



The Alexander Hamilton Collection of John E. Herzog (1716)

October 25, 2021 EST, Philadelphia

Viewing:

Exhibition is open by appointment at our [1600 West Girard Avenue](#) location October 8-24. To make an appointment, please contact Colin Foley at cfoley@freemansauction.com.

Lot 27

Estimate: \$5000 - \$8000 (plus Buyer's Premium)

[Hamilton, Alexander] [Sherman, Roger] Report from the Commissioners for Purchasing the Public Debt

Founding Father Roger Sherman's copy of a report from the commission assigned to oversee the retirement of the national debt

(Philadelphia): Printed by Childs and Swaine, (1792). First edition. Folio, 13 5/8 x 8 1/2 in. (346 x 216mm). 19 pp. Founding Father Roger Sherman's copy, with his inscription and initials on front wrapper: "Report on purchase of Debt/R.S." Contemporary limp blue wrappers, original thread sound, lightly darkened, scattered minor soiling; all edges untrimmed; bottom third of title-page torn away, but with no loss to text; in brown cloth fall-down-back box and chemise. Evans 24291

A scarce and early government report from the Commissioners of the Sinking Fund, the commission established to oversee the economic plan established by Secretary of the Treasury Alexander Hamilton to retire the national debt over time. The commission consisted of Vice President John Adams, Secretary of State Thomas Jefferson, Attorney General Edmund Randolph, Chief Justice John Jay, as well as Hamilton.

By the end of the American Revolution the consolidated debt incurred by the United States was over \$70 million. To manage this staggering amount, Ron Chernow observes that "To make sure the debt was extinguished over time, Hamilton proposed the creation of a sinking fund, financed by post-office revenues and manned by the government's chief officers...It would sequester revenues from the sudden whims of grasping politicians who might want to raid the Treasury for short-term gain. The sinking fund would retire about 5 percent of the debt each year until it was paid off. Because outstanding bonds currently traded below their original face value, such purchases would benefit the government as the securities rose in price. Thus, the government would profit from the rising prices alongside private investors..." Hamilton's plan helped secure the government's credit, and burnish its financial standing and reputation internationally as it retired the debt. This report, submitted by Secretary of State Thomas Jefferson as de facto head of the commission, on November 17, 1792, records public stock purchases between March 21 and October 31, 1792, as well as statements of accounts for transactions from the previous year.

William G. Anderson explains in *The Price of Liberty: The Public Debt of the American Revolution* regarding the sinking fund and Hamilton's financial programs: "Hamilton's fiscal

program only funded the debts of the Revolution; it did not pay them...A sinking fund was created to redeem the stocks, and in 1795 the stocks were made receivable in payment for public lands. However, redemption proceeded slowly. Hamilton purposely saw to it that the sinking fund was poorly endowed. Hamilton, reflecting the ideas of (Sir Robert) Walpole and (Robert) Morris, did not wish to see the debt paid off rapidly. Indeed, for Hamilton the debt was a 'national blessing,' since it created a powerful group of people, public creditors, who now had a vested interest in seeing that the new government succeeded, and the stock certificates were used to finance the Bank of the United States and general economic growth in America. He had only created the sinking fund to give the appearance that the debt was being paid. Hamilton was convinced that in things pertaining to public credit, nothing counted quite as much as 'sounds and appearances.' Hamilton's reasoning proved initially successful. By July 1791 the market price of the 6 percent stock was at par, and through 1792 they traded at par or slightly above."

Roger Sherman (1721-93) was an American merchant, statesman, and Founding Father, from Connecticut. He is the only person to sign the Declaration of Independence, the Continental Association, the Articles of Confederation, and the Constitution. Under the act of 1790 that created the sinking fund, the commissioners were required to submit a report on the purchases of public debt to the presiding officers in Congress within 14 days of the beginning of each Congressional session. The above report is the only one submitted by Jefferson during his tenure as Secretary of State. John Adams submitted the other three reports issued by the commission between 1790-93. Sherman was a United States Senator from Connecticut, when he received this copy.