E.—Losses sustained by deductions of interest, and difference of currency.

F.—Losses sustained by reducing bonds taken for old debts, to the scale of depreciation.

In the column of remarks on these two heads, it will be well to note which deductions of these kinds were by acts of courts or juries, and which were made without suit, but in consequence of the known and uniform practice and decisions of courts, and which were made before any suits could be maintained:--My reason for wishing this discrimination as to deduction of interest is obvious. In States where no lawful impediment to sue existed at the peace, and no positive law directed a deduction of interest, payment by the debtor, and receipt and discharge by the creditor, making an allowance of war interest, before any judicial decisions establishing such deduction, the argument of voluntary compromise is really too strong to be well resisted; but in States where positive laws prohibited a recovery even of principal, and the creditors were at the mercy of the debtors, and the very few who would pay any thing, altogether refused the interest, the creditor was doing the best in his power, in receiving what was offered, and the argument of voluntary compromise, in such cases, is almost too weak to require serious refutation.

The following is a *convenient* mode of making out the balances:

	Debtors.	Residence.	Voucher.	Amount.	When due.	Interest to	Total.	Remarks.
A.	A. B.	*Richmond.*	Accounts.	L.26 5 0	1773. *Sept.* 29.	L.31 16 0	L.58 1 0	Able to pay, but refuses.
	C. D.	Do.	—	29 14 6	*May* 29.	36 10 8	66 5 2	Dead, left estate, executors refuse to pay.
	X. Y.	Do.	Note of hand.	—	—	—	—	Suit, judgt. for deft, on stat. of lim's pleaded.
B.	E. F.	*Petersburg*	Bond.	L.20 0 0	1777. *March* 21	L.25 0 0	L.45 0 0	Judgt. obtained 1796. Fi. fa. nulla bona.
	G. H.	Do.	Do.	20 0 0	—	25 0 0	45 0 0	Died in 1789. Verdict in favour of admr. on plea of plene admr.

As it is very probable few suits were commenced in the State courts upon bonds of solvent debtors too small for the jurisdiction of the Federal Courts, until after the decision that a plea of "*British debt*" would not avail; and as from the tedious proceedings and great delay, most suits commenced since are yet undetermined, it may be well, in the remarks to class C, to state the courts in which, and to what term, suit in each case was commenced. The columns of class E will vary from the others; they should contain the names of the debtors, the original debt, the date when interest commenced, the amount of interest at the time of payment, the sum total, the amount received or secured, and the loss sustained; and a short remark to each, distinguishing those recovered by suit and those settled without; a single line and calculation at the bottom of the column of loss, will shew the additional loss by difference of currency. In class F should be stated the debtors names and residence, the date and amount of the bonds, the interest to the time of payment, the sum total, the sum received and the loss, with a remark whether the loss was in consequence of the debt being reduced to the scale of depreciation by a court or jury, or settled without suit. When bonds taken since the period to which the depreciation law has retrospect, are yet altogether unpaid and the debtor solvent, let the sum total of principal and interest be carried out; with a remark whether in suit, and if in suit, in what court. If any claimants are desirous of shewing in a very pointed manner the perfect correspondence and agreement between their claim and their books, to the Commissioners, without bringing forward the books themselves, it will be easy to make a list of those debtors, and the original debts which are not claimed, on account of their being bad or suspicious before the peace, and not since improved, or not being inhabitants or citizens; these added to the debts claimed for as wholly lost and to the principal of what have been since partially received, will correspond with the last list of sworn balances before the Board.

The resolution of the Board on the subject of evidence is plain:—Whatever testimony would have been admitted before the war, to prove the debts in the courts of the country where they were contracted, will be admitted before the Board; but after the lapse of so many years, numerous instances may occur, where that sort of evidence which a court of law might have required, cannot be obtained:—Here the Board may exercise their discretion under the treaty in admitting inferior testimony, but they require, that the nature of such inferior testimony shall be first stated to them, in order to determine whether, if proof to the full extent of such statement shall be produced, it will be sufficient (under all circumstances) to satisfy their consciences as to the justice of the demand.

The point so strongly laboured "*that no lawful impediments existed in Virginia,*" has been settled in the resolution of August 6th, 1798, which I have circulated as extensively as was in my power, but as it may not have reached every claimant or attorney in fact for claimants, and as my own information of their names and residence enables me now to send *to all*, I will insert the latter part of that Resolution.

"Resolved, that so far as the full recovery of the debts in this case claimed, has, during the operation of the said lawful impediments been delayed, and the value and security thereof impaired and lessened, or totally lost, by lapse of time, the loss of legal evidence, insolvency of debtors, or otherwise; such delay of recovery, and diminution or loss of value and security, are to be ascribed to such operation of lawful impediments; unless it be shewn, within the proviso of the treaty of amity, that such delay of recovery, and diminution or loss of value and security, were occasioned by other causes, which would equally have so operated, if the said lawful impediments had not existed; or arose from the manifest delay, or negligence, or wilful omission of the claimant."

The principles on which the above decision was made, apply with full force to the impediments in North Carolina; but no claim from that state has yet been fully argued; no doubt can be entertained on that head. In the claim of *Strachan & M'Kenzie* it has been determined, "that the instalment laws of South Carolina are to be considered as lawful impediments, and the decision in the case of the *Bishop of Nova Scotia*, reaches the case of every British subject who was proscribed and banished, and their estates and debts confiscated by the laws of any of the States. Those acts of attainder still operate as impediments, as appears by an uniform train of decisions in all the courts in which the question has been brought forward:—A few claims for debts of this description have been filed from Massachusetts, but the principal part are from New-York, Jersey, South Carolina, and Georgia:—In all these, the present solvency or insolvency of the debtors appears to me to be immaterial, provided they were citizens or inhabitants of the United States at the peace, and reputed solvent at that period.

The question which arose upon the payment of depreciated paper forced upon *the Agent or Attorney of a British subject* under tender laws rendering a refusal to receive, an extinguishment of the debt, has been decided in favour of the creditor, in the claim of *Daniel Delany*, Esq. But this does not reach the cases of *creditors themselves remaining in the country after the declaration of independence, unconnected with partners in Europe, and avowing an allegiance to the state*, to whom such payments were made. The claims of this description have not yet been fully argued.

Although I do not think proof of solvency at the peace can be required of the claimants, yet there is one mode of proving that fact, or at least giving strong presumptive proof of it, so easily attainable, that I cannot refrain from advising it. As it is presumable, that by far the greater number of debtors at the stores kept in the country were residents of the counties in which the stores were kept, or the counties adjacent, it would be neither difficult or expensive, to obtain the tax lists of the counties for the years 1784, and 1785: This might be a joint business of the stores in the same neighbourhood, and would be an important document; and as few emigrations took place immediately after the peace, the names of most of the debtors would appear.

I expect it will not be very long, before a more peremptory order will be made on the subject of additional memorials, limiting the time within which they will be received, and it is of course necessary to urge an early information of the testimony at present in the power of the different claimants to produce. The proof of those debts due for goods sent out directly from Europe to the debtor, and for bills accepted and paid in Europe is such, (I believe in all cases) as was customary and legal before the war. But with regard to the debts contracted in America, I wish information from each store on the following points.—

"Are any of the factors, book-keepers, or clerks of the store, in 1774, and afterwards, now in this country, who they are, and the extent of the testimony they can give?

"If they are removed or dead, what is the next best evidence in your power, to offer in support of the accounts?

"Which of your bonds, notes, or signed accounts, can be proved by subscribing witnesses, and the names of the witnesses?

"Where the subscribing witnesses cannot be found, by whom will you prove their writing and the writing of the obligors?"

I presume that in all regularly kept books, where bonds have been taken for the balances, or any of them, an entry has accordingly been made at the time of the transaction; these entries will be strong testimony, and in most cases of bonds taken subsequent to the period at which depreciation commenced, they may perhaps be the only testimony to shew, that the consideration of them was a specie debt before contracted.

I wish soon to be informed of the particular places in different states, to which the books and vouchers of the different stores may be most easily conveyed for inspection and comparing them with the lists, and which will be at one place or the other. It is impossible for me to be particular as to the testimony that will be required. Each case must rest on its own foundation. I can only say, that the best evidence now in your power respectively to produce will be required. Wherever the best evidence the nature of each case woud admit of cannot now be had, the want or loss of it must be acccounted for, and the next best legal evidence stated; but wherever all legal evidence that would have been admitted before the war, is totally lost, and the demand is to be supported by proof which courts of law would certainly reject, then special cause must be first shewn and decided upon.

With respect to what was admissible testimony in each case before the revolution, in the courts of the country where the debts were contracted, any remarks here are entirely unnecessary:--Most of the gentlemen who have the direction of the claims, are well acquainted with the laws and practice before and since the peace, and wherever a doubt on any particular point may arise, they will obtain more speedy and much better information from their counsel on the spot, that it is in my power to give. I wish every thing that can be proved by record, to be forwarded by the earliest day possible, and in the mean time I will be particularly careful in giving the most immediate and general information in my power, of every material resolution of the Board, with my own sentiments upon it.

I have the honor to be
With great respect
Your most obedient servant
WILLIAM MOORE SMITH.

Philadelphia, Jan. 8th 1799.

Since sending the above to the press the following Order has been received:

COMMISSIONERS' OFFICE,
Philadelphia, Jan. 8, 1799.

ORDERED, That the General Agent for claimants do immediately lay before the Board such powers of attorney, or other authorities, by virtue of which claims have been presented or prosecuted, as are in his possession; and renewed the general order of the 5th of December last, with this intimation, that the said general order if not obeyed within a reasonable time, will be enforced by a resolution that all claims not supported by the production of titles or authorities to prosecute the same, within a certain time to be therein prescribed, shall on that account be dismissed.

Extracted from the proceedings of the Board.
G. EVANS, *Secretary.*

LONDON,

November 13.

Extract of a Letter from Falmouth, November 7.

"Yesterday arrived here, the French national frigate La Bellone of 36 guns, captured on the 12th of October by his Majesty's ship Ethalion in company with Sir John Warren's squadron. She has been in great distress, from the long gales of wind which have continued ever since the action, in one of which she was totally dismasted, in consequence of her being so badly wounded: in that situation she was drove to the Northward as far as the Island of St. Kilda. Lieutenant Sayer, of the Ethalion, who at present commands her, says he parted company from the Ethalion in the night of the 31st of October, in a very heavy gale and thick weather, off the N. W. coast of Ireland, since which time he has not seen any vessel of any sort till his arrival at this place.

"There are upwards of 300 French troops on board La Bellone, besides the wounded, all of whom have suffered very much from the violent motion of a dismasted ship, and having only a quart of water for each man, and a very short allowance of provisions to subsist on; besides the ship so leaky as to make eighteen inches water an hour constantly."

Extract of a letter from an officer of the Kangaroo, commanded by Captain Brace.

"On the 15th (October), in the morning, in company with his Majesty's ships Mermaid, and Revolutionaire, we discovered two sail to the Westward and immediately gave chace. At noon, the Revolutionaire being the headmost, made the private signal, which was not answered, and shortly afterwards the signal that they were enemies. We continued the chace till half past ten P. M. when we lost sight of the Revolutionaire and the French frigates; we saw the Mermaid at intervals, the weather being thick. On the 16th, at half past eight A. M. we saw a frigate to windward, which we immediately discovered to be one of those which we had before chaced: made all sail in chace, weather very squally: the Frenchman lost his main-top-gallant-mast. At a quarter past four P. M. having very much outsailed the Mermaid, we got within gun shot of the enemy, and fired a six-pounder; they returned it by firing their stern chases, eighteen-pounders: we then closed, and fired several broadsides at them, but from the heavy sea running could not bring down any of their masts. At thirty-five minutes past five, an unfortunate shot carried away our fore-top-mast, and we fell astern; but we continued to fire as long as the shot would reach, and sent a few through their sails. We then hauled towards the Mermaid, which shortly afterwards passed and cheered us; this we returned: saw a frigate to Windward, to whom Capt. Newman, of the Mermaid, made the private signal: kept sight of the