

certainty of 6 per cent. for a number of years, on the terms of the loans for a partial reduction for 10 years, and a less interest on the arrears of interest then due. This was certainly a full and generous equivalent, and the only advantage gained by the public, was a modification of the debt, by which the burthen would be divided, and the increased number of citizens during 14 or 15 years, would bear their proportion of the expense of a war, in the benefit of which they essentially participated. At the time of funding the public debt the irredeemable quality was considered as a full equivalent, and a compliance with the public faith. Mr. B. alleged that he was then a public creditor, and considered it in that point of light. He was a creditor that had a right to feel a loss as much as any man.—He was a creditor of 1776, when the army could not be sent to Canada without hard money.—He was a creditor in 1777, when the prisoners were perishing for want of food and clothing, and the government could not furnish a single fuit, or a tolerable supply for their extreme distress.—He was a creditor of 1778, when at the Valley Forge, the tracks of the soldiers were marked with blood for want of shoes, which he collected in different parts of the state by his own exertions, and at his own expense without fee or reward; and was not repaid till 1779.—He was a large creditor of 1779, when Congress sent to all parts of the Union, earnestly calling on the friends of their country to come forward with loans for the public exigencies; and he was a creditor as an officer of the army, in which he had served. Under this view of the subject Mr. B. acknowledged that he had entertained great jealousies, lest some other end was aimed at by the present resolution, than the ostensible one; this was raised when he heard gentlemen found the success of the resolution on the savings made by the funding system, when those gentlemen had for years past been continually representing that system as founded on an extravagant waste of public treasure: That the irredeemability of the debt was a tax on the government, which ought never to have been admitted, as monies might have been loaned at 4 per cent. and by that means one third of the debt saved to the union: What ideas then must we form of a resolution calculated to raise the hopes of the memorialists, which in the end would certainly turn out a mere shadow and worse than a shadow; this really was trifling with the complaints of our fellow citizens. There had been no savings, the creditors who had possession of the public contracts, had received a full equivalent for their demand by their own free consent, at 20s. in the pound; where then was room for a demand on the government for any saving? If there was a foundation for a claim, it must be against the possessors of the certificates, but however just it might be, it was merely illusory to form the resolution on principles that had no existence.

The losses sustained by the line of the army, were not peculiar to them as creditors of the United States. All classes of citizens who had generously advanced their money for the support of this very army in food, clothing, arms and ammunition, as well as that of the government itself at home and abroad, had been equal sufferers, without the emolument that the army had received, in the most distressing times of the war. The army had been a refuge for many gentlemen driven from their homes, while other citizens were obliged to wander for a considerable time without employ or relief. He continued his observations to other citizens who had suffered during the war, and particularly mentioned the sufferers at Falmouth, Charles-Town, New-York, Norfolk, York-Town, and South-Carolina, as those who were of the first class in the United States; as also the aged, the widows and the orphan creditors, who had suffered without receiving any advantage whatever from the public bounty.

Mr. B. then proceeded to consider the practicability of the measure, supposing its equality and justice to be fairly established. As the application was now founded on the savings on each mans individual certificate, the principle equally reached every public creditor.—Suppose then A. B. C. D. and E. received their certificates together; A. sold his at 6/8 in the pound to raise a capital to purchase public lands, which at one time in this city sold at 6d. per acre. B. sold his certificate at 2/6 in the pound, to save a wife and children from starving. C. sold his to raise a capital to go into the speculating line. D. sold on one day from necessity, but replaced it the next day and kept it, till the funding system took place, and then sold at 20s. in the pound, while E. having confidence in the government, and not under a necessity of selling, funded it under the present system. How could a discrimination take place here, or would it be fair equally to remunerate all these original holders; but suppose some had sold at 20s. and also had received all the emoluments of the Pennsylvania line, where would be the distributive justice of the measure now proposed. If you extend this doctrine to the public creditors at large, it will appear in a strong point of light. It is well known that the common practice of the government during the war, was to issue certificates in fictitious names, the names of clerks in office, of heads of departments, or other persons, merely to make them answer the purpose of a paper currency: As they were payable to bearer, the name was never thought to be material. The person doing the service or lending his money, received these certificates, and was really the original holder, yet the face of the certificate spoke a different language. In this case a discrimination would be impossible, and much the largest part of the public debt, was contracted in this way after the war was over. Many debts had been paid by merchants and others to their foreign creditors, and others in certificates at their nominal value, and in other cases individuals had failed, and the loss wholly fallen on their creditors.

Mr. Boudinot earnestly contended that the expense of a discrimination would exceed the reve-

nues of the United States. The nature of transferable stock, which is designed to operate as current money, forbids the idea of a discrimination, and all public credit must necessarily fail if such a doctrine was to prevail in the finances of the union. This was a very serious and important idea, worthy the attention of the applicants, who certainly were interested in the public weal. The right of freemen to dispose of their own property as they please, was involved in the question; for if the government was to make up every loss on a transfer, then it ought not to be made without their consent.

Mr. Boudinot hoped he would not be understood to deny either the services or the sufferings of the army; but he alleged the promised recompense was given, which had been transferred with all the legal and equitable means, to the holder who had received from government the full value, and therefore no further demand either in law or equity remained against the government. The negotiable quality was a principle in the securities insisted on by the army, and which they had exercised as they chose, for different purposes, and from different views. He acknowledged, that the generosity, benevolence, and humanity of Congress had been addressed: To this he answered that they were but stewards of the people's property, for which they were answerable. That they were not sent here to show their generosity; it was to do justice, and that not to one class, but to every description of citizens. He knew of but one rule for every citizen of the U. States. They were all equally represented in that house—but at all events it became them to be just before they were generous. Mr. B. assured the house that he had taken up so much of their time, because he found that no one had come forward fairly to meet the question, and he had too great a regard for the memorialists to wish them to go away under the idea that any thing had been refused to them which ought in propriety to have been done. At any rate he had candidly and above board given the reasons of his vote on this important occasion, which would be against the question proposed by the gentleman from Virginia.

The following are the Resolutions moved, and the substance of the remarks and calculations made, by Mr. Giles in the House of Representatives on Wednesday last.

I now submit to the consideration of the house certain resolutions, which I hold in my hand; and after reading which, I will proceed to mention the reasons which have influenced me in moving them; the resolutions are as follow:

Resolved, that the President of the United States be requested to cause to be laid before this House, copies of the authorities under which loans have been negotiated, pursuant to the acts of the 4th and 12th of August 1790, together with copies of the authorities directing the application of the monies borrowed.

Resolved, That the President of the United States be requested to cause this House to be furnished with the names of the persons by whom, and to whom, the respective payments of the French debt have been made in France, pursuant to the act for that purpose, specifying the dates of the respective draughts upon the commissioners in Holland, and the dates of the respective payments of the debts: A similar statement is requested, respecting the debts to Spain and Holland.

Resolved, that the Secretary of the treasury be directed to lay before this house, an account, exhibiting half-monthly, the balances between the United States and the bank of the United States, including the several branch banks, from the commencement of those institutions to the end of the year 1792.

Resolved, that the Secretary of the treasury be directed to lay before this House an account of all monies, which may have come into the sinking fund, from the commencement of that institution, to the present time, specifying the particular fund from which they have accrued, and exhibiting, half yearly, the sums uninvested, and where deposited.

Resolved, that the Secretary of the treasury be directed to report to this House the balance of the unapplied revenues, at the end of the year 1792, specifying whether in money or bonds, and where the money is deposited; that he also make report of all unapplied revenues, which may have been obtained by the several loans authorized by law, and where such monies are now deposited.

These resolutions have grown out of the embarrassments I have met with, in attempting to comprehend the report of the secretary of the treasury, made in pursuance of an order of this house, of the 27th of December 1792, exhibiting sundry statements respecting foreign loans.

These embarrassments have increased in proportion to the attention which I have bestowed on the subject; and a number of official papers to which I have had reference for information, instead of elucidating seem rather to obscure the enquiry. To obtain necessary information therefore is the object of these resolutions, and no one can doubt the immediate applicability of this information to a bill now lying upon your table, for the purpose of reimbursing the loan of 2,000,000 of dollars made of the Bank of the United States, by opening a new loan for that sum abroad, and by changing the application of the like sum already borrowed and appropriated to the discharge of the debt to France from its original destination, to the immediate discharge of the debt to the Bank.

The first resolution has arisen from that part of the printed report of the secretary of the treasury, which exhibits the terms upon which various loans have been made abroad, but neither presents the precise authorities under which those negotiations have been made, nor the precise amount of the sums borrowed for the separate and distinct objects of the two acts mentioned in the resolution.

Another reason has more strongly suggested the propriety of calling for the information requested by this resolution. The bill now upon your table which has been before alluded to, contemplates the whole of the monies borrowed abroad and now on hand, as being originally

appropriated to the discharge of the French debt, and proposes to change the original destination of these identical monies; and the reason assigned for this measure has been the unsettled state of affairs in France.

In the printed report, the Secretary of the Treasury remarks that the same monies are applicable to the sinking fund. It appears strange after express and distinct appropriations by law, that any misunderstanding relative to this object, should exist, and the information called for may possibly explain this seeming contradiction.

The second resolution has arisen from that part of the printed report marked B. and which exhibits the payments made to France, but does not furnish the names of the persons engaged in those negotiations; nor does it pretend to view the length of time those persons have been possessed of the public monies by stating the dates of the respective draughts in Holland and the dates of the actual application of the monies to the discharge of the debt, and it is evident that from the times the loans are respectively created, to the times of the actual application of the monies borrowed, the United States are paying the usual interest upon the debt intended to be redeemed, and the stipulated interest upon the monies borrowed for the redemption.—This remark is equally applicable to the payments of other foreign debts with the payments of the debt to France.

The third resolution has arisen from calculations drawn partly from the last page of the printed report, and from the original Bank book of the United States, from which it appears that the balances in Bank in favor of the United States, were as follows:

	Dolls.	Cts.
In Bank Philadelphia, 30th May, 1792, and 16th June same year	676,959	55
in Branch Banks, 1792, June 30th, in all Banks in the United States,	555,271	22
July 28th and 31st in do.	511,423	91
August 25th, 30th and 31st, in do.	740,903	87

On the first of June, a loan was negotiated with the Bank of the United States on the part of the United States for 100,000 dolls. at 5 per cent. per ann. On the first of July another loan was made upon the same terms for the like sum. On the 1st of August another loan was made upon the same terms for the like sum. On the 1st of September another loan was made upon the same terms for the like sum. It appears from the last page of the printed report, that there had been drawn into America from the 5th of December, 1790, to the 27th of January, 1792, of the monies borrowed abroad, the sum of 2,663,621 florins, 2 stivers, and 6 deniers. If this sum were unexpended and lodged in the bank at the times of making these loans (and Congress have never yet been informed of any deficiency of revenue) the United States will of consequence have paid upon the monies borrowed from the Bank of the United States, from 15 to 17 per cent. per ann. to wit, they will have paid 5 per cent upon the original debt to France, 5 per cent. upon the monies borrowed for its redemption, exclusive of accretions and other charges, and 5 per cent. upon the sum borrowed of the bank, which may be deemed part of this deposit made in the bank by the United States. But even discarding these inferences, it must be admitted that the United States have been paying 5 per cent. upon a loan made of the bank, when a greater sum than the loan made, has been at all times deposited in bank on the part of the United States.

It is here to be remarked, that a balance of cash is admitted, by the Treasurer's return, to have been in his hands 31st December, 1790, amounting to 973,342 dolls. 43 cents, and in July 30th, 1791, the sum of 582,189 dollars, 54 cents.

I am informed that bills are often drawn in favour of the bank for monies in the hands of the revenue officers in distant parts of the United States, and that credit is entered in the bank book upon the receipt of such bills, although the monies may not actually be in bank for some time after the credit is entered, and hence it is inferred, that the bank book does not conclusively show the real sum in bank—not to mention that such bills answer all the purposes of cash, and ought therefore to be credited upon the receipt of them. It is to be remarked that there is a regular and continual influx of monies into the bank by the operation of these bills.—It is not very material whether a bill lodged in bank to-day, should be paid to-day, provided something like the same sum should be paid in consequence of a bill lodged in bank one or two months ago, and the bill of to-day, should be paid one or two months hence. The following statement will, in some measure explain this idea, by exhibiting half-monthly the balances of public monies in all the banks, about the middle and end of each month; beginning with May 1792, and ending with December of the same year.

	D. ills.	Cts.
1792. May	349,322	11
ditto	332,116	35
June	776,107	65
ditto	523,272	22
July	541,657	13
ditto	421,426	91
August	713,470	10
ditto	749,903	8
September	695,302	23
ditto	367,061	25
October	456,805	52
ditto	473,388	99
November	681,250	9
ditto	811,212	51
15th Decem.	1,020,824	73
Do. 22d and 31st		
January last returns,	790,643	11

The fourth resolution has arisen from that part of the printed report which remarks that the residue of the sum drawn from Holland, amounting to 1,668,188 dollars 27 cents, is applicable to the purchase of the public debt. It is known that the sum of 1,374,656 dollars 40 cents, being the surplus of the revenue up to the end of December 1790, was originally appropriated to the sinking fund; that the surplus of other appropriations have been applied to this fund, and that the interest of the debt purchased has also been wholly appropriated to its increase: It is also known, that between 11 and

12 hundred thousand dollars, and no more, the original appropriation, have been really vested in the purchase of the debt, it is therefore somewhat unaccountable that so large a sum 1,668,188 dollars should be drawn from loans abroad when the sinking fund has also overflowed from domestic resources, and the probability of purchasing is extremely limited by the rise in the price of paper, and limitations of the last act of Congress upon the subject. It would not be deemed an economical arrangement to make a loan of so large a sum of money upon terms by no means honorable or advantageous, and appropriate to the purchase of the debt under limitations which would forbid its vestiture. The information called for in this resolution may possibly explain these difficulties.

The fifth and last resolution has arisen from that part of the printed report (page 5th) which states the whole sums drawn from Holland amount to 2,304,769 dollars 13 cents; but another immediately presents to view the balance on hand, nor informs where that balance is deposited. It appears by the bank book, that whole deposit of the United States in bank this time, from all resources, amounts to 790,643 dollars 11 cents, hence it will appear from statement partly conjectural, and partly founded upon the statements in the printed report, a some official documents, that 1,554,853 doll and 43 cents, remain unaccounted for, as it appears from the following account:

Sums which ought to be in the treasury—Whole monies drawn from Holland as stated in print. repo. p. 5.	2,304,769
Deduct paid for St. Domingo, as stated in ditto,	455,2
Leaves a balance	1,859,5
Deduct for Foreign officers, if paid	191,3
Leaves a balance of	1,668,1
Add surplus of sinking fund, conjectural,	400,0
Add surplus of revenue of 1792, reported at	277,3

Whole amount Dollars 2,345,4
Sums not taken into this estimate.—First, any monies not paid of the 191,316, due foreign officers: Second, so much monies bank as arose from the revenues: Third, receipts of the current year. DoL.
From this aggregate sum of 2,345,495
Deduct in bank 790,642

Balance not accounted for 1,554,853
In this last estimate cents have not been taken into calculation, which makes an considerable variation in some of the sums.

Another circumstance appears somewhat singular; In the printed report 2,986,000 rins are stated to have been drawn from Holland in the year 1792. In the bank book appears from the list of bills drawn, 11,869,513; florins were drawn for in the same time. This difference I presume may admit of explanation, probably from the manner negotiating this business, or from some call mistake. It deserves however to be explained.

It appears from another statement made up to the 1st of April, 1793, that there ought to be at that time a sufficient sum of monies in the treasury to reimburse the loan of 1 millions to the bank, and to answer all the other purposes of government.

TREASURY Dr.	
April 1st, 1793.	
Balance of foreign loans	1,668,182
Surplus of sinking fund, conject.	400,000
Bonds payable in Dec. 1792	460,126
Do. Jan. 1793	129,332
Do. February	87,057
Do. March	202,447
Surplus of revenue of 1792	277,305
All the revenue of the current year, estimated at	1,000,000

These sums make the sum of	4,224,389
TREASURY Cr.	
Debt to bank, if paid,	2,000,000
One quarter's interest to Apr. '93	700,000
Bonds payable in Dec. if applied to the last quarter's interest	460,123
One quarter's expenses of army and government, estimated at	400,000
	3,560,126
Deduct this sum from	4,224,389

Balance in favor of the treasury, if the debt to the bank be paid 664,263

The papers from which I have collected these statements may be deceptive in themselves, or may be subject to explanations from others.—Candor, however, induces me to state, that impressions resulting from my enquiries into this subject, have been made upon my mind, by no means favorable to the arrangements made by the gentleman at the head of the treasury department. But I shall keep myself open to conviction in case of a sufficient explanation which may be hereafter given, and I now avow that my acknowledgment of mistake shall bear least commensurate to any conviction produced.

I cannot help remarking, before I sit down that we have been legislating for some years without competent official knowledge of the state of the treasury or revenues; in the course of which time we have been engaged in the most important fiscal arrangements, that have authorized a loan of the bank of the United States for more than 500,000 dollars when probably a greater sum of public monies was deposited in the bank; that we have passed a vote this session authorizing a further loan for 800,000 dollars, and that we are upon the point of authorizing a loan abroad for 2,000,000 dollars, without knowing the extent of the authorities at present existing for borrowing, the amount of monies on hand in consequence of loans already made, or the application of the monies which may have been used; and I conceive it is now time that this information be officially laid before this house.

The above resolutions were agreed to.