presentatives of the U. States,

Mr. HARPER

the debt to be incurred, and to the grefs. gradual and timely excinguiffment REPORT :

nittee, in examining this fubject, was, the amount to which it would be roper to establish additional revenue t this time. This muft depend on he prefent and future increase of permanent expenditure, compared vich the probable amount of perma_ ent revenue, from exilling taxes.

When Congress, in the year 1798, vas compelled, by the continued agreflions of a fereign power, to com. sence active and extensive preparaions for defence, by fee and land, he ordinary expenditure of the goernment, including the interest of he Public debt, the payment on ac. count of the principal, and an adequate allowance for occasional grants and incidental expenses, was fomething lefs than feven millions of dollars. No increase of any contequence has been made in this expenditure, fince that time ; except what was ocrafioned by the interest of the debt, which the measures necessary for the defence of the country, forced Con_ grefs to contract. As this debt amounts to five millions, at right per cent, the increase on that secount is 400,000 dollars.

The continuation of those measures for fome time longer, having rendered it necellary, in the opinion of the House, to contract a further debt of three millions and a half, for the presame terme with the former, which from the duties on imports and toumay perhaps be found unavoidable, will induce a further increase of 280,000 dellars, in the ordinary expen. ditore of the government; making in the whole an increase of 680,000 dollars for the interest of new loans.

It is known that at the beginning of mext year, a further addition of about 1,200,000 dollars muft be made to the ordinary expenditure for the interest and exringuishing annuity of the de_ ferred debt ; and that in 1802, the payments on the foreign debt will be larger by one million, than in the prefent year. In 1803 and 1804, thoie payments will be increased to two millions beyond their prefent amount , but after that period they will gradu ally diminish; and in 1800 they will

of the debt. The committee, however, though they have thought it ufcful to excend their view to this more remote ine crease of expenditure, are of opinion, thamp duties, and perhaps the other that it is not necedary for Congrels to branches of internal revenue, were make provision now on that subject. more productive in that year than in till two years bence; and before that ing to only dolls, 200,000, was far cial fituation of the country than at mage.

dope herenfter. and of the effect of the was on our quarter of the prefent revenue year, commerce and our revenue. The pre- the returns of which are before the

Saturday lait, in the House of Re- our fyitem will then be completed, or and very nearly equals that of 1798.

ade the following Report from the be then in a better fituation, than we ftill uncertain : and the revenue, in the subject of further Revenue ; ther augmentation will be necessary, increased scale of expenditure, resultwhich was committed to a Com- to what extent it must be carried, and jing from the interest of this and the

having, in a fermer Report, wherein loans of the prefent and last years, the extinguishment of the principal; suillions and an half for the fervice reimburfement of the principal, with. of the present year, adverted to the in a convenient time, that the compropriety of previding permanent mittee wan'd propose to make provirevenues, equal to the interest of flos during the prefent fellion of Cou-

That interest, at the highest calcuof the principal, now beg leave to lation, will amount to 580,000 dollars, would be expedient to provide for a call the attention of the House a- It is known than an extinguishing un. this time, that hear turned i's r at which they submit the following per cent, on the principal of a debt, making the marifon. will, if Readily applied, extinguish it | As the official stustion of the fecregrefs, for the extinguishment of the the fubject of revenue, than any other fix per cent. flock ; and the committee perfor can be supposed to poste a; and conceive that it may fafely be athered enables him to torm the most correct to, in all arrangements for a fimilar epinions refrecting the probable opepurpole ; it appearing certain, that ration and comparative merits of dire while adequate provision is made, for ferent tcheuses of taxation; the com the punctual discharge, within to mittee thought it proper, to address fhort a period of every new engage.

> ent accumulation of debt. This annuity of two per cent, on the loans of the last and present years, admitting the latter to be fixed at 3,500,000 dollars, will amount to mount of interest, will produce an ag gregate expenditure of 850,000 dol_ lars annually, for 24 years. As this annuity, however by the terms of the former loan, which are likely to be found necessary in the present also, rangement respecting drawbacks on cannot, until the end of ten years, be applied to the discharge of this particular debt, it must be employed, thould Congress think fit to raife it, in the purchase of the public debt in general, by way of a finking fund. The committee are of opinion, that every confideration of found policy. and the belt established principles of financial economy, are in favour of raifing it.

At the period above referred to, the tummer of 1798, the government paper B referred to mithe fame letter. Licles in quettion, is not injurioufly fent year, that measure if ultimately possessed a revenue of fomething more adopted, and carried into effect on the than eight millions of dollars, derived page, the tax on dowellic diffilled fpirite and fills, on recallers' licenfes, on refined fugar, on carriages, and on fales at suction, the postage of letters, dividends of bank thack belonging to the United States, and fome other left confiderable branches of revenue. As the ordinary expenditure, at that time, was left than teven millions, there was a balance of a million and

upwords in favour of the treathry. Had the revenue continued equally productive in the subsequent year, 1700, there would have been no need of turther provision at this time , froce the above mentioned balance would have been more than fufficient, to co ver the increase of permanent expent diture. But that was not the cafe. finally cease, by the extinguishment The duties on imports and tontinge, which in 1798, produced dollars 7.405,420, fell in 1799, to dollars 5,437,886, a diminution of very ilear. ly one million; and although the No part of this increase will rake place the former, yet that increase, amount period arrives, Congress will have a from sufficient to connter balance the better view of the political and finan- diminution in the imports and ton-

prefent, and will be better able to | It is not, however, to be apprehendwige respecting the means of meet. ed, in the opinion of the committee, ing the exigency. But yet, the cor that the diminution in queffion will tainty of this further increase proves be permanent. On the contrary, they the necessity of providing as far as can suppose it to have resulted from two be conveniently done, for that which causes, of a temporary nature ; first, has already taken place, or must foon the extensive depredations on our happen ; fo that the burden way be commerce which took place in 1796, divided between different periods, and 1797 and 1798, especially the two foras little as poffible may be left to be mer ; the full effect whereof was not felt in the revenue, till 1799 ; because Neither do the committee think it it was in that year, that the duties on necessary to make provision, during the imports of 1798 became payable. the prefent fellion, for the deferred and fecondly, the great re exportation debt. The political fituation of the en of foreign commo lities in 1799, country is now far more uncertain which amounted to dolls. 45:253,335. than, in all probability, it will be at exceeding by dollars : 2,000,000, thoic the next meeting of Congress. Should of any former year ; and which drew it change for the better, as there is from the treatury very great fame in as to produce a ftrong temptation, reason to hope, the augmentations drawbacks. As this branch of the to enter high priced wines which ow to be made, together with in- revenue is bottomed on the confumpere fo of revenue we may renfonably sion of the country, which notwithexpect, from our pretent fyftem, may ftanting occasional fluctuations, has a be fufficient, with fome fmall aids, for conftant progreffire increase, with the defraying this additional expense. If, increase of population and wealth, the on the contrary, our fituation fhould committee conceive, that it may be exremain the fame, fill we shall have pected foon to regain its former level, more experience than we now peffets, and gradually to augment. In proof of the operation of our profest syttem, of which they remark, that the first

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even indifpenfible, to provide, at pre fury. fent, for the additional fum of dollars will not now be necessary.

Having come to this conclusion, as to the amount of the fam which it

their inqui ies, in the firft initance, to ment, there can be but little reason to him, and to wait for the refult of his apprehend a dangerous or inconvent | deliberations before they thould de, full effect in 1793; from the end cide. For this purpote was written of which latter year, until the end the letter, of which a copy (No. 1.) is subjoined to this report.

In bis sofwer, which together with the flatements therein referred to (No.2.) is sito heraunto annexed, .l.e. ecretary propoles to angment the duties on feveral kinds of wine-to raife those articles which now pay a dety of 10 per centum ad valorem, to 12 1-2 per cent, and to make a new argoods re exported, the effects of which would be, to impole a tax of from about fifteen to about righteen per ceiving of their whole amount, en drawbacks now allowed . - This effect would be produced, by retuling alsogether, the drawback on certain articles, which are enumerated in the prper C. agampanying the feereraty's letter- with by withholding a greater or tels of it on a varresy of other comm tee to prove it, fatisfacto. articles, in the manner Ra d is the trily, that the impertation of the ar-

The fecreiary has informed the committee, that he expects from their three measures, should they be adopt ed, an addition to he revenue of a bout dollars 000,000 annualty. Bu he has not itated what part of this act. dition he expedit from each meafure Separately. The two fitt the propotes to make perpetual. I be bird, the rax on drawbacks, he would continue no longer than during the pretent war in Emone.

When they proceeded to the exami nation of this plan, they found no det ticulty as to that part of it which relates to the appmentation of duties.

Wines indeed, are now highly taxed, but being a me e inxur, whi is confusied folely by people in affinent or eafy circumitames, they ap_ pear to be a very proper object of revenue; and it is not apprehended that a moderate increase of the duty would diminificihe confumption, or endan, ger imagging. This restoning, as the committee conceive, will be con firm_ ed by a flatement of the amount of nuries on wines, which is ninexed to this report. (No. 111 '-net trois which it appears that from 194 to 1797, inclufive, the nest product of these duies has increated from dolls 457 168 re dolis. 524,135, shhough no addit -onal duty has been lain during that period. The returns for 1768 are ton incomplete to be taken into the calen lation. During the latter part of that period indeed, there has been a fall in this product, as in that of many other branches of the revenue ; but it by the rife in the former part-and the committee conseive, that fuch fluctuations, ariting from accidental and transient causes are elways to be expedied-and that the average of a number of years, con slone sford a fole eriterion, whereby to judge on Subjects of this kind.

It is, moreover, to be observed, that the duties on wines have, bipay a very high duty, under the names of those of a low price,

MPORTANT REPORT. an amelioration and enlargement of quarter of the last year, or of 1797, justment of the duties in que on. fion of this traffic, may lay what price As the average product of the we please on the goods re-experted a in a much more advanced thate than . This event however though highly duties on wines, appears by the and of courte, may compel the corat present. We shall, consequently, probable, as it seems to them, being the statement (No. 111.) to be up-sumers to repay to us the tax laid on be then in a better situation, than we still uncertain : and the revenue, in wards of dollars 500,000. An ad-those goods here, by the retufal of Committee of Ways and Means, on now are, for judging whether a fur its prefent the dition of 20 per cent. on the s- part of the drawback. That the mount of the present duty, would same reasoning will apply in a great last year's loans, and to a reatonable produce dol'ars, 120,000. This degree, to the supply of Eur pe he Committee of Ways and Means It is only for the interest of the prevision for the deficiencies, and for addition it is conceived, might with fagar, coffee, and other Fait be fafely made in the manner pro- and West. Ind a commodities ; be. they recommended a loan of three therefore, and for's tum equal to the the committee conceive it proper, and poled by the fecretary of the trea-caule France, Holland and Spain being four against the English, by

As to the articles paying a duy the war, they cannot become our 850,000 at least; more, they think, of 10 per cent. of valorem, which competitors for the direct supply of are very numerous, and of grat thois countries. That as to the value, including all woolen gools, indirect supply, through the ports white co tons and nankeens, with of Germany and Portugal, especialother articles of less in prizace, y the former, which are by far the the committee are of opinion with mell confiderable, we can furnify the fecretary of the treasury, that it on better terms than they; because an additional duty of two and a half they are excluded from many of the The first point which presented it. In about twenty four years. This is tary of the troadury, gives him more per centum on the value of the ar- countries where the commodities elf for the confideration of the com- the plan heretofore adopted by Con- exact and extensive information on ticle, may fafely be laid on them. ere produced, and because their trade The present duties on all articles with the north of Germ my, is expaying a rate per centum ad valo-posed to great danger and interruprem, of which the 10 per cent. ion from the French and Dutch constitute a great proportion, pro- privareers. And finally, that the bably two thirds, were fixed in English are the less able to enter in-1792, except a few, which were o a competition which we ought to railed from 10 to 12 1-2 per cent. tread, inasmuch as the monopoly in 1797 : and they produced their if their Eaft India trade by a parocular campany, prevents individual enterprize and ingenuity fr m being of 1798, the nett product of thefe excited in corrying it en, upon the .. duties rofe from dollars, 2,319,817 best terms; and as the English goto 2717,657; as appears by a verament infelf has laid a duty on Ratement (No. IV.) which is fub-joined to this report. The increase, exports, during the war, equal to that proposed by the plan under conindeed, must probably have been fideration; to that her merchants greater, as the returns for the laft and ours being on an equal footing, mentioned year, 1798, are very in that respect, they could not under incomplete; two quarters being bid us, in the foreign markets to wanting from Philadelphia, which both refort. many from Charleston, and four From hence it was concluded, from Savanna; which deficiencies hat while the war in Europe, and will, probably, be found to have produced a greater deduction from he product in 1798, than can have been meant for, by the addit onal durieslaid to 1797. This progressive in-crease, notwithstanting the inter

ed to the amount propoled.

mediate fluc uation, appears to the

fecretory, the tax en drawbacks, it altogether the trade whereon it must apppeared liable to more doubt.

tatien, confifts in con modities, chiet-can be colleded. appears from the average that this ly lugar and coffee, which we bring Whether we could be able to fall is more than counter_balances, troja the East and Weft-Indies, and monepolize the bufinefs in question, afterwards carry to Europe, for the to fuch an extent, as to have it in confumption of France, Holland and our power to lay our own price on Germony; and in Eaft-India and the commodities which compele it, China poods, wherewith we topply was faid to be very uncertain, for the people of the Weft- Indies, and various reasons. First, because the of South Americs. That the com- Englith poffels very far the greater merce of France, Holland and Spain part of those places, in the Eaft being annihilated by the events of the and Weft-Indies, where the valuawar, and that of Sweden and Den-ble commedities corfumed in Eutherto, been injudiciously laid ; fo mark very inconsiderable, the carry rope are produced, and their mering trade may be confidered as almost chants can carry them directly from exclusively pelleffed by the English thence to the ports of Germany or and ourielves. That the Englist, of Denmark and Sweden, from being at war with France, Spain and whence they would find their way whereon the duty is comparatively Holland, and thereby excluded from into Holland and France. Secondlow. There is reason to believe, the peris of those nations in Europe, ly, because the dury on experts at the committee are informed by Asis and America, cannot enter into laid in England may existy be athe fecretary of the treafury, that a competition with us, in the bulinefs voided by her merchants, by means much lole to the revenue has already of topplying their polleflions, efpe of going directly to the foreign been experienced, from this cause, cially those in S. America and the markets, inflead of first touching The plan contained in his new West- Indies, with East India and at home, and the dangers of privatariff (fee paper B.) propofes to re- China goods ; and that we, conte-teers is greatly lettened, by the paratory arrangements, moreover, for house, exceeds in product the first move this cause, by a different ad- uently, having the exclusive posses, convoy which she gives to her trade,

he prefent state of things resulting from it, fhall continue, and a tax on drawbacks fuch as that proposed, would be a tax, not on our own commerce or our own merchants, but on foreign nations; who being confumers of the re-exported commonities, wherein the tax would fall in the first instance, and being affected by the present duty; which compelled, during the war at least may, therefore, be fately augment- to purchase those commodities from is alone, would be under the ne-There is another confideration on reflity of repaying to us the tax, this head, which is conceived to be in addition to the price which we of gre t weight. These prices are thould otherwise demand. general freght, and in ships of great the whole argument rests on the

value ; which cremmitunces to much supposition, of our being able to we call the flitticu y and hazard of effect two things, both of which thinggling, as to leave little danger namely to monopolise the business of supplying the courtries in queftom tion will bear. They are, mere-tion, with Eatt and Weft-India over in the fame fewation with many other articles, such as mindles, musling the sand coloured to tens, which now are constituted by the sand coloured to tens, which now are constituted by the sand coloured to tens, which now are constituted by the sand to the sand coloured to tens, which now are constituted by the sand to the s pay the proposed duty of 12 1 2 per are carried to the places where they The average nett product of the ff, by railing the price of the com-The average nett product of the advalorem duties, from 1794 to 1798 modities, we should raise up competitorive, a period of five years, being dollars 3,181,173, as appears from the statement above mentioned; by taxing them on their arrival in the IV.) is follows, that if the IO. (No IV.) a follows, that if the 10 our own ports, remains, to carry per sens be supposed to constitute them directly from the places of twoth rds of the whole mals which is their production, to the places probably the cale, the additional 2 where they are to be confumed, 1-2 persecut, propoled to be lad on without landing them in this counterm, would preduce dollars, 600,000 lery; we should, in either case lose As to the third proposition of the the duty; in the first by ruining

depend; and in the fecond, by In topport of the plan, it was urged turning the trade away from our that the great mots of our re-expor-own posts, where alone the duty