ment of the public finances," indicated the necessity of assumption. The first was imperative duty—the second dependent upon conclusions of convenience and facility in public administration. The idea that those debts were assumed, because contracted in efforts of common defence and therefore constitutional (and if so obligatory,) is the illogical refuge from the dilemma, that the opponents of this measure, upon assumed absence of authority, are placed. If assumption be unconstitutional now, the act of 1790, is obnoxious to the same objection—the constitution is fixed—it neither expands or contracts—the power is substantial---the expediency of its exercise alone mutable---to avoid arraignment of the framer's of the act of 1790, and yet retain a fatal objection to assumption, its opponents by a rhetorical mystecism, unintelligible to your committee, find the power in the *act* which they deny to its agent. They contend that the State debts were assumed as of obligation, because they were in aid of the confederated effort for independence --an argument all cogent if the power of assumption under the constitution is conceded, inconclusive and idle if it be denied—the act itself strips this argument of all speciousness and exposes its fallacy. If the debts were assumed because they were of equitable though not of technical obligation, and this the motive to assumption—then the transfer of the debt was the extinction of State liability, and no charge therefore could be entered against the State.

That no idea of actual obligation influenced the Congress of 1790, will be evident from the elaborate discussion by which for months, the merits of the proposition were analysed; and your committee particularly refer to the argument of Mr. Madison, reported in the 2d volume of Congress Debates, page 1587—in which the identity of State and National liability is energetically denied, and the argument that they were "in justice debts of the United States," strenuously and elaborately combatted, (Appendix A,) this argument is further conclusively answered by the 19th section of the very act of assumption: "And be it Enacted, That so much of the debt of each State as shall be subscribed to the said loan, and the monies (if any) that shall be advanced to the same, pursuant to this *act shall be a charge against such State in account with the United States.*" And most faithfully was this record of indebtedness kept. Those who assert that the assumption of 1790, was not an exercise of constitutional power under general grants, but a discharge of debtor obligation, under the specific guarantee of the sixth article—who contend that the debts assumed, were in their nature national because contracted in confederated effort, will find it difficult to explain the subsequent action of Congress. The adjustment of State and National relations in accounts, under commission in 1793 found seven States creditors and six debtors to the United States, and among the indebted States Virginia—Virginia who by her legislature resolved the act unconstitutional and memorialised Congress for its repeal, funded under its authority $2,934,443 29. South Carolina, whose legislative resolutions denunciatory of similar