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THE TABLET.

No. XCII.

"In an unsettled state of government, property frequently changes both its possessor and its value."

FROM the sketches contained in the two preceding essays, I hope the reader has been led into a train of reflections on the comparative situation of original and purchasing holders of public securities. I hope likewise that the result of a fair examination of the facts will convince an unbiassed mind, that the different classes of creditors have sustained a proportion of the losses, more equal than has been usually represented. It must be observed, that a very considerable part of the real expence of the late war has fallen upon individuals in such a manner, as to exclude the possibility of an equitable mode of recompence. If an attempt were made to indemnify the sacrifices, and reward the services that have not yet been taken into view, in the settlement of claims, it would create such knavery and discord in society as to defeat every advantage we hope to derive from independence. In a revolution that originated in patriotic enthusiasm, and was conducted without system, it must be expected innumerable disorders will prevail, that admit of no remedy.

The advocates for discrimination, between the different classes of creditors, seem to suppose that the public securities are engrossed by a very few people. It has been mentioned that the greatest part of the public debt is in the possession of about one hundred persons. This surmise is without any foundation. There are, it may be presumed, not less than twenty thousand proprietors of our domestic debt. The outcry against speculators is raised without a knowledge of their character, or their numbers. Indeed there are some people under such a mistake, as to suppose that brokers are the only speculators, who hold large sums of the securities. This is so far from being the case, that a broker, strictly speaking, is no speculator at all. The profits of a broker accrue from the difference of prices, at which he daily buys and sells. Custom has established a difference at market, between what is called the buying and selling price. This affords the negotiator of paper, a commission that compensates for his time and attention. If he is a discerning industrious man, he may acquire by the extent of his business a large accumulation of gain. But he is still a different character from a speculator. The broker buys for other people; the speculator buys for himself. Both characteristics are sometimes blended in the same person. The real speculator however purchases an article to wait the event of the future market; and many persons who purchased securities at the close of the war, have held them through all vicissitudes, and determine to gain or lose by the final arrangements of government. Some of the most respectable characters in the United States are included in this description.

I now proceed to the object of this Essay, which is to enquire the causes that have generally induced original creditors to sell their certificates. The remark in my motto furnishes the best reply I can make to the question. All kinds of property fluctuated during the war, and soon after the close of it. Nothing preserved a stable value.—Various motives excite people to speculate. A spirit of adventure is awakened. It can hardly be supposed that people had any special reasons for selling securities, more than for selling other property. Different men entertain different ideas respecting the future value of articles, and this induces one person to buy and another to sell. There is nothing more extraordinary in the negotiations of certificates either with respect to loss or gain, than has occurred relative to many descriptions of merchandize.—I will not pretend but some persons may have been compelled by necessity to alienate their securities; but where one dollar has been sold from that cause, thousands have been sold from other causes.

The loan certificates could not, in many instances, have been disposed of, from necessity. Men who have money to loan, are not commonly poor men. The loans were, for the most part, voluntary; and therefore the lenders cannot make the plea of compulsion. When men could conveniently spare money, they lodged it in the loan office; and when it was more convenient for them to acquire money they sold their certificates.

It is said that the soldiers have been in indigent circumstances, and could not retain their securities till the present time. That some of them were necessitous I will not deny. But it should not be

conjectured that the bulk of the army left the service, in a worse condition, than they entered into it. In the late period of the war the troops were well fed and clothed. The army was composed mostly of young and middle-aged men, who were full of health and vigor, when they were discharged. They mingled among the citizens, and could easily find employment. In such a situation, it cannot be conceived that they were reduced to extreme indigence. The fact is, it does not comport with the character of a soldier to keep loose property in his hands. He has a liberal spirit, and distributes freely what he possesses. Circumspection in money matters is a rare qualification among men who feel a high degree of military ardor.

It has not been my intention to consider the question of discrimination on its general merit. I only had it in view, to convince the reader, that the relative situation of the different classes of creditors was not so strikingly different, as to furnish either with a claim on government, to interrupt the regular course of discharging the public engagements.

CONGRESS.

HOUSE OF REPRESENTATIVES.

TUESDAY, FEB. 16, 1790.

IN committee of the whole, on the Report of the Secretary of the Treasury. Mr. Madison's motion for a discrimination still under consideration.

(Mr. WHITE'S SPEECH CONCLUDED.)

Mr. White then endeavored to obviate some of the objections to the measure, on account of its impracticability; and, in general terms, observed, that much greater pains had been taken to shew the impracticability than the injustice of it. He said, if it was just we ought to adopt it; and he did not doubt but the wisdom of the legislature would be able to carry it into effect. Purchasers, he said had been represented as the supporters of public credit; but he could not consider them in that light. Offering a tenth or an eighth part of the value of a bond of an individual, would tend rather to blast his credit, than to support it, and it would have the same effect with respect to the public.

He said he had lived long enough to be convinced, that wise and great men, having the same object in view, often differed in opinion with respect to the means of accomplishing it: therefore every proposition ought to be treated with candor and respect. He made the observation in consequence of what passed yesterday: a gentleman from Massachusetts had introduced his speech in a manner somewhat new—with an apology for an impropriety which he intended to commit; he pursued the arguments of the gentleman who went before him, in opposition to the amendment; but his speech consisted principally in an effusion of approbrious epithets. Some of which Mr. White repeated, and said to detail the whole would perhaps fill half a column of a newspaper. He said he felt on the occasion, not for himself, for he had not expressed his sentiments on the subject under debate; but for the honor of the house, in which he thought no such language ought to be used.

It had been said we came forward as volunteers; that the original holders did not put in their claim. This might be easily accounted for: they were generally obscure and indigent; had too much modesty, or perhaps not the capacity, to come forward. That he believed the crowd in the gallery did not consist of original holders.

A gentleman from New-York (Mr. Benson) had objected to multifarious propositions. He was not certain that he understood the word; but had never considered it as applicable to two. That the proposed amendment had brought the business to such a state, that we had the choice of two systems. In order to determine which to adopt, it is necessary to examine the merits of both. That proposed by the Secretary of the Treasury he considered as exceptionable; that the proposed reduction of interest was a breach of public faith; for although it was to be effected by the consent of the creditors, it would operate as coercion with respect to the original holders. He doubted not but the purchasers would eagerly embrace the proposal of 4 per cent. on the nominal sum: The original holders would not—they would wait for a more favorable determination; if they ever should consent it would be with reluctance, and because they find they should get nothing in any other way. The proposed disposition of the surplus revenue among the nonsubscribers, can have no effect: If government do not chuse to pay more than 4 per cent. interest, they will levy taxes only to that amount. The inducements to the acceptance of his several propositions, in consideration of the reduction of interest, are all futile. Western lands to the amount of one third! It is well known that western lands are not a property in much estimation among the holders of certificates.

With regard to his other propositions, of annuities and remote payments, it may be observed, that the proposed reduction is not founded on the inability of the States to pay, but on the principle of expediency only, left taxation should be extended to a degree and to objects which it might not at this time be proper to attempt. Now, what security have we that the same principles of expediency will not operate ten years hence?

He observed, that the purchase of annuities had not been practiced in America, and did not think it would become an object as it was in Europe. That in Europe there were many single men, who carried their views no farther than their own lives, and who, as they advanced in years, became fearful of difficulty and distress in old age: But this seldom happened in America; there were few without families, and the ease of procuring subsistence removed all apprehension of suffering in old age. Besides, a man in most parts of the country could realize his money in such a manner as to double its value in 15 years.

With regard to public opinion, he would say nothing, as he had no documents to support what he might advance. He might, however conjecture from the operation of the several systems.

If the amendment should be adopted, the taxes would be increased, but at the same time rendered more easy; as the means of payment would be in so many more hands. The people would see their indigent neighbors relieved, and those who had rendered services to their country in some degree rewarded.

But if the plan proposed by the Secretary should be adopted, the present holders of certificates, men without public merit, however respectable they may be in their private characters, will

be raised to an enviable state of wealth; the people, he presumed, will very ill brook the payment of taxes, when they see them applied to such purposes. Besides, we are told, that 5,000,000 dollars have been purchased in Holland; the interest of which will perhaps equal the whole expences of our civil government. Will the people approve of such a tribute, unless we can convince them of the justice of it? If it is just, if we have received value for it, no doubt but we must submit to the burden, however great it may be.

Mr. Hartley said that from the observations which have fallen from gentlemen on this occasion, he thought it his duty to give his opinion; tho he acknowledged that the gentlemen who spoke yesterday had done better justice to the subject than he could.

He then entered into a consideration of the nature of contracts; and observed, the securities of the United States, are a fair and absolute contract; and placing the subject in a political and commercial view, he shewed that an interference on the part of government would be subversive of all those principles, on which every species of negotiable paper is founded.

He reprobated the attempting a discrimination: He said the nearest and dearest connexions he had in life would be benefited by the measure, but on general principles he must be opposed to the idea. If any compensation is to be made to the original holders who have alienated their securities, some other mode must be devised. Mr. Hartley concluded by some particular remarks on Mr. Jackson's observations.

Mr. Moore supported Mr. Madison's proposition. He entered into a particular discussion of the subject, among other observations he said, that if public opinion was to be fairly taken, nine out of ten would be found in favor of discrimination.

The soldiers, who after the war had parted with their certificates, were uninformed even of the resolves of Congress; and it was the interest of the speculator to keep them in the dark. They had followed the poor soldier, and attended at the spot where they could take the greatest advantage.

Mr. Moore concluded by expressing his approbation of the amendment, which he thought was founded on principles of justice and equity.

Mr. Wadsworth said that it appeared to him the question was totally misunderstood; the object appeared to be to benefit the army; and if this could be effected to any substantial purpose, I should be in favor of the attempt; but when I reflect that it would produce directly the contrary effects, I must entirely reprobate the plan.

There is nothing further from the truth than the assertion that the soldiers in general of the late army sold their securities through necessity. It is true that a great proportion of the army sold their securities, but they were of that description of men who never fail to divest themselves of all the property they get, immediately. He entered into consideration of the circumstances that led to the alienation of the securities: The exigencies of the country were such as made the necessity of speculation apparent to every body; and, that there was great credit due to those who in the darkest times of public affairs confided in the public faith, greatly to their own loss in innumerable instances: For it is a fact that the intermediate holders of public paper have suffered much more than the original holders. He expressed his disapprobation of the term so frequently repeated, "the poor soldier," as a fair and impartial statement of facts would shew, that the American soldiery had been better paid than any other army whatever; and much better than the officers: He made a statement of the actual amount received by the soldiers in bounties from the Continent, States and towns, which amounted, in the eastern States where the chief of the army had been raised, to 250 dollars pr. man upon an average from the state only. Mr. Wadsworth instanced a great variety of difficulties which would arise to render impracticable the plan proposed. These were of a similar nature to those which Mr. B. had mentioned and other gentlemen had stated.

Mr. Goodhue observed, that the gentleman from Virginia, who has advocated this discrimination, having acceded to the proposition, that a contract fairly understood between the contracting parties, and where a proper consideration was given, ought upon no terms whatever to be violated, it became the committee to try the question by his standard; and it sometimes happens, that we are so blinded by existing circumstances, that by reversing the scene in our minds, we are more likely to detect an erroneous sentiment than by any other argument. Let us suppose for a moment, that the late war had been prolonged to a degree, that the debt contracted in its prosecution, became so enormously large, that the abilities of the United States, would enable them to pay but five shillings in the pound, and a number of persons, who had purchased securities at ten shillings, should come forward, and pray they might be authorized to call upon the original proprietors, to refund five shillings of the purchase money—can any body doubt what the answer would be? Would they not be told, from all quarters, that they purchased upon the contingency of the public ability? That it might have happened, that they would have got twenty shillings for what cost them but ten, it has turned out otherwise, they took the risk upon themselves, and therefore must abide the loss? This has been the understanding, which has universally prevailed, and every transaction of the United States, relative to assigned securities, as well as the security itself, in its very face, establishes such an understanding.

Mr. Goodhue further observed, that agreeably to his idea, public credit, became a desirable object chiefly for this reason, that in times when great exertions became necessary, the public might avail themselves of services and supplies, beyond what they may have money on hand sufficiently to command—this was to be done only by promissory obligations, and in order to have any effect and answer the purpose, they must be made assignable—he then asked, if the principle of a discrimination, contended for, had existed during the late war, or if it had been understood, any advantage was afterwards to be taken of an assigned security, which assignment was legalized in the very security itself, what would have been the consequences? Would it not have put a period to our credit and exertions? Would not such a principle now established, be an effectual bar to our future credit?

Mr. Goodhue acknowledged, that the case of many soldiers and others, who from necessity were obliged to part with the pledges of their public service for a small consideration, was peculiarly hard, and they were entitled to our compassion and generosity, but not at the expence of our national honor and solemn engagements.

The observation of Mr. Gerry, alluded to by Mr. Jackson, was not "ultima rex regum" or "ultima lex regum" or "ultima lex regum" as has been by mistake inserted, but "ultima ratio regum."

WEDNESDAY, FEB. 17.

Mr. Madison's motion under consideration. Mr. Page said that he thought it proper to express some ideas to the committee upon the question, left it should be said that either a blind attachment to the mover on the one hand, or pusillanimity on the other influenced his vote.—It has been said by some persons that the motion is infamous, by others it is supposed to be founded on strict justice, I hope a fair and temperate discussion will take place.—The enquiry is, whether we did not owe the