

Board of Treasury, August 27, 1785

BOARD of TREASURY, AUGUST 27, 1785.

SINCE the resolve of Congress of the sixth July last, directing the board to report the allowances proper to be made to the receivers of continental taxes, our enquiries have naturally turned to the present establishment and duties of the loan officers, the manner in which they have executed their trust, the effects which have flowed from the system, and how far it is compatible under the existing arrangement, to the new trust reposed in it.

This office was established by the resolve of Congress of the third October 1776, the respective officers were to be appointed by the several states which were to be responsible for the faithful discharge of their duty. They were to keep regular books, and transmit to the continental treasurer, a monthly account of the cash in their respective offices; besides receiving monies on loan. and answering the drafts of the treasurer, the annual interest was to be paid at the respective offices.

Their allowance for all their services was by that resolve to be one eight per cent. on all monies brought into their respective offices.

By the resolve of Congress of the 29th of September, 1778, the loan-officers were to be allowed two per cent. on the amount of the past and future payments of interest.

The manner in which this office has been executed, may be ascertained by the letter of the comptroller to this board of the 20th instant, copy of which we do ourselves the honor of transmitting.

The effects which have flowed from the establishment of this office, have been such, as might be naturally expected from officers not personally responsible for the execution of their trust, to those whose interest was confided in them—unsettled accounts, a

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noncompliance with the resolves of Congress, and the instructions of the treasury; and in some instances of importance an absolute deviation from them. Some striking proofs of the validity of this last observations have come to the knowledge of this board. In several states, the loan-officers have issued certificates of interest beyond the period of time prescribed by Congress, and in a late instance (the evidence of which is transmitted for the information of Congress) the certificates interest issued in consequence of the resolve of Congress of the 27th of April, 1784, have been more than the principal and interest fairly due (estimating the principal loaned, agreeably to the scale of depreciation as established by the resolve of Congress, of the 28th June, 1780.

If such irregularities in this office have prevailed in consequence of its present establishment, what evils may not be feared, when the trust proposed, and the temptations of abuse are far greater, and the consequence of irregularities, (especially in the liquidation of the domestic interest) infinitely more extensive.

Without the gift of prophecy it may reasonably be inferred, that the commissioners of the treasury will never be able to ascertain what, if any monies, are in the hands of the several officers; to controul its disposition, or to prevent those abuses in the payment of interest, which without the greatest vigilance will creep in, to the enormous augmentation of the national debt.

As it is one of the express duties of our office to digest and report plans for regulating and improving the finances, we beg leave to submit to the consideration of Congress, the following plan for regulating the receipt of taxes, and payment of the interest due by the United States.

That is shall be the duty of the several officers hereafter to be appointed, to receive and keep the monies arising from the continental taxes in the different states, and to pay the interest due from the United States, in the said states respectively—to keep their office as contiguous as possible to the treasurer of the state in which they may respectively

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reside—And that they hold all monies collected within the several states on account of the requisition of Congress, subject to the orders of Congress or of the board of treasury.

That they shall make weekly returns to the board of treasury, of the money they may receive on account of the United States, and also of the certificates issued by them, conformably to the acts of Congress for the payment of the interest on the public debt, agreeably to such mode as shall be prescribed by the comptroller of the treasury.

That they form accurate estimates, as often as called upon by the board of treasury, of the interest falling due monthly within their respective states, on loan-office certificates, and other liquidated securities of the United States. And that they keep accurate and distinct registers of the principal sums due, as well on the liquidated, as loan-office debt.

That in all their official transactions they govern themselves by the resolves of Congress, or the orders of the board of treasury not repugnant thereto.

That they make no appropriation of monies by them received on account of the United States (except for the purpose of payment of interest agreeably to the resolves of Congress) without the express order of the board of treasury; and that they submit to the comptroller a quarterly state of their accounts, for examination and allowance.

That the said officers shall not directly, or indirectly be concerned in trade, and that previous to entering on the duties of their office, they shall enter into bonds to the United States, of America, with two or more sureties, the principals in the sum of and the sureties in the sum of respectively. And farther they shall severally take and subscribe the oath of fidelity to the United States, and also an oath for the due execution of their offices respectively; certificates of which, together with their several bonds shall be transmitted to the board of treasury, who shall cause the same to be recorded in the comptrollers office.

That they shall be allowed two per cent. on the receipts and payments of all monies on account of the United States, provided that not more than fifteen hundred nor less than

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one thousand dollars shall be allowed to any officer for services, office rent, stationary, and all other incidental charges.

That in the payment of all monies, they shall take printed duplicate receipts, agreeably to such form as shall be transmitted to them by the comptroller; one of which shall be forwarded with their accounts in support of the payments made by them respectively. That they shall also give duplicate receipts for all monies received by them, in order that the several states may direct one of them to be forwarded to the board of treasury, who upon the receipt thereof, shall credit the state for the amount specified therein, and charge the same to the officer receiving it.

That it be recommended to the legislatures of the respective states, to direct their treasurers to transmit to the board of treasury, a monthly abstract of all monies paid on account of the several states to the different officers, distinguishing the dates, and amounts of the respective payments, and the sums paid in coin, from those in interest certificates.

That on the day of Congress will proceed to the choice of thirteen persons to execute the above duties, who shall be denominated in future, deputy treasurers.

That all the acts and resolves of Congress, respecting the commissioners of the loan-office in the respective states, made previous to this date, be, and they are hereby repealed and made void, excepting the ordinance of the 20th May, 1785. All which is humbly submitted.

SAMUEL OSGOOD, WALTER LIVINGSTON.