tion, other, than what results from the appropriations themselves, has been made, directing, or even authorising the application of the monies appropriated, or, in other words, authorising the expense. The only exception is that of the additional duties of 1797, in relation to which, the provision that they shall be *solely* appropriated for a certain object, may be considered as an injunction, to apply their amount, if it can be ascertained, to that object; and a difficulty would even arise, as to the manner in which that amount could be applied; the law of 3d March, 1795, having provided that all payments of the principal of the debt, shall be made under the direction of the commissioners of the sinking fund; and that which appropriates those additional duties, having omitted to vest their proceeds in the last commissioners.

III. *Operation of the preceding provisions.*

1st. The effect of the four first appropriations in favour of the commissioners of the sinking fund, is at present simply, an annual payment, out of the duties on tonnage and merchandize, of a sum, which, together with the bank dividends, shall be equal to the eight per cent. annuity on the six per cent. and deferred stocks, for the discharge of the said annuity; and those provisions will continue to operate only in that manner, until after the redemption of the six per cent. stock in 1818, or, until after the whole amount of interest accruing on the principal of public debt discharged, other than the six per cent. and deferred stocks, shall exceed the amount of the eight per cent. annuity, on the six per cent. stock. In the last case, so much of the duties on tonnage and merchandize, as shall be equal to the surplus of such interest beyond the said annuity; and after the redemption of the six per cent. stock in 1818, the whole of the interest accruing on the debt thus discharged, including therein, the said six per cent. stock, shall be applicable to the discharge of any other part of the public debt, existing on the 3d March, 1795, which shall then remain unpaid. But these two events are too remote, to be now taken into consideration. The eight per cent. annuity on the deferred and six per cent. stocks, to be thus paid annually, amounts to 3,350,362 dollars and 1 cent; of which, 70,040 dollars, at the rate of 8 per cent. dividend on the bank shares, are paid out of the said dividends; and the balance of 3,280,022 dollars and 1 cent, out of the duties on tonnage and merchandize.

2d. The proceeds of the sales of lands, and of old debts recovered, the amount of which is uncertain, and has been estimated as yielding on an average of the eight succeeding years, an annual sum of 400,000 dollars, must be annually applied to the payment, or purchase of any part of the public debt, excepting only the eight per cent. loans, and navy six per cent. stocks, neither of which existed at the time of passing, or is embraced by the provisions of the law of 3d March, 1795. And under present circumstances, those proceeds will naturally be applied to the reimbursement of the Dutch debt, so far as they can operate towards that object; but as the instalments due on that debt, amount annually for this and the five ensuing years to a sum which varies from 920,000 to 2,220,000 dollars, and which averages, for each of the said six years almost 1,600,000 dollars a year, it is evident that that appropriation is inadequate for that object.

From thence it results that for the faithful discharge of about three fourths of the Dutch debt, no other provision is made, exclusively of the authorities to borrow or to sell bank shares; except that which may result from the surplusses of revenue, or from the additional duties laid by the acts of 3d March, 1797, —that no provision until the Dutch debt shall have been discharged, nor after its payment, any other but the above mentioned proceeds of lands and old debts, is made for the purchase and redemption of any other of the debts existing on the 3d of March, 1795, or embraced by its provisions (and which consist of the five and half, four and half, three, and 1796 six per cent. stocks,) except the above mentioned surplusses of revenue—and that for the redemption of the two eight per cent. loans, and navy six per cent. stocks, no efficient provision has been made; the general appropriation of the acts authorising the two eight per cent. loans, being discretionary and not imperative; and that of the act of 10th May, 1800, being rendered nugatory so far as relates to the principal, by being applicable to the payment of any part of the interest of the public debt.

3d. The amount of the sums which, by virtue of the appropriation of the surplusses of revenue, should vest in the commissioners of the sinking fund, has never yet been ascertained; and several difficulties occur in attempting to determine the true construction of the law, by which to fix that amount. It is uncertain whether by the law of the 3d March, 1795, the surplusses of the years preceding that year are vested; whether it was intended by that law to vest in the sinking fund, the sums of each calendar year, in which such surplus did exist, without making any deduction for the years where the appropriations exceeded the revenue, or, only the real aggregate amount of surplusses, deducting the deficiencies for those years, from the surplusses of revenue for the years where the same did exist; whether the proceeds of loans should be included in the revenue; and whether the payments on account of the principal of the debt should be charged to that revenue. It does not appear that an uniform construction has prevailed in this department in relation to the two last points. Taking however the accounts, as they now stand on the treasury books, and which, until a minute investigation shall have taken place, are the only evidence of those surplusses, it appears by the statement (A) hereunto annexed, that instead of a surplus, those books exhibit a deficiency of 958,128 dollars, and 64 cents. on the aggregate revenue from the establishment of the present government, to the close of the year 1799; resulting from the appropriations charged to the revenue, having during that period, exceeded by that sum the total amount of revenue, whether collected or outstanding, as it stands entered on those books. From that very result, I am strongly inclined to suspect that some entries have been made or omitted, on erroneous principles; but it is not less evident that for the present, this appropriation of surplusses cannot be resorted to, in order to cover the deficiency stated in the preceding item.

4th. The proceeds of the additional duties laid in March, 1797, the only remaining resource for that object, not only are not by law vested in the sinking fund; but no steps whatever have yet been taken to ascertain their annual amount: and although it may be practicable, hereafter to do it, so far as they consist of specific duties, the amount of that part which consists of a two and half per cent. additional duty on certain cotton goods specified in the law, could not, without a total alteration in the manner in which duties are ascertained, by the officers of customs, be distinguished from the proceeds of the duties on other goods paying the same rate of duty ad valorem. The total amount, however, even if it could be ascertained, cannot be estimated at a greater annual sum than 500,000 dollars and this added to the proceeds of lands, and old debts, would fall far short of the sum annually wanted to pay the instalments of the Dutch debt. These instalments have heretofore been paid out of the duties on tonnage and merchandize generally, and charged to the revenue of the year in which they were paid, without paying any attention to the complex and inefficient provision made by law. It does not require any comment to prove, that provisions which leave no option between an irregular and unauthorized mode of payment, & a failure in the public engagements, are eminently defective.

The appropriations made subsequent to the 3d of March, 1795, which are not vested in the commissioners of the sinking fund, are also liable to the general objection, that for want of that investiture, and not being made in the nature of a contract with the creditors, they are not permanently inviolable, but like any other ordinary law, may, without any breach of faith, be repealed at the will of the legislature, and afford, therefore, no security for the eventual discharge of the debt. The appropriation of the surplusses of revenue, though vested in the commissioners of the sinking fund, is substantially liable to the same objection; for, as only the surplus of revenue, beyond all the appropriations charged to the same, is applicable to the payment of the debt, nothing more is necessary to defeat that provision, than large appropriations for other objects.

Not only are those provisions for the public debt difficult to be executed, uncertain in their amount, dependent on the will of the legislature, and at all events, inadequate to the object; but it is ultimately a matter of discretion with the secretary of the treasury, to carry them into effect, even in the case of surplusses ascertained and vested in the sinking fund.

All payments must be made out of monies in the treasury. An appropriation authorising and directing the annual payment of a certain sum, as in the case of the eight per cent. annuity, on the six per cent. and deferred stocks, must be satisfied each year out of those monies. An appropriation, designating, for a certain object, all monies arising from a certain source, as in the case of the proceeds of the Western lands, and of old debts, is equally efficient, as those monies cannot be applied to any other object. But the other appropriations for the redemption of the public debt, are neither accompanied with an imperative clause directing their application, nor, the 1797 additional duties excepted, bottomed on a distinct source of revenue, solely applicable to that object; & they rest, in common with all the appropriations for the civil, military and naval expences of government, partly on monies in the treasury, and principally on the outstanding uncollected revenue. The aggregate of all these several kinds of appropriations, uniformly exceeds the monies in the treasury, and it remains always optional with the secretary of the treasury which of them he will satisfy; and where the law does not direct in express terms the payment of a debt, it is left to his discretion whether he shall pay it or not.

The object of the law of the 3d of March, 1795, seems to have been, to make an efficient provision for the gradual reimbursement of the 6 per cent. and deferred stocks, by payment of eight per cent. a year, and to pave the way for a future, though distant payment of the foreign debt, by giving to the sinking fund, the unascertained resources, which might be derived from the sales of lands, and from the surplusses of revenue, and, after the respective redemption of the six per cent. and deferred stocks in 1818, and 1824, a sum equal to the interest accruing on the debt thus redeemed. This last fund being too distant, and the other too uncertain, to rest, upon either, the payment of the foreign debt; the same act contemplated either its conversion into a domestic debt, redeemable at will, but not demandable at certain fixed periods, or its redemption by the proceeds of the sales of a stock of the same nature. It might have been unsafe at that time, and in the then existing situation of the revenue to have attempted more. But although the proposition for thus converting the foreign debt, was accepted for that portion which remained due to the government of France, and two millions of dollars in a domestic five and half and four and half per cent. stock, which remains unredeemed, were thus substituted to an equal amount of foreign debt, the plan was rejected by the Dutch creditors; and from recent information obtained in that quarter, no expectation remains of its being accepted under any modification whatever. The appropriations made since 1795, instead of being by an investiture in the sinking fund, engrafted on the plan then commenced, have been made in a detached and unconnected manner, have proven altogether insufficient, and do not seem to have produced any other effect, than that of rendering still more complex, a system in its nature sufficiently intricate. The heavy instalments of the Dutch debt, are in the mean while, becoming due, and require an immediate and efficient provision; the exorbitant interest paid on the eight per cent. loans, both of which are irredeemable till the year 1809, renders it necessary that such measures should be adopted, as may at least, ensure the certainty of their reimbursement, as soon as by their terms, government may do it; and both with a view to that object, and on account of their being at all times demandable, it is of importance, that the temporary loans obtained from the bank of the United States, should be discharged as soon as the situation of the treasury will permit it. Nothing seems necessary for those several objects, than to make for the debts which are intended to be discharged, as adequate a provision as is made, by the act of 3d March, 1795, for the payment of the eight per cent. annuity on the six per cent. and deferred stocks; by vesting in the commissioners of the sinking fund, in addition to the other funds already vested in them, such *annual* sum, to be paid out of the duties on tonnage & merchandize, as will be equal to the proposed redemption; and by directing the commissioners to apply the same to the redemption of such debts. This provision will be determinate in its amount, simple in its execution, certain in its effect; it will neither derange, nor alter a single existing appropriation or payment in relation to the sinking fund, for which the public faith is pledged; but will leave to all the other uncertain funds of that fund, and especially to the surplusses of the revenue their legitimate operation.

The annual sum of 7,300,000 dollars was designated in the report made by this department to congress, at the commencement of this session, as applicable to the payment of both principal & interest of the public debt. The interest including the eight per cent. annuity on the six per cent. & deferred stocks, amounts for the present year to 5,228,000 dollars. Which would leave something less than 2,100,000 applicable to the redemption of the principal of all the other debts.

Of this sum it may be estimated that about 900,000 dollars are produced by the proceeds of lands and of the additional duties of 1797. The actual additional appropriation, on the principles of that report would not exceed 1,200,000 dollars.

In proposing that sum, I was guided, not by any abstract or arbitrary principles, but by the amount which was actually wanted during the present and the two ensuing years, in order to meet the payments on account of the Dutch debt.

It is necessary for those three years, to provide to that amount; and as, in the ordinary course of things, the receipts in the treasury must be affected by recent events, to a much greater extent during the two ensuing years than afterwards, it appeared, that if it was intended to make an impression on the debt, no reason could be alledged, why the provision necessary for these two arduous years, should not be extended to the full redemption of the whole debt, or at least to the reimbursement of every part, which was not effectually provided for by the law of the 3d of March 1795. The ability of the United States with their present revenues to apply *annually* that sum to that object, rests on the correctness of the estimates annexed to the report.

These will not be affected by the repeal of the internal taxes, provided that the retrenchments made in the expenditure shall have been equal to the annual sum of 650,000 dollars, for which credit was taken in the estimate of revenue on account of those taxes. But in order to run no risk on that ground, I would suggest the propriety of a modification in the manner of making the appropriation, which will effectually guard us, should the annual amount of the net receipts in the treasury be more affected by the restoration of peace than has been expected.

It will be recollected that, on the principles of that report, provision was made, independent of the permanent revenues, to meet the probable demands which might arise under the convention with France, or the sixth article of the treaty with Great Britain. The resources estimated at three millions of dollars, which were suggested as sufficient for the present, to discharge those eventual demands, were the surplus of specie in the treasury, an eventual sale of the bank shares belonging to the U. States, the arrearages of the direct tax, & the proceeds of duties on the stamps. The deficiency arising from the repeal of the stamp duties will be more than balanced by the arrears which shall remain outstanding on the internal duties on the 30th day of June, and which will not fall short of one million of dollars; and the amount of specie in the treasury was greater by 600,000 dollars on the 1st day of January last than had been estimated. For it is proper here to state that that specie which, on the 1st day of April 1801, amounted only to 1,794,044 dollars and 85 cents, had encreased on the 31st December last, to the sum of 3,089,751 dollars and 78 cents.

Those estimated three millions may, therefore be safely relied on, in addition to the permanent revenues; and the modification which I would suggest, consists in making the payment of the eventual demands which may become due to foreign nations, conditionally payable out of the proposed appropriation of 7,300,000 dollars for the debt, with a proviso that both these demands and the temporary loans might be paid out of other monies if the situation of the treasury should permit it. The effect of this modification would be, eventually to draw the three millions reserved, to assist the current revenues, if these should fall short of the estimates.

If the receipts in the treasury should be equal to the sums at which they have been rated, the effect of the appropriation would be precisely that exhibited in the report, namely, that it would be applied to the payment of the public debt, including therein the loans obtained from the bank; and that the demands which may become payable to foreign nations would be discharged out of the reserved three millions.

If those receipts should fall short of the estimated sum, the appropriation of 7,300,000 dollars would be applicable both to the payment of the debt, and temporary loans, and to that of the demands arising under treaties.

If the revenues should exceed the sum at which they have been rated, the 7,300,000 dollars would be applied exclusively to the payment of the debt proper; and both the temporary loans and demands payable to foreign nations might be discharged out of the surplus monies thus received in the treasury.

By adopting that mode, we would be safe under every ordinary contingency; the only difference which would result from a greater or less revenue than has been estimated, being that the ultimate redemption of the debt would be accelerated or retarded in the same proportion.

Having answered the enquiry proposed in your letter, with as much precision as the subject seems to admit, permit me to suggest some other arrangements, which, though of less magnitude, are not altogether unimportant.

The inconvenience of paying the large instalments of the Dutch debt, which fall due this and the ensuing years, is much increased by the obligation of discharging them abroad, on account both of the injury arising from such considerable portion of the circulating capital of the United States being thus drawn abroad, and of the difficulty and risk which attach to the purchase of so large an amount of remittances. Although those difficulties must be met if they cannot be obviated, it seems proper to adopt every measure which may diminish them. The plan contemplated by the act of the 3d of March 1795, of converting that debt into a domestic debt, has heretofore been found impracticable, and from the latest advices, the event of peace absolutely precludes any expectation of its being carried into effect.

It is however possible, though very doubtful, that the terms of payment of a part of that debt may be extended by reloans, so as to equalise on the eight ensuing years the payments which fall principally on this and the four succeeding years. Should that operation be effected so as to reduce the annual payments in Holland from two millions of dollars to one million, the other million might be applied with more advantage to the payment of the loans obtained from the bank or of any other part of the debt payable and held in America.

For this purpose it would be necessary to give an express authority to the commissioners of the sinking fund; and in order to enable them to transact in the most advantageous manner both that and every other business relative to that debt, it would be eligible to give them a power if they shall find it necessary to employ a special agent in Holland.—The usefulness of that arrangement had been some years ago suggested by this department; and its necessity is now much increased by the increased extent of the payments and transactions in Holland relative thereto.

The difficulty and risks attaching to the purchase of remittances, which can only be obtained at a distance from the treasury department, and without any immediate controul of any officer of government, may not perhaps be obviated by any means. If it shall be found practicable to treat for that object with one of the banks, making a fixed allowance for every uncertain variation in the rate of exchange, and loss in the purchase of bills, it will be considered a beneficial operation to the United States. But although this may be considered as fairly within the power of the commissioners of the sinking fund, it would be desirable to obtain a previous express authorization from Congress.

I have the honor
To be respectfully,
Sir,
Your obedient servant,
ALBERT GALLATIN.

Hon. John Randolph, jr. chairman of the committee of ways & means.

WASHINGTON CITY.

MONDAY, May 10, 1802.

On Wednesday the President of the United States left this city on a short visit to Monticello.

On the last page of our paper the reader will find the articles of agreement entered into between the United States and the state of Georgia. This amicable and honorable termination of differences will be grateful to every sincere friend to the union, as the adjustment is made on terms of reciprocity and justice. It deserves to be enumerated among the important measures of the present administration; and is a striking proof of the prompt and effectual steps taken by them in whatever regards the harmony and well-being of the union.

On the last day of the session Mr. Griswold attempted to supercede the efficacy of this convention. The effort was manfully opposed by Mr. Milledge, who in a style energetic and intelligent convinced the house of the impropriety of the motion made by Mr. Griswold, which tended, by means hasty and inconsiderate to frustrate the labours of several years of negociation.

By the President of the United States of America.

A PROCLAMATION.

Whereas a treaty between the United States of America and the Chactaw nation of Indians was concluded & signed on the seventeenth day of December, in the year one thousand eight hundred and one, by the commissioners of both nations, fully and respectively authorised for that purpose, and was duly ratified and confirmed by the President of the United States on the thirtieth day of April, in the year one thousand eight hundred and two, with the advice and consent of the Senate, which treaty is in the words following, to wit:

A treaty of Friendship, Limits and Accommodation between the United States of America and the Chactaw nation of Indians.

Thomas Jefferson, President of the United States of America, by James Wilkinson, of the state of Maryland, Brigadier-General in the army of the United States, Benjamin Hawkins, of North-Carolina, and Andrew Pickens, of South-Carolina, commissioners plenipotentiary of the United States on the one part, and the Mingos, principal men and warriors of the Chactaw nation, representing the said nation in council assembled, on the other part, have entered into the following articles and conditions, viz.

Article I. Whereas the United States in Congress assembled, did by their Commissioners Plenipotentiary, Benjamin Hawkins, Andrew Pickens & Joseph Martin, at a treaty held with the chiefs and head men of the Chactaw nation at Hopewell, on the Keowe, the third day of January, in the year of our Lord one thousand seven hundred and eighty-six, give peace to the said nation, and receive it into the favor and protection of the United States of America: It is agreed by the parties to these presents respectively, that the Chactaw nation,