

MARYLAND GAZETTE.

THURSDAY, APRIL 22, 1802.

CONGRESS OF THE UNITED STATES.

HOUSE OF REPRESENTATIVES.

GENERAL S. SMITH'S SPEECH

On the Repeal of the INTERNAL TAXES.

Monday, March 22, 1802.

THE bill to repeal the Internal Taxes was read the third time.

Mr S. SMITH.—Mr. Speaker, I was one of those who at the meeting of congress, did believe that it would be prudent to repeal the stamp tax only, at the present session, and to permit the other internal taxes to remain until the next session of congress. The repeal of the whole of those taxes being proposed, it became my duty to examine the subject fully; this I have done, and the result has been favourable to the repeal. I shall ask leave to make a few observations on the bill now on its passage.

It does not appear that any gentleman desires to prevent the repeal of the tax on domestic distilled spirits, for no member has moved to strike it out of the bill. I take it therefore for granted, that its repeal is desired by all. Nor do I believe that the repeal of the stamp act is seriously objected to. I shall in consequence confine my observations principally to those duties, the repeal of which has been opposed. Three of those I voted for retaining in the bill, that is, for the repeal, to wit, licences for retailers of liquors, sales at auction and carriages for the conveyance of persons. My reasons I will now submit to the house.—The laws laying those duties, passed in 1794 for two years, were afterwards continued until August, 1801; and on the 23d of February of that year, were made perpetual. I have never yet heard any good reason assigned why a retailer of liquors should be compelled to pay for permission to pursue his business more than a wholesale dealer in liquors, a retailer of dry goods, a wholesale merchant, a lawyer, a doctor, or any other profession, by which man obtains an honest livelihood.—The exigency of the times induced the laying of that tax; but it was then said, that it was only for a short time, and would be repealed whenever it could be spared; it can now be spared, Mr. Speaker, and ought to be repealed for it is unjust. This tax ought to be repealed for another reason; its inequality as it relates to the states, and particularly as it relates to Maryland, the state I have the honour to represent.—I have with care examined the documents from the treasury, and find that Maryland paid for licences in 1800, 4390 dollars, having 9 members (under the new census,) Virginia having 22 members, paid only 5680 dollars, and North-Carolina, having 12 members, paid but 2555 dollars.—Nay Mr. Speaker, Maryland paid more than was paid by all the five states of Rhode-Island, Vermont, Kentucky, Tennessee and South-Carolina, the whole of those states paid only 4555 dollars for retailers licences.—Can this be just? Can it be right? ought a member from Maryland to continue a tax so unequal on his fellow-citizens?

Sales at auction.—This tax falls on those who from necessity or from a desire to raise money to meet particular objects, send their goods for public sale; or, it is paid by persons about to remove from one part of the country to another, and sell their little all to enable them to remove with their families. I have never yet heard any reason of force to shew why a man who sells his goods at public sale should pay a duty on sales not paid by those who sell at private sale.—This tax is still more unequal in its operation than that on licences. Maryland paid in 1800 for the tax on auctions 6734 dollars; Virginia, 4731 dollars, and Connecticut only 142 dollars. Can it be just that Connecticut, having nearly as many inhabitants, shall pay but 142 dollars of a tax where Maryland contributes to the same 6734 dollars. It may operate with gentlemen from that state as a good reason for retaining the tax, but certainly ought to have had a contrary effect on my colleague (Mr. Dennis.) The great inequality of the tax on auctions will appear more striking when gentlemen turn to the document, and see that Maryland actually paid more than eleven states, to wit, New-Hampshire, Rhode-Island, Connecticut, Vermont, New-Jersey, Delaware, Kentucky, Tennessee, North-Carolina, Georgia and South-Carolina; those states will have 58 members on this floor, and paid in 1800 but 5626 dollars, on the tax on sales at auctions, when Maryland paid 6734 dollars.

Carriages for conveyance of persons. This tax has been considered by many as a direct tax under the constitution. I did not think so on its passage, and voted for it, but now I cannot but have doubts on the subject when I recollect the operation of the late direct tax, and the inequality of the carriage tax, as it respects the states. Waggoners on similar principles might be taxed, and if they were, the New-England states would pay no part of the tax. Would this be just? Maryland paid of the duty on carriages 8683 dollars; Connecticut only 4564 dollars, being

little more than one half thereof, and the seven states of New-Hampshire, Rhode-Island, Vermont, Kentucky, Tennessee, South-Carolina and Georgia pay together only 301 dollars more than Maryland. The tax on carriages falls particularly hard on the district I represent. In the city of Baltimore more than 100 carriages for hire parade the streets, besides a large number employed from that city on the roads.—The owners earn an honest livelihood thereby; a tax on their carriages for conveyance of persons, appears to me as unjust as a tax would be on carriages for conveyance of goods. Sir, this tax does not fall in my district on the luxurious alone. I am inclined to believe that more than two thirds of the tax is paid by citizens keeping carriages for hire, nearly the whole of the other third by our citizens for their convenience. I am persuaded that my district alone paid more in 1800 to the carriage tax than was paid by Vermont, Kentucky and Tennessee, and perhaps Georgia together.—Can I (knowing this circumstance) ever give my consent to continue a tax every way so unequal.

I will be told that taking the whole four objects proposed to be struck out together, to wit, licences, auctions, carriages and refined sugar, that the result would be more equal. Sir, I have examined that subject also, and have found the result nearly similar. The gross amount collected on those four objects is 259,890 dollars; of this sum Maryland paid 30,060 dollars, one eighth of the whole, and nearly double the fair proportion of that state.—Connecticut paid but 10,521 dollars, being little more than one third of that paid by Maryland. I will not say that this was good cause for gentlemen from that state to vote for the continuance of those taxes, but I will say, that it would be a bad reason for my colleague (Mr. Dennis) to offer for moving to strike them out of the repealing law. But, Sir, the inequality and of course injustice will be more clearly shewn when it is known that Maryland paid nearly 2000 dollars more of those four taxes than were paid by the seven important states of New-Hampshire, Vermont, N. Carolina, S. Carolina, Georgia, Kentucky, and Tennessee. Those seven states will have, after the next election, in this house 42 members, and have paid only 28,304 dollars, when Maryland paid 30,060 dollars, and will have only nine representatives. This must be unjust; the repeal ought to be made, or on some future occasion those states may think it convenient to increase those taxes of which they pay so very little.

But, Mr. Speaker, we have been told that taking the whole objects of internal taxation into one view, they will be found nearly equal, as respects the states. I have also examined that subject, and have found the inequality as it respects the state I have the honour to represent continued. Maryland paid in 1800, of the amount actually received into the treasury, charges and drawbacks deducted for that year, 72,735 dollars. Connecticut paid only 22,693 dollars, not one third of the payment made by Maryland. North-Carolina 46,479 dollars, and the whole seven following states only 59,093 dollars, to wit: New-Hampshire 3,149 dollars—Vermont 1,397 dollars—New-Jersey 16,109 dollars—Delaware 7,836 dollars—Georgia 3,000 dollars—Tennessee 4,909 dollars, and Connecticut 22,693 dollars—add to those the amount paid by the wealthy and important state of South-Carolina, and it will be found that one half the states of the union paid less than 10,000 dollars beyond the single state of Maryland of the whole internal taxes for the year 1800. Thus you see that New-Hampshire, having more than half the inhabitants of Maryland, and Vermont having nearly half her numbers, pay scarce any part of the internal taxes—are we then to be surprised if those states who scarcely pay any thing, or if Connecticut, who pays so small a part of the internal taxes, should be found voting against the repeal. Yes, Sir, we ought to be surprised—the injustice is so glaring, that the members must in honour vote for the repeal of taxes to which their citizens contribute so little—justice demands it of them, and they will obey her voice.

The very great inequality of each of those taxes—of the four conjointly, or of the whole of the internal duties taken together, will plead my apology with such of my colleagues as may have conceived that those taxes ought not to be repealed. Indeed, Sir, I cannot but believe that had the subject presented itself to the mind of my colleague (Mr. Dennis) as it has to mine, he would not have given the opposition he now votes for the continuance of taxes which fall so unequally on his state as those do. We have been told that the subject ought to be considered in a national point of view, and that those duties are objects of luxury—to the first I do not subscribe. I have always supposed that my duty was to prevent an inequality of taxes being imposed on the state I was elected to represent; and carefully to attend to the interest of my constituents. I am yet to learn what

luxury there is, in drinking whiskey—nor have I been informed that retailers of liquors find much luxury in paying for their licences. Does the seller at auction find it luxurious to pay a duty on the amount of his goods sold? The owner of an elegant carriage may feel the luxury of riding in it—but I doubt whether the man who keeps carriages for hire, or the people who keep chairs to carry their families to church, find much luxury in paying the tax. My colleague (Mr. Dennis) will tell us what is the luxury arising out of the stamp act. It is true, that 400 officers will be dismissed by the repeal; but, however, I may regret the injury, some of my acquaintances may suffer, yet I do not believe that their loss of office will greatly disturb the tranquillity of the people, and permit me here to remark that had the taxes on the licences, auctions, refined sugar and carriages, been continued, it would have required a great proportion of those 400 officers to collect them; the cost of which would have been too great for their amount to bear. May not the desire of keeping their friends in pay be a strong inducement with gentlemen to retain the taxes? To create offices has been the favourite system with some gentlemen; the system of the republicans is to lessen their numbers, and dismiss all that are useless.

Mr. Speaker, it has been said that the revenue will not be sufficient (without the aid of the internal duties) to meet the exigencies of our government; and yet we have seen those very gentlemen who make use of that argument, voting to repeal (in addition to the internal taxes) the whole duty on bohea tea, sugar, coffee and salt, making together an amount of more than two millions of dollars. Had they succeeded, the government must have stopped; it could not have met its engagements. But did they intend to succeed? No, Sir, if they could have tacked those items to the bill, they would have then voted, I have no doubt, against the whole bill, and thus attain their sole object, to wit: to prevent the repeal of any of the internal taxes, or any reduction of the duty on salt, sugar, &c. &c. Can we, Mr. Speaker, spare these taxes, and meet the wants of government? I think we can. The secretary of the treasury reports, and it is conceded by all, that the revenues were fully equal to the expenditures under the existing laws, at the commencement of the present session; that having been the case; if the present congress have already made savings by a reduction of the army, and a dismissal of useless officers to the amount of the internal taxes, then certainly the government will be fully competent to meet every demand. Have we done this? I think we have, to wit:

On the army establishment, the difference of expenditure between that repealed, and the law just passed, is agreeably to the report of the secretary of war,	dollars 500,000
On the naval establishment (between the sum estimated on the meeting of congress and that now required) a saving will be in consequence of a fall of wages and provisions of	dollars 200,000
On the judiciary (the law repealed)	31,500
On the forts (less than the estimate)	70,000

Making together dollars 801,500

The average annual receipts arising from the permanent internal taxes has been declared by the Committee of Ways and Means (and their report has been admitted to be correct) to amount only to 600,000 dollars; the highest calculation has been 650,000 dollars.—This being the fact, we can safely spare taxes to that amount, having already retrenched our expenses above 800,000 dollars.—We shall make yet other savings so as to make the whole, as I expect, amount nearly to one million of dollars. To save from public expence will be more pleasing to the people than to raise a similar sum from them by taxes.

It may be thought by gentlemen who have not particularly attended to the subject, that we shall be unprepared to meet the demand against the United States lately arranged under the British treaty. I do not know the precise amount of the claim stipulated to be paid, but I do know the sum limited by the late administration, beyond which our minister could not go, and I have not a doubt of our being prepared to pay that amount. Gentlemen will turn to page 11 of the secretary's report, and they will be satisfied. The secretary says, after stating a number of items of receipts, "Those several items, (exclusively of several balances due by individuals, a part of which will eventually be received into the treasury), constitute a sum exceeding three million of dollars, and may for the present be considered as resources sufficient to meet the demands against the United States, which may be eventually payable on account of the sixth article of the treaty with Great-Britain, and of the article of the convention with France."

Mr. Speaker, it cannot fail to give pleasure to our constituents when they know, that we have met the