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WASHINGTON CITY.

The Committee to whom was referred the letter from the late Secretary of the Treasury, of the 22d of November last,

REPORT—

First—IN RELATION TO THE GENERAL STATE OF THE DEPARTMENT, AND THE MODE OF DIRECTING THE BUSINESS THEREOF:

ON the 22d day of May in the year 1794, a report was made to the Houſe of Repreſentatives by a committee appointed to examine the ſtate of the Treaſury; in which the manner of conducting the buſineſs of the department, was detailed with great accuracy, the duties of the various officers and their mutual checks upon each other, explained; and the rules and proceedings obſerved in the collection, keeping, and diſburſement of the public monies, and in accounting for the ſame, deſcribed with minute preciſion. It does not appear that any objection has ever been made to the forms of doing buſineſs ſpecified in that report, or that the committee, after a moſt ample and elaborate inveſtigation of the regulations adopted in the department, entertained doubts of the judicious and competent nature of the arrangement and diſtribution of the powers and duties of the officers. The attention of the preſent committee was, in the firſt inſtance, occupied in comparing the preſent forms of proceeding at the Treaſury, with thoſe heretofore exhibited; and upon a careful examination, they are ſatisfied that while the principles of that ſyſtem have been maintained and matured, a cloſe adherence to eſtabliſhed uſage has been obſerved; and that the department itſelf is ſo organized by law, and the mode of doing the buſineſs is ſo deviſed, as to afford the moſt perfect ſecurity to the nation, from the miſapplication of the public monies.

Theſe monies do not, in any inſtance, paſs through the hands of the Secretary of the Treaſury; he merely authoriſes the receipts and diſburſements, by warrants in favor of and upon the Treaſurer: Theſe warrants are all ſigned by the Secretary, counterſigned by the Comptroller, and regiſtered by the Regiſter. The Treaſurer is the medium of the receipts and diſburſements of the public monies. Thoſe who collect theſe monies can only diſcharge themſelves by warrants in favor of the treaſurer. The treaſurer can only obtain credit for payments from the treaſury, by warrants on himſelf. All monies received by the treaſurer, are depoſited by him in the bank of the United States, and other banks; and the actual amount of monies in the cuſtody of the treaſurer, may be at any time aſcertained, independently of his own returns, by the ſtatements which are conſtantly made and tranſmitted to the ſecretary, by thoſe who collect and receive public monies into their cuſtody, in the different parts of the union. His accounts muſt be rendered quarterly, and oftener if required, to the comptroller, and annually to Congreſs.

Secondly—IN RELATION TO RECEIPTS AND EXPENDITURES:

It is the uniform courſe of buſineſs at the treaſury, immediately after the cloſe of each ſeſſion of Congreſs, to enter in a book kept for that purpoſe in the office of the ſecretary, the various objects for which appropriations of money have been made by law, and to credit each head with the whole amount of the ſums appropriated to it. The ſame proceeding is obſerved in the offices of the Comptroller and Regiſter. No diſburſements are made by the treaſury, but in purſuance of laws authorizing the expence; and all warrants for the diſburſement of monies are forthwith entered to the debit of their reſpective heads of appropriation. Theſe books are open to the daily inſpection and reviſion of the officers of the department; and by means thereof, the expenditures may be promptly compared with the appropriation. In no inſtance does it appear to the committee, that the expenditures have exceeded the legal appropriations. They have not however preſumed it to be within the meaning of their inſtructions, that they ſhould exhibit a detailed ſtatement of the receipts and expenditures at the Treaſury: For theſe they refer to the annual and other periodical ſtatements which are enjoined by law, and which have been regularly ſubmitted to Congreſs; and eſpecially to a report of the committee of the Houſe of Repreſentatives, of the 8th of May laſt; in which the ſum total of the receipts and expenditures of the preſent government, from its commencement to the end of the year 1799, is exhibited at one view.

By the conſtitution of the Treaſury Department, the Secretary ſuperintends the collection of the revenue, and grants all warrants for monies iſſued from the Treaſury in purſuance of appropriations made by law; but he is not reſponſible for the application of monies iſſued from the Treaſury for the uſe of the other departments.—When, for example, appropriations are made for the Departments of State, of War, or of the Navy, the Secretary of the Treaſury, as alſo the Comptroller, are bound to prevent the advances from exceeding the appropriations. The diſburſements and application of the monies ſo advanced, to the various objects of public ſervice, are neceſſarily made under the immediate ſuperintendance of the other departments, ſubject to a reviſion and final ſettlement by the Comptroller of the Treaſury. But as from the nature of the public buſineſs, it becomes indiſpenſably neceſſary, in moſt caſes, that advances ſhould precede the ſervices for which the monies are deſtined,—as theſe ſervices are of great magnitude, branched out into a variety of details, and performed by numerous agents. It reſults that while voluminous accounts are in a train of ſettlement, ſums to a great amount muſt at all times appear debited to individuals, to be accounted for in courſe, although they are known to have applied the ſame according to law, and although in many inſtances they may have exhibited ſufficient vouchers for their diſcharge

The foregoing enquiries embrace the principal duties of the Secretary of the Treaſury; in the diſcharge of which the department is regulated by poſitive laws and eſtabliſhed forms. In certain caſes a limited diſcretion is either given or implied in the nature of tranſactions performed under his agency. This has happened chiefly in three inſtances.—Firſt in contracts for the loan of money for the public ſervice.—Secondly, in providing and remitting to Europe funds for the diſcharge of the foreign debt.—Thirdly, in meaſures adopted to enforce punctuality on the part of public agents and officers, in the payments of monies into the Treaſury.

Firſt, in regard to loans of money:

On the 1ſt of February 1795, being the day when the late Secretary of the Treaſury was commiſſioned, the temporary loans to the United States by the Bank of the United States, and the Bank of New-York, excluſive of five hundred thouſand dollars in ſtock, purchaſed on credit as herein after mentioned, amounted to four million, nine hundred thouſand dollars; at the ſame time, the United States however were poſſeſſed of five thouſand ſhares of the capital ſtock of the Bank of the United States, purchaſed with part of the proceeds of the ſaid loans.

The following loans have been negotiated by the late Secretary:

1ſt. Under the act, entitled, "An act for the re-imburſement of a loan authorized by the laſt ſeſſion of Congreſs," paſt on the 21ſt day of February, 1795, the ſum of eight hundred thouſand dollars.

The above loan was obtained of the Bank of the United States, at 6 per cent. intereſt, and was declared to be repayable by inſtalments of two hundred thouſand dollars each, on the laſt days of December, in the years 1796, 1797 1798, and 1799.

2d. Under the act, entitled, "An act making further appropriations for the military and naval eſtabliſhments, and for the ſupport of government," paſſed on the 3d of March, 1795, the ſum of five hundred thouſand dollars.

3d. And under the ſame act, the further ſum of five hundred thouſand dollars.

The two laſt mentioned loans were obtained of the bank of the United States, at 6 per cent. intereſt; on the firſt, from April 1ſt, 1795; and on the ſecond, from October 1ſt, 1795, repayable in one year from the dates of the reſpective advances.

4th. Under the act, entitled, "An act making further proviſion for the ſupport of public credit, and for the redemption of the public debt," the ſum of five hundred thouſand dollars.

The above loan was obtained of the Bank of the United States, at ſix per cent. intereſt, from January 1ſt, 1796, repayable on or before the 1ſt of January 1797.

5th. Under the act, intituled, "An act making proviſion for the payment of certain debts of the United States," paſſed on the 21ſt of May 1796, there was obtained on the Bank of New-York, at ſix per cent. intereſt, the ſum of three hundred and twenty thouſand dollars.

6th. Under the act, entitled, "An act making further proviſion for the ſupport of public credit, and for the redemption of the public debt," there was obtained of the Bank of the United States, on the laſt day of December 1798, at ſix per cent. intereſt, repayable on or before the 1ſt day of January 1803, the ſum of two hundred thouſand dollars.

The ſix loans above mentioned amount to two millions eight hundred twenty thouſand dollars.

The firſt loan of eight hundred thouſand dollars, was negociated for the purpoſe of effecting a treaty of peace with Algiers. On the 4th of February 1795, the ſubject was ſubmitted to the conſideration of Congreſs, in a meſſage from the Preſident. This meſſage was referred to a committee of the Houſe of Repreſentatives, conſiſting of Mr. Sedgwick, Mr. Madiſon, Mr. Baldwin, Mr. William Smith, and Mr. Giles. The Secretary of the Treaſury was deſired by the committee, to aſcertain in what manner the propoſed loan could be obtained; and it is ſtated by him that the ſpecific terms on which the contract was afterwards concluded, were preſented to the committee; who after being informed of the cauſes which rendered any other mode of remitting ſo conſiderable a ſum to Europe, at that time, either impracticable or highly inexpedient, approved of the propoſal of receiving the amount of the deſired loan in ſix per cent. ſtock, and of remitting the ſame to London to be ſold on account of the United States. Being fully appriſed of the manner in which the law would be executed, the committee reported certain reſolutions on the 9th, which were adopted in a bill by the Houſe of Repreſentatives, on the 11th and 12th of February, without oppoſition.

The houſe of Meſſrs. Baring and Co. of London, were, on the ſuggeſtion of the Secretary of the Treaſury, deſignated by the then Secretary of ſtate, to negociate ſales of the ſtock, and hold the proceeds ſubject to the diſpoſal of the miniſter of the United States at Liſbon. The Secretary of the Treaſury is conſidered in no manner reſponſible for the ſubſequent diſpoſition of the fund; though by this remark, the committee do not intend to ſuggeſt that the management had been improper; which they have no reaſon to ſuſpect.

The neceſſity of negociating the ſecond and fourth loans of five hundred thouſand dollars each, was evinced by an examination of the ſtate of the Treaſury, on the 1ſt of April 1795, and 1ſt of Jan. 1796. The third loan of five hundred thouſand dollars, negociated on the 1ſt of October 1795, appears to have been in like manner juſtifiable; with this additional circumſtance in favor of the tranſaction, that an equal ſum was applied on the ſame day, to the payment of the ſix per cent. ſtock purchaſed by the Secretary of the Treaſury, and remitted to Amſterdam, under circumſtances herein after detailed.

Of the loan of three hundred and twenty thouſand dollars obtained of the bank of New-York, the ſum of one hundred and twenty thouſand dollars was immediately applied to ſatiſfy part of a loan obtained of the bank of the United States, in the year 1792; the remaining two hundred thouſand dollars operated merely as a prolongation of a loan made by the bank of New-York, in the year 1794. The ſame obſervation is applicable to the ſixth loan of two hundred thouſand dollars obtained of the bank of the United States.

The different capitals of the temporary loans made of the bank of the United States, were at the cloſe of the year 1800, reduced to three millions four hundred and forty thouſand dollars; at which time the United States remained poſſeſſed of two thouſand two hundred and twenty ſhares of the capital ſtock of the ſaid bank. The total amount of Dutch debt extinguiſhed ſince the 1ſt day of January, is four millions nine hundred and twenty thouſand dollars; and no new foreign debt has been contracted by the ſecretary of the treaſury.

In conſequence of the failure of the attempt to negociate ſales of ſix per cent. ſtock, on terms advantageous to the public, the ſecretary of the treaſury was authorized by the commiſſioners of the ſinking fund, with the conſent of the Preſident, which was duly obtained, to negociate ſales of a part of the ſhares of the bank of the United States, belonging to the United States: In purſuance of which authorities two thouſand ſeven hundred and eighty ſhares were ſold for one million three hundred and eighty-four thouſand two hundred and ſixty dollars; which ſum was applied towards ſatiſfying the demands of the banks, and the proceedings duly reported to Congreſs according to law.

The foregoing repreſentation contains a detail of all the loans which were negociated by the late ſecretary of the treaſury, prior to the year 1799; the cauſes of which, ſo far as they produced an increaſe of debt, exiſted in the unexpected and preſſing expences of the year 1794, of which the inſurrection in Pennſylvania may be conſidered as the principal; and in the neceſſity which exiſted early in the year 1795, of providing a fund for defraying the expences of effecting a treaty of peace with Algiers; for neither of which objects adequate revenues had been or could be provided.

The only loans negociated by the preſent ſecretary of the treaſury, which have not been before enumerated, are, a ſum of five millions of dollars obtained in 1799, in purſuance of an act paſſed on the 16th day of July 1798, entitled, "An act to enable the Preſident of the United States to borrow money for the public ſervice," for an equal amount of ſtock bearing intereſt at eight per centum per annum, until the laſt day of December 1808; and thereafter at like intereſt, during the pleaſure of Congreſs, until the ſaid ſtock ſhall be redeemed; alſo a further ſum of one million five hundred and ſixty-five thouſand two hundred and twenty-nine dollars and twenty-four cents, obtained in purſuance of an act of Congreſs, paſſed on the 7th of May, in the year 1800, by the ſale of one million four hundred and eighty-one thouſand ſeven hundred dollars of ſtock, bearing a like intereſt, and ſubject to the ſame terms of reimburſement. The neceſſity of theſe loans is well known to have been occaſioned by the military and naval preparations lately directed.

The principles upon which theſe loans were negotiated have been conſidered by the committees and muſt be familiar to the Houſe. The ſituation of the country was new and embarraſſing; the proſpect of a war was threatening; a reliance on public credit was neceſſary: the aids which could be afforded by the banks were limited, and could only be conſidered as reſources which might be rendered auxiliary to more extenſive and permanent negotiations. No loan had been previouſly negociated by the government, of individuals in the United States. A reliance upon loans in foreign countries appeared to be improvident and dangerous, from its tendency to diminiſh the confidence of the country in its internal reſources. The market rate of intereſt in the United States was known to be at leaſt eight per centum per annum, and it was certain moreover, that the demand for