



CONGRESS.

PHILADELPHIA.

HOUSE OF REPRESENTATIVES, THURSDAY, MARCH 29, 1792.

In committee of the whole, on the report of the Secretary of the Treasury on the public debt.

MR. GILES proposed a clause to be added to the first proposition offered by Mr. Fitzsimons, the object of which was to preclude the admission of the irredeemable principle in the debt hereafter to be subscribed to the loan of the United States. Mr. Giles supported his motion by adducing sundry reasons—The creditors, by not availing themselves in season of the chance of subscribing under the terms of the first subscription—the government, said he, are under no obligation to renew those terms. He said his motion is to have a subsequent operation, and therefore cannot be considered as an infraction of existing contracts—The irredeemable principle, he observed, is an exotic, and appears to have been adopted without a due consideration of its applicability to our circumstances—The funding system of Great-Britain has prostrated that government—the prosperity of that country is not owing to its financial arrangements; Great-Britain is in its decay; this government is in its youth—It is improper for us to use such stimulants as may be necessary to induce vigor in age. The irredeemable quality is the result of necessity in the funding system of Great-Britain; and that principle will operate its ruin. The argument drawn from a violation of contracts, applies as well to the first system as to that now proposed; the reduction of the interest was a violation of the original contract.

He then entered into a consideration of the principle of equality, and shewed from the present state of the debt, being part of it in the hands of those who were inimical to the cause which this debt was contracted to support, the obligation of the government to add to the gift which in fact has already been made to these people, by infusing this irredeemable quality, may well be questioned. He added some further remarks, and concluded by saying, he hoped that a principle which would be so fatal to the United States, would be rejected, by adopting the proposition he offered.

Mr. Ames offered various estimates, by which he demonstrated that funding the debt on the principle now opposed, would not incapacitate the government from discharging it—on the other hand, it would facilitate the object greatly.

Mr. Lawrence observed that the opposers of the proposed system, after offering various motions, appear at last to be agreed in a specific object. He denied that the consequences which it had been said resulted from the funding system of Great-Britain, had taken place; adverting to the operation of the system in this country, he said the observations were no better founded—With respect to the irredeemable quality, he said it was not a novel circumstance; under the old Congress, foreign loans had been made on a similar principle—It is well known, said he, that the old Congress contracted a debt which they could not discharge under ten years; and the payments then could be only made by instalments—No fault had ever been found with this transaction. He then entered into a general defence of the funding system; and adverting to its operation, he shewed what had been done—the credit of the country had been raised from the lowest ebb, and a larger sum of the debt had been paid off, than any man in the country had any conception of—Here he noticed some remarks which had been offered yesterday by a gentleman, who had said that the Secretary had insulted the House by his propositions—and said in his opinion such reflections were not merited by an officer who had done so much for his country. He defended the irredeemable principle, and shewed the advantages which the country derived from it. He further remarked, that the government was not precluded from exerting its faculties in discharging the debt, to as great a degree as any person had proposed, or as had been considered prudent; and while the United States are thus circumstanced, the douceur to the creditors in the principle now opposed, is in fact no possible disadvantage to the government.

Mr. Mercer said the funding system was not understood by the country at large, and he was not surprized when he found it was not understood in this House—He was glad therefore to hear observations thrown out, which served more fully to develop the system.

The irredeemable quality he was astonished to hear advocated by any gentleman in this House, for sure he was, that no measure of the government was more odious elsewhere, or more universally execrated. He adverted to some of the financial operations of the British government, and drew a comparison which placed the funding system of this country in a less eligible point of view than that of Great-Britain. He said that by an easy process it could be made to appear that one half, or at least one third of the 6 per cents might have been paid off, viz. by borrowing at 3 or 4 per cent; this is the mode which the British minister adopted. He shewed from certain statements, that this irredeemable quality operated to the injury of the holders of the 3 per cents of the United States. The British 3 per cents were at 100 per cent for a number of years together. He denied that the loans which had been made by the old government were on the irredeemable principle; he said the terms were in favor of the borrower on exactly similar principles with the contracts in common life. He introduced some observations of those who had written on the subject of finance—he said that funding systems had uniformly operated to the destruction of the common people; the principle has raised a splendid superstructure on no foundation whatever. He contrasted the situation of the modern with the ancient Dutch republic—He stated the enviable situation of the Swiss Cantons—this he said was an eulogium on the steady produce of labor and industry.

Mr. Gerry stated his ideas on the irredeemable principle; he defended it on the grounds of justice and policy. He then adverted to the operation of the funding system—It had changed, he said, the whole face of our affairs—had transformed us from the vassals of foreign creditors, to freemen—had revived the trade, agriculture and manufactures of the country; and placed the credit of the United States on an equality with that of the most flourishing European governments, and in a situation much superior to some of them.

Mr. Heister, in a speech of some length, opposed the irredeemable principle, and the funding system in general.

Mr. Findley said he was opposed to the irredeemable quality, he doubted whether it was not going beyond what is allowed by the constitution. He had heard it often said that principle was infused into the system on the idea of its being an equivalent for a reduction of the interest; this idea seems to be assumed by gentlemen, but he had not heard any of them adduce any reason in support of it. He did not think it in any degree an equivalent, nor did he think the creditors considered it in any such light. He was not unacquainted with many of the public creditors, they did not consider this as an equivalent; the debtors in this case af-

fumed the office of judges, and they only considered what was an equivalent. He admitted that the debt was above par; but common interest had not declined—it was in fact higher than at any period during the war; this he said shewed that the irredeemable quality was not an equivalent; Hence he inferred the credit of the country was not supported by the funding system; the present credit of the country is a nominal and destructive credit—therefore he insisted that admitting the residue of the creditors to loan on this principle, will not be giving them an equivalent: He considered the funding system from the first, as tending to the interest—not of the citizens but of foreigners; it has given rise to one bubble after another, which have deluded our citizens to their destruction. He denied that it had increased the specie, or circulating medium, or raised the value of the lands, or promoted the manufactures or industry of the country—the reverse of all this he said were facts; credit between man and man is lessened, extravagance and immorality have spread their baneful influence. He then adverted to the system generally, and reprobated it as a departure from the original contract, that contract which was most solemnly guaranteed by the constitution.

What is the obligation of the government in respect to the residue of the debt—he conceived that the present Congress was perfectly clear to act agreeable to the principles of the original contract, as much so as the first Congress. In providing for the residue he said the government was bound to provide for it by a provision to pay 6 per cent. but not to pay interest on interest. Here he entered into a consideration of the policy of funding the facilities—this he reprobated as unnecessarily increasing the public debt, and he could conceive of no other reason but that of increasing the debt which gave rise to this measure—a measure which ought not to have been adopted, and ought to have been prevented by the States doing their duty. He denied the right of one Congress to say that another shall not provide for paying off the whole of the debt or of any part of it—for this reason he considered it unconstitutional and should vote against the irredeemable quality: He had no doubt of the right of Congress to alter the funding system in regard to this principle, and that they would do it whenever they thought proper.

The question being put on Mr. Giles' motion it was negatived, 32 to 25.

SATURDAY, MAY 5.

The amendments of the Senate to the two following bills were taken into consideration, and agreed to by the House, viz. The bill concerning spirits distilled within the United States, and the bill relative to the compensations of certain officers employed in the collection of the duties of impost and tonnage.

Mr. Madison, of the committee of conference on the process bill, reported that they had met the committee on the part of the Senate, and had agreed respecting some of the amendments, but did not agree to others—this report was deferred for consideration on Monday.

The bill providing for the settlement of the demands of A. W. White against the United States, was read the third time and passed.

The bill supplementary to the act making provision for the debt of the United States, was further discussed—a motion to provide for funding a further sum on account of several of the States, of their respective debts, being made, a debate ensued—The previous question being called for, "Shall the main question be now put?" it passed in the negative, ayes 24, noes 35—as follow:

A Y E S.

Messrs. Ames, Barnwell, Benson, S. Bourne, B. Bourne, Fitzsimons, Gerry, Goodhue, Gordon, Huger, Lawrence, Learned, Murray, W. Smith, Steele, Sterrett, Sumpter, Sylvester, Thatcher, Tucker, Vining, Wadsworth, Ward, Williamson—24.

N O E S.

Messrs. Ashe, Baldwin, Boudinot, Brown, Clark, Dayton, Findley, Giles, Gilman, Gregg, Griffin, Grove, Heister, Hillhouse, Jacobs, Key, Kitchell, Lee, Livermore, Macon, Madison, Moore, Muhlenberg, Niles, Page, Parker, Schoonmaker, Seney, J. Smith, I. Smith, Sturges, Treadwell, Venable, White, Wyllis—35.

The bill being further amended, at a late hour, the question for engrossing was put, and carried in the affirmative.

A message from the Senate, by Mr. Secretary Otis, informed the House, that they have postponed until the next session of Congress, the consideration of the bill sent from this House, intitled "An act for settling the demands of Anthony Walton White, against the United States"—also, that they have passed a bill regulating foreign coins, &c.—and that they have appointed a committee to wait on the President of the United States, to notify him of the intended recess.

A message from the President of the United States, by Mr. Secretary Lear, informed the House that the bill, entitled, "An act for granting and conveying certain lands to John Cleves Symmes, and his associates;" also the bill for altering the time of the next annual meeting of Congress, have both received his approbation and signature. Adjourned.

MONDAY, MAY 7.

Mr. Bourne of the committee on enrolled bills, reported as truly enrolled, the bill relative to the compensations of certain officers employed in the collection of the duties of impost and tonnage—and the bill to continue an act providing for mitigating and remitting certain forfeitures and penalties accruing under breaches of the revenue laws, and to provide for the payment of invalid pensions—The Speaker signed the above bills. Mr. Bourne reported that the committee had examined the bill entitled, an act concerning spirits distilled within the United States, and found an error therein—the same was corrected by general consent.

An engrossed bill supplementary to the act making provision for the public debt, was read the third time—The time of subscribing is extended to the first day of March next—the books to be opened the first day of June next—the other blanks being filled up, the bill was passed.

A bill regulating foreign coins, was read twice, and committed.

The error in the bill concerning spirits distilled within the United States having been rectified, the speaker affixed his signature to the same.

Mr. Bourne reported a bill making compensations to the commissioners of loans for extraordinary expenses, which was read twice, and ordered to be engrossed for a third reading.

The message of the Senate, which informed the House that they had appointed a committee to wait on the President of the United States, and notify him of the intended recess, was taken into consideration, and concurred—and Messrs. Seney, Gilman and Grove appointed the committee on the part of the House.

In committee of the whole on the bill concerning the claim of John Brown Cutting against the United States.

A motion by Mr. Kitchell to strike out 2000 dollars. and to insert 1000, occasioned some debate—the question being put, the motion was negatived—The bill was then reported to the House without amendment, and was ordered to be engrossed.

The engrossed bill for making compensation to the commissioners of loans for extraordinary expenses, was read a third time and passed.

In committee of the whole on the bill received from the Senate, making alterations in the Treasury and War departments. The first section, which provides for an accountant to the War department, was agreed to. The second, which

relates to the appointment of a commissary of military stores, it was moved should be struck out—this motion after some debate, was carried in the affirmative. Some other amendments were agreed to, and then the bill was reported to the House. The amendments were taken into consideration, and adopted with one exception. The bill was then ordered to be read the third time—it was accordingly read, and passed.

A bill concerning the claim of J. B. Cutting, was read the third time and passed—ayes 23—noes 22—As follow:

A Y E S.

Messrs. Ames, Barnwell, Benson, Boudinot, B. Bourne, Clark, Fitzsimons, Gordon, Griffin, Heister, Huger, Lawrence, Learned, Lee, Livermore, Madison, Muhlenberg, Murray, Page, W. Smith, Steele, Sterrett, Tucker—23.

N O E S.

Messrs. Ashe, Baldwin, S. Bourne, Brown, Giles, Goodhue, Key, Kitchell, Macon, Moore, Schoonmaker, J. Smith, I. Smith, Sturges, Sumpter, Sylvester, Thatcher, Treadwell, Venable, Ward, White, Williamson—22.

On motion of Mr. Lee, the report of the select committee on the memorial of Joseph Ceracchi, was recommitted.

Mr. Seney, of the committee appointed to wait on the President of the United States, and inform him of the intended adjournment, reported that the committee had performed that service.

The committee to whom was recommitted the memorial of Joseph Ceracchi, brought in a report, which was read, and is highly honorable to the character and abilities of Mr. Ceracchi; but states that it would not be expedient to provide at the present time for carrying into execution the resolution of Congress, respecting the statue of General Washington, &c.

On motion of Mr. W. Smith, the House resolved that when they adjourn, they adjourn to meet again at 5 o'clock this afternoon.

A message from the Senate, by Mr. Secretary Otis, informed the House that they have passed the bill making compensations to the Commissioners of Loans, for extraordinary expenses; and the bill supplementary to the act making provision for the debt of the United States.

The House took into consideration their amendments to the process bill disagreed to by the Senate. The amendments of the House to the 2d section which was to strike out the words "and be at liberty to pursue the same till a tender of the debt and costs in gold and silver shall be made," was the first—it was moved that the House should adhere, this motion, after debate was carried in the affirmative—ayes 30, noes 17—as follow:

A Y E S.

Messrs. Ashe, Baldwin, Brown, Clarke, Findley, Giles, Gregg, Griffin, Grove, Heister, Jacobs, Key, Kitchell, Lee, Livermore, Macon, Madison, Moore, Muhlenberg, Page, Parker, Seney, J. Smith, Sumpter, Treadwell, Tucker, Venable, White, Williamson, Wyllis—30.

N O E S.

Messrs. Ames, Barnwell, Benson, Boudinot, S. Bourne, Fitzsimons, Gilman, Goodhue, Hillhouse, Learned, Murray, J. Smith, W. Smith, Steele, Sturges, Sylvester, Ward—17. Adjourned till five o'clock.

FIVE O'CLOCK, P. M.

The House met pursuant to adjournment.

The consideration of the amendments to the process bill was resumed—the House insisted on one, and receded from the residue of their amendments.

In committee of the whole, on the bill for regulating foreign coins, and for other purposes—Mr. Muhlenberg in the chair.

The bill being read, a motion was made to strike out the first section; on the question, the numbers being equal, the chairman voted against the motion. The committee proceeded through the several sections, they then rose and reported the bill without amendment. The House took the same into consideration. The motion for striking out the first section being renewed, it was agreed to. The sections depending on this, which related to the rates at which foreign gold and silver coins shall pass in the United States, were of course struck out. The sections relating to a copper coinage were agreed to—and the bill, as amended, was read the third time and passed. The title of the bill was amended to read, "A bill to provide for a copper coinage."

Two enrolled bills were reported; one, "An act making compensations to the Loan Officers of the United States, for extraordinary expenses"—the other, "An act supplementary to the act making provision for the debt of the United States." The Speaker signed the same.

Mr. Key, after observing that it was of the utmost importance to provide for sinking the public debt by the sale of the vacant lands, moved to take up the bill for the sale of the lands north-west of the river Ohio—This motion being put, was negatived.

In committee of the whole, on the bill making certain appropriations therein specified.

The committee proceeded through the bill without amendment.

Mr. Lawrence then moved that the report relative to the prisoners redeemed from Algiers, also respecting those remaining in captivity, which report had been referred to the committee of the whole on the appropriation bill, should be taken into consideration. Two sections were proposed to be added to the bill, agreeable to the report, but after some debate were disagreed to.

The bill was then ordered to be engrossed.

A message from the Senate, by Mr. Secretary Otis, informed the House that they have concurred in their amendments to the bill making alterations in the Treasury and War Departments, with an amendment.

This amendment was taken into consideration, and agreed to. Adjourned.

TUESDAY, MAY 8.

An engrossed bill making certain appropriations therein specified, was read the third time, and passed.

A message from the Senate by Mr. Secretary Otis, informed the House that they recede from their disagreement to the amendments of the House to the process bill—and that they agree to the amendments to the bill for regulating foreign coins, &c.

Mr. Bourne of the committee on enrolled bills, reported as truly enrolled, the following bills—viz. An act making alterations in the Treasury and War departments—an act for regulating processes in the courts of the United States, and providing compensations for the officers of said courts, and for jurors and witnesses—and an act to provide for a copper coinage—The Speaker signed the above bills.

A bill to compensate the services of the late Col. George Gibson, was taken into consideration, in committee of the whole, and agreed to without amendment—It was then read the third time, and passed.

Mr. Murray called for a resolution laid on the table by him a few days since—viz. Resolved, that the same allowance per diem be made to the President pro tempore of the Senate, as is given to the Speaker of this House; and that a committee be appointed to report a bill accordingly—The resolution was taken into consideration—some difficulties being suggested, the motion was withdrawn.

Mr. Willis presented the following resolution in substance, that the Secretary of the Treasury report at the next session, as early as may be, the number and capacity of the mills in the several districts and states—the net product of the revenue arising from the duties thereon, &c.—number of officers