of this Magazine will be published as soon as a number of subscribers sufficient to defray the expence shall be obtained: and not on the first day of February, 1790, as was formerly proposed. This Work will be entitled,

THE PHILADELPHIA MAGAZINE.

AND UNIVERSAL ASYLUM.

By a Society of Gentlemen.

PLAN AND CONDITIONS.

1st. THE objects of the Philadelphia Magazine and Universal Asylum, are to enlarge the understanding, to rectify the heart, and to please the fancy, by such means as may be best adapted to the state of society and manners in this confederated republic.

2d. Interesting and entertaining essays, in prose and verse, on philosophy, politics, commerce, agriculture, manufactures, polite learning, wit and humour (uncontaminated with ribaldry or licentiousness) and in a word, on all other subjects which may be deemed worthy of public attention, shall be inserted in this Universal Asylum of Literature.

3d. This miscellany shall contain much original matter; but a rage for originality shall not prevent the insertion of valuable extracts from other publications.

4th. A comprehensive and impartial abstract of the Debates and Proceedings of the Congress of the United States of America, shall regularly be given, beginning with the first session under the present government.

5th. Foreign and domestic occurrences shall be faithfully recorded.

6th. The Philadelphia Magazine shall be published, punctually, on the first day of every month.

7th. Each number shall contain eighty pages, octavo, on an elegant new letter, and fine paper.

8th. The price to subscribers will be two dollars and two-thirds per annum; one dollar and one third to be paid upon the delivery of the first number, and the same sum at the commencement of every succeeding half year.

Subscriptions are received by most of the Printers and Booksellers in the United States, and in other parts of the continent of America, in the West-Indies and in Europe, who are requested to forward the names of subscribers, with their titles, and places of residence.

The usual allowance will be made to all who favor this work by collecting subscriptions for it.

The advantages that are to be expected from the united efforts of a literary association, instituted for the sole purpose of supporting the Philadelphia Magazine and Universal Asylum, must be obvious to every one.—Such a plan, while it engages the first abilities, ensures a greater variety and a more uniform supply of valuable matter, than could be afforded by any individual, however elevated his genius, or great his endeavors.

PHILADELPHIA, January 1, 1790.

Published by JOHN FENNO, No. 9, MAIDEN-LANE, near the Oldswego-Market, NEW-YORK.—[3dol. pr. 21.]