

WILMINGTON GAZETTE.

Published weekly by ALLMANN HALL, at THREE DOLLARS a Year.

THURSDAY, APRIL 28, 1863.

[Vol. 7, No. 328.]

REPORT Of the Secretary of the Treasury on the Sinking Fund.

[Continued.]
III.

It is asked whether the commissioners of the sinking fund have applied the sum of 7,300,000 dollars to the payment of the public debt in 1862, in conformity to the act making provision for the redemption of the whole of the public debt of the U. States?

Although it be difficult to understand precisely the supposed objection to the proceedings of the commissioners of the sinking fund, which has given rise to this enquiry, yet as the report to the commissioners exhibits after deducting the amount lately corrected by the registers an application of 9,333,407 dolls. 40 cents, of which sum, 1,287,600 dolls. were paid out of the proceeds of the sale of the bank-stock, and the remaining 8,045,807 dolls. 40 cents, out of the other funds, vested in the sinking fund; it is presumed that the objection goes to the mode of application, and not to the sum applied, and I cannot find what that can be, unless by the words, "payment of the public debt in the year 1862," meant that the commissioners of the sinking fund were bound by the law, to extinguish during the year 1862, so much of the principal of the public debt, due that year, as, together with the interest accruing during that year, would amount to 7,300,000 dollars; and that an application of part of the 9,333,407 to the making provision for the payment of a debt falling due after the 31st of December, 1862, was not to be considered as a part of the said legal amount of 7,300,000 dollars.

The objection does not apply to the actual payments made by the commissioners; nor is it supported by any part of the law.

It does not apply to the payments made by the commissioners in 1862; for supposing the assumed construction of the law to be correct, it is, nevertheless true, that the commissioners of the sinking fund have, during the year 1862, paid more than 7,300,000 dolls. falling due during that year.

The payments consist of the following items, viz.

1. Interest accrued during the year 1862,	4,065,738 47
2. Instalments of the Dutch debt, which fall due during that year,	1,344,000
3. Reimbursements of 6 per cent. and deferred stock,	1,116,869 37
4. Payments to foreign officers and for certain parts of the domestic debt,	22,961 75
5. Payments on account of the principal of the temporary loans due to the bank	1,290,000

Amounting altogether to dolls. 7,840,569 60

Perhaps it may in the spirit of the objection, be insisted that the payment of 1,117,689 dolls. 37 cents, being the reimbursement of the six per cent. and deferred stocks, which fall due on the first day of January 1863, cannot be considered as the extinguishment of a debt actually due in 1862. But on that supposition, credit must be given for the payment of a similar reimbursement, which took place on the 1st day of January, 1862, & which in the report of the secretary to the commissioners of the sinking fund, is credited to the account of the year 1861, because it was paid out of the funds accrued during the year 1861, in the same manner as he had credited the payment of the 1st of January, 1863, to the year 1862; because it was paid out of the funds accrued during the year 1862. But whether he was correct or not in that arrangement is immaterial to the present question; and as one payment was made on the first of January, 1862, and another on the first of January, 1863, either the one or the other must be credited to the account of the year 1862.

Perhaps it may also be said, that 1,287,600 dolls. of the temporary loans discharged in 1862, having been paid for, out of the proceeds of the sales of the bank shares, (which in the report of the secretary to the commissioners, are stated as a distinct fund from the annual appropriation of 7,300,000 dollars) cannot be properly stated in a payment in part of that appropriation. But it is not less true, that if there is any thing in the law which binds the

commissioners to pay annually 7,300,000 dollars in the manner contended for, there is certainly nothing which compels them to make that payment out of the annual appropriation of 7,300,000 dollars, or out of any other. They may be bound to make payments to a certain amount, but they may make them out of any funds in their hands. To this may be added, that the first section of the law which makes the appropriation, includes in the annual appropriated sum of 7,300,000 dollars, the monies, other than surpluses of the revenue, which constitute the sinking fund, or shall accrue to it by virtue of any provisions heretofore made. The proceeds of the bank shares accrued to the sinking fund by virtue of the provisions of the act of the 31st day of May, 1796, and might therefore by the secretary of the treasury have been contemplated and stated as a part of the annual appropriation of 7,300,000 dollars. But considering it optional with him, either to state those proceeds in that way or under the proviso of the 3d section of the act, to state them as a distinct fund, he chose to do it in the last mentioned manner, in order to give the greatest possible efficacy to the sinking fund. From which it results, that if he had stated those proceeds as part of the annual appropriation of 7,300,000 dollars, although he would have by that mode, actually diminished the payments on account of the public debt, by a sum of 1,287,600, yet he would upon the construction assumed by the objection, have paid 1,287,600 more, on account of the public debt of 1862, than has been done according to the mode of stating the accounts which he has adopted.

But supposing that the facts supported the objection, supposing that the sales of bank stock had not taken place, and that the payment of the debt due to the bank had not been made, yet nothing appears in the law which can support the principle assumed by that objection.

The construction which is insisted upon against the proceedings of the commissioners, is, that they are bound by the law to apply annually the sum of 7,300,000 dollars, and that that application must in the very year in which it is made, extinguish a debt or pay an interest, due that year, excluding from what is thus considered as a legal payment, any payment on account of a debt falling due after that year. Neither of those positions appears to me to be in any degree supported by any part of the law.

The first section of the law makes an annual appropriation of 7,300,000 dollars. The second section enjoins it as a positive duty, on the secretary of the treasury to cause to be paid annually to the commissioners of the sinking fund the said sum of 7,300,000 dolls. thus appropriated.

The third section directs the commissioners to pay every year the interest accruing and the instalments or parts of the principal falling due during that year, and then proceeds in the following words: "And also it shall be the duty of the said commissioners to cause to be applied, the surplus of such funds as may at any time exist, after satisfying the purposes aforesaid towards the further and final redemption, by payment or purchase, of the present debt of the United States, &c."

There is nothing there which binds the commissioners, after they have satisfied the purposes aforesaid, that is to say, after they have paid the interest and principal falling due in any one year, to apply the remainder or surplus of the 7,300,000 dollars, if any, during the same year.

Provided, that the secretary had placed at their disposition in due time, the funds necessary to meet the instalments and interest due in the year, it would be a good execution of the law if he paid to them the remainder of the appropriation on the last day of the year; in which case it would be impossible for them to apply that remainder till the ensuing year.

That act in fact, as well as all the preceding laws on that subject, places a discretionary power in the commissioners, both as to time and manner, for any payment other than those which fell due in the year, and which must at all events be made, and the proviso of the first section actually contemplates the case of the money remaining unexpended for six months after the end of the calendar year, to which the annual appropriation refers and provides, that under certain circumstances such surplus shall cease to

be at the disposition of the commissioners.

In the present instance, however, it is, on the part of the secretary of the treasury contended, that more than 7,300,000 dollars, have exclusively of the payment to the bank, been applied during the year 1862, towards the further redemption by payment of the debt of the United States; and that after having paid the interest and instalments which fell due during that year, the purchase of about three millions and a half of guilders, remitted to Holland, towards the payment of the Dutch debt, falling due next year, was a faithful, legal and proper execution of the law.

It is difficult to prove a negative; in this case the law is silent as to the species of the debt, and the time or manner of applying the surplus monies; there is nothing which excludes from the meaning of the law an application in the year, which will produce a payment in the ensuing year. The words "by payment or purchase," are according to the strict sense of the sentence, connected with the word "redemption;" the further and final redemption is to be effected by the payment or purchase; the application of monies which the commissioners may legally effect, is towards that further redemption; the subtlety of this objection seems to consist in making the words "by payment," depend immediately on the words "to cause to be applied;" from which it would result that the application, instead of being, as expressed by the law, towards a redemption, which redemption must when effected, be effected by payment or purchase, would be confined to an immediate payment; and as the purchase of bills is not an immediate payment, but a provision towards a future payment, such purchases would be excluded from that authorization in the law. Not only that construction is not justified by the strict sense of the words, as connected in the sentences; but if it was adopted, it must follow, that there did not exist, or ever had existed (for the phraseology of this sentence is transferred from preceding laws) any authority whatever in the commissioners of the sinking fund to provide in time for the payment of the Dutch debt. They must according to the new construction, be bound in the application of the surplus of the fund to an immediate payment, and not be permitted to purchase remittances for the purpose of making a payment the ensuing year. For this is the only clause which authorizes the commissioners to make any payment other than for the payment of the interest and principal falling due that year; and if it forbids them to make the purchase of bills under the appropriation of 7,300,000 dollars, it forbids them altogether, there being no words in the clause, limiting its effect to that appropriation.

It is hardly necessary to dwell any longer on the manifold absurdities which must flow from this assumed construction, and indeed I have no time left for any further observations. Yet I would remark that when the act passed, such an application was contemplated, and that it was stated explicitly that it was necessary to provide for the payments due in Holland, at least six months before they became due. The statement (S) annexed to the report of the 31st of December, 1861, which exhibited the effect of an annual appropriation of 7,300,000 dollars on the debt, was actually predicated on that supposition.

Permit me to add, that the demands in Holland were so considerable, and the difficulties apprehended in procuring the sufficient remittances so alarming, that it is confidently believed that no application of the surplus monies of the sinking fund could have been more beneficial to the true interests of the United States, than the purchases of remittances which have been made. The whole of which was payable in 1863, which was the heaviest year, has been remitted without delay, and without the employment of an agent abroad; and being now so much before hand, I apprehend no difficulty in procuring, at a reasonable rate, the remittances which shall be wanting for the payments of the following years.

It has been impossible to transcribe the detailed accounts, which were required; but I enclose an account (B) of the purchases made in 1861 and 1862, on account of the Dutch debt, shewing the prices paid in 1862, and the amount of remittances purchased before the 1st of January 1863, appli-

cable to the payment of this year. This must still be considered as an estimate, though more correct than that of the report to the commissioners of the sinking fund.

I regret the late hour at which the resolution was introduced for no other reason than because it prevents my furnishing the detailed account which the mover was desirous of obtaining. But I trust that all the information was substantially necessary to meet the object of the resolution, has been given; and I must rely on the indulgence of the committee for the many imperfections which may be attached to the hasty communication.

I have the honour to be respectfully,
sir, your obedient servant,

ALBERT GALLATIN.
Hon. John Randolph, chairman of the committee of ways and means.

LONDON, February 25.

It is evident that the Peace is not yet completely settled. Jealousies still exist, and our troops continue to keep possession of places, which by the treaty of Amiens, we agreed to give up. We do not blame government for so doing. It may be good policy to fathom to the bottom the future designs of our late enemies. Egypt and Malta are the great bones of contention. We are unwilling to evacuate them, apprehensive that they will be occupied on our evacuation by French troops. The French have sufficiently developed their projects; and aware of their plans, we have every reason to suppose that this will be the case. They are resolved if possible to open the old route to the East Indies by the way of Suez, or Coascar and the Red Sea, and the occupation of Egypt seems necessary to this undertaking. We are apprehensive that our possessions, and trade in the East would by this be endangered. Is it not, however, worth serious consideration, how far our fears in this respect are well or ill founded? Is not the value of Egypt over estimated? and if not the way to India by the Cape of Good Hope far preferable to across the Isthmus of Suez and down the Red Sea?

We cannot expect to exclude the French from the commerce of the East, and if they are to have a trade there, why may they not be permitted to have a way of their own? Could this be adjusted, the two nations need not interfere in each other's commerce, and the cause of a new war would be removed. England and France cannot be said to be really at peace till this point is adjusted. Commerce is the object of both nations, and both are desirous of carrying it on to the best advantage.

From the French ports in the Mediterranean, the passage to India by Egypt is very direct, and if it could be accomplished, very desirable; but when it is recollect that a desert must be cut through, and that the navigation of the Red Sea is very perilous, it may be fairly questioned whether the French, if they were now allowed to take quiet possession of Egypt, would not after a time abandon the project of opening the old road to the East, on account of its peculiar difficulties, and revert to the better road round the Cape of Good Hope.

Supposing Egypt to be entirely in the hands of the French, Malta would not be worth retaining; but supposing that Egypt as a mere commercial station, was granted conjointly to England and France, and a small garrison from both countries kept there; we may avail ourselves of that channel to the East as well as our neighbours, and Malta may be kept by us, as an intermediate debt, and as a spot where the motions of the French may be conveniently watched. Egypt, in the possession of the French, may not be such an evil to us, and such a blessing to them as is commonly supposed. Our obstinate resistance of their wishes may be the ground of a new and fruitless war; while by a generous conduct on our part war may be obliterated, the two nations conciliated, and a commercial treaty may be established, which may bind Europe for a considerable period to come, in the silken bonds of peace. The East is open to our rivals. They have possessions there as well as ourselves, and in God's name let them choose their own road to them. Should that which they so much desire have certain advantages attached to it, we could wish that it could be opened for the benefit of all commercial nations. We should like to hear that the Isthmus of Suez in

the old world, and the Isthmus of Darien in the new, were both cut thro' for the passage of vessels of commerce, but not of war.

PARIS, February 19.
An article from *Constantinople*, of the 31st of December, says, "that the idea which had been entertained of the immediate evacuation of Egypt by the British troops, in consequence of the arrival of several transports at Alexandria, is untaught. They are to remain there some time longer."

MALTA, December 13.
Generals Vilette and Oakes are not only good officers, but agreeable men. The officers here have every reason to be satisfied with their present situation. The evacuation of this island is not expected. Sir Alexander Ball, the Civil commissary, has received orders to raise 2000 Maltese troops, who are to be kept, paid and clothed by us. The French ambassador complains much of our continuance in this place, and threatens to leave it if we embody the Maltese. His conduct is as violent as his disposition is unconciliating. He lodges in a house belonging to the government. As it was out of repair, he has ordered a considerable sum of money to be laid out upon it, and now refuses the bills, alleging that he will pay none but the Grand Master. Two thousand Neapolitans have been here these two months; but they do no duty.

Whatever difference of opinion may exist on other subjects, in one thing we are all agreed, that if we should give up this place, the French will soon be in possession of it. The troops from Egypt are not come down, but are daily expected, as orders, I am informed are gone to Alexandria to that effect; if so Alexandria will soon be in the hands of the French who have a fleet now lying at Marmaric for the express purpose of going there as soon as we are gone.

The strength of this place is beyond imagination. The houses here are little palaces, built with stone of the island, and have lofty spacious rooms, paved with stone, and finely painted in panels. The church of St. John's is the most magnificent place I ever saw. The French whose paths are always marked with plunder and devastation, have stripped it of its riches, taking away a gold chandelier, worth, as I am informed, near half a million, besides diamonds, and other precious stone, which decorated the altars and the images.

FOR SALE,
On the 4th of May next, under the Court House in this town, the following LANDS in Sampson county, the property of Proudfest Johnston, deceased.

250 Acres on the West side of the Six Runs, including the farms of Spivey's Branch and on both sides of the main road.

250 Acres on the West side of the Six Runs, between David Jones's and John Rogers's lines.

100 Acres on the East side of the main road or near Benjamin Register's line.

19 1/2 Acres on the West side of the Six Runs, adjoining the lands of Jonathan Parker.

The above described lands, will be sold at public auction, on a credit of six months, the purchasers giving Bonds with approved security.

MATTHEW JOHNSTON,
Wilmington, April 21—3w.

NOTICE.
ALL persons indebted to the estate of the late JOHN PLAIR, are requested to make payment without delay—and those who have claims against said estate, are hereby notified to exhibit them, to the subscriber properly attested within the time prescribed by law, otherwise they will be barred of recovery.
HESTER PLAIR, Adm'r.
Wilmington, April 14.

TO BE RENTED,
THE House and Lot near the Methodist Meeting, lately occupied by Timothy BOWDITCH, Esq. For terms apply to
ANTHONY B. TOOMER,
April 14.