

# Gazette of the United States.

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For the GAZETTE of the UNITED STATES.

## THE REPUBLICAN.—No. II.

SOME remarks were made in a preceding paper to shew that the bank and funding systems have no greater tendency than any other property to raise up great men to the prejudice of the equal rights of the citizens. It is admitted that by facilitating trade and industry in almost all their operations, those laws will hasten the period when we shall become a wealthy nation. Industry, if it had been left under the disadvantages which it suffered before the adoption of the present happy constitution, would make progress towards the same point, and at last it is very probable, supposing the country not to fall into confusion for want of an efficient government, it would reach it. No person however will censure those acts for their known and experienced tendency to increase the wealth of the country. The accusation, if it has any good sense in it, must be understood to mean that the wealth gained will be possessed too unequally. The former publication was intended to prove that the laws could not have been intended to produce that effect—and that even if it should so happen, the increase of other property, the increase of knowledge, and the equal mode of distributing estates, would afford a speedy and effectual remedy.

On an impartial view of the United States, no man will deny that the landed interest maintains its ancient preponderance; nor will he pretend that the value to which the public stocks have risen, will diminish it. The debt is not increasing, but is diminishing daily, and the time of its extinguishment need not be far removed. The amount of the bank stock is also fixed, and is to the landed property as a drop in the ocean. The landed interest, on the contrary, has thousands of hands yearly imported to increase its importance. Some hundred thousand acres are added every year to the cultivation of our country. Look at the late enumeration, and see how few live in cities compared with those in the country; and while the cities increase ten, the country gains a thousand. On this general view of the subject, a man may be convinced that there is no overruling monied influence raised up to govern the landed, as those writers have insinuated, whose purpose it is to let one part of the people against another.

It is obvious there are merely hints to lead the mind to the facts and arguments by which one might expect to refute the artful and mischievous publications which have been made against the bank and funding acts.

Another complaint is, that the same men, who are said to plot against equal liberty, and who rely on these systems as a principal part of their strength, contrived to benefit the middle and eastern states to the prejudice of the southern. This charge is not consistent with itself. Surely the plotters would be fools indeed to make the powerful southern states, in the very outset of their scheme, their opposers. If the public paper is possessed in a less degree at the southward than in other parts, every real friend of the Union will regret that it is not more diffused among the inhabitants of the whole country. It is a misfortune to the government, that in pursuing the general laws of justice, they shall seem to have local interests in view, as it furnishes calumny a pretext for its invectives. But without exercising a worse tyranny, and practicing more local partiality than even the accusers complain of, the government could not have prevented the southern transfers of their stock. It was out of the power of Congress to hinder men from using their own according to their pleasure.

If the laws in question stand vindicated against the charge of producing a dangerous inequality of property and influence, is there any thing in them to impair the republican equality of rights.

It is the boast and the protection of a free people, that the laws are general rules of action prescribed by the supreme authority of the nation. It is the reproach and the curse of slaves, that what are called laws are arbitrary edicts or decrees made to suit the special case. They are not general rules which will not bend to favor particular men—but each edict is an exception from those rules, and the act of applying the remedy seems to destroy its nature. For general and equal laws place rich and poor on the same ground, and in the very moment of their passage they pass from the legislators to the judges, and effectually strip the former of the means of distinguishing friends from foes. They secure a rigid impartiality to government, as they take away the capacity of being useful to their favorites, and vindictive towards their adversaries.

There are principles which every jurymen has been charged to respect, and has taken an oath to maintain. What is the funding system but a simple conformity of the public conduct with its solemn engagements? It has not presumed to make an arbitrary decree founded on the merit of those who once held, and the demerit of the present holders of the certificates. It has considered the notes as giving rights founded on all the laws and resolutions of the old Congress, and right has appeared to the new Congress as sacred and intangible. Right has seemed to them above their own power, and indeed above any power. Accordingly, without regarding persons, they adhered to principles—they provided for the debt, and credit has risen in consequence.

But those who pretend to be better friends of liberty than others, would have had Congress give or withhold the payment of its debts, according to the result of an enquiry into the circumstances of the persons claiming the money. An arbitrary discretion, which no fixed principles could either interpret or restrain, seemed to them preferable to the mode which was adopted. They would have had the original holders receive a part, and the

present holders another part of the debt—but whether much or little, and to what description of persons payment should be made, was to depend on the will and pleasure of the government.

Will it be believed that men who advocated this arbitrary and impracticable scheme, are the loudest in their censures of the funding act—as being arbitrary, unjust, founded on partiality and favoritism, and dangerous to equal republican rights. Let them compare it with their own project, and if shame can still raise a blush on the faces of veteran party-men, they will be silent and confounded.

If the title to an horse or a barrel of corn be in dispute, it is a noble privilege that the whole power of our government cannot destroy a man's right. The law must have its course, and it contents those who made it. But when fifty or sixty millions of property are depending before Congress, these republicans, as they dare to call themselves, would make a spot of the acknowledged right of the possessors. The plighted faith of the nation is nothing. They would not leave the questions (tho' none really exist) between original and present holders to the courts of law, but they would have Congress outdo the divan of Constantinople, and wipe out the contract with a sponge.

There is no occasion to make these observations to the people of America. They have long been well settled in the persuasion of their truth. But when the enemies of government attempt to enflame men's minds in the manner they have done, to retort the charge upon their own propositions, is making them their own accusers—it is confounding them with the words of their own mouths.

### FOR THE GAZETTE OF THE UNITED STATES.

#### A Statement of some Objections to the Administration of the Federal Government.

MR. FENNO,

I HAVE observed a long time that your paper abounds in very uncharitable and severe strictures on those of our citizens who happen to be dissatisfied with either our federal constitution or the administration under it.

As to the constitution, I remember that whilst it was under deliberation, sundry amendments were proposed; but since its adoption by all the states, I have heard little complaint, except what is found in various pieces in your paper, and there ascribed to an uneasy, touchy, quarrelsome party, said to be scattered over the union, but which I believe exists no where but in those pieces.

As to the administration of the federal government, I have not heard of more than two species of material objections to it—one of which respects the Western Territory.

If the population of the frontiers had been crowded out in close columns, and every exterior township or tract of land had been first filled with inhabitants, before the next adjacent lands had been sold or permitted to be settled, in that case the frontier settlements would have been supported by an inherent strength, the inroads of the enemy would have been difficult and dangerous, and of course our defence would have been easy, cheap and effectual; whereas permitting thin weak settlements to be scattered along a vast frontier, rendered them incapable of defence, whilst at the same time it made the inroads of the enemy easy, and in a manner free of danger.

Perhaps too in our first treaties with the Indians, we assumed sovereign and dictatorial airs, which irritated their feelings, and held up rights and demands totally inadmissible on their part, and which we could not support on any reasonable grounds of claim.

This source of discontent and resentment soon fermented into *action and injury*, and deadly animosities began to appear both in the Indians and our frontier people, and which were every day more and more inflamed by innumerable insults, depredations, murders, and all kinds of provocation, mutually committed and retaliated, till the whole of our frontier was in a state of general hostility, and made the attention of the general government indispensably necessary.

Whether the war could have been prevented by any prudent pacific measures, I don't pretend to determine; but admitting the war to be inevitable, the measures adopted for carrying it on, have been thought by some people to be not very proper.

The experience of all North-America invariably proves, that fighting Indians by regular troops is no likely way to insure success; 'tis like undertaking to kill flies with a cannon ball, the very wind of which will blow them away without hurting or even touching them.

I should suppose that men long inured to traversing the woods, who have by habit and usage acquired strength and hardiness sufficient for long marches, and are acquainted with every easy method of performing them, and supporting themselves with provisions and all modes of accommodation, would be the proper men to be employed.

If men of this character could be encouraged by proper pay, honours and rewards, to form themselves into voluntary societies or companies, and could be furnished with every necessary accommodation of arms, clothing and provisions, from the public stores, and be permitted in their own way to ravage the woods, or penetrate into the enemies country, with design and zeal to annoy them in every possible manner—I conceive that five hundred men of this cast, and thus accoutred and employed,

would take our enemies in their own way, and would vex and dispirit the Indians, either in their towns, hunting parties, or military expeditions, more than ten times the number formed into a regular army, at twenty times the expence which would be sufficient in this way.

It may be objected that this mode of carrying on war would be a disgraceful imitation of Indian savageness; but I answer, that however inconsistent with the generous feelings of our own people, (skulking parties, bush fighting, premiums on scalps, &c. &c. may appear, yet I think as the Indians adopt these savage modes to our great annoyance—honor and justice will permit and the public safety does require a retaliation on them, and that too in full tale.

I come now to the second fort or species of complaint that I have heard against the conduct of the federal government under the present constitution, which respects the FUNDING SYSTEM, the complainants of this sort have been very scandalously traduced by sundry writers in your paper; have been held up as inimical to the payment of just debts, to the support of public credit, to national justice, and honor, as friends to anarchy, baseness and confusion, &c. and have been called upon with insolent challenge to step forward and shew their faces, and avow their objections. I here accept their challenge, shew my face, and avow my objections, and I conceive that if I was followed by all the citizens of the Union, whose sentiments are similar to mine, I should lead the greatest army that ever was on any occasion collected in North-America.

To save the writers in your paper the trouble of misunderstanding me, I will in the most explicit manner explain what I do, and what I do not object to, in the funding system; I will begin with the negative part of my declaration because that will require the fewest words.

1st. I do not object to the payment of the just public debts, and in a manner fully adequate to the contract, merit or matter out of which the debts originally grew.

2d. I do not object to the mode of raising the public revenue by an impost on imported goods, I only wish that the impost might be confined to imported luxuries, or such articles as are mostly used by the rich, and that the consumptions of the poor may be free of burden as far as may well be, consistent with the ends and uses of the tax.—Indeed I don't know but I claim that mode of revenue as my original thought or invention, which I published and explained in my sixth essay on free trade and finance in 1783, long before any particular mode of general revenue was discussed, or even proposed in Congress, which ever came to my knowledge.

3d. I do not object to the institution of banks, but think the bank of the United States an infringement of the public faith plighted to the bank of North America, and an ungrateful retribution for the great merit and exertions of that bank for the salvation of our country in the time of its greatest danger and distress.

4d. I now come to the positive part of my objections to the funding system. I object to the mode of raising a revenue by an excise on either the produce or manufactures of the country—the excise on home distilleries includes both; the labor is that of our own people, and the raw materials are all, except foreign molasses, the produce of the country; I object to this duty, 1st, because the nature of its collection requires an authority in the excise officer to enter the domains of every individual, inspect his private business and concerns, and even search his most retired apartments, bed rooms and closets—and 2d, because the collection is not only thus irritating, but is also very expensive; I am told that the collection of the present excise costs about 12 per cent. besides all the wrangles about it, which are in themselves ever expensive as well as pernicious; 3d, because the duty is almost wholly paid by the poor, especially by the frontier people who are a useful set of men, help to people, cultivate and defend the country, but from their situation necessarily have a harder lot than the more interior inhabitants, and I think it cruel to begrudge them a little whisky of their own distilling to comfort their hearts under all their trials and hardships, or to diminish their enjoyment by adding expence and other odious circumstances thereto. But my greatest objection is more to the disposal of the money, when it is collected, than to the existing mode of assessing or collecting it—the money when collected from the labors of the people, is given by the funding system, not to the men who originally earned it, not to the men to whom the public faith was plighted over and over again, not to men who contributing their substance and services, saved our country, saved us all in the time of deepest distress—but by this fatal system a title is given and payments actually made of an immense treasure—the dear earnings of the forementioned Patriots, not to them, I say, but to a parcel of speculators who never earned a shilling of it, or paid any adequate compensation for it, or even set up any kind of title to it, grounded either on their merit, earnings, services, or any purchase for valuable considerations paid, but they claim and receive it under a most extravagant construction of an old rule of law, strained, and stretched far beyond every reason on which the law ever was and is now grounded.

The following is a plain statement of the facts which I offer in the face of all the world, and challenge all your writers, and every body else, to deny or controvert them if they can.

1st, The public faith was plighted in most solemn manner to the original public creditors for the payment of such supplies and services as they rendered to the public.

2d, In the settlement of their accounts the balances due to them were adjusted, ascertained and recorded in the public books, where they stand open to inspection at this day.

3d, When their respective balances became due, they were no otherwise paid than by depreciated certificates, worth at their current exchange about 2/6 in the pound, which ought to be debited to their accounts, and the remaining balances paid in good money; for public bills or paper credit are ever to be valued at their exchange, and no more, and all nations negotiate them in that way alone.

But, 4th, The funding system plights the public faith for the payment of the whole original debt, to the holders of the certificates, most of which have been sold for a trifle by the original holders, and are now found in the hands of purchasers, who never earned the money or paid any adequate consideration for it, but are entitled by this system to receive it all.

This, besides injustice, ingratitude, and violation of public faith plighted to the real creditors, involves mischief and brings on consequences very hurtful to the prosperity of the nation.

1. Payment to the real original creditors would have been an act of justice, and some reparation to many worthy citizens, who have long suffered by the public deficiency—would have animated their industry, and in very many instances delivered them from actual dependance for a support either on *object serenity*, or the charity of their neighbors;—whereas payment of the same monies to the speculators, raises a few men to sudden wealth, which they never earned, and which, as they are not qualified by habit or education to enjoy properly, does them more harm than good.

This, as far as it goes, accumulates the money of the country in a few useless hands, and at the same time lessens that diffusive circulation which would animate the industry and increase the wealth and happiness of the people in general through the nation.

2. As Congress sat at New-York when the funding system was under discussion, the speculators there and in the vicinity first caught the secret of that magical logic—which was to turn 2/6 into 20s, and diligently improved the precious moment, and sent off large orders to the southern states for buying immense quantities of certificates, for the trifle which was then their current value; and when they brought them to the northward, the funding system made them all payable to the holders there—so that the northern people will receive all the cash for them, whilst the burden of raising the money will press equally hard on the southern as on the northern states.

This, in effect, will make the southern states in a manner tributary to the people of the northern states in a large sum of annual interest; and as this must continue as long as the system lasts, it becomes a serious matter, big with consequences hurtful enough both to the union and to the southern people, and obvious enough to render a prophetic detail unnecessary here.

3. As our 6 per cents and other funds are set at an higher interest than can be obtained for money loaned in Europe. Very great purchases have been made by Europeans in our funds, and they have remitted vast sums of money for that purpose, which has made money, and consequently luxury, extremely plenty with us at present—and this blessed plenty of money is by some people with great gout assigned as one of the blessed effects of the funding system; that it is a natural effect of that system, I readily admit; but as to the blessedness of it, we shall be better able to judge a little while hence, when our country comes to be drained of its cash in vast sums, which must be sent out of it (*never to return*) to pay the yearly interest of the immense remittances which we now receive, together with that of our public foreign loans.

This country has never yet experienced a drain of its cash by exportation of it abroad, without receiving remittances of value either previous or subsequent to the sending it away. Importations of goods from abroad, have sometimes exceeded the resources of the country, and made cash somewhat scarce. But the final loss did not all rest on the country—much of it fell on the foreign merchants, by the bankruptcy of their correspondents here. We cannot yet well judge how great the blessedness of these effects may be, but I have had one taste of them, which has quite cloyed my appetite, since which I have not had a wish for a repetition of the blessing. One thing we know by experience, that when sterling bills rise above 75 per cent. it will be the interest, and of course the practice of people who have remittances to make to Europe, to send away cash rather than bills, in which case the real money will go out of the country perhaps faster than it now comes in. In fine, if these facts and observations are true and well founded, they deserve the serious attention of every man.—If otherwise, any man who will disprove them, will give me sincere pleasure, and relieve me from many painful anxious feelings. If any one desires my true name, he shall have it; I am not ashamed of it—but I believe I am sufficiently known by my old signature.

A CITIZEN OF PHILADELPHIA.