

C H A P. XXIII.

An ACT for the emission of bills of credit not exceeding two hundred thousand pounds, on the security of double the value in lands, to defray the expences of the present campaign.

At the time of passing this act, a British army, under the conduct of an enterprising spirited commander, had pushed from Charleston into Virginia; and his purpose appeared to be, that of over-running the country, subverting the new governments as he passed along, and, at length, forming a junction with the main army from New-York. At no stage of the war did our affairs, particularly with respect to this state, wear a more threatening aspect. The continental treasury was empty. The scheme for calling in bills of credit, at the rate of forty for one, had not only effectually stopped their circulation, but made an impression on the minds of the people extremely unfavourable to paper credit in general, and hence an amazing depreciation of the two recent state emissions had taken place; but had they been equal in value to specie, the state at this time had but a small sum at command, and was destitute of every other money. The practice of seizure under law, had been carried as far as could be submitted to by a free people. In this alarming situation, the idea of a new and better emission, suggested itself as the only expedient for enabling this state to contribute its part to the support of the common cause, and to provide for its own internal government and defence.

It was imagined, that to the total want of funds for the continental emissions, and the precariousness of the funds destined for the redemption of the two state emissions, together with their relation to, and connexion with, the continental money, might justly be imputed their want of success. It was therefore determined to provide the most ample and undoubted funds, and to take such measures as would render it impossible for the projected emission to fail.

By this act, bills of credit to the amount of not more than £. 200,000, of various denominations in dollars, are to be emitted immediately, and shall not continue in circulation more than four years; every holder of the same, being entitled at any time between the 25th of December, 1784, and the 25th of June, 1785, to bring them to the treasurer of the western shore, and to receive in exchange gold or silver at certain rates herein specified, being the same, in most respects, with the rates at present established.

For the redemption of these bills, there is in the first place imposed a tax, payable in specie or in the said bills, of $\frac{3}{9}$ in the £. 100, according as property may be valued for three successive years, to be collected and paid into the treasury, with other public taxes, by the 20th of September in 1782, 1783, and 1784. In the next place, British property, to a very great amount, is directed to be sold by the commissioners. Each purchaser is to give bond for double the purchase money, with two securities, for the payment in specie, or in the said bills to their actual value, of one third, with interest, on the 1st of September in each of the aforesaid years; and upon failure of payment, the treasurer is to direct the clerk of the general court for the respective shore, to record the bond, and issue execution, on which shall be levied, in specie, or bills to their actual value, the money due, with the costs accruing. Thirdly, Persons in each county are appointed to receive subscriptions of the following nature: Any person may subscribe a sum, not less than £. 100, payable in specie, or in the said bills, by the first of November, 1784, specifying at the same time a particular of freehold estate, or real chattels, to the amount, according to the assessment, of double the sum subscribed. All such subscriptions are to be lodged with the treasurer, and shall bind the estate in whatever hands it may fall; and the subscribers may at any time pay in their subscriptions, and be entitled on the day of payment to receive the principal, in specie, and an interest of eight per cent. and shall thereby exonerate the lands which they made chargeable; and any other holder of the bills may at any time bring to the treasurer not less than £. 100, and be entitled to receive the principal in specie at the period of redemption, with an interest of six per cent.

But these bills of credit are not to issue beyond the sum which the bonds and subscriptions lodged in the office shall amount to, nor shall they be paid by the treasurer but at a value equal to that of specie. One fifth part of them are appropriated to the defence of the state, and the residue are appropriated, under the orders of the executive, to the purpose of defraying the expences of the campaign, hereafter to be incurred.

On the 1st of October, 1784, all accounts relative to the emission are to be closed, adding the interest growing due on the 25th of December, to those who have carried bills into the treasury and taken receipts, deducting every thing received on the bonds, and from the tax, and from subscribers. The balance is then to be struck and apportioned amongst the unpaid subscriptions; and public notice in the papers shall be given of the proportion *per centum* which each subscriber has to pay. If this be unpaid on the 1st of November following, the treasurer is immediately, under hand and seal, to certify the particular charged by each subscriber, the sum he subscribed, and the sum due, which last he shall direct the sheriff to levy, by a sale of a sufficient part of the land. The sheriff is immediately to set up a copy of the said certificate at the court-house door, giving notice of the time of sale, which shall not be less than 10, or more than 20 days afterwards; and the sheriff shall pay the sum due to the treasurer in specie, or in bills, within 15 days after the time appointed for the sale, or he shall himself be chargeable with double the sum.

It evidently appears, that the principal design of the legislature was to procure a loan, to the amount of the bills emitted. The issuing of them from the treasury may be considered, in one view, on the same footing, as an individual's passing his notes of hand for the necessaries he purchases. This mode of obtaining supplies was preferable to the seizing of whatever the state wanted belonging to its citizens. But the legislature had other things in contemplation. As the paper was issued as specie from the treasury, it was incumbent on them to provide, that it should be as good as specie to those who received it. Besides, they wished to furnish the community with a circulating medium. For this purpose, at the time of passing the act, most of the members of assembly entered into a solemn association, to receive the bills as specie, so far, at least, as their subscriptions might amount to. This association accompanied the subscription papers into every part of the state; and almost every man who subscribed the latter, became also a member of an association, in which men mutually pledged their sacred honour. Added to this, in every county public meetings were held for the purpose of supporting the emission, and in some counties even committees were formed. In spite of all these provisions, the bills of credit, within three months after their emission, and at a time when our affairs were in a prosperous train, had depreciated at least 100 per cent. And hence may safely be drawn these conclusions. That private interest will generally prevail against public good. That sentiments of honour are insufficient to bind men in general. That without uses and demands, nothing but opinion can support bills of credit. That where opinion is wanted, no provision