

of security for what shall be found due on such settlements. Resolved, that the troops of the United States, in common with all the creditors of the same, have an undoubted right to expect such security; and that Congress will make every effort in their power to obtain from the respective States, substantial funds, adequate to the object of funding the whole debt of the United States, and will enter upon an immediate and full consideration of the nature of such funds, and the most likely mode of obtaining them." Nothing can more clearly appear, than that at the time of these resolutions, Congress considered the debt due to the army for pay and depreciation of pay, as well as that due to their other creditors, as the particular debts of the United States.—Here was no pretence of denying the contract or turning them over to the States for payment. It is true, Congress in these resolutions call upon the individual States, to settle with their lines of the army to a given day, but the pay is to come from adequate funds to be provided by the efforts of Congress from the several States. In obedience to this requisition, the States proceed to the settlement, not only of the pay to the lines of the army, but also of the claims of their citizens for supplies furnished to contractors, commissaries and quarter-masters with all their host of dependants, and certificates of the balances due to them, were given under the direction of the States individually, who thereby agreeably to the foregoing resolutions, became security to the creditors, on behalf of the confederated government, that their debts should be paid. Congress immediately proceeded to demand of the several States, an impost of 5 per cent. ad valorem on all goods, wares and merchandizes, imported into the United States, and, additional sums for 25 years, adequate to the payment of the interest of the whole debt agreeably to their assurances in answer to the memorial of the army.

Some of the States complied with this requisition, and provided supplementary funds over and above the impost for 25 years—but others refusing, the whole project was rendered abortive and the creditors of the union left in the most distressing circumstances. The clamours of the citizens were too great to be withstood by many of the States who considered themselves as sureties for the United States, and indeed under a necessity of rendering some immediate, tho' partial supplies, to prevent every thing running into confusion. They thereupon undertook to pay their own citizens the interest due on their respective certificates, whether given by the special officers of Congress (as the commissioners of loan) or under the direction of the standard before mentioned. The State of New-Jersey in this way paid five years interest, to the amount of several hundred thousand dollars. But although these partial payments put the evil day farther off, yet the time at last came, when the good sense of the people, finding the government unable to support itself and comply with their engagements, and seeing nothing but ruin and confusion before them, wisely brought about another revolution, and formed a new constitution founded on a more intimate union of the several States, with greater and more efficient powers for the purpose of establishing justice, insuring domestic tranquillity, promoting the general welfare and securing the blessings of liberty.

Provision was also expressly made, that all debts and engagements binding on the former government, should be equally valid against the present. Under this new constitution, the government is vested in the fullest manner with all the resources and funds necessary for the payment of the general debt of the union, and what they had in vain asked of the several States under the former confederation. Of course the individual State was deprived of them, and no longer had it in her power to continue her partial aids towards satisfying the growing interest on the demands of their citizens.

In this situation, and under these circumstances, our creditors came forward, with the evidences of their demands given by the individual State by order of the United States in Congress assembled, and demand payment of us, as their original debtor, for whom they performed the services and to whom they granted the supplies, alledging that by the transfer of the revenues and resources of government from the respective States to us, their security is invalidated and we are become able to pay them, agreeably to the spirit of our original contract. These questions then fairly arise,

Was the contract originally ours, or were the United States the original debtor?—if so, has the creditor been paid his just due, or has he released us from the obligation?

There can be no doubt in my opinion, from the foregoing view of the circumstances of the case; and I believe no gentleman will deny, but that we are the original debtors as representing the former government.

It is as clear that all the creditor has received for his demand, has been a certificate from the State, testifying a certain balance due to him for his services, or for supplies rendered. And here I should enter into the argument, to shew that this certificate from the State cannot on any principles of justice, honor or policy be considered as payment, was not the matter already done to my hand in language so much more forcible than any I can use on this occasion, and the omission of which would be imposing on the committee. This will be found in the 32d and 43th pages of the Congressional Register, where an honorable gentleman (Mr. Madison) in speaking on the subject of public certificates, though to another point, says, "Let us consider first by whom the debt was contracted, and then to whom it is due. The debt was contracted by the United States, who with respect to that particular transaction were in a national capacity. The government was nothing more than the agent or organ by which the whole body of the people acted. The change in the government which has taken place, has enlarged its national capacity, but it has not varied the national obligation with respect to the engagements entered into by that transaction—for in like manner the present government is nothing more than the organ or agent of the public. There is no change in our political duty nor in the moral or political obligation.—The language I now use is the language of the constitution itself—it declares that all debts shall have the same validity against the United States, under the new as under the old form of government.—The obligation remains the same, though I hope experience will prove that the ability has been favorably varied."—Again a debt was fairly contracted; according to justice and good faith it ought to have been paid in gold or silver. A piece of paper was only substituted. Was this paper equal to gold or silver? No; it was worth in the market no more than one eighth or one seventh of that value. Was this depreciated paper freely accepted? No; the government offered that or nothing. The relation of the individual to the government and circumstances of the offer, rendered the acceptance a forced, not a free one. Again—"Here there was a debt acknowledged to have been once due, and which was never discharged, because the payment was forced and defective; the balance consequently is still due, and is of as sacred a nature as the claims of the holders can be. These conclusive arguments apply with double force to the question before the committee. Was the debt contracted by the United States? If so where have they any evidence of payment? If it is answered in the state certificates, I reply, a piece of paper was only substituted for the bare purpose of ascertaining the balance as preparatory to its being funded, and that by the particular order of Congress, under the idea of providing the creditor with security for his debts. Was this paper equal to gold and silver or any other substantial payment? The relation of the individual to the government and circumstances of the offer, rendered the acceptance a forced, not a free one. But, sir, a part of the objection is still unanswered: It is said that if these are debts of the United States in the hands of individual citizens, must they not be the debts of the United States in the Treasuries of the different States. I answer by no means. This argument is extremely fallacious. In common life, if any person who becomes my security, pays the debt for me and he owes me money, I can with propriety refuse to pay him till he settles his debt with me; but if such security refuses, or is unable

to pay the debt to my creditor, I certainly have no right to put off my creditor till the security shall have paid me what he may owe me. (To be continued.)

MONDAY, JUNE 21, 1790.

THE bill to establish the Post-Office and Post Roads in the United States, was brought in engrossed, and read the third time. The blanks were filled up.—The fine for detaining the mail was set at a sum not exceeding 5 dollars for every half hour. The salary of the Post-Master-General 1600 dollars—Assistant 1000 dollars—Deputy Post-Masters 20 pr. cent. on the postage of letters received at their respective offices.—The blanks being filled up, the bill was passed.

Reports from the Secretary at War on sundry petitions were read.

The bill for repealing after the last day of—the duties heretofore laid on spirits, &c. was taken into consideration.—The question was, whether the bill should be engrossed.

Mr. Stone observed, that no man could be more in favor of making provision for the debt of the United States, than himself—but the present bill pointed out a mode which he conceived to be the worst that could be devised—the most exceptionable, and would turn out the most unproductive. He should therefore vote against the bill on a full conviction that other funds, entirely unexceptionable, might be found, and which might be contained perhaps in a quarter of a sheet of paper. He said he should call for the Ayes and Noes.

Mr. Carrol observed, that as so much time had been taken up in maturing the bill, he hoped that it would pass to be engrossed—the business is of very great importance, and ought now to be finished. He wished therefore that the Ayes and Noes might not be called in the present stage of the bill, as it would not, he conceived, answer the purpose intended by the gentleman.

Mr. Stone withdrew his motion.

Mr. Bloodworth renewed the motion, but afterwards he withdrew it.

Mr. Page said he hoped that the Ayes and Noes would be called.

Mr. Jackson was also in favor of coming to an ultimate decision on the bill.

Mr. Gerry said if there is a majority of the house who are determined to reject the bill, he could not see of what use it was to have it engrossed.

Mr. Fitzsimons said he had observed, that if this bill should be rejected, there would be great difficulty in finding other resources.—He wished that the House would now decide upon it.

Mr. Vining spoke in favor of the bill, and was for trying the strength of the house on the question, and in that view was in favor of calling the Ayes and Noes. The question on engrossing the bill was determined in the negative, as follow:

AYES.

Messrs Brown, Cadwallader, Carrol, Contee, Fitzsimons, Floyd, Foster, Gale, Gilman, Griffin, Hartley, Heister, Lee, Livermore, Madison, P. Muhlenberg, Seney, Sherman, Sinnickson, Smith (M.) Vining, White, Williamson.—23.

NOES.

Messrs Ames, Ashe, Baldwin, Benson, Bloodworth, Burke, Coles, Gerry, Goodhue, Grout, Hathorne, Huger, Huntington, Jackson, Lawrance, Leonard, Matthews, Moore, Page, Parker, Partridge, Rensellaer, Scot, Sedgwick, Sylvester, Smith, (S. C.) Sevier, Steele, Stone, Sturges, Sumpter, Thatcher, Trumbull, Tucker, Wadsworth.—35.

By this vote, the bill was lost.

Mr. Fitzsimons moved that a committee should be appointed to devise a plan for payment of the interest on the debt of the United States. This motion was agreed to—and the following gentlemen appointed—viz. Mr. Fitzsimons, Mr. Madison, Mr. Sedgwick, Mr. Sherman, Mr. Tucker.

A message was received from the Senate, informing that they have concurred in the vote of the house, of the 8th inst. for appointing a joint committee to consider and determine on a proper time for the adjournment, and that they have passed a bill for settling the claims of John McCord, with amendments.

In committee of the whole on the amendatory bill, providing for the settlement of accounts between the United States and individual States.

Mr. Seney in the Chair.

The first clause provides for increasing the number of the Commissioners from 3, the present number, to 5.

Mr. Foster moved that the words, "two Commissioners in addition to" should be struck out.

Mr. Lawrance objected to the motion. He observed that very extensive powers were given to these commissioners—the objects on which they are to decide are of the utmost importance—and he thought that 5 commissioners would give more satisfaction to the people than 3.

Mr. Livermore was in favor of the motion.—He thought the business would be procrastinated in proportion to the number.—Three has been thought sufficient—nothing new has been offered to shew that any more are necessary. If the number was increased to 60, he thought it would only embarrass the more.—He considered the addition as an indirect impeachment of the gentlemen now in office—he had never heard any

fault found with them—he believed they were competent to the business.—If we make the addition, what has been done, may be all lost labor. If 3 would finish the business in 3 years, he had no doubt that 5 would take 5 years.

Mr. Williamson said he differed from the gentleman last speaking, in respect to the addition to the board's being an impeachment or imputation on the gentlemen now in office.

The powers proposed to be vested, are much more extensive than those by the former bill—which renders it expedient that the number should be increased—that more accurate information from various parts of the Union may be collected.—He said he had the highest opinion of the present Commissioners—they were gentlemen whose abilities were undoubtedly respectable—but he could not conceive that their abilities or importance would be lessened or depreciated by the proposed addition.

Mr. Livermore made some reply to Mr. Williamson.—The motion for striking out was negatived.

On motion of Mr. Sherman, the 6th section was amended to read thus—That the States who shall have balances placed to their credit on the books of the Treasury of the United States, shall within after the same shall have been credited, be entitled to have the same funded upon the same terms as the other debts of the United States.

Mr. Smith, (S. C.) moved that the clause which deprives the States of the power of transferring the debts due to them from the United States should be struck out. He observed that he could see no reason for the prohibition—it appears absurd that a State should not have it in its power to transfer its demands against the United States to its creditors.—He wished that gentlemen would assign the reasons for the clause.

Mr. Sedgwick said he would give the reason—it was to prevent increasing the demands against the United States, in the hands of foreigners.—This was a desirable object, and ought to be attended to as far as possible.—In respect to the domestic debt, it was to be lamented, that so much of it was in the hands of foreigners—this however could not be prevented; but with respect to the present case, it may be done without any injury whatever—and therefore we ought to extend the prohibition as far as we can consistent with justice.

Mr. Sherman spoke against the motion.

Mr. Smith supported his motion.—He shewed the inconvenience and expence that would attend the double operation of the States' first receiving their interest, and then paying it to their creditors. He further observed that it was treating the States like children—individuals may transfer their demands—but the States are not so to be trusted.—He added other remarks—when the question being taken, the motion was lost.

Mr. Sedgwick then moved that the clause be amended to read,—and no debt due to any particular State, shall be transferable.—This was agreed to.

The clause which provides for paying the clerks 500 dollars from the time of their appointment, was amended by striking out the last words "from the time of their appointment."

The Committee rose and reported the bill with the amendments.

The amendment respecting the Clerks was objected to by Mr. Seney—it was however agreed to by the House.

Mr. Jackson moved that the clause, determining the rule of apportionment, in the following words, "The rule for apportioning to the States the expences of the war, shall be the same that is prescribed by the Constitution of the United States for the apportionment of representation and direct taxes, and according to the first enumeration that shall be made," should be struck out—and called for the Ayes and Noes—which are as follow:

AYES.

Messrs Ashe, Baldwin, Floyd, Foster, Gilman, Hathorne, Jackson, Lawrance, Livermore, Sedgwick.—10

NOES.

Messrs Ames, Benson, Bloodworth, Boudinot, Brown, Burke, Cadwallader, Carrol, Coles, Contee, Fitzsimons, Gale, Goodhue, Griffin, Grout, Heister, Huger, Huntington, Leonard, Madison, Muhlenburg, Moore, Page, Partridge, Rensellaer, Schureman, Scot, Seney, Sherman, Sylvester, Sinnickson, Smith (M.) Smith (S. C.) Sevier, Steele, Stone, Sturges, Sumpter, Thatcher, Trumbull, Tucker, Vining, Wadsworth, White, Williamson.—45.

A clause was proposed by Mr. Tucker, for continuing the salaries of the Commissioners to the day of altho the accounts should be settled prior to that period.—The first part was agreed to—from the word "altho" to the end, was negatived.

A motion was made by Mr. Steele to amend the clause which respects the claims of the States, to strike out the word "was" before the word exhibited, and to insert the words "shall be."—This motion was negatived.—It was then voted that the bill be engrossed for a third reading to-morrow. Adjourned.