

REPORT

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

TREASURY DEPARTMENT, Jan. 9, 1790.

[CONTINUATION.]

THE Secretary thinks it advisable, to hold out various propositions, all of them compatible with the public interest, because it is, in his opinion, of the greatest consequence, that the debt should, with the consent of the creditors, be remoulded into such a shape, as will bring the expenditure of the nation to a level with its income. Till this shall be accomplished, the finances of the United States will never wear a proper countenance. Arrears of interest, continually accruing, will be as a continual monument, either of inability, or of ill faith; and will not cease to have an evil influence on public credit. In nothing are appearances of greater moment, than in whatever regards credit. Opinion is the soul of it, and this is affected by appearances, as well as realities. By offering an option to the creditors, between a number of plans, the change mediated will be more likely to be accomplished. Different tempers will be governed by different views of the subject.

But while the Secretary would endeavor to effect a change in the form of the debt, by new loans, in order to render it more susceptible of an adequate provision; he would not think it proper to aim at procuring the concurrence of the creditors by operating upon their necessities.

Hence whatever surplus of revenue might remain, after satisfying the interest of the new loans, and the demand for the current service, ought to be divided among those creditors, if any, who may not think fit to subscribe to them. But for this purpose, under the circumstance of depending propositions, a temporary appropriation will be most advisable, and the sum must be limited to four per cent. as the revenues will only be calculated to produce, in that proportion, to the entire debt.

The Secretary confides for the success of the propositions, to be made, on the goodness of the reasons upon which they rest; on the fairness of the equivalent to be offered in each case; on the discernment of the creditors of their true interest; and on their disposition to facilitate the arrangements of the government, and to render them satisfactory to the community.

The remaining part of the talk to be performed is, to take a view of the means of providing for the debt, according to the modification of it, which is proposed.

On this point the Secretary premises, that, in his opinion, the funds to be established, ought, for the present, to be confined to the existing debt of the United States; as well, because a progressive augmentation of the revenue will be most convenient, as because the consent of the State creditors is necessary, to the assumption contemplated; and though the obtaining of that consent may be inferred with great assurance, from their obvious interest to give it; yet till it shall be obtained, an actual provision for the debt, would be premature. Taxes could not, with propriety, be laid for an object, which depended on such a contingency.

All that ought now to be done, respecting it, is, to put the matter in an effectual train for a future provision. For which purpose, the Secretary will, in the course of this report, submit such propositions, as appear to him advisable.

The Secretary now proceeds to a consideration of the necessary funds.

It has been stated that the debt of the United States consists of

	Dollars.	Cents.
The foreign debt, amounting, with arrears of interest, to	11,710,378	62
And the domestic debt amounting, with like arrears, computing to the end of the year 1790, to	42,414,085	94
Making together,	54,124,464	56
The interest on the domestic debt is computed to the end of this year, because the details of carrying any plan into execution, will exhaust the year.	542,599	66
The annual interest of the foreign debt has been stated at	1,696,563	43
And the interest on the domestic debt at four per cent. would amount to		

Making together, dollars, 2,239,163 09

Thus to pay the interest of the foreign debt, and to pay four per cent. on the whole of the domestic debt, principal and interest, forming a new capital,

will require a yearly income of 2,239,163 dollars, 9 cents.

The sum which, in the opinion of the Secretary, ought now to be provided in addition to what the current service will require.

For, though the rate of interest, proposed by the third plan, exceeds four per cent. on the whole debt, and the annuities on the routine will also exceed four per cent. on the sums which may be subscribed; yet, as the actual provision for a part is, in the former case, suspended; as measures for reducing the debt, by purchases, may be advantageously pursued, and as the payment of the deferred annuities will of course be postponed, four per cent. on the whole, will be a sufficient provision.

With regard to the instalments of the foreign debt, these, in the opinion of the Secretary, ought to be paid by new loans abroad. Could funds be conveniently spared, from other exigencies, for paying them, the United States could ill bear the drain of cash, at the present juncture, which the measure would be likely to occasion.

But to the sum which has been stated for payment of the interest, must be added a provision for the current service. This the Secretary estimates at six hundred thousand dollars; making, with the amount of the interest, two millions, eight hundred and thirty-nine thousand, one hundred and sixty-three dollars, and nine cents.

This sum may, in the opinion of the Secretary, be obtained from the present duties on imports and tonnage, with the additions, which, without any possible disadvantage either to trade, or agriculture, may be made on wines, spirits, including those distilled within the United States, teas and coffee.

The Secretary conceives, that it will be found policy, to carry the duties upon articles of this kind, as high as will be consistent with the practicability of a safe collection. This will lessen the necessity, both of having recourse to direct taxation, and of accumulating duties where they would be more inconvenient to trade, and upon objects, which are more to be regarded as necessities of life.

That the articles which have been enumerated, will, better than most others, bear high duties, can hardly be a question. They are all of them, in reality—luxuries—the greatest part of them foreign luxuries; some of them, in the excess in which they are used, pernicious luxuries. And there is, perhaps, none of them, which is not consumed in so great abundance, as may, justly, denominate it, a source of national extravagance and impoverishment. The consumption of ardent spirits particularly, no doubt very much on account of their cheapness, is carried to an extreme, which is truly to be regretted, as well in regard to the health and the morals, as to the economy of the community.

Should the increase of duties tend to a decrease of the consumption of those articles, the effect would be, in every respect desirable. The saving which it would occasion, would leave individuals more at their ease, and promote a more favorable balance of trade. As far as this decrease might be applicable to distilled spirits, it would encourage the substitution of cyder and malt liquors, benefit agriculture, and open a new and productive source of revenue.

It is not however, probable, that this decrease would be in a degree, which would frustrate the expected benefit to the revenue from raising the duties. Experience has shewn, that luxuries of every kind, lay the strongest hold on the attachments of mankind, which, especially when confirmed by habit, are not easily alienated from them.

EULOGIUM ON RUM.

ARISE! ye pimpled, tipping race, arise!
From every town and village tavern come!
Shew your red noses, and o'erflowing eyes,
And help your poet chant the praise of Rum;
The cordial drop, the morning dram, I sing,
The mid-day toddy, and the evening fling.
Hail, mighty Rum! and by this general name
I call each species—Whisky, Gin, or Brandy:
[The kinds are various—but the effect the same;
And so I chuse a name that's short and handy:
For reader, know, it takes a deal of time,
To make a crooked word lie smooth in rhyme.]
Hail, mighty Rum! thy song-inspiring merit
Is known to many a bard in these our days:
Apollo's drink, they find, is void of spirit—
Mere chicken broth—inflamed as their lays:
And pleas'd, they'd give a riv'let—aye, a sea
Of tuneful water, for one quart of thee!

Hail mighty Rum! how wondrous is thy power!
Unwarm'd by thee, how would our spirits fail!
When dark December comes with aspect frow,
And, sharp as razor, blows the northern gale!
And yet thou'rt grateful in that sultry day,
When raging Sirius darts his fervid ray.

Hail mighty Rum! to thee the wretched fly,
And find a sweet oblivion of their woes:
Lock'd in thy arms, as in the grave, they lie—
Forget their kindred—and forgive their foes:
And Lethe's stream [so much extoll'd by some
In ancient times] I shrewdly guess was Rum.

Hail, mighty rum! what can thy power withstand!
E'en lordly Reason flies thy dreadful face;
And Health and Joy, and all the lovely band
Of social virtues, shun thy dwelling place,
For in whatever breast it rears its throne;
Like Turkish monarchs, Rum must rule alone.

When our bold fathers cross'd the Atlantic wave,
And here arriv'd—a weak defenceless band,
Pray what became of all the tribe so brave—
The savage owners of this happy land?
Were they sent headlong to the realms below,
"By doom of battle?" friend, I answer no.

Our Fathers were too wise to think of war:
They knew the woodlands were not quickly past:
They might have met with many an ugly fear—
Lost many a fore-top—and been beat at last.
But Rum, assist'd by his son Disease,
Perform'd the business with surprising ease.

And would our western brethren be less proud, or,
In other words, throw by the gun and drum—
For ducks and squirrels save their lead and powder,
And send the tawny rogues some pipes of Rum—
I dare predict, they all would gladly suck it,
And every mother's son soon kick the bucket.

But, lo! the ingratitude of Adam's race!
Tho' all these clever things to Rum we owe—
Gallons of ink are squirted in his face,
And his bruise'd back is bang'd with many a blow:
Some hounds of note have rung his funeral knell,
And every puppy joins the general yell.

So have I seen (the simile is fine,
And wonderfully pat, tho' rather old)
When rising Phœbus shot his rays benign,
A flock of sheep come skipping from the fold:
Some restless sheep cries haa—and all the throng,
Ewes, rams, lambs, wethers, bellowing pour along.

But fear not, Rum, tho' fiercely they assail,
And none but I, the bard, thy cause defend,
Think not thy foes, tho' num'rous, shall prevail,
Thy power diminish, or thy being end:
Tho' spurn'd from table, and the public eye,
In the snug closet safely shalt thou lie.

And oft, when Sol's proud chariot quits the sky,
And humbler Cynthia mounts her one-horse chair,
To that snug closet shall thy vot'ry fly,
And, wrapt in darkness, keep his orgies there—
Lift the full bottle joyous to his head,
Then, great as Cæsar, reel sublime to bed.

Burlington, Dec. 1789.

NASSAU (N. Providence) December 30.

THE Sloop two brothers, belonging to Capt. Chris. Fisher, of this place, taken by Juan Gregorio, at Henega, in April last, arrived here, from the Havannah this morning. By her we have the following intelligence:—That the above named pirate was under sentence of death, and the sloop ordered to be restored to the owners, together with full compensation for the injuries sustained by her capture;—That a suit had been commenced against the Intendant, in whose employ Gregorio was, and the governor of Baraca had been broke with disgrace for being concerned in that infamous transaction:—That all the guarda costas had been called in, and the captains broke for capturing vessels without any just pretence, which had involved his Catholic Majesty in unnecessary lawsuits; and that the soldiers mentioned in a former Herald to have been put on board an English Guineaman had been removed, and permission given to the captain to dispose of his Negroes, agreeable to the express terms of his Catholic Majesty's proclamation.

CHARLESTON, January 28.

The legislature of this State adjourned on Wednesday last, sine die, after a short session of fifteen days.

The amendments to the constitution of the United States, recommended by Congress to the several state legislatures were discussed and adopted; and a resolution agreed to, that the delegates from this State be instructed to use every possible exertion to obtain the alteration which was recommended by the State convention in May, 1788, respecting the interference of Congress in regulating elections to the federal legislature.

BALTIMORE, January 29.

At the Anniversary Meeting of the REVOLUTION SOCIETY, held in London, (at the London Tavern) on the 4th of November last (the Right Honorable Earl STANHOPE in the Chair) the following Resolution was moved by the Reverend Doctor PRICE, and unanimously approved, viz.

The Society for commemorating the Revolution in Great-Britain, disdaining National Partialities, and rejoicing in every Triumph of Liberty and Justice over Arbitrary Power, offer to the NATIONAL ASSEMBLY of FRANCE, their Congratulations on the Revolution in that Country, and on the Prospect it gives to the two first Kingdoms in the World, of a common Participation in the Blessings of Civil and Religious Liberty; they cannot help adding their ardent Wishes for a happy Settlement of so important a Revolution, and at the same time expressing the particular satisfaction with which they reflect on the tendency of the glorious example given in France, to assert the unalienable Reformation in the Government of Europe, and to make the World FREE and HAPPY."

On the same Occasion, it was also unanimously resolved, "That the said Resolution be signed by the Chairman, in the Name of the Meeting, and that it be transmitted by him to the National Assembly of France."

PORTLAND, January 25.

To FARMERS.

"Experience has proved, that smoking your Seed Corn, thoroughly, before planting, will effectually prevent the worms or any other insect from touching it whilst growing. Care must be taken that it is not heated in the smoking lest it should destroy the vegetation. It will therefore be best to hang it where the smoke may gradually impregnate the kernel during the winter season.

"Probably the smoking of other seeds may have the same happy effect. Should this be the case, it would save much labor and care in raising Squashes, Mellons, Cucumbers, &c.

A Friend to Agriculture."

BOSTON, Feb. 4.

AMENDMENTS.

The Amendments recommended by the Legislature of the United States, were adopted, except the first and second articles, by the Senate of this Commonwealth, on Friday last.

Tuesday the above Amendments were taken into consideration in the House of Representatives, and after mature discussion, were adopted, except the 1st, 2d and 12th.

The Senate afterwards concurred with the House in rejecting 12th article.

Mr. Thatcher, Mr. Austin, Mr. Fowler, of the Senate—Mr. Hill, Mr. Goodman, Mr. Sewall and Mr. Bacon, of the House, are appointed a joint committee, to take into consideration what further Amendments to the Federal Constitution are necessary to be proposed to Congress, and report.

NEW-YORK, Feb. 17.

Extract of a letter from Boston, Feb. 2.

"The Secretary's Report I think a most masterly performance—it must have cost him an immensity of study and application—I believe it will be generally acceptable when it is rightly understood—His reasoning upon the subject in general I think is incontestible, and should Congress adopt his plans, I think the time is not far distant, when the credit of this country will eclipse all the boasted powers of Europe."

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

PHILADELPHIA, January 1, 1790.