

REPORT

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

TREASURY DEPARTMENT, Jan. 9, 1790.

[CONTINUATION.]

IN addition to the foregoing loan, payable wholly in the debt, the Secretary would propose, that one should be opened for ten millions of dollars, on the following plan.

That for every hundred dollars subscribed, payable one half in specie, and the other half in debt (as well principal as interest) the subscriber be entitled to an annuity or yearly interest of five per cent. irredeemable by any payment exceeding six dollars per annum, on account both of principal and interest.

The principles and operation of these different plans may now require explanation.

The first is simply a proposition for paying one third of the debt in land, and funding the other two thirds, at the existing rate of interest, and upon the same terms of redemption, to which it is at present subject.

Here is no conjecture, no calculation of probabilities. The creditor is offered the advantage of making his interest principal, and he is asked to facilitate to the government an effectual provision for his demands, by accepting a third part of them in land, at a fair valuation.

The general price, at which the western lands have been, heretofore, sold, has been a dollar per acre in public securities; but at the time the principal purchases were made, these securities were worth, in the market, less than three shillings in the pound. The nominal price, therefore, would not be the proper standard, under present circumstances, nor would the precise specie value then given, be a just rule. Because, as the payments were to be made by instalments, and the securities were, at the times of the purchases, extremely low, the probability of a moderate rise must be presumed to have been taken into the account. Twenty cents, therefore, seem to bear an equitable proportion to the two considerations of value at the time, and likelihood of increase.

It will be understood, that upon this plan, the public retains the advantage of availing itself of any fall in the market rate of interest, for reducing that upon the debt, which is perfectly just, as no present sacrifice, either in the quantum of the principal, or in the rate of interest, is required from the creditor.

The inducement to the measure is, the payment of one third of the debt in land.

The second plan is grounded upon the supposition, that interest, in five years, will fall to five per cent. in fifteen more, to four: As the capital remains entire, but bearing an interest of four per cent. only, compensation is to be made to the creditor, for the interest of two per cent. per annum for five years, and of one per cent. per annum, for fifteen years, to commence at the distance of five years. The present value of these two sums or annuities, computed according to the terms of the supposition, is, by strict calculation, fifteen dollars and seven hundred and ninety-two thousandths parts of a dollar; a fraction less than the sum proposed.

The inducement to the measure here is, the reduction of interest to a rate, more within the compass of a convenient provision; and the payment of the compensation in lands.

The inducements to the individual are—the accommodation afforded to the public—the high probability of a complete equivalent; the chance even of gain, should the rate of interest fall, either more speedily or in a greater degree, than the calculation supposes. Should it fall to five per cent. sooner than five years; should it fall lower than five before the additional fifteen were expired; or should it fall below four, previous to the payment of the debt, there would be, in each case, an absolute profit to the creditor. As his capital will remain entire, the value of it will increase, with every decrease of the rate of interest.

The third plan proceeds upon the like supposition of a successive fall in the rate of interest. And upon that supposition offers an equivalent to the creditor. One hundred dollars, bearing an interest of six per cent. for five years; of five per cent. for fifteen years, and thenceforth of four per cent. (these being the successive rates of interest in the market) is

equal to a capital of 122 dollars, 510725 parts, bearing an interest of four per cent. which, converted into a capital, bearing a fixed rate of interest of six per cent. is equal to 81 dollars, 6738166 parts.

The difference between sixty-six dollars and two thirds of a dollar (the sum to be funded immediately) and this last sum is 15 dollars, 0172 parts, which at six per cent. per annum, amounts at the end of ten years, to 26 dollars, 8755 parts, the sum to be funded at the expiration of that period.

It ought, however, to be acknowledged, that this calculation does not make allowance for the principle of redemption, which the plan itself includes; upon which principle the equivalent in a capital of six per cent. would be by strict calculation, 87 dollars, 50766 parts.

But there are two considerations which induce the Secretary to think, that the one proposed would operate more equitably than this: One is, that it may not be very early in the power of the United States to avail themselves of the right of redemption reserved in the plan: The other is, that with regard to the part to be funded at the end of ten years, the principle of redemption is suspended during that time, and the full interest at six per cent. goes on improving at the same rate; which for the last five years will exceed the market rate of interest, according to the supposition.

The equivalent is regulated in this plan, by the circumstance of fixing the rate of interest higher, than it is supposed it will continue to be in the market; permitting only a gradual discharge of the debt, in an established proportion, and consequently preventing advantage being taken of any decrease of interest below the stipulated rate.

Thus the true value of eighty-one dollars and sixty-seven cents, the capital proposed, considered as a perpetuity, and bearing six per cent. interest, when the market rate of interest was five per cent. would be a small fraction more than ninety-eight dollars, when it was four per cent. would be one hundred and twenty-two dollars and fifty-one cents. But the proposed capital being subject to gradual redemption, it is evident, that its value, in each case, would be somewhat less. Yet from this may be perceived, the manner in which a less capital at a fixed rate of interest, becomes an equivalent for a greater capital, at a rate liable to variation and diminution.

It is presumable, that those creditors, who do not entertain a favorable opinion of property in western lands, will give a preference to this last mode of modelling the debt. The Secretary is sincere in affirming, that, in his opinion, it will be likely to prove, to the full as beneficial to the creditors, as a provision for his debt upon its present terms.

It is not intended, in either case to oblige the government to redeem, in the proportion specified, but to secure to it, the right of doing so, to avoid the inconvenience of a perpetuity.

The fourth and fifth plans abandon the supposition which is the basis of the two preceding ones, and offer only four per cent. throughout.

The reason of this is, that the payment being deferred, there will be an accumulation of compound interest, in the intermediate period against the public, which, without a very provident administration, would turn to its detriment. And the suspension of the burthen would be too apt to beget a relaxation of efforts in the mean time. The measure therefore, its object being temporary accommodation, could only be advisable on a moderate rate of interest.

With regard to individuals, the inducement will be sufficient at four per cent. There is no disposition of money, in private loans, making allowance for the usual delays and casualties, which would be equally beneficial as a future provision.

The following lines were addressed to a Lady, a short time before her marriage.

FROM the bright regions of Oberon's nations,
Come I, by Oberon's orders, to you;
From evergreen meads, where in fantastic fashions,
Sport loving Fairies to measures dance true.

Some ride on bees, some on bats, some on swallows,
Some ride on watery beams from the moon,
Some playing hide and seek, skulk in the hollows
Made for wrens nests, and whistle her tune.

Puck am I call'd;—Robin Goodfellow named:—
Seldom by sin-fully'd mortals I'm seen;
Ne'er since for Shakespeare the wild bees I tamed,
Dancing with Mab, 'fore his eyes on the green.

Oft did I seal up his senses in slumbers,
Wasting his soul to the silver-fac'd moon,
Oft did I teach him to sing in sweet numbers,
Fairy love songs, to the nightingale's tune.

Oft would I show him my love-ruling master,
Oft on my mistress's state would he peep;
Then would I hurl him down faster and faster,
Shewing him wonders that lurk in the deep.

Such lovely maid is the sprite who salutes you:—
My royal master, well pleas'd with your port
Hitherward comes, and much damsel it boots you,
Filly to seem in the eyes of his court.

Soon as the moon thro' the forest trees peeping—
Speeding on bats backs we'll merrily fly—
More swift than fancy in dreams when you're sleeping,
Air cutting swallows we'll glide thro' the sky.

Dancing wild carols the mansion we'll circle,
While Henry seizes your heart-giving hand:
Mine shall the task be to crown ye with myrtle,
Much favor'd mortals, belov'd by our band. D.

Extract from the NEW YEAR'S WISH of the CARRIERS of the Massachusetts Centinel.

IN '89, kind Heav'n be prais'd
You've seen TWELVE ample PILLARS rais'd:
Seen fix'd as Fate, beyond mutation,
The grand PALLADIUM of our nation:
Beheld COLUMBIA'S HOPE and STAR,
HER PRIDE in Peace—her STRENGTH in War,
Leave Vernon's ever rural seat,
The ills of publick life to meet:
And seen the SOLON of our age,
Again with publick cares engage.

FROM THE MASSACHUSETTS CENTINEL.

MR. GORE'S RESIGNATION.

FRIDAY, JAN. 29.

The following letter from CHRISTOPHER GORE, Esq. one of the Representatives of Boston, to the Hon. Speaker, was read.

SIR, Boston, Jan. 29, 1790.

THE last time I had the honor to address you, on the floor of the House, I took the liberty of declaring to you, and to the Hon. House, that after an examination of the Constitution of this Commonwealth, I was of opinion, that the office I had been honored with, from the President of the United States, did not vacate my seat in the Legislature. A question being then proposed to the House, as I thought preparatory to a determination, respecting myself, I conceived it my duty to declare my own sentiment—at the same time I retired, in expectation, that whether my seat was vacated or not, would soon be judged by the House.

The ninth article of the bill of Rights, declares, That "all the inhabitants of this Commonwealth having such qualifications as they shall establish by their frame of government, have an equal right to elect officers, and to be elected for public employments."

The offices, an appointment to which, and the acceptance whereof, will render vacant a seat in the House of Representatives are expressly named in the Constitution, and are offices under the government of the Commonwealth only.

My qualifications are the same as when chosen, and I cannot conceive that any constructions of the Constitution can bring the office I hold under the United States, within the disqualifications pointed out in the Constitution. I say this, on the supposition that any man or assembly of men had authority to extend the disqualifications by construction, which I cannot admit, and which must be considered inconsistent with the rights of the people. These, Sir, are the grounds on which I claim my right to a seat. On a further investigation of the subject, I am confirmed in the opinion I declared to the House—and can say, with great truth, that I know no right to which I have a more constitutional claim than to a seat in the Hon. House of Representatives.

A fortnight has elapsed since I retired from the House, and no determination has taken place declaring my seat vacated. I must therefore conclude, that the House consider my right as unequivocal—But, knowing, Sir, that the sentiments of many Members are different from mine on this subject, and hearing that in some debates which have been had in the House, they have been pleased to express their disapprobation of an officer under the United States holding a seat in the Legislature of this Commonwealth, convinced that my feeble exertions for the public good, would be rendered less efficient, I hold it an indispensable duty to that town which has honored me with their confidence, to ask leave of the Hon. House to resign my seat as a Representative of the town of Boston.

At the same time permit me to declare to you, Sir, and to the Hon. House, that, from the confi-

dence which has been placed in me by the Government of the Union, I feel conscious of new obligations to preserve the Constitution of this Commonwealth, and the rights of my fellow citizens, and sure I am, that no man can hold that Constitution, and those rights more sacred than I now do, and ever have considered them.

With great respect for you, Sir, and for the Hon. House, I am, Sir, your very obedient Servant,
C. GORE.

Hon. DAVID COBB, Esq. Speaker, &c. &c.

INDEPENDENCE.

THERE is a sort of Independence in conduct and behavior which is assumed by many persons from motives, which strange as it may appear, arise from the most abject slavery to the opinions of the world; lest they should be thought dependent on those, whose counsels and opinions it would conduce to their dignity and happiness to follow, they shamelessly fly in the face of every moral and social obligation: Such conduct is strikingly exemplified in the 71st No. of the WORCESTER SPECULATOR, which concludes thus.—

"The persuasions—the reproofs—and the commands of parents must be disregarded from similar motives. Characters of this kind always remind me of the poor henpecked husband who refused to eat his supper because his wife told him it was ready—he had been in company from home, and had been rallied by his neighbors for letting his wife wear the breeches, as they termed it—he returned with a determined resolution that no one should ever in future have any occasion to suggest the supremacy of his wife—she on his return like a kind and goodnatured wife, supposing him hungry, prepared a bowl of milk, knowing him to be fond of it—crumbed the bread—set it upon the stool—and asked him to eat his supper—he sprang like a mad man—swore he knew when to eat his supper without her direction—she had wore the breeches, he said, long enough—and he would have her to know that he was master in his own house—and was not to be ordered about by her—kicked over the stool—broke his bowl—spilled the milk—and went to bed half starved—but as independent as a prince.

PUBLIC SCHOOLS.

DOCTOR GOLDSMITH writing on the subject of free schools, among other observations has the following.

"It is hardly possible to conceive the ignorance of many of those who take upon them the important trust of education.—Is a man unfit for any of the professions, he finds his last resource in commencing school-master.—Do any become bankrupts in trade, they set up a boarding school, and drive a trade this way, when all others fail; nay, I have been told of butchers and barbers, who have turned school masters, and more surprising still, made fortunes in their new profession.

Can we think ourselves in a country of civilized people—can it be conceived that we have a regard for posterity, when persons wholly incompetent, and with whom we ourselves would not deign to associate, are permitted to take the charge of the morals, genius, and health of those dear little pledges, who may one day be the guardians of the liberties of our country—and who may serve as the honor and bulwark of their aged parents?—Is the care of our children below the dignity of the State? Of all professions in society, I do not know a more useful or more honorable one than a Schoolmaster; at the same time I do not see any, more generally despised, or men whose talents are so ill rewarded.—But while the deserving ought to be rewarded, those who are unqualified, should be dismissed from their employment. In short, to make the business of schoolmaster respectable, their salaries should be adequate to inducing persons of abilities to enter into the profession—when this is done, and proper vigilance is exerted by the State, candidates of this description will never be wanting."

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.
January 1790.

NOTICE is hereby given to all the creditors of THOMAS EATON, WILLIAM PELL, 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 PELL, JACOB SAYRS, ANTHONY SAYRS, GEORGE WELCH.
Newark, 18th Jan. 1790.