

*M. Carlton*

# THE NORTH-CAROLINA MINERVA.

R A L E I G H :— P U B L I S H E D E V E R Y T U E S D A Y B Y H O D G E & B O Y L A N .

Twenty-five Shillings per Year.]

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V O L . V . N U M B 2 6 0 .

## A LETTER

From ROBERT GOODLOE HARPER, of South-Carolina, to his Constituents.  
(CONCLUDED)

In 1790, we had a debt of seventy six millions of dollars, transmitted to us from the old confederation, without a shilling of revenue to pay the principal or interest, or even to defray the most necessary expences of government. This heavy debt, the price of our independence, the federalists have liquidated, and provided for. They have punctually paid the interest, discharged a considerable part of the principal, and established permanent and solid revenues whereby the interest will be regularly paid, the amount of principal gradually reduced, and the whole debt extinguished in about twenty four years. An idea of the magnitude and difficulty of these operations, may be formed from the sum required, and actually paid, for the interest of this debt, previous to the year 1800. This sum amounts to upwards of twenty three and an half millions of dollars. In addition to this enormous sum, the payment of which was absolutely necessary, the federal administration had been under the necessity, prior to the year 1800, of paying upwards of five hundred thousand dollars, for incidental claims arising under the old government, but not included in the amount of liquidated debt; one hundred and sixty four thousand, for debts due to foreign officers who served with us in the war; one hundred and sixty nine thousand, for certain parts of the old debt which were not funded, and are not included in the above amount; nine hundred and eight thousand for pensions to invalid soldiers who served in the war; three hundred and forty seven thousand for the erection and support of light houses for the security of trade; for the protection of our coasts and cities by the fortification of ports and harbours, five hundred and forty six thousand, for making and preserving peace with the Indian tribes; one million two hundred and fifty thousand, for suppressing two insurrections in Pennsylvania; one million six hundred and eighty two thousand, for redeeming our citizens in captivity among the Algerines, and for making and preserving peace with them and the other Barbary powers; two hundred and thirty nine thousand, for establishing boundary lines between us and Spain and Britain, and carrying into effect our treaties with those nations; and one hundred and thirty four thousand for the census taken pursuant to the constitution. In addition to these heavy expences, which were indispensable, and which amount together to five millions nine hundred and thirty nine thousand dollars; the support of the civil government, in all its various branches and departments, had required, from the time of its establishment to the beginning of 1800, the sum of four millions two hundred and sixty five thousand dollars; the Indian war which the federal government had been compelled to maintain on the frontiers, had occasioned an additional expence of at least five millions; the military establishment, including this sum of five millions, the purchase of arms and military stores, and all the additional expence of our preparations for defence against France, had cost thirteen million eight hundred and thirty thousand dollars; our negotiations and intercourse with foreign nations, including the missions to France which were very expensive, the extraordinary mission to England, and the maintenance of all our Ministers abroad, had cost seven hundred and fifty nine thousand dollars; and lesser expences, for a variety of incidental objects, amounting in the whole to a very considerable sum, had been necessarily incurred.

All these heavy demands have been met and answered by the federalists, in the course of their short administration; and although at first, before their system of revenue had come into effective operation, they were under the necessity of contracting a new debt, for immediate purposes, they have long since extinguished not only that new debt, but a very considerable part of the old one, and have provided the means of annual payments, capable of extinguishing the whole within a reasonable time.

It is true that their preparations for defence against France, by sea and land, compelled them to employ in that way, a surplus of revenue which would, otherwise, have been applied to the extinguishment of former debt; and even obliged them to contract a new one of six millions and an half of dollars. But for this debt they have

purchased the safety and honor of the nation, the protection of its trade, and respect to its rights in time to come. Surely if the purchase had stopped here, it would yet have been a cheap one; but it did not stop here. With that sum the federalists have purchased in addition, not only a large quantity of arms, and of military and naval stores for future use, but also a navy consisting of thirty nine vessels of various size and force, mounting upwards of eight hundred and seventy guns, and manned with upwards of seven thousand seamen and marines. They have also made considerable progress in the establishment of navy yards, docks and wharves, and in preparation for building six seventy fours. This very valuable public property, the instrument of our present security, and the sure preface of our future greatness, the federalists have obtained for their country, by contracting a debt very inconsiderable in itself, and the means of readily extinguishing which they have also provided.

How have they effected all this? By means of a revenue derived from commerce, which their protection and encouragement of commerce has enabled it to afford; a revenue which is paid without being felt; which bears equally, and most lightly, on every class, and every individual of the community; which imposes a less burden on the people of the United States than those of any other nation bear; and which, being bottomed on the consumption of the country, must increase gradually, but permanently, with its increasing population and wealth.

The increase of this revenue hitherto, is at once the most flattering and the most solid proof, of the wisdom of that political system which they have devised and established.

The impost and tonnage duties, which form the great mass of this revenue, were laid in the year 1789, but were not raised to near their present rate, till about 1794. In 1797, some augmentations were made which have produced their effect on the receipts into the treasury; and in 1799, further augmentations, to the estimated amount of about nine hundred thousand dollars, took place. But this last augmentation has not yet been felt in the receipts. Taking therefore the amount of these duties in 1795, when the first augmentations had existed long enough to produce their full effect, and comparing it with their product in 1800, when the effect of the last augmentation had not yet been felt, we shall find that they have increased from five million five hundred and eighty eight thousand dollars, their amount in 1795, to eight million eight hundred and forty seven thousand, which they yielded in 1800. After making full allowance for the augmentation of duty which took place in 1787, this gives a clear natural increase in this revenue, of fifty per cent in five years; which is ten per cent annual increase on the whole amount of each year's product. In 1792 this revenue suffered a considerable depression; because in that year the effects of former depredations on our commerce were most strongly felt, and the benefits arising from our navy and other defensive measures, had not yet been experienced. The revenue, therefore, sunk in 1799, from seven million four hundred thousand dollars, which it produced in 1798, to six million four hundred and thirty thousand. But in 1800, when our defensive measures, and especially the protection afforded to our commerce by the navy, had produced their full effect, the revenue rose suddenly to eight million eight hundred thousand dollars.

This progressive and solid increase of our revenue for five years, which has not been confined to the impost and tonnage duties, but has extended itself to the stamps, the still tax, the postage of letters, and every other branch of the taxes, enables us to calculate, with great certainty, the future amount of income which we may expect, if our affairs be well conducted; and, by comparing it with the probable amount of our expediture, to form a just idea of the power and resources which the government may possess in time to come.

Our revenue for the present year, supposing the product of the duties to be only as large as it was in the last, will amount to something more than nine millions eight hundred thousand dollars; exclusive of payments on account of the direct tax; from which three hundred and eighty one thousand dollars were received last year, and a much greater sum may be expected in the present year. Of this total amount, eight

millions eight hundred and forty seven thousand dollars are derived from the impost and tonnage duties; eight hundred & sixteen thousand, from the internal duties, on distilled spirits and stills, auctions, retailers licenses, riding carriages, refined sugar, and stamps; eighty thousand from postage of letters; and the rest from several smaller sources of revenue. If to this we add six hundred thousand dollars for receipts from the direct tax, which may be safely relied on, as the whole amount is two millions; and no more than three hundred and eighty thousand have been yet received; and add also nine hundred thousand for the augmentations made on the impost duties in 1799, it gives us a revenue, for the present year, of eleven million three hundred thousand dollars, exclusive of any increase in the product of the present duties.

But if we suppose those duties to increase in the present year, at the same progressive rate as for the last five years, the increase will amount to nearly one million; which added to the former amount gives a revenue of at least twelve millions for the present year.

To this sum we must add about two millions which remain as a surplus from the last year; a surplus occasioned by the vast increase in the product of the duties, between the last and the preceding year. Our funds for the present year, therefore, are fourteen millions of dollars. Let us see what are to be our expences.

The expences arise in the first place from our debt; in the second, from the support of our civil military & naval establishments; in the third, from our intercourse with foreign nations; and in the fourth, from various incidental and contingent charges, which must always be expected to occur in conducting the affairs of a great nation.

The expences arising from our debt, consist in the payment of the interest, and in annual payments for the gradual extinguishment of the principal; and they amount, for the present year, to about six million one hundred and forty three thousand dollars. Of this sum about three million four hundred and sixty seven thousand dollars, are for the six per cent stock, and include not only the interest, but two per cent on the amount of the principal, which is annually paid for its extinguishment. These six per cents constitute the great mass of our debt. A considerable part of them, formerly called the deferred debt, did not bear interest till the present year. Nearly one million, go to the foreign debt; part for interest, and part for the discharge of the principal. Something more than six hundred and six thousand, are for the three per cent, four and a half and five and a half per cent debts, the interest only of which is paid. Five hundred and seventy four thousand are for the interest of the debt contracted by the preparations against France; and the rest for the principal and interest of sums formerly borrowed from the banks.

The sum appropriated in the present year for the support of the civil government, in all its branches and departments, including intercourse with foreign nations, and every incidental charge connected with the civil establishment, amounts to about one million one hundred and fifty three thousand dollars. Those for the military establishment, including the Indian department; four hundred thousand dollars for the fabrication of cannon and small arms, and the purchase of ammunition; two hundred thousand for the fortification of ports and harbours; and ninety three thousand for pensions to invalid soldiers; amount to two millions and sixty three thousand. Those for the navy, including the support of the marine corps; five hundred thousand dollars for completing navy yards, docks and wharves, and finishing the six seventy fours; twenty thousand for the erection of marine barracks; and seventy five thousand for the maintenance of French prisoners; amount to three million and forty two thousand. The reduction of the navy, however, to a peace establishment, will diminish this branch of expence about one million; so that we may take two millions for the navy expences for the present year.

These various sums taken together, amount to eleven million three hundred and fifty nine thousand dollars. Deduct this sum from fourteen millions, the amount of our income for this year; and it leaves a clear balance of two million six hundred and forty one thousand dollars.

Such is the inheritance which the fede-

ralists transmit to their successors: peace abroad; order and a well established government at home; a national character exalted; public credit firmly established; a respectable and increasing navy; a decreasing debt; a prosperous agriculture; a flourishing commerce; an augmenting revenue not felt by the people; and a balance in the treasury to the amount of two millions and a half of dollars.

The amount of revenue will be diminished after the present and the next year, by the deduction of receipts from the direct tax; the whole of which, or very nearly the whole, will then have been collected; but this reduction will be more than compensated, by the gradual increase in the product of the duties. For the last five years this increase, in the impost and tonnage duties, has been at something more than the rate of ten per cent each year, on the product of the former years. As those duties produced eight million eight hundred thousand dollars, last year; they must, at that rate of increase, produce about nine million and a half in the present year, exclusive of the augmentations laid on them in 1799. If we add only five hundred thousand dollars for the amount of those augmentations, and they were estimated on solid principles at nine hundred thousand, we shall have at least ten millions for the whole product in this year. Supposing this to increase for the next five years, only six per cent annually instead of ten, and we shall have next year ten million six hundred thousand dollars; in the year after eleven million three hundred thousand; and in the year 1805 thirteen million. If we suppose, as we are justified by experience in doing, that the other branches of our revenue, which now produce about one million, will increase in nearly in the same proportion, they will, in 1805, produce about fourteen hundred thousand dollars; which added to the impost and tonnage duties, will give us, in that year, a clear solid and constantly increasing income of more than fourteen millions of dollars.

Our expences on account of our debt, will be increased after the present year; because greater payments for the principal of the foreign debt will then become due. The payments on account of that debt, including principal and interest, which are only nine hundred and ninety five thousand dollars this year, will, in the next, be one million nine hundred thousand; and in the year following, namely 1803, will amount to two million six hundred and forty one thousand. The surplus for the present year, however, and the increase for future years, will be sufficient to meet those large payments; more especially as our expences in the military and naval department, may be diminished after the present year, by the amount of several items which will not be hereafter necessary. Of this nature are seventy five thousand dollars for French prisoners; twenty thousand for marine barracks; two hundred thousand for fortifications; four hundred thousand for the fabrication of arms; and five hundred thousand for completing the six seventy fours: the objects of most of which appropriations will be accomplished or removed; and the rest may be deferred until the payments on the foreign debt are effected. After the year 1803 those payments gradually diminish, till 1809, when they will wholly cease by the final extinguishment of the foreign debt. Thus an annual sum of about a million and a half, which will be required on an average for the payment of the foreign debt, will be set free, and added to the surplus of revenue at the disposal of the government.

That surplus, calculating as we may safely do, on the permanent and progressive increase of the revenue, will then amount to at least three millions annually; which may be employed in the extinguishment of those parts of our debt which are not in a course of discharge by annual payments; in building a powerful navy; in providing completely for the protection of our cities and coasts, by the fortification of our ports and harbours; in bringing the various parts of our country nearer to each other, by means of roads and bridges; in opening its inland water communication by canals; in the erection and endowment of institutions for education; and, in fine, in all those public undertakings by which a wife and foreseeing government knows how to promote the public happiness and prosperity; to strengthen, enrich and embellish a country.

And when the injustice of other govern-