

[THURSDAY, JUNE 25, 1789.]

Debate upon the Bill for establishing the TREASURY DEPARTMENT.

Mr. PAGE moved that these words "Who shall digest and report plans for the improvement and management of the revenue, and for the support of public credit" should be struck out of the second clause of the bill: He added some observations to shew the impropriety of any man's being empowered to digest plans of revenue or any other for the House: it was true, he said, that some such officer as this did originate such plans and digests in other countries, but then it must be remembered, that in England particularly, the minister was always a member of that House, when money bills originated; and that from thence he derived the right to interfere with, and bring forward his propositions upon the subject of revenue; but he hoped this House would never permit the head of any department to carve out work for them, and introduce an undue influence in the representative body.

Mr. BENSON observed, that except this clause is retained in the bill, we shall have no plans at all; the person who is to fill this office, whoever he may be, has no power by the clause, to carry any thing into effect, he can only propose. The concurrence of the House, the Senate and the President, are necessary to give efficacy to his plans: Should this clause be struck out, it effectually defeats the whole design of the bill.

Mr. GOODRICH: This motion, Sir, I think is carrying jealousy to a very extraordinary length indeed; that we should be afraid to receive information from any person who is not a member of this House: this is as much as to say, that we will not receive any light from without these doors upon the subject of finance: The Secretary of the treasury, is the only person from whom we can receive that information in all its extent, which this House will peculiarly want.

Mr. PAGE replied, It is the duty of the members of this House, to inform themselves upon this, and every other subject; a committee of finance may be appointed, who can report the necessary plans, and then the business will originate where it ought.

I would ask, whether it is not evident, that an officer of this description, will have an undue influence and bias upon the minds of the members, by having the power to introduce measures into the House? Let the Secretary form his plans, and let them be introduced by a member; but I never will agree that an officer, who is not a member, shall be admitted into this House with his propositions, to advocate, urge and enforce them upon us: It will be found at last, that the House has but the name of legislation, and the power of originating money bills will be transferred to the Secretary, and like the parliaments of France, we shall be called together to exercise only the power of registering edicts; this may be called jealousy, but I conceive it is the true language of the constitution. I wish for an energetic government; but I wish for a permanent one; and I will never consent to measures in the infancy of the government, which will weaken that efficiency by alarming my constituents, by giving up any constitutional powers.

Mr. AMES: The gentleman last speaking, appears to be apprehensive of an infraction of the forms of the House: This deserves consideration; but this is not the question immediately before us. I conceive there are two principles which present themselves to guide the committee: The one, that the powers of this officer be useful and efficient; and the other, that they should be safe. The first enquiry then is, Whether this power will tend to general utility. If the Secretary is to be presumed to have the best knowledge of the finances of the country; and if this House is desirous of acting upon the best information, it seems to follow logically, that he is to be consulted; and the best mode will be, to derive the information from him personally. It will not be denied, that it will come within his province to have more accurate ideas upon this subject, than others who have no particular concern in it.

From the nature of his employment, he must be supposed to have a full and comprehensive knowledge of the state of the funds of the United States—the demands that will be made upon them, and the best mode of conducting them: He will be charged to acquire this knowledge as a duty.

Finances are of such a nature, that they never can have justice done them by public assemblies: This is a misfortune, which appears indefeasibly attached to their very formation. The interests of finance are so intricate, so complicated, and so difficult to arrange, and the opinions of members so various and opposite, that one man may gain more knowledge by one hour's research, than a popular assembly by an investigation for years.

The knowledge of a financier will be very desirable: Our finances, compared with those of all other countries, are in a chaotic state: I wish to let in a little sunshine upon them; and I cannot but flatter myself, that such an office will be established, as will put them in such a situation, as that we shall not be ashamed of them.

With respect to the danger apprehended, I cannot conceive from whence it is to arise: It is said, that his opinion will have an undue influence; but can he make that to be true, which is not true? Can he report untruths, which the House cannot detect? Truth may come in opportunely; it may destroy a favorite hypothesis—this truth we may want: What means of public influence can he possess over the members? I can conceive of none; and it is impossible that in a public communication, he can have so improper an influence, as he may derive from out door intrigue, and private conversation: It is therefore more safe to receive his communications publicly, than to give them to individual members: It will establish a legislative controul over this officer, to call upon him to bring the details of his duty upon the floor of the House: It is a most effectual way of making him responsible; and will operate as a powerful check; and this is the reason, why the prime minister of Britain is obliged to appear on the floor of the House of Commons. In addition to this, the people are hereby made acquainted with the state of their money concerns.

Mr. AMES concluded, by saying, that he hoped that gentlemen would review their reasons for striking out the words, and not let an unreasonable jealousy defeat the most salutary regulations.

Mr. LIVERMORE: Mr. Chairman, I am for striking out the words in the clause: I suppose that no person has a right to make propositions to the representative body, who is not a member of this House: This would introduce a dangerous influence; this will make the members careless and indifferent about an attention to this necessary and important part of their duty: The power to originate money bills is a sacred deposit, that ought not to be alienated or violated: Giving the Secretary this right will make him the source from whence all systems of finance and plans of Revenue will proceed. The Congress, I remember, under the old Confederation, had an Ordinance similar to this bill, and it was then proper, as they had the power of removal; but we shall not have this power, according to what has passed, and therefore I give my assent to the motion for striking out those words.

Mr. SANDWICH: Sir, it does appear to me, that if we intend to realize the object of this bill, these words must not be struck out: A consideration of the different plans of revenue in the several States, renders it highly necessary to have an officer of this kind: The methods that will be used to defeat the Revenue, renders it necessary that there should be an officer vested with sufficient powers to guard it: I cannot but think that the jealousy which anticipates an undue influence, is not well founded: The independence of this House will always be superior to an undue controul of the Executive: If the plans which may be proposed, were always of necessity to be adopted, there would be some weight in the objection; but when the plans are introduced into this House, our various ideas will cause much time to be expended, before a current will be formed, in which the general opinion will set. I do think it next to an impossibility, that a popular assembly, composed of so many different members from different States, can be competent to form a good system of Revenue. It is a subject which requires the closest application, the longest study, and

the most comprehensive view of things, to render a person properly adequate to it. We shall always find amazing delay in waiting to collect the opinion of individuals, upon so various a subject. I hope, therefore, the words will compose part of the bill.

Mr. BOUNDNOT: Jealousy, Sir, is valuable under a proper direction; but there is danger of carrying it too far: Let us consider whether to realize the object before us, the power of the Secretary ought not to extend thus far: We are referred to individuals for information—this is, I conceive, giving up the point. One of the grand principles of the Constitution is the responsibility of officers: Now if secret intelligence is obtained from this officer, and introduced here, it will destroy that responsibility, and will be pernicious and dangerous to the liberties of the United States: We have seen the incompetency of plans upon these principles in the individual States. This secret information opens the doors to the greatest impositions and abuses. It is therefore necessary that we should have an officer, on whom we may officially call for this information.

It has been said, that the Committee of the whole is the proper source of enquiry: This, Sir, I can by no means accede to. The Members when they come together, are under the controul of local prejudices, and must be naturally ignorant of many things necessary to be known, in order to form a wise decision. Enormous expence is continually accruing while this knowledge is acquiring. It will require some person to be continually employed in this business; his time, his attention, and talents, must all be devoted to the subject: This will be a science, and his knowledge will be absolutely necessary: I hope, Sir, the amendment will not take place.

Mr. HARTLEY was in favor of the motion for striking out the words: The doctrine of the gentleman last speaking, proved too much: That one person should have more knowledge of the Finances than all others, goes to supersede the necessity of legislation. The clause in the bill appears to me too strong. I am willing that the House should draw information from this officer; but that he should have a right to obtrude his sentiments here at pleasure, is a measure productive of a dangerous influence, and will be introducing an officer into the government, unknown to the Constitution.

Mr. GERRY observed, that if the doctrine which he had heard was established, [referring to the Secretary] it ought to be extended to all the other officers, and that they ought to be distinguished by a ribbon, or some other badge, which none of the members of the House should have a right to wear. He said that the power contended for by some gentlemen, necessarily included the idea of originating money bills: What is this officer to do? Why, he is to digest and report plans for the improvement of the Revenue: Now if this does not comprize the power of originating money bills, I do not know what does: This will be investing the President with a most alarming power. Gentlemen have dwelt much on responsibility; but what is the responsibility of this officer? Does it mean that he should be responsible for a deficiency in the Revenue? Could he be responsible for the effects of a measure which he had only proposed? Is he to be impeached for an error in judgment? This would be unprecedented: For what then should we give him such an enormous power? By some doctrines which have been advanced, it should seem as if a gentleman would lose his reputation by opposing this omnipotent officer; for these same arguments being used, which are now brought forward, when a plan of Revenue shall be brought in by the Secretary, the members will be told, that they are not competent to judge of finances; that they came together with local views, and without any general knowledge; that the system proposed by the Secretary is the result of great study and observation, and it is not proper to oppose it. This will preclude examination, and give an undue influence, and from being told that it is his duty officially to bring in bills, they will be told it is his duty officially to pass them: The doctrine comes to this point, That it is impossible there should be any responsibility in a collective body, and is to be found only in an individual: Authorise this officer to originate money bills, and what becomes of that most essential clause of the Constitution which vests the legislative power in the Representatives of the people, and would raise a clamor among the people.

Mr. GERRY added a few more observations, and concluded by saying, he hoped the power would not be vested in any man whatever, to palm his plans upon the representative body.

Mr. LAURANCE: When this subject was under consideration before, there was no difficulty Sir, about giving the power; all the difficulty then rose from the impossibility of finding a competent character to exercise the power: It was then contended with great zeal, that boards ought to have the preference: Since then, it seems that a wonderful discovery has been made, and every member of the House is found to possess this knowledge; and we are all competent to forming systems of finance and revenue. I rejoice at this discovery! but if gentlemen are competent to form systems of revenue, they certainly will be capable of judging of them; they will be able to detect the fallacy of a sentiment, and will possess sufficient sagacity to discover the impolicy of measures that may be proposed: From whence then is the dangerous influence of this officer to arise, when all are competent to detecting his machinations? Gentlemen appear to confound terms. To propose, is not to decide: He is not to decide for us: This information is to be under the controul of the legislature: Will giving a power to recommend, be giving a power to determine? They are certainly distinct, and have no connection, and yet, gentlemen talk of delegating a power to originate money bills. I can conceive of no danger: When we have made it the business of a man to acquire this knowledge, it will be valuable. Is it probable that we can ever derive the necessary information from the members, who are not stationary, who are continually coming and going? It has been a misfortune to the United States, that an individual has not been entrusted with this power: Many of the States, separately, have suffered from the same cause; and it is owing to this, that the finances of the country are now in such a state of derangement. Take away this power, and all the rest is mechanical; genius, abilities and judgment, are entirely out of the question.

Every member of this House, has a right to propose a bill; but it cannot be said with propriety, that a bill is originated, till it has been matured and made a subject of discussion, by the assent of the House.

Mr. GERRY observed, that if there was a person in the United States, competent to this duty, he had not heard of him: the House (said he) has however determined that they will have such an officer: Sir, I would ask whether the information of this House would not be superior to that of any individual whatever? If such powers are mentioned now, as are proposed to be given this officer, what may we not expect after he is established? I would ask, is a power to digest plans, merely giving information? this is a wonderful discovery indeed! No Sir, an influence will follow, and if we give any person a power to influence the determinations of this House, do we not so far depart from the constitution? He then adverted to what Mr. Laurance said respecting the originating bills, which if he understood the gentleman, (he said) was saying that a bill could be originated, and not originated, at the same moment.

Mr. VINING observed, that this officer would be an auxiliary to the executive, when he reports his plans: they will be before the House for their rejection or approbation: he could see no difficulty in the business whatever.

Mr. JACKSON was in favor of the motion, for striking out the words: He said, the other parts of the bill are sufficient: This officer cannot be a check upon the President, as the President has the power of removal. I am willing this officer should have the power to digest plans, but never to report them, unless called for.

Mr. FITZSIMONS moved, that the word report, should be struck out, and the word prepare inserted.

Mr. MADISON said, he could not conceive where the danger lay that some gentlemen apprehended: The words objected to, are similar to those used in an ordinance passed by Congress, in

1782, in a subsequent ordinance to establish a treasury board; the same persons are annexed to that board, as belonging to the office of finance, so that this power now exists in the treasury board, so far as that has an existence. There is a possibility that the power may carry some influence, but let us compare this with the danger that will accrue from the want of this power. In my opinion, there is more danger of a bad administration, from the want of this power, than can result from all the influence which the Secretary can create; more has resulted from the want of this officer, than from all other causes. The gentleman (Mr. Gerry) asks what is meant by responsibility? I answer, we shall establish a responsibility? There will be a responsibility in point of reputation: a responsibility to the public opinion. Men of talents and distinction, pay a great regard to public opinion and the discharge of public duties, for which their reputation is pledged: they will take care to perform well: This officer upon this principle, will take a great interest in all laws that may pass respecting the revenue, and the duties of his department.

The communications from the President will always be accompanied with allusions to revenue, if the doctrine is true that to make propositions is to originate: the President may be said to originate money bills: If the principle of the gentlemen is admitted, the House will be abridged of the right.

Mr. PAGE said, as to the argument derived from the proceedings of the late Congress—it is well known, they had no power, and the States accordingly rejected their doings. The President, he observed, is a representative, and therefore may claim the right of making propositions: With respect to the clause, a plan to be well digested, must be well supported: This will bring this officer into the House, and thus an influence will be created, which will finally destroy both House and Senate too.

Mr. TUCKER supposed, that the amendment of Mr. Fitzsimons, would amount to the same thing as the other; as to prepare would be nugatory, without report was made in consequence: He was therefore against it. I would ask, Sir, (said he) why this principle, should not be inserted in the other two bills for establishing executive departments? Why should not the Secretary for foreign affairs be called upon by the branches to which he is particularly attached, to digest plans for carrying the business of the department into execution? It would be affrontive to them, and so of the war department: Why then is this House to be considered as not qualified to do their duty? but must have plans digested and reported for us? If we are not competent to our duty, why do we sit here? If this principle is to be adopted, we shall divest ourselves of all power and authority whatever: We shall eventually place ourselves under a master: We shall become more and more careless and inattentive to the business of revenue: We shall more and more confide in the judgment of the officer, supposing his systems are uniform, till we become intirely ignorant of the state of our finances.

Mr. SHERMAN: It appears to me, that this clause is one of the most important in the bill: What is the duty here enjoined? It is to devise methods for the best arrangement of the revenue: This requires great thought, reflection, and calculation.—Let us refer to France: They had a financier who was displaced; but their affairs got plunged into such difficulties, that they have been obliged to recall and restore him. This department is pointed out in the constitution, and the President may require the advice of the officer. And though it lays with the legislature to form laws for the raising of the revenue; yet they will want the information, that the secretary may lay it before them, and it will lay with the House whether to adopt it or not. There will be no other obligation than what arises from the reason and nature of things: The more light and information there is, the better will the legislature be enabled to do their duty: What is every body's business, is nobody's business. The gentleman (Mr. Gerry), says there is no person qualified: I agree with him: And there never will be, except this office is established. We have men, whom experience will make equal to any in the world.

Mr. MADISON said, I am of opinion that the duty should be particularly enjoined: I do not fear his influence: I am more afraid of our own ignorance; of our instability and misinformation. The advantage of a single man of abilities, will be superior to that of having an hundred such men to perform the same duty. Upon the principle of some gentlemen, we must shut our doors, and not accept even the reports of committees; it lays with the House to receive or reject these plans: If the officer should be disposed to obtrude such as are unimportant upon the House, the Speaker may be directed to keep them out of sight, or other methods may be devised.

SATURDAY, JUNE 27.

The engrossed bill to establish an executive department, to be denominated the Department of War, was read a third time, and passed the House.

Mr. BOUNDNOT of the committee appointed to confer with a committee of the Senate, on the subject of amendments to the Impost and Tonnage Bills, which amendments had been disagreed to by the House, reported, That the committees had held a conference, and had agreed to recommend an accommodation on some of the points in dispute.

Respecting the Impost Bill, the following amendments were then taken into consideration and agreed to.

To reduce the duty on Rum, of Jamaica proof, from 15 to 10 cents, per gallon.

The discriminating clause, laying a less duty on Rum imported from States or Kingdoms in treaty with the United States, to be struck out; and the duty on all spirits, below Jamaica proof, reduced from 12 to 8 cents.

To reduce the duty on Beer, Ale, Porter, or Cyder, imported in casks, from 8 to 5 cents.

To reduce the duty on Beer, Ale, Porter, or Cyder, imported in bottles, from 25 to 20 cents.

To reduce the duty on coal from 3 to 2 cents.

Respecting the Tonnage Bill, the following amendments were agreed to.

That instead of wholly excluding foreign ships from the coasting trade, they might be employed in it under certain restrictions.

That all ships built within the United States, and afterwards the property of foreigners, should not pay more than 30 cents per ton.

The House then took up the next amendment of the Senate to strike out the discriminating clause. This gave rise to some conversation, when, on the question to strike out the clause, the house divided: Ayes 25: Nays 26. Adjourned.

MONDAY, JUNE 29.

The committee to whom was referred the bill to regulate the collection of the revenue, reported a new bill, which was read, and referred to a committee of the whole, to be taken into consideration to-morrow.

A message was received from the Senate, informing, that they had acceded to the amendments last proposed by the House to the bill, laying an impost on goods, wares and merchandise, imported into the United States: The Secretary then delivered in the bill. [This bill has passed both Houses.]

Mr. PARKER introduced a petition from William Finney, of Virginia, which was read and laid on the table.

Upon motion of Mr. THATCHER, it was voted that 100 copies of the collection bill be printed for the accommodation of the members.

Mr. SCOTT moved that the report of the committee upon the state of the unappropriated lands, should now be taken up: This motion was seconded, but upon being put, passed in the negative.

In committee of the whole—On the bill for establishing the Treasury department. Several alterations and amendments were made to the bill, but the discussion was not finished this day.

Mr. BURKE gave notice, that he should propose an additional clause, to prohibit any of the officers in this department, from being either directly, or indirectly concerned in trade, or commerce. Adjourned.