

**REPORT.**

The Committee of Ways and Means who were instructed to enquire into the expediency of discontinuing the Office of Commissioner of Loans, in the different states.

**Report.**

That conceiving this establishment may be considered as a part of the contract between the public and its creditors, which is contained in the act, "making provision for the debt of the United States," passed the 4th day of August, 1790; believing that the abolition of the loan offices, by impeding the facility of transferring the debt, may tend, in some degree to impair its value; unwilling to advise a measure which may, in any manner, however remote, affect the public credit, or which may be construed into a breach of the public faith the committee respectfully recommend the following resolution.

Resolved, That it is inexpedient to discontinue the office of commissioner of loans in the several states.

**TREASURY DEPARTMENT,**

28th November, 1803.

**SIR,**

In conformity with your letter of the 19th inst. I have the honor to submit the following facts and observations respecting the practicability and expediency of discontinuing the Office of Commissioner of Loans in the different states, and of transferring the duties of that Officer to the Treasury Department.

There is a Commissioner of Loans in each of the thirteen states, which composed the Union on the 4th day of August, 1790, when the act making provision for the debt of the United States was enacted; and the whole of the domestic debt of the United States is credited to the Stockholders for the sums to which they are respectively entitled, on Books kept either by one of the commissioners aforesaid or by the Register of the Treasury.

The debt is transferable only on the Books of the Treasury or of the said Commissioners respectively, upon which the credit for the same exists at the time of transfer, by the stockholder or his Attorney: and the interest is paid and the reimbursement of the principal effected wheresoever the credit for the stock exists at the time when such interests become due or such reimbursement is made. But the interest and reimbursement which may remain unclaimed for nine months, are afterwards payable only at the treasury: And the proprietor may at any time have their stock transferred from the books of one Commissioner to those of another Commissioner, or to those of the Treasury, and from those of the Treasury to those of a Commissioner.

During the last fourteen days of every quarter, all the abovementioned books are shut, and no transfer whatever can be effected; that period being employed in calculating the amount of interest and reimbursement payable on the first day of the succeeding quarter to each stockholder, and in transcribing the same on what are called the "dividend books" for that quarter. The sum payable on the treasury books is then, together with the dividend books relative to it, deposited in and paid at the office of the Bank of the United States at Washington, to the proprietors, that part excepted which is payable to Stockholders (principally foreigners) who have given permanent powers of Attorney to the Bank of the United States, and which is remitted to that Institution at Philadelphia. The Commissioners of Loans of the States of Maryland, Delaware and Pennsylvania, have generally, though not always, completed their calculations and communicated the result to the Treasury, early enough to enable the Secretary to remit to them the precise amount wanted, before the first day of the quarter. To every Commissioner, whose account is not received, a sum estimated sufficient to discharge the amount payable, is remitted in time to meet the day of payment. The Commissioners of Massachusetts, N. York, Pennsylvania, South-Carolina and Georgia, deposit the money remitted to them, together with their dividend-books, in the Bank of the United States, and in its offices respectively where the dividends are paid. The other Commissioners, residing at places where there is no office of the Bank of the United States, keep the specie and pay the dividends themselves. The amount of dividends on the books of the several Commissioners which remain unclaimed for nine months, is from time to time, as the same is ascertained, paid by the Treasury to the office of the bank at the seat of government, and deducted from the estimate of advances to be made to the respective commissioners. It results from thence that the duties of the Commissioners of Loans consist in entering on their books, the transfers resulting either from sales or from transfers of stock from one office to another, in issuing new certificates in conformity with such transfers, in calculating and transcribing on proper books, for every quarter, the dividends payable on the stock then standing on their books, and in those places where the Bank of the United States has not any office, in paying the dividends.

If the office shall be discontinued, and the duties thereof transferred to the treasury, transfers must necessarily be made only at the seat of government; but for the convenience of the stockholders, the dividends payable to those whose stock now stands on the books of the several commissioners, may, although calculated at the treasury, still be paid in the several states respectively; and the place of payment altered as heretofore on the application of the parties. For that purpose the precise amount of dividends payable, may be remitted, and the dividend books be transmitted

from the treasury to the bank of the United States and its several offices at Boston, New-York, Philadelphia, Baltimore, Norfolk, Charleston, and Savannah, by whom the dividends will be paid as heretofore, without any expense to the public. A similar arrangement may be made with banks incorporated by the states, in the states of Delaware, New-Hampshire, Connecticut and Rhode-Island. The dividends and dividend books for the states of New-Jersey and North-Carolina may be sent to some officer of the United States in those respective states; and as the whole amount of dividends annually payable on the stock standing on the books of the commissioners of loans of those two states does not exceed 40,000 dollars, a commission of two per cent. on the payments made there, would cost only eight hundred dollars annually.

In order, however, to give the time sufficient for calculating the dividends on the whole debt, and for remitting the amount in time to the most distant states, the period assigned to that operation, and during which the books shall be shut, and no transfer can be effected, must be extended from fourteen to at least twenty-one, and probably twenty-eight days.

The number of additional clerks wanted at the treasury to perform the duties transferred from the commissioners of loans, must be calculated not from the amount of stock now standing on their books, but from the number of persons holding that stock; as it is that number which regulates both the number of transfer, entries and new certificates, and that of the dividends.

The number of stockholders on the treasury books, is now 2152, and on the books of the several commissioners of loans, 12,034. Three clerks are necessary to prepare, within the last fourteen days of the quarter, the dividend books for the stock standing on the books of the treasury; but as that period must be extended, and as there are now three other clerks in the several offices of the treasury, whose duties relating principally to the loan offices, would cease under the proposed arrangements; these, & eight additional clerks whose compensation shall not exceed 6000 dollars, will certainly be sufficient to execute all the duties now performed at the expense of 26,000 dollars, by the 13 commissioners, and the 21 clerks allowed to them. An alteration in the distribution of the duties now assigned to the several clerks in the treasury; or, in the mode of preparing the dividend books, may perhaps, if the arrangement shall be adopted, and after its operation shall be fully understood, render hereafter a smaller addition necessary; for the transfer would not alone employ the whole of the time of eight clerks during the two first months of each quarter. The Register does not think it prudent however to undertake at first with a less number, the performance of the additional duties which will thus be transferred to his office.

It appears from thence that the proposed arrangement is practicable, and that it will unite the advantages, by concentrating at the treasury all the transfers, accounts and payments relative to the public debt, of securing more completely the public from any possible danger of fraud or delinquency, and by the suppression of offices, of saving an annual expense of 20,000 dollars. But although the stockholders may receive their interest with the same convenience as heretofore, it is not believed that any mode can be devised which will not be productive of some inconvenience and delay in cases of transfers.

As the transfer must be made at the treasury; whenever a sale of stock shall be effected at a distance from the seat of government, it must be done in the same manner as when American stock is sold in foreign countries, or in the United States out of the cities where the loan offices are kept; that is to say, the stockholder who intends to sell must execute a power of attorney in the name of some person residing in the city of Washington, and to be designated by the purchaser, authorising him to transfer the stock to the credit of the purchaser. The power, and certificate of the debt being delivered to that purchaser and by him transmitted to the attorney at the seat of government, will enable that attorney to have the transfer effected, and to obtain a new certificate in the name of the purchaser, who will therefore receive the evidence of the debt a few days later than if the transfer had been effected on books kept at the place of his residence.

This, however, appears to be the only inconvenience which will result from the suppression of the loan offices; for an arrangement may easily be made, by which, the papers may be transmitted and the transfers effected by a public officer acting as attorney, and without any expense to the parties.

It may not be improper to add that a difference of opinion may perhaps exist on the true construction of the act making provision for the public debt of the United States, passed on the 4th day of August 1790.

The 3d, 4th and 5th sections of that act offer certain terms to the proprietors of the domestic debt of the United States, on which they were invited to subscribe to the loans which constitutes the greater part of the existing domestic debt.

The three next following sections establish the loan offices, and regulate the manner of effecting transfers, and of paying the interest. If these sections shall be considered to be like the 15th section of the same law, mere official regulations adopted for the purpose of executing at that time with more convenience, the operations of government, they certainly may be repealed at the will of congress. If they shall be viewed as making part of the contract then entered into with the public creditors, the provisions they entered into are unalterable without the consent of the creditors.

Two statements are annexed which will shew the amount of domestic debt, which on the 13th of June last, stood on the books of the several commissioners, and at the treasury, and the amount respectively owned by foreigners, by states, by banks and other incorporations, and by individuals residing in the United States.

I have the honour to be, with respect, Sir,

Your obedient servant,  
**ALBERT GALLATIN.**

Honorable John Randolph, jun. Chairman  
of the committee of ways and means.

**A Statement of the Funded Debt of the United States, on the Books of the Treasury, and those of the several Commissioners of Loans, on the 30th June, 1803.**

Shewing also the number of Stockholders on the said Books, and the amount of the Dividends for one year.

On what Books.	Six per cent. Stock, nominal amount.	Three per cent. Stock.	Deferred Stock, nominal amount.	Eight per cent. Stock.	Five & a half per cent. Stock.	Four & a half per cent. Stock.	Five per cent. Navy & 6 per cent. Navy, 1796.	Total amount of Stock on the several Books.	Dividend on all the Stock for one year.	Number of Stockholders.
Treasury,	11,524,021 23	7,639,332 03	4,565,608 77	304,500	1,221,700	57,800	88,900	25,339,868 03	1,615,678 86	2,132
New-Hampshire,	215,693 72	163,726 36	115,638 21	7,600	—	—	257,700	501,658 29	31,995 34 5	171
Massachusetts,	5,145,829 48	2,451,759 51	1,003,491 73	1,252,400	—	—	10,000	11,557,080 72	784,036 98 2	4,109
Rhode-Island,	283,586 44	216,165 85	144,422 84	53,000	—	—	2,000	827,375 13	55,181 71 8	471
Connecticut,	774,635 88	436,783 19	423,615 76	1,431,200	—	—	118,600	1,692,051 83	113,484 98 7	710
New-York,	4,362,929 79	3,243,484 30	2,403,318 83	—	87,300	5,400	80,000	11,739,132 92	770,155 41 9	2,204
New-Jersey,	196,158 61	116,546 89	110,338 45	19,700	—	—	98,600	443,729 95	29,691 25 2	212
Pennsylvania,	3,419,341 33	3,430,266 71	2,810,234 03	2,888,700	103,700	105,800	98,600	12,854,712 09	848,065 12 9	2,746
Delaware,	63,925 73	37,552 93	23,223 21	48,700	—	—	2,800	175,439 87	11,097 54 2	46
Maryland,	846,865 19	411,821 72	162,032 37	300,300	—	—	26,900	1,023,517 28	61,310 59 6	137
Virginia,	436,863 69	283,384 36	196,925 35	26,100	—	—	26,900	969,173 40	63,876 65 4	376
North-Carolina,	36,244 91	41,829 2	23,777 88	22,500	—	—	108,100	123,818 81	7,840 70 5	43
South-Carolina,	4,362,940 29	611,927 61	648,526 23	135,700	—	—	108,100	2,767,504 76	188,618	727
Georgia,	87,105 57	10,611 67	12,587 16	—	—	—	—	110,324 40	8,394 36 9	92
	28,155,585 51	19,073,695 15	13,647,800 82	6,466,600	1,847,400	—	788,600	70,154,781 48	4,590,628 25 8	14,236

**TREASURY DEPARTMENT.**

REGISTER'S OFFICE, 30th November, 1803.

I Certify that the above schedule, in amount, accords with the Treasury Books, viz.

Amount as above stated, 70,154,781 48

Add warrants and certificates outstanding, 94,846 04

Total nominal amount possessed by creditors, \$ 70,249,627 52

Add amount of stock to the commissioners of the sinking fund, 5,842,307 49

Total amount of the funded debt, 30th June, 1803, \$ 76,091,935 01

**JOSEPH NOURSE, Register.**

[A] Amount of dividends as above stated for one year, \$ 4,590,628 25

Add dividends upon outstanding stock, viz. on 33,276 59 6 p. ct. stock at 8 p. ct. 2822 12

21,197 5 3 per cent. at 3 p. ct. 635 91

26,072 40 deferred, at 8 p. ct. 2085 79

9,200 8 per cent. at 8 p. ct. 736

3,100 navy, at 6 p. ct. 186

94,846 04 Total dividends, Dollars 4,597,094 07

[B] Nominal amount as above, Dolls. 70,249,627 52

Deduct redeemed 1st Jan. 1804, calculated per table, viz.

6 per ct. stock } 28,155,585 51

Do. outstanding, 35,276 59

28,190,862 10 at 25 <sup>11238</sup>/<sub>100000</sub> 6,515,677 14

Deferred stock } 13,647,800 26

Do. outstanding, 26,072 41

13,673,872 67 at 6 <sup>27311</sup>/<sub>100000</sub> 871,806 35

7,387,483 49

Total unredeemed domestic debt, on the 1st Jan. 1804, payments for lands from 1st July, 1803, to 31st of December following, excepted, Dollars 62,667,144 03

**SCHEDULE showing the amount of Stock possessed by creditors under the following denominations, on the 30th June, 1803.**

STOCKS.	ENGLISH.	DUTCH.	All other Foreign Creditors.	Total Foreigners.	STATES.	Incorporated Bodies.	Domestic Individuals.	Total Dollars.	Cents.
Six per cent. Stock.	3,447,672 85	7,283,492 58	928,951 69	11,660,117 12	2,306,253 43	5818,798 95	8,448,316 01	38,225,585 51	
Three per cent. Stock.	6,663,371 75	3,929,397 13	663,868 08	11,256,637 96	1,728,126 40	1,028,929 86	5,086,091 93	19,072,695 15	
Deferred 6 per cent.	4,207,053 35	1,903,718 59	566,075 86	6,676,847 80	1,558,084 69	1,563,669 91	3,869,188 42	13,647,800 82	
Eight per cent.	787,500	136,200	303,900	1,227,600	14,100	1,249,100	3,975,800	6,487,500	
Five & 1/2 per cent.	727,500	445,700	97,400	1,270,600	—	204,600	372,300	1,847,500	
Four & 1/2 per cent.	41,000	0,000	—	41,000	—	108,200	17,300	176,000	
Navy 6 per cent.	8,100	11,400	2,300	21,800	—	123,100	561,700	708,600	
	15,882,797 95	13,692,918 30	2,548,495 63	32,119,211 88	5,608,564 52	10,096,398 72	22,330,606 36	70,154,781 48	

**TREASURY DEPARTMENT,**

Register's Office, 30th Nov. 1803.

I Certify, that the above schedule, in amount, accords with the Treasury Books, viz.

Amount as above stated, 70,154,781 48

Add warrants and certificates outstanding, 94,846 04

Total possessed by creditors, nominal amt. [A] \$ 70,249,627 52

Add amount of stock to the credit of comm'rs of the sinking fund, 5,842,307 49

Total amount of the funded debt June 30, 1803, \$ 76,091,935 01

[A] Nominal amount as above, 70,249,627 52

Deduct redeemed, Jan. 1, 1804, 7,587,485 49

Total unredeem'd domestic debt, Jan. 1, 1804, exclusively of payments for lands from 1st July to 31st Dec. 1803, \$ 62,667,144 03

**ANECDOTE.**

Two old Jews, who go about the streets dressing in old clothes, passing by a gentleman's table, were so fascinated by a couple of jackets, belonging to the two politicians, that they could not resist the temptation of adding them to their stock in trade. While they were secreting their prize, the two owners returned from a public house where they had been drinking a pot of porter, and saw the transaction. They rushed out, seized the jackets, looked them up in the table, and went in quest of certain things which profited better than a penitence. They then returned, and the two Jews took to face and smiling together their heads, incased them with warm trowsers' wax. As soon as the wax was cold and a sufficient number of spectators gathered together to view their unusual Jewish hug, the politicians at intervals, applied a few pinches of snuff, which evoked such a convulsion of noses, and such freezing and spattering in each other's faces, that while it inflamed the fervent punishment on the thieves, the spectators were highly pleased with the spectacle of distributive justice. London Paper.