



CONGRESS.

PHILADELPHIA.

HOUSE OF REPRESENTATIVES,
SATURDAY, MARCH 31.

In committee of the whole on the report of the Secretary of the Treasury on the public debt; the fifth proposition reported by the select committee respects a further assumption of the State debts, was read.

MR. GERRY offered a few remarks on the subject—and urged the justice and sound policy of completing a business which had for reasons well known, been left in an unfinished state; but which equity and precedent now called on Congress to finish.

Mr. Clark was opposed to the proposition.

Mr. HARTLEY: After so long a discussion my attempting to take up any great length of time would not be excusable, but I consider it my duty to say a word or two in answer to some expressions and observations used against the constitution and operation of this government; and give a few reasons why I shall now vote for the resolution under consideration.

It will not be necessary for to take into view the principles upon which the constitution was framed; they were fully examined in the general convention as well as the several State conventions, and stood the test of the strictest scrutiny. They are favorable to liberty and justice.

As to the operation of the government we may best understand it, by contrasting the state of America at the adoption of the constitution with the present day. At the former period our credit as United States of America was at a low ebb. Few of the individuals of foreign countries would give a credit to the individuals of this. The capitals of Europe would not be trusted in America.—They doubted our justice as well as our government; there was scarcely any credit given to individuals here; a universal distrust prevailed. Agriculture languished; the farmer diffident—he had lost his confidence; the great spur to industry was wanting.—No ships on our stocks, few vessels in your harbors—commerce decayed; the vital spirit lost. I might say more—but I will turn from a disagreeable scene to one more pleasing.

What is our present state? The credit of our government is as good as that of any country. Individuals of all nations will trust the individuals of America. Individuals here (until a late unfortunate bubble or abuse of credit, arising from bad men or bad management and which will possibly only do hurt for the moment) gave full credit to each other as far as their capitals extended, as well in the city as in the country and confidence prevailed.

Agriculture where the people are industrious and apply their attention to the raising of those articles which are most in demand, is in the highest improvement ever known here before. I can speak with confidence of the State I live in.

The idle and indolent can expect no great success in an art which depends upon the steady hand of industry.

There are ships on the stocks in every part where there are ship-builders and materials. The tonnage list will evidence the mighty increase of the American shipping; it has far exceeded the most sanguine expectation. Several of the first merchants state your commerce in a most respectable situation far beyond any other period. Indeed, the returns from the Secretary of the Treasury shew how great our imports and how vast our exports.

In point of justice our reputation stands high with the world. Our courts will do justice.

Pray what foundation for those strong assertions which have been made against the constitution and the government?

As to the funding system I shall say little at present. I much doubt if it deserves the hard names which have been given it. Abuses will be committed in all countries; no human plan can be secure against them.

The assumption of the State debts was fully considered upon a former occasion. Several of us wished to fund the debt of the union alone, many gentlemen of the south when we came to look for ways and means, voted against us, and the eastern representatives were always ready to join in defeating us, unless the assumption of State debts also took place.

The bill past the House of Representatives for funding the debt of the union alone; but the Senate sent it back with an amendment assuming State debts to a certain amount. After much argument the amendment of the Senate was agreed to by the House of Representatives. Justice was

nearly done to some States; others do complain and I think Rhode-Island with much reason.

I could have wished that the accounts between the United States and the several States had been settled. But I will give the gentlemen who complain so much, an opportunity of satisfying this house (if they are able) when the blanks are to be filled up in the bill, that the sums they demand are reasonable and are intended to give relief to the people of their States.

I will vote for the resolution.

Mr. FINDLEY, in answer, said:—If I am not altogether so elated with our present prosperity and resources, as my worthy colleague who is just sat down, I assure you I am not desponding—I think our resources are competent, and our circumstances not depressed; the great industry of our citizens, and the great demand and high price for our produce in foreign markets, which took place about two years ago, gave a spring to our wealth and industry, and furnished ample resources to government; our feelings have not been pierced with the cries of general distress, until very lately, through the abuse of the novel principles introduced in the funding system.

But though I rejoice with the gentlemen in the sufficiency of our means, yet I consider ourselves in the situation of an unexperienced heir, newly come to the enjoyment of a great estate, who, being dazzled with his own splendor, and confident of his means, sets about spending without system or principles, and gets embarrassed before he is aware.

We are told, that the principle of assuming the State debts is already admitted by the last Congress, therefore it ought to be completed now; we are just told, too, that it was fully considered there.

I ask then, Why was not the business fully completed at that time—if it was not, then what good reason can be given for carrying it further now?—Is there any new discovery of better rules to apportion by, or is the distress of the States who have yet some unassumed debt, as pressing as when they had to bear the burthen of three or four millions more than now? Gentle men knew that the length this business has gone already, has given great uneasiness to those States who made the greatest exertions to extinguish their own debts, and to whose circumstances and feelings the resources applied to the assumed debts of the States, are distressing and disagreeable.

For what purpose are the commissioners employed in adjusting the accounts between the individual States and the United States, if the whole of the State debts were to be assumed previous to that settlement? We know the government is not vested with powers to compel delinquent States to do justice, and that if ever justice is done to those States who have extinguished their own debt, it must be by increasing of the general revenue in proportion to the money Congress will have to pay to those States, and it is an unjustifiable and dangerous policy to draw the money from the people with the one hand, to pay it to the state governments with the other.

I have such information as I can depend upon, that the commissioners will report upon the final settlement of the State debts, in the course of next winter; and the resolution before the committee makes no provision for interest until after the year 1792. Why then take this further leap in the dark, when those States who will be actually entitled to it, will be as soon relieved according to the principles of justice, as they would be by distributing the public property in this manner by rule of thumb.

I always thought the assumption of the State debts a measure which the constitution did not contemplate, and which had a tendency to sow the seeds of discontent in many parts of the United States, and now it is argued that the precedent being set by the last Congress we ought to copy it:—I admit of no principles of infallibility in Congress—and if precedents produce an obligation, we ought to be the more careful not to strengthen them by repeating such as are improper or doubtful. The only plausible reason for assuming the State debts in the last Congress so far, was to ease the burthen of such States as had been most backward in providing for their respective debts, so as that they might be able to provide for what remained until the accounts would be settled, and to make some provision for the States who had done much to extinguish their debt as a security that the debts would be brought to a final settlement. Certainly those States, at whose desire, and for whose convenience so much has been done, ought to have a little more moderation.

Mr. Madison observed, that a great deal had been said to prove that the general government is under obligation to provide for the debts of the individual States: The gentlemen who maintain this opinion said he, have not shewn that the creditors themselves ever entertained an idea that they should look to the United States for payment of those debts; it is not pre-

tended that the new constitution varies the situation of the creditors—they stand precisely on the same ground they did under the old confederation. Mr. Madison denied that in the former assumption the creditors of the individual States were considered in the same point of light as the creditors of the continent, and for the truth of this he appealed to the law itself “making provision for the public debt.”

The proposition now before the committee he considered as unjust as it would place some of the States which had made no exertions to discharge its debts, in a more eligible situation than those which had made the greatest exertions to effect that object. He denied that the first assumption had been generally approved, or had been acquiesced in—and adverted to the proceedings and resolutions of the State of Virginia on the subject; papers said he, are on the table to shew the truth of what is now asserted; he added that he was sorry to find that no more attention had been paid to those papers. Mr. Madison then noticed the state of imports and exports from the several States, to shew the unequal operation of the assumption as it affects those States, particularly Virginia, which pays so great an overproportion of the interest on the debts of some of the States.

Mr. Gerry stated a variety of instances to shew that the debts of the individual States were always considered as founded ultimately on the faith of the union; that the creditors had taken the paper of the States on that idea—that the States were considered as agents for the United States—and on this principle the contracts for supplies and services on a continental account had been made—without which the war must have ceased, and the subjugation of the United States have followed.—Mr. Gerry remarked on the partiality and evident injustice of leaving the possessors of the remainder of the state debts totally unprovided for.

The question on agreeing to this proposition was carried in the affirmative this day, 33 to 25, but was eventually lost.

LONDON, March 5.

It is said the Lords will carry Mr. Hastings's defence into the country with them during the recess, and think upon it at their leisure. We should rather presume that they have sufficiently thought upon it already.

Extract of a letter from Paris, Jan. 26.

“The prodigious and progressive fall of the exchange on France in every commercial place in Europe, is but too true a consequence of the immense decay of credit, which must ensue from the sort of chimerical government under which we live at present, in our way to the better sort of government we were promised by this astonishing revolution.—It will come no doubt; but, in my opinion many essential changes in the present construction of the machine must previously take place; till then it will be the lot of the present generation to be tossed about on a very rough sea indeed.

“The resource of assignats, which considering their excellent security, when used in moderation, might have proved the salvation of the country, since they actually enabled the National Assembly to do at least one whole year without taxes, independent of the redemption of a great part of the debt; those assignats, I say, have proved poison in the hands of the weak and the wicked; for instead of using them sparingly and temporarily as a gift from heaven, to finish and settle the constitution, they have leaned on them as on a very convenient pillow, and cared much less about restoring proper force to government, which was, however the only certain means of enforcing the payment of taxes. They go on digging into the mine till at last they find the quick; they are not near it nevertheless, for the church land is worth full three milliards and an half [a milliard is 1000 millions] equal to 150 millions sterling, of which one milliard remains at issue, besides the immense value of the forests, which, without injuring the interests of the navy, may yield perhaps twenty millions sterling. What a country! surely the most exalted imagination could not have wished for a richer soil for improvements and remedies of every kind, had they been but well husbanded.”

NOOTKA SOUND.

Many absurd reports having crept into the papers on the subject of the indemnification to be given to those gentlemen who suffered by the capture of their ships, it is necessary to state the actual progress of this affair.

The Spanish agent or Envoy, who is now here, had it in commission to enquire the amount of the damage sustained, that is, the value of the ships, their cargoes, &c. This was stated at 40,000 and this sum he is authorised to pay. But the sufferers make another demand; which is, the supposed profits that would have accrued by the trade, for instance, carrying their furs to the China market. The Envoy says, he has no commission to allow any thing for this loss—and here the matter stands for the present.