

MARYLAND GAZETTE

THURSDAY, NOVEMBER 29, 1781.

To the PEOPLE of MARYLAND.

IN the session of last May, the legislature passed an act for a new emission of bills of credit, which, from the excellent provisions contained in the act, were expected to bear an equal value with specie. From the fate of the continental bills, which unfavourable was inferred, because the emissions greatly exceeded the sum requisite for a medium of commerce, no time was limited, and no particular funds were provided for their redemption. The two emissions of the last year were made in quantity, issued upon ample funds, and redeemable within six years; but they were emitted at the rate of one dollar for forty continental, at a time, when one silver dollar would purchase from the so far inferior to specie, accounted for that, and alarming depreciation, which induced the legislature to determine, that when brought into the market, they should never reissue. What was to be done in this situation? There was no money to supply the demands, of the army, and to defray the expences of government; specie could not be procured; and the credit expected to be derived from the subject was at best a partial remedy, and, if often used, would intally bring on a ruin of the most ruinous consequences. I can give due credit to the authors of the last emission; it might not be within the compass of human genius to invent a more plausible scheme; they had to encounter a general prejudice, and to stand against the arts of that body of men, who have ever been charged with the ruin of all our paper credit.

The best among the associators were influenced by a sense of duty, or a regard to character; they acted with distrust, and although conscious of the utility of their own intentions, they could not forbear suspecting, that either the association would be general, or the baseness of interested men would soon render it a mere dead letter.

That all paper money depends upon opinion, is a self-evident truth, and a trite remark. This opinion is strange and capricious, it would baffle the best politician to account for it. Under the old government, bills of credit, redeemable within six years, bore an equal value with specie; they were tendered for debts, nor was there any express impact of the people, to give them aid. The several tacit content to take them as specie was accounted for from the limitation of the sum, from the goodness of the funds, and the scarcity of specie. All these circumstances concur to stamp a value on the last emission; men have pledged their word and honour for its support, and its object is every thing that can interest an honest citizen. Opinion still wanted, and perhaps it never will be gained, but the recent mischiefs arising from paper money are obliterated from the minds of the sufferers.

What shall we then determine to have no more? Shall we go further, and call in all bills of credit at the same value? I am astonished at the folly of those, who contrary to the plighted faith of government, make the proposition. It would be an outrage, and a manifest reason to offer a certificate of one dollar for ten dollars of the emissions of 1780. Is there any circumstance to render that certificate of greater value, than a bill of one dollar bears at present? No; for the sake of common sense, and common equity, attend to no such idle proposition. Of so base a nature are bills of credit, that they are capable of injury from the fanciful schemes of any rash, or impertinent projector.

As experience evinces, that no paper money can, at this time, be a medium of commerce; since specie cannot be procured to carry on the war, and support the government; since the power of seizing and impressing has been found too odious and oppressive, to be depended on; and since no advantage has been derived from specific taxes by any means adequate to the burthen imposed, the legislature has a truly arduous task. In a dreary night of darkness, he that affords only a faint glimmer of light is entitled to our thanks.

That the faithlessness of government has destroyed the confidence of the people is a common position; to regain that confidence is a primary object. A restoration of public faith may perhaps serve some temporary purpose; but, besides the iniquity of the measure, it disgraces government, it cuts off the resources, it has a manifest tendency to induce a general depravity of morals, and the honest man, who knows this, will submit to al-

most any inconvenience, sooner than hazard so damnable an expedient. I am afraid, the most upright conduct, for a considerable time, will not regain what is lost; however, our own happiness and the welfare of posterity demands the attempt; the crooked paths of dishonour can no longer lead to good. Let the legislature, therefore, to obviate every unfavourable surmise, pass a solemn act, containing the strongest assurances of performing every subsisting, or future engagement.

In a late conversation with a gentleman, otherwise respectable for his principles and talents, I was struck dumb by his declaring, "he did not know whether the present assembly were bound by the engagements of the last." In what school could this man have learnt his politics? Ah! thou cursed demon of party! how dost thou pervert the hearts and darken the understandings of thy votaries!

Amongst the few incontrovertible maxims, I consider, that in all public bodies the greater number must to all intents bind the lesser; and if a contract be made contrary to the judgment of an individual, that member is notwithstanding bound equally with the rest. The absurdity of an opposite doctrine is so obvious, I shall not waste time to explain it.

Opinion being wanted to support the last emission, we may consider the bills, as a sum of money, which the legislature has engaged to pay by the 25th of June, 1785. In this light, the present value is to be estimated from the risk, and the inconvenience of waiting three years and a half. If government no longer errs, the risk will be considered not more, than if a private man of ample fortune were the debtor. No deduction therefore must be made on that account. Supposing then, from the scarcity of gold and silver, and the great profits of trade, the use of 100 pounds for a year to be worth 12, the present value of 100 pounds, to be received on the 25th of June, 1785, is something more than 68. One half of 100 is 50, to be the actual value of the bills of credit, and it is not at all surprising that a monied man, although he places the highest confidence in government, should give no more for these bills than one half the sum expressed; for, until the general tacit consent of the people shall give them a value equal to specie, they will be bought and sold as a species of merchandise.

On an attentive perusal of the act for their emission, it appears calculated more for the purpose of procuring a loan on a great emergency, than for furnishing a medium of commerce. The bills are emitted as specie; but it may probably happen, that, agreeably to the act, the debt incurred by the state may be discharged with one fourth of the sum. To illustrate this matter—100 pounds in these bills was paid for an article worth 100 pounds specie. Here is a loan to the state of 100 pounds. The state was possessed of a negro child, ten years old, worth 25 pounds, and being part of the property appropriated for the redemption of these bills, this negro, from the unaccountable rage of bidding at the sales of public property, was sold for 50 pounds. The purchaser now comes to discharge the debt with bills, and is informed that, as their actual value is only one half, he must pay 100 pounds. By a similar mode of borrowing and paying a man may soon become rich. I cannot conceive, the framers of the law had this matter in contemplation; if they had, I admire their depth of policy; but I would dismiss them from the sacred trust, to trick and cozen in the private employments of life.

Say some gentlemen, "the law, by ordering these bills to be received at their actual value, provided wisely against depreciation; those who bade more than the value at public sales had depreciation in view, and deserve to be punished; they shall derive no advantage from their baseness; the actual value of the bills is only one half, and the treasurer ought not to receive them but at that rate."

That depreciation will be hereby prevented, or that punishment will fall where it ought, I utterly deny. To-day the actual value is fixed at 2 for 1; the purchasers of confiscated property have then no motive for buying bills of credit at that rate, and they instantly depreciate in the general opinion; they will soon be sold at 3 or 4 for 1, and brought into the treasury, at the rate established there. When indeed it shall be generally known, that the actual value is 3 or 4 for 1, that rate will be fixed at the treasury, and a fresh depreciation immediately ensues. During this pleasant contest between government

and its debtors, by which the former gains at every turn, and the latter loses nothing, how fares it with those unhappy creditors, whom necessity has compelled to receive them as specie? The same necessity compels them to make sale, and they become a joint pray to government and its debtors. Ye sage patriots, who can rejoice at the fortunate saving to your country, have ye no consideration for the unoffending persons, defrauded thus of their time, labour, and effects? If your compassion is not strongly interested in their behalf, you are dead to the feelings of humanity, and your souls are unconscious of the principles of honour. But perhaps you intend this saving for the sufferers by depreciation, government having clearly no equitable title thereto. Even that would be a circuitous business, and extremely difficult in the execution. The best way is to prevent further depreciation, and the only probable mode of doing that is for government to receive these bills, as it paid them away. The sales of property appropriated for their redemption amount to more than the sum issued. Receive them at par, and you produce a competition, which, above all things, will tend to give them the value, which considered merely as promissory notes, payable at a future day, they ought to bear. If government would do this, and manifest an inclination to perform its faith on every occasion, notwithstanding the prejudices against paper, there is room to believe that opinion would at length be gained, and these bills become paper money in the true sense.

A question now remains, What is government to do for money, since none but those who are driven by extreme want will or ought to take its bills as specie?

I have no opportunity of being accurately informed, but I suppose at least 120,000 pounds of the 200,000 pounds have never been issued. Should the state receive an offer of a loan of specie for 3 years at an interest of 6 per cent. it would no doubt be extremely acceptable. Calculate the present value of 100 pounds to be received on the 25th of June, 1785, discounting at the rate of 6 per cent. compound interest, and it will amount to about 80 pounds. I have not the least doubt, that for 80 pounds specie the government would cheerfully engage to pay 100 pounds, at that period. Or if the use of money is at present acknowledged to be worth 12 per cent. perhaps government would be content to pay 100 pounds for even 65. What objection then can there be to the paying 100 pounds in bills of credit for an article which is equal to the present value, calculated according to the rate of interest? When indeed the time arrives for bills of credit to pass currently as specie, let them again issue as such.

There are purposes of government, which nothing but specie can answer; and I am fully persuaded a small tax might be easily collected. Two shillings and six pence in the hundred pounds could not be distressing to the people in general, and would yield about 20,000 pounds. That sum, with 200,000 pounds in bills of credit, and moderate specific taxes to be paid at convenient magazines, would furnish every thing necessary for carrying on the next campaign, and supporting the government with propriety; and, if the whole were under the direction of an honest financier, great benefits would probably result from the arrangement.

These are my propositions; and I request nothing more than a little reflection, before they are condemned. I will freely confess, how far I am interested in their success; I am neither a creditor nor debtor to the state; I am one of those who have received large sums of these bills of credit in payment for public services. The brave soldiers of government, have an undoubted right to its exertions in support of that species of money, which is their only reward; and so long as the freedom of speech, and the liberty of the press, remain inviolate, their claim shall be asserted.

November 25, 1781.

REPUBLICANUS will have a place in our next.

ANNA POLIS, November 29. His Excellency John Hanson, Esq; President of Congress, and the honourable Daniel Carroll, Samuel Chase, and Turbutt Wright, Esquires, are elected delegates to represent this State in Congress for the ensuing year.