

It was encountering an immediate and certain evil for a remote and uncertain benefit; The navigating states had already obtained from Congress considerable favors more than either the manufacturing or the agricultural states had received; their vessels paid only 6 cents while foreigners paid 50; even when sold to foreigners they paid only 30 cents; they had a monopoly of the coasting trade and the East India trade, and goods imported in American bottoms were entitled to a discount of 10 per cent on the duties. They had by nature every advantage in ship building; they could build for nearly one half the sum it would cost in Europe, and yet they were not satisfied but were pressing for further benefits; at least they should wait to learn the effect of the laws passed last session on this subject; there were no documents to show whether those laws had increased the American shipping or to what amount, they had not been in operation above nine months, and it was an extraordinary proceeding to double the foreign tonnage without any other ground than a petition from some merchants in Portsmouth. If after the inquiry should be made, it should appear that notwithstanding every thing which Congress had done for securing to the United States the carrying trade, our own shipping had not increased in the proportion expected, it might reasonably be inferred that other circumstances than those to which it was attributed, occasioned such ill success, and that increasing the foreign tonnage would not remedy the evil; if on the other hand it should be ascertained that the measures of last session had produced the desired effect, then any further restrictions on foreign shipping would be unnecessary. Whatever was the result, it would operate against the proposed increase.

If the fact however really was as the petition stated, that no advantages had accrued to their shipping from the measures of the last session, he was impressed with a strong conviction that their shipping labored under disabilities not within the power of Congress to remove. It was not improbable that our merchants in general, either had not sufficient capital to engage seriously in the carrying trade, or were not disposed to encounter the hazard of that species of commerce. A merchant at Boston who should propose to be concerned in the carrying trade between Charleston and Amsterdam, must have capitals and connections at both those places: His property being thus divided, would be exposed to greater risks than if it were all at Boston under his immediate controul; at least he would feel more satisfaction in this case, and any trifling loss might induce him to relinquish such extensive concerns, and to contract his capital to a smaller sphere: This might be one reason why our citizens were cautious of embarking in the carrying trade; another might be assigned; some of the exporting states were accustomed to particular commercial habits adapted to their local circumstances and their immediate convenience; they were supplied at proper seasons with such commodities as were suited to their wants, and the nation which supplied them, not only allowed us an extensive credit, but received our produce in exchange; the vessels which brought the necessary supplies, were ready to take away our productions, and the merchant who sold the former would naturally employ his own vessels to export the latter. The only mode of supplanting these foreign merchants is to imitate their conduct; without it, said Mr. Smith it is in vain to load their shipping with enormous duties; such a step will only distress us and depreciate our produce, without securing the carrying trade to the Eastern states. The true policy of the United States was to encourage its agriculture and facilitate the exportation of its products—this measure would have a different tendency. Union at home and peace with all the world should be our motto, because they would ensure prosperity to this country; but the proposition if carried into operation, would occasion division at home, and might induce a retaliation by foreign powers, and involve us in hostilities. The states which would suffer by this restriction on foreign shipping, of which they stood so much in need, would consider it as unjust and calculated to promote the interests of other states at their expense: In this point of view, he disapproved highly of the measure, for it did not hold out to the different states that equal protection to which by the constitution they were entitled. At any rate the proposed increase was premature and they had not sufficient information to warrant so very enormous an addition to the foreign tonnage.

Mr. SHERMAN observed that the resolutions had in view two objects; one to encourage the carrying trade, the other to encourage ship building. To give due encouragement to the American carrying trade, he thought it would be expedient to lay the same impositions on foreigners coming into the ports of the United States, as were laid on citizens of the United States going into foreign ports. Encouraging the carrying trade, in his opinion, would operate as an encouragement to ship building, because owning American built ships should be an object to foreigners who traded with the United States, since thereby they would make a considerable saving in the tonnage; the resolutions proposing to add no additional tonnage on American built ships, though owned by foreigners.—He thought that tonnage would not operate so unequally as the gentleman from South-Carolina had imagined. Should its operation be unfavorable to any particular State for the present, yet the general benefit of it would soon pervade the whole, and like water would find its own level.

Mr. Goodhue made some remarks on the importance of the carrying trade, and said that the decline of that business was owing to the restrictions imposed by foreigners on the shipping of the United States. In his opinion, therefore, it was necessary to meet them in this respect upon an equal footing, and place the shipping of the United States in the same situation as theirs. Beyond this he did not wish to go. Considering the ability of our country to build ships, he thought that branch of business ought to be encouraged, as it was a point that in a very essential manner, concerned our nearest interests.

Mr. Williamson said, the question was of importance. He did not think it proper that one part of the community should be burdened for the benefit of the other. Suppose a particular State should pay 8 or 10,000 dollars a year extraordinary for the public good, it would most certainly be proper to adopt some method of refunding the sum paid over and above its proportion, and then the burthen would be equalized. With respect to the policy of encouraging American vessels he viewed the matter in a different light from what the gentleman from Carolina did. When he mentioned the encouragement of American shipping, he confessed his ideas did not extend to a navy. He thought that period still very remote when we should be able to contend with the European powers on the watery element. He hoped, he said, Americans would never so far lose sight of their own interest as to burden themselves with the expense of a navy; considering our situation, rather let us endeavour to make the most of the produce of our country. The farmer who earns his bread by the sweat of his brow, if his industry procures him more than he wants for his own support, he ought to have markets to go to, and every possible opportunity thrown in his way of making the most of his property. By permitting foreigners to carry our produce for us in order to pay for the fine goods they furnish us, we have to raise more from the soil by one third than if we carried it ourselves. The exports from some states consist of bulky articles; and the transportation of lumber to the West-Indies in foreign bottoms consumes 50 per cent. of the cargo. It is usual for a man to fill a vessel with lumber, and then give one half for the carrying of the other: so that one half of the property goes out of the country never to return. In particular, too, with regard to tobacco; The value of a hoghead was about 25 dollars, the freight to Europe 8 dollars, so that the freight was very near 33 per cent.

He mentioned these particulars, he said, to show the disadvantage of suffering foreigners to be the carriers of our produce. Mr. Williamson then read a statement of the annual exports of North-Carolina, and the shipping employed in carrying off the same. When it was considered what a prodigious proportion of our produce went irrecoverably into the hands of foreigners by their be-

ing our carriers, it was highly necessary to take some measures to counteract such abuse. And he hoped the citizens of the United States would one day or other be the sole carriers of their own produce. For it was to the carrying trade that nations owed their wealth and consequence, and experience had shown that he that carried the produce finally became the owner of it. The gentleman from South-Carolina (Mr. Smith) had said, that the operation of the present tonnage act had either tended to increase the shipping, or it had not—if it had increased it, then enough was done; if it had not, then the failure was owing to some other cause, and the raising of the tonnage would not effect the desired purpose.—To this he begged leave to reply, that the tonnage might be compared to a great weight; it was either moved or not, if it was moved and not lifted, then there was only more strength wanted; if it was not moved, then it became necessary to have recourse to the mechanical powers of pulleys, levers, &c.

Mr. SMITH then observed, that if gentlemen went upon the principle of increasing the tonnage after they had set it in motion, that they might perhaps go to the length of 2 or 3 dollars. The gentleman had compared it to a weight, when we had got the lever under it, all we had to do was to lift. But it appeared to him that we had no lever under the weight, and that we are striving to raise it without one, and may continue striving till we break our backs. If a person should take a dose of medicine, he asked whether it would not be proper to wait till he saw whether it operated or not, before he should take another? The fact was Congress had not time to see the operation of their measures: But a few months had elapsed since the tonnage act had begun to be in force. The proposed resolutions put him in mind of a sick man, who was informed by his physician that if he could take half a pint of medicine every day for six months, that it would restore him his health. The man then reasoned thus: Half a pint a day of this potion will make me well in six months; but a pint per day for three months is equal to half a pint for six months—Ergo, a pint a day for three months will cure me!

## CONGRESS.

HOUSE OF REPRESENTATIVES.  
MONDAY, MAY 24, 1790.

THE bill for the relief of Thomas Jenkins, and Co. and the bill for establishing the Judicial Courts of the United States in the State of North Carolina, were read a third time, and passed the House.

The amendments proposed by the Senate to the resolutions respecting the arrears of pay due to officers and soldiers of the Virginia and North-Carolina lines of the late army, were taken into consideration.

Mr. Lawrence informed the house that the speculations in this business had not originated in New-York—that he had been informed the whole amount, purchased by persons here, is about 2600 dollars—that the speculations in Virginia and North-Carolina, had taken place previous to the appropriation, and to a much greater amount.—He mentioned these facts, he said, to do away the aspersions, which in the course of discussing this business, had been thrown out against this city. He was of opinion, that it would be best to disavow the amendments, and let the resolution lie for further consideration.

Mr. Williamson said he hoped the house would agree to the amendments, as in case of non-concurrence the resolutions would be lost—and he was firmly persuaded that it is necessary that some thing should be done.

Mr. Bloodworth made some observations in reply to Mr. Lawrence.

Mr. Ames observed, that as there appears to be a contradiction in respect to facts, and as the resolution had been opposed on certain principles, which had not been controverted, he wished the amendments should lie for the present, and made a motion accordingly.

Mr. Vining opposed the motion.

Mr. Sedgwick supported it.

The vote being taken the motion was lost.—The amendments were then agreed to.

In Committee of the whole on the funding bill.

9th Section under consideration.

This appropriates so much of the revenue from Impost and Tonnage, as may be necessary to pay the interest on the domestic debt of the United States, agreeable to the principles of the bill.

Mr. Gerry observed, that the provision for the non-subscribers, by the bill, does not include interest, as in the case of subscribers. He moved an amendment to make such provision. He observed that this clause as it now stands, conveys the idea of compulsion, to a much greater degree, than without it—whereas the only difference which has been contemplated is, a priority in payments.

It was observed by some gentlemen, that the bill did virtually make this provision.

The motion being put, was negatived.

Mr. Boudinot then moved that the clause should be made definite, by expressing the word "principal," agreeable to the sense of the committee as now declared.

Mr. Sherman moved an amendment to this amendment, to provide for issuing a Certificate for interest, to the end of the year 1791, to non subscribers. These motions, after a short discussion, were withdrawn.

Mr. Heister moved an amendment respecting the non-subscribing creditors, by which they should receive their interest "from and" during the year 1791. This was objected to as establishing a permanent fund for paying the interest to non-subscribers, at 6 per cent. which is giving them advantages over the subscribers—whereas it is not contemplated by the bill to fund the demands of the non subscribers—they are to be provided for by annual grants.—Some debate ensued on this motion. The question being put was negatived.

Section 12, respects the appointment of commissioners in the several States.

Mr. Steele moved that the section should be amended, by adding the words—to reside at — This motion was lost.

Mr. Williamson moved, that the clause which empowers the Secretary of the Treasury to appoint the requisite number of Clerks to each Commissioner should be struck out.—This was carried in the affirmative.

The committee went through the bill, as far as the 12th section, and made several small amendments. At the end of the twelfth section,

Mr. Gerry said, he rose to make a motion, which was to insert a clause for the assumption of the State debts. Sir, (said he) when this question was before under consideration, a gentleman from Virginia urged a variety of arguments against it, but as he did not come forward with his arguments till near the time of adjournment, there was no opportunity of replying to them. Sir, his arguments appeared to a number of gentlemen to be unfounded, and to require not only investigation but contradiction. Since that time the house have called for documents from the Secretary of the Treasury, from the Secretary at War, and the Commissioners for settling the public accounts. It is reasonable to suppose that the arguments for assumption would derive new force from these papers, if any additional force was wanting. As far as concerns myself, however, I wish not to enter into a discussion of the individual exertions of the States, if it can possibly be avoided. In my view, every state has obtained an ample share of honor, in the public cause, with which they ought to be satisfied—not is it my wish to reflect more honor on one State than another. This, however he thought might probably be the effect of an investigation of the papers, although he hoped the necessity of such an investigation would be prevented by an acquiescence of the committee in a motion which he would make, and which was founded upon principles of conciliation. Should it be attended with such consequences as these, it would indeed be a happy circumstance—and in that expectation he begged leave to submit it to the consideration of the committee.

It is not at all my wish, however, (continued Mr. Gerry) that the committee should decide hastily on my proposition—it shall be moved, and then lay on the table to afford gentlemen an opportunity of examining it, and making up their minds thereupon.

Mr. Gerry then read the following as his motion:

AND WHEREAS a provision for the debts of the respective States, by the United States would be greatly conducive to an orderly, economical and efficient arrangement of the public finances; would tend to an equal distribution of burthens among the citizens of the several States; would promote more general justice to the different classes of public creditors; and would serve to give additional stability to public credit: And whereas the said debts, having been essentially contracted in the prosecution of the late war, it is just that such provision should be made.

Be it therefore further enacted, That a loan be also proposed to the amount of the said debts, and that subscriptions to the said loan be received at the same time and places, by the same persons, upon the same terms, and with the same options to the subscribers, as in respect to the loan above proposed, concerning the domestic debt of the United States, subject to the exceptions and qualifications hereafter declared.

And be it further enacted, That the sums which shall be subscribed to the said loan, shall be payable in the principal and interest of the certificates, which, prior to the day of last, were issued by the respective States, as acknowledgments or evidences of debt by them respectively owing; and which shall appear by oath, or in regard to a known Quaker, by affirmation, to have been the property of an individual, or individuals, or body politic, other than a State, on the said day of last. Provided, That no greater sum shall be received, in the certificates of any State, than as follows, that is to say,

- In those of New-Hampshire,
- In those of Massachusetts,
- In those of Connecticut,
- In those of New-York,
- In those of New-Jersey,
- In those of Pennsylvania,
- In those of Delaware,
- In those of Maryland,
- In those of Virginia,
- In those of North-Carolina,
- In those of South-Carolina,
- In those of Georgia,

And provided, That no such certificate shall be received, which from the tenor thereof or from any public record, act or document, shall appear, or can be ascertained to have been issued for any purpose other than compensations and expenditures for services or supplies towards the prosecution of the late war, and the defence of the United States, or of some part thereof during the same.

And be it further enacted, That the interest upon the certificates which shall be received in payment of the sums subscribed towards the said loan, shall be computed to the last day of the year 1791, inclusively, and that the interest upon the stock which shall be created by virtue of the said loan, shall commence or begin to accrue upon the first day of the year 1792, and shall be payable quarterly at the same times, and in like manner as the interest on the stock to be created by virtue of the said loan in the domestic debt of the United States. Provided, always, that the interest on one third of the respective sums which may be subscribed according to the last of the three options or alternatives upon which subscriptions may be made as aforesaid, shall commence or begin to accrue until the first day of the year 1799.

And be it further enacted, that if the whole of the sum allowed to be subscribed in the debt or certificates of any State as aforesaid, shall not be subscribed within the time for that purpose limited, such State shall be entitled to receive, and shall receive from the United States, at the rate of four per centum per annum, upon so much of the said sum, as shall not have been so subscribed, in trust for the non-subscribing creditors of such State, to be paid in like manner as the interest on the stock which may be created by virtue of the said loan, and to continue until there shall be a settlement of accounts between the United States and the individual states, and in case a balance shall then appear in favor of such State, until provision shall be made for the said balance.