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REPORT.

The committee of ways and means, to whom it was yeſterday referred, by a reſolution of this houſe, to enquire and report, "whether the commiſſioners of the ſinking fund have, agreeably to the act "making proviſion for the redemption of the whole of the public debt of the United States," applied the ſum of ſeven millions three hundred thouſand dollars, to the payment of the principal and intereſt of the public debt? And alſo, generally to enquire into the accounts and proceedings of the commiſſioners of the ſinking fund;" have, according to order, proceeded therein, and beg leave to report:—

That purſuant to the directions of the committee, a letter was written, and addreſſed by the chairman of the committee, to the ſecretary of the treaſury, covering a copy of the reſolution of the houſe; and alſo, a ſtatement of queries thereon, to which the anſwer of the ſecretary was required—and that to his anſwer, which together with ſundry explanatory documents, is annexed to this report, the committee beg leave to refer, and requeſt that it may be conſidered as part of their report.

March 2d, 1803.
At half paſt 6 o'clock, P. M.

Sir,

The encloſed reſolution this day paſſed the houſe of repreſentatives—the annexed paper, marked (A 1.) contains the objections ſtated by the mover of the reſolution, to which you are requeſted, if practicable, to return an anſwer previous to the diſſolution of Congreſs. It may be neceſſary to remark, that the objections to the report of the commiſſioners of the ſinking fund, conſiſted principally of a ſuppoſed variance between the ſtatements contained in that report, and thoſe ſubmitted by the ſecretary of the treaſury at the laſt ſeſſion of Congreſs, and a denial that the ſum appropriated by the law of the laſt ſeſſion, [7,300,000 dollars] had been applied agreeably to the proviſions of the act, and that the ſum diſburſed by the treaſury on account of the public debt, has not been fully accounted for—an unaccounted balance remaining of 114,839 dollars 44 cents: moreover, that the ſum of 4,914,000 guilders is upon eſtimate.

With perfect eſteem,
I have the honor to be,
Yours,
(Signed) JOHN RANDOLPH.

Albert Gallatin,
Secretary of the Treaſury.

(A. 1.)

1. Have the commiſſioners of the ſinking fund applied the ſum of 7,300,000 dollars to the payment of the public debt, in the year 1803? If they have not applied it, why has it not been done?

2. What was the true amount of intereſt on the public debt for the year 1802? And is the ſum of 4,065,738 dollars 47 cents, that true amount? A detailed account is requeſted.

3. What have been the actual remittances to Holland during the year 1802? A detailed account of all the bills, contracts, &c. is requeſted, with the names of the perſons with whom contracts have been made, and from whom bills have been purchaſed, with the price paid?

4. If the contracts and bills do not cover all the balance in the hands of the commiſſioners, an account of the remainder is requeſted, with the names of the perſons in whoſe hands the ſame remains, with the particular ſums held by each perſon.

5. What were the ſums diſburſed from the treaſury, on account of the domeſtic debt, between the 1ſt of Oct. 1801, and the 1ſt of January, 1802; and what were the ſums diſburſed for the ſame account, between October 1ſt, 1802, and January 1ſt, 1803.

6. In the treaſury report of December 1801, in table P. the intereſt of foreign debts for 1802, is ſaid to be 476,931 dollars: In table R. the intereſt is ſaid to be guilders 1,145,250—from whence ariſes the difference? How is the intereſt ſtated in table P. made up?

7. An account of the remittance forwarded to Holland, or purchaſed in 1803, is requeſted, if convenient—the account to be in detail; and likewiſe ſuch other information, as the ſecretary of the treaſury may think will elucidate the tranſactions of the commiſſioners.

Treasury Department,
March 3d, 1803.

Sir,

I, had the honor to receive laſt night, at 7 o'clock, your letter of the ſame day, encloſing a reſolution of the houſe, in relation to the accounts of the ſinking fund, and certain enquiries propoſed on that ſubject by the mover of the reſolution.

Although I may give information ſufficient to come within the meaning of the reſolution, and to elucidate the tranſactions of the commiſſioners, time will not perhaps permit, to procure all the detailed accounts ſpecified in the enquiries; all that can be examined and tranſcribed in the courſe of the day, ſhall be tranſmitted.

I muſt premiſe that I had received yeſterday from the regiſter of the treaſury, a letter hereunto annexed, (A. 2.) accompanying an official ſtatement (B.) of all the warrants drawn on the treaſurer, during the year 1802, on account of the public debt, and amounting (after deducting 119,592 dollars and 78 cents, repayments on account of the Dutch debt,) to 9,333,407 dollars 40 cents. This ſum is 39,344 dollars and 88 cents leſs than the ſum of 9,372,752 dollars and 23 cents, which is ſtated in the report of the ſecretary of the treaſury, to the commiſſioners of the ſinking fund, to have been diſburſed on that account, during that year.

This error aroſe, as ſtated by the regiſter from the neceſſity of making the report of all the tranſactions of the year 1802, in the firſt week of February, 1803, and before the books of the treaſury for the laſt quarter of that year could be poſted up.

The difference reſulting from the correction, conſiſts in that the diſburſements out of the treaſury during the year 1802, were, on account of the reimburſement and intereſt of the domeſtic debt, 4,618,021 dollars 39 cents, and on account of the Dutch debt 3,240,399 dollars 25 cents, inſtead of being 4,654,699 dollars 61 cents, and 3,243 065 dollars 91 cents, as ſtated in the report; and in that the payment in advance, and on account of the annual appropriation of 1803, was only 745,807 dollars and 40 cents, inſtead of 785,152 dollars 28 cents, as ſtated in the report.

The objects of the preſent enquiry ſeem to be,

I.

An elucidation of certain variations between the report to the commiſſioners of the ſinking fund, and that made on the 18th December, 1801, to congreſs; to which it is preſumed that the ſecond and ſixth enquiries of the mover of the reſolution refer.

In the ſtatement (P) annexed to the report of the 18th December, 1801, the intereſt on the public debt, including the annual reimburſement of the ſix per cent. and deferred ſtocks, is ſtated at 5,228,034 dollars 67 cents.

In the report to the commiſſioners of the ſinking fund, the intereſt is ſtated at dolls.	4,065 738 57	
And the reimburſement of 6 per cent. and deferred ſtocks	1,117,869 37	
Making altogether,		5,183 607 94
The difference between the two ſtatements is,		44 426 73

Which ariſes from the three following items, viz.

1ſt. The annual intereſt on the temporary loans obtained from the bank of the United States, is ſtated in the former report at dolls. 152,900, but one million two hundred and ninety thouſand dollars, of the principal of that debt having been paid to the bank on the 30th June laſt, the intereſt on that ſum ceaſed after that day; which makes the annual intereſt on thoſe loans, 35,459 dollars leſs for that year, and reduces that item in the laſt report, to 117,450 dollars, as will appear by the annexed ſtatement (C;) which, in conformity to the wiſhes of the mover of the reſolution as expreſſed in his ſecond enquiry, gives the ſeveral items of the groſs amount of dolls. 4,065,733 57 cents ſtated in the report of the commiſſioners of the ſinking fund, as the amount of intereſt for 1802.

2d. The intereſt due for 1802, on the foreign debt, is ſtated in the report of the 18th Dec. 1801, at dolls. 476,931

And in the report to the commiſſioners of the ſinking fund, as per ſtatement (C) hereunto annexed, at	467,731
Making a difference of dollars,	9,200

In both ſtatements, the intereſt, properly ſo called, is the ſame, viz. 1,145,250 guilders, equal at 40 cents per guilder, to 458,100 dollars: but the difference ariſes from the items of commiſſions and gratifications.

In the ſtatement of Dec. 1801, to the ſum of dolls. 458,100 are added the following commiſſions, viz.

One per cent. on the intereſt, equal to	dolls. 4,581	
One per cent. on 12,500 guilders, gratifications on the Dutch loans, payable that year, 125 guilders, equal to	50	
One per cent. on 3,550 000 guilders, the then ſuppoſed amount of the inſtalments, falling due during 1802, in Holland and Antwerp, 35,500 guilders, equal to	14,200	
		18,831
Making as above ſtated,		dolls. 476,931

In the report of the commiſſioners of the ſinking fund, to the ſaid ſum of	dolls. 458,100
Are added only the two firſt mentioned commiſſions, of	4,631
But, on the other hand, the gratification of 12,500 guilders, which in the report of December, 1801, is conſidered as part of the principal of the debt, and not included in the intereſt, is, in this laſt report, conſidered as part of the intereſt: it never having been the practice in former reports of the board, to include the payments of thoſe gratifications in the account of principal. This item is equal to	dolls. 5,000
Making altogether, as above ſtated,	dolls. 467,731

The reaſon why the laſt mentioned commiſſion of one per cent. on the payment of inſtalments of the principal, and ſtated in the report of 18th December, 1801, as above mentioned, at 35,000 guilders, has been omitted in the report to the commiſſioners of the ſinking fund, remains to be explained.

It had been heretofore ſuppoſed at the treaſury, that a commiſſion of one per cent. was charged in Holland, by the bankers of the United States, on the payment of the inſtalments of the Dutch debt, and it is ſo ſtated in every official report of the department on that ſubject, from that of the late ſecretary of the treaſury, preſented to the houſe on the 4th January, 1796, to that of the ſecretary, of the 18th December, 1801. An inſpection of the accounts of the bankers, and the knowledge that ſuch charges were not uſual in relation to loans obtained in Holland, have ſince ſhewn, that that opinion was erroneous, and the item is therefore omitted in the laſt report.

It is alſo proper here to obſerve, tho' noticed neither in your letter, nor in the encloſed queries, that the inſtalments payable in 1802, had heretofore been erroneouſly ſuppoſed to amount to 3,550,000 guilders, as ſtated in the report of 4th of January, 1796, and in that of 18th December, 1801, (ſtatement R) inſtead of 3,350,000 guilders, as ſtated in the laſt report to the commiſſioners of the ſinking fund; an error which aroſe from a ſuppoſition that the Antwerp loan, inſtead of being payable, as is the caſe, in five inſtalments, of 410,000 guilders each, was payable in four inſtalments, the three firſt of 600,000 guilders each, and the laſt of 250,000 guilders.

These two items, viz.

Difference on intereſt on domeſtic loans,	dolls. 35,450
And do. on do. on foreign debt,	9,200
Make an aggregate of dolls.	44,650
3d. From which muſt be deducted, a difference between the two ſtatements, in relation to the intereſt due on account of the domeſtic debt, and explained by the regiſter, in the note annexed to ſtatement (C) amounting to	223 27
Leaving for the whole difference, as above ſtated,	44,426 73

II.

It is aſked, why the ſum diſburſed by the treaſury has not been fully accounted for? Why the ſum of 5,914,000 guilders remitted to Holland beyond the amount due in 1802, is upon eſtimate? And it is aſked, why there remains a ſuppoſed unaccounted balance of 114,139 dolls. 44 cents? As tending to elucidate that part of the enquiry, the 3d and 4th queries of the mover of the reſolution apply for ſtatements of the remittances to Holland, and of the balances which may remain unexpended in the hands of agents, &c.

From theſe objections to the report, it is preſumable that ſome miſconception has taken place in relation to the mode of conducting the buſineſs of the ſinking fund.

The commiſſioners never receive any public monies, nor are they accountable for the ſums paid out of the treaſury, on account of the public debt; the perſons who, upon the warrants of the ſecretary of the treaſury, receive ſuch ſums, are immediately charged for the amount, & become then accountable to the treaſury, in the ſame manner as all other receivers of public monies.

It reſults from thence, that the diſburſements out of the treaſury, ſhew, themſelves, in what manner the money has been applied by the commiſſioners of the ſinking fund; and accordingly the annexed ſtatement (B) exhibits the advances or payments made by them, or rather by the ſecretary of the treaſury as their agent, during the year 1802, and ſhews the ſums paid or advanced, the days when, the perſons to whom, and the object for which the payment or advances have been made. There is not, and cannot be, in that reſpect, any unaccounted balance.

As to the ultimate application of the money, by the perſons to whom it has been advanced, it cannot be aſcertained with preciſion until their accounts ſhall have been rendered and ſettled at the treaſury; and it is evident that neither on the firſt week of February, 1803, nor on this day, can the accounts of perſons who received public monies in the courſe of the year 1802, be ſettled or even rendered.

It was not therefore attempted, in the report to the commiſſioners of the Sinking Fund, to ſtate with preciſion, an account of the ultimate application of the monies paid out of the treaſury during the year 1802, which ſhould balance the aggregate of the diſburſements. An attempt of that kind was impracticable for want of materials. That it was not intended is evident on the face of the report itſelf; for the items which relate to that ultimate application are not added together; two of them are explicitly ſtated to be on eſtimate; it is as explicitly ſtated that ſome proteſted bills and balances in hands of agents, are not included; and there are two prominent items amongſt the diſburſements, viz. "to foreign officers and in payments of certain parts of the public debt," which are not repeated amongſt the items relating to the ultimate application of the money, although credit would have been taken for them, had it been intended to balance the account of diſburſements, by an account of their ultimate application.

The report exhibits all that could be expected, by deſignating in the firſt place, the ſeveral general objects to which the diſburſements were applicable during the year 1802, and by giving in the next place, the eſtimated amount of remittances to Holland, which had been purchaſed on account of that part of the Dutch debt which falls due during the preſent year. If this laſt amount is ſtated, only as an *eſtimate*, it is becauſe, as has already been mentioned, the accounts in relation thereto being only rendered in part, and not being yet ſettled by the accounting officers of the treaſury; any calculations taken from the auxiliary books or regiſters of the bills purchaſed, are liable to errors, and ought not to be reported to Congreſs as an aſcertained amount.

It ſo happens, however, that if an attempt ſhall be made to ſtrike an approximated balance between the account of diſburſements and that of the application of the money, what is called an unaccounted balance will diſappear, and inſtead of it, the amount paid out of the treaſury will be found to be *leſs* than the amount applied, including balances in hands of agents, and the eſtimated unexpended balance of bills on Holland; which ſhews only that that balance has been eſtimated in the report ſomething above, and not below its real amount.

1ſt. The diſburſements out of the treaſury on account of the intereſt and reimburſement of the domeſtic debt, were ſtated in the report, at	4,654,699 61
But on account of the warrant twice included, as per regiſter's letter, (A. 2.)	36,678 22
Leaves for the true amount diſburſed,	4 618,021 39

The objects for which that ſum was advanced were:

1. On account of the intereſt on the domeſtic debt, growing due in 1802, as per ſtatement (C)	3 480,557 57	
2. On account of the reimburſement of the 6 per cent and deferred ſtock, eſtimated per do.	1,117,869 35	
	4 598,426 92	
Leaving a balance advanced during the year 1802, beyond the amount payable during the ſame, & for which ſome of the banks or commiſſioners of loans are accountable,	19,594 47	
	4,618,021 39	
2. The diſburſements on account of the intereſt on the domeſtic loans, were		162,025
The intereſt actually accrued during 1802, and which makes part of the amount ſtated in the report to the commiſſioners of the ſinking fund, as per ſtatement (C) was only	117,450	
The difference which amounts to	45,575	
		162,025

reſults from the circumſtance of the intereſt due to the bank on domeſtic loans, being always paid after it has become due: thus the ſum of 162,025 diſburſed in 1802, was applied to the payment of the intereſt which accrued on domeſtic loans, from the 1ſt July, 1801, to the 30th June 1802; and not to the payment of the intereſt which accrued from 1ſt January to 31ſt December, 1802.

3d. The payments to foreign officers, and for certain parts of the domeſtic debt, being charged in the amount of diſburſements, ought to be credited in the account of the application of thoſe diſburſements.

Thoſe two items amount to dollars	22,961 76

If therefore, there is an apparent unaccounted balance in the report to the commiſſioners of the Sinking Fund, of dolls. 114,839 44

As ſtated in your letter, the error ſtated by the Regiſter		39,344 88
muſt, in the firſt place be deducted, which will leave for the amount of that ſuppoſed balance; and the above ſtated items are fair off ſetts againſt it: viz.		75,494 56
1ſt. Advanced on account of domeſtic debt, beyond the intereſt and reimburſement of the year 1802,	19,594 47	
2d. Paid on account of the intereſt on domeſtic loans beyond the amount which accrued during 1802,	44,575	
3d. Paid to foreign officers, and for certain parts of the domeſtic debt,	22,961 76	
Making altogether an aggregate	87,131 23	
which exceeds by		11,636 67
		87,131 23

The above ſtated ſuppoſed unaccounted balance, and ſhews that ſuch balance does not exiſt; but that on the contrary, the eſtimate of unapplied bills on Holland, is in having made that amount too large. Whether that error conſiſts in having blended amongſt the bills purchaſed in 1802, ſome which were actually purchaſed in 1801, or from ſome miſtake of the clerk in entering the amount of bills purchaſed, or from having entered as purchaſed, bills which are, by contract, to be paid for only when they ſhall have been honored, or from any other cauſe, cannot, I apprehend, be aſcertained, until the accounts of the purchaſes ſhall have been regularly ſettled, by which means alone, can every error be checked and diſcovered. It was becauſe it was known that an account given at preſent, was liable to be affected by all thoſe ſeveral ſources of error, that it was preſented as an eſtimate. If it ſhall be found practicable to form and tranſcribe, in the courſe of the day, a more correct detailed account from the documents in this office, it ſhall be forwarded; but it is doubted whether it can be done; and if done, I muſt beg leave to repeat, that it muſt ſtill be conſidered as an eſtimate and a ſketch, and not as an aſcertained account. In the mean while, it is proper to ſtate, that no alteration in that eſtimate can change any general reſult, that every perſon who has received money on that account from the treaſury, has been charged and is held accountable for it, and that the error in the eſtimate conſiſts in nothing more than in