

MARYLAND GAZETTE.

[No. 1817.]

T H U R S D A Y, N O V E M B E R 8, 1781.

To the PRINTERS of the MARYLAND GAZETTE.

It is now apparent, that our legislature cannot give any certain or permanent value to paper money. Every requisite, which human wisdom could invent, as proper or necessary to secure the credit of a paper currency, was devised and given to the late emission. The funds were ample, and private security was added to public faith. Every motive which could influence the patriot or the citizen, the love and welfare of our country, and regard to our private property and personal safety, combined to induce an universal exertion to support the credit and value of the new money. It is urged, that without maintaining a fixed value to our currency, we could not raise our quota of troops, or furnish our proportion of provisions and other necessaries for the support of the war, and to defray the necessary expences of government. All ranks of men appeared to have this impression, and every one, who conversed on the subject, expressed an opinion of the necessity of giving credit to the new money, and declared his readiness to receive it as gold and silver. No objection was, or could with reason be made to the funds, the quantity, or the mode of redemption. As the common opinion, and the great majority of the people, were every reason to believe, that the late emission would have received a free circulation at par with specie. The general voice seemed to be in its favour. Many individuals, and collective bodies of men, exerted themselves to maintain its credit. A considerable number of recruits (said 600) were enlisted for three years or during the war, and large supplies of provisions and other necessaries were obtained. The conduct of the inhabitants of Baltimore-town gave the first stab to its credit. At a town meeting, composed of almost all the principal merchants, traders and inhabitants, it was unanimously resolved, from a declared conviction of the propriety and necessity of the measure, to support the credit of the new emission, and to receive it in all future contracts at par with specie; and the resolution was published and repeated over the state, that their public spirited conduct might be known and imitated. It is a fact, incontrovertible, that, immediately after the breaking up the meeting, all those, who joined in the resolution, except some very few, refused, or evaded, the receipt of the new money. There never was a more evident and wilful breach of honour, than by the inhabitants of Baltimore; and the effects of this inconsistent and dishonourable behaviour has been, and will be, highly injurious to the state. Bad examples have more influence than good, and a little time the contagion spread, and the circulation, unless in Baltimore-town, at the depreciation of 200 per cent. and in the counties at a less, though considerable depreciation, has entirely stopped. A very general suspicion, if not aversion, of paper money has taken place. Since the French march, on their march through the state, left a trail of guineas and crowns, our whole people have been mad after them, and no man talks of buying anything but for gold and silver, though there is enough within the state to discharge the tax of 3 shillings in the 100 pounds payable in February.

It seems to be universally agreed, that the present paper money cannot be supported at par with gold or silver. If this be admitted, it must be concluded, that no paper money can be made on better terms, and which can have a better credit. Instead of the limited circulation of bills of credit, for the superior uses of gold or silver, it appears to be impossible to give any state, or indeed any continental currency, a value equal to specie. As all paper money has ceased to circulate in Pennsylvania, this circumstance alone, from our connections made with Philadelphia, will prevent us, as long as it continues, from making any bills of credit at par to specie. Politicians assign various reasons for the depreciation of our paper money. Some say it, and all our difficulties, to the late tender of others to the calling in the continental and emissions at 1 for 40, which they call a breach of public faith. At this day it is immaterial to enter into the cause, if no mode can be devised to equal the late emission a stability and circulation equal to gold and silver. To emit or to pass a depreciated state will be unjust to the public individuals; and to lay taxes in a depreciating state will be a deception on the government and unjust, and unjust to our citizens. The conti-

nuance of any depreciating money in circulation can only afford an opportunity to projectors and sharpers to take advantage of the ignorant and unsuspecting. It seems to me, that the first question to be determined is, whether this state can carry on the war, and maintain its internal civil government, without money, I mean gold or silver. Every sensible politician will agree, notwithstanding the late very important event, the capture of lord Cornwallis and his army, and the further expected success before the close of the campaign, that sound policy will dictate, each state during the ensuing winter to raise a respectable regular army, and to furnish ample means to pay, cloath and feed it; and that our finances must be recovered from their present deranged state, and the public creditors satisfied, by securing the principal and a regular annual payment of the interest in specie. The adoption of such decisive measures will either compel Great-Britain to acknowledge our independence, or enable us to prosecute the war. I conceive it impracticable to procure soldiers for three years, or the war (which is to be preferred) without a bounty in specie, and with it I am convinced, by the late success in the recruiting service, that our quota could be filled up before next spring. The draughting our militia ought to be avoided, and no case but the best grounded reasons of an invasion can justify the measure. The very heavy expence, and the short period of service (which cannot be extended, and which alone renders it tolerable) tho' improper, and other reasons, which every man will conceive to be expressed, must evince the impolicy of a draught, but in the case of inevitable and evident necessity. We must hereafter pay our troops in specie, and this becomes the more necessary, because the states eastward of this have undertaken to pay their troops in real money. It is also incumbent on this state to furnish congress with our quota of the monies necessary to discharge the interest on continental loans, and contingent expences, which must be considerable, and can be paid only in specie. Cloathing for our troops, and our proportion of provisions, have been heretofore in great measure obtained by seizure on certificates. This mode must be discontinued in future, because unjust and partial. Our civil list, and the other necessary expences of government will require large sums of specie. From these considerations it appears, that a considerable quantity of gold or silver will be necessary for the maintenance of the war and our civil establishment.

It cannot be doubted, but that our quota of provisions can be obtained, by permitting the people to pay their taxes with provisions. What sum of specie will be necessary to raise recruits, to pay and cloath our quota of the army, to discharge our proportion of the continental expenditure, for interest on loans, &c. &c. and to defray the expences of our government, and the interest of our state debt, I cannot accurately ascertain, but the following estimate may afford a general view of the subject.

Bounty for 1000 recruits, at 22	10	specie.
Pay of our quota, suppose 2500 (officers included) for a year	22,500	
Cloathing for 2250 privates, at £. 12 each	27,000	100,000
Proportion of continental expenditure	87,000	
Expences of our government	20,000	
Annual interest of our state debt	48,000	
Total		£. 304,500

If the property in the state is estimated at sixteen millions of pounds specie, about 38 shillings for every hundred pounds of property would raise the above sum. By loan, very little, if any, or the above sum can be procured, and it is very questionable, whether we can raise by taxes, in the next year, one third of the above sum in gold or silver. The specie within the state cannot be exactly ascertained, but it may be conjectured not to exceed 100,000 pounds, the sum supposed to be in circulation in this state before the war. The tax to procure provisions will be very considerable, not less than 10 shillings in the 100 pounds, and though payable in specific articles, must be considered as part of the public burthen. It there is not sufficient gold and silver in the state to produce one third of the sum necessary to defray the expences of the war and our government, some expedient must be devised to procure articles of intrinsic value to make up the deficiency. I fear it will be very difficult to extract any considerable sum of gold and silver out of the pockets of the people. The farmers, besides furnishing the greater part of the beef and pork,

can only pay in grain; and the planter, raising less beef and pork, can only pay in tobacco; and some few wealthy farmers and planters will be able to find some specie. The merchants and shopkeepers can supply some hard money and some cloathing. Our taxes, therefore, must be laid in specie, with a liberty to discharge them in provisions, or in tobacco, wheat, or flour, at their real current prices. Integrity, discretion, and candour, must unite in fixing the prices; all private interest or local attachments must cease, or partiality and injustice will be done to our citizens, and the views of the public defeated. If too great a price is allowed for tobacco or wheat, and it should currently sell for less, every man would pay tobacco or wheat to the public, by which it would sustain a loss, and injustice would be done to the merchants, labourers, &c. If the late emission could be supported at a certain permanent value, an alternative might be given to pay it in taxes as specie, but as it has, and will probably still depreciate, no such liberty can be allowed. Tobacco and wheat have an intrinsic value, and will answer instead of gold and silver, if properly managed. I can discover no possible mode to give any fixed value to the late, or any paper money; and yet without it very great and inextricable difficulties will occur. Great numbers of our inhabitants will not be able to procure specie, tobacco, or grain. A considerable time must elapse before money can be collected by taxes, and in the mean time the obtaining supplies must cease, and our government remain suspended.

All paper money must be called out of circulation by legislative authority. Nothing can be more absurd and injurious to the public, and the honest part of the community, than to permit three different sorts of paper money, of different values, to remain in circulation at the same time. The continental state passes at 4 and 5 for one; our state (vulgarly called black money) passes at 3 and 4 for one; and the late emission at two for one. Various opinions are entertained as to the mode and terms of calling in the several emissions. Every advantage is taken of the public, and by a facility attending every emission, and every attempt to give a credit, every one becomes interested to depreciate it. In a few days British property (the Nottingham iron-works) is to be sold to secure the redemption of the state money emitted June 1780, with specie. The law, from a desire to preserve the iron-works entire, for the public good, directed the sale of it in shares. It is universally believed, and has been so represented by one of the commissioners, that it would sell for 15,000 pounds specie more, if not sold in shares, but laid off in small farms and seats for mills, the latter as beneficial to the public, as to continue the iron-works. It is probable above 20,000 pounds will be lost to the public, if the sale is made in shares. It seems strange, that after a knowledge of such a loss to the state, the sale should be advertised, and it will be more strange if the legislature should not prevent it. I cannot give entire credit to reports, but it is said, that one company in Baltimore-town have purchased up 25,000 pounds of the state money. This species of traffic gives great disgust, and must draw censure on those concerned in it. The people at large, who are the dupes to such speculations, think it very burthensome on them to pay taxes to make enormous fortunes to a few individuals. Our assembly can, and it is hoped they will, interfere, and prevent so great a loss to the public. If the purchasers are reimbursed the money they actually paid, no injustice will be done them.

The continental state will be brought in by taxes, as soon as by any other mode; and if the late emission is permitted to remain in circulation, many are of opinion, that it also should be received in taxes at a depreciation to be fixed by the assembly. As we have a new assembly, I hope all former animosity will be forgotten, and that the only struggle will be, who shall render the best services to his country. Our affairs demand great exertions, and require wisdom and union.

SENEX.

Head-quarters, Camp before York, Oct. 1, 1781.
S I R,
LAST evening I was honoured with your excellency's favour of the 21st ult. with its enclosure. The intelligence it contains respecting the British fleet is very agreeable, and will be immediately transmitted to the count de Grasse.
In my last, which bore date the 23d ult. I informed that our preparations for a near investment