POLITICAL ESSAYS
ON THE
NATURE and OPERATION
OF
MONEY, PUBLIC FINANCES
AND
OTHER SUBJECTS
Published during the American War, and continued up to the present Year, 1791.
By PELATIAH WEBSTER
P R E F A C E
Of the Author.

The first thirty years of my life were spent in the literary way, and generally employed in a course of hard study, and close attention to some subject or other; after which, by a turn in my private affairs, I went into a course of mercantile business, which was indeed more a matter of necessity than inclination. My old habits of reading and thinking could not easily be shaken off, and I was scarce ever without either a book or some subject of discussion ready prepared, to which I could resort, the moment I found myself at leisure from other business.

My usual method of discussing any subjects which I undertook to examine, was, as far as possible, to find out and define the original, natural principles of them, and to suffer my mind to be drawn on without bias or any incidental prejudice, to such conclusions as those original principles would naturally lead to and demonstrate, i.e. I endeavoured, as far as I could, to make myself my own original, and draw all my knowledge from the original and natural sources or first principles of it.

The powerful pressures of the British force during the war, and the obstinate and determined defence of the Americans, soon threw every thing into disorder, and produced every day new occurrences and new problems, which America had never seen before, and, of course, knew not how either to obviate or solve them.

The first operations of the war affected my connexions in trade so much, that it threw me out of my usual course of business, and left me at leisure to contemplate those occurrences; and I thought I might render an essential service to my country by examining them, reducing them to their original principles, explaining their nature, and pointing out their natural operation and probable effects.

I conceived that the most important and alarming of these events and questions were those which respected our resources, and especially the state of the Continental money, which was the sole supply of the public treasury at that time.
PREFACE

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time. This induced me to turn my attention very seriously to the nature and operation of money and finance; a subject which I had never before examined, further than daily practice and private economy made necessary.

Some reasonings and conclusions on this subject were published under the signature of A Financier in 1776, and make the first of the following Essays; all the rest were published successively (as dated) under the signature of A Citizen of Philadelphia.

Whilst I reasoned on the great subjects of the natural operation of money and of national finances, and drew such theorems and conclusions as appeared to me to result from their natural, original principles, I had an opportunity to compare those conclusions with real facts, and to judge of their truth by experiment of their actual effects; and in this I was rarely mistaken. The effects or consequences which I inferred from the principles on which I reasoned, scarcely in one instance failed to follow in the kind, tho' not always in the degree, which I expected, e. g. the strength of the States, and the patriotism, the patience, the firmness, and steady virtue of our people, were greater than I could expect, whilst I reasoned on human nature and human passions, as exhibited in the example of other nations, especially in the instance of unpaid armies. From these sprang resources for continuing the war, beyond my sanguine calculations, whilst national ruin appeared to me more near and certain than it really was.

Again, the obstinate perseverance of the British nation in continuing the American war was less than I computed on. I believe, the American independence was the only point which that nation ever yielded, after exerting every nerve of their strength to carry their purpose.

Further, I had no idea that the Continental money could be made to pass at all as a medium of trade at a depreciation even of 50 or 100, much less of 500, for 1.

It may be worth notice here, that these Essays exhibit not only a dissertation of the principles and nature of money and national finances, but contain also a kind of history of these principles compared with facts or their real operation, during the convulsions of America thro' a seven years' war, when the dangers, the distresses, the firmness, the terrors, the wisdom, the folly, the expedients, the exertions, the resources, the strength and the weakness, the successes and the disappointments, which appeared under all modes and forms, put every principle into operation, and every conclusion
PREFACE

son and theorem to the test, and left no room for false reasonings or idle projections, because their fallacy was sure to be detected very soon by a failure or deficiency of their effects.

These Essays were all written at the times in which the several subjects of them were fresh, and strongly impressed on every American mind, and the feelings of every body were alive and wound up to the highest pitch of anxiety, and an asylum of even safety was eagerly sought. It may, therefore, be agreeable to my fellow-citizens to revive these distressing scenes, as people sometimes have pleasure in viewing places in which they have passed thro' sorrows and calamities that are now over and past.

A review of arguments and reasonings on the abstruse subject of money and finance, connected with fact, i. e. with the actual effects and conseqences of them, may afford some gratification and amusement to speculative people, who are disposed to examine and explore those difficult, but very interesting matters, errors and mistakes in which have tripped up the heels of, and brought by the board, very many statesmen in every nation.

For this reason it is probable that politicians and statesmen who may happen to be involved in these inquiries, may find benefit in an attention to American experience.

Such a connexion of principles, theorems, and facts, in the great subject of money and finance, is a phænomenon rarely to be found in any nation so clearly exhibited, as in the history of money and finances in our States during the war and its consequences.

In short, in the history of American distresses, perfect wisdom is not to be expected; but we have an opportunity of learning wisdom from it. Many projects, plans, schemes, and manoeuvres, some of them hurtful, and others vain and ridiculous enough, were set on foot, and some of them pushed into execution with great severity, which either died soon without effect, or were marked with calamity during their continuance.

Many others more wise and judicious were also proposed, and sooner or later adopted with success and great benefit.

We have now an opportunity of distinguishing the wise from the foolish, the good from the bad, by their effects, which may help us much to wisdom in our future counsels.

We are now at leisure for consideration, and cannot plead pressures and distresses in excuse for any mistakes; and we have the effects of former errors, like beacons of caution set up before our eyes to guard us against repeating them.

Some
Some Essays on different subjects are introduced here, which I leave, with all the rest, to make their way in the world, according to their merits.

In these Essays Continental money is often considered; to understand the arguments it may often be necessary to recur to the value of that money at the date of each Essay: I have, for this purpose, added at the end of this book four scales of depreciation, viz. the scale of Congress, that of the State of Pennsylvania, established by law, April 3, 1781, and two others, one for Philadelphia, the other for Virginia, taken from the merchants' books.

The two first, for political reasons, vary from the true exchange part of the time; the other two, taken from the merchants' books, are as near the true and actual exchange, as a thing of such a fluctuating and variable nature can be expected to be.

I have also added a chronology of remarkable events, as people generally connect the occurrences of these times with some or other of those events.

I cannot say I had all the success in these publications which I wished.

In some cases, they crossed the favorite plans proposed by influential men, which, like their children, they could not bear to see killed, or even corrected.

In some cases they opposed some great and strong interests, which bore them down.

In some cases, they stood opposed to general opinion in point of real propriety. The subjects were new, and the public mind had not time to fix itself on the ground of experience; many errors prevailed at that time.

In fine, most people at the time were wrought up to such a passionate attachment to the American cause, that they had not patience to examine and consider coolly the means necessary to support it.

But all men have now an opportunity to compare the various plans and projects of those times with the facts which followed, and doubtless will have pleasure in distinguishing the wise and prudent from the wild and idle, by their actual effects.

In this view, I here present my Essays all together to the reader's perusal and censure.

*Philadelphia, February 22, 1791.*

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AN ESSAY

On the Danger of too much circulating Cash in a State, the ill Consequences thence arising, and the Necessary Remedies.

[Published in the Pennsylvania Evening Post of Oct. 5, 1776, under the signature of A Financier.]

THE computations of the value of the Free States of America by Conti— and Doria, in the Evening Post of Sept. 21, rather prove that value to be immense than reduce it to a certainty. Perhaps another method of computation might be admitted, viz. from the quantity of land within the present inhabited part of those states, which is at least two hundred millions of acres, and worth a dollar per acre I should think at least, some say two or three dollars, and perhaps the personal estate may be computed at as much more, which I do not think is reckoning high, and will make the amount four hundred millions of dollars. All these computations prove with certainty enough that the funds, on which the Continental money depends, are sufficiently great to support a very much larger quantity than is already emitted. (a) I would farther observe that the American States owe nothing to any body but themselves, and employ no ships, soldiers, &c. but their own, so that they contract no foreign debt; and I take it to

(a) The first emission of Continental money was dated May 10, 1775, but was not really issued into actual circulation till some months afterwards, but the quantity multiplied so fast that it became somewhat alarming at the time when this essay was written.
to be a clear maxim, that no state can be ruined, bankrupted, or indeed much endangered, by any debt due to itself only; nor can it ever be much impoverished by any war, if the war and other casualties do not destroy mankind faster than the women produce them, and the people that are left at home can furnish the provisions, clothing, &c. necessary for themselves and the soldiery, together with all other necessary stores and implements of the war.

There requires no more to preserve such a state in a war of any length of time than good economy in bringing the burden equally on all, in proportion to their abilities; but then I think it very necessary that they should pay as they go, as near as may be. The soldier renders his personal services down on the spot, the farmer his provisions, the tradesman his fabrics, and why should not the moneyed man pay his money down too? Why should the soldier, tradesman, farmer, &c. be paid in promises, which are not so good as money, if the fulfilment is at a distance?

Payment in promises or bills of credit is a temporary expedient, and will always be dangerous, where the quantity increases too much, at least it will always have the consequences of a medium increased beyond the necessities of trade; and whenever that happens, a speedy remedy is necessary, or the ill effects will soon be alarming, and, if long neglected, will not be easily remedied. The remedy or rather prevention of this evil I take to be very easy at present.

If the quantity of Continental currency is greater than is necessary for a medium of trade, it will appear by a number of very perceptible effects, each of which point out and facilitate the remedy. One effect will be, that people will choose to have their estates vested in any goods of intrinsic value rather than in money, and of course there will be a quick demand for every kind of goods, and consequently a high price for them; another effect will be discouragement of industry, for people will not work hard to procure goods for sale, while the medium for which they must sell them is supposed to be worse than the goods; and of course, another effect will be a discouragement of trade, for nobody will
will import goods, and sell them, when imported, for a medium that is worse than the goods themselves; for in that case, though the profits may be nominal, the loss will be real.

These effects all point out their only remedy, viz. lessening the quantity of the circulating medium, and this can be done by but three ways that I know of: First, the destruction of it by some casuality, as fire, shipwreck, &c. or secondly, expectation of it, which cannot happen in our case, because our medium has no currency abroad, and I think it very well for us that it has not; for in that case our debt would soon become due to people without ourselves, and of course less sensible, more difficult to be paid, and more dangerous; the third, and, in my opinion, the only practicable way of lessening the quantity is by a tax, which never can be paid so easy as when money is more plenty than goods, and of course, the very cause which makes a tax necessary, facilitates the payment of it.

The tax ought to be equal to the excess of the currency, so as to lessen the currency down to that quantity which is necessary for a medium of trade, and this, in my opinion, ought to be done by every state, whether money is immediately wanted in the public treasury or not, for it is better for any state to have their excess of money, tho' it were all gold and silver, boarded in a public treasury or bank, than circulated among the people, for nothing can have worse effects on any state than an excess of money. The poverty of the states of Holland, where nobody can have money who does not first earn it, has produced industry, frugality, economy, good habits of body and mind, and durable and well-established riches, whilst the excess of money has produced the contrary in Spain, i.e. has ruined their industry and economy, and filled them with pride and poverty.

But there is, besides this general principle, a special reason in our case, why we should pay a large part of our Continental debt by a present tax; the great consumption of our armies, and stoppage of our imports, make a great demand for the produce of our lands, the fabrics of our tradesmen,
tradesmen, and the labor of our people, and of course raises the prices of all these much higher than usual, so that the husbandman, tradesman, and laborer get money much faster and easier than they used to do, and it is a plain maxim, that people should always pay their debts when they have a good run of business, and have money plenty; many a man has been distressed for a debt when business and money were scarce, which he had neglected to pay when he could have done it with great ease to himself, had he attended to it in its proper season; this applies to a community or state as well as to a private person.

These last observations will apply with great exactness to those parts of the Continent which lie nearest to the great scenes of the war, and have suffered most by it; and if they can bear the tax, I think those who lie at a distance from those horrors, and have felt little more than a sympathy of the distress of their brethren, can have no reason to complain, if they are called on for their share of the expense.

The Continental money is to be considered as a debt fastened on the person and estate of every member of the United States, a debt of great honor and justice, of national honor and justice, not barely empty honor, but that essential honor and credit in which the safety of the state is comprised, and therefore by confession of every body must be punctually and honorably paid in due time; otherwise all security arising from public credit must be lost, all confidence of individuals in our public councils must be destroyed, and great injustice must be done to every possessor of our public currency, to the detriment of all, and ruin of many who have placed most confidence in our public administration: and nothing but shame, scandal, and contempt can ensue, for which nothing but most inevitable necessity can be any reasonable excuse. (b)

And in this great argument is every individual of our United States so deeply interested, that I cannot conceive one

(b) The citizen, at the time of writing this, had no conception that the continental money could continue to be a quick currency at 500 for 1, and finally run itself out to nothing, and die, not only without any tumult, but with the general satisfaction of the people.
One sensible person can be persuaded to risk these consequences for the sake of a little delay of payment of that which must one day be paid, or we must all be ruined together. The Continental debt is already a heavy one, and there is no way of sinking it but by paying it while we can; it is still increasing fast; and without a speedy tax, and a very sufficient one, it will grow upon us beyond any possibility of payment. If a man only suffers his rents, butcher's and tradesman's bills, &c. to be unpaid a number of years, it will endanger his whole fortune. An expense account ought always to be paid up as soon as it becomes due; these are accumulating sums, and it is dangerous to neglect them.

I have heard some people say, it is no matter for the present payment of the Continental debt, we are a country of rapid increase, and what is contracted by three millions of people, will soon be paid by six. But how unfatherly and ungenerous is it to load posterity with an immense debt, which we have an advantage in sinking a good part of ourselves; besides, it will be a great discouragement to foreign emigrants to settle in this country, to be told that the country is loaded with an immense debt, and their first title to an enfranchisement will be by beginning to pay it.

We are engaged in a cause which, in all annals of time, has ever been deemed most honorable and glorious, and most characteristic of noble and generous minds, viz. spurning off slavery, and asserting our liberty. As things now stand, the most hardened, impudent Tory does not pretend that if we fail of supporting our cause, we have any other chance but that of absolute submission and pardon, and even hat pardon, doubtless, with numerous exceptions. Good God! Who can bear the thought of absolute submission and pardon? Pardon! for the greatest virtue of a civil nature that the human mind is capable of! Who can think, without distraction, of coming under the domination of tories, and suing to them for favors and intercessions? Tories! with standing armies at their heels, and soldiers with bayonets ready to enforce all the respect and submission they may claim,

This
This dreadful apprehension introduces, with great force on my mind, another reason why we ought to sink, by a sufficient tax, as much as we can of the continental debt, viz. That without this it is not possible to continue the war, and avoid absolute submission.

I conceive the value of the currency of any state has a limit, a ne plus ultra, beyond which it cannot go, and if the nominal sum is extended beyond that limit, the value will not follow. No human wisdom, or authority, can be able to stretch the nominal currency beyond such real value. The consequence of any attempt to extend such nominal addition, must depreciate the value of the whole, till it is reduced within said limit.

I will explain my meaning thus: (c) Suppose that thirty millions of dollars was the utmost limit of currency to which the United States of America could give real, effectual value, and they should emit thirty millions more; I say the last thirty millions would add nothing to the value of the whole, but would sink the value of the whole sixty millions down to its limit, viz. thirty millions; i.e. the whole sixty millions in that case would not purchase more real, substantial goods, than the thirty millions would have done, before the other thirty millions were added to it.

It follows from this, that any attempt to continue the war, by increasing the currency beyond the aforesaid limit, is vain, and must fail of the effect intended, and ruin all those who possess the currency already emitted. Whether the currency already emitted rises to the said limit, is a question of fact that may admit some doubt, but that it is not greatly within it, I think can be no doubt with people well acquainted with the nature and circumstances of this great subject; and be that as it may, I think every inconvenience arising from it is easily remedied by a sufficient tax. I do not apprehend we have yet suffered by a depreciation

(c) No estimate of the current cash of the Thirteen States had been made on any sure data when this essay was published, but it was generally computed at about 30,000,000 of dollars, which is somewhat less than one third of the current cash of Great Britain; but on a more critical examination of the subject, this computation appeared much too high: perhaps, about 12,000,000 of dollars may be near the truth.
preciation of the currency, because I cannot observe that the general prices of goods are more raised than the circumstances of the war would make necessary, were our money all gold and silver, and farther extremities may produce farther effects of the same kind, without depreciating the currency at all.

No kind of necessaries have risen to the excess of price given last winter in Boston for fresh provisions, tho' their currency was all gold and silver, increase of risk must raise the price of all imported goods, scarcity of laborers must raise the price of labor, and of consequence the price of every thing produced by labor, scarcity of tradesmen (many of whom are gone into the war) and demand for tradesmen's fabrics, must raise the price of them; besides, many raw materials used by the tradesmen, must be imported at great risk, and I do not see that the prices of most or all these are greater than they would be, if every Continental dollar was a silver one.

But should we admit that we are on the verge of a depreciation, or that our currency hath suffered some little already in its value, two consequences will follow, which deserve great and immediate consideration.

First, That a speedy remedy is immediately necessary, which shall operate effectually, and prevent the ruin of our currency; and the second is, that the remedy by this very means becomes more easy and practicable than otherwise it could be, because a tax will be paid much more easily in this case than it could be, if money was in credit enough to be avariciously hoarded, and this holds, let the tax be of any nature, such as general assessment of polls and estates, excises, imposts, or duties on goods, lotteries, &c. &c. in any or all these ways, our currency may be lessened much easier, when its credit is a little doubted, than when it is at its highest. (d)

What

(d) However plain the necessity of a tax at that time to prevent the excessive increase of the continental money, may appear to us now, it was then not so clear; for after many debates in Congress, that measure was not adopted for a long time. I am told, one member of Congress rose during the
What contributes not a little to this facility is, that it may be done by general consent, without public uneasiness and disturbance, for a depreciation of currency can be wished for by nobody, but those who are deeply in debt, the weight or numbers of whom I have reason to believe is not great at present in these States; it is the mighty interest of all the rest of the inhabitants to prevent a depreciation, and I conceive every man of estate who has cash in hand, or due to him, would be willing to contribute his share to the lessening our currency, and so preserving its credit. Yea, would eagerly choose this, rather than risk his own loss by a depreciation of the cash he has in hand, and in debts due.

In this time of distress the public has a right to every man’s best thoughts. I have not the vanity to think I can exhaust the subject, but I have said so much on it, as I hope will set able heads and pens on a thorough disquisition of it, for I think all will agree, that the subject is a very important one, and deserves most immediate and most serious attention.

those debates with this exclamation, “Do you think, Gentlemen, that I will content to load my constituents with taxes, when we can send to our printer, and get a waggon-load of money, one quire of which will pay for the whole?”
AN ESSAY ON FREE TRADE and FINANCE.

First published in Philadelphia, July 1779, and dedicated to CONGRESS.

FREEDOM of trade, or unrestrained liberty of the subject to hold or dispose of his property as he pleases, is absolutely necessary to the prosperity of every community, and to the happiness of all individuals who compose it: this liberty will produce the following effects:

1. Every industrious man will procure all the goods he can for sale; this is the way to get most money; and gain is the soul of industry, the hope of reward sweetens labor, and the most righteous have respect to the recompence of reward.

2. Every man will make his goods for market of the best quality he can, because they will bring more money and quicker sale than goods of mean quality.

3. Every man will endeavour to carry to market the most scarce goods because there is the greatest demand and best price for them. All experience shews, that the most effectual way to turn a scarcity into a plenty, is to raise the price of the articles wanted: witness, among other instances, the most alarming scarcity of saltpetre and gunpowder, in the beginning of the present war, succeeded by the most abundant plenty in less than one year, effected altogether by the high price and premiums set on them.

4. Every
4. Every man will go to market and return in good humor and full satisfaction, even though he may be disappointed of the high price he expected, because he has had the full chance of the market, and can blame nobody; and should he indulge fretting on the occasion, he would be the more ridiculed, and less pitied by his neighbours: and good humor and satisfaction contribute not a little to the happiness and prosperity of communities, as well as individuals; and therefore this is an article by no means to be left out or overlooked in the administration of either public or private economy.

5. In times of danger, distress, and difficulty, every man will use strong endeavours to get his goods to market, in proportion to the necessity and great demand for them; because they will then bring the best price, and every man is fond of embracing golden opportunities and favorable chances.

6. When things grow scarce and dear, every man will use them with the best economy, and make the stock on hand go as far and last as long as possible; or if he is destitute, will buy as little as will just serve his necessity. This naturally preserves the stock on hand from needless profusion and waste, and converts it to the best and most prudent use for the benefit of the community, and naturally tends to ward off high distress or total want, till the high price and great demand, by their natural operation, will bring further supplies to market.

7. In times of scarcity, every man will have strong inducements to bring all he can spare to market, because it will then bring the highest price he can ever expect, and consequently the community will have the benefit of all that exists among them, in a much fierer manner than any degree of force could extort it, and all to the entire satisfaction of buyer and seller; by which the numberless feuds, riots, resentments, and mischiefs which usually attend forced markets, would be entirely avoided; and the market be supplied with all there is to be had. For no principle can draw into market, all the supplies which are attainable, fo
so effectually, as the cheerful good-will and interest of the owners.

8. In times of scarcity, when all the goods that are to be had, are exposed to sale, it is not possible the prices should exceed the degree of scarcity, for when the prices rise very high, they will soon determine whether the scarcity is real or not; for if not real the high price will bring such quantity to market as will soon lower the price; but if real, it is necessary for the above reasons, that the prices should continue high till supplies are produced.

Restraint of property or * limitation of prices will hurt any community, and will probably produce the following effects, contrary to the above.

1. Every man will have as little to do with the market, and bring as few goods there as he can; for the less goods he has for sale, the less mortification and loss he sustains.

2. Every man will make his goods for market of a bad quality, or at least not the best; for they must all go at the limited price, and he therefore gets nothing for any special care or skill he may bestow on his goods to meliorate or perfect their quality: for the same reason, every man will expose his worst goods to market, and keep the best out of sight; for example, mutty tea, stale flour, black heavy bread, &c.

3. Every man is induced to keep such goods as are most scarce from market; for if he carries them there, he can get no more than the limited price, and stands a chance of a bad huffling in the crowd into the bargain. Whereas, if he can keep his goods from market, the scarcity will soon force a great price, and he has a chance of great profits.

4. If

* The pressures of the war, together with the vast increase of Continental money had for a considerable time before this Essay was wrote, raised the nominal price of all goods, to a most alarming degree; to remedy which the most unhappy expedient had been adopted in most of the states, of regulating or limiting the prices at which goods should be sold, with high penalties on those who should sell at higher prices than those limited; and those ordinances were carried into such rigid execution, that many fierce were forced open, and the goods sold at the limited prices, by committees, &c. when the owners refused to sell them at those prices; and much pains was taken to load the merchants with scandal and obloquy for combinations to raise the price of goods, depreciate the currency, &c. they were called Tories, Speculators, and many other hard names, &c. &c.
4. If prices are limited, and the owner is compelled to sell at the prices limited, he considers himself injured by every sale he makes for less than he supposes he could have obtained in a free market; that his liberty is taken from him, and he can no longer call his property his own. These are hard feelings to one born to freedom almost perfect, and raised to the expectations of enjoying it in future time, in its highest perfection. These feelings fill the mind with anxiety and resentment, and when instances of this become numerous among the merchants, tradesmen, and farmers, small accidents may blow up the concealed coal, and most fatal effects may easily be supposed to ensue. This is a danger of no small magnitude, for the real strength and establishment of every government consists in the hearty union and satisfaction of the individuals that compose it.

5. In times of danger, distress, and difficulty, no man will be induced to any great efforts to supply the market; for an additional danger makes an additional expense upon the goods; but he must take the limited price and no more; he will not consequently combat or risk an increase of danger and expense without any chance of compensation.

6. When things grow scarce, every man will endeavour to lay in great stores if he can do it without an increase of price, and will not think it necessary to retrench his expenses, whilst he thinks his stock will last through the scarcity; the consequence of which is, that all the scarce articles at market will be scrambled up by a few hands, who will have no inducement to parsimony in the expenditure of them, by which the scarcity and distress are increased, and many must be wholly destitute; and as far as this respects the necessaries of life, the consequences must be dreadful.

7. Add to the above, that in times of scarcity and great demand, every man who can possibly conceal his goods will be tempted to do it, in expectation that the great demand will soon break through the unnatural restraint of the limitation, and he shall be able to obtain a great profit in the future sale; and in spite of all the vigilance and force that can be used, many will be able to do this; which I take
take to be one of the natural effects of any unnatural restraint of trade, which cannot be avoided.

8. In addition to all these, the difficulties which must attend the execution of such an act of limitation, may perhaps furnish not the least objection to it. Must the owner be obliged to sell to every person who applies to purchase, without knowing whether he wants for use or sale? Must he forego previous engagements of his goods in favor of the present demandant? Must he be obliged to sell to every knave and litigious fellow, with whom he would not choose to be at all concerned in any dealing? Who shall judge how much he may reserve for his own use, and whether he may give corn to his cattle and hogs, and how much, and how many of each he may keep, &c. &c. &c. Must he have his house searched from top to bottom for concealments? Even the lodging-room of his wife and daughters! I must beg to be excused from any further description of these horrors, which too many know are not mere creatures of the imagination.

9. It is not possible to form a limitation of prices which shall be just, and therefore the whole scheme necessarily implies injustice. The principles on which the just prices of goods are fixed, are in a constant state of fluctuation, and therefore the prices must rise and fall with their causes: all experience proves this, and it holds true in the most excessive degree, in times of such public distress and convulsion as we now experience. And as it is much safer to bind a man in health than a man in convulsions, so it will be safer to limit trade in peaceable than convulsed times. It is not more absurd to limit the precise height to which a ship shall be fixed at a wharf, where the tide is constantly ebbing and flowing. A great force will be requisite to keep the ship from rising or falling with the tide, and a mighty little use to pay for the trouble; besides the probability of very essential damage which the ship must incur by the application of the necessary force: but indiscreet as this would be judged, it is less dangerous in a calm than in a stormy season.

10. Another
10. Another mischievous consequence of this fatal measure, and not the least, I conceive to be its unhappy tendency to corrupt the morals and integrity of the people. To escape the ruinous consequences of looting in their sales, they are in a manner compelled, but to say the least, they have very strong temptation, either by downright lying, or using little arts, shifts, and cheats, to avoid the sale of their goods to disadvantage. This naturally brings them into the habit, and gives them a facility of inventing and practising low methods of shaming Abraham, which they never would otherwise have thought of, and which it is infinitely detrimental to the public, they ever should learn; instances of this sort might be enumerated without end. But it is needless to give examples, it were better they and their causes should be removed, than that they should be repeated. But after all, it is said that a limitation of prices is necessary to appreciate the currency, and supply the army.

Two very great objects indeed: I will attend to both.

1. I do not conceive that a limitation of prices can possibly appreciate the currency or prevent a further depreciation.

The value of money is nothing in itself, it is a mere relation, it is the proportion between the medium of trade and the objects of trade; these two will always be in balance: Therefore, if the medium of trade be increased, whilst the objects of trade continue the same, the money must depreciate; if the medium of trade increases, and the objects of trade decrease, the proportion will alter fast, and the depreciation will increase in a double proportion, which I take to be the case at present. Money will therefore increase or decrease its value according to the increase or decrease of its quantity, and the increase or decrease of the quantity of goods, or the objects of trade. This principle is grounded on the nature of the thing, and can never be altered, and consequently any attempt to oppose it must be equally vain, as opposing any other law of nature whatever. It follows from this, that nothing can ever appreciate the money, but lessening its quantity, or increasing the quantity of goods or objects of trade, and all attempts to do
do this in any other method, will prove vain and fruitless in the end.

2. It follows, that the price that any article of trade will bring in a free, open market, is the only measure of the value of that article at that time, and if this is warped from the truth, by any artifices of the merchant, or force of power, it cannot hold; but the error will soon discover itself, and the correction of it will be compelled by the irresistible force of natural principles, i.e. it is not possible for merchants to raise goods too high, or the force of power to depress them too low, and make them keep so. Both these may be done for a short time, but neither can last long.

3. It follows that any limitation of prices, however strongly enforced, if below the rates required by this great natural proportion, is but temporary injustice, cannot be of long continuance, will tend daily to lessen the quantity of goods in market, and so will increase the mischief it was designed to prevent, and bring with it a large train of evils besides, which will require much time and wisdom to remedy, and many that will be utterly remediless, examples of which are obvious.

4. Money is made only for a medium of trade, and must be kept in circulation and use, or it perishes; for to stop the circulation of money and to kill it is the same thing, stop its course and it dies, give it circulation again and it revives, or comes to life again; therefore, the price of goods for sale, or objects of trade (i.e. every thing for which money is paid) must always be so high, as to require all the money there is to purchase them, otherwise the sum remaining cannot circulate, i.e. there will be nothing to lay it out upon, and so the owner must keep it by him, dead and useless; so that let what sums of money forever be in circulation, the objects of trade must either increase in quantity, or rise in price so high as to take all the money there is in circulation to purchase them, and as this natural law cannot be restrained, so neither can it be exceeded by any degree of artifice or force for any long time, for if the objects of trade rise so high that all the money in circulation
tion will not purchase them, the overplus must remain dead and unsaleable in the hands of the owner, which will soon reduce the price; for goods which cannot be sold, are as useless in the hands of the merchant, as money which cannot be circulated.

5. Every limitation of prices below their due proportion, checks the circulation of money, than which nothing can be more dangerous, when money is over plenty; this has been the constant effect of every limitation of prices which has been tried in America. Business immediately stagnates, goods cannot be had, people cannot purchase with their money the necessaries they want, they begin of course to think that their money is good for nothing, and refuse to take any more of it, and grow willing to part with what they have on hand at a depreciated value; so that the certain operation of a limitation of prices is a further depreciation of the money instead of the contrary. Instead of this, it is of the last necessity in a plenty of money, that a free circulation be kept up, people will readily and even greedily take any money which they can readily pass again. And as long as this lasts, there can be no danger of the money's stopping; whereas, the contrary chills it at once, and in a short time must chill it into a torpor, incapable of cure. Much in this case depends on opinion, which is soon formed by people in general, when they find they cannot buy necessaries with their money. Specious reasonings, warm harrangues, declarations of Congress, or even the force of power operate little against this; it is a glaring intuitive proof of the badness of money, when it will not purchase necessaries, and as glaring and strong a proof that it is good, when it will buy any thing in market. Hence appears the necessity of keeping up a high and brisk circulation of money, and the folly and danger of limitations, or any other measures which prevent a circulation and obstruct trade. These are arguments grounded on plain fact, they have their foundation in the laws of nature, and no artifice or force of man can prevent, elude, or avoid their effects; their operation is uncontrollable, and therefore I conceive all opposition to them is the height of absurdity
Absurdity, and dangerous in the highest degree.—For ten
months before the late limitations, we had a trade perfect-
ly free, on which two observations are obvious.

1. That any goods at market might be bought for con-
tinental money, the Speculators especially (as they are call-
ed) were fond of receiving it, and no person could be at
any loss for any thing at market, if he had that money to
purchase the goods he needed.

2. That imported goods on an average (which were the
only articles Speculators dealt in) were 50 per cent. cheaper
on the 25th of May last, than on the 25th of July preced-
ing, i. e. any given quantity of imported goods would buy
50 per cent. more articles of country produce, or hard mo-
ney, on the 25th of July, than on the 25th of May last;
and for the truth of this, I refer to the merchants’ books;
from which it follows that the Speculators (however nume-
rous and however censured) have not raised the price of the
goods they have principally dealt in:—Indeed all experience
teaches, that the more hands the goods in market are held
by, the cheaper they will be, and the more difficult to raife
the price; and therefore, if the merchants ever think of
raiffing the price of any article, they never fail to say, We
must wait till these goods are drained out of the small stores
and get them into few hands. In July 25, 1778, price
current of imported goods, at Philadelphia, was as follows,
West-India rum 3l. 15s. Muscovado sugars 30l. molasses
40s. pepper 17s. 6d. coffee 9s. cotton 15s. bohea tea 60s.
Madeira wine 40cl. dry goods about 8 to 1 old prices, and
hard money 4 to 1, and price current of country produce,
was as follows, for Indian corn 15s. oats 12s. flour 60s.
bar iron 200l. consequently on July 25, 1778, one gallon
of West-India rum would bring 5 bushels of Indian corn,
6 bushels of oats, 1 1/2 hundred of flour, and 3/8 of a hundred
of iron, or 18s. 9d. hard money; any body may easily
compare the rest, and they will find enough to prove my
affertion with large allowance. Price current 25th May
last was, rum 7l. sugars 130l. iron 800l. tea 6l. 10s. &c.
Indian corn 7l. 10s. oats 90s. flour 30l. (hard money 20
to 1) and consequently one gallon of rum would buy no
more
more than one bushel of Indian corn, \( \frac{1}{2} \) bushel of oats; \( \frac{1}{4} \) hundred flour, and \( \frac{3}{4} \) hundred iron or 7s. hard money, &c. These computations are made in the face of the world, and grounded on facts which any body may disprove if they are not true, or correct the reasoning if it is not just. Now I have only to add; let any body who is disposed to see, open their eyes, and see if it is that has raised our prices, or \textit{which is the same thing}, depreciated our money. Is it the Speculators who deal only in imported articles? Or the farmers, among whom no kind of dangerous speculation does or can exist? Perhaps it may be replied here, that the articles of country produce are extremely scarce, which raises their price beyond the due proportion of other things: if you say this, you say every thing and yield every thing, viz. that the plenty and scarcity of goods will govern the price. You must admit too, that the plenty and scarcity of money will determine the value of that also. Why then will any one pretend to limit either, against the operation of this great principle? It is easy, in addition to all this, to prove that the price of imported articles in general does not exceed the value of them, if computed on the expense of acquirement: but this I mean only to hint, and wave it for the present; and only with some merchants of experience and reputation would take it up, and publish the needful essay on it.

Nor do I think that the scheme of loans can give establishment to the currency, or prevent its depreciation.—For

1. All loans increase the public debt, and the immensity of the sum is one cause of the depreciation, as it induces people to think it never will be paid, or the payment will necessarily be delayed to such a distant period, as in point of use to the present possessor \textit{is nearly equal to total failure.}

2. If the credit of the Loan-Office is well supported (as it must be to give it any good effect) the Loan-Office certificates themselves will pass in payment, and so become an addition to the currency which they are designed to lessen.

3. If foreign loans are negotiated, and bills sold here, drawn on the loaned bank in Europe, those very bills will become a currency here, and so add to the mischief.

4. The
4. The discount on all European bills, is not less than 50 per cent. which loss must immediately be sustained by the Continent on the first sale of them.

5. If hard money, borrowed in Europe, should be imported and sold here, the insurance, which is more than 50 per cent. must be lost, nor can any man tell the mischief which would attend any attempt to import hard money, and open offices for the sale of it for continental bills: but a large group of these present themselves too plainly to need enumeration.

6. Nor do I think the * scheme adopted by our Committee promises better success; for that proposes Loaning without inducement; and if it should succeed to the utmost expectation, it would drain the best friends to our cause of their money, whilst our internal enemies would pay nothing, for no compulsion is proposed, and after all, it will be at best but an anticipation of the revenue, very dangerous in the end; for the very worst thing that can be done respecting a revenue, is to destroy it all, principal and use, and the next worst thing is to anticipate it, i. e. to spend this year the rent and proceeds which will become due and payable next year, and these two are so connected, that the latter generally brings on the former sooner or later.

After all these objections to the various methods that have been proposed, it may be expected that I should propose some method that will be practicable and effectual to fix the value of our currency; and this I cannot think very difficult, either in theory or practice, though I have not one new thought to offer the public on the subject. We are now on the brink of ruin, and the worst disgrace, in danger of loss of liberty hitherto nobly asserted, and subject to shameful slavery to enemies most cruel and insulting in themselves, and all that heightened in them to madness by the determined opposition we have given to their scheme of tyranny over us. All this danger arises not from our poverty or want, for we have officers and soldiers enough, stores of

* This was a proposal for a subscription and immediate advance of money, to be discounted on their future taxes of the subscribers.
of every kind enough, and zeal, union, and virtue sufficient to insure success; our difficulties arise only from our having too much money, and the lessening that quantity would relieve us at once from every difficulty, and dissipate the thickest clouds that hang over us.

In matters of difficulty and importance, all wise counsellors compare well the end and the means, on which two very weighty matters always present themselves.

1. Whether the means are sufficient to secure and effect the end proposed.—And

2. Whether the end is worth the means necessary to effect it. When these two points are settled, there remains no more room for consultation or debate, the rest is all vigorous action, strenuous exertion to put the means into such effectual execution as to obtain the end. This is a wise method of planning, which no man will have any objection to. We will then adopt it in the consideration of the weighty subject now in view.

1. The end is fixing our currency and preventing any future depreciation, and so putting an effectual end to all the cheats, delusions, disappointments, and ruinous losses, which every one who has been concerned in it hath hitherto felt, and giving every one a sure and well grounded confidence in it in future. This is an end, an object of such vast, such weighty consequence, and so confessed and acknowledged by all, that no arguments or illustrations are necessary to be added here.

2. The only means I conceive possible to obtain this end, are to call in such sums annually by taxes, as shall be equal to the annual expenditures; this will prevent the increase of the money, will make a great demand for it through the Thirteen United States, will give it a brisk circulation, will exhibit a most convincing proof that it may be all called in and redeemed, and that it is the real design of Congress to do this. * Nothing helps the credit of a large debtor like

* No taxes had hitherto been collected, or other funds but Continental money and loans, provided for supporting the war, which had lasted four years, nor had any methods been adopted either to lessen the quantity of that money, or
like making ample provision for actual payments; he may promise till he is grey without this, and all in vain; the larger his promises, the less are they credited, and the more ridiculous does he become: the cry against him is, Where is the money to come from? let us see a sample of it: but the cry is altered when large payments are actually made, and sufficient provision making for the discharge of the whole debt. Let people see the money collecting through the Continent, and the sources of revenue actually opened, and the whole matter in train, there can remain no doubt but the whole of the Continental money will be redeemed, and every one will venture to trust the credit of it; and in this confidence it will be soon sought after and grasped with greediness, and hugged and hoarded with avidity.

This will put life into all our public measures, civil and military, will give our government the command of the fullest supplies of men, money, and stores that are in the country, and that can be made or procured, will give spirit to our people, will animate industry, and will be a total cure of the mischiefs we now feel from the low credit of our currency. Here is an object highly worthy of our attention, as every one will admit without hesitation: the only thing then that remains, is whether it be practicable: I suppose the outcry against it will be, that the people will not bear such enormous taxes, that they would sink the poor and distress the rich far beyond what they will ever consent to bear, &c. &c. I conceive a vein of conversation of this sort not at all founded in truth, for several reasons.

1. It even to prevent the increase of it, except the institution of the Loan-Office, October 3, 1776, which proved a remedy altogether inadequate to the purpose, and of course the emissions of that paper were multiplied, which together with the emissions of the particular states, swelled the quantity so much that the depreciation at that time (July 24, 1779) became very alarming; it was about 20 to 1, i.e. one dollar hard money would buy 20 dollars continental: the annual expense of supporting an army of 30,000 men and a small navy, amounted to at least ten millions of Mexican dollars.

That Congress should ever think of supporting that expense with such funds, or that it should be possible to do it, may seem strange to foreigners, and will appear so to our own posterity; but the universal rage and zeal of the people through all the states, for an emancipation from a power that claimed a right to bind them in all cases whatsoever, supplied all defects, and made apparent impossibilities, really practicable.
1. It is rare that the people refuse burdens or even grumble under them, when, by general conviction, they are necessary for the public good. And I dare say, that the absolute necessity of fixing and establishing our currency is become obvious to almost every individual on this Continent, and the real necessity of taxes for this purpose clearly seen by all.

2. As far as my acquaintance with people of middling rank extends, they have been generally in favor of taxing for three years past; they say this money must be paid first or last, and we can better pay it now whilst we have little use for our money, whilst it is plenty and easy to be got, than in future time, when we can perhaps not so well spare it, and when the getting it will be much more difficult.

3. The enormity of the sum required for this purpose consists much more in sound than substance; a quarterly tax of one bushel of wheat, or two bushels of Indian corn per head, on all persons in the Thirteen States, would be amply sufficient. The number of souls are computed at 3,000,000, in all the States, and of course this would produce 12,000,000 bushels of wheat, which at 20 dollars per bushel (the lowest present price) will be 240,000,000 millions of dollars, a sum greatly exceeding any annual exigence of these States; each State might apportion this as they pleased, so as to relieve the poor, and increase the share of the rich, but the middling farmer, who has ten in family, would have 40 bushels of wheat or its value, to pay in a year.

I admit this would be a high tax; but is there anything impossible or ruinous in this. In the best of times, it would have been 40 dollars or 151. and the same sum of hard money will probably now pay it, it is to be observed this is not the tax of a poor man or a new beginner, but of a middling farmer, with ten in family; such are spread over the face of this fertile country, and few of them so poor, that such a sum would distress them to any great degree.—It is to be observed further this is not a tax to last always, but to be paid only for a short time, during our
strong exertions for the liberty of ourselves and our posterity;—again, this sum is not all to be paid at once, but at four quarterly payments;—again this is not a tax which demands wheat in kind, hard money, or any thing else that is scarce and hard to be obtained, but for Continental money, which is so plenty as to become the great burden of the country, and the source of most of our public calamities, and which any valuable commodity will procure in plenty, and with little trouble; and for which any man may sell any thing he can best spare without difficulty;—again, this is a sure method to overcome our capital difficulties, and fix the currency, whereas all others are precarious and uncertain in their effect. This is a durable, a finished remedy; all others that have been proposed are at best but temporary, and should they succeed, would involve us and our posterity in great difficulties, involve us in a vast debt, which would lie so heavy on the country as would greatly check our future prosperity, and discourage foreigners from coming to settle with us. For nobody likes to move into a country where taxes are very high and burdensome.

I submit it to every man, whether it will not be much easier for us by a spirited exertion, for a short time, to collect large sums of our present currency, and pay our expenses as fast as they arise, than if a foreign loan could be obtained, to pay a vast debt of hard money with interest to foreigners in future time, when every dollar we pay, must go out of the country never to return again. Every man ought to consider that his proportion of the public debt is as much a debt fastened on his estate, and becomes to all intents and purposes as much a burden and charge on it, as any of his private debts of the same amount, and must as surely one day be paid; is it not better then to pay it now than to have it lie a burden on him, to be paid in in future time, which may be called for when he may not be in condition to pay it so easy as now. Every prudent man does this with respect to his private debts, and what reason can be given why the same prudence should not extend to the debt which he owes the public? Can any reason be assigned why the States should not imitate the prudence
dence and economy of a private man, who happens to be involved for a time in great expenditures, which is, to pay up and discharge as much as possible as he goes, and leave as little as possible to be settled in future time.

To facilitate this, I humbly propose one thing more, viz. To take off every restraint and limitation from our commerce. Let trade be as free as air. Let every man make the most of his goods and in his own way, and then he will be satisfied. Let every man taste and enjoy the sweets of that liberty of person and property, which was highly expected under an independent government. It is a sad omen to find among the first effects of independence, greater restraints and abridgments of natural liberty, than ever we felt under the government we have lately renounced and shaken off: Let the laws point out the duty, and be the bulwark of security of every man.

Nothing gives the people such high satisfaction with any system of government they live under, as the actual enjoyment of the inestimable blessings of perfect liberty and full security under it; this will most effectually induce them cheerfully to support it. No burdens will be thought heavy, or difficulties discouraging, which the exigencies of government may require, when every man finds his own happiness involved in the establishment of the State.

If, on the freedom of trade, any articles should rise in their price, the mischief facilitates this remedy, it makes the payment of the taxes more easy and tolerable. Whereas, if the taxes were collected during the limitation of the market and stagnation of business, the payment would be extremely difficult, and the murmurs high and reasonable; it would be almost like the Egyptians demanding brick without straw. But when the circulation of money is brisk, and the price and demand for goods high, every one knows that money may be raised and taxes may be paid much more easily than in dull times of stagnated business. And this ought to be noticed on another account.

It is necessary our first taxes should be rendered as easy as possible to the people; for tho' high in nominal sum, if they find them easily paid, the terror and uneasiness which high
High taxes generally raise, will mostly vanish, and the payment will be made without endangering the peace of the State, and these things all considered together naturally lead us to the true answer to the second great question to be solved, viz.

II. How is the army to be supplied? The method I propose, if it can be adopted, will undoubtedly fix the currency and create a great demand for money, and a quick circulation of it; this will of course open all the stores in the State to any purchasers that may offer, and a little prudence used in purchasing, may supply the army to the full, at reasonable prices. Indeed I am rather afraid of over-doing the thing in this way, so far as to cause an appreciation of the money, which I do not think ought ever to be done, for I see no reason why the States should be taxed to raise the money in my pocket to twenty times the current value of it; but this is a great argument, and may be the subject of future discussion.

I must add here, that this method will not only fix our currency and support our army, but will afford another advantage of no small moment: it will take away the capital hope and assurance of our enemies of conquering us; for they depend more on the failure of our funds than on their own force, for this purpose; they count high on the quarrels, contention, oppressions, and mischiefs that will arise from the low, sinking credit of our money; and by this are encouraged to continue the war, which they would relinquish as desperate without it.

I will just note here, that however intolerable the means I propose may appear at first sight, I cannot think them impracticable; the tax I propose is not more than two thirds of the annual taxes in Great Britain; the whole revenue raised every year there is about 12,500,000l. sterling, which is somewhat more than 55,000,000 dollars, reckoning them at 4s. 6d. a-piece; divide this by the number of souls in Great Britain, which are computed at 9,000,000, and we have the sum of somewhat more than 6 dollars per head on each of the inhabitants or living persons there; but, be this as it may, to balance the argument fairly,
fairly, I think it stands thus: on the one side certain destruction, and on the other a tax so heavy, that a middling farmer's share annually, will be 40 bushels of wheat, 40 dollars hard money, or the value of it in any thing he chooses to fell, to be paid in four quarterly payments. This, if it can be done, will undoubtedly save us, restore our finances thoroughly, fix our currency, and supply our army; without this, I do not see how these great objects can be effected. If any other method can be devised, it is more than all the united wisdom of America has yet been able to find and accomplish, nor do I conceive we have any long time to hesitate; something speedy and decisive must avert our fate.

Thus I have offered my best thoughts freely to the public, and with most upright intentions; I hope they may be received with candour. The facts and reasonings are all open to the examination of every one; if they do not convince, I hope at least they may induce some abler person to sketch out something more perfect and adequate to the great subject.

A SECOND
SECOND ESSAY ON FREE TRADE and FINANCE.

First published in Philadelphia, August 1779, and dedicated to the several Legislatures of the American Union.

In my last Essay I observed, that the value of money was nothing in itself; it was a mere relation, it was the proportion between the medium of trade and the objects of trade, which two will be for ever in balance, or equal the one to the other; therefore, if the money or medium of trade be increased, whilst the objects of trade or occasions of money continue the same, the value of the money must depreciate or lessen; and this depreciation must and will be (caeteris paribus) according to the increase of the quantity.

It follows hence, that the value of the current money in any country, cannot be increased by any additions made to its quantity. I do not pretend that these propositions are absolutely universal—I know that money may be so lessened in its quantity, as to be inadequate to the purposes of trade; in which case, an addition to its quantity would doubtless add to its value and use. It is equally true, that the quantity of money may be increased to such an immensity of excess, that the very bulk or enormous mass would render it inconvenient for a medium of trade. I do not mean, nor does my argument require, that my propositions should be applied
plied to either of these extremes; it is sufficient for my purpose, that they hold true in any country where the money or medium of trade is so duly adapted and proportioned to the objects of trade, that the one is found adequate and sufficient for the other; in which case, any departure from the said due proportion, either by increasing or decreasing the medium, must verge either towards one or the other of these extremes, and partake more or less of their disadvantages.

It follows from the above, that our national debt of Continental money has not increased in value for three years past, notwithstanding the vast increase of the bulk or nominal sum; and this proposition is proved from fact (which is the best possible proof of any principle advanced in theory) for it is evident that it would not require one farthing more real value, say country produce or hard money, to buy up every Continental dollar now in circulation, than would have been necessary three years ago, to purchase all that was then in circulation; i. e. the depreciation has kept full pace with its increase of quantity. Indeed, I am of opinion, it rather exceeds this proportion, i. e. that the money has depreciated faster than the increase of its quantity would require, and that it would of course require a less real value to purchase it all now, than would have bought it all three years ago. I think the enormity of the sum has carried it within the sensible influence of that fatal extreme which must finally destroy its whole value and use, if the quantity continues to increase.

It appears then that we do not owe a shilling more of real value than we owed three years ago, except the debt abroad and the loans at home which have been contracted since; so that our finances are not in so deplorable a state as they seem to be, and a remedy is much more in our power than would be imagined on the first view of the matter, and may be adopted for three years to come, if the war should continue so long, with less burden, hardship, oppression, danger, damage, and less than we have, to our sorrow, experienced for three years past.
It follows then, that all the expenditures of the war for three years past except the foreign debts and internal loans (in which last I include the monies due for lottery prizes) have been actually paid in depreciation of our currency, which is perhaps the most inconvenient method of levying public taxes that could be invented.

As this proposition may be new to some people, I only beg they would not be startled too much at it, but have patience to read a few lines further, in which I shall consider both parts of it.

Without going into minute calculations of the depreciation, or determining with precision the present exchange, I imagine it will not be disputed that the depreciation for three years past has been at least fifty per cent. per annum. i. e. that one hundred pounds at the end of the year, would not buy more goods than fifty pounds would have purchased at the beginning of the year. Try it for the year past: in August 1778, fifty pounds would have purchased sixteen hundred of flour, fifty bushels of Indian corn, five hundred of bar iron, one and an half hundred of sugar, twelve pounds of hard money, &c. See if one hundred pounds will buy as much now.

This is arguing on fact, which is stubborn and yields to the prejudice of no man. It appears then that a man who has kept one hundred pounds by him for the space of one year, is to all intents in the same condition he would have been in, if the hundred pounds had kept its value undepreciated, and he had paid one half of it in a tax, i. e. in both cases he would have had fifty pounds and no more left. He has then, to all intents and purposes, paid a tax of fifty pounds for the year towards the depreciation, and has now fifty pounds less money than he would have had if no depreciation had taken place, as much in every respect as his cash would have lessened fifty pounds by paying a tax of that sum.

I have heard that this plea was made use of by the Agents of the New-England colonies, when the matter of reimbursements to those colonies, for their great expenditures in the two last wars, was debated and granted in the British
British Parliament, and the argument allowed to be a good one. The question was, what sums those colonies had emitted for the service of the wars, and what was the value of the bills to be redeemed? the Agents pleaded, that the value was to be estimated at the time of emission, not at the time of redemption of those bills; for when bills of credit depreciate in any country, the depreciation is as much a tax on the inhabitants as the depreciated sum would be, if levied in the usual way of assessment on polls and estates. The argument is indeed a demonstrable one, and supported and justified by plain fact in every view; yet there is such a fable and strong delusion in the depreciation as obscures the subject, and will almost cheat a man who views it under full conviction, and feels the effects of it; and this tends to render the mischief more ruinous than otherwise it would be, because people who feel it, often mistake the cause, and adopt from thence remedies altogether ineffectual, and sometimes very hurtful, and which often tend rather to increase than cure the evil.

Of this sort, I take to be the whole torrent of censure and abuse which has been thrown out and kept up against the merchants, farmers, and tradesmen, for raising the prices of their several fabrics and goods. Of this sort likewise, I consider the absurd scheme of limitation of prices, which never fails to limit goods out of the market, at least out of sight; prevents importations and manufactures, discourages the adventures of the most patriotic merchants, who keep their money in trade through all risks, in order to produce foreign goods, without which, neither the country could be supplied, nor the war be supported; checks the industry of the farmers and tradesmen, without which all internal supplies must fail; fills the minds of all with ill humor, and raises the country into factions and heated parties, zealous to devour one another, &c. &c.

These are only a few of the evils which arise from mistaken causes of the depreciation of our currency, and the consequent improper methods adopted for its remedy, all which prove the absurdity as well as the reality of defraying the expenditures of the war in that way, which naturally brings
brings on the consideration of the second part of my proposition, viz. this method of paying the expenses of the war is very inconvenient.

1. Because this method brings the burden beyond due proportion, on the most virtuous and useful of our people, such as by prudence and economy have made money and got a good command of cash, lying in debts due on mortgages, bonds, book-debts, &c. and at the same time operates in favor of the most worthless men amongst us, the dissipating, slack, lazy, and dilatory sort, who commonly keep themselves in debt, and live on the fortunes of others. These contemptible, useless characters are enabled hereby, after keeping a creditor years out of his just due, to pay him off with one fourth, yea, one eighth, yea, one sixteenth, yea, one twentieth part of the value of the debt when it was contracted, by which the frugal and industrious are compelled to pay a very heavy tax to those useless, idle men, by which many of them have acquired great fortunes, and of course great weight among us, to the manifest damage of the public; for the weight and influence of this sort of men, ought never to be increased in any community, for wherever we see one of them taking the lead among the people, we have reason to believe that mischief is a brewing, and that the public peace and security is more or less in danger. For the truth of this, I appeal to the experience and observation of all wise and good men.

2. In this way the burden comes very heavy on the most helpless part of our people, who are most entitled to the protection of the state, and ought not to have their burdens increased; such as widows, orphans, and old men, whose principal dependence is on legacies, money at interest, &c.

3. It oppresses the salary-men and all public officers, both in church and state, whose fees and salaries are reduced to almost nothing, and any applications for relief are apt to raise an unreasonable clamor against them, as if avarice and greediness of money was their principal passion. This prejudices the public service, in which they are employed, and discourages men of abilities from seeking or accepting such
public offices, and lessens the weight and influence of those who hold them.

4. This discourages industry and trade; for if the profits obtained by these waste in the desk, there is little inducement to increase the flock.

5. This defrauds the army of their pay and appointments, and discourages enlistments, and promotes defertions, &c. Many would like the army very well, if they could live by the profession; but few are so attached to it as to be willing to be ruined there.

6. It makes supplies for the army difficult to be obtained; because few men are fond of carrying the fruits of their year's labor to the army, to be sold for a perishing medium, which every day grows worse and worse.

7. The whole system is grounded in injustice, is contrary to the first maxims of upright dealing, and corrupts the whole course of trade and commutative justice, and of course will soon destroy all principles of morality and honesty in trade, among the people; for here it is to be considered, that money is not only the instrument or means by which trade is carried on, but becomes a sort of common measure of the value of all articles of trade; and therefore I should conceive it would be as dangerous to adopt any measures which would alter its value and render it fluctuating, as to alter the standard weights and measures, by which the quantity of goods sold in market is usually ascertained:—as for example, to shorten the standard yard, lessen the standard bushel, or diminish the standard pound weight, or adopt any measures that tend to this, and will probably effect it. We easily see the dangerous consequences, nor can there be any necessity to expose here the absurdities and mischiefs which must follow.

Enough has been said on this dreary subject; the mischiefs are too glaring to need further proof; a remedy is the great thing now to be sought: ought we then to attempt a remedy of the mischiefs of depreciation, by any endeavour to appreciate our currency? I think not.

1. Because the sum depreciated has been paid by the country once already, by the depreciation itself in their hands,
and there is no reason why the same country should be taxed to pay it over again: i.e. every man who has had a hundred pounds in his pocket a month, has paid four per cent. i.e. four pounds of tax for it at least; but this is not the worst of it, for he has likewise paid four per cent. per month on all the monies that were due to him during the whole time (by which the public were not benefited.) But execrable as this method of supplying the public exigencies may be, it has had its full effect, and therefore there can be no reason that payment should be made over again.

2. The evil arises from the fluctuation and changeable state of the currency. It matters little to the community whether it rises or falls, the fall of it has hurt the rich, the rise of it will ruin the poor; but to continue the fluctuation by appreciating it, is to continue the whole evil in all its destructive force and ruinous effects.

3. The mischief is done, and ought by no means to be repeated, the widows and orphans are already ruined, and I think it needs no proof that almost all the money is now possessed by people who have bought it at the present value, and shall the widows and orphans, with the rest of the sufferers, be taxed to raise or appreciate the money in the coffers of the rich, up to twenty times the present value of it? Verily I trow not.

4. Any probable attempt to raise or appreciate the value of the money, would hoard it immediately, and

5. Defray our trade; for the rise of money in the desk would be better than the profits of any trade it can be employed in.—And

6. The scarcity would soon make the payment of taxes impracticable.—And

7. Every poor man would lie perfectly at the mercy of the rich, who alone would be benefited by his distress; for if the poor should run in debt to the rich in the beginning of the year, the debt would be much increased by the appreciation at the end of the year, and so from year to year, till the sum would rise beyond the utmost abilities of the poor man to pay it, and he must of course be perfectly at the mercy of his rich creditor.—Hence

8. Popular
8. Popular discontents, and perhaps insurrections would probably be the consequence, and after all

9. This plan of appreciation would not be any remedy to the principal sufferers by the depreciation; for not one tenth part of the appreciated currency would probably be found in the same hands that suffered by the depreciation; the increase of tax would be more to the greatest part of the people, than all the profits they would gain by the appreciation.

10. It is not supposeable that thirteen General Assemblies would concur in voting and levying such a useless, burdensome, and pernicious tax:—nor if they would, is it likely that the people either could or would pay it.—Therefore,

11. It appears that these reasons, which prove that this ought not to be done, all tend to prove that it cannot be done, and this is a good reason why it ought not to be attempted. But to sum up the whole argument in one word,

12. All the mischiefs arising from a depreciation, would equally arise from an appreciation; but in an inverted order, and I think it will appear plain to any person of discernment, who duly and attentively considers it, that inverting the order, will infer many mischiefs more ruinous to the community, than those we have already felt from the depreciation: but in any view, the very idea that we are to live under the curse of a fluctuating currency eighteen years longer is intolerable.

Therefore I humbly propose, that the foolish method of denying the depreciation or lowering it below what it really is, may be wholly discontinued, and that as soon as the value of the currency is fixed, there may be a *scale or table of exchange established as near as may be to its then present true value, and that hard money be received and paid in the Continental Treasury according to it: this will effectually prevent its appreciation, and if means can be found to collect monies sufficient for future expenditures, which

* This idea of forming a scale of depreciation, I believe was the first ever proposed in America, and was much censured and even reproved at first, but soon afterwards was adopted by Congress and all the States.
I do not think difficult, no further depreciation need be apprehended, the currency will become fixed, which is all that the safety of the state requires, and all that we can reasonably hope for, or even wish to accomplish.

I beg leave to insert here one proposition more, which I think deducible from the foregoing ones, viz. that if any country which had a medium of trade properly balanced and adapted to the purposes of trade, should by any means receive a large addition of money without an increase of the objects of money, it would be more the interest of that country to call in, and destroy that additional quantity by taxes (if it could not be drained off speedily some other way) than to let it circulate among them; for example, if by opening mines, by large treasure trove, by large successes and captures in war, or by too many presses the money should be increased beyond the due quantity necessary for the purposes of a medium of trade: in such case, I give my opinion, that it would be more for the benefit of such country, to call in and destroy such surplusage of cash, by taxes equally levied on all, than to permit it to circulate among them.—For

1. This increased quantity of money, if suffered to circulate, would depreciate till it had duly diffused itself over the country, when it would acquire a certain rate of exchange, and its value would become fixed in such a manner, that the value of the whole would be just equal to the value of the money which was in circulation before the increase happened, and consequently the country would gain nothing by it, but an increased nominal sum; just as if the standard yard should be shortened one half, and thereby increase the number of yards of cloth in the country to double the former number, but would not add one inch of new cloth, or enable the owners of all the cloth to make one garment more than before. But

2. While this was doing, vast mischief would arise from the depreciation; the legacies of the widow and orphans, the salaries and fees of public officers of church and state, the pay of the army, the value of all debts due, the standard of all contracts for money, &c. would be lessened to the most manifest injury of the creditors. Examples of which
which dreadful effects we see daily before our eyes—this must surely force the most striking conviction.

3. I conceive these mischiefs would prove a much heavier burden on the country, and would have much worse effects than could arise from a tax to amount of the increased quantity of money levied on the inhabitants.—For

4. The inhabitants could not be impoverished by such a tax, as there would be as much value of money, and as much goods and other estate in the country after the tax was levied as before, and all the loss to the country would be the time and charges spent in collecting it; for all the goods fold for the payment of this tax, would still remain in the country, and continue as valuable as they were before they were sold.

5. The contentions, resentments, and ill-humor, which a depreciation naturally generates, would by this method be prevented, which alone, in my opinion would, if not prevented, impoverish the country more than the whole tax, even if the money was all borrowed from abroad to pay it. Only observe two neighbours inflamed with rage and resentment against each other, and see what time, money, and labor they will spend, and how much they will engage their several friends in their quarrel, and how all kind offices of friendship and mutual assistance are totally lost between them during their anger. By this we may form some guesses at the degree of impoverishment which a country must suffer by general discontent, and numberless instances of personal injuries and consequent resentments.

Hence it follows clearly, in my opinion, that it would be more for the interest of the Thirteen United States to call in and sink their Continental bills as fast as they issue, than to receive a sum of gold every year equal to the money issued, from some foreign power, as a perfect gift never to be repaid, i. e. we had better pay every year, by taxes, the whole expenditures of the year, than to receive the amount of those expenditures in cash from Spain as a free gift. Tho' I introduce this proposition as a corollary, yet as it is of some consequence, we will, if you please, view it awhile, and consider the operation and effects of its two parts,
parts, and we shall be better able to judge which of the two would contribute most to the real welfare and happiness of the country.

1. The tax would fix the currency, and thereby give establishment to every branch and department of business, trade, war, civil police, and religion, which has any connexion with money; but the gift would make such an increase of the circulating cash as would depreciate it (for hard money can and will depreciate as well as paper bills, if increased too much) and thereby every department of business, trade, war, civil police, and religion which has any connexion with money, must languish and be enervated.

2. The tax will promote the industry, prudence, and economy of the people, but the gift would naturally introduce and encourage idleness and dissipation. Few men will rise early and eat the bread of carefulness, when money flows in upon them without their own anxious care. A man, press'd with a demand for money for a tax or any other debt, does not yield to his own appetite, or the request of his wife or child for a luxury, so easily as the same man would do, with plenty of money, and no press'ng demand: for the truth of this I appeal to the feelings of every man. No virtue is so fixed in the human mind, as to continue long undiminished without its usual motives and inducements, and it requires no great experience in the world to show us the danger of lessening any of these; the very beginning of remissness of virtuous habits ought to be as alarming as the swallowing of a slow poison; and this, as applied to my subject, is demonstrated by a very common observation, that fortunes suddenly acquired without the industry of the possessor, rarely ever increase his happiness and welfare, help his virtuous habits, or continue long with him; they most commonly ruin him. Money in a state is like salt in cookery; some of it is very necessary, but too much of it spoils every dish, and renders the whole dinner unsavory to the taste, and hurtful to the health.

3. The tax will operate in a way of justice to all, and therefore will give general peace and satisfaction to all good men.
men, to all genuine Whigs and well-disposed people, and will silence the clamors and disappoint the hopes of the Tories, which are grounded principally on the uneasiness and jealousies, injuries and resentments which wrong steps will raise among the people. The operation of the tax would be just this; it would compel the man who stays at home and renders no actual service, and furnishes no supplies to the war, to pay as much as those do, who render the actual service and furnish the supplies: those who render personal service and furnish supplies, contribute those great aids in solid substance within the year; and therefore those who stay at home ought to pay their quotas of solid substance also within the year. There can be no reason given why those that go into the war should render their service within the year, and those who stay at home should pay nothing, or be trusted to some future day.

This method is grounded on such manifest justice, that no Tory, however litigious, can with any good face object to it; and therefore, however chagrined at heart he may be, he must keep his mouth shut, or look out for some other subject of complaint to make a noise about; but the natural operation of the gift would be very contrary to this; there would be so many schemes and pretences set on foot to draw for the money before it could leave Spain; so many hungry favorites crowding round every office of distribution in every department, and in short, such a scramble for the biggest share of it; and so much chagrın, disappointment, and mortification occasioned; and so many jealousies, quarrels, and resentments excited by it, as would, in my opinion, injure and impoverish the States much more than the tax would do. But all this I submit to those who have been best acquainted with public boards and offices.

4. The most of the above arguments have been confirmed by facts in many notorious instances, which are the best proofs in matters of this sort which can be advanced: the spoils and luxuries of Capua ruined Hannibal's army; the lack of Carthage and plunder of the rich, eastern, conquered provinces corrupted the morals of the Romans destroyed
Aroyed their economy, brought in luxurious excesses, bred
the most mortal quarrels, overturned the commonwealth,
introduced tyranny, and ended in the most tragical de-
struction of the Roman Empire; the Portuguese (who were
once most untainted in morals and most intrepid in war) it is
said, were ruined by the mines of the Brazil, and are now
an enervated people, without manufactures and internal
supplies, a nation of Lords, poor in the midst of money,
and proud in the midst of want, and are scarce a shadow
of their ancestors.

And to come nearer home, the successions and spoils of
the last war ruined the English nation; they are no longer
that wise, that faithful, that benevolent, humane nation
which we were ever taught to esteem them, but rude,
faithless, cruel, savage, avaricious, forlorn, &c. with scarce
a single virtue left in their character; the principal remains
of our ancestors is their prowess in war; but even this is
perverted: this, which was heroism in them, is inhumani-
ty in the present generation; the sword, which was the
terror of their enemies, is by the present race sheathed in
the bowels of their brethren.

It follows hence, I conceive, very clearly, that the riches
of a nation do not consist in the abundance of money, but
in number of people, in supplies and resources, in the ne-
cessaries and conveniences of life, in good laws, good pub-
lic officers, in virtuous citizens, in strength and concord,
in wisdom, in justice, in wise counsels, and manly force.

From all these considerations, it appears plain to me,
that sudden acquisitions of money are dangerous to any
country, and have in many instances proved very ruinous
and fatal to states and kingdoms as well as individuals;
from hence I think we may fairly and strongly conclude,
that it is not the wisdom of America to attempt by any
means of gift or loan, an acquisition of money from any
foreign powers, but by strong exertions of our own to fur-
nish our own supplies. We have money enough for our
own purposes, and as good as any in the world, if we can
be wise and firm enough, by proper measures to fix its va-

But
But if these arguments should not be convincing, I will venture to add one more, which with me has great weight.

5. By a tax we shall furnish our own supplies in a sure way, not liable to disappointment by any caprices of others, nor subjecting us to any sort of dependence on foreigners: we shall work out our own salvation without dependence on any power but Divine Providence, which we may ever acknowledge without danger of insult; but if we receive aids from foreign states by loan or gift, the obligation conferred on us will be ever great in their opinion, and should we ever have occasion in future time to adopt any measures not perfectly consistent with their views and demands, we must be insulted with large exhibitions of the present favors, and as large and plentiful accusations of ingratitude, and it may be long before we hear the last of it.

As it is more reputable for a man to acquire a fortune by his own industry, than by heirship, favor of friends, or sudden accidents, so I think our own deliverance and establishment, wrought out by our own strong exertions and virtuous efforts, will be more honorable and safe for us, than to receive these great blessings from the gift of a neighbour, were he willing to bestow them. The English never will have done holding up to the view of the Dutch the supplies and aids they received from the English in Queen Elizabeth’s time, and the Portuguese are obliged to hear a great deal of the same sort of language, on the score of assistances received by them from the English in the late wars.

Indeed I know not how we can call ourselves independent, if we are to lie under such sort of debts to our neighbours, especially if to the obligations of gratitude, we are to be loaded with the additional one of large sums of hard money, with a corroding, annual interest to devour the proceeds of our labors and trade for ages to come.

I would sooner consent to bear any present burden, not absolutely intolerable, than find myself and posterity loaded with such a heavy, galling debt, to last, as other national debts most commonly do, for ever, and the States so oppressed
oppressed and drained by it, as to have scarce spirits or strength left to resent any insults or injuries that may be offered in future time, or repel any invasions that may be attempted.

Indeed the alliance we have formed with France, is grounded on such generous principles of justice, mutual interest, and independence, as plainly demonstrate that it is not the wish of France that our minds ever should be disturbed by any of these painful feelings; and I think it would be very mean in us to abuse their generosity, and we might be ashamed to worry them for supplies, which we could better furnish ourselves than receive from them, especially to solicit France for money to pay the interest of loans from our own people, certainly has a bad look. If a son should demand security of a stranger for monies lent to his father, people would certainly say something.

We hope to form an alliance with Spain on principles of equal justice and mutual benefit, but we shall soon lessen our character in their eyes, if we improve our first acquaintance in begging aids, which, with proper application and industr, we could well do without. But whenever real necessity does press us beyond our own powers of relief, we may then, without humiliation, apply for help to our friends, and I do not doubt but they would give with pleasure to our real necessity, what they would either deny or grudgingly spare to our laziness or needless solicitations.

I presume it is needless to add any more arguments to prove the necessity or expediency of taxing equal to our expenditures, but the great groan still is, that this is impracticable, it cannot be done. To all I have said before, I beg leave here to add some further arguments to prove the practicability of this method; three years ago, it was said, there is no danger yet, it will be time enough to tax some time hence; it is now said, it is too late, we are involved so much that a tax adequate to our present occasions for money is impossible; had we begun sooner, it might have been done, but now it is too late. I take it that all this talk arises from an improper view of the subject.

r. We
1. We are under as good advantages to relieve ourselves by taxes now as we were three years ago, to all intents and purposes, and in some respects better; we are involved in no more debt, except the foreign and home loans, than we were then; the circulating cash is no more in value now than it was then, the increase of nominal sum makes no difference; and therefore, if it was necessary to call it all in (which, I conceive, is by no means the case) it might be done at the same expense now as then, i.e. it would not require any more hard money or country produce to purchase it all in now," than it would have required three years ago; and we have sundry advantages in favor of taxing now, which we had not then, viz. 1st. A general conviction of the absolute necessity of taxing. 2d. Established legislatures to levy the tax; both which were wanting three years ago. 3d. The money to be collected by the tax is more equably diffused or spread thro' the Thirteen States than it was three years ago, and therefore the people in the remotest parts, as well as those who live near the seat of war, are enabled to pay their tax. 4th. People are more settled in business than they were three years ago; the violent shock of the war threw very many people out of their common course of business, or at least much incommode them; but they are now more settled, either in new branches of business, in public employments, or find the profits of their former business in some measure restored. 5th. The farmer and most tradesmen can pay their taxes much easier than they could three years ago, because there is much greater demand and price for the fabrics of the one and the produce of the other, than there was three years ago. To these many other reasons might be added, all grounded on facts of public notoriety, and therefore are freely submitted to every person who has resided three years among us.

2. All the services and supplies for which the tax is wanted, are actually furnished every year by the Thirteen States, and have been for four years past; now is it more possible, more reasonable, or more easy to compel a few individuals to furnish these services and supplies without payment, than to lay the burden in proper proportion on all,
all, and to compel every individual to furnish his part? i. e. I do contend it is more easy, more reasonable, and therefore more practicable, and of course very possible to compel those that stay at home and render neither personal services nor supplies to the war, to pay as much real value or substance in money as those do who render the services or furnish the supplies; and if any of these stayers at home think this comes too hard on them, let them change places awhile with those that do render the services or furnish the supplies, i. e. let them go into the army in person, or send their corn, their beef, or other supplies, and when they have tried both, they will know which is easiest, and will always have their option to take the one or the other, and will be convinced that both are possible and practicable.

Can any man make any reasonable and weighty objection to this? Yet this is all that is required; for when the services are rendered, and the supplies are furnished, and both are paid for, the whole business is done, and the tax has had its full effect.

I will venture to add my opinion, that this reasoning will be verified in fact to very good purpose, viz. that when it is observed that the man who renders the actual service is paid fully for it, and the man who stays at home must pay his full quota towards it, many who now stay at home, will be induced to go and render the actual service, and thereby avoid making the payment at home, and become entitled to receive it in the army, which will greatly facilitate the recruiting service. An object of no small magnitude.

3. The tax which I propose, collected in quarterly or monthly payments, will occasion such a quick circulation of money, that every bill will probably pay its value many times over in a year, as it must do every time it passes from hand to hand; it will fly from the Commissary to the farmer, from him to the Collector, from him to the Treasurer, from him to the Commissary, from him to the farmer again, &c. in a circle often repeated in a year; consequently it would be possible to levy a Sum in a year by taxes,
taxes, much exceeding the whole sum of current cash; it would render the whole Thirteen States like a full market, where all persons are eager to sell all they have for sale, and as eager to buy all which they have need of, and if this circle of business was permitted to run without any restraints, it would render the procurement and payment of money as easy as the nature of the thing admits, would vastly lighten the burden of taxes, and would give such great advantages, both to the farmer, mechanic, and trader, as would in good measure reimburse the tax itself.

4. Some peculiar circumstances of this country much contribute to make the payment of taxes practicable and easy. Those places which have suffered most by the war, lie nearest to the seat of it, and of course have the greatest plenty of money, and have the benefit of the quickest demand and highest price for every thing they have for sale, whilst it happily falls out, that those towns and counties that lie most remote from the seat of the war, and have the greatest scarcity of money, yet have been least impoverished by the war, and are almost every one of them fine, grazing, fruitful countries, which produce great quantities of beef, mutton, and pork, which may be easily conveyed to the army on foot, and thereby facilitate the payment of taxes and supply of the army at the same time.

Another favorable circumstance is this, the enemy cannot supply themselves, especially with those articles we most want, otherwise than by importing them; and as their vessels cannot always go under convoy, they often become a prey to our ships of war and privateers, by which we gain a supply of foreign necessaries, without contracting a foreign debt; those concerned are enriched, the objects of trade are increased, and the payment of taxes and supply of the army greatly facilitated.

The benefits of this we have often experienced, and perhaps might increase them, if our cruising business was more properly conducted, and more liberally encouraged. Upon the whole matter, I beg leave to close this Essay with a short view of the present state of our finances, then to
to offer my propositions of trade and finance, and lastly, point out the effects and operations which I conceive these will have on our trade, currency, and army.

I. Our present debt is what we owe abroad, all our domestic loans, and all the paper currency now in circulation, with enough more (if more is necessary) to balance our public accounts.

II. The currency I rate at its present value; and admitting the nominal sum to be about 160,000,000 of dollars, the real value may be 8 or 9,000,000 of dollars, and which I conceive is not a larger sum than is at all times necessary for a medium of trade in the Thirteen States.

III. The great interest of these States, I take to be, fixing the value of the currency, and preventing the further fluctuation of it, either by depreciation or appreciation; for I conceive these to be equally destructive, or if there is any difference, the latter is the worst of the two.

For this purpose,

IV. I think the further increase of the currency should be prevented, and the presses stopped as soon as may be, and this I think may take place on January next, nor do I see how it can be done sooner. What the further fluctuation of the currency will be in the mean time is uncertain; but the two most powerful means I know of, to prevent the future depreciation, are, the heavy tax to be collected in this time, and taking off all restraints from trade; if this last is not done, the scarcity of goods will be so great, and the objects of trade so few, that no wisdom can prevent, or force suppress, the exorbitant rise of goods before that time, especially of salt, rum, coffee, tea, and other articles of great consumption, that have been limited much below the cost and charges of importation.

V. I propose that a course of taxes be instituted, to be paid monthly or quarterly, equal to the public expenditures.

VI. When the presses are stopped, and an effectual method of supplying the Treasury by taxes is well secured, the Continental money will in a short time make for itself an exchange, or gain a fixed value; it is impossible now to say what
what that value will be, but however it fixes, it will be right, and then I propose,

VII. To fix the exchange according to that value, by directing that hard money shall be paid and received in the Treasury at that exchange, which will effectually prevent its appreciation; and if an adequate tax is well paid, the depreciation also will be effectually stopped: e.g. if the exchange should be fixed at 20 for 1, and any person is disposed to pay his tax in hard money, let 1 dollar be received in full for 20 paper ones, and let all payments be made from the Treasury by the same exchange.

But you will say, what is to become of the public faith? and I say, what is become of it already? I leave it where I found it, I do not make it any worse, but endeavour to preserve it from further decays. If nineteen parts out of twenty are dead already, I am for preserving the twentieth part which remains alive; perhaps by good management and proper nursing, it may grow into full magnitude; but to effect this, it appears to me very necessary to purge it of all those deadly mixtures and bad adherents which have already brought it within an ace of total destruction.

However this may be, I think it appears very plain, from what has been before advanced in this Essay, that continuing the dreadful mischiefs and injuries of a fluctuating currency for eighteen years* to come, will no how atone for the wrongs, or compensate the damages, incurred by that destructive delusion in four years past, and I cannot conceive on what principles any man could wish to purchase such a deadly evil for many years to come, at the expense of heavy, galling taxes, almost as useless, difficult, and desperate, as the rolling of Sisyphus's stone.

VIII. And for the same reason, all debts due from or to the Treasury, ought to be paid at the exchange which existed at the time they were contracted; and therefore, I think it necessary to form a table or rate of exchange, to be continued from the first depreciation of Continental bills up

* Congress, about this time, published a sort of funding system, in which they proposed (and plighted the public faith with solemnity enough too, for) the payment of the public debt in eighteen years.
up to the aforesaid period, when they shall become of fixed value; and that all Loan-Office certificates be paid according to the exchange which existed at the time in which the certificates were dated, and that all other debts be paid at the exchange which existed when they were contrac
ed, and all interest due ought to be paid at the same exchange as the debt out of which it grows.

This appears to me so manifestly just and reasonable, that I cannot think any objection can be made to it, and therefore to offer any arguments in support of it, would seem to call into doubt the justice of my country; I have only to observe, that great judgment and accuracy will be required in forming those rates of exchange, as any error in these would introduce an error into the adjustment of all contracts for money, which yet remain unsettled.

9. The currency fixed as above, will be just sufficient for a medium of trade and no more, and if we can by firm and proper, steady conduct, keep it fixed, it will answer all the ends of a medium of trade, without any inconvenience, for no one can suppose it is of any consequence, whether we estimate a dollar at three pence, or six pence, or nine pence, or ninety pence, if it continues the same at all times, with no more variation than is ever incident to the nature of money.—Therefore

10. There will be no immediate occasion for further taxes for sinking any part of the bills, which are or shall be in circulation on the 1st of January next, for no reason can be assign’d why the country should be taxed to lessen the quantity of money in circulation, when there is no more in being than is necessary for a medium of trade.

11. The method I propose will, by its natural operation, keep the army full of men and well supplied, and we may be in good condition to carry on the war any length of time that may be necessary, till it can be closed by a safe and honorable peace.

12. And this method will also, by its natural operation, fix our finances on the best and surest footing that can be wished, our currency will be as good as any on earth, and all the resources of a most plentiful country will be proper-
ly and effectually opened for the use of the public, at whatever time and to whatever amount the public exigence and necessity may require.

13. When the war shall cease, it will leave us in a manner free of debt and little impoverished; we may easily, when the war is over, pay our foreign and domestic loans, and whenever we find it necessary, sink the whole current bills, all which may be done in a short time, and without any burdens so heavy as to endanger the peace or prosperity of the States. Every other scheme which I have heard proposed, leaves us subject to two dreadful calamities: 1st. The danger of sinking under the weight of the war. 2d. If we get through that, yet we shall be left under such a load of debt, which must be funk by such long and galling taxes, as will almost make our lives a burden and our liberty a dear purchase, yea, the weight of the debt will abridge our liberty itself, for I know not how any persons or states can be called entirely free, who are deeply involved in debt beyond their present powers of payment.

14. This method will be a good criterion by which we may distinguish the Whigs from the Tories, this scheme touches the present cash, it compels the present and actual contributions of every one to the great cause of American liberty, this will roufe the feelings of every Tory, partly because his present cash is called for, and partly because it establishes the system of liberty which he wishes to see destroyed. And as we have reason to suppose that much English gold is spread among us, for the purpose of bribing our most popular and able men, it will be of great consequence to discover who they are that may be thus engaged to destroy us, and as they probably will assume the character of zealous Whigs, they cannot be better distinguished than by the temper in which they receive such propositions, as promise an effectual remedy of the mischiefs and dangers which most threaten our destruction, and at the same time blast the surest hopes and confidence of our enemies.

Thus I have a second time given my thoughts, with the greatest freedom, on the great subject of free trade and finance, a subject perhaps as difficult and intricate as any whatever.
whatever. A good financier is as rare as a phœnix, there is but here and there one appears in an age, yet in our present circumstances, a good financier is as necessary as a general, for the one cannot be supported without the other. I do not pretend to be equal to this great subject, I know I am not, but in these times of distress, every one ought to contribute what he can, and my fortunes are so impaired by the depredations of the enemy, and my health and constitution so broken by their insult and cruelty, that I have little left but sentiments and kind wishes to bestow, and as the widow's mite was of great account in heaven, I hope my mite may be candidly received, as it is most uprightly intended.

I know the limitation of trade, the doctrine of loans, and appreciation of our currency are ideas much favored by very many zealous people; my Essays are directly opposed to them all, and I have only to say in excuse, that I should not venture to face the censure of such characters, if I were not really convinced of the high impropriety of all the three mentioned doctrines, and the absolute necessity of adopting sentiments and measures the most opposed to them.

It is with great pain I differ in sentiments from many gentlemen of shining abilities, great experience, and most undisputed integrity; and was the importance of the subject at the present crisis less, I should not obtrude my thoughts on the public, nor have I the vanity to imagine that the feeble Essays of an obscure individual can correct the errors of a Continent; I only hope my publications may be so far regarded, as to bring on a most serious inquiry and thorough discussion of the weighty subject, by men of genius and abilities, equal to the mighty task, that so the real source of our calamities and their proper remedies may be discovered, and the wisest measures may be adopted and pursued with diligence, spirit, and decision.

For however weak or ridiculous my Essays may be deemed, the subject of them will be acknowledged of sufficient weight to engage the attention of the most able and respectable characters among us. —Si noli rectius scis, candidus imperti, si non, his utere mecum.
CREDIT, either public or private, may always be kept good, where there is a sufficient estate to support it. Therefore, if private persons, a company of merchants, or a State, suffer their credit to decay, when they have a sufficient flock to support it, their management must be bad, but their affairs can never be desperate so long as their flock or estate continues sufficient to discharge all demands on them; their bad management only need be corrected, and a good one adopted, and their affairs may be retrieved, and their credit restored. Therefore, the Thirteen United States are not bankrupt, nor are their affairs desperate, tho' their credit runs very low, and their finances are in the worst condition. We have men enough for every purpose—We have provisions and stores enough. Our houses, lands, and flock on the lands, are little diminished, and in many places increased, since the war began; yet our credit runs so low, that it is with great difficulty sufficient supplies can be obtained.

The error lies in our finances, or management of the public flock, and must be mended, or we are ruined. In the midst
midst of full plenty we already suffer the want of all things.

The first thing necessary to correcting an error, is to discover it, the next is to confess it, and the last to avoid it. Perhaps neither of these three things are easily in the present case. An error in finances, like a leak in a ship, may be obvious in the fact, alarming in its effects, but difficult to find. The fact in view affords perhaps the strongest proof of this. Our finances have, for five years past, been under the management of fifty men, of the best abilities and most spotless integrity, that could be elected out of the Thirteen States; yet they are in a ruined condition. We have suffered more from this than from every other cause of calamity: it has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice, than even the arms and artifices of our enemies; still the fatal error continues uncorrected, and perhaps unexplored.

Our admiration and censure will be greatly diminished here, when we consider that the doctrine of finance, or the nature, effects, and operation of money may be placed among the most abstruse and intricate subjects, which we ever have occasion to examine. Not one in ten thousand is capable of understanding it, and perhaps not one man in the world was ever complete master of it.

As a full proof of this, I adduce the many fruitless attempts to stop the depreciation of our currency, which have been adopted both in and out of Congress; all of which have failed of the expected success, and many of them have greatly increased the mischief they were intended to remedy. The various schemes and plans for the same purpose, which have been formed and proposed by many men of most acknowledged abilities, warmly adopted by some, and as warmly opposed by others, are a further proof of the great difficulty and abstruse nature of the subject.

The universal distress of the country, arising from this error in our finances, makes it a subject of the most interesting importance, and the most universal inquiry, yet the intellectual powers of the Continent, tho' wound up to the
the highest pitch of attention, have not yet been able to find a remedy. The evil still continues as unchecked as ever. It seems impossible to control or compute its force; it baffles all calculation. Yet so are we situated, and so critical is the present moment, that a remedy must be found, or we perish.

The morality and industry of our people are declining fast. Our laws become iniquitous, and the worst of all sin is that iniquity which is framed by a law, for it fixes the mischief in the very place where a remedy ought always to be sought and found. The confidence of our people in the government is lessened, our army suffers, and our credit and character abroad is in danger of contempt. All these, and no man can tell how many more, evils, hang like a thick cloud over us, the bursting of which will overwhelm us. But this is no time or place for declamation; a remedy is the thing to be sought; a remedy or ruin are the only two alternatives before us.

I have twice essayed to throw some light on this dark subject, with very little effect; my system, however some of its parts were approved, has not been adopted. My arguments, perhaps, were not thought conclusive, or were not sufficiently clear, and therefore were little attended to; I will, nevertheless, once more attempt to lay before the public, some principles and propositions which appear to me to have great weight, and which I shall ground on fact as much as I can; for in this, as in natural philosophy, one experiment I conceive to be better, and stronger proof than an hundred theorems.

1. In every State where the occasions of money continue unvaried, the incomes and expenditures ought to be kept equal, otherwise the value of money will fluctuate, i.e. increase or decrease; by which every money-contract, as well as all legacies, salaries, fees of public offices, rents, &c. will be altered, and the money, when paid, will be either more or less than was intended in the contract, in the law, &c. In this case, it matters little whether the increase of money proceeds from foreign loans or gifts, from opening mines, or presses; an increase of money in any of these
or any other way, will, with great injustice, alter the value of the payment, to the manifest wrong and injury of the receiver; by which the law itself, as well as the contract or donation, becomes perverted and corrupted, and is made to enure contrary to the original intention of all the parties concerned; this is proved by very sad experiment among ourselves.

Hence it appears from plain experiment, that any method that tends to increase or decrease the quantity of circulating cash, will not prove a remedy, but will increase the evil, or run us into the contrary extreme, equally unjust and mischievous; or perhaps more fatal. Hence it follows, that our true remedy, must, in the nature of the thing, lie, not in appreciating, more than in depreciating, the currency, but in fixing the value of it where it is, and keeping it so fixed, that any man who makes a money-contract, may find, when the day of payment comes, that the money paid is just the same as it was at the time of contract, that so the money paid may exactly correspond with the intention of the contract, and be of course a just fulfilment of it without increase or decrease; which cannot possibly happen where there is any fluctuation of its value between the times of contract and payment.

Hence, when the value of money is fixed and can be kept so, it is in the most perfect state its nature is capable of, and does, in the most perfect manner, answer all the purposes and uses which are desired or expected from it; for it is impossible that money should exist in higher perfection, than when it is of such fixed and certain value that all other articles may be compared with it, and their value safely estimated from that comparison.

Hence it follows clearly, that as far as money deviates from a fixed value; and becomes fluctuating, it loses its use, and becomes dangerous to the possessor, and this will of course, without any regard to its quantity, lessen its value, or increase its depreciation; and this may be assigned as one great cause of the present depreciation of our currency beyond what its quantity would require.

Hence
Hence it follows, that if money can obtain a fixed value, it is of no manner of consequence what the quantity is, for its value will ever fix at that rate or proportion to the occasions for money, which will make the one equal to the other, and of course our Continental money will have just the same use, if the value of it fixes at two pence the dollar, as at any other sum that can be named; but if that value of two pence is variable and like to be reduced to a penny, every man would prefer two pence of fixed money to it; but if that value of two pence is fixed, it will be considered by every man just as good, and no better than two pence of any other sort of fixed money.

II. As the use and design of money is to be a medium of all trade, it is necessary that the demand for money should be at least equal to the demand for every thing else which is to be bought or sold, for if there is one thing to be sold, which money will not purchase, the use of money is not so great as it would be if it would buy every thing, and therefore its value is so far depreciated. Trade is carried on by the medium of money easier than in any other way, and for that reason it was introduced. An over plenty or scarcity of money introduces barter, which takes away the use of money so far as it extends, and consequently depreciates it, and perhaps the great practice of bartering one scarce article for another, which has been introduced by the great plenty of money among us, may be assigned as one great cause of the depreciation of our currency, beyond what the quantity would require.

Hence it follows that the only possible way to restore our money to its true value and use, is to increase the demand for it; but this cannot be done by opening mines or presses, by foreign loans or importations of money, but may be done by taxes, which make a demand for money all over the Thirteen States, and from every taxable in it. In this every one is agreed. The only question is, How far this demand is to be increased? The answer is easy, viz. Till all supplies which we need can be purchased for money, which will certainly be the case, when the demand for money is sufficiently great.
This demand may be raised at any time, and to any pitch we please, by taxes; so that the true and only possible remedy of the great mischief lies constantly in our power, and may be put in practice whenever we please. But it must be put into actual practice; talking about it, voting about it, making assentments and tax bills, will not do without an actual and seasonable collection and payment into the treasury.

That this may be done, so as to give a fixed and established permanency to our currency; and thereby save the States, and at the same time relieve every individual from the danger, damage, and anxiety he now suffers from the deficiency of our currency; and avoid oppression of individuals, and thereby put an end to all uneasinesses in the government: that this may be done, I say, the several things following must be strictly attended to.

1. That the taxation be fair and equitable, so as to bring the burden equally or in due proportion on each State, and on the individuals of each State. The first is the business of Congress, the second of every particular State. As to the first, it is absolutely necessary that there be an estimate made of the abilities of each State, on which the quotas are to be grounded; and this I think cannot be done better than by making the number of souls in each State the rule of it. * This can easily be obtained with exactness and certainty, and will be as just and true a measure of the abilities of each State as can be obtained. If more need to be laid on this, it may be deferred to another time.

2. It

* It is to be observed here that it was not the practice of Congress under the old confederation, to institute taxes by any direct acts of their own, but they calculated the sums wanted, and made requisitions of them from the several States, in such proportions or quotas as were made pro re nata, as no established quotas, or rules of forming them, were settled. There was much conversation about this time and many debates in Congress, concerning the rule or principle on which the estimates of the quotas of each State should be fixed; and sundry modes of this estimation were adopted by Congress, with various alterations and amendments, till at last the long debated matter was settled by the new Constitution (article I.) on the principle here proposed, with a small variation respecting Negroes and Indians.

N. B. This matter was taken up again, and the principle or rule of estimation here proposed, discussed and proved more fully in a future Dissertation.
2. It is further absolutely necessary, that the quotas of each State be estimated in hard money, payable in Continental money at the exchange which exists in each particular State at the time they pay their tax into the Continental Treasury; hard money is a fixed standard of value, and can never vary much here from its value in Europe, and therefore fixing the quotas by this standard, will prevent any irregularities which will arise from depreciation of our currency between the time of the demand of the quotas, and the time of payment by each State; without this the depreciation might afford an inducement, tho' a very wicked one, to some States, to make their collections and payments dilatory, for there would be an advantage in delaying payment of taxes, as well as of every other debt, if the sum should lessen every day, and it has been found in fact, tho' little to the honor of the tardy States, that some States have paid their quotas, when the exchange was four to one, whilst others have paid their quotas of the same tax at the exchange of twenty for one, i.e. just one fifth part of the just debt.

I said that the payments ought to be made at the exchange that subsists in the State that pays the money, at the time of payment, for all supplies which are purchased for the use of the public in that State, are purchased at that exchange, and therefore it is reasonable that their quotas of taxes should be paid at the same exchange, whether it be higher or lower than that which exists in the other States at the same time.

Besides, if the quotas demanded of each State be not made in fixed money, it is not at all certain they will be sufficient when paid; for if the estimates of expenditures were made in money at twenty for one, and the tax demanded be made out accordingly, it is very certain if it should be paid at forty for one, it would not satisfy more than half the estimate, and therefore must be deficient by one half, and the work is all to do over again to get the other half collected and paid, besides all the dangers and damages which may arise from the delay.
Nor do I see that any reasonable objection could be made to the justice of crediting the States for their past payments by the same rule; for it is surely wrong that a dilatory State that has really paid but one fifth part of the value of her quota, should have credit for the whole: but whatever may be thought proper with respect to the time paid, I think there can be no doubt that such scandalous and dangerous mischiefs should be well guarded against in time to come. To all this it ought to be further added, that when any State delays to collect their taxes, the money will accumulate, and consequently depreciate faster in it than in other States where the tax is quickly collected; and no reason can be given, why any State should take advantage of that depreciation which their own iniquitous delay has occasioned.

It is further necessary that each delinquent State should be charged with the interest of all such parts of their several quotas which shall be unpaid at the time prescribed by Congress, till payment be made; and for the same reason they should be allowed interest on all such sums as may be paid before the said time of payment, till such time of payment comes; and if all this, together with the honor and zeal of the several States, should be insufficient to prevent deficiencies, further methods should be adopted and effectually executed, till such deficiencies shall be prevented; for the very idea of supporting the union, dignity, public faith, and even safety of the Thirteen States, without good punctuality in each State, is most manifestly chimerical, vain, and ridiculous; for there can never be any confidence placed in our administration, if their counsels, covenants, and measures, must be ever liable to be rendered fruitless or impracticable by the deficiencies of one or two of those States.

3. On the part of the particular States, it is necessary that each of them at the beginning of each year should have a list or assessment of all taxables completed, and all appeals adjusted, and good collectors appointed, that as soon as any tax is granted by their Legislature, it may be put immediately into the collectors' hands, and the collection be finished and the money paid into the Continental Treasury, without
without loss of time. If matters were once put into this
train, any necessary sum demanded by Congress might be
collected, and ready for use in a very short time; and this
will fully obviate the great objection, that taxes, tho' ac-
knowledged to be the only sure and final remedy, are yet
too slow in their operation to be depended on.

It appears from this view, that taxes are a much more
certain and speedy supply, and may be depended on with
much greater safety than any other method which has been
pointed out to me, and they are a final, a finished remedy;
whereas loans, lotteries, annuities, and every other method
which I have heard of, are no more than temporary expe-
dients, are but plausible anticipations of our revenue, and
all look forward to a burden to be imposed in future time,
which had better be borne now, and be finally done with.

And as I propose that all the estimates of Congress,
and all the quotas demanded of the States, should be made
out in hard money, so I also propose that the taxes may be
made out in the same money, payable either in hard mo-
ney or Continental, at the option of the person who pays
the tax. Sundry material advantages I conceive will arise
from this:

1. Many persons out of trade have no money but hard,
and when called on for the tax, may be compelled to part
with their hard money, at an unreasonable exchange,
which will be avoided if hard money itself will pay the tax.

2. This will preserve the tax from any possibility of fluc-
tuation, by the depreciation or appreciation of the curren-
cy, for if any person thinks the exchange demanded unrea-
sonable, he may pay it in hard money, and then he is sure
not to pay either too much or too little.

3. This will gradually bring sums of hard money, per-
haps not inconsiderable, into the Continental Treasury,
which may be so used as to prevent drawing on Europe, and
thereby increasing our foreign debt, which I conceive an
object greatly worth attention.

4. This will exhibit the tax to view in its real value,
and prevent the terrors which may arise from the enormous
found in Continental money.

5. This
5. This would greatly tend in a short course of time to reduce all our private contracts to the fixed standard of hard money, by which we should avoid that vortex of fluctuation and uncertainty, which has rendered all our private dealings precarious, and made even our profits rather the effect of chance, than of wise calculation and industry. Nor do I think that this would at all prejudice the real use of the Continental money, for it would still pass at its exchange or value.

Indeed I do not see that the depreciation of the money would have been in itself a calamity half so ruinous as it has proved, if it had operated only on the cash in being; it would have been a tax upon every possessor of it, and would have lessened the public debt, for it is manifest that the public debt at the exchange of forty for one, is but half what it was when the exchange was twenty for one; and as that money was perhaps as equally diffused over the Thirteen States, as any other property, the tax might have operated with a tolerable degree of justice; but the case was altered when the depreciation was not confined to the Continental money only, but drew every thing else after it: when it came to operate on every debt and money-contract, on every legacy, salary, public fee and fine, yes, on the finances of the States, so as to destroy all calculation of both supplies and expenditures, the mischief became infinite: we were both in our private affairs and public councils, thrown into confusion inextricable.

New objects, new effects, started up to view in every quarter, which no discernment could foresee, nor wisdom obviate, and like an enchantment of fairy visions, bewildered us all in such a maze of errors, interwoven with such subtility into every branch of our movements, that no one department was free of them; and we all stand trembling this moment before this monster of depreciation, like bewildered travellers in a giant's castle, where the bones of broken fortunes are everywhere in sight, with the spectres of widows and fatherless, and a thousand others, which the monster has devoured, and is still devouring as greedy as ever. This
This mischief will be greatly lessened, if, by reducing all our debts and demands, public and private, to the standard of hard money, we can confine the depreciation of the money to itself, and prevent its operation on all other money-contracts and securities, and this will, in my opinion, greatly tend to cure the depreciation itself, because in that case no man can gain anything by the depreciation, but every man who has any cash must lose by it; and when private interest is brought into a coincidence with the public good, they will greatly help each other.

But be all this as it may, let us not lose sight of the principal argument, viz: that no project or scheme to stop the depreciation can have the desired effect, if it does not increase the demand for our currency; and on the contrary, any scheme whatever that will increase the demand for our currency, will lessen or check the depreciation. Hence we see how vain all propositions must be, which, by their natural operation, will increase cash among us, and thereby lessen the demand for it, or increase the national debt beyond all probability of payment, and thereby lessen the public credit, and of course lessen also the demand for the currency which depends on it. Of this sort are all loans, foreign and domestic, for as long as people can get money without earning it, without actually raising and paying it, it will not appear so precious, nor can the demand be so great, as when these great and necessary conditions are the only terms of acquiring it. Hence also, every project which lessens the use of our currency, lessens also the demand for it, and cannot possibly help, but will hurt, it; such as barter in trade or levying taxes in kind* in finance.

My great proposition is, that by taxes we have it always in our power to fix our currency at any value we please; because, by this way, we may raise the demand for money just as high as we please, and, if we have not great prudence, much higher than the public good requires; and if the method and train proposed, be adopted, the operation of

* Taxes in kind are taxes to be paid, not in cash, but in necessaries for the army, such as flour, beef, rum, clothing, &c. &c. A scheme of this fort was brisk a-foot, among other wild projects, about this time.
of taxes may be made more quick and more sure, than in any other I know of. This is dealing in realities. We have dealt in shadows and delusions too long already for our honor, too long for our safety. It is not only wicked, dishonorable, and dangerous, but it is weak and absurd, to suppose that we can any longer produce our public supplies out of shadows and visionary projects; the baseless fabric will vanish; our resources consist in real substance only, and from thence alone can our supplies be produced, and let them be collected by an equable tax, and the burden on the public will not be any thing near so heavy and ruinous, as the numberless mischiefs of the depreciation have proved for four years past.

But it may be asked, What is to be done in the present distresses? How are our present, immediate wants to be relieved? The answer must lie in a pretty narrow compass. I know of but three things that can be done in the case:

1. To borrow money, which is fatal in its operation, and uncertain in its effects. 2. To let the presses a going again, which will not only increase the mischief, but destroy the operation of any remedy. Or, 3. do without supplies awhile. If the crows cannot be killed, nor the carcases be removed out of their reach, the sure way is to let them eat it all up to the very bones, and then they will go away of their own accord; and this is better than to have Tyrus's vulture for ever gnawing on our liver, and our liver growing at the same time as fast as he eats it. Here is indeed a notable difficulty which would vanish into nothing, if there was a proper connexion formed between the great resources of the Thirteen States, the real substance, the mighty wealth which they contain, and the credit of the States, necessary to collect them, and bring them to public use, when the public safety or convenience requires them. The credit of our currency is too lax, too enervated, and feeble for this; people have more of it already than they have use for, and the depreciation makes it a dangerous article to keep on hand: it is like perishable goods, which are lost in the keeping. In the nature of the thing there is nor can be no remedy for this, but increasing the de-
mand for the currency, and this can be done in no other way than by an universal tax, which alone can create an universal demand, and this demand must operate on those persons who have the necessary supplies, so as to make their necessity for money equal to the necessity of the purchaser of the supplies.

This will put the contracting parties on a par of equal necessity on each side, which alone can ever produce an equal bargain, and is the real, natural source of all trade. Filling the Treasury never so full of money by Loans or any other way, will not effect the purpose, unless demanded of the very persons who have the supplies in their hands, for in any other way, their necessity for money will not be increased, and of course they will withhold the supplies, or demand an unreasonable price, when they see a great necessity on the purchaser, and none on themselves.

I appeal to every person who deals, whether this is not the true fact. Let a person who is under necessity of an article, apply to one who has it, but is under no necessity to sell it, he must give any price that is asked. Let a man who is under necessity of selling an article, apply to one to purchase, who is under no necessity of buying, he must take what is offered. This may be thought a refinement of argument, but I appeal to every man, the least or the most versed in trade, if this is not the universal principle of all trade, and if it is not the universal practice of all wise traders, if they are under a necessity of buying or selling, to conceal that necessity as far as they can, lest it should put them under disadvantage in making their bargain.

It is further to be observed, that an increased demand for money is the only thing which will naturally excite great diligence and pains in procuring such articles as will bring it; therefore, it appears that this is the only true means of restoring the decayed industry of our people, without which we shall soon have no supplies raised, and then we must be destitute indeed, for no demand for money can produce supplies which are not in existence, which to
me appears to be a matter worthy of very great atten-
tion.

Every idea of a loan either at home or abroad, operates
directly against these great principles, and directly tends
to increase our distress.*

I abhor and execrate every idea of a foreign loan to pur-
c chase necessaries produced among ourselves; it may be ne-
cessary to borrow in *Europe* money sufficient to purchase
what we must export from thence, and enough to make
former contracts punctually and honestly good; but to bor-
row money in *Europe* to pay for supplies produced here
among ourselves, appears to me the height of absurdity:
this exposes our weaknesses to all the world; not our wea-
keness in point of supplies; not the exhausted state of our
country, for that is full of every thing we want, clothing
and military stores excepted; but the weaknesses of our
counsels and administration, that our domestic economy
should be so bad, that we should not be able to call into public
use the very supplies in which the country abounds, is
*shameful*: such an imbecility of counsels, I imagine, will
hold us up in so very contemptible a light in *Europe* as will
effectually destroy all our credit there, and thereby put it
out of our power to destroy ourselves; but if this should not
be the case, I do not see but our independence, with all the
blessings resulting from it, is in danger: for I really fear
that some among us would, without concern, mortgage
the Thirteen States up to the value of every acre they con-
tain, to any foreign power that will trust us.

It is as necessary that we preserve ourselves independent
of *France*, *Spain*, and *Holland*, as of *England*. It is ma-
nifest beyond any need of proof, that the nation who is in
debt to a superior power, cannot be free and independent,
but is ever liable to demands the most insulting and incon-
sistent with freedom and safety.

* A small loan had been negotiated a little before this time in *France*,
and further loans in *France*, *Spain*, and *Holland* were proposed, and urged
in and out of Congress with great earnestness and zeal. This seems to have
been a period of distress and madness.
But if after all, nothing can stop the career of this fatal measure of contracting a further foreign debt, I beg, at least, that the monies necessary be borrowed at home on yearly interest, payable in bills on Europe, or in hard money at home, and let the delinquent States be charged with this interest, for if there was no delinquency, there would be no need of a loan: my reasons are,

1. If interest of hard money or bills must be paid, I think it better that our own people should have it than strangers, that the yearly profits of the loan should lie among ourselves, and not go out of the country, never to return.

2. It is less dangerous to contract a foreign debt, sufficient for the yearly interest of this loan, than for the principal and interest too.

3. This method will have one absurdity less than the other, for if bills are to issue for the money to be loaned in Europe (for our necessities are so pressing, it is said we cannot wait till the advices arrive that the loan is completed) they must be drawn on funds of mere imagination, for not one shilling of the fund on which they are to be drawn, is yet procured, nor do we know that the loan can be obtained at all; and therefore every bill is liable to come back protested, to the utter ruin, and most laughable contempt of the credit of the States. And

4. The uncertainty of the payment of the bills will certainly operate on the sale of them. I believe nobody expects they can be sold at a loss of less than 20 or 30 per cent. The present exchange of the currency is 40 to 1; but I have not heard any body propose selling the bills at more than 30 for 1.

5. The very idea of drawing bills or loaning at a loss of 20, 30, or 40 per cent. appears to me so very ruinous and absurd, and the fact stands in so glaring and striking a light, that I do not know how to form one argument for the conviction of such as are willing to adopt either. The great, sure, and only supply of all our wants, and remedy of our distress, lies in taxes. Justice requires that this remedy should be effectually adopted; public burdens ought to
to rest in due proportion on all, which can be effected in no other way. This alone will create an universal demand for our currency, and bring it into such repute, that every necessary article in the country may be readily purchased with it; this settles and finishes the matter as we go, and relieves us at once from the anxious terrors of an unsupportable debt, and all future demands and insults from any power on earth.

Say, Americans, if this freedom and independence, for which you have bled and nobly dared every danger, and for which you have set at defiance, and incurred the vengeance of, the mightiest power on earth, is not still worth your most capital attention: it avails little to change our masters; to have none is our object, which can never be our case, if we are in debt to foreign powers.

III. I beg leave here to propose one thing more, viz. to take off every restraint from our trade. Let every man be at liberty to get money as fast as he can; and let the public call for it as fast as the public exigence requires. Limitations of our trade have been so often tried, so strongly enforced, and have so constantly failed of the intended effect, and have, in every instance, produced so much injustice and oppression in our dealings, and excited so many quarrels, so much ill-will and chagrin among our people, that they have, in every instance, after some time of most pernicious continuance, been laid aside by a kind of general consent, and even most of their advocates have been convinced of their hurtful tendency, as well as utter impracticability.

As experiment is the surest proof of the natural effects of all speculations of this kind, and as this proof of fact has ever appeared in the strongest manner, against the practicability and success of all restraints of this sort, and as every seeming, temporary advantage that has resulted from them, has constantly been followed by effects so very pernicious and alarming, it is strange, it is marvelous to me, that any person of common discernment, who has been acquainted with all the above-mentioned trials and effects,
effects, should entertain any idea of the expediency of try-
ing any such method again.

Not less absurd should I conceive a number of adepts in
Barclay’s system of ideas, driving their heads ten times go-
ing against a wall, and still preparing to try it again with
greater force than before, because they could not believe
there was the substance of a wall, but an idea only there;
equally in both cases must the career of the zealots be stop-
ped in hard fact, and their skulls, if not exceeding thick,
must be greatly wounded.

Liberty and property are the most tender interests of
mankind; any kind of abridgment, restraint, or control of
these is ever sensibly felt and borne with impatience; and
the natural course of things seems so adapted to those two
great and favorite rights, that any violations of them will,
by their most natural operation, produce effects very unfa-
lutary, if not fatal. Indeed, this mischief may at any time
be increased till the effects are tragical. Trade, if let
alone, will ever make its own way best, and, like an irre-
fistible river, will ever run safest, do least mischief and
most good, when suffered to run without obstruction in its
own natural channel.

IV. I humbly propose further, that no private property
may ever be taken for public use, against the consent of the
owner, without the most manifest necessity, and in that case,
not without paying the full value. If the public wants any
man’s property, they are certainly better able to pay for it,
than an individual is to lose it. Paying half or any thing
less than the whole value, is a scurvy and evasive way of
robbing the owner, and infinitely unworthy of the justice
and dignity of a State. There has been so much of this
iniquity committed either with or without pretext of Law,
that it has been really dangerous for a man to possess an
article of capital demand; he has been in danger of hav-
ing the article torn from him, not only without due pay-
ment, but with insult and abuse; and this wicked and
shameful practice has really discouraged many persons of
great ability and industry, from procuring articles of great
demand, lest they should be thereby subjected to the mort-
tification
tlification of having them torn away with violence and dis-grace.

Many great necessaries have been rendered scarce by these means, and thereby the price has become enormous, and the procurement difficult. Instances in flour, salt, &c. are most notorious and obvious. This greatly destroys the confidence of the holders of the great necessaries, in the officers of government, and lessens their affiduity and zeal in procuring or bringing their goods to the public stores. The consequences of this shameful iniquity are most fatal in their nature, and tho' slow and not immediately perceptible, yet most certain in their operation, and most sure of effects.

V. I propose further that there be the greatest care and attention in the appointment of the men who are to fill all places of public trust, and especially such as are employed in the revenue and expenditures of the public monies and supplies. I should conceive the following qualifications to necessary as to admit of no dispensation:

1. That the candidate for any place of public trust have sufficient knowledge and ability to discharge the duties of the office proposed for him. A public officer, like St. Paul's bishop, ought to be a workman that needs not to be ashamed. But I am sure any person needs to be ashamed, who appears in a public office without understanding the duties of it, and therefore utterly incapable of discharging them properly; and the persons who appointed him ought to be ashamed of him too, and he certainly will prove a shame to the public; for the public, i. e. a kingdom, a state, a country, or a city, always shine thro' the medium of their public men; if they mean to have their weight, dignity, character, and interest well supported in a treaty, a Congress, a General Assembly, or a Court of Justice, they must appoint sufficient men to represent them and act for them; if they would have their most public and important counsels, their laws, the administration of public justice and civil policy, or their revenue well conducted, they must appoint men of knowledge and abilities sufficient for these great purposes, to conduct them; these are all objects of such magnitude,
magnitude, such general importance, and pervade with such subtilty every interest of the community, that they reach and deeply affect every individual, and prescribe the degree of security, honor, and peace which he is to enjoy.

How mad and execrable then must be that elector, or person concerned in the appointment of a public officer, who, from motives of party, personal friendship, or any worse inducement, will give his vote for a person, who, he knows, is deficient in the knowledge and abilities requisite to the proper discharge of the office? Let a man's virtue and integrity be never so great, if he wants knowledge and ability, he never can shine, he never can serve with honor or advantage in the office, but must be a shame to himself and to his constituents, and most probably a damage, and may be a ruin into the bargain. But

2. Knowledge and abilities, tho' essential, are not the only requisites in a public man; integrity and prudence are also most necessary. The true character of the heart cannot be certainly known indeed, but is best judged of by his general deportment; therefore the character which a man obtains among his neighbours, and those who best know him, is the surest rule by which he can be estimated, and will be most likely to pre-engagé the public confidence in his favor; and it is necessary, not only that a public man should be upright, but also that he should be generally esteemed so. The wife of Cæsar ought not to be suspected; therefore it must be the height of folly (to say no worse) to appoint a man to public station, whose private character for integrity and prudence is not good.

3. Sound judgment and rational discretion is a most essential part of necessary character in a public man, especially one who is concerned in the public councils, or important offices of any sort. Nothing can scarcely be conceived more dangerous to the public, than to have its great arrangements subject to the influence of a man of wild projection, and extravagant conceits; such a person, especially if he has a good address and copious invention, is enough to make errors faster than twenty men of the best wisdom can
can mend. It is not strange, to find men, who have great talents at discovering valuable mines, who, at the same time, have no knowledge in eflaying the ore, or making the proper use of it. But to come more immediately to the point in view,

4. In the appointment of an officer of the revenue, or expenditures of the public monies, i. e. one through whose hands the public monies or supplies are to pass, it is necessary, most essentially necessary, that he should be a man of known industry, economy, and thriftiness in his own private affairs. If a man's regard to his own character, fortune, and family, is not a sufficient inducement to make him careful, industrious, and thrifty in his own affairs, it is not to be presumed, that any regard he may have to the public can make him so; a man's own interest always lies nearest his heart, i. e. self-love is the strongest of all passions and motives. It was hardly ever known, that raising a man into public office, mended his private vices, but they most commonly like a pervading poison, get incorporated into the department, in which he officiates, and greatly corrupt and injure the administration of it.

Therefore to appoint a bankrupt, a man of dissipation, idleness, and prodigality, to an office, through which the public monies and supplies are to pass, is a sure way to have them wasted or purloined, in which the riches, strength, and blood of the States are exhausted; not to answer the great ends of government, the safety, security, and peace of the great whole, but to gratify the extravagance, dissipation, and debauchery of an individual; it would be much better, if a man has such a friend, that must be served, to give him a few thousands, to spend in his own way, than to admit him into the important offices of revenue, and thereby corrupt its course and use.

Perhaps some errors of this sort may have occasioned a profusion of expense, a neglect and loss of public stores, and a failure of distribution, all which tend to increase our distress, and accelerate the decays of our finances; for as in private affairs, prudence in expense is as necessary to a fortune as the acquirement of money, so in our public administration,
nistration, I conceive economy in expenditures, as necessary a part of financiering, as the acquisition of a revenue: and I conceive in this, as in all other parts of public administration, good government depends more on the men who administer, than on the system or form of the constitution, the wisdom of the laws, or prudence of the general orders; for let all these be ever so good, if the executive part is not committed to industrious, wise, and faithful men, there will be a great failure of justice, security, and peace.

VI. I propose a review of all our departments, and reducing all unnecessary expenditures in them, as far as possible. It is better to lessen the expenses, where it can be done with safety, than to increase the revenue; the one lessens, the other increases the public burden. I am told there are 9000 rations issued daily in this city, where there is not the least appearance of any military movements, except a few invalids, and sick in the hospital, and the prisoners, all which do not amount to one third of the aforefaid number of rations.

I am told there are posts of commissioners, quarter-masters, purchasers, &c. fixed at about 10 or 15 miles distance from each other thro' this State, and some far thro' the whole Thirteen States; if they were all sent out of the way, all the supplies within reach of our market, would come of course to this city, and might be all purchased here by one man, much cheaper, and at less expense, than by all those posts; spreading them about thro' the country answers the same end, as if a private man should send a servant ten miles out of town to buy his marketing; he must solicit more, pay a higher price, and have a worse choice than if he stayed at home, and bought in market. But I cannot pretend to go into the minutiae of these matters; I can only observe, that people out of doors cannot at all conceive the reason or use of these multiplied officers of so many different names, that one has need of a dictionary to understand them; I am apt to wish they were all struck off the list, by one dash of the pen, at least that their rations and clothing might be stopped, and sent to camp for the use of our soldiers in real service.

I would
I would add to my wish also, that their horses might be taken away from them, that they might not be able to parade it thro’ the country on horseback, or in carriages, as they now do with a gaiety of dress, importance of air, and grandeur of equipage, very chagrining to the impoverished inhabitants who maintain them: I conceive this method would supply our camp very comfortably for several months, till our finances might be recruited by the numerous taxes which are coming in, and in this way the necessity of Loans might be prevented, or at least lessened.

If it should not be thought expedient to send their wines to camp, as I do not know that an abundance of liquors do soldiers or any body else any good, I propose to send them to vendue, as they have much engrossed that article of late, it is become very scarce and dear, and would probably bring a great price, and the proceeds of them might be a reasonable supply to the Continental Treasury, and further lessen the necessity of loaning.

In fine, my great object is to get our revenue fixed on a sure and sufficient foundation, and our expenditures reduced within the bounds of use, necessary to the safety and benefit of the community. In this case our people will all be willing to contribute the aids necessary; for the intentions of the people at large are ever upright, and it is rare that there is any difficulty with them in this respect, when they are convinced that the public monies are all prudently expended for necessary uses.

I further conceive that taxes are absolutely necessary, not only to supply the public treasury, but to reduce our money to a fixed standard, and restore it to its natural and necessary use, which no other method of supplying the treasury can do, and which yet must be done, in order to deliver us from the most dreadful calamity of a fluctuating currency. This I consider as of the most weighty importance, and at the same time of so critical, difficult, and intricate a nature, that it will require the utmost attention to the means of it, and the highest prudence and care to watch their operations, and add to or diminish their force as occasion may require.
For if the money should appreciate, it will, over and above all private wrong, increase the national debt. An appreciation of only 10 per cent. which may be done almost imperceptibly, will add 20,000,000 to that debt, which must be paid, not in shadows, but by the hard labor of our people. Such is the subtle nature and imperceptible operation of this mighty error, that no degree of attention to it can be deemed unnecessary. To mend this, I conceive to be the great work before us, *hic labor, hoc opus est.*

I am but little concerned or alarmed at the present pinch of the treasury. Our resources are too great to permit such a temporary, such a momentary distress to be fatal: a proper reduction of our expenditures, or a small anticipation of our revenue in any way, will remedy it. If the great springs of our revenue can be put in motion, we may be easily faved, otherwise we must perish.

I beg leave here to add, that the attention of Congress, however sufficient, if it were not unavoidably drawn off by an infinity of other objects that constantly crowd upon them, is not and cannot be practicable in a degree adequate to this great object. Nor indeed do I think that any board of numbers or aggregate body would be likely to form a system so exact, and bestow an attention so accurate and uniform as would be necessary in this case. I conceive it must be the work of one mind, which ever could investigate and superintend matters of an abstruse nature and critical movements better alone than with company; and therefore,

VII. * I propose, that a financier or comptroller of finances, be appointed, whose sole object and business should be to superintend the finances, *i. e.* the revenues and expenditures of the States, the state of the currency, and all the funds in which we are concerned, and in short, our whole resources and expenditures; and keep the one well in balance with

* I believe this was the first proposal made in America, for the appointment of such an officer; I was so much convinced of the importance of such an appointment, that I repeated the proposal in several subsequent publications, and about a year after this, at the particular desire of some members of Congress, published an essay on the nature, authority, and uses of this office.
with the other, all under the authority of Congress, and in every thing subject to their control. The Congress would then have the subject examined and formed to their hand, and would have nothing more to do than correct and approve it.

If a man adequate to this business could be found, I conceive his appointment would be of the highest utility to the States, as we may easily conceive only by imagining the benefits which might have resulted from such an appointment, had such an one been made five years ago.

However, I do but propose this with the same simplicity of mind as I express my other thoughts; if it is not approved, it may be easily rejected, with any other of my propositions, and I have only to desire this one favor of my indulgent reader, that if he does not like this, or any other part of my Essays, that he would lay them by, and read them again a year or two hence, after which he has my leave to do what he pleases with them.

Time is the surest expositor and best judge of all plans and speculations of this sort; the vain and vicious will either vanish or stand condemned before him; the useful and good only can be approved and preserved by him: and while I make this appeal, every body will allow that I refer myself to a most equitable and reasonable arbiter, and I hope all my readers will candidly wait this decision with me, without censoring too bitterly sentiments on which time has not yet decided.

—Quod optanti Divam promittere nemo,
Aderet, Volvenda Dies en attulit ulro.—Virgil.
The system of taxation equal to the public expenditures, adopted and recommended by Congress, is grounded on the most solid and demonstrable principles, and, if there is no error or defect in the execution of it, cannot fail of producing the two great ends expected from it, viz. Supplying the expenses of the States, and reducing our currency to a fixed and permanent value. These two effects will be produced by the natural operation of this system, without any force or extraneous helps.

Yet

* The first recommendation of Congress to the States to raise money by a tax (which I recollect) was on Jan. 14, 1777; but this was done in so indefinite a manner, without any sums or quotas stated, that little or nothing came of it.

In Nov. 22, 1777, Congress recommended to the States to raise $5,000,000 of dollars in the course of the year 1778, in quarterly payments, with the quotas of each State annexed, &c. but this had little effect; small sums were raised and paid by some of the States, within the year 1778; others made some remittances long afterwards, when the money was so for $, or more, &c. but great part was never paid at all.—In the address of Congress to the people of the United States, May 8, 1778, is this expression: "What are the reasons that your money is depreciated? Because no taxes have been imposed to carry on the war."

Jan. 2, 1779, Congress resolved, that the States be called on for their quotas of $5,000,000 of dollars, to be raised by taxes for the year 1779, and
Yet it is to be noted here with care and concern, that when these great and steady principles come to operate on the present distracted state of our currency and finances, very sad and perhaps fatal effects will be produced, and infinite injustice done, even by this forcible remedy, tho' the most salutary and only effectual one, if some care is not taken to direct its force and limit its first effects. The appreciation of our currency is among the first of these ill consequences which I fear, and would guard against. The evils of this I have considered in my Second Essay; but as what I there urged either has not been understood or regarded, I think it necessary here to resume the subject, which certainly merits the highest attention of every American.

The value of Continental money is what it is now worth to the possessor. The present exchange of Continental money is

and of 6,000,000 of dollars to be raised annually for 18 years, commencing with the year 1780; as a fund for sinking loans and emissions, paying interest, &c.

May 21, 1779, Congress resolved, that the States should be called on for their quotas of the further sum of 45,000,000 of dollars, to be paid into the Continental Treasury before the first of Jan. 1780.

Oct. 6, 1779, they further resolved, that the States be called on to raise their respective quotas of 15,000,000 of dollars, monthly; to be paid into the Continental Treasury on the first day of Feb. 1780, and on the first day of each following month up to the first, inclusive; i.e. 15,000,000 of dollars per month for 9 months successively, beginning with Feb. 1780.

This provision for the year 1780, if continued thro' the year, would have amounted to 180,000,000 of dollars; to which if we add the annual 6,000,000 for that year, it would raise the sum to 186,000,000 of dollars; which, had it been rigidly and effectually collected (as might be expected; for every body by this time, both in and out of Congress, seemed pretty much in earnest for effectual taxes) I say, had this sum been rigidly collected, it would doubtless have produced a very destructive and very useful appreciation of the currency, which it was my object in this Essay to prevent and avoid.

For, by fixing the money at 40 for 1 (which was the true exchange at that time) and directing the taxes to be paid either in hard money or Continental bills at that exchange, it would be manifestly impossible to raise or depress the Continental money above or below that exchange, let the demand for it be increased ever so much. A want of demand might have reduced the value of the Continental money (as was afterwards in fact the case) but an increase of demand never could raise the value of it above that exchange.

Nor could such a regulation be oppressive or burdensome to the States, as hard money was at that time extremely plenty; which was occasioned by large sums by various means coming from the English army at New-York, and spreading thro' the States; also by large sums remitted by France to 'er army and navy then here; also by large importations of hard money from the Netherlands and other places abroad; so that hard money was never more plenty or more easily collected than at that time,
is to hard money at the rate of about 40 to 1, tho' it is very fluctuating; at this exchange of 40 to 1, which is very near the truth, and for which I appeal to the merchants' and goldsmiths' books, I say, at this exchange, our debt of continental money, i.e., all the continental money in circulation, is worth $5,000,000 of dollars in hard money. For the reader need not be told that that value is found by dividing the whole sum of our currency, viz. $200,000,000 of dollars, by the exchange, viz. 40, which will make a quotient of $5,000,000 of dollars of hard money.

If this exchange is reduced, say to 20 for 1, it will increase this public debt to $10,000,000 of hard dollars. Therefore, it follows, that every appreciation of the money increases the public debt, and to an amazing degree, by movements, indeed almost imperceptible, yet certain, and to an amount almost beyond belief. For if the exchange should fall to 10 for 1, the debt would rise to $20,000,000; an exchange of 5 to 1 would raise the debt to $40,000,000 of hard dollars, and so on till the debt would rise to $200,000,000 of hard dollars, and all this without the least benefit to the public, but in every view to its detriment. For, over and above the vast increase of taxes necessary to pay this increased debt, many other evils still worse than the tax would follow, to which I must beg the reader's most serious attention; for however out of sight and distant it may appear, the mischief is infinite, and must be fatal, if not prevented.

1. This appreciation will raise the value of the money in the chests of the possessors, in proportion as it increases the public debt. This will raise the great money-holders into nabobs, so rich there will be no living with them. They have already, it is generally thought, much more than their share. Men of overgrown riches, especially of sudden acquirement, are dangerous to any community. They are not generally people of the best refinement of manners or wisest discretion, and therefore, their influence in the community (which will ever be, ceteris paribus, in proportion to their wealth) will be dangerous; but were they all the best of men, such amazing and sudden acquisitions of wealth would be enough to
to spoil them. We find, by long and various experience, that human nature cannot bear, without corruption, such sudden leaps into the heights of greatness, prosperity, wealth, and influence.

2. This same cause will induce all men to hoard their money, when they find it grows better and better daily in their chests. Money will soon become so scarce, as not to be obtained without great difficulty, and this will increase the value or appreciation of it; for the value of money will ever be in proportion to its scarcity and demand. Thus every stage of this mischief will tend to increase the evil, and lead on to further stages of the same calamity and distress. This is obvious to every one.

3. This same cause will ruin our trade and manufactures; for the rise of money in the desk will be more profitable than any trade or branch of manufacture. This will ruin all industry; for the rich will not go into business, and the poor will not find employers, and this will produce scarcity of all goods, both home produced and imported, and of course general distress and want must follow.

4. This same appreciation will increase the public debt, and consequently will increase the taxes by which it must be paid, and that in proportion to the value or amount of the appreciation. The appreciation of money is like an account in a merchant’s book; there must be a debtor and creditor to it. It is not possible that one shilling should be gained by one person in this way, which is not lost by somebody. If you make the money more valuable in my pocket, it will cost the public more to redeem it; and therefore, if it was to be appreciated up to its original value, every man’s tax must be multiplied by the present exchange, i.e. made about 40 times greater than it need be, to redeem all the money at the present value; and therefore it is probable those who think the present taxes are not more than the fortieth part of what they should be, will be zealous promoters of the scheme of appreciation.

5. This same thing will increase every private debt. For nothing is plainer than this, viz. if the money is more valuable at the time of payment than it was at the time of contract,
contract, the debt is thereby increased, i.e. it will take more hard money, or more wheat to pay the debt, than would have paid it at the time of contract. This brings on the inevitable ruin of many poor people, who cannot avoid being more or less in debt for rent or some other necessary thing. It is hard enough for them to pay their debts at their just value; but when the sum comes to be increased, perhaps doubled or trebled in a few months, the payment becomes either extremely difficult or impossible. This might at first please the rich pretty well, but they would find their mistake, for they would be obliged soon to accept a notice of bankruptcy, instead of payment from their debtors.

6. The great cry for appreciation is, that those who have suffered by depreciation ought to have the benefit of a compensation by the appreciation of the currency; but this is nugatory, and will prove in the end a perfect deception. For not one tenth part, perhaps not an hundredth part of the money, when it shall appreciate, will be found in the hands of those who have suffered by the depreciation. It will be no adequate remedy to any of them, but will be an increase of distress and injury to far the greatest part of them.

Those persons who have suffered by the depreciation, but by the chance of the times have been able to make it up some other way, so as to be able to hoard up sufficient sums of money to take advantage of the appreciation, those, I say, are not the great objects of my concern; but the helpless widow, the fatherless infant, and a thousand others, who have been obliged, thro' the deficiency of their interest, to spend on the principal, till it is all or mostly gone, those, I say, are the great objects of pity; their cries for justice and compensation ought to be heard; the appreciation does them no good, for they have not cash on which it can operate; for nobody can take any benefit of the appreciation, but such as have more cash on hand than all their taxes will amount to; but the aforesaid widows, &c. are by the appreciation plunged into an increased distress and injury; for if they have an acre of land, or a horse or cow left, they must be loaded with a vast increase of taxes, in
in order to appreciate the money which they have left, and which now lies hoarded in the coffers of their rich neighbours, who have gotten it from them.

From this view of the matter, it appears that many people may imagine that they shall receive an advantage from the appreciation, and therefore cry loudly for it, who will, in the end, be greatly hurt by it. It seems they ask they know not what, like the mother of Zebedee's children, who, in the ardency of maternal affection, petitioned our Saviour that her two sons might fit, the one on his right hand, and the other on his left, not considering that the purport of her petition was, that one of her sons might be saved and the other damned.

7. The appreciation of the Continental bills will continue thro' the whole course of it, all the mischiefs of a fluctuating currency. This destroys or varies the standard or common measure of value of all things bought or sold; renders all money-contracts and debts uncertain; corrupts the equity and alters the force of our laws, by varying the fines, forfeitures, and fees limited by them; and in short, throws both the private man in his dealings, and the judge on the bench, into such perplexity and confusion, that neither can have due knowledge of right, even when they may be disposed to do it, whilst the wicked have the greatest latitude in which they may practice stock'd wrongs; and that in the face of the sun, and with impunity. This suspends the rewards of virtue and the punishment of vice, corrupts the morals of the people, and in the end produces every evil-work. Surely this picture is dreary.

8. From all these mischiefs no one benefit can arise to the public. Every advantage of the appreciation goes to the rich men who have got the money hoarded, and to them alone. Why then all this more than Herculean labor of appreciating the money? why all these risks and public dangers? why all this multiplied burden and distress on our people? The uses of the currency are to every purpose as great to the public, if fixed at the present value, at two pence or three pence the dollar, as at any other value that can be named.

9. The
9. The appreciation of the currency will destroy the equity of the taxation itself, according to the known and received principles of it, viz. that all estates ought to be taxed in proportion to their value, in such manner that every man's estate, after the tax is paid, shall bear the same proportion to his neighbour's as before, i.e. so that no man should be enriched or impoverished by the tax more than his neighbour.

But if the money is appreciated, the tax will have a very different effect, as will be obvious at first sight, only by viewing its operation in one very familiar instance, viz. Suppose two brothers have each a plantation of equal value, say worth 1000I. hard money each, and one of them sells his plantation for 1000I. hard money, and changes that money into 40,000I. continental money, and the tax comes on; and we will further suppose they are both taxed according to the value of their estates, i.e. equally, and that the tax necessary to appreciate the money be 20 per cent. on the whole value; it appears then plain that the tax of the one, who keeps his plantation, will be 200I. hard money, and the tax of the other, who has 40,000I. continental money, will be 8000I. of that money; consequently, the first will have a clear estate left of 800I. hard money value, but the other will have an estate worth 32,000I. hard money, for by the supposition all the money he has left will be appreciated up to its original value, i.e. to the value of hard money, and will be worth 40 times as much as his brother's estate. But if all these arguments do not convince, I have one more, which, I think, must do for the hardiest opponent; it is this:—

10. The scheme of appreciation will destroy itself; it is in its nature impracticable, and its own operation will work its destruction. For the appreciation of the currency will increase the taxes and public burdens to such an enormous and insupportable amount, that the people neither can, or will, or ought to bear them. When they come to be told that all their taxes are not at all for the benefit of the public, but are for no other purpose than to increase the value of the money hoarded by their rich neighbours (and they certainly will
will find this out) they will join in one general cry against
the oppression, with one voice damn the taxes, and swear
they will not pay them.

Then the mighty bubble will sink into nothing, and with
it will go all our revenue, public faith, defence, honor, and
political existence.

Very many things more might be added on this fertile
subject; but if what I have said in my Second Essay on
this subject, and what I have repeated and added here, is
not sufficient for conviction, it is vain and useless in my
opinion to add more, and shall only here beg my reader's
patience and attention a moment to an affair of my own.

I do here, as an individual, enter my protest most solemnly
against this most fatal, useless, and chimerical scheme of
appreciating the currency, and am determined to leave a
copy of my Essays with my children, that my posterity may
know that in 1780 there was, at least, one citizen of Phila-
delphia who was not totally distracted, and that they may
have the honor and consolation of being descended from a
man, who was able to keep in his senses in times of the
greatest infatuation.

But all this notwithstanding, and altho' appearances are
strong against me, I will still hope that there yet is a judi-
cious majority on my side, who are thoroughly sick of all
 visionary projects, and wish to adopt the substantial and sure
remedies which still remain in our power. With such as
these I will most cheerfully join in company, and sit down
with them with great pleasure, and unite in farther consul-
tation on the important subject, begging this favor at the
same time of the rest, who do not like our employment,
that they would not come into the room to interrupt us;
and this they cannot think a hardship, as they certainly can
lose nothing by it, for I really have not one word more to
say to them.

If it is granted that the currency ought not to be appreci-
ciated up to its original value, I cannot see a shadow of rea-
son why it should be appreciated at all, and not be fixed at its
present value. The truth is always better than any thing near
it, altho' ever so near. Every shilling that it may be appreci-
ciated
ciated is added to the public debt, for which the public receives not the least advantage, but all the profit goes to the great boarders of our currency; for those who have no more on hand than just the amount of their whole tax get nothing by it. There remain then but two things to be considered: 1st. What the present exchange of the currency is; and 2dly. How to fix it to that exchange or value.

I. As to the first of these there is a difficulty, principally arising from this, viz. that the exchange is not the same in all the States, but different in the different States, and this difference is not fixed in the different States, but sometimes varies in the several parts of the same State. But it is here to be observed, that the exchange of the several parts of the State differs very little from that which prevails in the great capitals nearest to them, and what little variation there is, most generally appears to lie in this, viz. that the exchange rises first in the great capitals, and the out towns, of less trade, follow pretty quickly after them; so that the exchange of each State may be pretty safely taken from that of its capital, or the great capital to which it is most contiguous.

The rule by which I find the true exchange at any given time is, to take the exchange which prevailed at the given time in each State, and add them all together and divide the sum by 13, and the quotient will be the mean exchange or value of the currency. For instance, by the best advice I can collect, the exchange last Christmas, or December 25, 1779, was, in the four New-England States, New-York, North and South Carolina, and Georgia, i.e. in eight States, at 35 for 1, and in New-Jersey, Pennsylvania, Delaware, Maryland, and Virginia, i.e. in five States, at 40 for 1, their sums will stand thus,—

\[
\frac{8 \text{ into } 35}{280} \quad \text{And } \frac{5 \text{ into } 40}{200} \quad \text{Sum, } 480
\]

which sum divided by 13 gives a quotient of \(36\frac{1}{3}\) or 37 nearly, which I suppose to be the true mean exchange or averaged
averaged value of the currency, through all the Thirteen States, at that time.

The present exchange in this city is 45 to 1, and the exchange was rising both to the eastward and southward when the last advices came away, so that I suppose the present mean exchange may safely and truly be fixed at 40 for 1, but our future advices will soon determine this beyond all doubt. This is throwing aside all theory and speculation, and grounding my computation entirely on fact, and is a method which I expect will be allowed to be fair, true, and unexceptionable; and at this value I propose that the currency should be fixed at present, and be finally redeemed at the same. Both these I conceive very just and practicable.

I do not think there is any justice in taxing the public to appreciate any man's money in his chest beyond the present value. This would be burdening the public, merely for the benefit of a few individuals of monied men; for I before observed that no person could take benefit of such an appreciation, but such as have more money on hand than all their taxes for redeeming the whole currency will amount to; and those few among us who have such a surplus of money are the men who have the least occasion of assistance from the public, and in general have the least right to expect or even to wish it. For a further consideration of this I refer back to all the reasons I have given against an appreciation.

On the other hand, it will be readily granted that every principle of justice requires that any further depreciation of our currency should, if possible, be prevented. The practicability of both these, i.e. of fixing the currency, deserves our most serious consideration; and here, notwithstanding the unaccountable and seemingly capricious fluctuation of the exchange, both in progressive and retrograde motion (for we have frequently seen both) yet I say, this notwithstanding, I do contend there are great natural principles, which, if properly applied, will confine this slippery subject, fix it to a point, and prevent such fluctuation as will greatly prejudice its use.—To prevent an appreciation,
I. As the currency has no real fixed value in itself, it is necessary that it should be connected, tied, or fastened firmly to something that is fixed, which may hold it steady, as an anchor does a ship, which keeps its place by that connection, let the wind or tide set either way. Such a fixed medium is hard money, the value of which cannot vary much from its value in Europe, and therefore its permanency may be safely depended on. To this end I propose,

1. That an order of Congress be passed, that hard money shall be received for taxes and all other payments into the Continental Treasury, at the present value or fixed exchange; say 40 for 1. For as the demand for taxes will be very great and universal; if the present system of taxation be carried into effectual execution, as it doubtless will be, it will not be possible for any man to get a better exchange than is received in the public treasury.

2. I propose that a resolution pass to redeem the whole currency finally at the present value; say 40 for 1. This will effectually take away all inducement to raise the value of it beyond the exchange which can finally be obtained for it, when it shall be redeemed. I do apprehend that my reasons before assigned against the appreciation will prove the justice, good policy, and necessity of these resolutions, to which I therefore refer.

3. I propose that all public estimates, quotas, payments, &c., be made in hard money, or Continental equal to it at the current exchange, and also that all judgments of courts, fees, salaries, &c. should be made up in the same manner, that no public community or private person should receive either injury or benefit from any future fluctuation of the currency, either up or down, if such should happen, any farther than his cash on hand might be affected by it. This would not only be an effectual remedy of the crying injustice, both public and private, which has too long prevailed among us, but will also take away the principal inducement and temptation to attempt any fluctuation of the currency.

4. I propose, for the more effectual operation of this remedy, that all the tender acts, all laws against dealing in hard money, and every other of that nature which now subsist...
in any of the States, may be repealed. As those acts were mostly made on the recommendation of Congress, I apprehend a recommendation of that honorable body to the several States for such repeal might be necessary.—It appears to me that these propositions will most effectually prevent any future appreciation of our currency.

But it may be said here, we are sufficiently out of danger of that, the present labor is stop the depreciation. But I do not know all this. I have many reasons to fear an appreciation, which would be a very ruinous calamity if it should happen, and I think we may do well to use precautions against a possible evil; and I have at least the common argument of quacks in favor of my propositions, "that they are innocent, they can do no hurt, and they "may do good." If the event to which they are designed to be applied should happen, they will be of the utmost use and benefit; if that event should not happen, their operation will be prevented, and no bad effects can proceed from them. I am as sensible as any man of the urgent necessity of preventing a farther depreciation, and therefore recur to such great natural principles as I think will most effectually and assuredly remedy the mischief; and here I hope it will not be taken amiss, if I repeat some things I have heretofore advanced; for great truths, and weighty principles of decisive importance, ought often to be repeated, that they may be better kept in mind. I proceed then, to prevent Depreciation,

II. To observe, that one great cause of depreciation is the increase of the quantity of our currency, and therefore the quantity must by no means be increased. For it is not possible to prevent the operation of such increase on the depreciation. It matters not in what shape such an increase may appear, whether of Continental bills, certificates, bills on Europe, or bills of particular States. If the quantity in circulation is increased, it is not in the nature of the thing possible to prevent the effect of depreciation, which must and will flow from that increase. Therefore, the incomes must be made equal to the expenditures. This will give the currency a quick circulation, sufficient for every purpose, without any increase of its
its quantity, will raise that demand for it, which is essential to its nature and use, and from its natural operation will prevent any possibility of depreciation, if the confidence of the public in its final redemption can be made entire and free of doubt.

And this brings me to the consideration of another great principle, on which the credit of all bills must depend, viz. the final redemption of the bills must be made certain, and the value or exchange at which they shall be finally paid or redeemed must be certainly known. If there is any doubt of either of these in the minds of the people, that doubt will lessen the value of the bills; for a certainty will always be better than an uncertainty, i.e. the credit of the States must stand so firmly connected with their real substance, that there can be no doubt but the one will be supported by the other. The life and use of money lies in a quick and ready circulation; yet, although this circulation should be ever so brisk, if it passes from hand to hand, like Robin's alive, in constant danger of dying in the left hand, it must, notwithstanding all its signs of life and vigor, depreciate fast; and I conceive a general confidence or doubt of this kind has operated more on our currency than people are generally aware of.

In the gloomy aspect of our affairs in the winter of 1778, when the British army had possession of Philadelphia, the exchange rose to 6, 7, and 8 for 1. In the summer and fall of the same year, when we began to feel the great effects of General Gates's success, the English sued for peace and their army left Philadelphia, our alliance with France was formed, with a prospect of the accession of Spain, and a powerful French fleet was on our coast, the exchange fell to 4 for 1, and kept down for many months together.

But when our sanguine expectations began to abate, new difficulties arose, and the multiplied emissions had swelled the quantity of our currency to an enormous amount, beyond any probability or even possibility of payment at full value, there ensued a great abatement of the general confidence, and mighty doubts arose whether it would ever be redeemed at all, or, if it was, at what value; and these doubts increased with the increase of the quantity, and some other causes,
causes, till the exchange rose up to the enormous height which now exists. The principal causes of these doubts, and consequently of the depreciation, I take it, have been the uncertainty of the fate of the war, or support of our Independence, and the increasing enormous sum of our currency. I conceive all doubts arising from the first of these causes are pretty well done away.

I think it is so far from remaining a doubt whether we shall support our Independence, that I do not apprehend it is in our power to give it up if we were willing, and to fall back into the dominion of Great-Britain. I am of opinion that France and Spain, and perhaps some other powers, must be conquered, before the trade or government of America can be permitted to be monopolized and controlled by Great-Britain. The vast extent of our country, the fertility of our soil, salubrity of our climates, with other natural advantages, together with the rapid increase of our people, agriculture, and arts, make us an object of vast importance, expectation, and attention with every trading country of Europe, and they will not easily give up the share of profit which they expect to derive from us.

If we continue to increase as we have done in time past, that is, to double every 25 years, the Thirteen States will contain more people at the end of the next century, than France, Spain, and Great-Britain together all contain at present. All Europe gaze with attention on our rising greatness, and it is a pity that America, like some careless beauty, should be the only person in the company, insensible of her charms. It is time for us to know our own importance, and not throw ourselves away in a needless despondency.

As to the doubts arising from the great quantity of our currency, and the consequent uncertainty of its redemption, I conceive they will be effectually removed by the foregoing propositions. The present debt of Continental money ceases to appear enormous; it does not exceed 5,000,000 of hard dollars, which is less than 2 dollars per head on the inhabitants; a light burden! a trifle! not adequate to the abilities of the poorest town in the Thirteen States. The only remaining doubt is, whether the States will in fact pay
This doubt appears to me ridiculous; for were we to suppose there was not a grain of honor or honesty left in the Thirteen States, on which we could depend for the payment of their debts, yet they have suffered so much by the depreciation of their currency, that they will, from a principle of self-preservation, remedy the mischief, and prevent it in future. A burnt child dreads the fire, and certainly we have not lost all the feelings of human nature, however callous we may be to the inducements of moral principles.

But my confidence, even in the morality of the States, is not shaken, it is entire. It is my opinion our people are able and willing to do all that is necessary to be done in the present crisis. Nothing more is or can be necessary, than to put the matter in a proper train of operation.

Let the people see the expenditures made with prudence and economy; that the demand of public money is grounded on public necessity only; let them see men acting in the offices, through which the public monies are to pass, in whom they can have confidence; let them see a system of finance formed, which shall appear both practicable and sufficient, and put under such direction as shall afford a good probability of prudent management and effectual execution; let these things be done (and I do not take them to be mountains impracticable) and I conceive our public faith will be effectually restored, and rise to such a degree of respectability, that no branch of the revenue will dare to defraud the treasury, or withhold the supplies necessary to the public safety; nor, on the other hand, will our public faith prove a ruinous and infamous trap to those who have trusted their fortunes to its security.

I do not pretend these are light matters and without difficulty. The forming a system of finance is an arduous work, fully equal to the abilities of a person of the strongest intellect, steady attention, and aptitude to the subject. It must be the work of one mind, capable of the necessary attention to all the parts, and able to comprehend and arrange the whole, as to form a system both practicable and sufficient. I do not think any aggregate body of men on earth able to do this.
this. I am of opinion, that we might as well expect that a General Assembly, a Parliament, a Diet of an Empire, or a Congress, could describe and demonstrate the properties of the sphere, compute the force of falling bodies, define the laws of hydrostatics, or make an almanac, as form a system of finance.

The power of superintendence and legal sanction is theirs; but the calculation and execution of the system is not, in my humble opinion, compatible to the senatorial body. The British Parliament, some years ago, abolished the Julian style, and adopted the Gregorian, and gave it legal sanction, to the great satisfaction and benefit of the kingdom; but I never heard any man suppose that that Parliament was ever capable of calculating or demonstrating either of the styles; yet I do not apprehend that it is any reflection on the dignity, abilities, or competency of that Parliament to suppose, that, if nobody could have calculated styles better than they could, we might have done without any till this time, and computed the advance of the spring by the budding of white-oak trees, as the Indians do.

The consequence from all this is, in my opinion, that if a senatorial body want styles, systems of finance, or any things else which require peculiar abilities, such as by common probability cannot be presumed to exist in such a body, they can only manifest their wisdom and employ their authority in appointing men of proper abilities to make them; then the Senate can examine and correct them, and add their sanction and authority, put the execution of them under a proper direction, and keep the superintendence only in themselves. I think it may easily appear, that the nature of the subject limits the powers of a Senate to this line of conduct.

But were it not so, good policy would prescribe this method; for the ground of finance is, every step of it, most dangerous ground. Errors are at first imperceptible and easily made, but soon shoot up into capital importance, and often assume a most hideous and ghastly appearance; all which is apt to throw disgrace and censure, and sometimes contempt, on the authors. That which proceeded from ignorance
ignorance may be attributed to bad design. In any view, mistakes and disappointments prove the ignorance or imperfection of the managers, and there will always be some degree of contempt due to persons who undertake things which they know not how to perform.

Bodies of supreme dignity ought never to incur censures or aspersions of this sort. The public always suffer, when the wisdom or integrity of their supreme power is called at all into question. They ought, therefore, in all good policy, to appoint proper persons to do all business of this sort, were it only that they might have a scape-goat to bear away from themselves the censure, disgrace, and contempt which any errors might occasion, when they came to be discovered; for it is very observable, that when any error or misconduct happens in any great department of the State, the blame always falls on the officer under whose direction it was made. No part of the censure ever falls on the supreme power, unless it is that of making a corrupt or injudicious appointment of the officer, or taking the management of the matter out of his hands by too particular instructions.

On the whole matter, our country abounds with men and every sort of supplies which we need (military stores and clothing excepted, which are easily attainable from abroad). Our public counsels and measures are very little obstructed by disputes or parties in opposition. The great thing wanted is, to put our finances into such a train, order, or system, as will revive the public credit, bring our currency into such an established value and demand, as is necessary to its nature and use, and enable the public to call into use such services and supplies as are necessary to the public safety.

The abilities requisite to form and execute such a system are not to be found or expected in any senatorial body; i.e. by common probability it cannot be presumed, that the component members of such a body should be possessed of the rare and peculiar abilities requisite for this great purpose.

It remains then a matter of the highest and most urgent necessity, that a suitable person for the great office of Financier-General, or Superintendent of Finance, should be looked
looked up, and appointed as soon as may be, whose sole business should be to inspect and control our whole revenue and expenditures, and keep them in balance with each other.

I imagine this high office will not be very greedily sought or eagerly accepted by any person capable of it. It will require the most unwearied, unremitting application, the most intense and fixed attention to a subject of a most intricate nature and great extent; the heart-felt interests, the loss or gain, the injury or benefit of millions, will stand closely connected with his conclusions and management, and of course his errors, if he makes any (as from the intricacy and vast extent of the subject he undoubtedly must) his errors, I say, will incur the severe resentment, and raise the merciless cry of the inconsiderate and ill-natured, which make a considerable part of the world; and after all, if he conducts with success, he will get little praise; for every thing in his way will go smoothly on in a regular train, which will soon grow familiar, and of course unnoticed, and not one in a thousand will know to whom they are indebted for their tranquillity.

Besides, I do not know that the present confusions of our revenue are capable of being speedily reduced to order by any address of wisdom, skill, and diligence; and should he fail, the weighty burden might crush him in an instant, and he may fall, like Phaëton, ridiculous and unpitied, for undertaking a work for which, perhaps any degree of human wisdom or ability may prove insufficient. Be this as it may, much will depend on the choice of this officer. Should an insufficient man be appointed, his defects or mismanagement will not only be severely felt while he is in office, but most probably his successor may find a more difficult task to correct his errors, than to have taken up the matter new, and set out right at first.

But to return to the main point; the great question seems now to be, whether, in any practicable train or method, it would be possible to raise money among ourselves equal to the necessary expenditures, i.e. whether the people could pay such a large sum. To this I answer, the best method of judging of the mighty wealth and abilities of the State is, by reflecting
The payments of the last year, 1779, which were actually made, were much more than the said sum, for on the last day of the year 1778, the whole currency was somewhat more than 90,000,000, and the exchange was 6 to 1; consequently, 90,000,000, divided by 6, will give in hard money the amount of our debt of continental money, viz. 15,000,000 of hard dollars, to which add the expenditures of the year 1779, viz. about 140,000,000 of dollars,* which is somewhat less than was emitted in that year. To find the value of this, we must divide it by the mean exchange of the year, which I conceive may be found by multiplying the exchange at the end of the year 1778, viz. 6 for 1, by the exchange at the end of the year 1779, viz. 40, which makes a product of 240, the square-root of which, viz. 15 1/2, nearly, is the mean exchange, and the sum of expenditures of 1779, viz. 140,000,000, divided by said mean exchange. viz. 15 1/2, gives for quotient 9,000,000 of hard dollars, which, added to the amount of the debt at the end of the year 1778, viz. 15,000,000, makes somewhat

* It may be objected to this calculation, that 33,000,000 of the 140,000,000 of dollars emitted in 1779, were for exchanging the emissions of May 20, 1777 (8,000,000 of dollars) and of April 11, 1778 (25,000,000) which were called out of circulation; but this does not diminish but increases the loss by depreciation, which the States suffered in that year; for the whole 140,000,000 were really emitted (it matters not on what occasion) and all that the bills sank in value by depreciation from the time of emission to the end of that year, was lost by the States.

And as to the 33,000,000 of the said two emissions called in, it is to be observed, that on the last day of the year 1778, they were worth at 6 for 1 (which was the exchange at that time) 5,500,000 of hard dollars; but on Aug. 1, 1779 (the day appointed by Congress for their redemption) the exchange was 20 for 1, and of course they were worth but about 1,750,000, which, subtracted from their value on the last of the year 1778 (5,500,000 hard dollars) leaves a loss of 3,800,000 of hard dollars, which the States suffered that year by the depreciation of the said two emissions only.
what more than 24,000,000; out of which substract the debt now remaining, viz. 5,000,000, there remain 19,000,000 of hard dollars, which have been actually paid by the Thirteen States in the year 1779.*

The

* This proves the prodigious strength of the American States, and the very great burdens they can bear, as well as their firmness and patience in bearing them.

Indeed in the above calculations a very heavy, impoverishing part of their burdens was not brought into the account, viz. over and above what is there mentioned, they had to support a tax which the war itself imposed, more than four times as heavy as all the present duties of impost, with all the new additions, which the States now support, i.e. multiply the present impost laid on every article of imported goods by four, and add the product to the old price-current of the same goods in 1774, and it will not raise them to high as the average price at which the same imported goods were sold thro' the war.

Add to this the looses which were sustained by the extreme scarcity and want of some necessary articles, e.g. much meat was spoiled and lost for want of salt to preserve it; many trades and manufactures were either wholly stopped or greatly diminished for want of materials, &c.

To all this may be added the dire effects of the depreciation of the currency on all debts and money-contrats, all fees, salaries, taxes, fines, &c. &c. Also the difficulties and losses arising from the limitations of the market, the ruinous effects of which were innumerable, and in many instances shocking and almost tragical.

Another hardship very sensibly felt was the force which was used with all descriptions of men in seizing their goods, wagons, stock, grain, cattle, timber, and every thing else which was wanted for the public service; most of which, if ever paid for, were paid in certificates, or depreciated money, the real value or exchange of which at the time bore but small proportion to the value of the supplies for which they were given.

The bad management of the finances, and of course their deficiency, made some of these methods indeed necessary to carry on the war; but at the same time they operated not only by way of great injury and oppression of individuals, but as a very heavy tax on the States.

Under all the formentioned pressures, a murmur at the expense of the war was scarcely heard, but the last mentioned incidental evils and hardships were matters of very great and universal complaint.

To all these direful sufferings may be added the captures, the ravages and depredations, the burnings and plunderings of the enemy, which were very terrible and extensive; they had possession first or last, in the course of the war, of eleven of the capitals of the Thirteen States, pervaded the country in every part, and left dreadful tracks of their marches behind them; burned in cold blood a great number, not only of houses, barns, mills, &c. but also of most capital towns and villages.

The, looses arising from all these, which were really sustained by the American States, must be immense.

Yet all this notwithstanding, such are the riches, strength, and resources of the States, that had any prudence in their finances and police been adopted and practified from even the close of the war, our country would by this time have recovered itself, and might have possessed and enjoyed all the blessings of general prosperity and full supplies.

But
The question is then reduced to this, viz. Whether it is not only possible, but much easier to pay $1,000,000 of hard dollars in some equitable mode, which distributes the burden on all in due proportion to their abilities, than it was last year to pay almost double that sum in the most unequal and oppressive way imaginable. I know it will require strong exertions, but we began the war with this expectation and resolution, and I do not think our people will shrink or give back under the burden when it comes.

Besides, it does not appear to me possible to increase our circulating cash in any way, without further depreciating it, which at once destroys its use, and the very end we should have in view by increasing it. Loans will do this; for every loan makes a new certificate or bill of some sort, and all these will flow into circulation as soon as they gain that established value which they ought to have, and which they must have, before we can borrow without a loss or discount.

I think it manifestly reasonable, that all loan-office certificates should be redeemed at the exchange which existed at their dates, and that there should be a rate of exchange from the first depreciation down to the present time made, to ascertain the exchange at the time when each bill was dated, and a sure interest, in proportion to the value of the principal, should be secured to the possessor, until the certificate shall be paid. If this was done, we might borrow, perhaps, without a discount or loss, and keep our debt at home, which would be much better than drawing bills on Europe at a loss of 30 or 40 per cent. and contracting a hard money debt abroad. But this is digression. To return to my subject.

I do not really see but that general and heavy taxes are most absolutely necessary to give demand to our currency, animate the industry of our people, and banish idleness, speculation, and a thousand visionary projects, which prevail to an

But whilst we rejoice in the riches and strength of our country, we have reason to lament, with tears of the deepest regret, the most pernicious shift of property which the above mentioned irregularities of our finances introduced, and the many thousands of fortunes which were ruined by it; the generous, patriotic spirits suffered the injury; the avaricious and idle derived benefit from the said confusion.
an alarming degree, and which must vanish into nothing soon, and therefore the sooner the better. Taxes will increase the circulation of our currency, which will increase its use quite up to the full amount necessary to all our needs, nor can I see any other way in which we can carry on the war, without incurring such an enormous debt at the end of it, as will mix the very joys of established liberty with bitterness, and even endanger that very liberty itself, for which we have so strenuously contended, and for which the debt itself was contracted. The writer of three letters on appreciation, has advised us to set the press at a going again, and in the plenitude of calculation made out that the depreciation or exchange, at the end of the year 1780, would in that case be about 68 to 1; but had he founded his calculation on fact (on the supposition that the depreciation would be no greater this year than it was last, which is not true) he would have found the depreciation or exchange, at the end of the year 1780, at least 260 to 1, and probably it would be more than double, perhaps the treble of that exchange, if it should continue to pass at all thro' the year, which is far from a certainty. This method then will not do.*

From all which it appears pretty plain we have but two things before us, viz. to raise as much money as will be sufficient to pay our expenditures as we go; or, if we cannot do this, to reduce our expenditures to the sum which we can pay. For to talk of keeping up a greater expense than we can pay any how, is absurd and ridiculous to a very contemptible degree. To borrow abroad is ruinous, and nothing is plainer than that we cannot hold it out long in this way; and what is worse, our enemies must know this, and thereby be encouraged to continue the war against us.

* The exchange of the currency at the end of the year 1780, without the press, or additional emissions, was up to 75 to 1; but no man can tell what it would have been, had the press kept going thro' that year.

Indeed the final redemption of the Continental money began to be much doubted, or rather considered desperate, about that time, which increased the depreciation far beyond what the quantity only in circulation would have produced, for the value of the whole of it at the end of the year 1780 (when the exchange was 75 for 1) was less than 3,000,000 of hard dollars, which is not more than one fourth part of the current calls of the States.
To borrow at home destroys the very end and use of the loan as it goes. The great purpose cannot be served in this way. What we can raise among ourselves is all that we can pay, and we cannot attempt expenditures beyond this without bankruptcy.

A peace cannot be expected till the end of the great contest between three of the greatest powers of Europe, which may involve more powers in the dispute. It is a matter of such high point of honor, pride, and interest with them all, especially Great-Britain, that they will strain the last nerve for superiority before they will yield an ace, and the war may last many years; the consequence of all this is, that we must take up the matter as we can hold out.

A man who has a long race before him is mad, if he exhausts all his strength in the first mile. A certain degree of exertion we are capable of, beyond which we cannot go; within this we must keep and confine ourselves. This degree ought to be calculated with great judgment, and used with great economy, and with the most effect it will bear, but it cannot be exceeded without the mighty and tremendous danger of final ruin.

These are my best thoughts, the subject is too vast, too unexplored for my comprehension. This is my fourth address to the public on this weighty theme. I am obliged for the favorable reception of the other three, hope the same candor will be extended to this. My thoughts are free, the nature and incidents of the subject dictate my argument. Great natural principles will always make their own way in the end; and if they are ever rejected, it is because they are not rightly apprehended, and any departure from them will be checked and reformed by dear experience.

My close attention to this great and intricate subject has taught me that it baffles all speculative theory and calculation. The only safe basis of every principle of reasoning on it must be fact or experiment. Here I drop my pen, ready to stand corrected by the better thoughts and more useful discoveries of any superior genius.
A

F I F T H

E S S A Y

ON

F R E E T R A D E a n d F I N A N C E.


The expenditures of the present year 1780, are estimated (as I am told) at about 10,000,000 of dollars hard money. This sum must be raised and paid, or our defence must be discontinued; we must lose our liberties and probably many of our heads too; our struggles must vanish into smoke and disgrace; and our glorious revolution must be dubbed rebellion, and punished as such, and how much more God knows. The said sum must be raised, or these miseries must ensue. We have no other alternative, and it is vain and idle to amuse ourselves with any hopes or even shadows of any other. Our defence cannot be continued without the necessary money; if that ceases, we instantly lie open to the full power of our enemies, and must submit to any conditions they may prescribe.

This I take to be the plain state of the facts; stubborn facts, which can neither be removed, eluded, or softened, by any possible finesse, coloring, or evasions. We may as well keep them in sight as to shut our eyes against them; for facts they are, and will have their operation, which we must feel, whether we will see them or not. If the expenditures, on which the estimates are made, can be reduced, doubtless...
lefs every possible attention will be paid to such an object, but we cannot flatter ourselves that any very considerable savings can be made in this way; it only remains then that we set ourselves immediately to raise the money, or give up the cause in despair. I say immediately, for it will soon be too late; every department will be so involved in debt, and the difficulties, disappointments, and confusions thence arising will multiply so fast, that no remedy can be admitted.*

In a crisis of danger, when the most spirited and resolute efforts are called for, to see men like children stand with one hand in their eyes, and the other in their mouths, blubbering out with voices half assured, I cannot! I cannot! I dare not! I dare not! is ridiculous, argues such meanerfs of spirit, such heartless cowardice, I am ashamed of it. If I really thought the people of America capable of this, I would not move a finger to save them from that slavery and subjection for which they must, in that cafe, be so well fitted by nature; it would not move my pity to see them lashed by their masters into that severity of effort, which their cowardly souls had not animation enough to exert in defence of their own liberties.

The very *taxes* which we now hesitate to *impose on ourselves* to defend and secure our liberties, will, I dare say, be

* To this Essay, when first published, the following preface was prefixed, viz. "The urging taxes, I know very well, is an unpopular task, and generally meets a four reception and very little thanks; but the belly must be fed, or all the members must perish, and it is not possible it should convey nutriment which it does not receive. When we find a general decay and weakness spreading into every limb and nerve of the body, it is time to attend very seriously to the malady, and every other consideration must give place to the remedy. If there is a disorder or worm in the bowels which devours much of the food, it is a sad circumstance indeed, but still the belly must be fed, while we are taking every method in our power to extract or kill the worm. Truth, however disagreeable, will force itself into notice and attention; and to know it is always safer than to be deceived; our deception or ignorance will not retard the hasty steps of ruin. The man who points out the real difficulties and dangers or errors of the State, does not make them; the knowledge of them tends to a remedy. I therefore hope my humble attempt may be received with candour, however disagreeable the subject, a present and diligent attention to which, I conceive absolutely necessary to the public safety. If any man can avoid my propositions, or substitute better, he may serve the public, and will not disoblige me."
be imposed and rigidly extorted by our enemies, whenever they shall get their yoke on our necks: the price which they will make us pay for our chains, will be greater than that which is now necessary to pay for our liberty: the temporary burdens which are now demanded to secure the well-being of ourselves and posterity, will be made perpetual on us and them by our enemies, when they shall find it necessary to secure our slavery and their luxury: for did any man ever know or read the history of any country, governed as an appendage of a distant empire, that was not fleeced, if not skinned and peeled to the bone, by their distant, unfeeling, unsympathizing despots. Such countries are never, in such case, estimated by any other scale, than the amount of the revenue and other advantages that can be drawn from them.

I do not really think that the people of the United States are at all the proper subjects of this kind of government; I do not think a meanness of spirit, a gross stupidity, or cowardly diffidence makes any part of their character; they have, in fact, resented injuries, asserted their liberties, and nobly dared to defend them, with a degree of exertion, perseverance, and firmness, unparalleled and almost beyond belief. It is my opinion that we may safely depend on any degree of exertion and spirit in our people, which is necessary to their safety; and if this is not all called out and put in force, when and to any degree the public safety may require it, the fault will lie in the rulers, not in the people.

Indeed I am of opinion, there are few instances of any countries over-run or enslaved, thro' any defect of virtue in the people, which does not originate in their rulers; the natural and common source of remedies lies in the rulers, and if they are good, they will see the mischief, and apply the remedy, before it rises to such force as to endanger the liberties of a country. If vice or corruption gets ground in any popular state, it generally discovers itself pretty early in the appointment of officers of notorious improper character, or insufficient abilities, to fill and manage the important departments of the state; for where any corrup...
or prejudice prevails in any state, they will generally en-
deavour to get into place, such officers as are likely to sup-
port such corruption or prejudice.

In this case, the mischief is carried into the very source
of remedy, and corruption gets a whip-row, which gains by
every movement; and if this whip-row cannot be broken,
the game must soon be up, and there remains nothing to
do, but to set again, and try a new game. But as all that
is not our case, this may be deemed a needless digression:
we will come then directly to what is our case, which I will
here endeavour to state as it stands in fact, which no fret-
ting, or jeering, or shrugging can alter.

I. The estimates of the present year amount to about
10,000,000 of hard dollars, or the value of them, which
must be paid by somebody, or our defence cannot be continued.
If this ceases, our country must lie open to the unrestrain-
ed ravages and plunders of our enemies, and every obnoxi-
ous individual be exposed to their vengeance, and we have
seen enough of them to know that their tender mercies
are cruelty. And the only question I conceive that can
arise here is this, Whether this heavy burden shall be laid
on a part only of our people, and crush them into ruin;
or whether it shall be laid equally on all? In the latter
case, heavy as it is, it may be borne; it will not amount
to more than 4 dollars on each person, or 20 dollars on a
middling family of 5 persons. If there is a beggar in the
Thirteen States who cannot pay this, he must have some
rich neighbours who can pay it for him; and it lies with
each State to apportion their taxes in such manner as to
ease the poor, and increase the burden of the rich, so as to bring
the burden on all in due proportion to their abilities.

If, instead of this, the whole weight must lie on a few,
viz. such as happen to have the supplies necessary for pub-
lic use; if the wheat, hay, &c. must be torn from the
farmer; the rum, salt, &c. from the merchant; the ser-
vice of the soldiers, waggoners, &c. be compelled by force;
if in this way our supplies and services are to be extorted
from a few, whilst the rest bear nothing, the community
must:
must suffer much more than it would do, were the burden equally proportioned on all.

For to say nothing about the execrable injustice and wickedness of this method, the resentment and rage it will excite, the discouragement to the future industry of the farmer, or adventure of the merchant, the reluctant recruits of the army, hereby occasioned; to say nothing of these, it is as manifest that a heavy burden may be borne by a whole community with more convenience than the same can be borne by a part only; as that a large beam of timber can be borne by 20 men, each bearing in proportion to his strength, better than by 10 only who are crushed by the weight, whilst the other 10 bear nothing, or perhaps some of them hang on and increase the weight. The 10 who are crushed and overstrained will be rendered unfit to bear any burden in future time, and of course their future services will be lost to the community; whereas if the whole 20 bore each his due proportion, it might be a heavy lift indeed, but none of them would be overstrained, and they would all be fit for future service.

II. Our currency is in such a feeble and fluctuating state, that the ends and uses of it are much decayed, and in a manner lost; it ceases to be a certain security to the possessor of any determinate value, and of course cannot be a common measure of value for other things; so that it becomes impossible to calculate or carry on our private business or public operations with this medium, and of course both must cease, or be greatly impaired by this mischief.

This may be easily and speedily remedied by taxes; for if every bill of our currency was a Turkish turban, we might easily set any price on it we pleased, and make the demand quick at that price, in this way; for was an adequate tax made, and speedily and rigidly pressed, obliging every man to pay a turban or 10 dollars into the public treasury, it is manifest the price of a turban would immediately be 10 dollars, and the demand quick at that price. For the same reason, we may raise the value and demand for our currency to any pitch or degree we please, in the same way, viz. by making a tax for any sufficient sum of continental
continental dollars, or the value in hard money, at any exchange we please to fix. This would immediately raise the continental money up to that exchange, if the tax was large enough, and sufficiently pressed.

Indeed we manifestly have it in our power to increase the demand and value of our currency to a much higher degree in this way, than either the fixing the currency or the public exigencies require. This is a matter that requires great judgment and nicety of observation. Some may think there may be danger of oppression here; but I answer there is neither danger nor possibility of oppression, if the exchange is not fixed higher or lower than the current exchange or real present value, nor more money required than is necessary for the public use, and the States apportion the tax on their people properly according to their several abilities; all which ought to be very carefully attended to; and if any part is not done right, the fault will lie on those that do it, but not at all on the principle here advanced.

But before we quit this idea, I beg leave to add one observation more here, viz. every honest individual, I conceive, loses more in a year by the present fluctuating state of our currency, and the present mode of procuring the public supplies, than his whole tax would amount to; he loses his business on which the support of himself and family depends, and must live on his dead stock, or at least is subjected to most material disadvantage and discouragement; for I submit it to every man to judge, whether any man, either in the occupation of husbandry, mechanic arts, or merchandize, can compute his business in such a manner, as to make it safe to put his whole stock in action in any of these ways, while he has no reasonable assurance what the produce of his diligence may be, or whether he may have the selling his produce, fabrics, or merchandize, when he has procured them.

The occupations of life are of such great importance to every man, that it is manifest that even small embarrassments in them, involve a damage much greater than any man's tax would be to the whole expenditures of the war. This
This opens to our view another actual circumstance, another fact, which is too obvious to be overlooked, and too serious and interesting to be neglected, viz.

III. The whole sources of our supplies are dying away fast, are lessening to an alarming degree, and threaten not a mere scarcity, but universal famine, want, and deficiency in a short time. Most people are lessening the business of their several occupations down to a pitch just sufficient for their present occasions and necessities, and many have wholly thrown up their occupations, and live on their dead stock, and very few are calculating their business on any large scale. I submit the truth of this to common observation. 'The present great demand for merchandize, fabrics, and the farmers' produce, which would be the sharpest spur of industry, were our public councils wise, and our currency good, now becomes the terror of the possessors, and induces them to hide and conceal their effects, instead of exposing them in open market: our public acts (for taking supplies by force) demonstrate this, for such acts are always supposed to be suited to the circumstances of the times.

This is a direct and manifest consequence of the numberless instances of force and fraud which have been practiced to rob and cheat the possessors out of their goods. These methods are in every view mad, wicked, and absurd; mad in those who do not see the consequences of them; wicked in those who do see them; and absurd in both, because by their natural operation they soon defeat and destroy the very ends for which they are adopted, viz. mending the currency, and procuring supplies.

The great Creator has not given to all men equal discernment; some politicians are short-sighted, and cannot see the distant ill consequences of measures which yield a present advantage, but he must be a stupid blockhead who cannot see such effects when they stare him in the face, and stand in full fact before his eyes.

The proper remedy of these terrible mischiefs is to lay the public burden equally on all by taxes; this is easier, more reasonable, and more safe for the community, than to suffer it to rest upon a few. The burden must be borne by
by the community in some way; the supplies and service
cannot be procured for nothing; we have too lately tried it
out and out, and have full proof that something cannot be
paid for with nothing, and therefore if something is to be
paid for, it is vain and ridiculous to be casting about, and
flitting and chasing one visionary project after another, of
new emissions and better emissions, of loans foreign and domestic,
&c. We must recur to solid wealth to pay for all our solid
supplies. The nature of the subject will drive us to this
at last, and the longer we put it off, the longer our miferies
will increase; and God grant that we may not put it off
till all remedy is desperate.

We must at last have recourse to the solid wealth of the
States, and every individual must be called on for his share.
In this there can be no reason of complaint; the cry of op-
pression will cease; that demand will be given to our currency
which is essential to its nature and use; and every possessor
of supplies will hasten to offer them: this will stimulate the
industry of men of all occupations, and fill our country
with virtue and plenty. But it may be objected here,

1. That our old currency is got so much out of repute,
that it cannot be reformed, but may be called in, and re-
placed with a new and better one. I answer, all that ails
the old currency is, that it is not, it carries not in it, a
sufficient certain security of any determinate value to the
possessor; and this same thing will ail the new currency or
any currency we can make, unless we can mend the public
faith on which it depends, and connect it so manifestly and
firmly with the real wealth of the States, that the security
may be undoubted. It is impossible this can be done by any
thing but payment, either present or so secured, that there
will remain no doubt in the mind of the possessor that it
will be bona fide made. If this can be done, there is no
doubt but we may make our currency good, yea, better
than hard money, because it is sooner counted, and more eas-
ily conveyed.

There is indeed one reason for calling in the old curren-
cy, and issuing a new one, which appears to me to have
real and great weight, viz. Many of the bills of the pre-
ent
dent currency are counterfeited, and it is very necessary the public should be freed from these impositions; and to this another may be added, viz. It would be very desirable to have a currency which should express the true value of the bills in the face of them. The present bills carry but a fortieth part of the value expressed in their face; and this holds out the feeble, enervated, and debilitated state of our public credit in so glaring a light, and publishes our shame and distress so very undeniably and universally, that I should be willing to have them out of sight; as people generally endeavour to keep out of view, brands and marks which indicate the disgrace of their families.

Besides, there is a sort of deception in the bills, which I conceive to be hurtful; when a man gets a great bundle of them, he is apt to be cheated in spite of the convictions of his own heart, into an opinion that he is richer than he is, and of course to abate a little of that economy which he would think necessary if his mind was not diluted by that delusion; whilst, on the other hand, the taxes appear more heavy and terrible when heightened under the enormous denomination of the currency, than they would do were they offered and demanded in a shape that corresponded to their real value.

These may perhaps by general consent be allowed good reasons for calling in the present bills and issuing new ones, and this may be well enough, if the mode and regulations of the measure are limited to its uses.

But the substance is yet wanting, every thing necessary to give fixture to the currency is still to be done, and all remains to be done, and will remain so, till we can fix the funds of our currency so sure as to make it a certain security of real value to the possessor, and call it in so fast by taxes as to limit its quantity within the uses of circulation, and prevent its increasing to such amount as to render the final redemption difficult, improbable, or uncertain. This is the grand gift of the whole matter; this will effectually save us; less than this will not; all the rest is but shifting the weights in the scale, without adding a single ounce to help a balance or preponderation; this therefore is our great object, from which
which our attention must not be diverted, no, not for a moment; on this our fate depends.

2. It may be further objected, that no nation of Europe can carry on a war without loans, or some way anticipating their revenue, and running in debt, and how can it be supposed that we can do it otherwise? I answer, their case differs from ours very materially.

1. They have credit to borrow on, which we have not, unless we allow such a ruinous discount as makes our affairs desperate, and must soon put it out of our power to preserve our liberty.

2. Our country is richer, more full of men and stores necessary in war, than those of Europe in general, and of course the carrying on the war without running in debt is more practicable by us, than by them.

3. They have such sure and estabished systems of finance fixed and settled, on which they can issue internal bills, as furnish a certain security to the possessor of payment; their treasuries are the safest repositories of their nation’s wealth; we have not these advantages, our treasury has hitherto proved the destruction of the wealth that has been trusted to it, and of course every body is afraid of it, and therefore loaning at home to any great amount is impracticable, and what cannot be done need not be urged as politic, eligible or salutary.

4. If any nation of Europe borrows specie, and thereby increases and of course depreciates their cash but 2 or 3 per cent. that discount is enough to spread it all over Europe, by which the balance is soon restored, and the depreciation is checked; or if any nation, as Spain, imports money from Peru, and makes it over plenty and of reduced value, it spreads over Europe directly; and so by covering a larger surface the depreciation becomes insensible, and the inconvenience little felt; but this is not the case with us; our currency cannot be exported, were it ever so good, therefore, any increase of quantity must have its full effect by way of depreciation among ourselves; and of course any increase of the quantity destroys at once the very end and use of such increase, as the value cannot be thereby increased, but
but instead of this, the whole deluge of mischiefs arising from a fluctuating currency must flow in upon us.

5. The very operation of this method of loaning, and anticipating of the revenue, adopted and practised by the nations of Europe, is in itself enough, were it ever so practicable by us, to deter us from following so fatal an example. See Great-Britain enervated and benumbed under the pressure of an enormous debt, the very interest of which consumes the best part of the richest revenue which the wealth, industry, and oppression of the nation can produce. How disheartening must it be for that people to struggle through the year merely to pay a corroding interest, which brings them not the nearer to the end of their misery, but only keeps alive that gnawing vulture that must for ever feed on their very entrails. I cannot but wonder that any man in his senses should hold up such a sad spectacle for an example to the Americans.

6. The nations of Europe never attempt to borrow money, till they have first raised all the revenue they can within themselves, and find it not sufficient; but this is so far from our case, that we have never yet taxed half enough to drain off that surplusage of money which the war has occasioned, and our capital distresses and difficulties have all along arisen from that flood of money which made it too plenty for use; even hard money will buy little more than half so much country produce as it would purchase before the war.

This mischief cannot be remedied by increase of the quantity, by loans or any other way, but must in its nature be checked by draining off and lessening that quantity, and thereby raising the demand for it which is essential to its use. From all this it appears to be weak and silly as well as absurd, to urge for our imitation the example of other nations, the very convenience, necessity, or even practicability of which depends on circumstances which do not apply at all to our case.

It is not the least danger of this practice that it operates insensibly, saps and mortgages our wealth before we know it; it operates like a slow poison, which is certain death, and more painful, tho' more slow and lingering, than the sudden
sudden execution of the ball or sword. Indeed I look on all insensible taxes to be highly dangerous; a fatal instance of which we have in the depreciation of our own currency. I think it necessary that the people should see and feel what they pay, should earn the money before it is spent; this would prevent a thousand stupid, foolish, and needless ways of spending the public money; this would make the rulers careful how they adopt any expensive operations, and attentive to the strictest economy in the expenditure.

Insensible taxes are like insensible perspiration, which weakens the body, and wastes the constitution before the patient knows he is sick. Nature generally marks places of danger with signals of notice, and every mariner looks on one funken rock as more dangerous than twenty that are above water; for this reason I think that every branch of the revenue should originate in such sensible and visible demands on the wealth of the people, that they may all feel and know what they pay, and what they pay it for; and this is, in my opinion, the surest way to keep a treasury always supplied with enough by the cheerful contributions of the people, when the public safety or convenience requires it, and to prevent more than enough being ever demanded or granted: a due attention to both these I take to be no small branch or even pillar of policy in every state. The foregoing survey of our mischiefs and remedies brings up to view another circumstance which appears to me a very plain fact, viz.

IV. Our distresses, dangers, and difficulties do not consist in a want of any thing, but in over plenty, in surplusage of cash, which is become so common and easy of acquirement, that it is slighted, it is little thought of, it is scarce an object of desire, much less of animation; our burdens are burdens of cash, that which is the wish and want of most other distressed people is our misery, like plethoric constitutions, whose stamina are all good, but are overloaded with too much blood. A sufficient bleeding, a proper draining off of this superfluous matter, would set us all right in a short time, and every part of the constitution would find safe, relief; and a speedy return of life and vigor from
from the simple operation of this most obvious, natural remedy. On the whole matter, I think that one more fact offers itself to view, which were we in a less torpid state, might animate us to some spirited efforts, some lively exertions to extricate ourselves from distress and danger, viz.

V. Every circumstance conspires to demonstrate that the most sure and effectual remedies are in our own power, are very practicable, and the present time is the most suitable for the application of them that any nation in distress ever had or could wish. We are free of debt, at least of the pressures of debt; the whole public debt at home and abroad does not exceed our abilities, and may be paid in two or three years without any painful exertions. We are yet on this side of that bottomless abyss of debt, into which our enemies find themselves plunged; that insupportable but everlasting burden that presses and exhausts them in so fatal a manner, that they are become the sport of their enemies and neglect of their friends; none appears for them in this their day of distress.

This enervating, disheartening circumstance we are yet free of; our strength is our own, and in proper condition for use; we are yet to receive the fruits of our own labors; none of our crops are mortgaged or sold before they are reaped; our wealth is entire; our country abounds with most of the supplies and stores we need; we have no difficulty but in the disorders of our finances, and they are not only capable of being restored, but self-preservation will compel us to it. We are like a strong man who is obliged to labor, but the labor required is but just enough to afford that degree of exercise which is absolutely necessary to his health, and which he must practice or be sick.

The same kind and degree of exertion necessary to restore our currency, reinstate our finances, establish our credit, and animate the industry of our people, will at the same time pay our civil list, and carry on the war. Our enemies are in a declining state, under great degrees of embarrassment, and have their hands full in every quarter, and every body against them; whilst we are courted, like the rising sun, by every
every body; our alliances and connexions are of the surest
and best kind, grounded on such interest as cannot deceive
us; a general union prevails among ourselves; our public
counsels are all dictated by the same views and ends, and if
ever we differ, it is only about the means of obtaining the
same end; our relief indeed requires the animated exertions
of our people, but the very distress they all feel, makes
them willing to put into vigorous practice, any efforts which
tend to their deliverance.

Here I beg leave to call the reader's attention to the act
of Congress of the 18th of March 1780, respecting our fi-
nances, that we may, on the best examination, judge
how far that important act, if duly executed, will reduce
our finances into such method, and give them such esta-
blishment as the public safety requires. It is necessary that
the nature, design, and use of that act should be thoroughly
discussed, because the efforts for its execution will pro-
probably take their tone from the degree of conviction which
generally prevails of its utility.*

* The substance of said act is as follows, viz.
1. The monthly tax of 15,000,000 of dollars, from Feb. to Aug. 1780
(recommended to the States, Oct. 7, 1779) is continued to the 31st of April,
1781, inclusive.
2. That hard money be receiv'able in payment of said tax, at the rate of
1 Mexican dollar in lieu of 40 Continental dollars.
3. That the Continental bills paid in for said tax, except for the months
of Jan. and Feb. 1779, be not re-issued, but destroyed.
4. That as fast as these bills shall be brought in to be destroyed (and other
bills shall be established for other bills) other bills be issued, not to exceed
on any account one twentieth part of the nominal sum of the bills brought in to be
destroyed.
5. That the new bills which shall be issued, be redeemable in specie within
6 years from Jan. 1, 1781, and bear an interest of 6 per cent. to be paid in
specie at the redemption of the bills, or, at the election of the holders, in
sterling bills of exchange, at 41. 6d. sterling per dollar.
6. That the said new bills issue on the funds of individual States to be
established for that purpose, and be signed by persons appointed by them.
7. That the United States be likewise pledged for the payment of such of
said bills, as shall be signed by those States, who, by the events of the war,
shall be rendered incapable to redeem them; which undertaking of Congress shall
be endorsed on said bills, and be signed by a commissioner of Congress.
8. That the several States shall receive 6 tenths of the bills which they sign,
for their own use, and that the remaining 4 tenths shall be subject to the
orders of Congress, but shall be credited to the several States who signed
them.
9. That
I do not pretend to be adequate to such a discussion, and
shall only beg leave to make a few remarks on it; and this
I am induced to do at this time, because the act is but
lately published, and our people have not had time to make
up their minds on it, and I conceive many persons misap-
prehend the real design and true construction of it.

1. I take it that the design of the act is not to be a sub-
stitute for taxes; our public credit or finances want the same
support and supplies from our real substance, our material
wealth, as they did before the act. If the new bills are no
better supported than the old ones were, they will depreciate
as fast, become as useless and more ruinous than those, as
these involve us in a vast debt of interest, which those did
not. The past error of our finances is clearly seen, and
the deluge of mischiefs resulting from it is severely felt, and
the design of this act is not to continue but prevent those
mischiefs in future, not to repeat our former error, but to
mend it.

2. The act contains in it a declaration or fixture of the
present value or exchange of the public bills, making them
redeemable at 40 for 1, or 6d. in the pound, and this on
the highest reason, grounded on such rigid facts, such real
change of circumstances, as render the fulfilment of the
promises contained in the old bills, impracticable, injurious to
the public, absurd, and useless, as I think I have fully pro-
ved in my Fourth Essay; and all clamor and exclamation on
this subject is as idle and void of reason and sentiment, as a
clamor against any other promise, which, however properly
made at first, is become, by a change of circumstances,
either impossible or highly improper to be performed, of which
we have daily instances in every part of human experi-
ence.

9. That the said new bills be received in taxes at the same rate as spo-
ses.

10. That the several States be called on to provide actual funds to sink
the sixth part of their respective quotas, annually, after Jan. 1, 1781.

11. That this act be dispatched to the Executive of the several States, to
be laid before their Assemblies, who are requested, as soon as possible to pro-
vide certain funds for the purposes of it, and take every other measure to carry
it into full and vigorous effect.
We are to consider the depreciation of our currency as a public calamity, like a blast, a deluge, a drought, or ravages of an enemy, which affect every man as he happens to stand in their way, and to become their object; in all these cases the mischief must lie where it lights; it is doubtless so directed by Divine Providence, that each individual receives that degree of correction from it, which is suited to his own particular case.

In point of remedy, it is vain to inquire whether this calamity arose from the public necessity, or from the fault of any individuals or boards of our policy; for could we find and punish the faulty delinquents, their heads or gibbets might hang up in terror, as monuments of caution to future financiers, but can avail nothing to the easement of the calamity; our duty at present, and all we can do is, to correct the mischief in time, and prevent it in future.

3. It is objected to this act, that it doubles the quantity of circulating bills, because it issues 2 dollars out for 1 that is brought in, for 400,000,000 of the new bills are equal to 100,000,000 of the old ones, at the exchange of 40 for 1, prescribed in the act itself; that this will clafs with a former resolution (of Sept. 1, 1779) "that the quantity of bills should not be increased beyond 200,000,000;" will tend to a depreciation; and render the fixing the medium more difficult, if not impossible. But I beg leave to observe here, that few laws would be salutary, or even tolerable, if they were executed up to the height of their letter; and I conceive that a prudent execution of this act will obviate all the ill effects arising from the above objections.

I do not conceive it to be the design of Congress that any part of the new-bills shall issue at all, if it shall be found that it cannot be done at their full value, without any depreciation; or that they shall issue any faster, or to any larger amount than can be done, without any depreciation; for I can by no means admit the supposition, that the new bills are to be issued in a depreciated state, because that very depreciation defeats their use, renders them insufficient for the procurement of supplies, and involves us over again in the miseries of a fluctuating currency, whilst we are at the fame
time loaded with a vast debt of hard money to pay the interest of them. I never doubted the integrity of Congress, and therefore cannot attribute to them such absurdity of design, even tho' the letter of their act might admit such a ruinous and absurd construction.

They reserve, in their act, 4 tenths of the new bills for their own disposal, which they will doubtless issue in a manner safe and useful to the States; whilst the other 6 tenths are left to the discretion of the States, who have every inducement to a prudent issue of them, as each state will stand bound to redeem both principal and interest of all they shall issue.

I am further told, that the Congress have it in contemplation to appoint a Financier-General, of known gravity, judgment, and economy, to superintend this great department, who can either let out or withhold the issues in such manner as to give the bills all the effect and use their nature will admit, without overloading the public credit, or increasing the quantity so far as to lessen their demand, and, by that means, lose the whole benefit by grasping at too much. This error is so fatal and recent, and the apprehensions of the people wound up to such a pitch of alarm, that I much doubt if half the proposed quantity of the new bills can be issued without a sensible depreciation; but experience will best show this, and prudence at the time must dictate the practicable degree which may be ventured on; and it is my opinion, that no possible height of public necessity can justify exceeding such degree, because that excess is a sure way to defeat the uses of the currency, and of course to increase the public necessities, let them be ever so high before.

The exchange is a sure barometer of the public credit, as it is of the trade, and will always serve as a safe monitor and guide to our counsels of revenue. It is the vainest of all vanities to imagine that a public bill is worth a dollar when it will not bring it, or that it is worth any more than it will bring. If it shall be found on trial that any larger sum than I have supposed, or that the whole 10,000,000 can be issued without depreciation, the public may safely receive the benefit of the whole; and the addition of the interest,
interest, which will be received by every individual that holds the bills, will compensate for the increase of his taxes to pay it.

This matter cannot be computed on with any exactness, without knowing the whole amount of the current cash of the Thirteen States, which I have not yet seen any where ascertained. I have heretofore on a few data made a sort of loose, rough computation of it, to be about 12,000,000 of hard dollars; but I have of late been collecting documents for a more exact calculation, and on a nearer view am induced to believe the amount will rather fall short of that sum, and perhaps very considerably; and I think farther, it is very manifest that we must have a promiscuous circulation of both hard money and paper, in order to keep the exchange of them equal: but this by the bye.

It may be further objected to this that we can have no security that some necessity or other will not be urged next year to make a further addition to the emissions of circulating bills, till they will depreciate.

But in answer to this, I am clearly of opinion, Congress will not be able to issue the whole 10,000,000 already voted without a depreciation; and also, that they will not dare to issue any of it in a depreciated state; this will so manifestly and immediately ruin the use of the whole, and defeat its whole purpose, and bring on afresh the mischiefs of a fluctuating currency, that I can have no idea that any men in their senses can think of adopting it.

But if we are to suppose our wisest men capable of such idle frenzy, it is needless to reason any further about it, we may as well give up all use of our intellects, and follow where wild distraction roves, and take the fate which a concourse of whim and accident shall provide for us; but I augur better things; I am full of expectation that before our affairs come to this pass, our wisest men, both in Congress and State-Assemblies, will be convinced of one great truth, dictated by nature and our present circumstances, viz. that we must pay our expenditures as we go: and this is the only practicable method before us; this will make any scheme good, which is not wretched indeed, and without
this, every devisable scheme is but whim, vision, and frenzy.

5. The sum of 10,000,000 is not more than the States are able to make the most sufficient and undoubted security for, if they please. But let that security be ever so good; to give it a currency, and prevent a depreciation, they must raise a demand for it by general taxes. These are recommended by Congress in their act of the 18th instant, and others foregoing; and were they put under rigid collection by all the States, we might judge whether the demand thereby raised was sufficient to give life and use to the currency; if it should not be so, it is necessary that the taxes be still increased till that effect shall appear, at which time, and not before, the grand point will be gained, viz. that of fixing our currency. We shall then have the two great things necessary to fix any paper currency, viz. good funds, which may give the possessor a certain security; and a quick demand and circulation of the currency itself.

6. It appears then, that if the said act was put into proper and wise execution, duly limited and sufficiently vigorous, it will answer the great and important ends expected from it; and tho' it may not be thought the best possible, yet as it appears to be sufficient for its purpose, were it duly put into operation, and properly supported, I think it clear that the States ought not to hesitate adopting it, nor starve it by too languid and dilatory movements; the best plan possible may be rendered useless and ineffectual this way; wisdom and decision in counsel are not more necessary in any important plans of this sort, than vigor in execution.

I do not consider the act so much a scheme of increasing the revenue as of fixing the currency; but if it is to include both, the first certainly depends on the last, and is limited by it; for Congress cannot think of issuing any part of the new bills in a depreciated state; they must fix their value, or it is idle, dangerous, and ineffectual to the last degree to issue them; if they can be issued in a fixed state, yet no more of them can be issued than can be kept
in a fixed state; for to exceed this limit, will be to destroy their whole use at once, and involve us in more distress than before. I look on it a very bold step to put the revenue on such a risk; but I suppose the public necessities require it, and of this the Congress are the best judges, and doubtless acted on more reasons than we out of doors can see.

The fixing the currency, and incomes of revenue are of of the last consequence to us all in the present crisis; and therefore it appears to me absolutely necessary that every State should exert themselves in the most speedy and effectual manner to give function and force to this act, left, by their defect, the important chance should turn against us, and we should be left without revenue or currency at this critical time, when our political existence, as well as the occupation and means of living of every individual, depend on both. *

* In my Fourth Essay on Trade and Finance, published Feb. 10, 1780, I calculated the exchange of Continental money at that time to be 40 for 1, and strongly urged the fixture of it at that exchange, that the fatal mischief of a fluctuating currency, either by appreciation or depreciation, might be avoided.

From this I suppose that some people have surmised that the first idea and original plan of this act was formed by me and suggested to Congress, and my opinion here expressed, "that the States ought to adopt it without hesitation," confirms their conjecture: this induces me to observe some things on this matter, viz.

1. This act was not the absurd, inefficient, and ridiculous thing, which some people have represented it to be; there was no error in its principle; it wanted nothing to complete its purposes but decided support and efficient execution. The taxes then instituted by Congress, with the arrearages of former requisitions, would have been (if punctually paid) sufficient to call in every bill of the old money, and a large sum of the new bills, in the course of one year, and would doubtless have raised such a demand for what remained, as would have kept up its value, and prevented any depreciation.

Yet, 2d, I did not approve of it, but in all conversations I had with Members of Congress, whilst it was under debate, I constantly opposed it; principally because I did not expect, as the state of things then was, that it would receive that support and vigorous execution which was necessary to give it a due effect.

The people of the States at that time had been worried and fretted, disappointed and put out of humor by so many tender acts, limitations of prices, and other compulsory methods to force value into paper money, and compel the circulation of it, and by so many vain funding schemes, declarations, and promises, all which issued from Congress, but died under the most assiduous efforts to put them into operation and effect, that their patience was all exhausted; I say, these
To have a currency of fixed value, and the same as is expressed in the face of the bills, is an object most important and desirable, but can be obtained in no other way than by keeping the quantity within due bounds, and after holding its value, by such connexion with our real substance as will make it a certain security to the possessor. The value of money being wholly grounded in the proportion of the objects, viz. the quantity of money, and the objects of money, it is demonstrable that if either varies, whilst the other continues the same, the proportion must vary likewise, and of course the value of the money must fluctuate, as appears most plain to any person who has the least knowledge of the nature of proportion.

All experience justifies and confirms this reasoning, and puts the truth of it beyond all doubt; yet so strongly does the

these irritations and disappointments had to destroy the courage and confidence of the people, that they appeared heartless and almost stupid when their attention was called to any new propositions.

Besides all this, I had objections to several clauses of the act, viz. our people were pretty well accustomed to the old bills (bad as they were) but to call them all in, and substitute a new sort in their stead, I thought would be a novelty that might have danger in it; at least, it would require great expense, time, &c. and all to very little use or benefit; for the same energy of taxation absolutely necessary to support the credit of the new bills, would be quite sufficient to make such a man for the old ones as would prevent their further depreciation, and receiving hard money in their stead at 40 for 1, would prevent their appreciation.

I could not see any benefit in the signature of the States, and feared this might bring into doubt the full powers of Congress to issue bills, or do any other like acts under their own signature.

Nor could I see any advantage arising from the interest annexed to the bills; it being payable six years afterwards would create mighty little inducement to their present circulation; but if the bills succeeded, this would greatly increase the price of their final redemption.

But I had another material objection to the act; for when I calculated the exchange, Feb. 10, 1780, it was really 40 to 1; but when this act passed, viz. the 18th of March following, the exchange had increased to 60 for 1, and consequently, all the provisions of the act which related to the exchange, became essentially wrong, and of course rendered the act itself utterly impracticable, without new provisions conformable to the exchange which really existed at the time, or making all the requisitions of the act in hard money or Continental bills of the same value, i.e. at any exchange that should exist at the time of payment.

But notwithstanding all this, when the bill was actually paid, and the revenue and supplies of the year depended on its success, I readily offered my little mite of aid to give it an effectual operation, as I suppose any Member of Congress would and ought to do, when it was paid, tho' he opposed it in every stage, whilst under debate.
the infatuating bias, like some darling, favorite lust, work itself into our public counsels, that after the longest and gravest consideration of the subject, they will, in the face of the clearest demonstration, in spite of repeated experience and the fullest proof of fact, still work up their deliberations into the vain issue, the fruitless resolution of trying new methods, adopting new plans of increasing the currency, and thereby defeat their own purposes, render their counsels ridiculous, and leave us all without remedy. The mischief lies in the nature, not in the modification of this fatal charm; there is too much already, and it is not possible that any increase of quantity, however modified, should help the matter, nor is it possible to fix the value in this way; for the increase of the quantity will for ever render the punctual redemption of it more difficult, and therefore more uncertain, and of course of less credibility or credit.

The nature of money is such, that its quantity cannot be increased beyond a certain degree, without losing its use; this has already been far exceeded, and it is not therefore possible that our remedy should lie in further increases of it, however modified. I have known people try to fatten their hogs with pumpkins, turnips, and bran, to save corn, but without success; I have known people who had not milk enough, add water to it, but the nutritious particles of milk were not increased thereby; I have known children change their pintereens into coppers, and gain a greater heap of money; in all these cases the substance was wanting; the show, tho' increased, was delusive; and the counsels puerile and without effect, to say no worse of them.

Impending destruction is no longer a matter of empty declamation. All occupations of town and country are embarrassed and near to a full stop. Our public debts are everywhere increasing, and supplies failing. Famine, want, and total enervation of all strength and effort must be the speedy consequence. When the springs, the fountains, the resources are dried up, it is not possible but the streams must fail soon. We are in every respect well and safe, except in the article of finances. Were they restored, every thing
thing else would immediately flourish and gain vigor sufficient for every purpose of safety and happiness.

There is in nature but one way to restore these, viz. by immediate recourse to our solid substance, by taxing equal to our expenditures. This I have often urged in vain; whenever it comes in view every countenance gathers paleness. True, but it is impossible, is the cry. Had it been a spectre, or goblin of terror, it could not have been started from and avoided with more precipitation. People will even take fatal leaps into certain destruction, to get away from it.

Pray, my countrymen, let us muster up a little courage and firmness of mind, and not, like a distempered imagination or guilty conscience, start with terror at a distant movement of we know not what. Let us compose ourselves, and take a little nearer view of this dreadful expedient; it is not so frightful in near view as in distant apprehension. There is such a thing as being penny wise and pound foolish. We may lose the ship for fear of hurting the sails.

Presence of mind and courage in distress,
Are more than armies to procure success.

A cool and careful examination of the subject will at least let us into the truth of it; and be that truth ever so hard and dreadful, our knowing the worst of it, is preferable to suspense.

Many things which strike us at first as intolerable or impossible, lose much of their difficulty and terror by growing familiar to us. Could we have thought it possible to support the dreadful war which we have hitherto sustained, had it been held up to our view five years ago? The remedy now proposed is but trifling in comparison of what we have suffered. And shall we sink disheartened in sight of a desirable shore, after we have surpassed the tempests and billows of the ocean thro' the voyage? The remedy I propose, is allowed by all to be effectual and sufficient, if it can be practiced; and we shall find it the only one that can save us from ruin; at least this is my opinion, after
more than six months' close attention to the subject, and viewing it in every light in which I can consider it.

I conceive, if it should appear that each industrious individual loses more for want of the tax, than his tax would amount to, that every doubt of the expediency of the tax would instantly be removed and vanish at once; and I think this may be made very clear and plain. I shall attempt to prove this.

I. The tax demanded will amount to about 4 hard dollars in a year to each person in the States, or 20 such dollars, or the value of them, to a middling family of 5 persons; and this will, by the due apportionment of the tax, be lessened to the poor and increased to the rich, in proportion to their abilities. This is the height of it; this is the worst that can happen; this is the dreadful price demanded for our salvation, to save us from sure destruction, and which the Thirteen States are deeply hesitating and contemplating whether they will pay or no; at least this tax is what the Congress are hesitating to recommend, and the States to levy and collect, tho' I doubt if the people would hesitate a moment to pay it, if it was put under collection, especially if it was demanded in monthly rates, which would render the payment much more practicable than it would be, if it was all called for at one payment. Now we will consider what is lost for want of this tax.

1. Every industrious man loses his business, his occupation, or at least finds it greatly embarrassed, and subjected to great difficulty and discouragement: for, I submit it to every man to judge, whether, in the present fluctuating state of the currency and mode of procuring the public supplies, whether, I say, it can be safe or prudent for any man to lay out any business of husbandry, mechanic arts, or merchandize, on any large scale, whilst he knows not what he must sell his proceeds for when he has got them, or whether he may have the selling of them at all or not? These embarrassments are very sensibly felt thro' the States, but would all vanish, if our finances were restored. And I think it very plain, that a man's occupation must be very poor indeed, if
If these embarrassments are not more damage to him, than
his whole tax would amount to.

2. For want of the tax, the supplies of the country are
daily lessening, our plenty wastes away fast, and scarcity and
want are succeeding in the place of them. This makes
every man’s estate in the country less valuable, as it is ap-
parent that an estate in a country of poverty and want, is
not so good, or worth so much money, as the same estate
would be in a country full of riches and plentiful supplies.

All means of living will of course become harder to be
obtained, as it is more difficult procuring supplies in a coun-
try where they are scarce, than in one where they are plenty.
What may be the amount of loss to each individual from
these causes, is not easy to calculate; but as they affect
the whole bulk of estates, and operate on the whole means of
livelihood, they cannot be supposed small, and I think will
readily be allowed to exceed any man’s share of the tax ne-
cessary to prevent them.

3. For want of the tax, the morality and industry of the
people are greatly diminished. Frauds, cheats, and gross dis-
honesty are introduced, and a thousand idle ways of living
are attempted in the room of that honest industry, economy,
and diligence which heretofore blessed and enriched this coun-
try. And as an estate in a country of honest, industrious
people, is better than in one filled with idle rogues; and as
all property is hereby rendered more unsafe and less valuable;
it is very easy to see, that the loss of each individual
in this respect, will be very considerable, and must, on a
very moderate computation, much exceed the tax required
to remedy the whole mischief.

4. For want of the tax, our trade is decaying fast; and
this not only ruins the merchant, and renders the procure-
ment of such necessaries as are usually supplied by our trade,
more dear and difficult, but it enervates the whole
system both of husbandry and mechanic arts, as these can never
flourish without a market, where the produce of the farmer
and the fabrics of the mechanic may be sold, when ready
for sale. This affects the whole country in a most ma-
terial manner, and must at least involve each individual in
a loss.
a loss of more than his tax would amount to, sufficient to give a fixed value and use to our currency, and thereby restore our trade and husbandry to their former vigor.

5. For want of the tax our defence must cease, and we must lie open to the ravages and plunders of our enemies; the very risk and danger of which involves many distresses that must occasion loss to every individual, far greater than the whole amount of his tax would be towards such defence as would render the country quite safe and secure. Add to this, the danger of being finally overrun and conquered by our enemies, and falling under their unrestrained power; in which case, they would doubtless extort perpetual taxes from us, to as great amount as are now required for a short time to secure us against their power.

6. The want of this tax enervates our laws, renders their fines, penalties, and forfeitures uncertain and ineffectual; destroy the salaries, fees, and rewards of our civil and religious officers, and of course prevents men of abilities from serving in the character of judge, sheriff, gospel-minister, schoolmaster, &c. and of course the whole system of our civil and religious polity, and education of youth is clearly on the decline to a very dangerous degree; but as all these institutions tend much to the happiness of society, any decline of them must greatly prejudice the value of every estate, and the prospects of happiness and utility arising from it, to an amount greatly beyond the tax required to secure all these wholesome institutions in their fullest use, respectability, and general influence.

I might add here more instances of losses incurred by individuals from the fluctuating state of our currency and disorders of our finances, which would be all remedied by the tax I recommend; but it appears to me, those already adduced are grounded on such obvious and notorious facts, are of such interesting concern, and of such forcible conclusion, that if they do not convince, it is needless to offer more on the subject; it is vain to offer arguments to people who will not give a shilling to save a pound; and yet this is much more than the tax I propose requires, however it may be aggravated and heightened by stingy, timorous,
or corrupted men, into an *exorbitancy* utterly insupportable.

II. As the money collected by taxes, or other money to the amount will be constantly issuing, the payment of heavy taxes will be rendered as easy as the nature of the case admits; while at the same time the great demand for money occasioned by the tax, will be sufficient to keep its value fixed, and its uses well secured and preserved. The facility of raising sums of money when the circulation is brisk, and the demand quick for goods on hand, is easily conceived, by any person in the least acquainted with trade. This mightily lessens the burden of the tax below what it would be, if collected in a dull time of business, and scarcity of cash, and consequently the tax itself becomes less sensibly felt under these favorable circumstances of easy procurement, than the same would be, if deferred to some future time, when there might be less demand for goods, and greater scarcity of cash; therefore it is the interest of every individual to pay his dues to the public whilst he can do it with the greatest ease, rather than defer it to some future time, when he may happen to be called on for it at a juncture when the payment will be more difficult and distressing than now.

III. The price of most kinds of country produce is *much higher* than it is usually in times of general quiet, and therefore the tax may be paid much easier now than then; as a bushel of wheat, a cow, a sheep, &c. will bring *much more* now than it will do when quiet is again restored, and of course ought to be sold now, that the payment may be made whilst it can be done with most ease and advantage; for *what is not paid now* must lie as a debt to be paid in future time, when it will probably take near a double quantity of wheat, beef, mutton, pork, &c. to pay it, as would now be sufficient.

IV. Further, a prudent man will never let a demand *lie against* him when he can conveniently satisfy it; and a public debt is the worst of all kind of demands, when a man is not ready for them; for I submit it to every man if he would not see *any sort of creditor* come to him when he was unprepared
unprepared to pay, rather than a public collector. Present payment avoids all this trouble and mortification, as well as saves much by the high price which that produce will now bring, which must be sold to pay the tax.

V. The tax will procure a good market, and sure, sufficient payment to individuals who have such articles for sale as are needed by the public; whereas for want of the tax, thousands who have sold their goods to the public, have been paid in a useless currency, or have not been able to get any payment at all, to their great disappointment and damage. This is a consideration of great importance to most people in the States, as there are few who would not choose to supply the public with some kind of goods or services in their power, if they could be sure of punctual and sufficient payment. The having a quick and profitable market for what is made ready for sale, is no small advantage to every individual; for without this all his goods which he does not need for his own consumption, lie useless on his hands, or his time may be lost for want of an employer, who would pay him for his services.

The advantages resulting from this one circumstance would be equal to the tax to many thousands of individuals; as the goods or time they would lose for want of a market or employers, would be more than equal to the tax, as they have experienced to their sorrow, who have lost their goods for want of a market, or sold them where they could not get their payment either in due time, or in currency of certain value.

VI. The tax would remove all cause of complaint, and put an end to the great oppression which has taken place much too long; for if the burden is laid equally on all, no one can have any cause to complain of oppression when his share is demanded; but without this the supplies wanted for the public must be taken by force or fraud from the owners, without payment, to their great oppression and injury. Indeed if supplies are not procured and sent to the army, these oppressions must be multiplied to a very tragical degree; for to disband the army and send them home, when their present supplies are spent, will not probably be either
either safe for the country, or agreeable to them; they
must therefore live in free quarters; they will probably be
directed to march into such States and towns as have been
most deficient in furnishing their quotas: but even in that
case, thousands of individuals will suffer, who have not
been guilty of any deficiency or delays; for in cases of such
extremity, the innocent must be involved with the guilty,
and of course oppressions must be infinite, and very terrible.
The burden of the tax bears no proportion to the ruinous
and most dreadful effects resulting in this one instance from
the want of it.

VII. The tax in a few months will restore our finances,
fix our currency, and put us in condition to unite our force
with every possible advantage; and this will so clearly de-
monstrate our unbroken strength, union, and firmness, that
the hearts of our enemies will die within them, and they
will soon break up and leave us in despair. Their only
hope of conquest has long been from the confusions of our fi-
nances; they have not attempted for two years past to oppose
their capital force to ours; but have hung on us in hopes that
we should soon sink under the pressure of our own expenses,
and so fall an easy prey into their hands; and they will con-
tinue in this hope as long as they see us ringing the changes
on visionary schemes, and trying in new shapes and attitudes
an old delusion, that always has deceived us in every shape,
and probably always will. *

VIII. This same thing will show to foreign powers our
unbroken strength, great resources, wisdom of policy, and vi-
gor in execution, give us great respectability in their eyes,
and enable us to demand and expect any aids from them which
we

* Nov. 19, 1779, Congress earnestly recommended to the several States,
"forthwith to enact laws for a general limitation of prices, to commence from
"the 1st day of Feb. (then) next," on the principle of the exchange of the
currency being at 20 for 1.

The real exchange when this resolution passed, was 38 for 1; and on
Feb. (when their limitation was to commence) the real exchange was 47
for 1.

Various other methods equally idle and visionary were set on foot about this
time to fix the currency, such as, modifying the loan-office with many pro-
posals of supposed advantage, exclamations and threats against such as refused
to sell their property for Continental money, setting on foot subscriptions for
supplying the Treasuries, &c. vide Journal of Congress.
we may need; for the state of human nature is such, that
those can get least help who need it most, and those can pro-
cure most friends who need them least; and the best way for
a man or a nation to get assistance from his neighbours is to be
able to do without it.

On the whole, I do not see that any thing more is nece-
sary, than wife, decisive counsels, put into action with spirit
and resolution. We have enough to do with, if we had but
spirit and wisdom to call it into use; and I think this spirit is
much more wanting in our rulers than in the people. In old
times of distress among the Israelites, it was a sign of ap-
proaching deliverance when the Spirit of the Lord came on their
great men, i. e. in the Hebrew dialect, a great spirit, great
courage, and resolution, adequate to the work; as the trees
of the Lord mean great trees; the sons of God were their
great men, and thunder is called the voice of the Lord, be-
cause it is greatest of voices in the natural world. The Ro-
mans, without inspiration, somehow caught the same idea.
Audentes fortuna juvat. They esteemed Fortune a divinity,
ready to help those who had spirit and courage to help them-
selves. Little is to be expected from languid counsels, half
assured resolutions, plans that want extent adequate to their
purpose, and vigor of execution equal to their extent. If I
could see a little more of that Spirit of the Lord which ani-
imated the brave old worthies, I should soon expect to see
the sword of the Lord follow, and our troubles and trouble-
rs all melting away before us.

But before I quit this subject, I beg leave to add one
thought more, which appears to me of the most capital
importance, viz. that no plan of taxation, or any thing else,
can be of any good effect, if there is not some method adopted
to bring all the States into an union and punctuality of execu-
tion. The least company of men, who have a common con-
cern, if it is but in a ship or piece of banked meadow, find
it absolutely and essentically necessary to have some way to
compel their partners into a punctual discharge of their quotes.
The very existence of our union requires this. If one
State hangs back, another will, and the best concerted plan
possible may be rendered ineffectual by delays and defects in
the execution.
It is essential to the very being of any independent community, that it has in it all the powers necessary to its own preservation. These powers doubtless exist in the Thirteen States, as perfectly as in any other community in the world. And tho' I do not pretend to understand the constitution of our union well enough to decide where these powers lie, yet I should suppose they must be vested in the Congress, as I know of no powers which extend over the whole, but theirs. But if it is thought that these powers are not sufficiently explicit and declared to be in them, it is necessary that this declaration should be made without delay, and put into such force as is absolutely necessary to give effect to our public counsels, preserve the union, and concentrate the force of the whole, and prevent that destruction which may ensue for want of such union of effort for the common safety.

If it was possible for the tardy States to go to destruction alone, without dragging the rest after them, it might be best to dismiss them from the union with contempt. But as this cannot be done, it is necessary to the preservation of the whole, that some means be found to compel such States to keep pace with their neighbours, and bear their due proportion of the burden and duty, as well as receive their share of protection and benefit.

In fine, we want nothing but united and spirited efforts for a short time, to restore our finances, establish our currency, retrieve our honor, secure our safety, give vigor to every kind of business and occupation, recover our virtue, and make ourselves the laudable and envied example of wisdom and happiness to all the world. Our posterity expect and have a right to demand this from us. The eager eyes of all Europe are on us, ready to give their plaudit to our virtue, decision, and success. Our enemies tremble, for fear we should grow wise and virtuous; and Heaven opens the scene favorably, and has given us the lucky cards, and we have nothing to do but to play them out well.

Et dubitamus ad hunc virtutem extendere fas et
Aut metus, hac libera, prohibet consilere terra.

STRIC-
THE Tender-Act of November 29, 1780, is published by order of the Assembly of Pennsylvania for public consideration, and therefore the duty and respect due to the Assembly and the Public obliges every one to consider it, and offer such remarks on it as deserve public notice. In compliance with this duty, I have considered the said act, and the following Strictures appear to me of importance sufficient to engage the public attention.

The nature of a Tender-Act is no more or less than establishing by law the standard value of money, and has the same use with respect to the currency, that the legal standard pound, bushel, yard, or gallon has to those goods, the quantities of which are usually ascertained by those weights and measures; therefore to call any thing a pound or shilling, which really is not so, and make it a legal standard, is an error of the same nature as diminishing the standard bushel, yard, gallon, &c. or making a law that a foot shall be the legal yard, an ounce the legal pound, a peck the legal bushel, or

* The fatal error, that the credit and currency of the Continental money could be kept up and supported by acts of compulsion, entered so deep into the mind of Congress and of all departments of administration thro' the States, that no considerations of justice, religion, or policy, or even experience of its utter inefficacy,
or a quart the legal gallon, and compelling every body to receive all goods due to them by such deficient measures.

Further, to make any thing the legal standard of any of these, which is not of fixed but variable nature, is an error of the same kind and mischief as the other; e.g. to make a turnip the standard pound weight, which may dry up in the course of a year to a pint of not more than two or three ounces, or to make a flannel firing the standard yard, which will shrink in using to half its length. The absurdity of this is too glaring to need any thing further said on it.

But to come to the matter now in question.

The first observation which occurs to me is, that the bills; which are made a tender, contain a public promise of money to be paid in six years. On which I beg leave to remark,

... that inefficacy, could eradicate it; it seemed to be a kind of obstinate delirium, totally deaf to every argument drawn from justice and right, from its natural tendency and mischief, from common sense, and even common safety.

Congress began, as early as Jan. 11, 1776, to hold up and recommend this maxim of maniaism, when Continental money was but 5 months old; (for its actual circulation commenced the beginning of Aug. 1775,) tho' the bills were dated May 10, preceding, that being the first day of that session of Congress.) Congress then resolved, that "whoever should refuse to receive in payment, Continental bills, &c. should be deemed and treated as an enemy of his country, and be precluded from all trade and intercourse with the inhabitants," &c. i.e. should be outlawed; which is the severest penalty (except of life and limb) known in our laws.

This ruinous principle was continued in practice for six successive years, and appeared in all shapes and forms, i.e. in tender-acts, in limitations of prices, in awful and threatening declarations, in penal laws with dreadful and ruinous punishments, and in every other way that could be devised, and all executed with a relentless severity, by the highest authorities then in being, viz. by Congress, by Assemblies and Conventions of the States, by committees of inspection (whose powers in those days were nearly sovereign) and even by military force; and those men of all descriptions stood trembling before this monster of force, without daring to lift a hand against it, during all this period, yet its unrelenting energy ever proved ineffectual to its purposes, but in every instance increased the coils it was designed to remedy, and destroyed the benefits it was intended to promote; at best its utmost effect was like that of water sprinkled on a blacksmith's forge, which indeed deadens the flame for a moment, but never fails to increase the heat and force of the internal fire. Many thousands of full and easy fortune were ruined by these fatal measures, and lie in ruins to this day, without the least benefit to the country, or to the great and noble cause in which we were then engaged.

I do not mention these things from any pleasure I have in opening the wounds of my country, or exposing its errors, but with a hope that our fatal mistakes may be a caution and warning to future financiers, who may live and act in any country which may happen to be in circumstances similar to ours at that time.

N. B. The act of Nov. 29, 1780, herein referred to, was passed into a law, Dec. 19, 1780.
that the best and most indubitable security of money to be paid in six years, or any future time, is not so good or valuable as ready cash. The truth of this proposition is so evident and obvious to every body, that it cannot need proof.

Therefore the law, which obliges a man to accept these bills instead of ready cash, obliges him to receive a less valuable thing in full payment of a more valuable one, and injures him to amount of the difference; and is so far a direct violation of the laws of commutative justice—laws grounded in the nature of human rights, supported by the most necessary natural principles, and enjoined by the most express authority of God Almighty, and which it is not possible that any legislature on earth should have right to infringe or abrogate.

Again, the security arising from the public promise is not generally deemed certain. The public faith has been so often violated, and the sufferings of individuals thence arising have been so multiplied and extensive, that the general confidence of our people in that security is much lessened; and as a chance or uncertainty can never be so valuable as a certainty, those bills must and will be considered as less valuable than they would be, was the security on which they depended, free of all doubt or uncertainty; and consequently, the discount of their value will always be estimated by, and of course be equal to, this difference. Therefore, the injustice of forcing them on the subject at full value of present cash, is greatly increased.

These propositions and reasonings are grounded on such notoriety of fact, that any explanation or proof is needless; and I hope an objection against a law, drawn from the most manifest and acknowledged injustice of its operation and effect, will not be deemed trivial, or be easily set aside or got over.

Naked facts are powerful things, and arguments sometimes do best, and have the greatest effect, when addressed to the feelings of mankind; and that I may press the matter as close as I can, I beg leave to propose the following case, viz.

Suppose a man of grave phiz and character should, in distress, apply to his neighbour for the loan of 1000 silver
silver dollars, with solemn promise on his honor and truth to repay them in a month, and in the mean time the tender-act under consideration should pass into a law, and the borrower, at the month's end, should tender 1000 of the new paper dollars in payment.

I beg leave here to propose to every Member of the Assembly who voted for that law, and to every other man, who is a member of this State, what their sentiments of that action would be, and in what light they would view the borrower, who tendered the paper dollars (i. e. $ of the debt) in payment of the silver ones he had received; i. e. would they consider him as an upright, honest man, or a foameless rascal?

In whichever of the two characters they may choose to consider such a man, it may be proper to note, that the act in question, if passed into a law, would protect him, and not only so, but would subject the lender to the loss of the whole money if he refused to receive it. This is a somewhat delicate matter, which it is painful to dwell long upon. I will therefore close what I have to lay on it with a few very serious remarks, the truth, justice, and propriety of which I humbly submit to the reader.

1. The worst kind of evil, and that which corrupts and endangers any community most, is that iniquity which is framed by a law; for this places the mischief in the very spot, on the very seat, to which every one ought to look and apply for a remedy.

2. It cannot be consistent with the honor, the policy, the interest, or character of an Assembly of Pennsylvania, to make a law, which, by its natural operation, shall afford protection to manifest injustice, deliberate knavery, and known wrong.

3. No cause or end can be so good, i. e. so heavenly in its origin, so excellent in its nature, so perfect in its principles, and so useful in its operation, as to require or justify infernal means to promote it. By infernal means I mean such as are most opposed to Heaven and its laws; most repugnant to natural principles of equity, which are all derived from Heaven; and most destructive of the rights of human nature, which are essential to the happiness of society; the laws of which
which are engraven by Heaven on the heart of every man; some wicked men have formerly said, "let us do evil, that good may come, whose damnation is just."

But perhaps this sort of argument may not have all the effect I could wish on the mind of every reader. I therefore proceed to another argument, which goes to the nature and principle of the act itself, viz. that the credit or value of money cannot, in the very nature of the thing, be supplied, preserved, or restored by penal laws, or any coercive methods. The subject is incompatible to force, it is out of its reach, and never can be made susceptible of it, or controllable by it. The thing which makes money an object of desire, which gives it strength of motive on the hearts of all men, is the general confidence, the opinion which it gains, as a sovereign means of obtaining every thing needful. This confidence, this opinion, exists in the mind only, and is not compellable or assailable by force, but must be grounded on that evidence and reason which the mind can see and believe; and is no more subject to the action of force, than any other passion, sentiment, or affection of the mind; any more than faith, love, or esteem.

It is not more absurd to attempt to impel faith into the heart of an unbeliever by fire and faggot, or to whip love into your mistress with a cowfein, than to force value or credit into your money by penal laws.

You may, indeed, by force compel a man to deliver his goods for money which he does not esteem, and the same force may compel him to deliver his goods without any money at all; but the credit or value of the money cannot be helped by all this, as appears by numberless examples. Plain facts are stubborn and undeniable proofs of this. Indeed, this has been tried among ourselves in such extent of places and variety of shapes, and in every instance been found ineffectual, that I am amazed to see any attempt to revive it, under any devisable form whatsoever. Numberless are the instances of flagrant oppression and wrong, and even ruin, which have been the sad effects of these dreadful experiments, with infinite detriment to the community.
in general, without effecting in any one instance the ends intended. The facts on which this argument depends, are fresh in every one's memory.

I could wish, for the honor of my country, to draw a veil over what is past, and that wisdom might be derived from past errors, sufficient to induce every one to avoid them in future. In fine, from the contemplation of the nature of the thing, and of the facts and experiments which have been made in every variety of mode, and supported by every degree of power and exertion, it appears as plain and undeniable as intuitive proof, that the credit or value of money is not in its nature controllable by force, and therefore, any attempt to reach it in that way, must end in disappointment, and the greater the efforts, and the higher the authority which may be exerted in that way, the greater must be the chagrin, shame, and mortification, when the baseless fabric shall vanish into smoke.

The only possible method then of giving value or credit to money is, to give it such qualities, and clothe it with such circumstances, as shall make it a sure means of procuring every needful thing; for money that will not answer all things, is defective, and has not in it the full nature and qualities of money. In this way only it will grow fast enough into esteem, and become a sufficient object of desire, to answer every end and use of money. Therefore, when the question is proposed, how shall we give credit or value to our money? the answer, the only true answer, is, bring it into demand, make it necessary to every one, make it a high means of happiness, and a sure remedy of misery. To attempt this in any other way is to go out of nature; and of course into difficulty, only to obtain shameful disappointment in the end.

There is nothing better than to take things in their natural way. A great and difficult work may be accomplished by easy diligence, if a good method and a wise choice of means are adopted; but a small work may be made difficult, very soon, if taken at the wrong end, and pursued by unnatural means. There is a right and a wrong method of doing every thing. You may lead with a thread what you cannot
cannot drive with whips and scorpions. The Britons have
found this to their cost, in the unnatural means they have
pursued to preserve and recover their dominions in Amer-
ica. I wish we might be made wise by their errors.

Felix quem faciunt aliena pericula cautum.

I would be willing to learn wisdom from Great Britain.
Fas est ab hoste doceri. Amidst all their madness, and in all
their distresses for money, they never once thought of mak-
ing their bank or exchequer bills a tender, or supporting
their currency by penal laws. But these considerations
may have little effect on some minds, who are not very de-
licate in their choice of means, but seem resolved to carry
their point, volente volente Deo.

I therefore hasten to another topic of argument, viz. It
appears to me the act is founded in mistaken and very bad
policy, and by its natural operation must produce many ef-
fects extremely prejudicial to our great and most important
interests.

1. It seems plain to me, that the act has a fatal tenden-
cy to destroy the great motives of industry, and to disheart-
en and discourage men of every profession and occupation
from pursuing their business on any large scale or to any great
effect, and therefore will prevent the production of those
supplies derived from husbandry and manufactures, which
are essential to our safety, support and comfort. Few men
will bestow their labor, attention, and good money, with
zeal, to procure goods and commodities for sale, which they
know they must sell for money which they esteem bad, or
at best doubtful. This proposition is so obvious and natural,
that it strikes the mind with conviction at first sight with-
out proof, and is so amply confirmed by our past experi-
ence, that it can admit no doubt as to its truth or conse-
quence.

The extent and dreadful effects of this are unavoidable
and immense. If the industry of the farmer and tradesman
is discouraged, and they cease to lay themselves out for
large crops and fabrics, the consequence must be an uni-
versal
verfal diminution and scarcity of the produce of the country and most important articles of living, as well as commerce. The general industry of the country is of such vast importance, is an object of such magnitude, that to check it, is to bring on ruin, poverty, famine, and distresses, with idleness, vice, corruption of morals, and every species of evil; but enumeration or enlargement is unnecessary here.

As money is the sinews of every business, the introducing a doubtful medium, and forcing it into currency by penal laws, must weaken and lessen every branch of business, in proportion to the diminution of inducement found in the money.

2. The same thing will render the procurement of supplies for the army difficult, if not utterly impracticable. Most men will hold back their goods from the market, rather than sell them for money of a doubtful credit; and there will be no possible way of collecting them, but to send a superior force into the country, and there take them by violence from the owner, which will occasion such an expense as will double the cost of the supplies by the time they get to the army, be subject to a thousand frauds, &c. &c. &c. This is the most obvious and natural operation of the act, if we consider its own nature only, and is confirmed by such ample experience, recent in the memory of every man, that it can leave no doubt but all this train of mischief must follow the act from its first operation.

3. I apprehend the act will, by its natural operation, tend to corrupt the morality of the people, sap the support, if not the very foundation, of our independence, lessen the respect due to our Legislature, and destroy that reverence for our laws, which is absolutely necessary to their proper operation, and the peace and protection of society. Many people will be so terrified with the apprehension of seeing their real substance, the fruit of their labor and anxious attention, converted into a bundle of paper bills of uncertain value, that, to avoid this evil, they will have strong inducements to rack their invention for all devisable ways and methods of avoiding it; and this will give rise to such numberless
numbless frauds, ambiguities, lies, quibbles, and fhrms, as will introduce the habit and give a kind of facility to the practice of such guile and feats of art, as will endanger the uprightnefs, plain honfly, and noble fncreity, which ever mark the character of a happy and virtuous people.

Many, who with well to our independence, and have many neceffaries for our army which they would wish to supply, will be yet held back from offering their goods, from the sole consideration of the doubtful value of the bills in which thoſe supplies must be paid for; and instances of this fort I conceive will be fo numerous, as greatly to affect the supplies of our army, and of course the support of our independence. The injuries and fufferings of people, who are compelled to take fai'd bills in fatisfaction of contracts for real money, will induce them in their rage to ufe the legislature, who formed the act, with great liberty; and perhaps gross difreſpect, whilst the habit of reproaching the legislature, and eluding the injurious act, will become general, and pave the way to an habitual and universal abhorrence of our legislature and contempt of our laws, with a kind of facility and artful dexterity in eluding the force of the whole code.

I freely submit it to my reader, if these confequences are at all unnatural or ill-drawn, if the furmifes are at all groundless, or the painting a whit too strong. No art of government is more neceffary, than that of keeping up the dignity and reſpectability of the legislatures, and all courts and officers of government, and exciting and preferring in the hearts of the people a high reverence for the laws; and any thing which endangers these great supports of the state ought to be avoided as a deadly evil.

4. The act, I apprehend, will give a bad appearance to our credit, honor, and reſpectability, in the eyes of our neighbours on this continent, and the nations of Europe, and other more diftant parts of the world. For when they come to be informed that our own people muft be compelled, by the losf of half their eſtates and imprifonment of their persons, to trust the public faith, they will at once conclude there muft be some great danger, some shocking mischief dormant
dormant there, which the people nearest to and best acquainted with it, abhor so much; and of course, as they are out of the reach of our confiscations and imprisonments, will have little inducement to trust or esteem us. And

5. Will give great exultation and encouragement to our enemies, and induce them to prolong the war, and thereby increase the horrid penalty of imprisonment, which is to last during the war. When they see that our money is become so detestable, that it requires such an act as this to compel our own people to take it, they must at least be convinced that its nature is greatly corrupted, and its efficacy and use nearly at an end. When we see the passionate admirers of a great beauty forced by lashes and tortures into her embraces, we at once conclude that she has lost her charms, and is become dangerous and loathsome.

It cannot be fairly objected to these Strictures, that they suppose the bills funded by this act are of less value than hard money. The act itself implies this. The Assembly never thought of wasting time in framing an act to compel people to take guineas, joes, and Spanish dollars, under penalty of confiscation and imprisonment. Besides, the fact stands in such glaring light in the eyes of all men, that it is mere trifling to dispute it.

I dare think that there is not a man to be found, either in the Assembly or out of it, that would esteem himself so rich and safe in the possession of 1000 of these dollars, as of 1000 Spanish ones; and the most effectual way to impress a sense of the deficiency of the act on the minds of all men, and even discover the idea which the Assembly themselves have of it, is to enforce it by penalties of extreme severity; for were there no deficiency in the act, it could not possibly require such penalties to give it all necessary effect, nor is it supposable that the Assembly would add the sanction of horrid penalties to any of their acts, unless they thought there was need of them.

The enormity of the penalty deserves remark. The penalty for refusing a dollar of these bills is greater than for stealing ten times the sum.

Further
Further, the act alters, and of course destroys, the nature and value of public and private contracts, and of consequence strikes at the root of all public and private credit. Who can lend money with any security, and of course who can borrow, let his necessity and distress be ever so great? who can purchase on credit, or make any contract for future payment? in very deed all confidence of our fellow-citizens in one another is hereby destroyed, as well as all faith of individuals in the public credit.

Upon the whole matter, the bills must rest on the credit of their funds, their quantity, and other circumstances. If these are sufficient to give them a currency at full value, they will pass readily enough without the help of penal laws. If these are not sufficient, they must and will depreciate, and thereby destroy the end of their own creation; and this will proceed from such strong natural principles, such physical causes, as cannot, in the nature of the thing, be checked or controlled by penal laws, or any other application of force.

These Strictures are humbly offered to public consideration. The facts alleged are all open to view, and well understood. If the remarks and reasonings are just, they will carry conviction; if they are not so, they are liable to any one's correction.
AN

ESSAY

or

Humble Attempt to examine and state the

TRUE INTEREST

Of Pennsylvania with Respect to the Paper Currency.


I propose, first, some remarks on the subject of paper money, and, secondly, some particular consideration of the Acts of our Assembly for issuing the new Continental bills, with some reasons why I think the true interest of Pennsylvania requires that those acts should be repealed, and the issuing of those bills should be stopped or suspended for the present, and I hope to do this without offence; for the great interests of a State, in which 400,000 citizens are concerned, cannot be too well understood, nor the utility of its laws be too carefully examined, or the errors of them be discovered and amended too soon.

Two things are essentially necessary to give paper bills a credit and currency equal to hard money. 1. Such certainty of honest and punctual redemption, as shall fully satisfy the mind of the possessor. 2. That the credit and demand for said bills should be so constantly kept up, from the time of their emission to that of their redemption, that the possessor may be able, at any time, to pass them at hard money value. The first of these is provided for by the
the Assembly, if their act shall produce the certainty of redemption required, which I am not here to dispute: but the second is equally necessary; for should the bills pass from their emission to their redemption, or any part of that intermediate time, at a depreciated value, say 2, 3, or 4 for 1, tho' they should be redeemed at full value at the expiration of their currency in the most punctual manner, yet the mischief they would occasion in the mean time would be infinite.

One of which would be, that the depreciation itself would render the final redemption of the bills at full value both unjust and pernicious, as well as very hard and oppressive to the body of the people; for, in this case, the people must be taxed, say two, three, or four times the value or current exchange of the bills; not to the public benefit, but solely to increase the wealth of those rich people, who will hoard up the bills, and have them in possession at the time of their redemption. From which it appears (and indeed I think it may be demonstrated from the plainest principles) that public bills ought always to be redeemed at that value or current exchange, at which they usually pass at the time of redemption, let their nominal value be whatever it may. Indeed, the infinite and ruinous mischief of a fluctuating currency are so generally felt and well understood, that I conceive there is no need of proof, that it is equally necessary to keep the value or exchange of bills stable and unvarying thro' the whole time of their currency, as to provide sure funds for their final redemption, and that the first of these does not depend solely on the last. The first of these depends on opinion, persuasion, and general practice; the last on the ability and integrity of the redeemer.

If you offer a bill to a stranger, he never thinks of asking when, by whom, or how certainly that bill is to be redeemed, but his only question is, whether he can pass it again? Not one in a thousand who takes a public bill, takes it with a design to lay it up five or six years, tho' its redemption be ever so sure at that time, but his object is immediate use, to serve his present occasions by instantly passing it again, or at least having it in his power to do it
It whenever occasion may offer. I take it that these principles and reasonings are perfectly plain and clear, and will afford, by the clearest inference, the following consequence, viz. That no public bills ought ever to be issued, which have not these two great and essential supports, 1. A certainty of final redemption; and, 2. Such general confidence and demand, as will insure their currency at full value without depreciation, during the whole time of their circulation.

Indeed, it appears to me, that to issue public bills without these supports is the plainest folly, bordering on insanity, and must be very criminal, when done in the face of clear evidence and conviction. It further appears to me, that the new Continental bills have not these supports at present, and therefore ought not to be issued till these supports can be obtained, and of consequence, that the great interest of the State requires that the laws for issuing them should be repealed; or at least that the issuing them should be suspended till these supports can be obtained; for which I offer the following reasons, which seem to me to be of weight and force sufficient to engage the most serious attention of the public.

1. The quantity (viz. 10,000,000 of dollars) is at least four times as much in value as all the old Continental bills, and therefore must, from the nature of the thing, depreciate it, were its funds ever so indubitable, and the public confidence in it ever so great.—I conceive the present mean exchange of the Continental bills is about 100 for 1, at least they cannot be set at less than 80 for 1, on any sure facts, which makes the whole quantity (viz. 200,000,000) worth 2,500,000 of hard dollars, which is but one fourth of 10,000,000;—and further, that increasing the quantity of money will (ceteris paribus) decrease its value. This will always be a natural truth, as long as the value of money is nothing but the proportion between the quantity of circulating money and the occasions of money (as I think I have demonstrated in my Essays on Free Trade and Finance, and especially in the Second Essay) and which now is
is become such a received truth, that it cannot need further proof here.

2. The sum of $10,000,000 of dollars, added to the other bills which will continue circulating, such as State money, and certificates of various kinds, &c. is much more paper money than the Thirteen States ever did or can bear. The whole circulating cash of the Thirteen States, on the best calculation I have been able to make, never did exceed $12,000,000, I rather think it not more than $10,000,000 of hard dollars in value, and not more than half, or at most three fifths, of the circulating cash in this State was paper in 1774; and I am convinced, by very good documents, that that proportion was not exceeded in the other States, where paper money was circulated; and as most of the trade and business that requires stock or cash, is now in stagnation, there cannot be occasion for so much circulating cash as in 1774, when every business, trade, and occupation was in full vigor.

Indeed, it is easy to make a pretty just estimate of the quantity of circulating paper which the country can now bear, from fact, viz. from the value of the present circulating paper, of which the Continental bills are much the greatest part; by which it will appear, that the present circulating paper cannot exceed four millions of Spanish dollars in value,—and that it is as much as the Thirteen States can bear, or rather more, is plain from this,—viz. that the paper of all forts continues to depreciate. Now, in these circumstances, to pour on 3 or 4 times as much new paper as we are found, by experiment, by plain fact, able to bear, is in my opinion a sure way to depreciate it. I think it is not more certain, if you pour three or four buckets of water into one that is already full, that some of it must run over; yea, I think that the whole quantity you pour in must all run over.

3. We have already too much money circulating among us, for it is certain that even hard money will not purchase more than two thirds as much labor, country produce, or other necessaries, which are not heightened in their price by the extraordinary expense of importation, as the same would
would have purchased in 1774. Hence it follows, that the quantity of money has increased beyond the occasions of money in that proportion. This is reasoning on sure principles, which any body may disprove that can; the price of market, rents, and even real estates, afford a most plain, and striking proof of this; it is further to be noted here, that the French and British armies import much money; which they are daily spreading among us, and thereby rapidly increase our circulating cash. It follows then, that our best policy is to reduce the quantity of our circulating medium, especially that dangerous part of it which consists in paper, that we may avoid, as far as possible, the further horrors and mischiefs of a depreciating currency, rather than to increase the evil by pouring in immense additions.

4. The present Continental money passes at its exchange thro' all the Thirteen States readily enough; any thing, even hard money, may be purchased with it; therefore it answers well the ends and uses of a circulating medium. But the new bills, however well established their funds may be, have not the confidence of the public in general, nor will they be readily received. They are a new thing, and their fate uncertain. This will naturally depreciate them in the first beginning of their circulation, by which the whole commerce of the Thirteen States, as well as the public finance and expenditures, will receive the most essential injury. Now to call in a currency that is well received, and which answers well the ends and uses of a circulating medium, and issue instead of it one of doubtful credit, which will probably be received with diffidence, if not disgust, appears to me the height of absurdity.

5. The new bills, however funded, must stand on the same basis as the old, viz. the public faith, which, however modified, is neither better nor worse in the one case than the other, and therefore the new bills will depend on no better supports than the old ones, and of consequence nothing can be gained by the exchange, the trouble, risk, and expense of which must therefore be wholly loft.

6. If
6. If the old bills should depreciate, the public will gain the depreciation; but if the new bills should depreciate, the public must lose the depreciation, or must suffer a second bankruptcy to avoid the loss.

7. If the new bills should be emitted, they will not answer the purpose of a general currency, which is one principal end of their creation; but, like the State money, will be confined to the State that signs them. For it is very certain, that one State will no sooner take the new bills signed by another State, than they will take any other bills signed by the same State; for the Continental security, added to the new bills, is neither expressed nor intended to mend the credit or make good the deficiencies of any of the States, but such as are rendered incapable of payment by the power or possession of the enemy. The present Continental bills have a general currency, and therefore ought to be kept in circulation in preference to the new bills, if no other reason could be given for it.

8. Most of the other States who have emitted the new bills, have issued them at 40 for 1, i. e. at about half their nominal value, and it is in my opinion pretty much in vain for us to attempt to give our bills a better exchange or value than theirs have, in as much as their funds of redemption and means of intermediate circulation are as good as ours; besides, to attempt this would be to introduce such a variety, such a jargon of exchanges, as would defeat every purpose of a general currency of those bills.

9. If the new bills should be issued at half value, or should speedily depreciate to 2 for 1 (and I think on every natural principle they must depreciate to 3 or 4 for 1 by the time they are all out) I say, at 2 for 1 the States will not only—1. give 40½. for every 20½. which they issue; and, 2. give 10 per cent. interest in hard money for it all; but, 3. when they have issued it all, it will pay but half the expenditures of the year, if those expenditures are 10,000,000 of hard dollars, as they are generally computed; for it is plain that 10,000,000 at 2 for 1, will pay but 5,000,000 real money; and if the whole 10,000,000 should be called in by taxes within the year, yet at the end of the year,
year, the States would find themselves in debt 5,000,000 of
hard dollars, over and above the heavy balance now against
them, and the annual increase of the public debt abroad.

But if (as will most likely be the case) most of the new
bills should be outstanding at the end of the year, we must
add to the aforesaid 5,000,000 of hard dollars debt, the
amount of all the outstanding bills, with one year's hard
money interest on them all—a vast chaos this, equal to
the dreary regions of ancient night! My reader may
think my reasoning is fanguine, and expression strong, but
both proceed from the real convictions of my own mind,
from the force of truth.

If I have discovered and described properly these opera-
tions of the new bills on the Thirteen States, it follows that
this State must take its share of these consequences if they
issue their quota of them.

What I would humbly propose, instead of this measure,
is, to repeal the acts for issuing the new bills, or suspend their
execution till we are in condition to give them a currency truly
and really equal to hard money, and keep them so; and in the
mean time to continue the circulation of the present Continental
or State bills, or both, till we can get hard money enough for a
currency, or till time and wisdom shall discover some other
resource, less fraught with dishonor, disappointment, and
ruin.

In fine, taxation equal to the public expenditures is, in my
opinion, the only method in nature by which our defence
can be continued, our independence be preserved, a destruc-
tive increase of the public debt be avoided, our currency (hard
or paper) be kept in a state of fixed value, the natural
springs of industry be given to every profession of mind, our
supplies made plentiful, the public confidence be restored to
the public councils, the morality of our people be revived,
and the blessings of heaven be secured to ourselves and our
posterity. All this, I conceive, is proved fully in my five
Essays, especially the Fifth, to which I refer every one who
is not already weary of my thoughts, and would wish to
be further acquainted with my sentiments on this sub-
ject.

Upon
Upon the whole matter, I conceive that union in counsels, uniformity of method in our finances, and the benefits of a general currency, were the principal objects of the resolution of Congress of the 18th of March, 1780 (tho' I confess I never could see the advantages of that resolution.) I further conceive these objects are already lost; for the different exchange at which the different States issue and pass the bills, and the want of confidence of the States in each other (for one State will not take the bills of the other States, as we find by experiment) together with the deficient and dilatory supports given to those resolutions, I say, all these together destroy the intended union of counsels and uniformity of finances, and render a general currency of the bills impracticable.

Indeed, I ever considered the enormous quantity of bills proposed for emission in the said resolution, to be a seed of mischief, which would grow up with force in the course of its operation, and defeat its effects; the ill consequences of which could no otherwise be avoided, than by the most strenuous and united efforts of the States in its support, and using the greatest prudence and caution as to the quantity issued; all which I noticed with great freedom in my Strictures on said resolution, in my Fifth Essay, published ten months ago. It now appears that the efforts of the States in support of said resolution have been very dilatory, far from decisive, and widely differing in the manner of exertion; that the general confidence of the public in the success of the bills is greatly shaken; and that the general currency of them is rendered impracticable, and not to be expected, and of course that the great design, and benefits of the measure are already become desperate.

I cannot see that it would be wise in our Assembly further to pursue a scheme, the principal objects of which are already defeated, and which, of course, has already lost its capital uses; especially when there are so many and important objections lying in the way of its operation: to suppose that we can cut our way thro' all these difficulties, and force the bills into circulation by penal laws is an idea which I cannot think admissible, for the reasons I alleged in my Strictures
Strictures on the Tender-Ac†, whilst it was under consideration; at least this dependence is dangerous to a great degree, for should it fail, we shall be left dreadfully destitute, without any cash at command, and without time or means of recurring in season to our more sure resources.

If the emission of the new Continental bills should be laid aside, we may be able well to support our new emission of state bills; if the demand for them is sufficiently increased by taxes which is very practicable; and if the legislature could be prevailed on to take off the penalties of the tender-act, which were designed to enforce their circulation, but which, in my opinion, add horror to the currency itself, and raise doubts and fears which otherwise would not be thought of; and, in any view, stand as a monument of the weakness of our public credit, which requires such unnatural supports to keep it in existence, and will be a monument of our folly, shame, and inadequate policy, if it should fail of producing the effects intended.

I apprehend it would be much more sure, natural, and advisable, if we need money for any use, e. g. to pay and feed the army, &c. to lay a tax on our people for it, and solemnly appropriate it to that purpose only, and tell them so. I am of opinion such a tax would be speedily and cheerfully paid, and let the same be done for every other branch of expenditure. This will be settling and finishing the matter as we go along, and will keep our State and counsels free from the confusion of perplexed finances, the endless labor of settling public accounts, the pressure of a public debt, and the disheartening horrors of future endless taxes, to discharge the Lord knows what of interest and principal, which will remain to be paid in future time.

If other States are disposed to involve themselves and posterity in an endless labyrinth of confused accounts, fluctuating currency, and inmensity of debt, it does not follow that it is either prudent or necessary that we should imitate their example. If we satisfy the quotas (demanded by Congress) as well as they, we do our duty as well; and if this be done in a way of more ease and safety to our
own people, the other States cannot be prejudiced by it, and if they should apprehend that our method has more advantages in it than theirs, instead of blaming us, they may, if they please, follow our example. If this should not suit them, they will be at liberty to load themselves with paper, whilst we shall draw their hard money to ourselves, which will be the natural and unavoidable consequence of their continuing, and our restraining, the emissions of paper money.

The same thing will fill our State with the best inhabitants; for it is plain that every sensible man would choose to settle himself in a State free of debt, rather than in one loaded with a debt which would require the galling taxes of an age to discharge it.

But, all this aside, I would rather discharge the expenditures as we go, tho' it should prove heavy, than to leave a legacy of debt on posterity, which will mix bitterness with the sweets of that liberty which we are endeavouring to procure for them, and induce them to cenSure the humanity of our counsels, and lessen their gratitude to us for a most valuable blessing secured to them, because they will find themselves charged with the expense of it.

But still I expect to hear the old cry against my principles, that they are good in theory, but not admissible, because impracticable; that taxing equal to the expenditures is impossible, because the people cannot bear such weight of taxes; but there is no disputing against necessity, I therefore beg the reader's patient attention to the following short propositions.

1. Taxing equal to the expenditures is the only possible method of keeping our currency to a fixed value; for if there is more money in any country issued into currency, than is taken out during the year, there must be more money in circulation at the end of the year than there was in the beginning of it, and an increase of quantity will depreciate the value of any currency (hard or paper:) this depends on principles as natural and unalterable as the laws of gravitation, or powers of the magnet.
2. A fluctuating currency is by all men confessed to be a calamity, much more dreadful and ruinous than any degree of taxation necessary to prevent it.

3. The mischief of a fluctuating currency is dreadfully increased by all regulations, tender-acts, and every other application of force made use of to prevent it; the noise, force, and devastation of an irresistible current are dreadfully increased by obstacles thrown in its way, beyond what would happen, if it was suffered to take its natural course without interruption; for a practical proof of these last propositions, I appeal to the experience of every man of any business, with this plain question, "Sir, would you not rather pay your share of the whole expenditures of the year in monthly or quarterly taxes, than suffer, thro' the year, the pains, injuries, and inconveniences of a fluctuating currency, with regulations, committees, tender-acts, and penalties in force?" I dare believe that scarce a man of business and character can be found in this State, who would not readily answer, and from full conviction, that the tax would be much the least burden some of the two.—I will then state my propositions with freedom, and submit them to the candid examination and censure of the public. I propose,

1. To repeal the acts for issuing the new Continental bills, of March 18th, 1780; and
2. All the tender-acts; and
3. To let the laws have their free course to oblige every man to fulfil his contracts as plain justice requires; in order to this, a scale of depreciation * for some time past may be easily made for the government of the courts; or the court and jury may be empowered to give judgment for what appears to be in justice due, on the full hearing the case; i. e. I humbly propose to be honest once more, to revive our old notions and practice of justice and equity; i. e. to suffer justice and judgment to run down our streets, and overflow our land. My reason for this proposal is, because I really

* The Assembly of Pennsylvania, by their act of April 3, 1781, made a scale of depreciation, by which all debts, accounts, contracts, &c. were to be adjusted and settled.
really believe it is both a natural and revealed truth, that "righteousness exalteth a nation, but sin is a reproach to any people.

4. To issue a tax for whatever money we want for public use, which will lay the public burden on all equally, in proportion to every one’s ability, and cannot wrong or ruin any body.

5. To continue the new State money, or old Continental bills, or both, in circulation. I do not think that Congress will object to this on a review of the case; for the old Continental bills are the only paper money among us, which has any chance of a general currency thro’ the Thirteen States, and I look on a general currency to be an object of such indispensable necessity, such vast magnitude, that Congress will rather choose to relinquish an old revolution already in ruins, than attempt to support the vast expenses of the Thirteen States, without any general currency at all.

6. I propose to call in the old State money (i. e. all the old State money made since the last bills under the crown) at its present exchange or current value,* which may be easily done by a tax made for hard money, or that money at the present exchange. We shall then have no bills to redeem, but the new State bills,† and our share of the old continental ones.—These things I conceive to be more practicable and less burdensome than the omission of them would be, and will be a good introduction to our reinstating our public finances, and restoring the industry and morality of our people, and of course recovering our trade, manufactures, and husbandry.

The whole is freely submitted to the consideration of the public.—It is undoubtedly mine as an individual to examine,

* The money here meant is resolve-money, shilling-money, and in short, all bills of this State, dated prior to 1778; the nominal amount was great indeed, but the value was so reduced by the depreciation (the exchange being at about 100 for 1) that a small tax of hard money would have sunk or redeemed it all.

† The new State bills were such as were dated since 1778, of which the first money (100,000$) was the principal omission then extant; but an addition of 500,000$. more was made afterwards with tender, April 7, 1781.
mine, remark, and propose; it is the public that must adopt or reject, and may God give the wisdom necessary to the due exercise of this great privilege.

I beg leave to conclude, by observing that this State, and our posterity, born and unborn, are yet on this side the bottomless gulf of infinite debt, * shame, and slavery, but they stand trembling on the brink of it, and it depends much on our present counsels, whether they shall be pushed in or not.

* Our circumstances were extremely dreary at this time; the enemy pressed us very hard; the burden of the war seemed insupportable; our visionary revenues all failed; and our public counsels (tho' all firm and united in the great idea of establishing our independence at all events, and of sacrificing every other consideration to this most capital object) yet, I say, our counsels were much divided in opinion with respect to the means of obtaining it.

Schemes and projects various enough, and some of them wild enough, were proposed and urged; the great difficulty lay in the deficiency of the revenue; ways and means of procuring money engrossed every one's attention.

Among other things the scheme of negotiating immense loans in Europe, had long been proposed and at this time began to gain ground in Congress; and the ruling powers of Pennsylvania, seemed disposed to adopt the same idea for the particular supplies of their own treasury.

This raised in every body the alarming idea of an immense foreign debt, which would drain the country for ages to pay the interest, with little hope of getting clear of it, by ever paying the principal.

The horrors of this almost swallowed up the dreadful apprehensions of the domestic debt, for the burden of this still lay heavy on the public mind; for the idea of sinking it by depreciation had not yet gained establishment in the public opinion. The author of these Essays, from first to last, reproached every idea of foreign loans beyond a sum sufficient to purchase such articles in Europe, as were essentially necessary for us, and which could not be procured among ourselves.

He thought the resources of the country were by no means exhausted, and that by proper wisdom and exertion, we could much better furnish all necessary supplies within ourselves, than by loans abroad.

This idea he not only adopted fully himself, but endeavoured to impress it on his countrymen to the utmost of his power, by every argument and means of conviction which he could possibly lay before them.
AN ESSAY ON
The Economy, Policy, and Resources of the
THIRTEEN STATES,
AND
The Means of their Preservation.

[First published in Philadelphia, in January 1781.]

The exhausted state of the public treasury, and the
universal disorder of our finances, the pressing de-
mand for supplies for every department of the public
service, the convulsions which begin to appear, and the
general confusion that threatens us, are become very seri-
ous and alarming, are become matters of very anxious con-
cern, and even painful despondency, in the minds of many
very wise and good men; and the public necessities are
thence arisen to such a pitch of urgency, as must convince
every thinking man that a speedy remedy or ruin must be
the consequence. In this dreadful crisis, I will venture to
lay before the public some thoughts on the present state of
our affairs, and the ways and means of deliverance, which
appear to me most wise, natural, and practicable; and
this I propose to do with the same openness and freedom
of mind and expression, which I have heretofore used, and
hope for the same candor and indulgence from the public
which I have heretofore experienced.

1. Our
1. Our country is not exhausted; it is full of supplies of every kind, which are needed for public service. We have men enough who would wish to serve in the army, if they could be properly supported and paid. We have provisions and all other supplies enough in the hands of our own people, who wish to sell them to any body who would pay for them.

2. We have unanimity and general zeal for the great cause of liberty, for which we are contending. Neither our public counsels nor movements are obstructed or weakened by strong, opposite factions, waiting our wisdom or force in counter-working each other. The most dangerous and alarming commotions among us, how such firmness, zeal, and unshaken attachment to the great American cause, as plainly demonstrate that they do not at all arise from disaffection, but from other real, distressing causes.

3. We want nothing but wisdom, to draw into use the force and supplies of which the country has sufficient plenty. Like the foolish prodigal, we are feeding and starving on bylks, while there is bread enough and to spare, within our reach; and if we fall at last under the power of our enemies, we shall fall a sacrifice to our own folly, not to their wisdom or power; to the weakness of our counsels, not to the want of sufficient strength; if we fall at last, no nation or people ever fell more despised, or less pitied. Our absurdities of counsel will be topics of ridicule and by-words of scorn, whilst our posterity will be noticed groaning under the iron rod of oppression, and lashed into that effort for the benefit of their masters, which would now be sufficient to secure their and our liberty; but which we have not now wisdom and virtue enough to call into use.

How will the by-standers laugh, and our poor posterity groan, at the absurdity of our plans of appreciating our currency month by month, whilst every cause of depreciation continues and increases;—of lessening the number of buyers, in order to increase the fellers;—of limiting, forcing, and reducing the market, in order to increase the quantity of goods brought for sale;—of forcing credit, value, and desirableness into our currency by tender-acts and penal laws;—and of procuring
procuring the vast supplies for the public service, by taking away every inducement of industry, and throwing every branch of our trade, mechanic arts, and husbandry into stagnation;—and, which caps all the rest, the sacred scheme of supporting our government, and securing all the blessings of liberty by a shameless departure from every principle of honesty and justice, which is essential to the very existence of civil society.

These are but few of the absurdities in politics which we have seen adopted, and forced into practice by every application of compulsive methods, and with a perseverance incredible. Nothing but the absolute impossibility of the practice could compel the chimerical zealots to discontinue their mad career; but, however laughable to our enemies, and distressing to our posterity, and incredible to both, these things may appear, they may be of use to us, as the dreadful and destructive consequences, the shame, disgrace, and ruin, which we have seen resulting from them, and which now threaten us in a manner that makes every considerate face gather palseys; these, I say, all tend to work an universal conviction in the minds of all men, of their total inutility and the absolute necessity of an immediate reformation.

And as a necessary means of it, to reject forever from our public counsels, those weak, unprincipled men of wild projec-
tion and madness of design, who have infatuated the land with their extravagant chimeras, and drawn many of the honest, unthinking, but too easy people into their methods of shame and ruin. A man will not kill his own child, tho' ever so monstrous; nor is it to be supposed, that these authors of our present distress will ever heartily concur in the rejection and public confiture of their own darling schemes, or that they are capable of that wisdom necessary to bring about a total reformation.*

Here

* Tho' the principle of the American revolution was perfectly just, and the necessity of adopting it unavoidable, yet the same great evil and inconvenience happened in the course of it, which, I conceive, always did take place, more or less, in all public commotions and revolutions which have existed in all States in the world; viz. that many very improper men worked themselves,
Here I must stop a little, and observe that the thing which makes one nation excel another in glory, political prudence, and happiness, is most commonly this, viz. That men of genius, abilities, integrity, and industry, are placed at the head of their public departments. The public will ever receive its tone, in respect of its dignity, fame, good order, and happiness, from the men who are intrusted with the management of the public affairs. This observation is so manifestly true, that every man, in the small circle of his own domestics or neighbours, can judge well how any business will be done, if he knows who is to do it. We cannot hope for reformation and good management of our public affairs, unless we see judicious, upright, and steady men in the several departments of the State; men adequate to the offices they fill, and industrious and persevering in attending there-to. But to return,

I will suppose for once that every public department was filled with the best and most suitable men, and that every individual was willing to adopt and pursue the best methods of safety and deliverance which our case admits; what then can and ought to be done? I answer,

1. Every man is to be called on for the debt which he owes the public. Every man stands indebted to the public for his share or proportion of all the money or supplies necessary to the public safety, and this debt must be paid, or the public safety must be insecure, must be in danger. The public safety cannot be put off, as some people serve their Maker, with empty prayers and good wishes. This payment can ruin nobody.

themselves somehow or other into places of great trust and importance, both in the legislative and executive departments; by which the vices, the whims, the wild projections, and visionary plans of individuals became diffused and almost incorporated into the character, counsels, laws, and administration of the States.

Such men are ever dangerous, but most peculiarly so in times of general calamity and distress, when wisdom, fortitude, and prudence are most indifferently necessary in rulers and leading men. But however unfortunate our States have been in that respect, they were still happy in this, that the evil did not reach their most capital departments; the army, foreign affairs, and, in most instances, the presidency of Congress were under the direction of men of most unblemished integrity, adequate abilities, and most consummate prudence; and had not our confusions been in some degree under their check, it is hard to lay to what lengths they might have extended.
nobody. It is manifest, that if any individual, even the least able to pay, should, by some accident, lose as much money or other estate as his share of this debt amounts to, it would not ruin him, it would not greatly distress him; for the truth of this I appeal to every man's knowledge of his own and his neighbour's circumstances; but on the other hand, how many thousands of individuals are ruined for want of this payment? Dreadful and swift witnesses of this are, all those who have suffered by the violations of our public faith, by the depreciation of our currency; all those who are not paid for the produce of their lands, or personal services, or other fruits of their labor, with which the public has been furnished.

The people of the Thirteen States are almost in the same condition which they would have been in, if they had sold their principal produce to bankrupts or broken merchants, who could not pay them. They, by this means, have not money, to pay their debts, to trade with, to buy of the merchant, to lay in their flock for the ensuing year, to increase their scale of business, &c. &c. One disappointment creates another; an universal stagnation of business is the consequence; and all industry is checked even in its first principle, as well as in practice; and of course the produce of the lands, and the fabrics of the tradesman are daily lessened, and of course the great flock for home consumption, and the great staples of trade, are daily dwindling away. These are facts notorious to every body, and arise directly from this, viz. that there is not public money enough to pay the public creditors.

Whereas, if every man was called on for his share of the public debt, there would be money enough to pay every body, and all this dreadful deluge of calamity would be remedied at once, and every individual would be a gainer by the tax he would pay, because he loses more every year by the confusions and disappointments arising from this want of public monies, than his tax would amount to. This is all mighty well in theory, but impossible enough in practice. Do you say this in earnest? I do most seriously contend, that
that it is very possible in practice; it is possible, it is practicable, it is necessary.

2. To make out a true estimate of the public debts and demands, and issue a monthly tax for the amount, in which every one shall be called on for his share, and no more than his share. The money which is collected in the first month's tax will go out again among the people, and help them to pay the next month's tax; that will go out again, to be again called in by the third tax, and so on; and the quickness of circulation hereby excited will supply the want of medium; for it is plain to every man, that a guinea, which passes from hand to hand thirty times in one month, pays as much, and of course goes as far, as thirty guineas which are paid but once in a month.

It is further manifest, that such an universal demand for money will give it value, will make it an object of universal desire; this will give spring to industry, motion to every method of obtaining money, and security to every man who has obtained it. It is necessary for us to know the worst of the matter, let that worst be as bad as it will. Let us know how much it will cost to save our country, to restore our morality, our industry, our safety, and happiness. The profits of the year at most will do it, because no more is or can be spent in the year than is raised or produced in the year; for we loan abroad enough to pay for all we import from abroad for the public use.

It is impossible indeed to increase our husbandry or manufactures, without a free, open, and sufficient market. Shut or diminish the market, and the supplies of it will soon lessen; open and increase the demand of the market, and all supplies of it will soon increase. All this is too manifest to need proof; therefore it is necessary to remove wholly all obstructions of our market, all fetters, and restraints, and discouragements of business, such as, embargoes, tender-acts, limitations, regulations, &c. &c. Let every body be at liberty to get money as fast as they can, and be put under every natural advantage for doing it.

I am of opinion that our people would receive an enfran-chisement of this sort with as much joy, as the inhabitants of
of Greece received the declaration of their liberties from
the mouth of the Roman Ambassador. If premiums had
been offered for foolish plans and wild projections, I think
worse could not have been offered than such as we have
seen, viz. laying embargoes on the exports, to increase the pro-
duce of the country for the army; forcing people to sell their
goods below the market price, in order to induce them to bring
more to market; offering money with horrid penalties, in or-
der to make folks love and esteem it; embarrassing all business,
to get the more of it done; &c. &c.

Such wild, stupid, horrible, and unnatural projects,
with the effects of them, discourage our people, and ren-
der the wheels of government heavy, and destroy all con-
fidence of the people in the public counsels, much more
than the real weight and burdens of the war. These bear
no sort of proportion to the distresses which are produced
by the madness of our counsels, and unnatural way of do-
ing every thing. Laws ought to be conformed to the natural
course of things; but we have been absurdly endeavouring
to control the natural course of things, and bend it to our
laws.

I think it impossible that further arguments should be
necessary to prove the expediency, yea, the strong propri-
ety, and urgent reason of dismissing at once all these most
unnatural and destructive measures, these absurd scandals of
t Reason, and of American policy; that so our minds may
be open to impressions from the true state of our case; open
to the real difficulties we are under, and to the proper mea-
sures which will, by their natural operation, afford us relief.
We ought to study hard for this. Perhaps we may by strong
exertion, by close attention, and the blessing of God, be able to
find out, that means must be adequate to their ends; that the
way to restore our credit is to pay our debts; that the way to
pay our debts is to get money to pay them with; that any bur-
den laid on the whole community is just for the whole, than
when the same burden is laid on a part only; that the only way
to keep the members strong and in health is, to keep the belly
full of substantial food, not of husks, &c.

But
But the absurdity of our measures is not all the objection I have to them. They are inadequate to their own purposes. What can it signify to plague the continent, and exhaust all the patience of our people with difficult, intricate plans of raising money, when all the plans put together, and fully executed, would not produce half, perhaps not a quarter, of the sum necessary to our preservation? This is like bailing a leaky ship with a spoon, when buckets are necessary to keep her free. I think it would be far more natural and satisfactory to our people, to make out estimates and demands equal to our necessities, which will give this strong inducement to the efforts of each individual, viz. that it will be adequate to the purpose; that the means, however difficult, will be sufficient to produce the great ends designed. When the great demand is made known, the first question will be, Is this enough? Will this be sufficient to the purpose? An assured, affirmative answer will inspire great courage and effort, when the object is the great wish, the passionate desire of almost every individual, as is most manifestly the case with our people. It is a false delicacy, a shameful timidity, a dangerous injury to a nation, to keep them ignorant of their true circumstances and real danger, and not give them an opportunity to put the means of their safety in practice.

I am clearly of opinion, that scarce a man of any weight could be found in the Thirteen States, who would not readily and with joy pay a much larger sum than his tax would amount to, if he had reasonable hope that the distresses, oppressions, and dangers of the country could be thereby removed, a free course of justice be restored, every man's person and property be protected, and the natural inducements of industry be favored and encouraged, and our insulting enemies be effectually opposed.

The yearly incomes of the country are much more than sufficient to do all this, if properly called into use. We have two armies in the country to feed, and the produce of the country is amply sufficient for both. The supplies of the one we are paid for, it is only the other which must be supported from our own resources; and after supplying both armies
armies (if our husbandry and trade could be suffered to take
their natural course) we should have large produce to spare
for exportation.

In addition to all this, I am clearly of opinion that our
resources are so great, that with proper management (even
tho' the war should continue seven years longer) the treasury
of the Thirteen States might be filled with silver and gold coin,
and be made a BANK as safe and useful as that of Amster-
dam or Venice; and all this within a very short time, as
may be clearly demonstrated to any body who is acquainted
with the nature and constitution of this kind of subject.

The Dutch, as soon as they found out the secret of in-
spiring their people with the true spirit of industry and en-
terprise, soon recovered their national credit, and grew
amazingly rich, long before their wars with Spain ceased.
We have vastly greater means in our power than they had,
and want nothing but their wisdom to improve them to as
great advantage. I conceive it to be very certain and
manifest, that our national character, honor, and safety are
yet in our own power, and depend on nothing for their full
and perfect establishment, but our own wisdom and effort,
and the blessing of Divine Providence.

I will conclude this Essay with one proposition, which,
however much like a paradox it may appear at first sight,
I think is very demonstrable, and I conceive will require
little more than mere inspection for a short time, to con-
vince every man of discernment and serious attention of
its truth, viz. it would be easier and cheaper for every man of
business, whether farmer, tradesman, or merchant, to pay his
share of the whole annual expenditures of the public within
the year, than not to pay it; i. e. he would live more easy
throu' the year, and be richer at the end of it, by paying
such tax, than by not paying it. This was the great Po-
filethebunni's grand doctrine in England thirty years ago,
and every body now sees the great advantages which
would have resulted from his advice, had it then been
adopted and pursued.—

"Oh! that we could know the things of our peace, in
this the day of them." God forbid they should be hid from
our
our eyes. Men often look abroad for things that are at home, and seek at a distance for things that are near. I apprehend that union of sentiment and effort, in the practice of means, which it does not require any great sagacity to discover, would be quite sufficient for our safety. A plain simplicity is more to our purpose, than any depth of delusive policy.*

An honest integrity and natural prudence always create dignity, confidence, and respect. On these I would wish to build our national character, on these I would ground our defence, and in the practice of these I would hope for the divine blessing on ourselves and on our posterity.

* Every reader will easily observe, that the grand principle of revenue every where recommended in these Essays is this, viz. an actual recourse to the solid wealth of the States for the public supplies, i.e. a tax of sure produce, payable in hard money or paper at the exchange which should be current at the time of payment; and this tax must be so really productive as to be equal to the expenditures. These are the means here referred to, on which the States could safely rely, and all visionary projects (which multiplied in abundance at this time) would of course vanish before the true means of our deliverance, and become soon as manifestly useless as they were really vain and ridiculous.
A D I S S E R T A T I O N
O N T H E
Nature, Authority, and Uses of the Office of a
F I N A N C I E R - G E N E R A L,
O R
Superintendent of the Finances.

[First published in Philadelphia, Jan. 24, 1781.]

As the appointment of a Financier-General, or Superintendent of the finances or public revenues, has been some time in contemplation, it may not be unacceptable to the public to see a dissertation on the nature of that high office, and the duties, powers, and privileges annexed to it, with some notes on its importance, dignity, and uses.

This is a new subject in America;* it may therefore be expected that the first essays on it will be imperfect. Nothing but experience in so immense a subject can give a full and comprehensive knowledge of all its parts, and of the duties, powers, and privileges necessary to the proper management and due execution of it. I have thought much on the subject, and find it greatly exceeds my comprehension. I can only give the public such thoughts as occur to me,

* The office of Superintendent of finance was first created by resolution of Congress, Feb. 7, 1781; and on the 20th of the same month, Robert Morris, Esq., was appointed by vote of Congress to execute the office under the name of Superintendent of finance, tho' he was commonly called the financier-general, or simply the financier.
me, which, without further preface or apology, I shall do
with freedom, and hope they may be received with can-
dor.

The duty of a Financier-General, I humbly conceive,
is,

I. To inspect and take account of the whole finances or pub-
lic revenues of the States, and the whole funds or stock out
of which they are to grow; i.e. every sort of public pro-
erty, all sources of all kinds out of which public monies
are to be derived to supply the public treasury, and super-
intend all these, i.e. take due care that they are well kept,
free from waste, destruction, and embezzlement, and that
they be managed and improved to the best advantage.

II. To inspect and point out, arrange and put into ac-
tion, the ways and means by which the necessary supplies of
the public treasury may be derived from all these sources or
funds, that the same be done with most ease to the subject,
and safety to the States, with all that effect, decision, and
expedition necessary to all public movements, and at the least
expense which can be adequate to these great ends; i.e. to
make estimates of the yearly expenditures, and point out
the ways and means of supplies, and to arrange both in so
clear and particular a manner for the inspection of Con-
gress, that they may have at once a view of the whole and
all the parts, to the end that, having such a state of all
the facts and materials before them, they may be able to
form the most wise and proper resolutions thereon, which
the safety and well-being of the States require.

It is further necessary that this be done in such season,
as to give sufficient time for the deliberations of Congress,
and carrying their resolutions into effect, in the most na-
tural and easy way, that thereby the dangers, mischiefs,
and

He continued in the office till Nov. 1, 1784, when he resigned, and
no successor has been since appointed under that name; (the busi-
ses of the treasury was put into commission afterwards, and con-
tinued to till the dissolution of the old Congress) but I take it that the same office is revived
and continued by the present Congress under a new name, viz.: that of Secre-
tary of the treasury; which office is at present held by Alexander Hamilton,
efg. and the appointment of this officer lies (among others) in the President
of the United States, with the approbation of the Senate.
and confusion of precipitation, hurry, and extreme urgency of these very weighty matters, may be avoided.

III. To inspect and control all officers who have the keep, inspect, disposal, or management of each and all of said funds, to the end they may be properly directed, encouraged, checked, and supported in the discharge of their several offices, in such manner that their management, accounts, and payments may be completed with least delay and most advantage to the States.

IV. To call on the several States for such quotas as may be assessed by Congress, and to keep them advised of every thing that the demands of Congress and the public exigencies may require of them, respecting the revenue.

V. To inspect all the expenditures of the States, of every kind, to the end they may be made with the best economy, and to the utmost benefit of the public.

VI. To inspect and control all officers, concerned in the payment or expenditure of the public monies or revenues, and to demand a return of all such expenditures from such officers, with the balance of all their accounts, that so he may be enabled to keep an exact balance of all the public revenues and expenditures, ready for the inspection or information of Congress when they call for the same.

VII. To inspect all debts due to and from the States, all bills of credit, and all treaties and contracts relating to the revenue or public monies, to the end there may be collection and payment made, with that punctuality and decision necessary to the support of the public faith, that so the States may receive no detriment from any failure or delay in this delicate and important particular.

VIII. To keep an account of the whole revenue, and all its parts, and of the whole expenditures, and all their parts, in so clear and digested a manner, as to be able, on reasonable notice, to report to Congress the state and amount of each, with the deficiency or surplusage of the revenue for purposes of government.

IX. To procure such certain documents of the whole funds or resources of the public revenue, and all their parts, and make
make himself so acquainted with the same, as to be able to point out the best ways and means of increasing the revenue, for any purposes of public safety and advantage, when Congress shall require such service from him.

X. To make discovery and report to Congress of any department of the expenditures, which are more expensive than necessary, and of any that are starved thro' want of such supplies and allowances as are necessary.

XI. To be in all things subject to the control of Congress, and to be accountable to them only.

This view of the extensive duty of a Financier clearly discovers the nature, importance, and uses of his office. The great design of it is, to range the several sources of the public revenue in order, that the whole system of it may be clearly understood, that any part that is wanted may be at hand, that the whole may be raised with the least burden possible to the people, and be made to go as far, and produce as much benefit, as possible.

The invention of ways and means of improving the revenue, or raising public money, is not a more necessary part of the business of finance, than economy and prudence in the expenditures. Perhaps the latter is the more important and difficult of the two. For I conceive there may be found ten men who know how to get money, to one who knows how to keep it, or pay it away with proper economy and prudence; and I apprehend that our present distresses, and the exhausted state of our revenues, arise more from defects in the last of these, than the first. The natural operation of this office discovers these errors, and leads to a remedy. For,

1. It is manifest that the man, whose duty it is to find all the money which is to pay every department, will be most likely to study and introduce economy in the expenditures, and to spy out and check any excessive expense or waste.

2. It is further very natural to suppose, that when the Congress are informed with certainty of the extent of the revenue, they will calculate their expenditures within the limits of it; so that this office becomes a restraint even, on
on Congress itself, if we can suppose them capable of any want of due consideration or prudence in this respect: And,

3. Every officer of expenditure will find himself under some check also, when he reflects that he must bear the penetrating eye of the man who finds all the money which he spends or pays out of his office. Further,

The powers, rights, and privileges of this great office are also obvious from the above survey of its nature and uses.

1. It appears that this office is of great extent and importance, and therefore ought to receive from every department of the States all such suitable helps, countenance, and support, as are necessary to procure and preserve its uses, proper operation, authority, and dignity.

2. That this officer ought to be kept constantly advised by Congress, of all such resolutions of that body as respect the public revenues and expenditures.

3. That he should have right to demand all accounts, and inspection of all books, which respect the public revenues and expenditures. And,

4. That he should be vested, by commission from Congress, with all the authority necessary to the full and perfect discharge of all the duties of his office, and be indulged with all the privileges necessary to the success, use, and dignity of it.

As this ground is all new and untrodden, it may be dangerous to define too particularly the duties, rights, authority, and privileges of this office. A little practice on the great and general principles on which it is founded will gradually open the particulars further necessary, which may be added by future provisions, if such shall be found expedient.

As I am ignorant of the present arrangement of the revenues and expenditures, I cannot tell how far any of the above particulars may fall within the departments already established, and have here only to add, that as far as any of them are provided for, a return only will be necessary from the subordinate officers, of such particulars as may be requisite to complete the accounts, and furnish the materials of this great office.

From
From which it appears, that this office does not interfere with any other offices of the revenue or expenditures; such as the office of Treasurer or Treasury Board, Auditor of Accounts, &c. &c. This office begins where they end. This office takes the state and balance of the accounts of all the other officers, as they make up and finish them. This office arranges and brings them all into one view, and states in order every branch both of revenue and expenditure, from the aggregate of which the amount of the whole is made.

This brings into distinct and plain view, the whole stock, cash, credits, and incomes of the revenue of every kind, and also all the debts and expenses which are to be provided for and paid.

With these documents, a man endowed with the proper skill, great comprehension of mind, and natural aptitude to the subject, necessary for this great work, will be able to see the excesses and deficiencies of each branch of revenue and expenditure, and to judge in what manner every error may be corrected and reformed; and what makes this reformation easier is, that the error may be soon discovered, and the particular branch or place in which it lies be pointed out, and the natural and proper means of amendment put into direct and speedy operation, which nips the evil in the bud, before it has time to grow into such fatal magnitude, as not only to corrupt the department in which it lies, but also to spread into other contiguous departments, so as to become ruinous in its continuance, and very difficult in the cure.

Further, this great officer, with such a comprehensive view of the whole stock and resources of the revenue, will be furnished with the best advantages to consider the nature and strength of each of them, and to form such arrangements and put them all into such operation and effect, as to produce the greatest supply with the least burden to the people.

This is of mighty importance. This may be done, and often is, in such an injudicious and unnatural way, as to double the burden of the people, without increasing the supplies; and the
the worst way that perhaps ever was or could be thought of, is that which has been adopted for five years past, viz. paying the expenditures by the depreciation of the currency. This has done it indeed in some measure, but with such an inundation of calamities as are enough to draw tears.

A good Financier is much the rarest character to be found of any in the great departments of state. France has had but three in 400 years, viz. the Duke of Sully, under Henry IV. Colbert, under Louis XIV. and Mr. Neckar. England has not had one since Queen Elizabeth's time: perhaps Lord North is equal to any that have gone before him, but his whole talents at finance are all exhausted in running his nation in debt, and contriving ways and means of paying the interest by the endless oppression of his people.

The great Puflethwait indeed, about thirty years ago, had the true genius of financing, as appears by his various treatises on that subject; but the stupid ministry of his time had so little conception of the matter, that they did not know a Financier when they saw one, or, like the cock in the fable, did not know the value of the jewel which fained in their sight.

We rarely read in history of any wars, or other movements of expense, undertaken by any nation, but we find their finances soon fail, and then the movements (be they ever so important) must be discontinued, or starved into very trivial effect. This generally happens because they have not an able financier, who can calculate and balance the expenses and resources, and keep the latter in such effectual operation, as will be sufficient for the exigencies of the former. This calamity does not always arise from the expenses being greater than the resources; it more commonly takes its origin from some or all of the following capital errors of finance:

1. In the assessment and collection; as when the tax is not laid in season, or is so laid that it does not operate by way of equality on every part of the community; when the tax is consumed in the collection of taxes; by an over number of officers or other needless expenses; by the embezzlement of the officers; &c. &c. Of this kind of error are, all free quarters of troops,
troops, all forcible impressing of supplies, or services for the public, &c. &c. because these bring the public burden in an over proportion on a few, by which not only the few are oppressed, but the whole community suffers. Injustice always carries damage with it; those who do not suffer, see they are liable to like injury, and of course are in fear—their peace and ease are not secure.

2. By waste or want of economy in the expenditure; as where the money is paid for purposes diversify from those for which it was granted, and appropriated; when the public movements are so ill contrived and managed, as to cost more money than is necessary; when useless projects are undertaken; when the public property is suffered to waste, decay, or perish for want of due care and proper disposal of it; want of discernment and discretion to pay the most pressing demands first, and let those debts lie unpaid, that can remain with the least damage, whenever it so happens that there is not money on hand enough to satisfy all the demands. A great deal depends on this kind of discretion, when the demands may happen to exceed the supplies, &c. &c.

3. By suffering the public credit to decay; this is an amazing waste of the public wealth; for when a man's credit runs low, he must be in difficulty to find people that will trust him at all, cannot expect a good choice, or to be well served, and after all, over and above the interest and other douceurs, he must expect to pay heavily for the risk of trusting him. When a prodigal's estate comes to be devoured by premiums, interest, and discount, when he begins to receive 50l. or 80l. and give security for 100l: his fortune must grow desperate soon. It is the same case with the public; and in this way no nation on earth can hold it out long. Every degree of this misery brings an increase with it, and if it cannot be stopped, a bankruptcy must ensue.

I mention these particulars only to show, that a Financier is the most natural and sure guard against these mischiefs, as well as the most able and likely person to remedy them. The man who finds all the money that is to be expended,
Expended, is the most likely man on earth to spy out any errors in the revenue or expenditures, and to keep the public faith sacred and inviolate; as his own personal happiness, fortune, and character, will be immediately affected by these errors; and as he is supposed to be a man of the best abilities and strong attention to business, and that he devotes his whole time and powers to this branch or department only, he must be presumed to understand it the best, to inspect every part of it with the most pervading eye, to spy out the errors soonest, and to have the best ability and disposition to apply the most natural, speedy, and effectual remedy. That which is every body's business is commonly nobody's.

In all aggregate bodies, where many men make up a board, they can throw off the blame of any mismanagement from one to another, &c. which cannot be the case when the trust is committed to a single person. Besides, from the nature and duty, the design and uses of this office, it appears most plain and evident, that it must be the work of one mind.

Its object is so vast and complex, and the action consists in comparing, fitting, and balancing so many different things to and with each other, that it cannot be otherwise done than by the attention of a single mind. In a state of quietude, when small expenditures are necessary, little experience, skill, or economy may do; but when the expenditures grow vast, and require a strong draft on every resource of the revenue, then skill, attention, order, and method become essentially necessary. A small shed may be built without skilful workmen, but in a building which requires a thousand pieces of timber to be framed together, a head workman, of skill and attention, becomes absolutely necessary to regulate and control the whole work; in the smallest frames indeed, such a workman is very desirable and useful, tho' not so essentially and absolutely necessary.

It follows then, that every community, every nation, every state, ought to have a Financier to control the revenues and expenditures, and preserve the public faith inviolate.
late. We have tried it on five years without one, I am
fully of opinion that we cannot be worsted the five next
years with one; and therefore, as the quacks say of their
 nostrums, it will do no hurt, there is a probability of suc-
cess, the expense is small, it is at least worth a trial.

As this is the first essay of the kind that has appeared
here, it cannot reasonably be supposed that it should be
perfect; and I hope those who find faults in this, will
mend them in more perfect exhibitions of their own, that
our country may reap all advantage from the best and most
correct wisdom of all its inhabitants.
REMARKS
ON THE
RESOLUTION OF COUNCIL,
Of the 2d of May, 1781, for raising the Exchange to 175 Continental dollars for 1 hard.

Humbly offered to the Public.

[First published in Philadelphia, May 9, 1781.]

I HAVE read President Reed’s defence of the resolution of Council of the 2d instant, for raising the exchange of the Continental currency from 75 to 175 for 1 of specie, or State money; but am not convinced that that resolution was grounded on the interests of this State, much less, that it was indispensably necessary in our present circumstances.

I agree perfectly in his opinion, that it is not beneath the dignity of a government to explain any public measures which may be misunderstood thro’ ignorance; but should they be misunderstood any other way, I do not pretend to say how far the dignity of government might suffer by an explanation.

I am also clearly of his opinion, that there has long been a number of persons in this city, who have fermented uneasiness, sparing neither art, nor falsehood, nor violence, to effect their purpose. We have seen uneasinesses, tumults, and fermentations among our citizens rise even to the shedding of blood,* which doubtless originated with very bad men, and

* We had many tumults during Mr. Reed’s administration; the most memorable of which was, the riotous assault of Mr. Wilson’s house, Oct. 4, 1779.
and I could have wished that inquiries and prosecutions
might have gone on, till the true, guilty authors could have
been discovered, held up to public view, and punished;
but government has found this inconvenient, so I have no
more to say about it.

I will only observe, that I do not think the character
of our citizens is that of uneasiness, tumult, and faction: I
rather think they have exhibited an example of great meek-
ness, of tame patience, almost bordering on stupidity. Nor
am I at all convinced, that the objections that have been
made to the above-mentioned resolution of Council, arise at all
from faction, or any disposition to impose on the unwary.
When a man finds that eleven shillings out of every pound
of his catt, is annihilated by a public resolution, we may al-
low him to be uneasy, without calling him factionous.

I proceed, with all respect due to the honorable Council,
to make some remarks on their defence. I have no plea-
sure in cavilling at the measures of government, but only
with to cast light on a subject, in which our whole State is
interested. And, as I have never been concerned in fac-
tions, ferment, tumult, or riots, but ever have been a
peaceable citizen, and hearty well-wisher to the true inter-
eests of our State, I expect a candid attention of my fellow-
citizens to the arguments I offer.*

1779, in which the mob proceeded from insulting language and violent
abuse, to actual firing with muskets, with which they were all armed.
A great number of most respectable citizens, who were in the house, re-
turned the fire on the mob, and in fine, a number of lives were lost.
Many of these rioters were taken up, and held under legal prosecution
for their offence; but the Assembly, by their act of March 13th following,
indemnified and pardoned them all.
* The facts referred to in these Essays were, at the time of their publi-
cation, fresh in every one's memory, and matters of general notoriety; but
that is not the case with strangers, or even our own people, at this distance
of time; therefore a statement of these facts may be necessary to enable the
reader to understand these remarks, and the reasonings on them.

The Assembly of Pennsylvania, 25th of March, 1780, issued 100,0001.
paper bills, funded on the faith of the State, some city lots, and the Pro-
vince Island, which at that time belonged to the State (hence this emission
was called Island money;) they also issued the bills on interest at 5 per cent.
per annum.

These bills, thus propped up, were ushered into the world with great
confidence of the Assembly. They, however, passed in a depreciated state,
1. The first fact alleged by the Council is, "that by the law of the State, and their own oaths, they are required to publish

much below their nominal value: to remedy which, a subsequent act was passed, Dec. 23, 1780, by which these bills were made "a legal tender; with penalties for refusing to take them for goods, &c. viz. forfeiture of double the value offered; and for the second offence, of half the offender's lands, goods, and chattels, and imprisonment of his person during the war."

This act had several uncommon clauses inserted in it, viz.

1. That agents for the public, collectors of taxes, &c. should account to the treasury for such of these bills as they had received, at the price or rate at which they received them, i.e. at their depreciated value.

2. That the exchange, till Feb. 1, then next, between Continental currency and these bills, should be 75 for 1; but the real exchange of Continental to hard money was 100 for 1, at that time.

3. The Executive Council were empowered and required to publish the rate of exchange between specie and Continental money, in the first week of every month after said Feb. 1: and

4. That exchange, so published, should be the exchange between Continental money and these bills. On May 2, 1781, the current exchange of these bills to hard money was 3 for 1, and to Continental, was 75 for 1; but the exchange of hard money for Continental was about 220 or 225 for 1; and the practice was, to multiply the exchange of the State bills reduced to Continental, by their exchange with hard money, viz. 3; which gave 225 Continental for the value of one hard dollar.

At this time, the Council declared the rate of exchange of hard money for the month of May, to be 175 for 1, which was the same thing (according to the operation of the said act of the 23d of Dec. 1780) as declaring the exchange of the State bills to Continental to be 175 for 1; and the practice still continued of multiplying the State money reduced to Continental, which was now become 175 for 1, by its hard money exchange, viz. 3; which made the exchange of Continental money three times 175, viz. 525 for 1 of hard; a vast and sudden leap indeed, and which became the current exchange in less than a week from the declaration of the exchange by the Council.

So that every person who had one week before given a hard dollar for 225 Continental ones, found that he had lost above half the value of his money, as it would, at the end of the week, purchase but 3-7ths of a hard dollar.

This made a mighty noise, and deeply affected every body; as Continental money was then the general currency, and all prices in market were set or estimated in it, as much as they were in old Tenor at Boston, at the close of the last French war in 1763.

This roused the feelings of Mr. Reed, who was President of the State at that time, and was supposed to be the prime mover, not only of the said declaration of Council, but of the act on which it was grounded, and induced him to publish his defence of said declaration, on which these remarks were made.

The error really lay in the absurdity of the law itself, which limited the State money to a certain exchange of Continental (viz. 75 to 1) with such variations of exchange of hard money, as should be published by Council the first week in every month; which exchange of hard money, by the operation of the act, became the legal exchange of the State bills, and of course raised their exchange 4-7ths higher than the real, true exchange of them was at
publish the rate of exchange the first week in every month.*

This proves, I conceive, that the Council are required to publish

that time, and made them bring indeed more than double the Continental money which they would have purchased before, but did not enable them to buy any more hard money than before.

Had the Council pursued the act, they might have been excused; but their error lay in declaring a false exchange of hard money, much below the true one, with design, by way of trimming and bending faith, to reduce a little the absurd effects of the act itself. The true exchange of Continental for hard money, the first week in Feb. 1781, was about 100 for 1, where it had stood several months; in March it was about 115 to 1, and in the beginning of April, 130; but rate fell thro' the month, and got up to 120, the first week in May.

These exchanges and the interesting effects of every variation of them, will appear to a stranger as intricate and hard to understand as the price of stocks in Change-alley; but they were perfectly understood by people of all ranks at that time, in as much as every variation of the exchange altered the value of all their cash on hand.

One thing makes these manoeuvres very important, viz. they not only raised the exchange of Continental money up to 500 or 600 to 1, but in a few days strapped the currency of the Continental bills entirely, after which they never passed at all as money; or any otherwise than as an article of speculation, at most deflatory and capricious exchanges from 400 to 1000 for 1.

The same cause so disfigured the minds of all men with paper bills of all sorts, that our State money (tho' undoubtedly well funded) depreciated in less than a month to 6 and 7 to 1: the final redemption of which, by a future appreciation, cost this State above 100,000l. tho' we never received more than 20, or at most, 30,000l. real value for it.

Perhaps this whole transaction affords the most striking proof conceivable, of the absurdity of all attempts to fix the value of money by a law, or any other methods of compulsion.

In this instance we see the Continental money mortally wounded, and our State money debilitated and depreciated down to a seventh part of its nominal value, by the very ill-fated means which were designed to support both of them.

Thus fell, ended, and died, the Continental currency, aged 6 years; the most powerful state engine, and the greatest prodigy of revenue, and of the most myterious, uncontrollable, and almost magical operation; ever known or heard of in the political or commercial world; bubbles of a like fort which have happened in other countries, such as the Mississippi scheme in France, the South-Sea in England, &c. last but a few months, and then burst into nothing; but this held out much longer, and seemed to retain a vigorous constitution to its last, for its circulation was never more brisk and quick than when its exchange was 500 to 1; yet it expired without one groan or struggle; and I believe, of all things which ever suffered dissolution since life was first given to the creation, this mighty monster died the least lamented.

Yet I hear that some folks are preparing to dig the skeleton of it out of the grave where it has quietly refted 9 years, that we may have the pleasure of wallowing a million or two upon its obsequies.

If it saved the State; it has also polluted the equity of our laws; turned them into engines of oppression and wrong; corrupted the justice of our public administration; destroyed the fortunes of thousands who had most confidence in it; enervated the trade, breadth, and manufactures of our country; and went far to destroy
publish the true exchange the first week in every month; but the whole city knows, that 175 for 1 was not the true exchange on the 2d instant; and the Council cannot be supposed to be ignorant of what is known to every other person in the city, and which the laws suppose them to be acquainted with, or it would be absurd to lodge the power of judgment with them.

So that their variation from the true exchange cannot be excused by any plea of ignorance. Therefore, when they say, "that they have not the same opportunity of knowing the current rate of exchange with accurate precision," as the merchants have, I think it follows, that they ought to have inquired of the merchants, and gained the most accurate information possible, in a matter of that consequence and delicacy, in which the laws of the State, their own oaths, and the interests of the whole State, were concerned; but not that they should adopt the lowest known rate, at which they could discover that any commercial transactions had been adjusted.

The lowest rate is never the current or true rate of exchange, any more than the highest. It essentially and most manifestly differs from the true, as far as the extreme differs from the mean; a difference which the Council, on their own principles, had no right to make, as it did not, in my opinion, comport with, or satisfy, either the words or meaning of the law under which they acted. But while the obligations of the law, and their oaths, are urged, and the integrity and consciences of the Council are deeply affected; would any one suppose that the Council would publish what all the world knows to be false, and that under the sanction of an oath? Could the Council, without violating every principle of truth and veracity, declare the exchange to be 175, when there was not one person in the city but must know the contrary? Indeed I think it is bad enough

[begin digression]

I hope the reader will excuse this small digression; for when I came to the place where the poor old Continental died, I could not help stopping to mark the place with some little signal of notice.

[end digression]
enough when a Council, by any solemn act, violate their faith; but when they are hardy enough to violate their oath and "veracity" too, the matter must look very serious to all good men.

Further, while we are told so much about laws of the State and oaths of office, I am led to inquire where these laws and oaths have been for several months past, during which time the exchange was constantly and gradually rising; and the Council, in the first week in each month as constantly declaring and publishing the exchange to be 75 for 1, for three successive months past, when there was not a single person in the city but must have known the contrary? Consistency in the acts and declarations of public bodies, is of great use, and much to be desired; their dignity stands mightily tarnished, and nigh unto ridicule without it.

2. Another fact adduced by the Council, is, "that the rate of exchange has been, by common consent and usage of trade, gradually rising for some time past; so that no person, in his private dealing, pays or receives at the rate of 75 for 1;" and the whole city may add, neither was it on the 2d ins. (the date of their resolution) at 175 for 1; the current exchange was known to every one to be at least 220 for 1, at that time.

The Council go on to argue, "that the people have raised it (the exchange) by common consent, and Council have only followed them, by making a declaration of what they have done." If this allegation is true, it will justify the Council's conclusion; but if it is not, it may be deemed a provoking, insulting attempt to impose a deception on "the unwary" public, and beneath the dignity of Council to adduce it. I will examine it with confidence, because every merchant in the city knows whether it is true or not.

The resolution of Council declares (if not expressly, at least in effect, and all the effect that it could in reason be supposed to have) that the exchange of old Continental to State money is 175 for 1. Now the people, by common consent and usage of trade, have never done this; have not raised that exchange to 175 for 1; it had never exceeded
exceeded 75 at that time; therefore the resolution annihilated the difference between 175 and 75, i.e. 4-7ths, i.e. somewhat more than eleven shillings in the pound, of all the Continental money, which every man was possessed of at that time. The truth of these facts and observations are obvious to every merchant, and indeed to every marketwoman; and I leave them to stand on their own ground, having no disposition to indulge a vein of sarcasm or ridicule on this serious subject.

I would only observe, that this fatal resolution has taken from thousands their daily bread, and ruined the fortunes of many who had capital sums of that money on hand; that all the Continental money in the treasury of the State, or due in taxes, or any other way, is reduced more than half, to the great loss and embarrassment of the public; and every man who has not paid his taxes, may now pay them with less than half the real value which those paid, whose rates were collected one week before. “And is this reasonable? Is this just?”

Further, the Council adduce this fact, viz. “that the rate of exchange has been gradually rising for some time past:” and they might have added, that the people have been gradually conforming themselves to that rise. But the case is widely different, when they make such a shocking start at once, as from 75 to 175. A man may descend from the garret to the lower floor by a flight of stairs without any damage; but were he to descend at one leap, he would probably break his neck. The feelings of too many make any further explanation of this matter quite unnecessary.

3. But the third fact adduced by the Council, and which I suppose, is designed for a clincher, and which is to afford an argument of indispensable necessity, is this, viz. “that the State of New-Jersey had, on the 27th ult. raised their exchange to 150 for 1; and that the people of that State were pouring in their Continental money on us,” &c.

I cannot but stop here, to observe how quick the old tone is changed. It has been a long time urged by people of great judgment, that the only natural and sure way to prevent
prevent our being deluged by an inundation of Continental money, is, to keep the exchange of it somewhat higher here, than it was in the neighbouring States. Yet those very people who now, for this reason, force up the exchange, have, for years past, been in the bitterest manner raising an outcry against such as depreciated the currency.

It is true, indeed, that the Jersey people could bring their Continental money over Delaware, and purchase State money at 75 for 1; and it is as true, that our people could carry the Jersey money over the Delaware, and sell it at 150 for 1; and the advantage, on the whole, would be on our side; because all the Continental money which was in the Jersey at the date of their resolution, cost their people 75 for 1, and they get no more for it here. Whereas our people, who carry their State money to them, purchased it for 75, and got 150 for it.

But after all, it could be but the 'bubble of a day'; it might furnish employment for stock-jobbers, schemers, and idle people a short time, but could not continue long; it is not possible that advantage could be taken long of different exchanges on the two sides of Delaware, whilst the communication is so great; and after all, the difference could be but trifling.

For neither the resolution of the Jersey, nor of our State, can make the State money of either a whit more valuable, i. e. make it purchase any more hard money or any other valuable goods, than before; but the violent shock must depreciate both, as we find by experience, which is the surest evidence in matters of this nature.

But, salus populi, suprema lex. What is now to be done? Is it best to repeal the resolution? I think not. The mischief is done. A repeal will not remedy it. The Continental money has received its mortal wound. I do not think it advisable or possible to heal it. The State money follows fast after it. The exchange for hard money on the 2d instant was 3 for 1; it is now said to be 4 for 1 at least.

I think we have now no choice left, but to adopt my old doctrine, viz. "To recur to our solid substance, or real wealth,"
wealth, bidding a farewell to all bubbles, vain expedients, and shadows."

The present evil originates in the law, which the Council have undertaken to execute. If a law is so absurdly made as to be incapable of execution, nothing but absurdity and perplexity can arise out of it. It will lie with the Assembly in their approaching session, to repeal the law or not.

On the whole, if the Council have not increased the esteem of the public by their resolution, they are at least entitled to some compassion. They have undertaken a task that is impossible; and I imagine their difficulties would puzzle much able heads than theirs. If a legislature should make a law that a bar of iron should be cut asunder with an ax of wood, the officer entrusted with the execution of it, might think it his duty to try; but he need not be surprised, after all his labor and chopping, to find the iron bar intact, and his ax sadly bruised.

The exchange, or operation of money, is a very nice, touchy, delicate subject; and no man can, by right or prudence, intermeddle with it, who does not understand its nature and principles. No dignity of station, or reverence of character, can secure a man against ridicule and contempt, when he comes to be knocked about by the magical effects of that all-powerful subject, when put into operation under the direction of unskilful hands.
STRICTURES
ON A
Publication in the Freeman's Journal of May 16, 1781, signed
TIMOLEON.*

[First published in Philadelphia, May 23, 1781.]

It is of no consequence to the public, whether Timo-
leon or myself have the blackest heart, the soulest
mouth, or the most spiteful pen. I yield to him the palm in
every article of personal abuse, fly innuendo, or gross scan-
dal; I mean to confine myself to such particulars as the
public have an interest in.

In my Remarks on the Resolution for raising the Ex-
change, I observed that the Council, in their defence, had
urged that both the laws of the State, and their oaths of off-
lice, required what they had done.

I replied, that the exchange which they had published
for several successive months, was not the true exchange;
and therefore could not satisfy either the law or their oaths of
office. Mr. T. seems to deny this, but says, the virtu-
ous part of the community represented the exchange as va-
rious from 150 to 200 or 225. This I deny, and call on
mr. T. to produce one virtuous person of the community, of
knowledge

* TIMOLEON was an angry writer, who appeared in the Freeman's Journal of May 16, 1781, in vindication of the refelue of Council on which the foregoing Remarks (of the Citizen) were made.
knowledge fit to be consulted, who ever told the Council
the exchange on the date of their resolution was 175; or
one respectable merchant (as he goes on to assert) who ever
said or agreed that the exchange in March or April last,
was 75 for 1. The contrary of both is well known to every
body in this city. Plain fact is here notoriously against
mr. T.; for which I appeal to the whole city, who are the
most competent judges.

What mr. T. affirms, and I deny, is this, viz. that the
exchange of hard money was here in February, March, and
April last, at 75 for 1, and in May 2d, instant, at 175 for 1.
I do not begrudge mr. T. the whole credit of his fetch,
viz. “that the act of Assembly does not require the Coun-
cil to publish the most current rate, but simply the rate of
exchange;” but whatever credit this precious subtility may
give to his ingenuity, it can afford no help to his argu-
ment; because the exchange does mean the current or usual
exchange, from the force of the particle the, for which I
refer to the most common English Grammar of the schools.
The words are not an exchange, or any exchange, but the
exchange, which cannot with any propriety mean any but
that particular one which was most current or usual at the
time.

But mr. T. cannot possibly understand this mystery, how
a buyer can be a loser by the Council’s declaring the ex-
change 175. I can easily explain this matter of fact; be-
fore the date of that declaration, with 220 dollars the buyer
could purchase candles or fish to the value of one hard
dollar;

I ever supposed the author to be President Reed; but as he chose to shroud
himself in darkness, and the printer would not give up his name, I did not
think myself under any obligation to address him in a style or manner due to
the first officer of the State; but, with the greatest freedom, treated the per-
formance according to the merit of it.

But whoever was the author, the arguments (such as they were) are con-
cidered in these Strictures; but where the author was mean enough to leave
the merits of the matter, and defend to low scurrility and personal abuse,
I passed over it, as it was of no consequence to the public; and only re-
marked on one or two scandalous personal imputations, which I never be-
fore heard of from any body but himself.

In fine, the fatal importance of the facts, not any personal animosity, was
at that time my sole motive for making my Remarks and Strictures, and is
now the name for re-publishing them.
dollar; but after that declaration, he must pay 5oo of the same dollars for the same goods; his loss therefore is the difference between 220 and 500, i. e. 280, or something more than eleven shillings in the pound.

This is a computation grown very familiar in the city; and I cannot but wonder it should remain so long a mystery to mr. T. for this same reason, or to use the numerical figures of the resolution (to make the matter plainer to mr. T. who discovers much mystery, and some mystery of mysteries in the matter) because that 175 dollars bring no more after the resolution, than 75 would bring before, every paper or Continental money, and of course the public treasury, loses 4-7ths of all they have on hand, and all debts due and payable in that currency.

This he confidently afferts to be a falsehood. I think he might be ashamed to deny a truth of public notoriety; but if he is really so dull as not to be able to see this, it is manifest the Council see it very plain, as is very evident by their attempt (tho' a vain one) to obviate the mischiefs of it, in the payment of taxes, fines, &c.* and which, he says, is the real and true cause of much of the clamor against the Council's resolution.

But in this he is very much mistaken, because the remedy adopted by the Council is void of effect, as it does not reach or remedy the mischief; for tho' the tories and whigs too cannot pay their State money for taxes at more than 75, yet they can and daily do change their State money for Continental, and pay their taxes with much less than half the real value which those paid, who paid their taxes before the resolution was published, and this is publicly known to every body. Nor can I see any thing but personal honesty which prevents all our collectors from changing all the State money which they received before the resolution, for old Continental;

* By resolve of Council, May 4, 1781, collectors of taxes, fines, &c. are directed to receive them in the following manner, viz. when paid in old Continental money, they are to receive the same sum at which each person stands charged in the duplicate (or tax-book;) but if paid in specie, or State money, or new Continental (i. e. 40 for 1 money) they should receive it at the former exchange of 75 for 1, not according to the new rate of 175 for 1, published by Council, May 2d, i. e. two days before.
nential; and paying that into the treasury. This is the blessed way in which (it is the peculiar felicity of mr. T. to discover) our treasury has been enriched since the resolution.

If it still does not appear to mr. T. that the old Continental money, either in his own desk or in the treasury, is reduced to less than half the value it had before the resolution, the best way I know of to satisfy himself is, to take some of it to buy any necessaries, and he will, I doubt not, have a practical proof too strong to admit a doubt; and if in this or any other way he should happen to be convinced, I shall expect that he will publicly acknowledge it, for his own sake.

But to follow mr. T. a little further. I have said in my Remarks, that “the resolution of Council declares (if not expressly, at least in effect, and all the effect that it could in reason be supposed to have) that the exchange of old Continental to State money, is 175 for 1.” This mr. T. denies with great triumph. I must beg the reader’s attention here a moment; the words of the law are, that the Council are required to publish “the then rate of exchange between specie and Continental money, which exchange, so published, shall be the exchange of the Continental money and the State money,” &c. in which it is manifest, that the most express design of publishing the exchange of specie, was thereby to fix the exchange of the State money on a par with it; this was the effect which the legislature intended, and the very effect which the Council intended, as appears by their provision against the effects of it, in the case of taxes, fines, &c.

Yet mr. T. with great assurance asks, “What has this to do with the Council’s publication, which has not State money in contemplation?” His law logic helps him out but poorly here, viz. that the operation of the law on this publication, and not this publication itself, produced the effect; he might as well deny that a miller grinds wheat, because the millstones grind it; or that a man travels a journey on horseback, because the horse only travels; for it is very plain, that the law, without this publication, would no more
more have raised the exchange of State money, than the
mill would grind the wheat without the miller to set it
going, or the horse perform the journey without the rider
on his back. I therefore conclude, that every one will be
convinced that my proposition is true; and if it is true,
Mr. T. acknowledges that "my observation will apply."

Mr. T. among other reasons why the Council did not
raise the exchange last month, gives this one, viz. the spe-
culation at Boston and Rhode-Island improved the credit
of the old Continental money here, and therefore was not to be
interrupted by any disadvantageous alteration of the exchange.

This speculation was, to purchase Continental here at
220 for 1, and fell it at Boston for 75; but in the very next
paragraph, he reprobrates the same kind of speculation to the
Jerfies very severely, I suppose, because it was not so pro-
fitable. "Is this," says he, "a traffic which public coun-
fels are to promote and encourage?" I have no where said
these speculations were good, I mentioned them as bad
things; and all I said, and all my argument required, was,
that they were but bubbles of a day, &c. and could not jus-
tify so dangerous and ruinous a measure, as raising the ex-
change to prevent their mischief, because this would make
the remedy worse than the disease.

I did oppose the tender-act, which is the act in question
(see my Strictures on Tender-acts, p. 128) whilst it was under
consideration, with all the power I was able, and in the most
public way; and therefore, in Mr. T.'s opinion, my indecency,

A a

* This author is fond of finding fault with my manner of writing, com-
plains of indecency, &c. the writings which excite his uncles are now
before the reader, who will judge whether his censures are well or ill
grounded.

I have only to observe for myself, that I ever meant, when writing on
serious and grave subjects, to dwell in definite ideas and sentiments, and to use
such words to express them, as should convey my meaning with the greatest clear-
ness and safety to the reader; good of expression, or grace of period, is neither
my talent nor object; and I suppose, the plainness of my style, especially
when it happened to excite his feelings strongly, appeared to him like inde-
cency; but if calling things by their right names, or, as the Dutch say, calling
a spade, a spade, is indeed y, I must bear it as well as I can; and I hope, the
clarity of the sense will make amends for the want of pith in the expres-
sion with such readers as are more delighted with the sentiments and ideas of
an author, than with the turn of his periods, or the dress of his language: and
this is the sort of readers I most wish to please.
as he calls it, may have some palliation. But I can see no
indecency in pointing out the evils or impracticabilities of a
law, which the whole community must suffer; if this is
done in such a way as tends to a remedy. The numberless
instances of private distress, as well as the starving condition
of all the public departments, and especially the unprovided
state of the army, were my great inducements to write my
Remarks, and thereby expose the errors which at least aggra-
vated our calamities. I have no ill will to the Council,
I have none to the Assembly; but I wish the wisdom of both
may increase, and all their errors may be mended.

I cannot forbear animadverting a little on the rancorous,
malignant conclusion of Mr. T. in his invective against
some of our citizens. I think a little decency to the place
which gives him bread, might have induced him to spare
his black epithets. It is a foul bird that besmears his own
neft. But if he intends (as perhaps he does) to apply any
of his detestable characters to me personally, I have only
to aver, they are sheer abuse, without the least foundation of
truth.

I did, indeed, on repeated advices of the great distress of
Boston, for flour and iron, in 1777, load a vessel of my
own with a cargo of both, and failed for Boston, but was
(on April 6) unfortunately taken on the passage; by the Or-
pheus, English frigate, and carried into Rhode-Island, where,
after a month’s imprisonment, I was released on exchange,
having lost my whole vessel and cargo, to the amount of about
2000l. hard money; for which I never had, nor do expect
ever to have, the least compensation from them.

I also did remain in the city when the British troops cap-
tured it, having, among other reasons, a child in the small-
pox at the time, who could not be removed; but it is not
ture that I enjoyed the least friendly or confidential intercourse
with them, or their adherents.

I spent three months of the time in visiting the American
prisoners in the gaols here, and procuring and carrying
to their relief, such food and clothing as I could collect, at
a time when their distresses were beyond all description,
and when it was deemed a crime to show compassion to
them;
them; and on the 6th of February, 1778 (long before there was any probability of an evacuation of the city) I was committed to gaol, and suffered not a collusive, but a most severe, confinement of 132 days, without being able, by every possible application,* to obtain any knowledge of the cause of my confinement; but the presumption generally admitted was, that my constant and careful attendance on the American prisoners was thought to imply too strong an attachment to Americans, to be compatible with either the duty or protection of a British subject.

As to what Mr. T. very malignantly suggests about reviling government, evading resolutions of committees, and creating discontent, I beg leave to observe, that I never have opposed either projects of committees, or measures of government, except such as have since, on the fullest experiment, and the plainest demonstration of fact, been reprobated

* When the British troops under the command of general sir William Howe took possession of Philadelphia, Sep. 26, 1777, my whole family then in town was myself and two daughters, the one a little over, and the other under, twenty years of age, and were under such terrors, that I could scarce leave them an hour in the day-time.

On the 6th of Feb. 1778, I was taken out of bed at 11 o'clock at night, by orders (as was said) of general Howe, and confined in the public gaol of the city.

I was under great apprehensions that my daughters would go out of their fences, with the fright and their unprotected condition.

I represented my distress in sundry letters to general Howe, to his superintendent of police in the city, and to sundry other officers, with most earnest request that I might be informed of the cause of my imprisonment, and have an opportunity of a hearing before the general, or any court he might appoint; but never could get any answer or knowledge of any crime or fault charged to me, but was held in close confinement till the day preceding the evacuation of the city, 17th June, 1778.

My property to a large amount was likewise seized and conveyed into the king's hands; part of which I indeed recovered afterwards, but I sustained a final loss of about 500l. value, which I could never recover or obtain any compensation for.

And more than all this, my long and close confinement so injured my health, and impaired my constitution, that I am not yet, nor ever expect to be, restored to the state of sound health which I enjoyed before that grievous oppression.

From these circumstances (which were well known to President Reed, and the whole city) we may judge with what rancor and malignity of heart it could be suggested by Timoleon, that my intercourse with the British troops was friendly and confidential, or my confinement collusive, and of my own seeking, that I might plead the merit of it with my countrymen after the British were gone.
bated by our gravest counsels, and condemned by the general consent of Americans as bad policy; such as limitations of prices, forcing sales of private property, tender acts, emitting deluges of paper currency, fixing the value of paper currency by law, and other absurdities which have involved America in greater calamities than the British arms.

And I freely submit it to every found American, whether I may not, with good right, and without vanity, boast of it as an instance and proof of sound judgment and most genuine patriotism, that I have early discovered and opposed those ill-judged and pernicious expedients, which by the general voice of America, are now execrated as the undoubted sources and causes of our present corrupted morality, enervated state of defence, ruin of public faith, prostitution of national character, loss of the confidence of our friends, contempt and disgrace abroad, and confusion at home.

I have, indeed, with great reluctance, opposed popular prejudices, when they were incapable of being controlled. But I freely submit it to my fellow-citizens, whether time and fact have not ever justified my conclusions, with this only difference, that the consequences have been verified in fact in a much stronger degree, and more aggravated mischief, than I have delineated. If one material instance of my opposition to projects of committees, or measures of government, different from this, can be produced, I am content to stand corrected in the face of the public; and I am confident my fellow-citizens will not suffer me to be oppressed, because I have told them the truth before every one could see it.

I never once expressed or felt any dissatisfaction to the great cause of American liberty, but ever wished and promoted its success, as far as was in my power. The truth of every part of this declaration I do aver on my honor, and have the fullest proof of the facts, and doubt not my fellow-citizens will consider me as a much-injured man, and give full credit to what I say.

I do at least call on mr. T. to produce the least spark of proof of the contrary. However injurious I consider his malignity, I am yet less affected by his publication, than I should
should have been by his secret whispers, which I could have no opportunity to contradict.

I humbly beg leave to suggest further here, that out of these very facts, so spitefully misrepresented by Mr. T. when they are candidly considered, arises a stronger proof of my attachment to the American cause, than most Whigs are able to exhibit, and a much stronger proof than any which I even heard Mr. T. ever has exhibited of his Whig-gum.

My writings on finance are open to every body, and have met the approbation of many of the greatest men in America; and I believe Mr. T. begins to feel the force of them: for I find he begins to ‘hope we shall have spirit enough to enforce a hard money tax,’ which has long made a part of my scheme of finance, and which Mr. T. has constantly reprobated, till now. But this does not flatter my vanity much; for I believe he might as well ‘jump out of the garret into the street,’ as write on the subject of finance at all.

I have only to beg the reader to keep his eye steadily on the facts, not on the colorings, of Mr. T. or myself, and from those facts to form his judgment. Facts are hardy, stubborn things, which Mr. T. or I may color indeed, but neither of us can break or bend them; such as follow, viz.

1. Was the current exchange of specie in February, March, and April last, 75 for 1; or was it 175 for 1 on the 2d instant, as declared by Council?

2. Was the exchange required by law to be published, an or any exchange, and not the current exchange, as Mr. T. quibbles?

3. Did the Council’s declaring the exchange of specie at 175, produce the same effect as declaring the exchange of State money at 175 would have done?

4. Did the Council’s declaring the exchange of 75 in February, March, and April, and 175 in May, which was not the then current rate of exchange, satisfy either the words of the law, or their oaths of office?

5. Did
5. Did any respectable merchants, on consultation, inform the Council that the current exchange in February, March, and April last, was 75, or 175 on the 2d instant?

6. Did the declaration of the Council on the 2d instant so operate on the old Continental money, as to reduce the value of it to less than half, both in private hands and in the public treasury?

7. Did the raising the exchange in the Jersies afford reasons by any means sufficient to justify our following so fatal an example?

These are some of the principal facts contested between Mr. T. and myself. They are all matters of public notoriety. The public are not all beholden either to Mr. T. or myself, for the knowledge of any of them, except the 5th, of which we must depend on Mr. T. for the necessary proof.

If the above facts and reasonings are true, I think it will follow, that the poison which Mr. T. is so much concerned to find an antidote for, will prove to be these poison truths, which he fears will have an operation to his disadvantage. I am sorry, too, that they ever were truths. I am quite of opinion they are a sort of poison truths, which have done, and I fear will do, much hurt; and therefore I hope I may be excused for putting my mark of disapprobation on them.
STRICTURES ON
Two Publications in the Freeman's Journal of May 30, 1781, signed

PHOCION,
AND
IMPARTIAL.*

[First published in Philadelphia, May 23, 1781.]

THOSE authors, together with Timoleon, are the sons of darkness. The printers are not at liberty to give up their names. I take Phocion and Timoleon to be the same person. But as I suppose they are ashamed to be seen, I do not mean to disoblige them by hauling them into light, but hope, whilst it is impossible for me to know who they are, it will be deemed very absurd to suppose any thing I write, designed for a personal application to either of them. Phocion says, that "the Citizen has infused that no merchant could have advised the continuance of the exchange at 75 in April last." This is not true, Phocion; you do depart from the fact; and you know you do.

* Phocion appeared in the Freeman's Journal of May 30, 1781, when, in answer to my challenge, he, with great triumph, produced Robert Morris, esq. who, he says, advised publishing the exchange at 75 for 1, in April last; which, if true, would have been nothing to the purpose.
do. Had you kept to the fact, your sentence would have 

stood thus, viz. The Citizen denies that any respectable mer-

chants ever informed the Council that the true or current ex-

change of specie was 75 in April last.

On this I have challenged Timoleon, and now chal-

lenge Phocion. It is mean for you, Phocion, to sneak 

out from the point in question, by such an artful but pitiful 

evasion. A man of character would be ashamed of it; 

but it is easier to blush in the dark than before company.

You go on to mention mr. Robert Morris, as having 
given his opinion and advice to publish "the exchange in 

April at 75." I have reason to believe that this is not true; 

that mr. Robert Morris never was consulted in April last, 

nor did give any opinion or advice about publishing the ex-

change so late as April last; and that his opinion at that 
time was decidedly for publishing the exchange as high as 
the truth, if it was determined to publish it at all.

Mr. Phocion has called up mr. Morris's name, which 

obliges me to do the same. Mr. Morris is easily consulted, 

and will doubtless inform, if desired, what he did say on 
the subject to which I refer.

At an earlier period, say the beginning of February or 

March, when the exchange stood with little variation, and 
the subsequent rise of it was not foreseen; when the effects 
of the tender law could not be known; many merchants, 

and mr. Morris among them, might think it dangerous to 
shock the then state of our trade and currency by any 

unnatural and sudden start of the exchange, and might give 
it as their opinion and advice to publish it at 75. But if 
this is admitted ever so true, it does not follow that any of 
them ever meant to intimate thereby, that the true exchange 
even

But he appeared again in the Journal of June 6, with a retraction of 
what he had published about mr. Morris.—Impartial appeared in 
the same paper of May 30, and is, I suppose, the same person with Timo-

leon and Phocion, or, which comes to about the same thing, some heat-
ed partisan of the same side.

He let out with blackening the Citizen and all the Republican party 
with scarcely enough, and concludes with a labored panegyric of mr. Reed's 
government. Any body who wishes to see any of these pieces, may find 
them in the Freeman's Journal, as above quoted.
even in February or March, much less in April last; war 75.

Therefore, the whole matter does not contain any the least contradiction to any thing which I have asserted, is therefore a manifest departure from the fact in question, and of course is just so much foreign matter lugged in for the mere purpose of artful shuffle and deception.

Mr. Phocion, you must stick better to the point; it is shameful to start, shuffle, and evade the true matter which labours at bar; you must keep to the fact; if you do not do this for yourself, I will do it for you: for I can and will hold you so close, that it shall not be in your power to squirm out of the grasp which pinches you. Farewell.

Now Mr. Impartial calls for my attention a moment. It would be hard to take no notice of this man, who seems to be boiling over with gallish matter, and to have taken great pains to scrape together a considerable number of very hard, black words, suitable to express it. It is easy to see what sort of a blowing genius this is, by only casting an eye over his "crude revilements, villainies, hollow principles, pestilent spirit, jaundiced eyes, feculencies of wealth, execrable characters, fumes of discord, Sodom, false patriot, because jealous, snear of the States, disappointment and malice, which are immortal with the wicked after their death," to which may be added his poor old hackneyed word, "junto," which he has honored with large employment in this service.

But I must beg to be excused from following him thro' such a foul thicket of hard names, coarse scurrility, and low dirt. I can easily believe he is not acquainted with President Reed, tho' I cannot so easily admit that he is acquainted with his government, yet it is very clear he means to defend it; but as he seems to be very scant of matter, and barren of argument, it may be deemed a good-natured action to help him out a little. We generally judge of our governors as we do of our carpenters, by the goodness of their work when it is done.

I will therefore attempt to lay down some general rules, marks, or signs, by which a good or bad government may
be distinguished; by the help of which Mr. Impartial may, if he pleases, elucidate and embellish the government of his hero, and support it with some kind of argument, which will probably have more weight with the public, than any loud-founding, hollow encomiums whatever.

1. When the laws protect the persons and property of the subject, the government is good: but it must be weak or wicked, when the laws are so framed, as in their operation to injure and oppress the subject in his person or estate.

2. When the laws are held in general reverence by the people, the government is good: but it must be bad, when the laws are generally considered as iniquitous, and execrated as such.

3. When the laws restrain wicked men, and support, protect, and encourage honesty, upright dealings, and industry, the government is good: but when the laws let all the rogues in the community loose on the honest and industrious citizen, the government must be very weak or wicked.

4. When men of grave wisdom, proper abilities, and known integrity, are put into office, the government is good: but when we see men of wild projects, doubtful morals, and inadequate abilities, crowding themselves by address and corruption into office, the confidence of the people in the government must be lost, and the administration itself must be very weak.

5. When the laws are made a rule of duty, and bulwark of safety and protection to the subject, the government is good: but when we see people imprisoned, persecuted, and ruined, without trial, conviction, or a day in court, the administration will be deemed bad. The worst man that ever lived has a right to a day in court, to a cool hearing, and an opportunity to say, by himself or counsel, all which he fairly can for himself.

6. When the laws are gravely administered by the proper officers, the government is good: but when mobs, riots, and insurrections infest the community, and disturb the public peace; when the force of the community is put under any other direction than that of the law; the government becomes dangerous, and all security is lost.

7. When
7. When the forces and resources of a State are so modelled, put into order, and under such control, that both may be called into action and use, when, and to such degree as the public safety requires, the government is good: but when the public debts are unliquidated or unpaid, the army ill-supplied or ill-paid, the force of the State dwindling away, and the means of preservation lost, the administration must be amazingly bad, and the State in a condition of most alarming danger.

8. When the trade, agriculture, and mechanic arts, those great sources of, not the wealth only, but even morality, of a country, are properly encouraged, the government is good: but when we see our merchants drove, by the oppression of the laws, or absurdity of administration, out of the State, and the farmers and tradesmen following them with their produce and fabrics, the government must be bad indeed.

9. When the dignity of public boards, and the personal respectability of public men, are well kept up in the minds of the people, the government is good: but when the public boards are execrated as wanting common honesty or prudence, and public men curbed, hated, and despised, as void of honor, truth, skill, and uprightness, the government must be bad.

10. When we see the officers of government carefully attending to the forms, decisions, and spirit of the laws, which secure the liberty of the subject, the government is good: but when we see officers in the great departments eagerly and impatiently grasping at enormous, dangerous, and arbitrary powers, attempting to deprive the subject of the rights of a jury, the habeas corpus, and other essential legal forms of process and trial, we have reason to apprehend the government is bad. These are the very tyrannies of the British court, and are ranked among the capital articles of complaint, on which we ground our war against them, and separation from them.

11. A good government is willing to come to the light, and to explain the public movements to the understandings of the subject: bad governments are more impatient of examination,
mination, are apt to complain of the liberty of the press, and when remarks are made on their measures, with so much propriety, truth, and modesty, they rarely attend with candor, but endeavour to divert the attention of the public by artful evasions of the matter in question, and instead of answers, entertain their fellow-citizens either with fulsome rapture of panegyrical, or declamations of personal abuse, or foul scurrility, neither of which has the most distant relation to the grievances complained of, and which require their explanation.

It may be objected that the above rules, as far as they relate to the laws, will not apply, because it luckily happens that our constitution does not vest the President with the power of legislation; it is equally true, that our constitution does not empower the President to raise mobs, and appoint committees, and therefore the objection may go to that part too. Upon this I have only to observe, that the whole management of the public affairs, which is supposed to be under the great influence of any prime mover, is commonly called the administration or government of such a minister.

But as I am not going to make use of any of these rules for myself, but wrote them solely for the benefit of Mr. Impartial, he or any body else that reads them, may leave out all which he thinks not for his purpose, and make use of, and apply, such of them only as he thinks apropos.

On the whole I have to observe to Timoleon, Phocion, Impartial, and every other writer, that if any of them are disposed to object to the truth of any fact or principle which I have advanced or may advance, and will state their objections fairly and candidly, I shall have pleasure in giving them all the information in my power; but if they are disposed to run off in a tangent, thro' the endless wilds of abuse, personal reflection, and scurrility, in which the public can have no concern, I must beg leave to inform them once for all, that I think it inconsistent with the respect I owe the public, and the dignity of character I mean to assume to myself, to follow them in such a dirty career. I have neither talents nor taste for that kind of writing.
I mean to address the understanding of my readers, not their passions, their biasses, much less their corrupt taste. I mean to write on very serious, important subjects, and with to convince and inform serious minds. I have no more ambition to be thought a wilting, a punster, or sharp dealer in squibs or innuendoes, than I have to be reputed an able bruiter, a fly flabber, or an accomplished assassin.

Facts and principles are my only objects, and the public good the great end I have in view, and it is painful to me to be diverted from my course by objects of low wit, scurrility, or scandal, which can only raise a laugh, or a grin, without the least advantage to the public.

Since writing the above, I find Mr. Phocion begins to acknowledge and mend his errors. I doubt not he was compelled to this by force of very strong conviction. It is human to err, it is honorable to own and correct an error, it is diabolical to pervert in an error after conviction. I am rejoiced to see so honorable a motion in Mr. Phocion, and I hope he will go on in the good way, till all his errors and mistakes are corrected.*

* It may be worth notice here, that the tender-act which was to be supported by the precious plan of regulating the exchange month by month by the definitions and publications of the Council, and the vain and ridiculous attempts of the Council to put the same into execution (all which made the subject of these remarks and publications) I say, the said tender-act and subsequent resolutions produced such unexpected, wild, and pernicious effects, as not only gave a mortal wound to the Continental money, but proved also to be the last efforts, the dying struggles of the whole system of tender-acts, of limitations of prices of goods, of regulating the market, and defining the value of money by laws and acts of force.

For we find that the Assembly of Pennsylvania, with the recommendation of Congress, on June 2, 1781, repealed all the tender-acts then existing in that State, and discharged all penalties and forfeitures annexed to them, and the like was done about the same time in all the other States.

And so strongly is the injustice of that wild system impressed on the general mind, that it is an article in most of the constitutions since published, that all contracts shall be fulfilled according to the true and honest intention of them.

A DIS-
A DISSERTATION ON THE POLITICAL UNION AND CONSTITUTION OF THE THIRTEEN UNITED STATES OF NORTH-AMERICA,

Which is necessary to their Preservation and Happiness; humbly offered to the Public.*

[First published in Philadelphia, 1783.]

I. THE supreme authority of any State must have power enough to effect the ends of its appointment, otherwise these ends cannot be answered, and effectually secured; at best they are precarious.—But at the same time,

II. The

* Forming a plan of consideration, or a system of general government of the United States, engrossed the attention of Congress from the declaration of independence, July 4, 1776, till the same was completed by Congress, July 9, 1787, and recommended to the several States for ratification, which finally took place, March 1, 1781; from which time the said confederation was considered as the grand constitution of the general government, and the whole administration was conformed to it.

And as it had stood the test of discussion in Congress for two years, before they completed and adopted it, and in all the States for three years more, before it was finally ratified, one would have thought that it must have been a very finished and perfect plan of government.
II. The supreme authority ought to be so limited and checked, if possible, as to prevent the abuse of power, or the exercise of powers that are not necessary to the ends of its appointment,

But on trial of it in practice, it was found to be extremely weak, defective, totally inefficient, and altogether inadequate to its great ends and purposes. For,

1. It blended the legislative and executive powers together in one body.
2. This body, viz. Congress, consisted of but one house, without any check upon their resolutions.
3. The powers of Congress in very few instances were definitive and final; in the most important articles of government they could do no more than recommend to the several States; the consent of every one of which was necessary to give legal sanction to any act so recommended.
4. They could enact and levy no taxes.
5. They could institute and execute no punishments, except in the military department.
6. They had no power of deciding or controlling the contentions and disputes of different States with each other.
7. They could not regulate the general trade; or,
8. Even make laws to secure either public treaties with foreign States, or the persons of public ambassadors, or to punish violations or injuries done to either of them.
9. They could institute no general judiciary powers.
10. They could regulate no public roads, canals, or inland navigation, &c. &c. &c.

And what caps all the rest was, that (whilst under such an inefficient political constitution, the only chance we had of any tolerable administration lay wholly in the prudence and wisdom of the men who happened to take the lead in our public councils) it was fatally provided by the absurd doctrine of rotation, that if any Member of Congress by three years' experience and application, had qualified himself to manage our public affairs with consistency and fitness, that he should be constitutionally and absolutely rendered incapable of serving any longer, till by three years' discontents, he had pretty well lost the cue or train of the public councils, and forgot the ideas and plans which made his services useful and important; and, in the mean time, his place should be supplied by a fresh man, who had the whole matter to learn, and when he had learned it, was to give place to another fresh man; and so on to the end of the chapter.

The feasible mind of the United States, by long experience of the fatal weakness of anarchy, or (which is about the same thing) of this ridiculous, inefficient form of government, began to apprehend that there was something wrong in our policy, which ought to be redressed and mended; but nobody undertook to delineate the necessary amendments.

I was then pretty much at leisure, and was fully of opinion (tho' the sentiment at that time would not very well bear) that it would be ten times easier to form a new constitution than to mend the old one. I therefore sat myself down to sketch out the leading principles of that political constitution, which I thought necessary to the preservation and happiness of the United States of America, which are comprised in this Dissertation.

I hope the reader will please to consider, that these are the original thoughts of a private individual, dictated by the nature of the subject only, long before the important theme became the great object of discussion, in the most digested and important assembly, which ever sat or decided in America.
pointment, but hurtful and oppressive to the subject;—but to limit a supreme authority so far as to diminish its dignity, or lessen its power of doing good, would be to destroy or at least to corrupt it, and render it ineffectual to its ends.

III. A number of sovereign States uniting into one Commonwealth, and appointing a supreme power to manage the affairs of the union, do necessarily and unavoidably part with and transfer over to such supreme power, so much of their own sovereignty, as is necessary to render the ends of the union effectual, otherwise their confederation will be an union without bands of union, like a cask without hoops, that may and probably will fall to pieces, as soon as it is put to any exercise which requires strength.

In like manner, every member of civil society parts with many of his natural rights, that he may enjoy the rest in greater security under the protection of society.

The union of the Thirteen States of America is of mighty consequence to the security, sovereignty, and even liberty of each of them, and of all the individuals who compose them; united under a natural, well adjusted, and effectual constitution, they are a strong, rich, growing power, with great resources and means of defence, which no foreign power will easily attempt to invade or insult; they may easily command respect.

As their exports are mostly either raw materials or provisions, and their imports mostly finished goods, their trade becomes a capital object with every manufacturing nation of Europe, and all the southern colonies of America; their friendship and trade will of course be courted, and each power in amity with them will contribute to their security.

Their union is of great moment in another respect; they thereby form a superintending power among themselves, that can moderate and terminate disputes that may arise between different States, restrain intestine violence, and prevent any recourse to the dreadful decision of the sword.

I do not mean here to go into a detail of all the advantages of our union; they offer themselves on every view,
and are important enough to engage every honest, prudent mind, to secure and establish that union by every possible method, that we may enjoy the full benefit of it, and be rendered happy and safe under the protection it affords.

This union, however important, cannot be supported without a constitution founded on principles of natural truth, fitness, and utility. If there is one article wrong in such constitution, it will discover itself in practice, by its baleful operation, and destroy or at least injure the union.

Many nations have been ruined by the errors of their political constitutions. Such errors first introduce wrongs and injuries, which soon breed discontents, which gradually work up into mortal hatred and resentment; hence in-veterate parties are formed, which of course make the whole community a house divided against itself, which soon falls either a prey to some enemies without, who watch to devour them, or else crumble into their original constituent parts, and lose all respectability, strength, and security.

It is as physically impossible to secure to civil society, good cement of union, duration, and security, without a constitution founded on principles of natural fitness and right, as to raise timbers into a strong, compact building, which have not been framed upon true geometric principles; for if you cut one beam a foot too long or too short, not all the authority and all the force of all the carpenters can ever get it into its place, and make it fit with proper symmetry there.

As the fate then of all governments depends much on their political constitutions, they become an object of mighty moment to the happiness and well-being of society; and as the framing of such a constitution requires great knowledge of the rights of men and societies, as well as of the interests, circumstances, and even prejudices of the several parts of the community or commonwealth, for which it is intended; it becomes a very complex subject, and of course requires great steadiness and comprehension of thought, as well as great knowledge of men and things, to do it properly. I shall, however, attempt
tempt it with my best abilities, and hope from the candor of the public to escape censure, if I cannot merit praise.

I begin with my first and great principle, viz. That the constitution must vest powers in every department sufficient to secure and make effectual the ends of it. The supreme authority must have the power of making war and peace—of appointing armies and navies—of appointing officers both civil and military—of making contracts—of emitting, coining, and borrowing money—of regulating trade—of making treaties with foreign powers—of establishing post offices—and in short of doing every thing which the well-being of the Commonwealth may require, and which is not compatible to any particular State, all of which require money, and cannot possibly be made effectual without it.

They must therefore of necessity be vested with a power of taxation. I know this is a most important and weighty trust, a dreadful engine of oppression, tyranny, and injury, when ill used; yet, from the necessity of the case, it must be admitted.

For to give a supreme authority a power of making contracts, without any power of payment—of appointing officers civil and military, without money to pay them—a power to build ships, without any money to do it with—a power of emitting money, without any power to redeem it—or of borrowing money, without any power to make payment, &c. &c. such solecisms in government, are so nugatory and absurd, that I really think to offer further arguments on the subject, would be to insult the understanding of my readers.

To make all these payments dependent on the votes of thirteen popular assemblies, who will undertake to judge of the propriety of every contract and every occasion of money, and grant or withhold supplies according to their opinion, whilst at the same time, the operations of the whole may be stopped by the vote of a single one of them, is absurd; for this renders all supplies so precarious, and the public credit so extremely uncertain, as must in its nature render all efforts in war, and all regular administration in peace, utterly
utterly impracticable, as well as most pointedly ridiculous. Is there a man to be found, who would lend money, or render personal services, or make contracts on such precariously secure? of this we have a proof of fact, the strongest of all proofs, a fatal experience, the surest test of all demonstrations, which renders all other proof or argument on this subject quite unnecessary.

The present broken state of our finances—public debts and bankruptcies—enormous and ridiculous depreciation of public securities—with the total annihilation of our public credit—prove beyond all contradiction the vanity of all recourse to the several Assemblies of the States. The recent instance of the duty of 5 per cent. on imported goods, struck dead, and the bankruptcies which ensued on the single vote of Rhode-Island, affords another proof, of what it is certain may be done again in like circumstances.

I have another reason why a power of taxation or of raising money, ought to be vested in the supreme authority of our commonwealth, viz. the monies necessary for the public ought to be raised by a duty imposed on imported goods, not a bare 5 per cent. or any other per cent. on all imported goods indiscriminately, but a duty much heavier on all articles of luxury or mere ornament, and which are consumed principally by the rich or prodigal part of the community, such as silks of all sorts, muslins, cambricks, lawns, superfine cloths, spirits, wines, &c. &c.

Such an impost would ease the husbandman, the mechanic, and the poor; would have all the practical effects of a statute law; would mend the economy, and increase the industry, of the community; would be collected without the shocking circumstances of collectors and their warrants; and make the quantity of tax paid, always depend on the choice of the person who pays it.

This tax can be laid by the supreme authority much more conveniently than by the particular Assemblies, and would in no case be subject to their repeals or modifications; and of course the public credit would never be dependent on, or liable to bankruptcy by the humors of any particular Assembly.—In an Essay on Finance, which I design soon to
to offer to the public, this subject will be treated more fully.

(See my Sixth Essay on Free Trade and Finance, p. 229.)

The delegates which are to form that august body, which are to hold and exercise the supreme authority, ought to be appointed by the States in any manner they please; in which they should not be limited by any restrictions; their own dignity and the weight they will hold in the great public councils, will always depend on the abilities of the persons they appoint to represent them there; and if they are wise enough to choose men of sufficient abilities, and respectable characters, men of sound sense, extensive knowledge, gravity, and integrity, they will reap the honor and advantage of such wisdom.

But if they are fools enough to appoint men of trifling or vile characters, of mean abilities, faulty morals, or detpicable ignorance, they must reap the fruits of such folly, and content themselves to have no weight, dignity, or esteem in the public councils; and what is more to be lamented by the Commonwealth, to do no good there.

I have no objection to the States electing and recalling their delegates as often as they please, but think it hard and very injurious both to them and the Commonwealth, that they should be obliged to discontinue them after three years' service, if they find them on that trial to be men of sufficient integrity and abilities; a man of that experience is certainly much more qualified to serve in the place, than a new member of equal good character can be; experience makes perfect in every kind of business—old, experienced statesmen, of tried and approved integrity and abilities, are a great blessing to a State—they acquire great authority and esteem as well as wisdom, and very much contribute to keep the system of government in good and salutary order; and this furnishes the strongest reason why they should be continued in the service, on Plato's great maxim, that "the man best qualified to serve, ought to be appointed".

I am sorry to see a contrary maxim adopted in our American counsels; to make the highest reason that can be given for continuing a man in the public administration, aligned as a constitutional and absolute reason for turning him out, seems
seems to me to be a solecism of a piece with many other reforms, by which we set out to surprize the world with our wisdom.

If we should adopt this maxim in the common affairs of life, it would be found inconvenient, e.g. if we should make it a part of our constitution, that a man who has served a three years' apprenticeship to the trade of a tailor or shoemaker, should be obliged to discontinue that business for the three successive years; I am of opinion the country would soon be cleared of good shoemakers and tailors.—Men are no more born statesmen than shoemakers or tailors—Experience is equally necessary to perfection in both.

It seems to me that a man's inducements to qualify himself for a public employment, and make himself master of it, must be much discouraged by this consideration, that let him take whatever pains to qualify himself in the best manner, he must be shortly turned out, and of course it would be of more consequence to him, to turn his attention to some other business, which he might adopt when his present appointment should expire; and by this means the Commonwealth is in danger of losing the zeal, industry, and shining abilities, as well as services, of their most accomplished and valuable men.

I hear that the state of Georgia has improved on this blessed principle, and limited the continuance of their governors to one year; the consequence is, they have already the ghosts of departed governors flattering about in every part of their State, and growing more plenty every year; and as the price of every thing is reduced by its plenty, I can suppose governors will soon be very low there.

This doctrine of rotation was first proposed by some sprightly geniuses of brilliant politics, with this cogent reason; that by introducing a rotation in the public offices, we should have a great number of men trained up to public service; but it appears to me that it will be more likely to produce many jacks at all trades, but good at none.

I think that frequent elections are a sufficient security against the continuance of men in public office whose conduct is not approved, and there can be no reason for excluding
cluding those whose conduct is approved, and who are allowed to be better qualified than any men who can be found to supply their places.

Another great object of government, is the apportionment of burdens and benefits; for if a greater quota of burden, or a less quota of benefit than is just and right, be allotted to any State, this ill apportionment will be an everlastling source of uneasiness and discontent. In the first case, the over-burdened State will complain; in the last case, all the States, whose quota of benefit is under-rated, will be uneasy; and this is a case of such delicacy, that it cannot be safely trusted to the arbitrary opinion or judgment of any body of men however august.

Some natural principle of confessed equity, and which can be reduced to a certainty, ought, if possible, to be found and adopted; for it is of the highest moment to the Commonwealth, to obviate, and, if possible, wholly to take away, such a fruitful and common source of infinite disputes, as that of apportionment of quotas has ever proved in all States of the earth.

The value of lands may be a good rule; but the ascertaining of that value is impracticable; no assestment can be made which will not be liable to exception and debate—to adopt a good rule in anything which is impracticable, is absurd; for it is physically impossible that anything should be good for practice, which cannot be practised at all—but if the value of lands was capable of certain assestment, yet to adopt that value as a rule of apportionment of quotas, and at the same time to except from valuation large tracts of fundry States of immense value, which have all been defended by the joint arms of the whole Empire, and for the defence of which no additional quota of supply is to be demanded of those States, to whom such lands are secured by such joint efforts of the States, is in its nature unreasonable, and will open a door for great complaint.

It is plain without argument, that such States ought either to make grants to the Commonwealth of such tracts of defended territory, or sell as much of them as will pay their proper quota of defence, and pay such sums into the public
lic treasury; and this ought to be done, let what rule of quota foever be adopted with respect to the cultivated part of the United States; for no proposition of natural right and justice can be plainer than this, that every part of valuable property which is defended, ought to contribute its quota of supply for that defence.

If then the value of cultivated lands is found to be an impracticable rule of apportionment of quotas, we have to seek for some other, equally just and less exceptionable.

It appears to me, that the number of living souls or human persons of whatever age, sex, or condition, will afford us a rule or measure of apportionment which will for ever increase and decrease with the real wealth of the States, and will of course be a perpetual rule, not capable of corruption by any circumstances of future time; which is of vast consideration in forming a constitution which is designed for perpetual duration, and which will in its nature be as just as to the inhabited parts of each State, as that of the value of lands, or any other that has or can be mentioned.

Land takes its value not merely from the goodness of its soil, but from innumerable other relative advantages, among which the population of the country may be considered as principal; as lands in a full-settled country will always (ceteris paribus) bring more than lands in thin settlements—On this principle, when the inhabitants of Russia, Poland, &c. fell real estates, they do not value them as we do, by the number of acres, but by the number of people who live on them.

Where any piece of land has many advantages, many people will crowd there to obtain them; which will create many competitors for the purchase of it; which will of course raise the price. Where there are fewer advantages, there will be fewer competitors, and of course a less price; and these two things will for ever be proportionate to each other, and of course the one will always be a sure index of the other.

The only considerable objection I have ever heard to this, is, that the quality of inhabitants differs in the different
ent States, and it is not reasonable that the black slaves in
the southern States should be estimated on a par with the
white freemen in the northern States. To discuss this ques-
tion fairly, I think it will be just to estimate the neat va-
tue of the labor of both; and if it shall appear that the
labor of the black person produces as much neat wealth to
the southern State, as the labor of the white person does
to the northern State, I think it will follow plainly, that
they are equally useful inhabitants in point of wealth; and
therefore in the case before us, should be estimated alike.

And if the amazing profits which the southern planters
boast of receiving from the labor of their slaves on their
plantations, are real, the southern people have greatly the
advantage in this kind of estimation, and as this objection
comes principally from the southward, I should suppose
that the gentlemen from that part would blush to urge it
any further.

That the supreme authority should be vested with powers
to terminate and finally decide controversies arising between
different States, I take it, will be universally admitted, but
I humbly apprehend that an appeal from the first instance
of trial ought to be admitted in causes of great moment,
on the same reasons that such appeals are admitted in all
the States of Europe. It is well known to all men versed
in courts, that the first hearing of a cause, rather gives an
opening to that evidence and reason which ought to de-
cide it, than such a full examination and thorough discus-
sion, as should always precede a final judgment, in causes
of national consequence.—A detail of reasons might be
added, which I deem it unnecessary to enlarge on here.

The supreme authority ought to have a power of peace
and war, and forming treaties and alliances with all foreign
powers; which implies a necessity of their also having suf-
ficient powers to enforce the obedience of all subjects of the
United States to such treaties and alliances; with full
powers to unite the force of the States; and direct its op-
érations in war; and to punish all transgressors in all these
respects; otherwise, by the imprudence of a few, the
whole Commonwealth may be embroiled with foreign
powers,
powers, and the operations of war may be rendered useless, or fail much of their due effect.

All these I conceive will be easily granted, especially the latter, as the power of Congress to appoint and direct the army and navy in war, with all departments thereto belonging, and punishing delinquents in them all, is already admitted into practice in the course of the present unhappy war, in which we have been long engaged.

II. But now the great and most difficult part of this weighty subject remains to be considered, viz. how these supreme powers are to be constituted in such manner that they may be able to exercise with full force and effect, the vast authorities committed to them, for the good and well-being of the United States, and yet be so checked and restrained from exercising them to the injury and ruin of the States, that we may with safety trust them with a commision of such vast magnitude;—and may Almighty wisdom direct my pen in this arduous discussion.

1. The men who compose this important council, must be delegated from all the States; and, of course, the hope of approbation and continuance of honors, will naturally stimulate them to act right, and to please; the dread of censure and disgrace will naturally operate as a check to restrain them from improper behaviour: but however natural and forcible these motives may be, we find by sad experience, they are not always strong enough to produce the effects we expect and wish from them.

It is to be wished that none might be appointed that were not fit and adequate to this weighty business; but a little knowledge of human nature, and a little acquaintance with the political history of mankind, will soon teach us that this is not to be expected.

The representatives appointed by popular elections are commonly not only the legal, but real, substantial representatives of their electors, i.e. there will commonly be about the same proportion of grave, sound, well-qualified men,—trifling, delinquent men,—wild or knavish schemers,—and dull, ignorant fools, in the delegated assembly, as in the body of electors.

I know
I know of no way to help this; such delegates must be admitted, as the States are pleased to send; and all that can be done, is, when they get together, to make the best of them.

We will suppose then they are all met in Congress, clothed with that vast authority which it is necessary to the well-being, and even existence, of the union, that they should be vested with; how shall we empower them to do all necessary and effectual good, and restrain them from doing hurt? To do this properly, I think we must recur to those natural motives of action, those feelings and apprehensions, which usually occur to the mind at the very time of action; for distant consequences, however weighty, are often too much disregarded.

Truth loves light, and is vindicated by it. Wrong broods itself in darkness, and is supported by delusion. An honest, well-qualified man loves light, can bear close examination and critical inquiry, and is best pleased when he is most thoroughly understood: a man of corrupt design, or a fool of no design, hates close examination and critical inquiry; the knavery of the one, and the ignorance of the other, are discovered by it, and they both usually grow uneasy, before the investigation is half done. I do not believe there is a more natural truth in the world, than that divine one of our Saviour, "be that doeth truth, cometh to the light." I would therefore recommend that mode of deliberation, which will naturally bring on the most thorough and critical discussion of the subject, previous to passing any act; and for that purpose humbly propose,

2. That the Congress shall consist of two chambers, an upper and lower house, or senate and commons, with the concurrence of both necessary to every act; and that every State send one or more delegates to each house: this will subject every act to two discussions before two distinct chambers of men equally qualified for the debate, equally masters of the subject, and of equal authority in the decision.

These two houses will be governed by the same natural motives and interests, viz. the good of the Commonwealth, and the approbation of the people. Whilst, at the same time,
time, the emulation naturally arising between them, will induce a very critical and sharp-eyed inspection into the motions of each other. Their different opinions will bring on conferences between the two houses, in which the whole subject will be exhausted in arguments pro and con, and shame will be the portion of obstinate, convicted error.

Under these circumstances, a man of ignorance or evil design will be afraid to impose on the credulity, inattention, or confidence of his house, by introducing any corrupt or indigestible proposition, which he knows he must be called on to defend against the severe scrutiny and poignant objections of the other house. I do not believe the many hurtful and foolish legislative acts which first or last have injured all the States on earth, have originated so much in corruption as indolence, ignorance, and a want of a full comprehension of the subject, which a full, prying, and emulous discussion would tend in a great measure to remove: this naturally rouses the lazy and idle, who hate the pain of close thinking; animates the ambitious to excel in policy and argument; and excites the whole to support the dignity of their house, and vindicate their own propositions.

I am not of opinion that bodies of elective men, which usually compose Parliaments, Diets, Assemblies, Congresses, &c. are commonly dishonest; but I believe it rarely happens that there are not designing men among them; and I think it would be much more difficult for them to unite their partisans in two houses, and corrupt or deceive them both, than to carry on their designs where there is but one unalarmed, unapprehensive house to be managed; and as there is no hope of making these bad men good, the best policy is to embarrass them, and make their work as difficult as possible.

In these assemblies are frequently to be found sanguine men, upright enough indeed, but of strong, wild projection, whose brains are always teeming with Utopian, chimerical plans, and political whims, very destructive to society. I hardly know a greater evil than to have the supreme councils of a Nation played off on such men's wires; such baseless
les visions at best end in darkness, and the dance, tho' easy and merry enough at first, rarely fails to plunge the credulous, simple followers into laughs and begs at last.

Nothing can tend more effectually to obviate these evils, and to mortify and cure such maggoty brains, than to see the absurdity of their projects exposed by the several arguments and keen satire which a full, emulous, and spirited discussion of the subject will naturally produce: we have had enough of these geniuses in the short course of our politics, both in our national and provincial councils, and have felt enough of their evil effects, to induce us to wish for any good method to keep ourselves clear of them in future.

The consultations and decisions of national councils are so very important, that the fate of millions depends on them; therefore no man ought to speak in such assemblies, without considering that the fate of millions hangs on his tongue,—and of course a man can have no right in such august councils to utter indigested sentiments, or indulge himself in sudden, unexamined flights of thought; his most tried and improved abilities are due to the State, who have trusted him with their most important interests.

A man must therefore be most inexculpable, who is either absent during such debates, or sheeps, or whisperers, or catches flies during the argument, and just roues when the vote is called, to give his yea or nay, to the weal or woe of a nation.—Therefore it is manifestly proper, that every natural motive that can operate on his understanding, or his passions, to engage his attention and utmost efforts, should be put in practice, and that his present feelings should be raised by every motive of honor and shame, to stimulate him to every practicable degree of diligence and exertion, to be as far as possible useful in the great discussion.

If appeal to the feelings of every reader, if he would not (were he in either house) be much more strongly and naturally induced to exert his utmost abilities and attention to any question which was to pass thro' the ordeal of a spirited discussion of another house, than he would do, if the absolute decision depended on his own house, without any further inquiry or challenge on the subject. As
As Congress will ever be composed of men delegated by the several States, it may well be supposed that they have the confidence of their several States, and understand well the policy and present condition of them; it may also be supposed that they come with strong local attachments; and habits of thinking limited to the interests of their particular States: it may therefore be supposed they will need much information, in order to their gaining that enlargement of ideas, and great comprehension of thought, which will be necessary to enable them to think properly on that large scale, which takes into view the interests of all the States.

The greatest care and wisdom is therefore requisite to give them the best and surest information, and of that kind that may be the most safely relied on, to prevent their being deluded or prejudiced by partial representations, made by interested men who have particular views.

This information may perhaps be best made by the great ministers of state, who ought to be men of the greatest abilities and integrity: their business is confined to their several departments, and their attention engaged strongly and constantly to all the several parts of the same; the whole arrangement, method, and order of which, are formed, superintended, and managed in their offices, and all informations relative to their departments centre there.

These ministers will of course have the best information, and most perfect knowledge, of the state of the Nation, as far as it relates to their several departments, and will of course be able to give the best information to Congress, in what manner any bill proposed will affect the public interest in their several departments, which will nearly comprehend the whole.

The Financier manages the whole subject of revenues and expenditures—the Secretary of State takes knowledge of the general policy and internal government—the minister of war presides in the whole business of war and defence—and the minister of foreign affairs regards the whole state of the nation, as it stands related to, or connected with, all foreign powers.

I mention
I mention a Secretary of State, because all other nations have one, and I suppose we shall need one as much as they, and the multiplicity of affairs which naturally fall into his office will grow so fast, that I imagine we shall soon be under necessity of appointing one.

To these I would add Judges of law, and chancery; but I fear they will not be very soon appointed—the one supposes the existence of law, and the other of equity—and when we shall be altogether convinced of the absolute necessity of the real and effectual existence of both these, we shall probably appoint proper heads to preside in those departments.—I would therefore propose,

3. That when any bill shall pass the second reading in the house in which it originates, and before it shall be finally enacted, copies of it shall be sent to each of the said ministers of state, in being at the time, who shall give said house in writing, the fullest information in their power, and their most explicit sentiments of the operation of the said bill on the public interest, as far as relates to their respective departments, which shall be received and read in said house, and entered on their minutes, before they finally pass the bill; and when they send the bill for concurrence to the other house, they shall send therewith the said informations of the said ministers of state, which shall likewise be read in that house before their concurrence is finally passed.

I do not mean to give these great ministers of state a negative on Congress, but I mean to oblige Congress to receive their advices before they pass their bills, and that every act shall be void that is not passed with these forms; and I further propose, that either house of Congress may, if they please, admit the said ministers to be present and assist in the debates of the house, but without any right of vote in the decision.

It appears to me, that if every act shall pass so many different corps of discussion before it is completed, where each of them shake their characters on the advice or vote they give, there will be all the light thrown on the case, which the nature and circumstances of it can admit, and any
any corrupt man will find it extremely difficult to foist in any erroneous clause whatever; and every ignorant or lazy man will find the strongest inducements to make himself master of the subject, that he may appear with some tolerable degree of character in it; and the whole will find themselves in a manner compelled, diligently and sincerely to seek for the real state of the facts, and the natural fitness and truth arising from them, i.e. the whole natural principles on which the subject depends, and which alone can endure every test, to the end that they may have not only the inward satisfaction of acting properly and usefully for the States, but also the credit and character which is or ought ever to be annexed to such a conduct.

This will give the great laws of Congress the highest probability, presumption, and means of right; fitness, and truth, that any laws whatever can have at their first enactment, and will of course afford the highest reason for the confidence and acquiescence of the States, and all their subjects, in them; and being grounded in truth and natural fitness, their operation will be easy, salutary, and satisfactory.

If experience shall discover errors in any law (for practice will certainly discover such errors, if there be any) the legislature will always be able to correct them, by such repeals, amendments, or new laws as shall be found necessary; but as it is much easier to prevent mischiefs than to remedy them, all possible caution, prudence, and attention should be used, to make the laws right at first.

4. There is another body of men among us, whose business of life, and whose full and extensive intelligence, foreign and domestic, naturally make them more perfectly acquainted with the sources of our wealth, and whose particular interests are more intimately and necessarily connected with the general prosperity of the country, than any other order of men in the States.—I mean, the Merchants; and I could wish that Congress might have the benefit of that extensive and important information, which this body of men are very capable of laying before them.

Trade is of such essential importance to our interests, and so intimately connected with all our staples, great and small,
Small, that no sources of our wealth can flourish, and operate to the general benefit of the community, without it. Our husbandry, that grand staple of our country, can never exceed our home consumption without this—it is plain at first sight, that the farmer will not toil and sweat through the year to raise great plenty of the produce of the soil, if there is no market for his produce, when he has it ready for sale; i. e. if there are no merchants to buy it.

In like manner, the manufacturer will not lay out his business on any large scale, if there is no merchant to buy his fabrics when he has finished them; a vent is of the most essential importance to every manufacturing country—the merchants, therefore, become the natural negotiators of the wealth of the country, who take off the abundance, and supply the wants, of the inhabitants; and as this negotiation is the business of their lives, and the source of their own wealth, they of course become better acquainted with both our abundance and wants, and are more interested in finding and improving the best vent for the one, and supply of the other, than any other men among us, and they have a natural interest in making both the purchase and supply as convenient to their customers as possible, that they may secure their custom, and thereby increase their own business.

It follows then, that the merchants are not only qualified to give the fullest and most important information to our supreme legislature, concerning the state of our trade—the abundance and wants—the wealth and poverty, of our people, i. e. their most important interests, but, are also the most likely to do it fairly and truly, and to forward with their influence, every measure which will operate to the convenience and benefit of our commerce, and oppose with their whole weight and superior knowledge of the subject, any wild schemes, which an ignorant or arbitrary legislature may attempt to introduce, to the hurt and embarrassment of our intercourse both with one another, and with foreigners.

The States of Venice and Holland have ever been governed by merchants, or at least their policy has ever been under
under the great influence of that sort of men: No States have been better served, as appears by their great success, the ease and happiness of their citizens, as well as the strength and riches of their Commonwealths: the one, is the oldest, and the other the richest, State in the world of equal number of people—the one has maintained sundry wars with the Grand Turk—and the other has withstood the power of Spain and France; and the capitals of both have long been the principal marts of the several parts of Europe in which they are situated; and the banks of both are the best supported, and in the best credit, of any banks in Europe, tho' their countries or territories are very small, and their inhabitants but a handful, when compared with the great States in their neighbourhood.

Merchants must, from the nature of their business, certainly understand the interests and resources of their country, the best of any men in it; and I know not of any one reason why they should be deemed less upright or patriotic, than any other rank of citizens whatever.

I therefore humbly propose, if the merchants in the several States are disposed to send delegates from their body, to meet and attend the fitting of Congress, that they shall be permitted to form a chamber of commerce, and their advice to Congress be demanded and admitted concerning all bills before Congress, as far as the same may affect the trade of the States.

I have no idea that the continent is made for Congress: I take them to be no more than the upper servants of the great political body, who are to find out things by study and inquiry as other people do; and therefore I think it necessary to place them under the best possible advantages for information, and to require them to improve all those advantages, to qualify themselves in the best manner possible, for the wise and useful discharge of the vast trust and mighty authority reposed in them; and as I conceive the advice of the merchants to be one of the greatest sources of mercantile information, which is any where placed within their reach, it ought by no means to be neglected,
but so husbanded and improved, that the greatest possible advantages may be derived from it.

Besides this, I have another reason why the merchants ought to be consulted; I take it to be very plain that the husbandry and manufactures of the country must be ruined, if the present weight of taxes is continued on them much longer, and of course a very great part of our revenue must arise from imposts on merchandises, which will fall directly within the merchants’ sphere of business, and of course their concurrence and advice will be of the utmost consequence, not only to direct the properest mode of levying those duties, but also to get them carried into quiet and peaceable execution.

No men are more conversant with the citizens, or more intimately connected with their interests, than the merchants, and therefore their weight and influence will have a mighty effect on the minds of the people. I do not recollect an instance, in which the Court of London ever rejected the remonstrances and advices of the merchants, and did not suffer severely for their pride. We have some striking instances of this in the disregarded advices and remonstrances of very many English merchants against the American war, and their fears and apprehensions we see verified, almost like prophecies, by the event.

I know not why I should continue this argument any longer, or indeed why I have urged it so long, in as much as I cannot conceive that Congress or any body else will deem it below the dignity of the supreme power to consult so important an order of men, in matters of the first consequence, which fall immediately under their notice, and in which their experience, and of course their knowledge and advice are preferable to those of any other order of men.

Besides the benefits which Congress may receive from this institution, a chamber of commerce, composed of members from all trading towns in the States, if properly instituted and conducted, will produce very many, I might almost say, innumerable advantages of singular utility to all the States—it will give dignity, uniformity, and safety to
our trade—establish the credit of the bank—secure the confidence of foreign merchants—prove in very many instances a fruitful source of improvement of our staples and mutual intercourse—correct many abuses—pacify discontents—unite us in our interests, and thereby cement the general union of the whole Commonwealth—will relieve Congress from the pain and trouble of deciding many intricate questions of trade which they do not understand, by referring them over to this chamber, where they will be discussed by an order of men, the most competent to the business of any that can be found, and most likely to give a decision that shall be just, useful, and satisfactory.

It may be objected to all this, that the less complex and the more simple every constitution is, the nearer it comes to perfection: this argument would be very good, and afford a very forcible conclusion, if the government of men was like that of the Almighty, always founded on wisdom, knowledge, and truth; but in the present imperfect state of human nature, where the best of men know but in part, and must recur to advice and information for the rest, it certainly becomes necessary to form a constitution on such principles, as will secure that information and advice in the best and surest manner possible.

It may be further objected that the forms herein proposed will embarrass the business of Congress, and make it at best slow and dilatory. As far as this form will prevent the hurrying a bill thro' the house without due examination, the objection itself becomes an advantage—at most these checks on the supreme authority can have no further effect than to delay or destroy a good bill, but cannot pass a bad one; and I think it much better in the main, to lose a good bill than to suffer a bad one to pass into a law.—Besides it is not to be supposed that clear, plain cases will meet with embarrassment, and it is most safe that untried, doubtful, difficult matters should pass thro' the graveift and fullest discussion, before the sanction of law is given to them.

But what is to be done if the two houses grow jealous and ill-natured, and after all their information and advice, grow out of humor and insincere, and no concurrence can be obtained?
tained?—I answer, sit still and do nothing till they get into better humor: I think this much better than to pass laws in such a temper and spirit, as the objection supposes.

It is however an ill compliment to so many grave personages, to suppose them capable of throwing aside their reason, and giving themselves up like children to the control of their passions; or, if this should happen for a moment, that it should continue any length of time, is hardly to be presumed of a body of men placed in such high stations of dignity and importance, with the eyes of all the world upon them—but if they should, after all, be capable of this, I think it madness to set them to making laws, during such fits—it is best, when they are in no condition to do good, to keep them from doing hurt,—and if they do not grow wiser in reasonable time, I know of nothing better than to be ashamed of our old appointments, and make new ones.

But what if the country is invaded, or some other exigency happens, so pressing that the safety of the State requires an immediate resolution?—I answer, what would you do if such a case should happen, where there was but one house, unchecked, but equally divided, so that a legal vote could not be obtained. The matter is certainly equally difficult and embarrassed in both cases: but in the case proposed, I know of no better way than that which the Romans adopted on the like occasion, viz. that both houses meet in one chamber, and choose a dictator, who should have and exercise the whole power of both houses, till such time as they should be able to concur in displacing him, and that the whole power of the two houses should be suspended in the mean time.

5. I further propose, that no grant of money whatever shall be made, without an appropriation, and that rigid penalties (no matter how great, in my opinion the halter would be mild enough) shall be inflicted on any person, however august his station, who should give order, or vote for the payment, or actually pay one shilling of such money to any other purpose than that of its appropriation, and that no order whatever of any superior in office shall justify such
such payment, but every order shall express what funds it is drawn upon, and what appropriation it is to be charged to, or the order shall not be paid.

This kind of embezzlement is of so fatal a nature, that no measures or bounds are to be observed in curing it; when ministers will set forth the most specious and necessary occasions for money, and induce the people to pay it in full tale; and when they have gotten possession of it, to neglect the great objects for which it was given, and pay it, sometimes squander it away, for different purposes, oftentimes for useless, yea, hurtful ones, yea, often even to bribe and corrupt the very officers of government, to betray their trust, and contaminate the State, even in its public offices—to force people to buy their own destruction, and pay for it with their hard labor, the very sweat of their brow, is a crime of so high a nature, that I know not any gibbet too cruel for such offenders.

6. I would further propose, that the aforesaid great ministers of state shall compose a Council of State, to whose number Congress may add three others, viz. one from New-England, one from the middle States, and one from the southern States, one of which to be appointed President by Congress, to all of whom shall be committed the supreme executive authority of the States (all and singular of them ever accountable to Congress) who shall superintend all the executive departments, and appoint all executive officers, who shall ever be accountable to, and removable for just cause by, them or Congress, i. e. either of them.

7. I propose further, that the powers of Congress, and all the other departments acting under them, shall all be restricted to such matters only of general necessity and utility to all the States, as cannot come within the jurisdiction of any particular State, or to which the authority of any particular State is not competent: so that each particular State shall enjoy all sovereignty and supreme authority to all intents and purposes, excepting only those high authorities and powers by them delegated to Congress, for the purposes of the general union.

There
There remains one very important article still to be discussed, viz. what methods the constitution shall point out, to enforce the acts and requisitions of Congress thro’ the several States; and how the States which refuse or delay obedience to such acts or requisitions, shall be treated: this, I know, is a particular of the greatest delicacy, as well as of the utmost importance; and therefore, I think, ought to be decidedly settled by the constitution, in our coolest hours, whilst no passions or prejudices exist, which may be excited by the great interests or strong circumstances of any particular case which may happen.

I know that supreme authorities are liable to err, as well as subordinate ones. I know that courts may be in the wrong, as well as the people; such is the imperfect state of human nature in all ranks and degrees of men; but we must take human nature as it is; it cannot be mended; and we are compelled both by wisdom and necessity, to adopt such methods as promise the greatest attainable good, tho’ perhaps not the greatest possible, and such as are liable to the fewest inconveniences, tho’ not altogether free of them.

This is a question of such magnitude, that I think it necessary to premise the great natural principles on which its decision ought to depend—In the present state of human nature, all human life is a life of chances; it is impossible to make any interest fo certain, but there will be a chance against it; and we are in all cases obliged to adopt a chance against us, in order to bring ourselves within the benefit of a greater chance in our favor; and that calculation of chances which is grounded on the great natural principles of truth and fitness, is of all others the most likely to come out right.

1. No laws of any State whatever, which do not carry in them a force which extends to their effectual and final execution, can afford a certain or sufficient security to the subject: this is too plain to need any proof.

2. Laws or ordinances of any kind (especially of august bodies of high dignity and consequence) which fail of execution, are much worse than none; they weaken the government;
ment; expose it to contempt; destroy the confidence of all men, natives and foreigners, in it; and expose both aggregate bodies and individuals, who have placed confidence in it, to many ruinous disappointments, which they would have escaped, had no law or ordinance been made: therefore,

3. To appoint a Congress with powers to do all acts necessary for the support and uses of the union; and at the same time to leave all the States at liberty to obey them or not with impunity, is, in every view, the grossest absurdity, worse than a state of nature without any supreme authority at all, and at best a ridiculous effort of childish nonsense: and of course,

4. Every State in the Union is under the highest obligations to obey the supreme authority of the whole, and in the highest degree amenable to it, and subject to the highest censure for disobedience—Yet all this notwithstanding, I think the soul that sins should die, i. e. the censure of the great supreme power, ought to be so directed, if possible, as to light on those persons, who have betrayed their country, and exposed it to dissolution, by opposing and rejecting that supreme authority, which is the band of our union, and from whence proceeds the principal strength and energy of our government.

I therefore propose, that every person whatever, whether in public or private character, who shall, by public vote or other overt act, disobey the supreme authority, shall be amenable to Congress, shall be summoned and compelled to appear before Congress, and, on due conviction, suffer such fine, imprisonment, or other punishment, as the supreme authority shall judge requisite.

It may be objected here, that this will make a Member of Assembly accountable to Congress for his vote in Assembly; I answer, it does so in this only case, viz. when that vote is to disobey the supreme authority: no Member of Assembly can have right to give such a vote, and therefore ought to be punished for so doing—When the supreme authority is disobeyed, the government must lose its energy and
and effect, and of course the Empire must be shaken to its very foundation:

A government which is but half executed, or whose operations may all be stopped by a single vote, is the most dangerous of all institutions.—See the present Polan d, and ancient Greece buried in ruins, in consequence of this fatal error in their policy. A government which has not energy and effect, can never afford protection or security to its subjects, i.e. must ever be ineffectual to its own ends.

I cannot therefore admit, that the great ends of our Union should lie at the mercy of a single State, or that the energy of our government should be checked by a single disobedience, or that such disobedience should ever be sheltered from censure and punishment; the consequence is too capital, too fatal to be admitted. Even tho' I know very well that a supreme authority, with all its dignity and importance, is subject to passions like other lesser powers, that they may be and often are heated, violent, oppressive, and very tyrannical; yet I know also, that perfection is not to be hoped for in this life, and we must take all institutions with their natural defects, or reject them altogether: I will guard against these abuses of power as far as possible, but I cannot give up all government, or destroy its necessary energy, for fear of these abuses.

But to fence them out as far as possible, and to give the States as great a check on the supreme authority, as can consist with its necessary energy and effect,

I propose that any State may petition Congress to repeal any law or decision which they have made, and if more than half the States do this, the law or decision shall be repealed, let its nature or importance be however great, excepting only such acts as create funds for the public credit, which shall never be repealed till their end is effected, or other funds equally effectual are substituted in their places; but Congress shall not be obliged to repeal any of these acts, so petitioned against, till they have time to lay the reasons of such acts before such petitioning States, and to receive their answer; because such petitions may arise from sudden heats, popular prejudices, or the publication of
of matters false in fact, and may require time and means of cool reflection and the fullest information, before the final decision is made: but if after all, more than half the States persist in their demand of a repeal, it shall take place.

The reason is, the uneasiness of a majority of States affords a strong presumption that the act is wrong, for uneasiness arises much more frequently from wrong than right; but if the act was good and right, it would still be better to repeal and lose it, than to force the execution of it against the opinion of a majority of the States; and lastly, if every act of Congress is subject to this repeal, Congress itself will have stronger inducement not only to examine well the several acts under their consideration, but also to communicate the reasons of them to the States, than they would have, if their simple vote gave the final stamp of irrevocable authority to their acts.

Further I propose, that if the execution of any act or order of the supreme authority shall be opposed by force in any of the States (which God forbid!) it shall be lawful for Congress to send into such State a sufficient force to suppress it.

On the whole, I take it that the very existence and use of our union essentially depends on the full energy and final effect of the laws made to support it; and therefore I sacrifice all other considerations to this energy and effect, and if our union is not worth this purchase, we must give it up—the nature of the thing does not admit any other alternative.

I do contend that our union is worth this purchase—with it, every individual rests secure under its protection against foreign or domestic insult and oppression—without it, we can have no security against the oppression, insult, and invasion of foreign powers; for no single State is of importance enough to be an object of treaty with them, nor, if it was, could it bear the expense of such treaties, or support any character or respect in a dissevered state, but must lose all respectability among the nations abroad.

We have a very extensive trade, which cannot be carried on with security and advantage, without treaties of commerce and alliance with foreign nations.
We have an extensive western territory which cannot otherwise be defended against the invasion of foreign nations, bordering on our frontiers, who will cover it with their own inhabitants, and we shall lose it for ever, and our extent of empire be thereby restrained; and what is worse, their numerous posterity will in future time drive ours into the sea, as the Goths and Vandals formerly conquered the Romans in like circumstances, unless we have the force of the Union to repel such invasions. We have, without the union, no security against the inroads and wars of one State upon another, by which our wealth and strength, as well as ease and comfort, will be devoured by enemies growing out of our own bowels.

I conclude then, that our union is not only of the most essential consequence to the well-being of the States in general, but to that of every individual citizen of them, and of course ought to be supported, and made as useful and safe as possible, by a constitution which admits that full energy and final effect of government which alone can secure its great ends and uses.

In a dissertation of this sort, I would not wish to descend to minutiae, yet there are some small matters which have important consequences, and therefore ought to be noticed. It is necessary that Congress should have all usual and necessary powers of self-preservation and order, e.g. to imprison for contempt, insult, or interruption, &c. and to expel their own members for due causes, among which I would rank that of non-attendance on the house, or partial attendance without such excuse as shall satisfy the house.

Where there is such a vast authority and trust devolved on Congress, and the grand and most important interests of the Empire rest on their decisions, it appears to me highly unreasonable that we should suffer their august consultations to be suspended, or their dignity, authority, and influence lessened by the idleness, neglect, and non-attendance of its members; for we know that the acts of a thin house do not usually carry with them the same degree of weight and respect as those of a full house.

Besides
Besides I think, when a man is deputed a delegate in Congress, and has undertaken the business, the whole Empire becomes of course possessed of a right to his best and constant services, which if any member refuses or neglects, the Empire is injured and ought to resent the injury, at least so far as to expel and send him home, that so his place may be better supplied.

I have one argument in favor of my whole plan, viz., it is so formed that no men of dull intellects, or small knowledge, or of habits too idle for constant attendance, or close and steady attention, can do the business with any tolerable degree of respectability, nor can they find either honor, profit, or satisfaction in being there, and of course, I could wish that the choice of the electors might never fall on such a man, or if it should, that he might have sense enough (of pain at least, if not of shame) to decline his acceptance.

For after all that can be done, I do not think that a good administration depends wholly on a good constitution and good laws, for insufficient or bad men will always make bad work, and a bad administration, let the constitution and laws be ever so good; the management of able, faithful, and upright men alone can cause an administration to brighten, and the dignity and wisdom of an Empire to rise into respect; make truth the line and measure of public decision; give weight and authority to the government, and security and peace to the subject.

We now hope that we are on the close of a war of mighty effort and great distresses, against the greatest power on earth, whetted into the most keen resentment and savage fierceneses, which can be excited by wounded pride, and which usually rises higher between brother and brother offended, than between strangers in conflict. Twelve of the Thirteen United States have felt the actual and cruel invasions of the enemy, and eleven of our capitals have been under their power, first or last, during the dreadful conflict; but a good Providence, our own virtue and firmness, and the help of our friends, have enabled us to rise superior
to all the power of our adversaries, and made them seek to
be at peace with us.

During the extreme pressures of the war, indeed, many
errors in our administration have been committed, when
we could not have experience and time for reflection, to
make us wise; but these will easily be excused, forgiven, and
forgotten, if we can now, while at leisure, find virtue,
wisdom, and foresight enough to correct them, and form such
establishments, as shall secure the great ends of our union,
and give dignity, force, utility, and permanency to our
Empire.

It is a pity we should lose the honor and blessings which
have cost us so dear, for want of wisdom and firmness
in measures, which are essential to our preservation. It is
now at our option, either to fall back into our original
atoms, or form such an union, as shall command the respect
of the world, and give honor and security to all our people.

This vast subject lies with mighty weight on my mind,
and I have bestowed on it my utmost attention, and here
offer the public the best thoughts and sentiments I am ma-
tter of.* I have confined myself in this dissertation entirely
to

* At the time when this Dissertation was written (Feb. 16, 1783) the
defects and insufficiency of the Old Federal Constitution were universally
felt and acknowledged; it was manifest, not only that the internal police,
justice, security, and peace of the States could never be preserved under it,
but the finances and public credit would necessarily become embarrassed,
precarious, and void of support, that no public movement, which depended
on the revenue, could be managed with any effectual certainty: but tho'
the public mind was under full conviction of all these mischiefs, and was
contemplating a remedy, yet the public ideas were not at all concentrated,
much less arranged into any new system or form of government, which
would obviate these evils. Under these circumstances I offered this Diff-
ertation to the public: how far the principles of it were adopted or rejected
in the New Constitution, which was four years afterwards (Sep. 17, 1787)
formed by the General Convention, and since ratified by all the States, is
obvious to every one.

I wish here to remark the great particulars of my plan which were re-
jected by the Convention.

1. My plan was to keep the legislative and executive departments entirely
distinct; the one to consist of the two houses of Congress, the other to rest en-
tirely in the Grand Council of State.

2. I proposed to introduce a Chamber of Commerce, to consist of merchants,
who should be consulted by the legislature in all matters of trade and revenue,
and which should have the conducting the revenue committed to them.

The
to the nature, reason, and truth of my subject, without once advert ing to the reception it might meet with from men of different prejudices or interests. To find the truth, not to carry a point, has been my object.

I have not the vanity to imagine that my sentiments may be adopted; I shall have all the reward I with or expect, if my dissertation shall throw any light on the great subject, shall excite an emulation of inquiry, and animate some abler genius to form a plan of greater perfection, less objectionable, and more useful.

The first of these the Convention qualified; the second they say nothing of, i.e. take no notice of it.

3. I proposed that the great officers of state should have the perusal of all bills, before they were enacted into laws, and should be required to give their opinion of them, as far as they affected the public interest in their several departments; which report of them Congress should cause to be read in their respective houses, and entered on their minutes. This is passed over without notice.

4. I proposed that all public officers appointed by the executive authority, should be amenable both to them and to the legislative power, and removable for just cause by either of them. This is qualified by the Convention.

And in as much as my sentiments in these respects were either qualified or totally neglected by the Convention, I suppose they were wrong; however, the whole matter is submitted to the politicians of the present age, and to our posterity in future.

In sundry other things, the Convention have gone into minutiae, e.g. respecting elections of President, Senators, and Representatives in Congress, &c., which I proposed to leave at large to the wisdom and discretion of Congress, and of the several States.

Great reasons may doubtless be assigned for their decision, and perhaps some little ones for mine. Time, the great arbiter of all human plans, may, after a while, give his decision; but neither the Convention nor myself will probably live to feel either the exultation or mortification of his approbation or disapprobation of either of our plans.

But if any of these questions should in future time become objects of discussion, neither the waff dignity of the Convention, nor the low, unnoticed state of myself, will be at all considered in the debates; the merits of the matter, and the interests connected with or arising out of it, will alone dictate the decision.

A SIXTH
A

SIXTH

ESSAY

ON

FREE TRADE and FINANCE.

Particularly showing what Supplies of Public Revenue may be drawn from Merchandise, without injuring our Trade, or burdening our People.

Humbly offered to the Public.

[First published in Philadelphia, March 24, 1783.]

HAVING lately published "A Dissertation on that Political Union and Constitution, which is necessary for the Preservation and Happiness of the Thirteen United States of North-America," I now go on to consider some of the great departments of business, which must fall under the management of the great Council of the Union, and their officers.

The first thing which naturally offers itself to consideration, is the expense of government; this is a fine qua non of the whole, and all its parts. No kind of administration can be carried on without expense, and the scale or degree of plan and execution must ever be limited by it. Two grand considerations offer themselves here. 1. The estimate of the expenses which government requires; and, 2. Such ways
ways and means of raising sufficient money to defray them, as will be most easy, and least hurtful and oppressive, to the subject.

The first is not my present principal object: I shall therefore only observe upon it, that the wants of government, like the wants of nature, are few and easily supplied; it is luxury which incurs the most expense, and drinks up the largest fountains of supply, and what is most to be lamented, the same luxury which drinks up the greatest supplies, does at the same time corrupt the body, enervate its strength, and waste those powers which are designed for use, ornament, or delight. The ways and means of supply are the object of my principal attention at present. I will premise a few propositions which appear to me to deserve great consideration here.

I. When a sum of money is wanted, one way of raising it may be much easier than another. This is equally true in States as in individuals. A man must always depend for supply on those articles which he can best spare, or which he can furnish with least inconvenience: he should first sell such articles as he has purposely provided for market; if these are not enough, then such articles of his estate as he can best spare, always sacrificing luxuries first, and necessaries last of all.

II. Any interest or thing whatsoever, on which the burden of tax is laid, is diminished either in quantity or real value, e.g. if money is taxed, part of the sum goes to pay the tax; if lands, part of the produce or price goes to pay it; if goods, part of the price which the goods will sell for, goes to pay it, &c.

III. The consumption of any thing, on which the burden of tax is laid, will always be thereby lessened, because such tax will raise the price of the article taxed, and fewer people will be able or willing to pay such advance of price, than would purchase, if the price was not raised: and consequently,

IV. The burden of tax ought to lie heaviest on such articles, the use and consumption of which are least necessary to the community; and lightest on those articles, the use and consumption
sweep of which are most necessary to the community. I think this so plain, that it cannot need any thing laid on it either by way of illustration or proof.

V. The staples of any country are both the source and measure of its wealth, and therefore ought to be encouraged and increased as far as possible. No country can enjoy or consume more than they can raise, make, or purchase. No country can purchase more than they can pay for; and no country can make payment beyond the amount of the surplus which remains of their staples, after their consumption is subtracted. If they go beyond this, they must run in debt, i. e. eat the calf in the cow's belly, or consume this year the proceeds of the next, which is a direct step to ruin, and must (if continued) end in destruction.

VI. The great staples of the Thirteen United States, are our husbandry, fisheries, and manufactures. Trade comes in as the hand-maid of them all—the servant that tends upon them—the nurse that takes away their redundancies, and supplies their wants. These we may consider as the great sources of our wealth; and our trade, as the great conduit thro' which it flows. All these we ought in sound policy to guard, encourage, and increase as far as possible, and to load them with burdens and embarrassments as little as possible.

VII. When any country finds that any articles are growing into use, and their consumption increasing so far as to become hurtful to the prosperity of the people, or to corrupt their morals or economy, it is the interest and good policy of such country to check and diminish the use and consumption of such articles, down to such degree as shall conflict with the greatest happiness and purity of their people.

VIII. This is done the most effectually and unexceptionably, by taxing such articles, and thereby raising the price of them so high, as shall be necessary to reduce their consumption, as far as is needful for the general good. The force of this observation has been felt by all nations; and sumptuary laws have been tried in all shapes, to prevent or reduce such hurtful consumptions; but none ever did or can do it so effectually as raising the price of them: this touches the
feelings of every purchaser, and connects the use of such articles with the pain of the purchaser, who cannot afford them, to closely and constantly, as cannot fail to operate by way of diminution or difuse of such consumption; and as to such rich or prodigal people, as can or will go to the price of such articles, they are the very persons who, I think, are the most able and suitable to pay taxes to the State.

I think it would not be difficult to enumerate a great number of such articles of luxury, pride, or mere ornament, which are growing into such excessive use among us, as to become dangerous to the wealth, economy, morals, and health of our people, viz. distilled spirits of all sorts, especially whifky and country rum, all imported wines, silks of all sorts, cambrics, lawns, laces, &c. &c. superfine cloths and velvets, jewels of all kinds, &c. to which might be added a very large catalogue of articles, tho' not so capitally dangerous as these, yet such as would admit a check in their consumption, without any damage to the States, such as sugar, tea, coffee, cocoa, fine linens, all cloths and stuffs generally used by the richer kind of people, &c. all which may be judiciously taxed at ten, twenty, fifty, or one hundred per cent. on their first importation, and to these might be added, a small duty of perhaps five per cent. on all other imported goods whatever.

Two things are here to be considered and proved. 1. That this mode of taxation would be more beneficial to the community than any other: and, 2. that this mode is practicable. If these two things are fairly and clearly proved, I think there can be no room left for doubt, whether this kind of taxation ought to be immediately adopted, and put in practice.

I will offer my reasons in favor of these propositions as fully, clearly, and truly as I can, and hope they may be judged worthy of a candid attention. I will endeavour in the first place, to point out the benefits arising from this mode of taxation.

1. This mode of taxation may safely be raised to such a degree, as to produce all the money we need for the public service
vice, or sufficiently near it; perhaps a small tax in the ordinary way would be more beneficial to the States than none, because this tax keeps the customary avenues from the wealth of individuals to the public treasury always open, which may be used on emergencies, and the habit and practice being settled, would avoid the difficulties naturally arising from novelty or innovations.

But to return to my argument. It is greatly in favor of this kind of tax, that it will bring money enough for the public service; it is matter of great animation in the pursuit of any object, to know that, when accomplished, it will be adequate to its purposes. People all want to see the end of things, and to know when they are to have done: this will naturally produce much stronger efforts, vigor, and cheerfulness, than if the thing, when accomplished, would be but half adequate to its purposes.

II. This mode of taxation applies for money where it is to be had in greatest plenty, and can be paid with most ease and least pain. If we apply to the farmer, tradesman, or laborer for cash, they have mighty little of it, and it is hard for them to raise the necessary sum; but it is matter of common course with the merchant, thro’ whose hands the great current of circulating cash passes; he will consider the tax as part of the first cost of his goods, and set his price and sell accordingly: it matters little to him, whether he pays half the cost of his goods abroad, and the other half at home, or whether he pays it all abroad; his object is to get the whole out of his places, with as much profit to himself as he can.

III. This mode lays the burden of tax on that kind of consumption which is excessive and hurtful, and lessens that consumption, and of course mends the economy, and increases the industry and health, of the people. For it is plain, that no more money will be paid for the goods taxed, than would have been paid for the same kind of goods, had they not been taxed: the difference is, the same money paid for the taxed goods will not buy so many of them as before the tax, because the tax will raise the price of them.

And
And when the consumption or use of such goods is excessive and hurtful, this lessening of it is a benefit, tho' the same money is paid for them as before, for the same reason, that it is better for a man that happens to be at a tavern with excessive drinkers, to pay his whole share of the reckoning, but drink less than his share of the liquors, and go home sober, than to pay the same reckoning, drink his full share of the liquors, and go home drunk. It is always better for a man to buy poison and not use it, than to buy the same poison and use it; in the one case he loses nothing but his money, in the other case he loses his money and health too. For the same reason it is better for a reaper to drink half a pint of rum in a day, than to reap for the same wages, and drink a quart of rum. This reasoning will hold in its proper degree, with respect to every kind of consumption which is excessive and hurtful.

IV. This mode of taxation saves the whole sum of the tax to the States, while at the same time it mends the habits and health of the people: for it is plain, that if the consumption of such imported goods is lessened by the tax, a less quantity will be imported, and of course a less sum of money need be sent abroad to pay the first cost of these goods; and this excess of money, which is thus saved from going abroad (from whence it would never return) is paid by the tax into the public treasury, from whence it infuses on the public service, and is directly thrown into circulation again thro' the States, and of course becomes a clear saving, or balance of increase of the circulating medium, and consequently of realized wealth in the country; whilst at the same time, the people are better served and accommodated by the reduced consumption, than they could have been by the excessive one.

V. It appears from what has been just now observed, that this mode of taxation naturally increases the circulating cash of the States, and every one knows what a spring, what vigor this gives to every kind of businesses in the country, whether of husbandry, mechanic arts, or trade. There is no comparison between the advantages of carrying on any sort of businesses in a country where cash circulates freely, and
in a country where cash is scarce. In the one case, every kind of business will flourish, and industry has every sort of encouragement and motive for exertion; in the other all business must be sadly embarrassed, and of course make but a feeble and slow progress.

We can scarce form a conception, what a different face these two circumstances will give a country in a short time; in the one case, buildings rise, husbandry improves, arts and manufactures flourish, the country is alive, and every part of it abounding with industry, profits, and delight; the other can produce little more than languishment; decay, dullness, and fruitless anxiety, disappointment, and wretchedness.

VI. The tax I propose, will operate in a way of general equality, justice, and due proportion. A tax on general consumptions cannot fail to bring the burden in due proportion on individuals, because every one will pay in proportion to his consumption; and the presumption is, that the man who spends most, is best able to spend.

If this proposition admits of exceptions, they are generally in favor of the economists, the careful, penurious man, and against the prodigal who dissipates his estate, and will operate as a check upon him, if he is not past all considerations of interest. If this is the case with him, the sooner his estate is run through the better it is, both for himself and the public, for when this happens, he must either die or work for his living, and of course do some good in the world, or at least cease doing hurt; he will then no longer be able to set an example of idleness, extravagance, and dissoluteness, and draw other gay spirits into his pernicious practices; and if his constitution shall happen to outlast his estate, he may by temperance enjoy some good degree of health, and his adversities may perhaps bring on serious reflections, sincere repentance, and amendment of life, and if his fortune is desperate in this world, he may at least find strong inducements to prepare for the next; so that he is in no sense injured by the tax, but may by prudence derive great benefits from it.

Besides,
Besides, I am of opinion that government ought to leave every man master of his own estate, and permit him to judge for himself how just and in what way he will spend it; he knows well what tax he pays on every expenditure, and every part of it is subject to his own free choice, and if his career of dissipation cannot be restrained, it is as well for him, and much better for the public, that he should give part of his wealth to the public treasury, than waste the whole of it in his luxury and pleasures; so that I do not see that he has in this case the least ground of complaint of injury or oppression.

Besides, I think there is a kind of justice in framing the public institutions in such a manner, that a man cannot spend a dollar in luxury and dissipation, which is hurtful to the public, but he must at the same time pay another dollar into the public treasury, to make thereby some compensation for the injury which the public receives from his luxury.

And as to the niggard, the penurious man, who does not spend his money in proportion to his wealth, and of course does not pay his share of tax; it is observable that even his very penury inures to the benefit of the community, for what he does not spend, he saves, and thereby enriches himself, and of course adds to the wealth of the community, for the wealth of the community is always the aggregate of the wealth of every individual who composes it; this ought therefore to be a favored case, as the community eventually gains more by a shilling saved, than it could by a shilling consumed and lost, tho' the consumer should pay sixpence into the public treasury.

In fine, the tax on this principle is carved out of the expenditures of the nation, not indeed all expenditures indiscriminately, but is so calculated as to fall heaviest on those expenditures which are the most general indices of wealth, and are usually made by the rich who are the best able to bear them; and the few exceptions which may be supposed to take place, will generally operate in favor of virtue and economy, and against vice and dissipation; and where it falls heaviest, and becomes most burdensome, it is designed, and does actually tend, to correct that very vicious taste and corrupt
rupt habit, which is the true cause of the burden, and which it is always in the power of the sufferer to ease himself of; whenever he pleases.

Point out any other mode of taxing, if you can, that finds its way so surely to the wealth of individuals, and apportions itself thereto so equitably, that no subject can be burdened beyond his due proportion, without having a full remedy always in his own power; yea, a sure, easy, and excellent remedy, because a man may always avail himself of it, without the expense and trouble of a law-suit, or being subjected to any body's decisions, opinions, or caprices, but his own.

VII. This mode of taxing will make the quantity and time of the tax depend on the free choice of the man who pays it. If a man has a mind to drink a bowl of punch or bottle of wine with his friend, or buy a silk gown for his daughter, he knows very well how much tax is incorporated with the purchase, and adopts and pays it with cheerfulness and good-humor; a humor very different from the irritated sensibility of a man, who sees an awful collector enter upon him with his warrant of plenary powers to distress his goods, or arrest his person, for a tax which perhaps he abhors, either from religious scruples, or an opinion that he is rated beyond his due proportion, or because he is not at that time in condition to pay it.

The good-humor of the subject is of great consequence in any government. When people have their own way and choice in a matter, they will bear great burdens with little complaint; but when matters are forced on them contrary to their humor, they will make great complaints on small occasions, and the public peace is often destroyed, much more by the manner of doing, than by the thing done.

VIII. This mode of taxing will give our treasury some compensation for the monies which our people pay towards the tax of other countries which they travel thro', or reside in, when abroad. An American cannot travel thro' any country of Europe, and drink a bowl of punch or eat a dinner, but he contributes to the tax of the country; and if our taxes, like theirs, were laid on such luxurious consumptions as travellers
Travellers usually indulge themselves in, their people who
travel thro' our country, or reside in it, would contribute
towards our taxes, in like manner as our people who tra-
vel or reside in their countries, contribute to theirs.

And as we expect that the intercourse between us and
all the countries of Europe will be very great, it is highly
reasonable that our treasury should receive the same benefit
from their travellers among us, that their treasuries receive
from our people who travel or reside among them, and a
little attention to the subject will be sufficient to convince
any man that this article is more than a trifle.

IX. This mode of taxing, which brings the burden of
the tax principally on articles of luxury, or at most on ar-
ticles of not the first necessity, gives easement and relief to
our husbandry and manufactures, which are in danger of ruin
from the present weight of taxes which lies on them. If we
tax land, we lessen its value, and of course diminish the
whole farming interest. If we tax polls, we in effect tax
labor, which discourages it, and of consequence we cast a
damp and deadening languor on the very first springs, the
original principle and source of our national wealth, and
wound the great staples of the country in their embryo.

Now I think that any mode of taxing, which gives re-
medy and relief against so great, so fatal an evil, would de-
serve consideration, even tho' it had not these advantages in
its favor, which I have before enumerated. I have heard
a stupid and cruel argument urged, that taxing labor has
this advantage, that it promotes industry, because it in-
creases necessity. This argument proves in a very cogent
manner, that it is best to make every body poor, because
it will make them work the harder.

But I should think it would be more humane and liberal
in a government to manage the public administration so,
that industry might have all possible encouragement, that it
might be rather animated by an increase of happiness and
hope of reward, than goaded on by dire necessity and the
dreadful spurs of pinching want.

I freely give it as my clear and decided opinion, that it
is the interest, duty, and best policy of every government,
to give all possible ease, exoneration, and encouragement to that industry, those occupations, and kinds of business, which most enrich, strengthen, and happy a nation, and to lay the burdens of government as far as possible on those fashions, habits, and practices, which tend to weaken, impoverish, and corrupt the people; and therefore that any mode of taxing which tends to encourage the first of these, and discourage the last, is worthy of the most serious attention.

But perhaps the advantage of this kind of taxation will appear in a more striking light, by considering its practical and general effects on a nation which adopts it; in which view of the matter I think it will be very manifest,

I. That any man of business, whether he be merchant, farmer, or tradesman, may live easier and better, i. e. be happier thro' the year, and richer at the end of it, in a country where this tax is paid, than he could live in the same country, if the tax was not paid; for as the tax is laid on useless consumptions, it would of course diminish those consumptions, and of course save the first cost of the part diminished, and all the additional expense which the use of that part would require.

If a man lives in a country abounding in luxury, he must go in some degree into it, or appear singular and mean, and that part which he would be in a manner compelled to adopt, would probably cost him more than his tax.

But it is here to be considered, that the first cost of an article of luxury is not near all the cost of it. One article often makes another necessary, and that a third, and so on almost ad infinitum; if you buy a silk cloak, there must also be trimmings, and that will not do without a hat or bonnet, and these require a suitable accommodation in every other part of the dress, in order to keep up any sort of decency and uniformity of appearance; and there also must be spent a great deal of time to put these fine things on, and to wear them, to show them, to receive and pay visits in them, &c.

And when this kind of luxury prevails in a country beyond the degree which its wealth can bear, the consequence is
is pride, poverty, debt, duns, law-suits, &c. &c. The farmer finds the proceeds of the year vanished into trifles, the merchant and tradesman may sell their goods indeed, but cannot get payment for them. Every family finds its expense greatly increased, and the time of the family much consumed in attending to that very expense. Many families soon become embarrassed, and put to very mortifying shifts to keep up that appearance, which such a corrupt taste almost compels them to support.

But were these families with the same income, to live in a country of more economy and less luxury, they would easily pay the taxes on the luxuries they did use, keep on a good footing with their neighbours, appear with as much distinction, live happy and unembarrassed thro' the year, and have money in their pockets at the end of it. In such a country, payments would be punctual, and industry steady, and of course all business both of merchandise, husbandry, and mechanic arts, might be carried on with ease and success.

There are no high colorings, but an appeal to plain facts, and to the sense of every prudent man on these facts; and I here with confidence ask every wise man, if he would not choose to live in a country where articles of hurtful luxury and needless consumption were, by taxes or any other cause, raised so high in their price, as to prevent the excessive use of them, rather than in a country where such articles were of easy acquirement, and the use of them so excessive among the inhabitants, as to consume their wealth, destroy their industry, and corrupt the morals and health of the people.

II. I think it is very plain, that articles of hurtful, or at best of needless, consumption are making such rapid progress among us, and growing into such excessive use, as to throw the economy, industry, simplicity, and even health of our people into danger; and of consequence, raising the price of such articles so high as will be necessary to produce a proper check to the excessive use of them, will require a tax so great, as, when added to a small and very moderate impost on articles of general and necessary consumption, will bring money enough into the public treasury, for all the purposes of the public service. We will
will suppose then that all this is done, and when this is done, we will stop a moment, and look round us, and view the advantages resulting from this measure, over and above the capital one of checking and restraining that excessive luxury that threatens, if not an absolute destruction, yet at least a tarnishment of every principle out of which our prosperity, wealth, and happiness must necessarily and for ever flow. I say, we will stop a minute and view the advantageous effects of this measure.

The first grand effect which presents itself to my view is, that our army will be paid; and that our brethren, our fellow-citizens, who, by their valor, their patience, their perseverance in the field, have secured to us our vast, extensive country, and all its blessings, will be enabled to return to their friends and connexions, not only crowned with the laurels of the field, but rewarded by the justice and gratitude of their country, and be thereby enabled to support their dignity of character, or at least be put on a footing with their fellow-citizens (whom they have saved) in the procurement of the means of living.

The next advantage of this measure which occurs to me is, the easement and exoneratation of the laborers of the community, the husbandman and tradesman, out of whose labor all our wealth and supplies are derived; by them we are fed, by them we are clothed, by the various modifications of their labor our staples are produced, our commerce receives its principle, and our utmost abundance is supplied; we are therefore bound by every principle of justice, gratitude, and good policy, to give them encouragement and uninterrupted security in their peaceful occupations, and not, by an unnatural and ill-fated arrangement of our finances, compel them to leave their labors, which are the grand object of their attention and our supplies, to go and hunt up money to satisfy a collector of taxes.

But justice and gratitude operate only on minds which these virtues can reach. There may be some few among us, of no little weight, who are content, if they can obtain the services, to let the servant shift for himself; and who, when they are sure of the benefit, remember no longer the
the benefactor; and, as in this great argument of universal concern, I wish to find the way to every man's sense, and address myself not only to those who have virtue, but even to those who have none, I will therefore mention another advantage of this measure, which I think will (virtue or no virtue) reach the feelings of every man who retains the least sense of interest, viz.

That in this way all our public creditors would be paid and satisfied, either by a total discharge of their principal, or an undoubted, well-funded security of it, with a sure and punctual payment of their interest, which would be the best of the two; because a total discharge of the principal at once, if sufficient money could be obtained, would make such a sudden, so vast an addition to our circulating cash, as would depreciate it, and reduce the value of the debt paid, much below its worth at the time of contract, and introduce a fluctuation of our markets, and other fatal evils of a depreciated currency, which have been known by experience and severely felt, enough to make them dreaded.

It would therefore be much better for the creditor to receive a certain, well-funded security of his debt than full payment: for in that case, if he needed the cash for his debt, he might sell his security at little or no discount, which is the constant practice of the public creditors in England, where every kind of public security has its rate of exchange settled every day, and may be negotiated in a very short time. Supposing this should be the case, stop and see what an amazing effect this would have on every kind of business in the country.

The public bankruptcies have been so amazingly great, that vast numbers of our people have been reduced by them to the condition of men who have sold their effects to broken merchants, who cannot pay them, their business is lessened, or perhaps reduced to nothing for want of their stock so detained from them. Supposing then that their stock was restored to them all, they would instantly all push into business, and the proceeds of their business would flow thro' the country in every direction of industry, and every species of supply.
In fine, the whole country would be alive, and as it is obvious to every one, that it is much better living in a country of brisk business than in one of stagnated business, every individual would reap benefits from this general animation of industry, beyond account more than enough to compensate the tax which he has paid to produce it.

All these advantages hitherto enumerated will put the labor and industry of our people of all occupations on such a footing of profit and security, as would soon give a new face to the country, and open such extensive prospects of plenty, peace, and establishment, throw into action so many sources of wealth, give such stability to public credit, and make the burdens of government so easy and almost imperceptible to the people, as would make our country not only a most advantageous place to live in, but even make it abound with the richest enjoyments and heart-felt delights.

These are objects of great magnitude and desirableness; they animate and dilate the heart of every American. What can do the heart more good than to see our country a scene of justice, plenty, and happiness? Are these rich blessings within our reach? Can we believe they are so absolutely within our power, that they require no more than very practicable efforts to bring us into the full possession of them? These blessings are doubtless attainable, if we will go to the price of them; and that you may judge whether they are worth the purchase, whether they are too dear or not, I will give you the price-current of them all, the price which, if honestly paid, will certainly purchase them.

In order to have them, then, we must pay about a dollar and a half a gallon for rum, brandy, and other distilled spirits; a dollar a gallon above the ordinary price for wines; a dollar for bohea tea, and about that sum above the ordinary price for byson tea; a double price on silks of all sorts, laces of all sorts, thin linens and cottons of all sorts, such as muslins, lawns, and cambrics, and on jewellery of all sorts, &c. about a dollar and a third a yard above the ordinary price for superfine cloths of all sorts, &c. &c. a third of a dollar a bushel for salt (for I do not mean to lay quite all the tax on the rich, and wholly excuse the poor) about a dollar
dollar a hundred for sugar, one tenth of a dollar a pound on coffee, and the same on cocoa, above the ordinary prices, &c. &c. with an addition of five per cent. on all articles of importation not enumerated, except cotton, dying woods, and other raw materials for our own manufactures; for whilst importations are discouraged, our own manufactures will naturally be increased, and ought to be encouraged, or at least to be disburdened.

On this state of the matter I beg leave to observe, that the war itself for seven years past has laid a tax on us nearly equal to the highest of these, and on some articles of necessary consumption, from two hundred to a thousand per cent. higher, such as salt, pepper, allspice, alum, powder, lead, &c. &c. and yet I never heard any body complain of being ruined by the war, because rum was twenty shillings per gallon, tea twelve shillings per pound, or mantuas three dollars a yard, or pepper ten shillings a pound, or superfine cloths eight dollars a yard, &c. Nor does it appear to me, that the country has paid a shilling more for rum, silks, superfine cloths, &c. for the last seven years, than was paid for the same articles the seven preceding years, i.e. the whole tax was paid by lessening the consumption of these articles.

Nor do I think that the health, habits, or happiness of the country have suffered in the least on the whole, from its being obliged to use less of these articles than was before usual; but be this as it may, it is very certain that the country has suffered but little from the increased price of these articles which I propose to tax, except at some particular times when those prices were raised much higher than the point to which I propose to raise them, i.e. at particular times rum has been as high as three dollars a gallon; tea, three dollars a pound; sugars, three shillings and six-pence, and coffee, three shillings and six-pence a pound; mantuas four dollars a yard, &c.

But it is observable, that the principal increased prices which have really hurt and distress'd the country during the war, have been of other articles which I propose to tax very lightly, or not at all; such as salt, which has at times been
been six dollars a bushel, and perhaps three or four dollars on an average, coarse cloths and coarse linens, oznabrigs, cutlery, and crockery wares, &c. which have often rose to five or six prices, and stood for years together at three or four, and yet the burden of these excessive prices of even necessary articles of unavoidable consumption, has not been so great, if you except the article of salt, as to be so much as mentioned very often among the ruinous effects and distresses of the war.

The use I mean to make of these observations is, to prove from plain, acknowledged fact, that the increased price of the articles which I wish to tax, up to the utmost point to which I propose to raise them, will be but a light inconvenience (if any at all) on the people, and the diminished consumption of those articles, and the increase of circulating cash (both which will naturally and unavoidably result from the tax) will be benefits which will at least compensate for the burden of the tax, and I think it is very plain, will leave a balance of advantage in favor of the tax.

But if you should think I conclude too strongly, and you should not be able to go quite my lengths in this argument, so much, I think, does at least appear incontrovertibly plain, that if there is a real disadvantage arising from my mode of taxing, it is so small, that it holds no comparison with the burden of tax hitherto in use on polls and estates, which discourages industry, oppresses the laborer, lessens the value of our lands, ruins our husbandry and manufactures, and with all these dreary evils, cannot possibly be collected to half the amount which the public service requires.

But to save further argument on this head, I will with great assurance appeal to the sense, the feelings of our farmers, who make the great bulk of our inhabitants, if they would not prefer living in a country where they must pay the afore-mentioned increased prices on the goods I propose to tax, rather than where they must part with the same number of cows, oxen, sheep, bushels of wheat, or pounds of pork or butter, &c. which are now, in the present mode of taxing, annually demanded of them to satisfy the tax.

I dare
I dare make the same appeal to all our tradesmen, and even to our merchants, who, in my opinion, would have clear and decided advantages from my mode of taxing, as well as the farmers. I do not see how the merchant or any body else can be hurt by the tax; but will all be clearly benefitted by it, if the following particulars are observed:

I. That the tax be laid with such judgment and prudence, and different weight on different articles, that the consumption of no article shall be diminished by it, beyond what the good and true interest of the nation requires; for it is certainly better for the merchant to deal with his customers in such articles as are useful to them, and in such way that they shall derive real benefit from their trade with him, than to supply them with articles that are useless or hurtful to them, and which of course impoverish them.

In the first case, he will make his customers rich and able to continue trading with him, and to make him good and punctual payments: in the other case, he makes his customers poor, and of course subdues himself to the danger of dilatory payments, or perhaps of a final loss of his debts.

II. That the tax be universal and alike on every part of the country, for if one State is taxed, and its neighbour is not, the State taxed will lose its trade. This proves in the most intuitive manner, that every tax of impost on imported goods must be laid by the general government, and not by any particular State, whose laws cannot be extended beyond its own jurisdiction. And,

III. That the tax be universally collected. Smuggling hurts the fair trader; favor and connivance of collectors to particular importers, thro' bribery, friendship, or indolence, has the same effect; the person who avoids the tax can under- sell him who pays it; therefore it is the great interest of the merchant, when the duty is laid, to make it a decided point, that every importer shall pay the duty.

And I am of opinion, that when the body of merchants make it a decided matter to carry any point of this nature, they are very able to accomplish it; they certainly know bet-
ther than all the custom-house officers and tide-waiters on earth, how to prevent or detect smuggling, and to discover and punish the indulgence or connivance of collectors, who may be induced to favor particular importers, and they have the highest interest in doing this, of any set of people in the nation; and therefore I think it good policy to trust this matter to their prudence, with proper powers to execute it in the most effectual way.

From a pretty extensive acquaintance, I am, convinced there is a professional honor in merchants which may be safely trusted; and I apprehend it is a policy both needful and cruel, to subject the persons and fortunes of merchants, the great negotiators of the nation’s wealth, and a body of men at least as respectable as any among us, to the insults of custom-house officers and tide-waiters, the rabble of whom, in Europe (I hope ours may be better) are generally allowed to be as corrupt, unprincipled, intolerable, and low-lived a set of villains as can be scraped out of the dregs of any nation; and to let such fellows to watch and guard the integrity and honesty of a most respectable order of men, and subject honorable and useful citizens to such mortifying inspection, appears to me to be such an insult on common sense,—such an outrage on every natural principle of humanity and decency,—such a gross corruption of every degree of polished manners, that I should imagine it must require ages to give it that degree of practice and establishment which has long taken place in Great-Britain.

The quickest way to to make men knaves, is to treat them as such. It is a common observation, when a woman’s character is gone, her chastity soon follows. Few men think themselves much obliged to exhibit instances of integrity to men, who will return them neither credit nor confidence for their uprightness. Let every man have the credit of his own virtues, and be presumed to be virtuous till the contrary appears. Honesty is as essential and delicate a part of a merchant’s character, as piety is of a clergyman’s, or chastity, of a woman’s, and you wound them all alike sensibly, when you show, by your conduct towards them, that
that you even suspect that they are wanting in these characteristic virtues.

I conceive nothing more is necessary to make the collection of this tax easy, than to convince the merchants, and indeed the whole community, that the tax is necessary for the public service—for the essential purposes of government; and that every one who pays it, receives a full compensation in the benefits he derives from the union; and that the management of the affair be committed to the merchants, to which, from the nature of their profession and business, they are more adequate and qualified, than any other men; and as it falls directly within the sphere of their business, it seems to be an honor, a mark of confidence, to which they are entitled.

Indeed, let the community at large be convinced that the money proceeding from this tax, is necessary for the public service, and that it can be assessed with less burden on the people in this way, than in the mode hitherto practiced, and the collection will be easy and natural.

The tax will cease to be considered, like the taxes formerly imposed on us by the British Parliament, unconstitutional in their assessment, and useless in their expenditure, for they plagued us with taxes only to satisfy their harpies (little or none of the money ever reached the British treasury) but this tax is imposed by our own people,—by our own representatives, and for our own benefit.

It must be imposed by Congress indeed, as the authority of any particular Assembly cannot be adequate to it; for it must operate alike in all the States, be alike universal in its effects, and uniform in its mode of assessment and collection; and must therefore proceed from the general authority which presides over the whole Union, i.e. from the Congress; but it is a Congress of our own appointment: for the members of Congress are as much our representatives, and chosen by our people, as the members of the several State Assemblies; and the end and use of the tax is our own public service, to secure the benefits of our union, without which it is impossible we should obtain respectability abroad, an uniform administration of civil police
lice at home, an established public credit, or full protection against domestic or foreign insult.

I never knew any measure of government opposed in its execution by the people, when a general conviction took place that the measure was properly planned, and was necessary to the public good. We have had full proof thro' the war, what great burdens our people will, very cheerfully and even without complaint, bear, when they are convinced that the exigencies of the State, and the public safety, made them necessary.

This exhibits the tax in an advantageous light, rather eligible than shocking, connects the ideas of burden and benefit together, and naturally brings the evils removed by the tax, and the advantages resulting from it, into one view, and may strike the minds of the people so strongly, as to make the burden of it appear light, when compared with its benefits.

This brings me to the consideration of the practicability of my mode of taxation which I proposed, and which I do conceive is a matter of capital weight in this discussion, for which I do rely on these two grand propositions:

1. That whatever is the real, great interest of the people, they may, by proper measures, be made to believe and adopt; and,

2. That whatever is admitted to be a matter of common and important interest, in the general opinion of the people, may be easily put in practice by wisdom, prudence, and due management of the affair.

I do contend, that when this tax is fairly proposed to the public, with a proper elucidation of the evils it avoids, and the advantages which result from it, it will not be looked on as a burden of oppression, an imposition of power, but as the purchase of our most precious blessings, as a measure absolutely necessary to our most essential and important interests.

Therefore any attempt to avoid this tax, by smuggling or any other way, will be deemed by general consent an act of meanness; an avoidance of a due share of the public burden; frustrating the necessary plans of public safety, and rendering
ing ineffectual the public measures adopted by general consent, for the public security, tranquillity, and happiness.

Such an action implies in it great meaness of character in the agent, and a high crime against the State, and the detection of it will be considered as a very material service to the Commonwealth. Where any actions are deemed crimes, scandals, and nuisances by the general voice of the people, detections and informations against them are reputable; they cease to be infamous—the infamous of an informer does not take place in such instances.

The reasons of governmental measures ought always to attend their publication, so far as to afford good means of conviction to the people at large, that their object and tendency is the public good. This greatly facilitates their execution and success. It is hard governing people against their interests, their prejudices, and even against their prejudices. It is better to court their understandings first with reason, candor, and sincerity, and we may be almost sure all their passions will follow soon.

I abhor a mysterious government. I think an administration, like a private man, which affects to have a great many secrets that must not be explained, has generally a great many faults which will not bear telling, or a great deal of corruption which will not bear examining. Government, like private persons, may indeed have secrets, which ought to be kept so; but in that case, caution should be used against any intimations or hints getting abroad, even that there are such secrets, or any secrets: for this would produce an anxious inquiry and solicitous inspection, which might make the keeping the secret more difficult, and besides bring on many other inconveniences arising from numberless apprehensions, which such a circumstance would give birth to.

An ostentatious giving out that there are mighty secrets in the cabinet, or many mysteries in the State, that must not be pried too closely into, is the very contrary of all this, and generally is a sign of a weak administration, and not seldom of a corrupt one; but of all public measures which require explanations to the people, that of taxes, which touches their
their money (which is always a very sensible part) may stand as chief; and to make these go down any thing well, it is always necessary to spread an universal conviction,

1. That the money required in taxes is necessary for the public good: and,

2. That it will certainly be actually expended only on the objects for which it is asked and given.

And if these two things are really true, there will rarely be much difficulty in making them to be believed thro' the most sensible part of the Commonwealth; but if these two things either are not really true or not really and generally believed, I do not know that a standing army would be sufficient to collect the taxes.

I am of opinion their force, authority, and influence, like the conquests of the British army, would last no longer in any place than they staid to support it. Whenever they shall go away, I imagine they will find that they have left behind them infinitely more abhorrence than obedience among the people.

Tho' I am clearly of opinion that there must exist an ultimate force or power of compulsion in every effective and good government, yet it is plain to me, that such force is never to be put in action against the general conviction or opinion of the people; nor indeed do I believe it ever can be so exercised with success and final effect, for every attempt of this kind tends to convulsions and death.

Such an ultimate force indeed ought to fall upon and correct those who sin against the peace, interest, and security of the public. But this can be done with safety and advantage only in cases where the crime punished is against the opinions, the sentiments, and moral or political principles, which generally prevail in the people; for if the most violent declaimer and mover of sedition in a government, should happen to be received by the people as a patriot, and his harangues should be eagerly adopted as the doctrines of their liberties and rights, any attempt to punish him would be vain or useless.

For either the people would interpose and rescue him, or, if he was punished, they would consider him as the martyr of
of their cause, and thereby the public uneasiness, tumult, and uproar would be augmented: but when single persons or parties counteract the laws, and disturb that peace and order of government which is established by general consent, and in which there is a general persuasion that the security of every individual is concerned, there will be no difficulty in making such examples of punishment, as shall be sufficient to curb those turbulent and factious spirits, more or less of which may be found in every community, and which would become intolerable, if not kept under a rigorous restraint.

In all cases of this sort, the righteous severities of government will be approved, supported, and even applauded by the general voice.

Yea, if we were to suppose that the general opinion was wrong in any particular matter of importance, yet it is plain, that vicious opinion could not be controlled by force; it must continue till the ill effects of it shall produce a general conviction of its error, or till the people can be convinced by reason and argument of the danger of such opinion, before the ill consequences of it are actually felt; in both which cases the people will turn about fast enough of their own accord, and the error will be corrected most effectually, and with ease, and without any danger of disturbing the public tranquillity.

Opinions indeed of a dangerous, hurtful nature may spread among the people, and, when they become general, are to be considered as great public calamities, which admit of no remedy but that which they carry with them, and which will prove effectual in the end, viz. their own evil tendency, and therefore must be let alone, like inundations, which, however calamitous, whatever waste and destruction they make, cannot be controlled; any attempt to stop their force, increases their violence and mischief; they do least hurt when they are unmolested, and are suffered to drain themselves off in their own natural channels.

In short, there is no forcing every body, and therefore I reject with abhorrence every idea of governing a country by a standing army, or any other engines of force. I consider
consider every plan of this kind as a departure from the true principles of government, as destructive in its consequences, as absurd and ineffectual to its own ends; for such a government, whenever it has been tried, instead of promoting the peace, security, and happiness of the State, has generally been found to have operated by way of tyranny and oppression.

It appears from all this, that the true art of government lies in good and full information of the facts to which its ordinances are to be accommodated, and in wisdom in adopting such institutions, laws, and plans of operation, as shall best suit the state and true interests of the people; and acting openly, fairly, and candidly with them. You may as well attempt, by finesse, to cheat people into holiness and heaven, as into their real political interests.

There are people scattered over the whole nation, who understand the great interests of the community and the wisdom of public measures, and are as firmly attached to them as those who sit in the seat of government, and who are always dissatisfied, and their confidence in the public counsels is lessened, when they observe public measures are adopted, which they do not see the use of, and the ends for which they are calculated; and of course little mystery and few secrets are necessary in government. Let the administration be such as will bear examining, and the more it is examined, the better it will appear.

In such a mode of administration as this, if burdens that are really heavy are necessary for the public safety, they will be cheerfully taken up, and patiently borne, by the people without endangering the public tranquillity.

Another objection against my mode of taxing (which, in my opinion, is the greatest by far that can be fairly urged), remains yet to be considered. I once almost concluded not to mention it here, because its hurtful operation is distant, we are in no present danger of its effects, and its evils may be prevented or remedied in future time by necessary measures, without requiring our present attention. But I will subjoin it, because I think it best to communicate every quality, effect, and tendency of this subject, which my utmost
Almost investigation of it has been able to discover, that the public may take it up or reject it on the fullest reason that I can lay before them. The objection is,

That this tax is insensible, and will produce more money than the people are apprized of, and in future time, when our trade and consumptions shall increase, may produce more than the public service will require, and of course will tend to public dissipation and corruption. For frugality in a court ever springs from necessity, and a rich treasury naturally makes a prodigal administration, and too often a corrupt one.

It may be answered, that it will always be easy to lessen or take the tax off, whenever it shall become too productive. This may be easy, but will always be dangerous. The imposing it at the close of the war will prevent the fall of the goods taxed, and keep them up partly to the war price, and of course save the merchants who have goods by them, from very great loss, and is a good reason for imposing it now; but when it shall be taken off, it will reduce the price of the goods taxed, in so sudden a manner, as will be very hurtful to those who have stock on hand, and may ruin very many families.

There is another, and perhaps better, way of guarding against the evils of the objection. It will be easy to trans-mit to each State an account of the annual proceeds of the tax, and when the amount shall exceed the annual expenditures, an account of the surplus, together with an estimate of the proportion of each State (according to the established quota of burdens and benefits) may be returned with it, and the said proportion of the surplus may be made subject to the orders of each State respectively; and if they judge that they can more safely trust their own economy, than that of the supreme administration, each State may draw its quota out of the general treasury into its own, and there keep it as a deposited fund of public wealth, or dispose of it as they please. Perhaps a fund to defray the internal expenses of each State might be as easily raised in this way as any other; but I leave a further discussion of the objection and its remedies to the wisdom of future times.
But if this my mode of taxing, or any other that may be adopted, should not be sufficient for the public service, I could with the deficiency might somehow be made up at home, without recurring to the ruinous mode of supplies by public loans abroad. I think that every light in which this subject can be viewed, will afford an argument against it; I have known this cogent argument used in favor of foreign loans, viz. we give but five per cent. interest abroad, and our people can make ten per cent. advantage of the money at home, therefore they gain five per cent. by the loan.

This stupid argument, if it proves any thing, just proves that it is every man's interest to borrow money, for it is certainly profitable to buy any thing for five pounds which will bring ten; but the natural fact is the very reverse of this, for if you bring money into a kingdom or family, which is not the proceeds of industry, it will naturally lessen the industry and increase the expenses of it. It has been often observed, that when a person gains any sudden acquisition of wealth by treasure-trove, captures at sea, drawing a high prize in a lottery, or any other way not connected with industry, he is rarely known to keep it long, but soon dissipates it. The sensible value of money is lost, when the idea of it becomes disconnected with the labor and pain of earning it, and expenses will naturally increase where there is plenty of wealth to support them. The effect is the same on a nation.

Is Spain a whit richer for all the mines of South-Ameri-
can? The industry of Holland has proved a much furer source of durable wealth. We already find a dangerous excess of luxury growing out of our borrowed money, and our industry (especially in procuring supplies of our own) wants great animation.

Besides, the aforesaid argument is not grounded on fact; it is true, I suppose, that we pay but five per cent. interest on our foreign loans, but they cost us from fifteen to twenty per cent. more to get them home, for that is at least the discount which has been made on the sale of our bills for several years past, and if we bring it over in cash, there
there is freight and insurance to be paid, which increases the loss.

From this it appears, that for every eighty pounds of supply which we obtain in this way, we must pay at least an hundred pounds, even if we were to pay the principal at the end of the year, and the consuming worm of five per cent. interest every year after, if the payment is delayed: to all this loss is to be added, all the expense of negotiating the loans abroad, brokerage on sale of the bills, &c., &c.

To escape the ruinous effects of this mode of supply, I think every exertion should be made to obtain our supplies at home; it is certainly very plain our country is not exhausted, it is full of every kind of supply which we need, and nothing further can be necessary, than to find those avenues from the sources of wealth in the hands of individuals, which lead into the public treasury, those ways and proportions that are most just, most equal, and most easy to the people. This is the first great art of finance; that of economy in expenditures is the next.

Any body may receive money and pay it out; borrow money and draw bills; but to raise and manage the internal revenue, so as to make the wealth of the country balance the public expenditures, is not so easy a task, but yet I think not so hard as to be impracticable; unless this can be done, the greatest conceivable abilities must labor in vain, for it is naturally impossible that any estate, which cannot pay its expenditures, should continue long without embarrassment and diminution; the load of debt must continually increase, and the interest will make a continual addition to that debt, and render the estate more and more unable every year to clear itself; but if the estate can pay its expenditures, it is the height of madness not to do it.

If revenues can be spared sufficient to discharge the interest of the debt, so as to stop its increase, the estate may be saved, and a future increase of revenue may in time wipe off the principal; but no hope is left, if interest upon interest must continue to accumulate.

And
And as the interest of every individual is inseparably connected with the public credit or state of the finances, it follows that this affair becomes a matter of the utmost concern and very important moment to every person in the community, and therefore ought to be attended to as a matter of the highest national concern; and no burden ought to be accounted too heavy, which is sufficient to remedy so great a mischief.

It may be objected to all this, that the duties I propose are so extremely high, that, 1. they will hurt our trade; and, 2. can have no chance of obtaining a general consent.

To the first I answer—as far as this tax tends to lessen the importation of hurtful luxuries and useless consumptions, it is the very object I have in view; and it is so very light on all other articles, that the burden will be almost insensible.

But as to the second objection—it is in vain to trifle with a matter of such weight and importance, or weary our people with small plans and remedies, utterly inadequate to the purpose. In weighty matters, weak, half-assured attempts will appear to every one to be labor lost, and a ridiculous disproportion of the means to the end: it is better in itself, as well as more likely to succeed with the people, to take strong hold, and, with a bold, firm assurance, propose something, which, when done, will be an adequate and effectual remedy.

Our national debt, including the supplies for the present year, I am told, by the Financier's estimate delivered to Congress, amounts to about 35,000,000 of dollars, the annual interest of which will be somewhat above 2,000,000 of dollars, which, I think, may be raised by the tax I propose (tho' it is impossible to tell with much precision, what the proceeds of a tax will be, which has not been tried:) it is very plain that the proceeds will be large, and so calculated as to be almost wholly a clear saving, not to say a benefit, to the country; and if there should be deficiencies, a small additional tax may be laid in the usual way to supply them.

Our
Our annual expenditures, on the peace establishment, may, I think, be reduced to a quarter or third of a million of dollars, and perhaps, if our national debt was liquidated as it ought to be, a great saving might be made both of principal and interest; but the detail of these matters is in every one's power, who has leisure and proper documents to make the calculations.

Without descending to minutiae, I only mean to examine the great principles of resource and mode of supply which are within our power, and give my reasons as clear as I can for adopting a practical trial. Such a practice would doubtless discover many things which no foresight can reach, and experience only can elucidate; it is an untrodden path which I recommend, and tho' it cannot be perfectly known, yet it seems to me to have such an appearance of advantage as deserves a trial.

The expense and difficulty of collection will be no greater on the high tax I propose, than it would be on a trifling one, which would produce less than a tenth part of the supply which this would furnish.

Therefore, if it should be judged prudent to make the trial, I think it most advisable to take it up on such a large scale, as will make it sufficiently productive to become an object worthy of strong effort and persevering diligence, in order to give it a full effect.

In fine, we have not children or dunces, to deal with, but a people who have as quick a sight of their interest, and as much courage, readiness, and cheerfulness to support it as any people on earth. We can have, therefore, nothing more to do, than to make such propositions to them as are really for their interest, to convince their minds that the thing proposed is necessary and beneficial; and this is to be done, not by refinement of argument, but by devising and explaining such measures as will, from their nature and operation, produce beneficial effects.

We must, with candor and fairness, in a manner open and undisguised, tell them what we want money for, and how much, and by a wise and upright management of their interests deserve and gain their confidence, that their money, when
when obtained, shall, to the last shilling, be paid for such necessary purposes; the tax will then cease to be odious. It will become an object of acknowledged interest, and every person who smuggles or otherwise avoids the tax, will be considered as shrirking from a burden which the public good makes necessary.

Every attempt of this sort will become disreputable and infamous, and when you can connect the tax and character together, there will be little difficulty in collecting it.

This will effectually obviate the great objection, viz. that it will be impracticable to collect a heavy tax on goods of great value, but little bulk, such as silks, laces, and the like, because they may be easily smuggled, &c. Whenever they are to be sold, they must be exposed to view, and let the burden of proof ever lie on the possessor, that the tax has been bona fide paid.

I should think it advisable to commit the management of this matter to the merchants; they are most hurt by smuggling, and of course have the highest interest in preventing it. It will be ten times more difficult to cheat and impose on them, than any others, because the matter falls wholly within their own sphere of business. 'Two of a trade cannot cheat one another as easily as either of them might cheat a stranger.' If the merchants would take the matter up, and make it a kind of professional honor to prevent smuggling, and see that the duty is effectually paid, there is little doubt but they could effect it.

All this reasoning depends on this one principle, viz. that our public measures must carry in them wisdom, natural fitness, justice, and propriety; then they will gain character, reputation, and confidence among the people at large, and mutual interest will soon make the government easy and effective; every individual will soon find his interest connected with that of the public, and he will have every inducement both of honor and profit to stand well with the government, and effectually support it.

And in this way, even the great doctrine of taxation itself, that common and almost universal source of complaint, may become an object of acknowledged necessity, of confessed right.
right; and the payment made like that of any other debt, with conviction of right and full satisfaction.

I will conclude this Essay with one argument more in favor of my principle of taxation, which appears to me of such mighty weight and vast importance, as must reach the feelings, and govern the heart, of every upright American, viz. that our public union, with all its blessings, depends on it, and is supported by it, and must, without it, dissolve and waste away into its original atoms.

To refuse any plan its necessary support, and to murder and destroy it, is the same thing; the union cannot be supported without so much money as is necessary to that support, and that money may be raised in the way I propose, and cannot in any other. We have a most plain and undeniable proof of fact, that, the usual mode of taxation of polls and estates, is in its principle unjust and unequal, because it does not operate on our people in any due proportion to their wealth: this mischief was less felt, when our taxes were very small, and therefore, tho' unjust, were not ruinous; but the case is greatly altered, now the taxes are grown up into the burden which the present exigencies of the nation require.

The said tax hitherto in use is further ruinous, because it carves what money it does produce, out of the very first resources, the original principle of our national wealth, which, like tender cions, should be nursed and guarded with all care, till they arrive to strength and maturity;—then we may pluck the fruit without hurting the tree:—to cramp and diminish any of these, is like making bread of our seed wheat, or feeding our mowing grounds, every quantity we take lessens the next crop ten; but what gives decision to the point is, that we have the clear proof of experience, that the utmost efforts in this way have not been sufficient to produce one quarter of the sum necessary for the public service; nor is there any probability of an increased production.

The mode of supply by foreign-loans need not be further reprobated; it is plain to every body, that if they can be continued (which is doubtful) they will soon involve us, in a foreign debt, vastly beyond all possibility of payment: our
bankruptcy must ensue; and with our bankruptcy will go all our national character of wisdom, integrity, energy of government, and every kind of respectability. We shall become objects of obloquy, butts of infilt, and by-words of disgrace abroad; an American in Europe will be ashamed to tell where he came from. Every stranger takes some share in the character, in the honors or disgrace, not only of the family, but nation to which he belongs.

The scheme of issuing any more Continental money, I take for granted, nobody will think of; and therefore I conclude, that all the ways and means which have hitherto been tried, have proved utterly insufficient for the purpose: and I further conceive, that it will be allowed, that the mode I propose, if put into practice, would be sufficient. I further contend, that no other mode within our reach is or can be equally easy to the people, and equally productive of sufficient money for the various purposes of our union; this is then the only practicable way our union can be supported, and of course the union depends on it; and, without it, must inevitably fall to pieces.

To say all this, may be thought very great presumption in an individual; be it so; still I am safe, for no man can contradict me, who is not able to find and explain some other way of supply, equally easy to the people, and equally productive of all the money which the support of the union requires: but in as much as the eagerness of inquiry for several years past has not been able to discover any such other mode, I conclude there is no such, and of course, the one I have proposed is the only one that can be adopted, to save our union from dissolution.

And under the impression of this full persuasion, may I be permitted to address our public administration, not only in Congress, but in all the States, in the strong language of Lord Chatham—Set me down as an idiot, if you do not adopt it, or rue your neglect; and it is not certain that our posterity in the next age, and all our neighbours in the present, will not set you down for idiots, if you do not adopt it soon, before the mischiefs it is designed to obviate, shall grow up to such degree of magnitude and strength, as to become
Become incapable of remedy; for what can they think, when they shall see that you suffer our union, which is committed to your care, to fall to pieces under your hands, because you will not attempt to give it that support, which, to say the least of it, is in its nature practicable, and the due practice of which would produce the great remedy required.

But you will say perhaps, we admit your principle to be just and good, but we cannot raise our ideas up to your height of scale or degree of impost; your tax is too high; it grasps too much, and is thereby in danger of losing all; it will scare our people out of their wits. I do not think much of this; if the wits which the people now have, are not sufficient for their salvation, it matters little how soon they are scared out of them; but it is not certain that their wits are so volatile; there is at least a possibility, a chance, that they may have wit enough to adopt the remedy that will prevent those calamities, which (if not prevented) will soon drive them out of their security—their property—their national honor—their country and wits too; at least I think it needless for you to lose your wits, for fear the people will lose theirs

But I would ask you seriously, do you think that a less scale of tax than that which I propose, would be sufficiently productive for the public service, or the support of the Union? I think you must probably say no, on the bare presumption (for the produce of an untried tax cannot be reduced to a certainty:) to what purpose then, I further ask, would it be to set on foot so expensive and troublesome an operation, which, when completed, would be utterly inadequate to its purpūses? or what funds have you, out of which you expect to draw the deficiency?

If there is any wisdom or effort in our counsels and plans, they must reach thro'; they must connect the means with the end, and make the one adequate to the other. Would you not laugh at a tailor, who should moor a ship with an inch rope, and so lose the ship, for fear his owners should find fault with him for wetting a cable? Where means are inadequate to their end, they become ridiculous, especi-
ally when adopted in matters of consequence; people lose all confidence in their effects, and therefore lose all courage and inducement to use strong efforts to make them operate.

I am clearly of opinion, if our people have lost their confidence in our public counsels, and are backward in putting them into practice, the reason is, not because they stupid and blind to their interests, or wanting in zeal to promote them, but because their courage is all worn out, and their patience exhausted, by a seven years' course of visionary, ineffectual, ill-contrived, and half-digested plans, which promised little in theory, but constantly in practice, proved the baseless fabrics of a vision, and vanished at last, not only without use, but with consequences very detrimental to our national character of integrity and wisdom, as well as to the interests and morals of our people; not the least discouraging of all which was this constant effect which they all had, viz. that those States or individuals, which promoted them with most zeal, ardor, and effort, always lost most by them.

I am of opinion it is quite time to quit this childish miniature of counsels, and adopt something up to the full life, and propose some system to our people, that will, when executed, be effective and sufficient for its purpose. I imagine such a proposal would find our people full enough of sense to discuss it, candor to approve of it, and zeal to promote it.

But if you will continue to believe that my high scale of tax will stuipify our people with terror on first sight of the dreadful, dreary object, I will seriously ask you if you are acquainted with one individual, who, you think, would be likely to hang himself, or run distracted, or give up the American Union or Independence, on being told, that he must, for the rest of his life, pay a dollar a gallon tax on distilled spirits and wine; a duty equal to the first cost on silks, cambrics, lawns, muslins, laces, jewellery, and so on thro' all the grades of the tax I propose.

Or how does the dreadful spectre affect your own constitution? Does it make your own blood run cold and thicken in your veins? As you are mostly men of fashion and
and fortune, I conceive you will be as deeply interested in the tax as the most of your constituents, and you may pretty well judge of their feelings by your own. I do not apprehend that your anxiety is excited at all for yourselves, but for your people; but cannot you suppose that your constituents have sense to discern the necessity and utility of a public measure, judgment and patriotism to approve it, and firmness to bear the burden of it, as well as you?

Some objects, when seen thro’ a mist, or at a distance, appear frightful and clothed with terrors, which all vanish on a nearer view, and more close inspection. Some disagreeable things, when they come home to our feelings, are found to have left pain than distant expectation painted out.

Let us suppose and realize to ourselves then, that my scale of tax was adopted and become habitual to the people; can you imagine that the country would be thereby rendered a whit the worse, or more inconvenient to live in, than if the tax was not paid? or if you cannot come quite up to this, do you conceive the inconvenience of the tax paid in this way, by any comparison so heavy and burdensome, as the present tax on polls and estates, or any other of equal product, that has ever been practised or proposed, would be to the people at large.

I do not know how far our people at large are impressed with a sense of the importance of our union; it is, in my opinion, an object of the utmost weight; I conceive that the very existence of our respectability abroad, the interest which we are to derive from our connexions with foreign nations, and our security against foreign and domestic insults and invasions, all depend on it, and even our independence itself cannot be supported without it; and as I know well that the attachment of our people to their independence is almost universal, I should suppose that our union, which is so closely and inseparably connected with it, would likewise be an equal object of their attachment and concern.

If this is the case, I cannot be persuaded that our people will revolt against any reasonable and necessary means of supporting both the one and the other, and as the tax I propose appears to me the only possible and practicable means,
means, any how within our power, which can be adequate to this great purpose, I cannot say that I shudder to propose such a tax; but I think we may safely presume on the good sense of our people, their patience, and discernment of their interests, enough to expect their concurrence in the measure, and even cheerfulness and zeal in supporting it.

But if this cannot be obtained, I can add no more; I have no conception that the Americans either can or ought to be governed against their consent, or that the collection of taxes, of any kind, or in any mode, can be made with success, whilst an opinion becomes general among the people, that the taxes are unnecessary, unjust, or improperly applied.

I think it would not be very difficult to make out the detail of particulars necessary to form the plan or system, both of the tax and its collection, on the principles herein urged; but the whole is humbly submitted to the consideration of the public, who, I hope, are enough impressed with the importance of the subject, and the necessity of adopting some decisions relating to it, without delay, to induce every one to give it that attention that its nature and weight requires, and which our present critical circumstances make indispensable to our political salvation.*

I do

* It may be of use to the reader, to advert to some particulars of the state and condition of the country and its revenues, at the time when this Essay was first published.

1. The Continental money had been entirely out of circulation near two years, and all kinds of dividends, payments, and accounts were made in bond money.

2. That the Bank of North-America was instituted by Congress, and pretty well established at Philadelphia: the charter of it bears date Dec. 31, 1781.

3. Very strong exertions had been made to obtain money from the States, by a tax levied on polls and estates in the old and usual way, and such conviction of the necessity of public supplies generally took place thro' the States, that considerable sums were obtained in this way, and remitted in bank bills to the Financier General, mr. Morris.

But these taxes were levied by the States neither in any due proportion of quotas, nor with any equality of either quantity or punctuality in the payments, and as no power of compulsion was vested in Congress at that time, the supplies failed for want of the public exigencies; large loans indeed were negotiated abroad, and many wild and vain schemes for raising money were proposed at home; but all was languor and deficiency.

4. A strong
I do not set myself up to propose systems of political union and plans of revenue because I think myself the fittest and

4. A strong and laborious effort was made by Congress for an impost of only five per cent. on imported goods, which, with great difficulty and delay, was at last ratified by all the States except Rhode-Island, which, by its final negative, frustrated the plan, rendered it wholly void, and it died without any effect.

5. A very considerable foreign debt was contracted, and every department at home was deeply involved, and no payments could be made either at home or abroad; it was with the utmost difficulty that money could be procured for daily supplies, which were absolutely indispensable.

6. Very great arrears were due to the army, and had there not been more patriotic virtue in the army, and greater abilities in their General and other officers, than scarce ever existed before, it would have been impossible to have kept them together, or to have governed them with any proper discipline.

7. We were just upon the close of the war; the peace was expected soon; the preliminary articles of it were indeed settled and signed, Jan. 20, 1783, but the advice of them had not reached America at that time: but,

8. Peace, tho' the most desirable of all things at that time, yet was clothed with terrors, and the near approach of it excited the most anxious apprehensions.

The murmurs of the army for their pay ran high; there was no money to pay them, yet they were to be disbanded; and whether they would suffer themselves to be disbanded, and sent to their several homes, without their pay, was a question of great importance.

These difficulties were afterwards obviated by the prudence of General Washington, but in a way that harrowed up all his feelings; he ordered small divisions of the army to be marched off to diverse distant places, and then directed them to be dismissed, without any pay indeed, but with a promise of promissed and assurances that speedy provision should be made for the settlement and payment of their accounts.

Commissioners were indeed appointed to settle all unliquidated public accounts, both of the army and other creditors, but no payments were made but in certificates of the debts due, with promise to pay them with interest to the creditor or bearer.

These were worth about 2d. 6d. in the pound, and the circulation of them soon became very great at that exchange: but to return to the time of writing this Essay—

9. Tho' the public treasury was so very poor and distressed, yet the States were really overrun with an abundance of cash: the French and English armies, our foreign loans, Havanna trade, &c. had filled the country with money, and bills on Europe were currently sold at 20 to 40 per-cent. below par.

10. This induced the merchants to buy these bills, and remit them to Europe, and in return to import great quantities of European goods, which arrived under the great expense of war freight and insurance; yet their scarcity, the great plenty of cash, and the luxury and pride of the people were such, that they sold rapidly and to great profit; all which made the tax of impost I proposed, very peculiarly necessary at that time for many reasons; not only,

1. To supply the treasury; but,

2. To restrain and check the luxurious consumptions which were growing fast into fashion.

3. To keep up the price of goods, and thereby save the merchants from ruin, or at least, from very great loss, by the reduction of the price of their goods on hand, which would be the natural consequence of the peace.

4. To
and most capable man to do it; but because I am convinced that every system of this sort must be the work of one mind, carefully and deeply comprehending the whole subject, and fitting all the parts to each other, so that every part may form a coincidence with the rest. It is scarcely possible for twenty or thirty men of the best abilities collected in a room together, to do this; either of them might do it alone, but all of them together cannot.

The twenty together may examine the system or plan, when made and proposed, and note its faults, but even then they cannot mend them, without danger of destroying its uniformity; they must do as you do with your clothes which do not fit, fend for the tailor who made them, point out the faults, and direct him to take them home, and make the alterations.

Any man of a clear head may comprehend his own thoughts, but cannot so well enter into those of another. You might as well set twenty watchmakers to make a watch, and assign to each his wheel; tho' each wheel should be exquisitely finished, it would be next to a miracle if the teeth and diameters fitted each other, so as to move with proper uniformity together; if this great work is done, somebody must do it, somebody must begin. A moderate genius may hit on, and propose, a thought, which a richer mind may improve to the greatest advantage. If I can attain this honor I shall have my reward, and please myself with the hope, that I may be in some degree useful to the country I love, which gave me birth, and in which I expect to leave my posterity.

4. To prevent a deluge of imported goods flowing in upon us, which soon drained the country of its cash, and filled the States with luxury; but the tax would have either prevented the evil, or would have brought an immense sum into the public treasury, which would have eased our public embarrassments.

Perhaps both might have been produced by the tax to such a degree, as would have afforded very great and desirable advantages; but the measure was not adopted, tho' I believe every one regrets at this day that it was not then pursued.

The principles of it have since been adopted by the new Congress, and tho' on a much less scale than I propos'd, yet we find the tax richly productive, and very little burdensome to our people.
A
SEVENTH
ESSAY
ON
FREE TRADE and FINANCE;
In which the Expediency of Funding the Public Securities; Striking further Sums of Paper Money, and other important Matters, are considered.*

[First published in Philadelphia, Jan. 10, 1785.]

PUBLIC securities are notes or promises of payment, made in writing, to the public creditors, who had demands on the public for monies lent, supplies furnished, services rendered, &c. &c. Of these there are a great variety, and distinguished by divers appellations, such as loan-office certificates, depreciation certificates, final settlements, &c. &c.

* The funding act of Pennsylvania was printed for public consideration some months before it was enacted into a law (March 16, 1785) during which time this Essay was published: the said act directed, among other things,

1. That one year's interest should be paid by this State on all Continental certificates, which originally issued to any citizen or citizens of this State, &c. with a proviso, that that species of certificates, commonly called final settlements, which should be intitled to interest, should not have been alienated or transferred, but shall remain the property of the original holder, his heirs, &c. (which proviso, in my opinion, ought to have extended to all the other kinds of certificates, as well as to the final settlements:) by this proviso, every possessor of a final settlement, except he was the original holder of it, was excluded from receiving interest.
As the public was in no condition to pay these securities when they became due, they suffered a great depreciation: the owners sold them for what they could get, and they have long been an article of traffic in the hands of the brokers and speculators; and the price-current, or estimated value

But I take it, that the true spirit, design, and reason of this proviso was, in a considerable degree, eluded in the subsequent practice; for the statute, among other proofs that the man who claimed interest, was really the original holder, prescribed this one, viz. that such claimant should make oath before a prothonotary, that he was truly the original holder of the certificate, and had not alienated it; and this certificate of the prothonotary of such oath being made, being annexed to the certificate on which interest was demanded, by construction of the statute, entitled the possessor of it to draw interest, tho' he was not the original holder; by which means very many certificates were sold with such affidavits annexed, and the possessor, tho' an alienist, drew the interest on them as well as if he had been the original holder.

2. A tax was instituted for raising an annual sum of 76,945l. 17s. 6d. and,

3. An emission of 150,000l. in paper money, 50,000l. of which was reserved for a loan-office, and the other 100,000l. together with the afore-aid tax of 76,945l. 17s. 6d. were appropriated to the payment of said year's interest, and other public purposes. The year's interest at 6 per cent. paid under this act, amounted to 267,694 dollars, the capital of which, of course, was 4,461,570 dollars, nearly.

This high tax proved a heavy burden upon each of our people as happened to have no certificates on which they could receive interest, and little benefit even to the moat of those who had them; for the certificates were monopolized in few hands, and not many of our people drew more interest than would pay their taxes.

And as these heavy sums were mostly paid to such holders of certificates, as had never rendered any services to the State, or contributed any supplies, or had any kind of merit or earnings, on which they could, with any pretence, found their claim to so great a contribution from the public, much uneasiness was generated, and our people found that their labor was vain, in as much as the profit of it were drained from them, for purposes of no use or advantage to them.

For it is to be noted here, that afo' interest was granted by this act for but one year, yet it was expected to be continued, and really was so, for several years afterwards, by a subsequent act (March 1, 1786) tho' under a somewhat different form, yet with the same burden as before.

The paper bills emitted by this act never passed as a general currency, but were negociated in market, like other commodities, at the exchange which they happened to gain, but always in a depreciated state, i.e. at a discount from 30 to 30 per cent.

In fine, this unhappy measure has cost this State already more than 500,000l. and still we are not clear of it.

And, I believe, no man can count up 500l. benefit which the State ever received from it.

I clearly fore-saw the mischiefs of this fatal measure, and to obviate and prevent them was the design of this Essay, and tho' I did not succeed, yet I have real satisfaction in reflecting that I exerted my utmost abilities, and faithfully performed my duty in the attempt, tho' it proved not successful, to assure the safety of the State of which I am a citizen.
value of them, as they pass from hand to hand, is become as much fixed and as well known in the brokers' offices, as that of any other goods or merchandizes.

And this price-current, made in market by the general consent of buyers and sellers, determines the value of all articles of traffic, whether goods, bills of exchange, public securities, stocks of every kind, or even money itself: and this rule of estimation is so fixed and natural, that no external force or height of authority can alter it, as has been clearly proved by experiment (the strongest proof in nature) in the instances of tender-laws and regulation of prices, which have often been attempted in vain, tho' pushed as far as law, authority, violence, and force could go.

Therefore it follows, that the public securities, when they become articles of exchange or traffic, are really worth what they will bring in market, and no more; i. e. let their nominal value be what it will, their real value is so much as, and no more than, they will bring in market: this is plain, natural law, which it is in vain for the greatest force or highest authority to oppose; it will prove too strong for the most mighty opposition; it is therefore most wise to submit to it, and obey its sovereign dictates, without reluctance.

The price-current of public securities has been different at different times, and the different kinds of them are estimated at different prices; very many have been purchased at 2s. 6d. in the pound, or 8 for 1; others at 6s. or 7s. in the pound, or about 3 for 1. A few instances may be produced of sales at higher and lower prices; but in general, I believe, the above prices may be estimated as the extremes: very great numbers of final settlements have been bought at 2s. 6d. in the pound, or 8 for 1.

It is very certain, and undoubtedly confessed on all sides, that our soldiers, when their services were over, and their accounts were fairly adjusted, were entitled to the liquidated balances in their favor, in genuine money; this was in justice due to them for their services, and if they were paid, no more than justice was done them; but if, instead of this, they were paid nominally twenty shillings in a certificate, note of public promise, or any other article of negotiation or
of traffic, which was worth, by general consent of buyer and seller, in the public exchange, no more than 2s. 6d. and would bring no more, it is plain they were paid but 2s. 6d. in the pound, and the remaining 17s. 6d. is still due to them.

We will suppose, that instead of a certificate of 20s. which would bring but 2s. 6d. they had been paid in brafs, at 20s. per lb. which was worth in market, and would bring no more than, 2s. 6d. per lb. it is plain their condition would have been exactly the same, i. e. the soldier that received the pound of brafs, which he could sell for 2s. 6d. and no more, would be just as well off, and as well paid, as the soldier who received the certificate of 20s. which he could sell for 2s. 6d. and no more; it is a very plain case that neither of them are paid more than 2s. 6d. in the pound, and that the remaining 17s. 6d. remains unpaid, and consequently due to them.

And if any justice or honor to the public faith is designed or attempted, it must be effected by paying to them what still remains due to them. But can the human mind conceive, that any sort of justice or honor to the public faith would be done, not by pitying the poor soldiers, and paying the balance due to them, but instead of this, by raising a large sum of money, by taxing the community, to buy in all the brafs, and giving 20s. per lb. for it to the speculators who had bought it of the soldiers for 2s. 6d. per lb. (even whilst the current market price was but 2s. 6d.) and giving interest till the cash was paid? which would be giving those speculators eight times as much money as the capital they advanced, and 48 per cent. per ann. interest for it, till the cash was paid.

The brokers' interest of 4 per cent. per month, is a fool to this; for this not only recovers 4 per cent. per month interest, but secures the payment of eight-fold the capital, when the interest ceases. Besides, the brokers run some risk of opprobrium and loss of their debt; but this plan gives honor and security to the whole transacttion, by giving it the sacred function of the supreme power of the State.
It makes no difference to the argument, whether the article of traffic paid to the soldiers, and purchased in again by the State, be 

\[ \text{bills or certificates}; \text{because both, by the} \]

\[ \text{supposition, are of equal price in the market, and make a} \]

\[ \text{payment of equal value to the soldiers.} \]

The whole argument holds good and in equal force, with regard to all original holders of public securities, as to the soldiers, all of whom are supposed to have furnished to the public, cash, goods, or services, to the amount of the certificates they received.

The argument also has the same force, with respect to speculators, who have purchased public securities at a higher exchange than 8 for 1: with respect to these, the conclusion is the same in nature, but differs only in degree.

This plan of paying the vast sums of public monies to speculators, which were originally due to the soldiers and other original holders of the public securities, and the payment being withheld from them to whom it ought to have been made, still remains due: I say, the plan of paying these monies to the speculators, who at present hold the securities, i.e., paying to these speculators eight times the capital they advanced for the purchase of them, with 48 per cent. per annum interest, till actual payment is made to them, and taxing the State to raise these monies, and of course taxing the poor soldiers (who, in their penury and distress, sold their certificates at 2s. 6d.) in the pound, for the money necessary to pay them at 20s. in the pound, with interest, to the speculators who purchased them: I say, this plan is adopted by some folks with great seriousness and gravity; and their ideas are supported with very specious arguments, the detail of which I have considering just now, that I may mention one proposition, which I think necessary to introduce here, viz.

No ingenuity of argument can ever support an absurd conclusion; the absurdity of the conclusion for ever destroys the argument, however specious and ingenious the premises may be found: this is called by logicians \textit{reductio ad absurdum}, has been taught in the schools a thousand years, and has always been allowed to be good reasoning.

M m All
All the arguments that can be adduced, can never convince any body that this plan is right; there is not a boy in a compting-house, or maid in a kitchen, who would not exclaim against the injustice of it, the moment they heard and understood it; the common sense which resides in every human breast, revolts against it; for this I appeal to the sentiments and feelings of every body who has any.

Do not you think, my fellow-citizens, that a speculator in public securities must be pretty well brazed, yea, braised over, who can express his joy without blushing, in the face of the world, and tell us that he is enlightened with hopes of obtaining a public act, entitling him to eight times the capital of his speculations, with 48 per cent. per annum interest, till he receives the principal in good, solid, hard cash; all which he knows to be the earnings of the poor, distressed soldier, who, with his family, languishes for want of the payment, which is withheld from him by means of the failure of the public faith?

This plan, however cruel, shocking, and execrable it may appear, is defended by some folks by this argument, viz. the public securities, like bonds, bills of exchange, promissory notes, &c. are assignable or transferable over, by which the assignee becomes possessed of all the right and interest, which the original holder had therein; that the whole property passes by the assignment, and the sum paid by the assignee to the original holder, whether little or much, is of no consideration in the case.

I suppose this holds true generally with respect to bonds, bills of exchange, promissory notes, &c. but I do not think it holds true universally: the rule has its exceptions, and I think the case in point is manifestly one of the strongest instances of them. The Continental money is a most notorious one; the public faith was plighted for the redemption of that money, as sacredly as force of words, height of authority, and appeals to Heaven could do it. Yet every man acknowledges, that if that money, tho' all made payable to the bearer, was to be redeemed at a hard dollar for every Continental one, the most absurd injustice would be done.
The old State money of this State affords another instance of the same kind. The loan-office certificates afford a third instance, the value of which is estimated by Congress, by a public scale of depreciation, grounded on the real value of the certificates, at the several dates at which they were issued. Nobody pretends to object to this measure, or the principle on which it was founded.

Another instance may be adduced from a clear, decided rule of the law of the land, viz. if an executor buys up the bonds of his testator at a discount, i.e. by paying less than the nominal value for them, when he comes to make up the accounts of his executorship, he shall not be allowed the nominal value of those bonds, but so much only as he actually paid for them.

To all this I will venture to add here a proposed case, with my opinion on it, viz. suppose a merchant stops payment, who has thousands of bonds, notes, &c. against him, and upon the best survey of his affairs, it becomes the general opinion that he will pay 2s. 6d. in the pound, and his bonds and notes are generally passed from hand to hand, at that exchange. Every broker and banker has them, and passes them for years together at that rate; but, after a series of time, the debtor becomes able and willing to pay his whole debt, and is cited into a most sovereign court of chancery, where merc; right and justice is the rule of the court; where it is confessed that the 2s. 6d. is either paid or now due to the assignee of the note for 20s. and the sole question before the court is, who shall have the other 17s. 6d. whether the original creditor, to whom the debt was due, for full consideration paid, or to the assignee who had never paid any thing for it?

We will suppose the court is under no bias, but honestly mean to make such a decree as will be most just, do the most honor to their court, and be best approved in Heaven. I make no difficulty in giving my opinion, that the court will award in favor of the original creditor, who has paid the full consideration of the debt, in preference to the assignee, who has never paid any thing for it.
Find fault with and disprove this opinion, whoever of you can; I expose it with confidence, to the censure of you all. Where two persons are in equal possession of an estate, it shall be given to him that hath right. Original right is such a sacred thing, that it can and will go great lengths in favor of its proprietor, is ever reverenced by the law, and ever claims the principal attention of the court.

I take it, that the facts out of which the reasons grow, that govern assignments of bonds, bills of exchange, and negotiable notes, are so to toto caelo different from those in the case now under discussion, that it is impossible to argue from the one to the other without the most manifest absurdity.

One instance of this difference, of full notoriety, and striking enough, is this, viz. that in the case of transfer of bills of exchange, negotiable notes, &c. a valuable consideration is always presumed to be given; but in the case in point no such thing, but the very contrary, appears in full blaze of evidence; 2s. 6d. in the pound has not the least pretension of being a valuable consideration for eight times the principal advanced, and 48 per cent. interest for the same, till the whole shall be paid, together with 48 per cent. for several years' interest due on the certificate, before the purchaser ever saw it, or even paid his 2s. 6d. for it.

This fact stands glaring in the face of the world, and strikes conviction of its own injustice and absurdity into every beholder; it gives concern to the most avaricious speculator, and brings a blush even into the unvil countenances of the sanguine promoters of the blessed scheme of making provision for the enormous payment.

They endeavour to palliate it, or shuffle it out of sight, by suggesting that the instances of this sort are but few and inconsiderable, and so blended with the right and justice due to the distressed widows, orphans, soldiers, and other worthy citizens, who are public creditors, that they cannot be separated, and are therefore not worthy to be noticed; but here again the fact is notoriously against them. I should think a man had need of a front as hard as an andiron,
andiron, to affirm, in the face of the public, that these instances are but few and inconsiderable.

It is a matter of public notoriety and general belief, that almost the whole of the widows, orphans, soldiers, and other distressed public creditors, have sold their certificates, which are now in the hands of the speculators, who are known to be very numerous, and many of whom have a vast amount of them.

But let these instances be few or many, it is a vain pretence to say they are so blended with the other public creditors, that they cannot be separated. A method of justice and due discrimination is easily investigated; the public creditors are easily found; their names are all on the public books, with the balances which were due to them when their accounts were settled.

I propose then, that they shall be debited with the certificates they received, at the price, exchange, or value at which they passed or could be sold, when they received them, and have the residue of their balance paid to them honestly, with interest.

It will take no more money to pay them than to pay the speculators; and as to the certificates, except such as are in the hands of the original holders, let them be paid to whoever brings them in, at a scale of value founded on their original value when they were issued, or the mean exchange at which they have passed for two or three years back.

This will repay to the speculators all the cash they have advanced, which, I think, is all the justice or tenderness to which they are entitled from the public; for, to say the best of them, I esteem them a sort of men barely tolerable, but by no means worthy of encouragement.

Some people say they have merit, and support the public faith, by giving something for certificates, when others would not buy them at all; but I think we are not much beholden to them, for vilifying and decrying the public faith, till they have persuaded the poor soldiers to sell their certificates for 2s. 6d. in the pound, rather than trust the public any longer.

As my proposal leaves no ground of complaint on the part of the speculators, so I think it will do manifest justice to
to the widows, orphans, soldiers, and other distressed public creditors, who, in my opinion, most justly deserve all the groans of compassion which are so liberally bestowed on them by our honorable Assembly, and the committee of public creditors.

I should be sorry to see the zeal of these patriots for the public faith abate, and their concern for the distressed creditors cool away, if the speculators should happen to lose their point, and, of course, should lower their cry for justice and compassion, when they find they are not like to finger the money.—Hinc is lacta lacrymae.

What now remains for me is, to shew, that the case above proposed is (mutatis mutandis) in fact the case in point. The public is the merchant who stopped payment (no body will dispute this) the thousands of bonds and notes against him, are the public securities or certificates of all kinds; the general consent which determined that he would pay 2s. 6d. in the pound, is the exchange settled by general consent, at which the public securities, especially the final settlements, have been bought and sold for a long succession of time.

And the high court of chancery, with sovereign power, totally unbiased by any considerations but those of mere right and justice, and who mean to make such decisions as shall do the highest honor to the State, deserve the highest esteem and approbation of their fellow-citizens and the world, and merit the best approbation of Heaven; I say, this high court of chancery is our General Assembly.

And the parties who appear before this august court of chancery, i. e. our General Assembly, are the soldiers, who served us with fatigue and blood thro' a seven years' war, and other virtuous citizens, who furnished the public, in the greatest public exigence and distress, with cash and other supplies, and who altogether saved the liberties of the country, and procured for our Assembly itself, the very privilege of sitting, uninterrupted, within the walls which they now occupy, and of debating whether they will pay them or not; I say, these soldiers and other creditors are the original creditors, and the assignees are the stock-jobbers and
and speculators in the public funds and securities, who have in their hands the certificates, which, during the reputed bankruptcy of the State, they purchased at 2s. 6d. in the pound, or 8 for 1, without any allowance for interest at all.

I say, these two parties are the original creditors and the assignees of the bonds who appear before this court, and the grand question now before the court is, whether they will pay these public monies to the soldiers and other virtuous citizens, who are the original creditors; or whether they will pay these same monies to a parcel of flock-jobbers and speculators in the public funds and securities, at the rate of 8 for 1 of the principal they have advanced, and 48 per cent. per annum interest, till the principal is paid, together with 48 per cent. interest from the date of the certificate, to the time of the purchase of it by the speculator, which, in some cases, is several years, and raises the interest due on the certificates at the time of purchase, to a much greater sum than was paid for the whole certificate?

We will then, if you please, suppose our venerable high court of chancery, viz. our Assembly, to be sitting with the public monies all on the table before them; and the two parties appear and make their claim to the money; it is confessed that the public have had a valuable consideration for it, and therefore justly owe it to somebody, and the only question before the court is, who shall have it?

The speculators bring in their certificates signed over to them, and claim to be admitted in the place of the original creditors, and paid as such, on the equity and common reason of assignments.

The widows, orphans, soldiers, and other original creditors, come in and say,—we claim this money, because we have earned it, and have paid the full, valuable consideration for it. We have not yet been paid. We received these certificates when they were not so good as money, and have sold them mostly at 2s. 6d. in the pound, which was all that they were worth, and would bring in market, when we received them, and which we are willing to allow should be debited to us. So far we have been paid, but no further...
the remainder of the debt due from the public to us at the
time of settlement, is still due to us and unpaid, and we
now claim it. The speculators have no such plea of a va-
uable consideration given; they have purchased at such vatt
discount, that they have no pretensions to a valuable confi-
deration given; what they have paid we are content they
should receive back with interest; the rest is our dear earn-
ings, which the public have had the full benefit of, and
which we now claim as our due, and demand payment.

This is stating the matter, I conceive, clearly and fairly,
and I beg leave to give my opinion decidedly in favor of
the original creditors. It does appear to me, that the quid
pro quo, or valuable consideration, goes so into the nature, and
makes such a part of, the very essence of commutative justice,
that it is impossible that an equitable debt should be generated
without it, by any contract whatever.

It is a matter of the most public notoriety, that the quid
pro quo, or valuable consideration paid by the speculators,
is no more than the exchange at which they purchased the
certificates, which is such a mere trifle, that it affronts the
common feelings of the human mind, to pretend that such
a trifle (say, one sixth or eighth part) is a valuable confi-
deration for the whole; it is a valuable consideration for no
more than was paid, and of consequence can generate a
debt of no more; the rest still stands connected with the
original consideration paid, i.e. sticks to the original credi-
tor, and there will adhere, till it is discharged by an ade-
quate payment.

For no man is born with, or can acquire, a right to the
carings or fortune of another, without giving a valuable confi-
deration for it, and that consideration must be of ade-
quate value; for a penny can no more be a valuable confi-
deration for a pound, than nothing at all can be for a penny;
for it strikes the human understanding as plainly, and with
as much force, that a pound is worth more than a penny,
as that a penny is worth more than nothing at all.

Therefore I do conclude, and contend strongly for the
conclusion, that the speculators are entitled to no more
than they have paid a valuable consideration for, and the
rest
vest remains due to the original creditors, as their dear earnings for which they have not yet been paid.

I know very well that the speculators have many ingenious arguments, spun as fine as silk, to prove their right to the whole debt specified in their certificates; but the soldier has a much better one, strong as iron, yea, made of iron, I mean his earnings with sword and musket, thro' a seven years' war, which yet remain unsatisfied. Do you think that the finest silken arguments of the speculator can stand any the least chance with this iron one of the soldier?

There is something in original right, which strikes the human mind with irresistible force: this original right will for ever attach itself to original earnings; there it will flick, and cannot be torn away by any force, nor be decoyed by any fraud, till it is satisfied by adequate payment. A just debt will for ever remain a debt due, till it is paid.

It therefore follows, that if we pay the speculators the immense sums which they demand, the public debt of the whole sum will still remain due to the original creditors, who have, by their cases, supplies, and earnings, advanced the full, valuable consideration, out of which the debt first grew, and who have never been paid.

Public justice and the honor of the public faith require, not only that we pay as much money as we owe, but that we pay it to the persons to whom it is due; for paying it to any body else can be no satisfaction of that justice and faith which we owe to our real creditors, but is an additional injury to them.

The human mind can no otherwise know right and wrong, than by the force and manner in which they strike the mind, and raise an approbation or disapprobation in it; and I appeal to the feelings of all my readers, whether my propositions do not strike their minds strongly, and force their approbation of my conclusion. I challenge the hardiest speculator to believe it right, if he can, or rather not to believe it wrong, to lay the burden of a tax on the community, and among the rest on the public creditors themselves, to raise money to pay the public debt, and when it
is collected, to pay it away, not to the real creditors, who, by their earnings and advances, have paid the full consideration for the debts due to them, but to others who never earned any thing for us, nor paid any valuable consideration to us, and, of consequence, can have nothing due to them from us.

There is another very serious consequence, which I apprehend from our paying such an enormous sum to the speculators, as they demand, if we now had the whole money in the treasury, viz. it would be such a drain of our public money, as would put it wholly out of our power to pay our real creditors in any tolerable season, and would, in a great measure, reduce them to despair, of ever receiving their debts due, and of course would greatly lessen all confidence in the public faith.

But if the money is not in the public treasury (which I take to be the fact) our issuing another deluge of public promises, by way of funding such an enormous sum, I fear would hurt the credit of the State still more; for public promises, like all other promises that are broken, become of less and less value, the oftener they are repeated, and the more they are multiplied; and tho' I profess to believe fully, that these new and multiplied public bills would be good enough to pay the speculators with, yet I should be sorry that our real creditors (who have paid a full consideration for their debts due from the public) should partake of the inconveniencies of them.

I therefore humbly propose, that the first thing we do, should be to set about raising the money; for this will be more acceptable when it comes, whoever is to have it, than any promises we can make.

And in the next place I would propose, that the real creditors should be paid first, and the speculators last of all, if it is judged necessary that they should ever be paid. I have several very urgent reasons for this proposition, both moral and political.

1. The real creditors have lain out of their money longer than the speculators, and it seems to me very reasonable and just, that the side debts should be first paid.

2. The
2. The speculators who expect eight-fold their principal, and 48 per cent. interest, can better afford to lie awhile out of their money, than the real creditors, who have no pretensions to any more than barely their principal, and 6 per cent. interest.

3. The general esteem of the people, and public conviction of the justice of the demand, is much greater with respect to the real creditors, than to the speculators; and therefore, when the citizens of the State are told, when the money is to be collected, that it is designed for the payment of the real creditors, the tax will probably be paid more cheerfully, and with less uneasiness and disturbance, than may be expected if it was publicly known that it was to go to the speculators.

4. The real creditors are poor, and would be greatly relieved by the payment made to them, and be enabled to go into business for their own and the public advantage. But when the speculators are paid, they will all at once become amazingly rich, that they will probably set up their carriages, and run into other courses of idleness and pleasures, luxury and dissipation, which are ever hurtful to the public; and I think it good policy to pay that money first which is like to do the most good, and to pay that which is like to do the most hurt, last of all, if it must be paid at all; for I shall ever think it found wisdom, if evils and mischiefs cannot be wholly avoided, to keep them at as great a distance as possible.

On the whole, whether any or all my propositions can be admitted or not, it does at least appear that the real, original creditors, and speculators, are characters of such different predicament and merit, and their demands on the public, founded on such different original considerations, reasons, and real earnings, that the least consequence that can be drawn from the whole matter, is a most manifest necessity that there should be a discrimination between them; that they can, with no propriety, or appearance of justice, be considered on an equal footing with each other, or in any manner entitled to the same consideration and treatment from the public.

But
But I must stop here a moment, to consider a capital argument advanced very seriously, "that if all the certificates are not indiscriminately paid up to the holders of them, the public credit will receive such a wound that we shall never be able to persuade any body in future to loan money, or furnish supplies or services on the public faith, let our necessities be ever so great." I believe it will be readily admitted, that I have stated this argument in the same light in which it is urged by those who make use of it; but I think there is a delusion in this statement of the argument, which I will endeavour to correct in the following manner, viz.

If, by any mismanagement or neglect, or misapplication of the public monies, it shall so fall out, that the real, worthy, public creditors cannot be paid; if matters are worked about by any shifts, arts, combinations, contrivances, or deceptions, so that the man who has loaned money, furnished supplies, or rendered services to the public in its necessities, cannot be paid; no pretty, plausible excuse, no fine-spun arguments, no force of words, which really mean nothing, no pathetic addresses upon perverted facts, can help us out; but the public credit must suffer; and if the very men who make these mistakes, or even some wiser men, were to rule the roost in any future time of public distress, there is the highest probability that they would find people backward to lend their money, furnish supplies, or render services, on the credit of the public.

On the other hand, if we consent to pay the speculators the bare principal, which they have paid, with the interest of it, but shall refuse to secure by the public sanction, the profits of 8 or 900 per cent. which they demand, the amount of which, in moderate computation, cannot be less than 2 or 3,000,000 of dollars, which they never earned or paid for, nor we ever received any benefit or valuable consideration for; I say, if we refuse to pay to the speculators these enormous profits, it will so discourage them, that it may make them backward in venturing again, and so we may be obliged to do without them in future times, let us want them ever so much.

Both these alternatives are doubtless very dreadful, and I think
I think there can be no doubt, but we are under an unavoidable necessity of incurring one of them; but I am in no condition to give my opinion, which would be the most terrible of the two. So having clearly and fairly stated the facts, I leave the rest to the reader.

But it may be further objected,—if all this is to be admitted, will it not put it out of the power of the holder of any public security, to sell it? Experience will perhaps furnish the best answer to this question. The depreciation of Continental money never stopped the circulation of it. As long as it retained any value at all, it passed quick enough; and would purchase hard money or any thing else, as readily as ever, when the exchange was 200 for 1, and when every hope, or even idea, of its being redeemed at nominal value, had entirely vanished.

I am told, the price of stocks or public securities in England is now at 55 per cent. i. e. reduced by depreciation to near half their nominal value; and not a man in England has the most distant idea that they will ever be redeemed at their nominal value, yet they pass quick enough at their exchange, and any person who is disposed to sell out, has no difficulty in finding a purchaser.

It may be further objected, that if the speculators could have known before-hand, that they should come off so, they would not have been concerned in such speculations at all; but would have laid out their money in trade, husbandry, manufactures, or some other way. However lamentable this may be, I must leave it unanswered.

It may be further objected, that this doctrine will over-set and throw into confusion the common rules and laws, which regulate assignments of bonds, bills of exchange, negotiable notes, &c. which have had the sanction of long usage and practice, and have ever been found by experience to be both just and necessary.

I answer, it will not, for this plain reason, which would demonstrably govern the case, if nothing else could be said upon it, viz. every law or rule of right, whether commercial, political, moral, or divine, holds right and just, only in its mean; the moment it is pushed out of its mean, into its
its extreme, it loses the reasons on which it is founded, and becomes wrong and unjust.

We have a law which forbids to make graven images; but this prohibits not statues in gardens or heads on ships. We have another forbidding to do any work on the Sabbath; but this does not make it unlawful to put out the fire of a house that is burning, or laboring hard to save a drowning man, or to pull an ox out of the mire. We have a law that says, “thou shalt not kill;” but this prohibits not the execution of a malefactor, or fighting a battle. We have another that says, “thou shalt not steal;” yet a man may lawfully steal to satisfy his hunger.

The only question, I conceive, which the subject admits in this place is, whether the demand of the speculator is an extreme case, which comes not within the reasons, and of course cannot be justified or supported by the rule, of common affigments? I contend for the affirmative of this question, and for reason say the demand is morally wrong, because it would take an immense sum of money from the community, which must be a large proportion of their earnings, and give the same to the speculators, without any adequate valuable consideration, either paid by the speculators, or received from them by the citizens, contrary to the most fundamental law of commutative justice, which requires that a quid pro quo, or a valuable consideration, shall always be given in lieu of the property transferred. This is the most essential part of the moral law, which regards property.

Further, this is not only morally wrong, but politically so too.

1. Because it takes an immense property from those who had earned it, and would, of course, probably make the best use of it, and places it in the hands of people who have not earned it, and who would, of course, probably make the worst use of it. And it is certainly high policy to keep the wealth of the State as far as possible in the hands of those people who will make the best use of it.

2. Because this would impoverish the great body of the people, who are the strength of every nation, in order to throw
throw immense wealth into the hands of individuals, which would not only weaken the State, but destroy that equality of the citizens which is necessary to the continuance of our republican form of government.

3. Because this plan will retard the increase of our trade and our population, and lessen the value of our lands. We all know that burdens on trade lessen it; heavy taxes on the country will discourage people from coming to settle on our lands, and, of course, the increase of our population will be retarded, which will reduce the number of purchasers of lands, and, of course, lessen their value.

Our neighbours, especially New-York, have a vast extent of unsettled lands; they court settlers with this powerful motive, that they have means to pay their debts without any burdensome recourse to taxes on their lands, labor, or cattle.

The funding plan in question, I am told, will require about 300,000 dollars per ann. to defray the interest only; besides which, we have fundry immense demands against the State. The principal debt, the funding of which is now under consideration, is about 5,000,000 of dollars, near half of which I take to be designed for clear profit to the speculators; to be due to them, or from us, it cannot be said, for they never paid us any thing for it; it must then be excessive generosity to them.

It may do for people to be generous, when their incomes are affluent, and cafes, plenty; but when they are oppressed with debt to such an amount as to bring their credit, and even their capital, into danger, in this critical circumstance, the strictest economy, yea, even close parsimony, become very important duties. But in such a crisis of distress and danger, to assume an immense, needless, additional debt, even if a due consideration was paid for it, would be extreme ill policy; but to do it without any consideration at all, would be the height of absurdity and madness.

At all times we ought to be just, before we are generous. But at such a crisis, a lavishment that will put it out of our power to be just, must be reprobated as downright wickedness. And as the criminality of all crimes is estimated
mated by the damage they do, that conduct in a ruler, which destroys the credit of a State, and even puts it out of the power of it to be just, and of course destroys the rights of thousands of its most meritorious citizens, ought to be branded, as the most censurable of any crime which can affect human property, character, and honor.

4. This plan is impolitic, because it will convey the money collected from the people to a great distance from the places where it was collected, and of course the people who paid it, will have little or no benefit from its future circulation. If the same monies were to be paid (as they ought to be) to the real creditors, i.e. the soldiers and others, who furnished monies, supplies, &c. who are scattered over the whole State, and are to be found in every part of it; I say, if the monies collected from the people were to be paid to those, it would be diffused over the whole State, and every person who paid the tax to raise these monies, would have a chance of taking benefit of its circulation.

But the case will be widely different, when it shall be paid to the speculators; most of them live in the city, and the few who reside in the country, when they come to receive their immense fortunes, will immediately come to the city, with all their money; the country will be no proper place to parade in; they will find nobody there fit to rank with; and that is not all; but when they clatter along in their carriages, they may chance to hear somebody say, "there goes a speculator or stock-jobber, who revels in the spoils of his country."

In short, this will not do at all; they must move into the city, where they can find people of their own class to associate with.

And this is not the worst of it; the speculators, I suppose, must nominally belong to this State, but doubt not but they are in company, and share profits with many who live out of it, and consequently convey their wealth out of the State.

And this is not the worst of it, but I conceive that many of them, tho' they reside in this State, are not natives
tives of it; the domus anime, domus optima, i. e. home is home, tho' never so homely, is a strong affection in most men; and on the inducements of it, foreigners, when they travel abroad and acquire fortunes, have an inclination to return to their native country, to spend and enjoy them; and I think our speculators of foreign birth will have a motive additional to this natural one, to set off to their native country, viz. the powerful one of getting out of hearing of the curuses of the people among whom they live.

It is here to be noted in a manner which I think deserves great attention, that however dirty, ragged, poor, and despicable an injured people may appear, they always have one species of revenge left to them, which they rarely fail to make the most of, viz. the power and privilege of cursing their oppressors; they curse them in the streets, they propagate their curuses by their fire-sides to their children, who are, not commonly apt to have much defect of memory, and they mix their execrations with their prayers to Heaven.

It is said that the curse causeless will not come; but I believe few States or individuals have reason to make themselves very easy under those curuses which are not causeless. There is most certainly a Providence which governs the world, which pays the utmost attention to right and wrong, without the least respect imaginable to the lace or rags of the suitors.

Many more arguments might be adduced, but I deem the above fully sufficient, to prove that the plan in question is in its nature immoral and dishonest; and, in a political view, extremely injurious to the State, and I might almost add, fatally ruinous; and therefore is demonstrated to be an extreme case, not at all within the reasons of, and of course not justifiable by, the common law or rule of assign- ments, which, by long use, has been found to be both morally and politically good and useful.

The Committee of Public Creditors, in their last petition to the Assembly, have introduced one proposition, which pleases me very much, viz. "Nothing that is morally " wrong can ever be politically right." I could wish this
this was written in letters of gold in the frontispiece of all our chambers of public council; and, what is more, might be engraved on the hearts of all our public men, as a practical principle too sacred to yield to any views of interest, however gaudily dressed, or finely colored: and, by way of giving it my little mite of improvement and support, I beg leave to add, that nothing which is both morally and politically wrong, can ever be right in any sense whatsoever.

I have one argument against satisfying the demands of the speculators, which I have not marked under either moral or political arguments, because it appears to me strongly to partake of both, and therefore ought to be mentioned by itself. It is this, viz. it gives public sanction, support, and even a kind of dignity, to a sort of speculation, which, if not wicked in itself, is of a nature very ruinous to the public, as it affords enormous profits without any earnings, viz. eight-fold the principal, and 48 per cent. interest, which (were they to be freed from disgrace and danger, and to be made reputable and safe by the sanction and support of the Legislature) would be enough to induce bad men of all professions to withdraw their flock in business, from their usual occupations, and vest it in such speculations of high profit and honor.

In my opinion, nothing scarcely can be worse than public laws or institutions, which tend to draw people from the honest and painful method of earning fortunes, and to encourage them to pursue chimerical ways and means of obtaining wealth by sleight of hand, without any earnings at all.

But were these speculators to gamble on each other's purses only, I should think less of it; but it becomes publicly ruinous, when the public are to pay the losings.

The fatal experience of Europe might, methinks, be a warning to us. Ever since the blest scheme of funding was first invented there, every nation has had a race of stock-jobbers and speculators in the public securities, who never fail to appear in plenty whenever a State gets into distress, and the public faith faults a little: they appear, to be sure, with a mighty pretty grace, in aid of the public credit,
credit, not indeed to keep it sound and whole, but to evince that it is not quite dead; and for a practical proof of this, they will offer to give at least something for it.

In the last days of Lewis XIV. (that noted era of distress in France) this sort of people had the modesty to accept public securities of 32,000,000, for the loan of 8,000,000, which is 4 for 1. But our speculators go far beyond this; they give 2s. 6d. in the pound, which is 8 for 1. But it is no wonder that our speculators should exceed those of the most ingenious nation in Europe, since the American genius lets up to outdo all the world in every thing.

A crisis of public distress is the proper time for this kind of vermin to swarm, like flies about a sore, or crows round a carcase, not with any design to heal the sore, or restore life, but to feed themselves. This I admit to be a principle natural enough; but however excusable it may be in itself for these, like all other noxious animals, to pursue the means of their own preservation, yet I cannot think they are entitled to the gratitude, or support, or rewards, of the public.

I beg the reader to note here very particularly, that I do not mean by any thing I write, to oppose any practicable and wise plan of funding or paying the real public debts: all I object to is, funding or paying the profits of the speculators.

But however our public counsels may settle this question, and whatever is to be done with our public monies, when we get them, I here beg my readers' attention a little, to the ways and means of raising them.

1. In the first place, I do object as strongly as I am able, to laying any considerable tax on polls and estates. This is taxing the labor, cattle, and lands of our people, which are the embryo, the first principles, the very seed, the raw materials of our wealth; and of course ought to be most carefully and tenderly nursed, cultivated, and encouraged; but by no means to be burdened and discouraged.

We have imported luxuries enough, which are hurtful to the public; the necessary restraints of which require a tax sufficiently large for the public use. It would be better for
our people to pay a tax of a dollar per gallon on rum and wines, 50 per cent. on silks, &c. &c. than to suffer their labor and lands to be taxed. But if this, with our usual taxes on trade, &c. is not sufficient, I would rather tax our exported goods than our labor and lands; because I think it manifestly better to tax our finished goods, than our raw materials.

Besides, our past experience has sufficiently taught us, that the collection of any considerable tax on polls and estates is impracticable; the vast arrears of most of our counties are a full proof of this; and to make our treasury depend on revenues of uncertain product, is a sure way to subject our finance to constant disappointment, and of course to keep our public credit in a perpetual state of depression, and scandalous, as well as ruinous, deficiency. But I will not dwell longer here on this subject, having treated it more largely in my Sixth Essay on Free Trade and Finance, to which I refer the reader, if he desires to hear any more about it. [Sec. p. 230.]

2. I object most seriously to issuing paper money, in our present circumstances, for the following reasons:

1. We have already a full sufficiency of circulating cash. The labor of our people, and all the great staple commodities of our country, produced by it, will and do bring not only immediate cash, but a high price; and it is not possible that money should be too scarce in any country, where the labor and produce of it have quick sale, good price, and command immediate cash; whilst this is the case, every natural and necessary end and use of cash is fully answered and satisfied; and, of course, if any body in such case wants money, the want must arise, not from any scarcity of cash, but from a want of something that will purchase it, i.e. from poverty; which the introduction of an additional quantity of circulating cash will by no means remove, but must increase, because it will directly tend to lessen industry, and introduce luxury.

It is no objection to this, that European and West-India goods will not bring ready cash; it is well known that the market is greatly glutted with those articles; and when a market
market is overstocked with any articles, they will not bring quick sale and ready cash, let money be ever so plenty.

2. Our cash for a year past has been not only fully sufficient for the purposes of our trade, but has been in a very settled, steady state, with very little fluctuation or variation in its value. This appears from the settled prices which our staple commodities have borne thro' the last year. The same thing appears from the negotiations of the Bank; from which it is manifest, that the state and quantity of hard cash is nearly the same with us now as it was a year ago; this proves that the quantity of circulating cash is sufficient; for were it not so, it would undulate and vary; for cash, like water, will always flow from the higher to the lower surface, and will never become fixed and steady till the true equilibrium is obtained.

3. It is admitted by every body, that cash was plenty enough before the war; but it is plain we have now much more of it than we had then; because the price of labor and the produce of the country are much higher now than they were then. On an average, about 40 or 50 per cent. more can now be obtained for labor and country produce, than their current price was in 1774.

It is no objection to this, that it is more difficult to borrow money on interest now than it was then; it is a want of public and private faith, and distrust of all security, and not a scarcity of cash, which makes the difficulty. Besides this, another cause may be assigned, viz. our monied men who used to dispose of their money in that way, have, at least many of them, left their money, loaned on either public or private securities, by the defect of those securities, and of course the lenders of money are in this way reduced to a fewer number, whilst at the same time, the same cause adds to the number of those who have occasion to borrow; each of which naturally increases the difficulty of borrowing.

Striking paper money will lessen none of these difficulties, but will increase them all; as it is evident that it will much lessen all confidence in any securities of long continuance,
ance, and, in every view, diminish the number of lenders of money.

4. Making large and sudden additions (of either paper or hard money) to our circulating cash, will not increase our wealth; its effect will be an increase of the price of all articles of traffic, i. e. it will destroy the steady value of our money, by lessening its worth in an inverse ratio of the increase of its quantity, and so, without any benefit, will introduce the ruinous mischiefs of a fluctuating currency, from which, good Lord, deliver us!

5. I do not apprehend that we have the least chance of supporting the credit of paper money, if it should be issued; and to expose our public credit to further disgrace and insult, and to waste the public wealth in further stupid, absurd, and iniquitous appreciations of depreciated paper, appears to me the height of political frenzy. The pressure of a vast public debt, the low state of the public credit, the universal difficulty in that sort of money which prevails among the people of all ranks, and the dreadful apprehensions of its consequences, which are expressed by the Bank, and by all our merchants (who are certainly the best judges of the matter) I say, all these put together appear to me to destroy every degree of probability of supporting the credit of any additional paper currency.

And I cannot suppose any body distracted enough to think it proper to issue it, if every idea of the probability of supporting its credit must be given up. But I am apt to conjecture, that if our speculators fail in their scheme of getting their immense profits funded, the demand for that money will be greatly lessened, and so, perhaps, the zeal for striking paper may cool away, and, of course, any further arguments against it, may not be necessary. But if nothing can hinder the attempt, I am of opinion it must die in the birth.—For,

6. I do not believe it possible to usber paper money into general currency, either with or without a tender-add. Making it a tender is indeed too shocking to be admitted by any sober man that I have heard of; and without it, it must, I think, have
have the same effect, and share the same fate, as the other paper which has recently gone before it.

But after all, if it should gain a general currency, and a credit but little inferior to hard money, the effect, I think, must plainly and evidently be, that it will soon drive all the hard money out of the country, or at least out of circulation, as it will certainly be either hoarded or purchased up for exportation; and then we shall have nothing before us, but to increase the quantity of our paper, and supply the deficiency of its value by additions to its quantity, and make the most of it, Continental like, as long as we can make it pass at all.

7. With respect to the plan of opening a Loan-Office, and striking a sum of paper money to put into it, to be loaned out on private security to such persons as may want to borrow, I have to observe,

1. That all the objections which lie against striking paper money at all, lie with equal weight against striking any for this particular purpose.

2. This will bring the borrowers into difficulty, instead of helping them; for if they give a good security for the money, and find, when they have got it, that it is not equal to good money, but must be passed at a discount or depreciated value, their purposes will not be answered, nor their necessities be relieved by it. And,

3. This inconvenience will fall heaviest on the most distressed part of the community, for no others will give good security for bad money. And,

4. If the money should, by any strange turn, prove equal to hard money, the sum proposed, viz. 50,000l. is by no means equal to this demand, and, of course, will be immediately snapped up by favorites, or such who happen to stand nearest, and of course it will by no means operate by way of public benefit, or general relief of the distress of our people, but will be engrossed by a few sharp-fisted folks, with, perhaps, not the best title to public favors, or most likely to make the best use of them. I think that any scheme of this sort had better be put off, till we are in a condition to make
make it operate in a way of effectual, impartial, and general utility.

Upon the whole matter, the great principle I go upon with respect to public securities, is this, viz. that all bills issued on the public credit, of every sort, under whatever denomination they may appear, whether of certificates, paper money, annuities, &c. &c. take their value, not from the sums specified in the face of them, but from the price or exchange at which they generally pass in market, and, of course, when they are redeemed by the public, it ought to be either at their original value, or at that price or exchange at which they generally pass at the time of redemption, excepting only such securities as are in the hands of the original holder, and have never been alienated. Such securities are evidences of full consideration paid, and, of course, of a full debt due to such holder: but securities in the hands of a purchaser cannot be such evidence.

When public securities gain a currency, or become objects of traffic, and depreciate in the hands of the possessor, he doubtless sustains loss, and is really injured; and when the depreciation is great, say 8 for 1, or 200 for 1 (both which we have seen) the mischief becomes very heavy, and in its nature lies in the loss which the possessor of the securities sustained, by their depreciation whilst they were in his hands:

Hence it appears clearly enough where the mischief lies, and, of course, it is easy to see what must be the nature of the remedy it requires, viz. such a remedy as will make up the losses which every one has sustained by the depreciation of the public securities whilst in their hands. This is manifestly impracticable, and perhaps the utmost power of human invention cannot hit on any plan which will do this; what then ought the public to do? I answer, the same which any private man must do, who knows that he has had a valuable consideration for money, and honestly owes it, but knows not to whom it is due, or cannot find his creditor.

From this view of the matter it appears very plain, that appreciating the securities, and redeeming them at full value, gives not the least remedy to the sufferers by the depreciation,
tion, but is an additional injury to them; because the securities, at the time of redemption, will not be in the same hands in which they depreciated, and, of course, the sufferers will find themselves taxed to make up the money, which they lost by the depreciation, that it may be paid to the present holders of the securities, who never lost any thing. But if any one wishes to see this subject further discussed, I refer him to my Fifth Essay on Free Trade and Finance, where this matter is fully considered, with respect to Continental money. [See p. 97.]

I will conclude here by observing, that not one argument can be adduced for redeeming the public securities at full value, which will not apply to the Continental and old State money, and prove that both ought to be redeemed at full nominal value.

I take it that the public accounts are nearly all adjusted, and the public creditors have received certificates or public securities for their respective balances. But as those securities are mostly Continental, it will lie with Congress, and not with any particular State, to prescribe the time, mode, and value of their redemption.

In the mean time, I think we may do much for the present relief of our own distressed citizens, who suffer greatly by the delays of Continental payment; and I esteem the attempts of our Assembly very laudable in their principle. What I complain of is an error in the application. It is certainly very good in them to strain every nerve to raise money for the relief of our widows, orphans, soldiers, and other worthy and distressed public creditors; but I think it a mistake to plan the matter so, that when the money is raised, it shall not be applied to the relief of those worthy, distressed citizens, but shall go, at least a very considerable part of it, to a parcel of speculators, who neither ever earned it, nor are in any distress for want of it; for they are generally rich, and can command plenty of cash.

With the good leave of the public, I will sum up the matter, and humbly offer some propositions, which appear to me worthy of consideration.

1. I propose to set about raising all the money we can, not by a tax on polls and estates, which will be very burdensome
to our people, hurtful to the capital interest of the State, and of very uncertain product: but by continuing our present duties on trade, with such further additional duties on luxuries, as will be necessary to restrain the excessive use of them: and this, I conceive, will require duties so high, as will be sufficient for the exigencies of the State, and will be of certain product.

II. I propose to pay all the interest which is now due to the inhabitants of this State, on all such public securities as are in the hands of the original holders, and have not been alienated (to be ascertained by affidavit or any other sufficient proof) and also to stop payment of all interest on any certificates which are not in the hands of the original holders: for I do not know that among citizens of equal merit, we can with justice make fish of one, and flesh of another.

III. I propose that commissioners be appointed to purchase up such public securities as were originally given to the citizens of this State, but have been alienated by the original holders, and are now in currency as objects of traffic or exchange; to purchase such securities, I say, at the current exchange, or as low as they can be bought. It is certainly as right for the State to buy up these securities, which are become a common object of traffic, as it is for any individual. Two great advantages will result from this:

1. The present holders will have the value of them paid in money: and,

2. The State will have them to produce to Congress, whenever our quota shall be demanded for the redemption of them; for the securities themselves will doubtless be accepted as good payment of our quota, both of principal and interest; and it will then be indifferent to us at what exchange, or in what manner or time, Congress may direct their redemption.

IV. I propose that all the original holders of public securities, who have alienated them, shall be debited on the public books, with the certificates they received, at the value (and no more) at which they could be sold at the time they received them, or the time of their date, and that the residue of their balance may be paid, together with the principal of the certificates,
eates, which are now in the hands of the original holders, and
have not been alienated. I say, that both these be paid as soon
as money sufficient can be raised by the State.

It will require, I know, a heavy sum of money to do
this, but we shall have this satisfaction to animate our ex-
ertions, that we are doing an act of justice in favor of those
to whom the money is justly due, and shall have the advan-
tage of paying it to people who are scattered thro' the
State, and will immediately circulate the money among our
citizens, in every part of the State, which, if the justice
was equal, will be much preferable to paying the same money
to people who would carry it all away to distant parts, from
whence it would have little chance of returning into circu-
lation, to the places where it was collected.

V. As the pressures of the State are very heavy, I think
we ought to make all the savings we can; I therefore pro-
pose to lessen the House of Assembly, by taking away two-thirds
of the members, and limiting the sessions of the Council to the
Assembly's sessions, unless the President should, on emer-
gent occasions, summon them. I think one-third of our
Assembly would do the business much better than all of
them; and the President, with a good Secretary, would be sufficient for the common and usual business of the
Council. I know of no advantage arising from over-nu-
merous Legislatures, or Councils that fit too long. The ex-
tremes of democratical government tend to anarchy, or
defspotism, or ruin.

An idle, useless, or corrupt member is less noticed and
easier lost in the crowd, in a large Assembly, than in a
small one. Virtue and merit are, for the same reason, less
conspicuous in a large than small Assembly; cabals, party-
schemes, and interested plans, are easier formed in a large
than in a small house, and the guilt or folly of an individ-
dual is more easily sheltered or concealed in great than in
small numbers.

For when Assemblies are large, the business is most com-
monly done by a few, under the umbrage of the whole;
the major part are not commonly in the secret. The Ame-
rican Congress rarely consists of more than thirty members
present.
present, yet no complaint has been made that their number is too small. The British House of Commons consists of more than five hundred members, not very famous for gravity, wisdom, or order. Their proceedings are commonly directed by the Premier, and a few leading members; yet if you ask Lord North, why he pushed the American war, he will tell you with great composure, that it was not his war, but the war of the Parliament.

When more people are employed about any business than are necessary to do it, the consequence has ever been found to be, that the business is not done so well, is clogged with more delays, is less consistent in its several parts, and not so well methodized. The people who are interested in the business, and have occasion to attend upon it, are not so well served, and a greater expense is incurred, than would happen, if people just enough for the business, and no more, had been employed.

This, one would think, was grounded on natural fitness; for we find it holds true in all human affairs, from a house too full of servants, a field with too many reapers, a town-meeting of too many people, a kitchen with too many cooks, a committee of too many members, a church with too many deacons or too large a vestry, a court with too many judges, and so on, up to an assembly of the first dignity, with too many representatives.

Now to admit any principle or circumstance into our gravest and most important councils, which has ever been found hurtful in all cases where it has been adopted, is highly imprudent and dangerous, and tends to ruin. The fatal experience of many great nations proves this in a manner very forcible and convincing.

Rome and Greece lost their liberties by over-numerous Senates, &c. and Poland is now in desolation from the same cause; their Pospolite, which was instituted for the great defence of their nation, and their liberum veto, which they hugged with enthusiasm, as the standard of their liberty, together with their over-numerous Diets, have completely ruined them. But whether these observations are proper or
or not, we shall, by this proposition, at least save a vast expense, at a time when the utmost economy is necessary.

VI. At all times, but especially in times of public pressure, the peace and quiet of the State should be consulted, and the general confidence of the people in the government should be as far as possible secured, in order to its firm establishment, and the great principles of our civil policy should be strictly regarded. I therefore humbly propose the repeal of the test-as; for we can no how expect the internal peace and quiet of our people, and their confidence in our government, so long as we exclude one-third our citizens from any share in it.

Nor can we any how call our civil policy a government of the people, or reap the advantage of such a government, as long as so large a proportion of our citizens (if reckoned by numbers, influence, wisdom, or estate) are shut out and disfranchised. We need the counsels as well as the wealth of all our people, and our constitution gives equal right, as well as prescribes equal duty, to them all.

That the major must rule the minor, is undoubtedly a maxim essential to a democratical or republican government; but it is equally manifest, that the extremes of this maxim will destroy the very nature, as well as use, of such governments. For if two-thirds can disfranchise the minor third, a majority of the remaining two-thirds may disfranchise the minority of them, and so on totes quites, till there will be but two left undisfranchised, to govern the whole; which, I suppose, every body will allow to be somewhat worse than to have but one sovereign despot; for the two might quarrel, and each form his party, and so the State might be involved in a civil war, which could not happen, if there was but one despot, and nobody else left capable of forming a party.

It is doubtless necessary to adopt good maxims of government, but it is equally necessary to exercise some prudence and discretion in the use of them; for we may be ruined by the extremes of those very maxims, which, in their mean, are very salutary and useful.
It has been suggested by some ill-minded people (but for the honor of Pennsylvania, I must think, without the least reason) that some Members of our General Assembly are deeply interested in stock-jobbing and speculations in certificates, and are possessed of, or concerned in, public securities to a large amount, which they are not the original holders of, but obtained by purchase at 6 or 8 for 1, and are now using all their endeavours, power, and influence, in the Assembly, under the sanction of their sacred public character, to procure a vote of the Assembly, for funding their certificates, and, of course, to vote the money of their constituents by thousands into their own pockets.

I think it necessary that the honorable Assembly should take proper measures to vindicate themselves from such scandalous aspersions; and if there are any such members, to take the necessary care that one scabby sheep shall not spoil the whole flock. There can certainly be no more reason or fitness, that a Member of Assembly, under the sacred function of his public character, should vote the money of the State into his own pocket, than that a judge or juryman should fit in judgment in a cause, in the event of which he is personally interested.

We are told by some folks of delicate feelings, that "the public credit or honor is like the chastity of a woman;" and we all know that the wife of Caesar ought not to be suspected; it will therefore follow, by consent of every body, that every cause of suspicion of the integrity and disinterestedness of our honorable Assembly should be removed as far as possible; and this is the more necessary, as our Assembly is a single Legislature, whose acts are not subject to a revision, or require the concurrence of another house; and of course, if they err, the subject is without remedy.

On these considerations there can be no doubt but our Assembly, and every body else, will be thoroughly penetrated with the necessity of having every member of that august body most effectually acquitted from all suspicion of interestedness, when they come to decide a question, which demands 3 or 4,000,000 of dollars from the State.

I therefore
I therefore propose, with all modesty, that when the great question shall be put finally in that supreme house, 'Whether the public securities shall be funded,' that there shall be some sort of 'voier dire' oath or test imposed on every member, to this purpose, viz. that he is not directly or indirectly possessed, interested, or concerned, otherwise than as an original holder, in any public securities, proposed to be funded, by the vote of Assembly now depending.

The principle of this proposition will doubtless be admitted by every body; and I conceive the Assembly will have no objection to the mode, as they are in their sentiments very favorable to tests. This method, I conceive, would set the character of the Assembly in the most unexceptionable point of light, and would give great dignity and weight to their decisions; and tho' they might happen by this method to lose a vote or two, yet there is no doubt but they would have upright souls enough left, to make an ample majority in favor of any vote, which the real interest or honor of the State might make necessary.

It has ever been my fortune to write in the mists of popular prejudices; and in justice to my subject, and to my own judgment, I have often been obliged to mix some kind of cenure on public measures, which were adopted by the leaders of the times, when I thought they were founded on principles of mistake and error, and tended to the ruin of the cause they were designed to support, and would, in their nature, operate in a manner very hurtful to my country. I accordingly met with little thanks; my rewards were such as any body may expect, who opposes the current tide of popular opinion, and the favorite plans of warm, zealous men.

I have sometimes met with that warmth and malignancy of cenure, which can hardly be supposed to arise from an opposition to error of mere judgment, without some degree of corruption of heart. Yet time has evinced my most cenured propositions to be necessary, and they have been adopted by our gravest and most dignified councils, and are now become very orthodox, and are justified by the sanction of general opinion. I therefore think I have some right to claim
claim the attention of my fellow-citizens, at least I flatter myself I am intitled to their candor, while they read my propositions.

Nothing but my opinion of the vast importance of the subject of this Essay, could have induced me to write it. I had long determined to write no more on political matters; but when I came to see the State in danger of having some millions of the public money (in this our pressure of public debt) diverted from the objects who have every claim of justice to it, and lavished on people who never earned it;* and

* I am told, that in the public debates on this subject which have since taken place, my plan of paying the original creditors in preference to the speculators, was admitted to be just and defirable, but it was objected to and rejected because it was thought impracticable to make the discrimination; and this supposed impracticability was strongly urged and greatly insisted on: on which I beg leave to observe,

1. That the names of the original creditors are on the public books, with the balances due to them, and are easily found; to which a reference must be made equally on both plans; for if a certificate is offered for payment, which is not entered there, it will be rejected as counterfeit.

2. The proof will lie on the man who demands payment, that he is an original creditor: if he cannot make this appear, he will fail of payment, as all persons must, who bring suits which they cannot support with proof.

3. If there are some, or even many, original creditors who cannot prove their demand, and so must lose it, it does not follow that such as can prove their claim should be rejected: this would be a mad conclusion.

4. If the original, rightful creditor cannot be found, he cannot be paid; but it does not follow, that the money due to him must be paid to any body else, who has no claim of either original or derivative right; it is certainly very plain, that, in such case, the money ought not to be paid at all to any body, as must be the case with every private man who owes money, but cannot find his creditor; or with the public, to whom all estates or property escheat, if the owners cannot be found, as in case of treasure-trove, waste of fees, lands, when the owner dies without will or heirs, &c.

5. The whole objection, the't true, when urged against paying the original creditors, and in favor of paying the speculators, is nugatory and trifling: for such original creditors as cannot be found, or cannot prove their demands, are left equally without remedy under both plans; for payment to the speculators makes no more provision for such cases, than payment to the original creditors.

6. If such cases exist (as probably many of them may) no one pretends that they bear any proportion to the vast number (that can be found) of creditors possessed of full proof; and it is very plain, that the defect of proof in the one cannot injure or diminish the right of the other, whose claim is capable of full proof.

Indeed I think that nothing can be plainer than this, viz. that we ought to pay all the real creditors, whose wealth or services we have had the benefit of, and who are possessed of full proof of the debts due to them therefor, but by no means to pay the whole money to speculators, who have certainly no right
and also to see a deluge of paper money rolling in upon the State, when I had not the least reason to suppose either that our public credit, in its present state of pressure and weakness, could support it, or that the quantity of our circulating cash (which is demonstrably quite sufficient) could bear such vast and sudden additions, without the most ruinous consequences. I say, when I viewed those matters, I really thought it a duty I owed to the State in which I live, to explain my sentiments, and, as far as in me lay, endeavour to avert these mischiefs.

I doubt not but the public will judge favorably of my intentions, and allow my arguments their due weight. The facts alleged are all of public notoriety; the reasonings are open to every man; and I have only to wish, that the reader may peruse this Essay with the same love of justice and truth, and the same zeal for the good, honor, and prosperity of this State, as occupied my whole breast when I wrote it.

right at all, because some may probably have right which they cannot make appear.

The State of Pennsylvania, in their funding act (1783) made the discrimination I propose, with respect to one species of certificates (final settlements) but I never heard any difficulty was found in the practice or execution of the statute, on that account.

Some people are wild enough to propose to pay the public money to the speculators, for fear the real, original creditors should perjure themselves in proving their accounts. This is too foolish to require an answer: for,

1. If we are to reject oaths in proof of accounts, for fear of perjuries, the rule ought doubtless to be made general and extend to all accounts of all descriptions of persons; for certainly one man has as good a right to take benefit of his own perjuries, as another. But,

2. If such perjuries should happen, it surely cannot follow from thence, that the speculators ought to have all the money paid to them, which is due to the real, original creditors.

In fine, I think it really disgraceful to human nature, to suppose such arguments and such objections require answers, and I have to beg my reader's pardon for offering them.

A PLEA
A P L E A
FOR THE
Poor Soldiers:
OR, AN
ESSAY

To demonstrate that the Soldiers and other Public Creditors, who really and actually supported the Burden of the late War, have not been paid, ought to be paid, can be paid, and must be paid.

[First published in Philadelphia, Jan. 2, 1790.]

WHEN the funding bill of Pennsylvania was published for consideration, five years ago, I wrote my Seventh Essay on Free Trade and Finance, in which I advancedFundiy principles and arguments, which, perhaps, may apply as well to the finance of the Union in general, as to that of Pennsylvania in particular; and, of course, it may be necessary here, to repeat and revive many of the principles and arguments therein advanced and fully discussed; but a reference to that Essay will make a full enlargement on them unnecessary in this place.

In an Essay of this sort, it will probably be expected,
I. That the monies necessary for the public exigence, should be stated: II. The resources out of which these monies are to be raised, should be considered: and, III, The mode of assessments and collections should be attended to.

I am
I am informed, that these will be the first great objects of attention in Congress, on the opening of the ensuing session.

My present design is, to state and advocate the rights and claims of a great and very respectable class of our citizens, whose distinguished merit entitles them to the justice, and, indeed, to the gratitude also, of their country, but who are, I fear, at least many of them, in danger of being neglected and losing the reward due to them, for the supplies and services which they rendered their country in the greatest public distress.

And the very money which is granted and paid by the country, for the just recompense of these worthy and deserving patriots, is, by a strange fatality of events, absurdity of reasoning, and perversion of counsel and right, I say, this money is proposed by some to be diverted from, and never paid to, them; but to be given to another class of citizens and foreigners, who do not pretend to any merit of their own, or to have earned any of the money, but whose claim and demand is founded wholly on the merit and earnings of these worthy citizens, who are, by the very plan, to lose it all, and get none of it.

The worthy patriots I allude to, are those who, during the war, when our country was overwhelmed with infinite distress and danger, rendered their services, supplies, and money in its defence, but who, on the adjustment of their accounts, could not be paid, by reason of the deficiency of the public finances of the States, and, therefore, were obliged to accept certificates of the balances due to them, with promises of interest and payment in future time.

These certificates were made payable to the bearer, and of course were negotiable, and were worth about 2s. or 2s. 6d. in the pound, their value being estimated by the current or common price, at which they were generally bought and sold in the public market; for the value of certificates, as well as of every thing else that becomes an object of general exchange or transfer, must, and ever will, be estimated by the current or common price it will bring in market.
That the common price at which such certificates were generally bought and sold at the close of the war, was in fact about 2s. or 2s. 6d. may easily be made appear in a most incontrovertible manner, by the testimony of thousands and thousands, who bought and sold them the first year or two after the close of the war, when the great bulk of them were issued, and when the greatest sales of them were made by the original holders.

Since this period they have been hawked and jockied about by the speculators and brokers, like an ignis fatuus, at a great variety of defultory risings and fallings of price, according to the opinion, or whim, or caprice, or deception which happened to prevail in the minds of men at the time; the tracing or even considering of which, I conceive of no manner of consequence at present.

It follows from the foregoing observations, that the value of the public certificates, at the time of their being issued, may be easily ascertained; and so much the public creditors who received them, were paid, and no more, say 2s. 6d. in the pound; and the remainder, say 17s. 6d. in the pound, and the interest of it from that time, is still due to them.

That this remainder or balance ought to be paid to them, with the money which is, or may be, granted and paid by the public, for the express purpose of satisfying and rewarding these worthy citizens, for their dear and painful earnings in their country's cause, and that the said money ought not to be diverted from this most just and valuable purpose, on any reason or pretence whatever; I say, that the balance which they have not received, and which, of course, is still due, ought to be paid to them, is a most capital object to be proved, urged, and enforced in the present Essay.

I shall attempt, and cannot doubt I shall be able, to prove to the satisfaction of every judicious reader,

That they are not yet paid;
That they ought to be paid;
That they can be paid;
And, to satisfy the grateful wishes of all our citizens, and to establish our national character of honor and humanity,
manity, both at home and abroad, That they must be
paid.

For this purpose, I beg the candid attention of my
reader to the following propositions:

I. No public creditor who receives a certificate, is thereby
paid any more than the value of the certificate at the time of
delivery, i. e. it is not the nominal value but the real value
only, i. e. the current price of it, which is to be regarded
in estimating the quantity of payment made by it.

When any body proposes to pay a debt in bills of ex-
change, bills of paper money, certificates, or any bills of
public or private credit (if the creditor agrees to accept
such payment) the first question that invariably occurs is,
what is the exchange? i. e. no regard at all is p
aid to
the
nominal
value, but reference is constantly had to the ex-
change or current price in market, in order to determine
what amount of such bills shall be given to satisfy the debt.
This practice is so universal among all men, and grounded
on such manifest principles of right, that I cannot conceive
that any man can be found, who will dispute either the
reality or propriety of it.

The practice of Congress, the supreme council of the Uni-
on, affords a precedent of this same principle, adopted by
them, respecting their loan-office certificates.

They published by their authority a scale of depreciation,
by which the value of those certificates was estimated at
the real exchange they had at the time of their dates, and the
rate of their final redemption was fixed on the same prin-
ciple.

All the States adopted the same principle, either by making
use of the scale of Congress, or establishing scales of their
own, by which the value of Continental money was esti-
mated thro’ all the stages of its depreciation.

This practice of Congress and of all the States was
founded not only on absolute necessity, but on the plainest
principles of right; and if they made any deviation from
justice, in the adjustment of any of their scales, this was
no error in the principle, but merely a fault in the practice
or use of it. And surely there can be no reason why the
fame rule (if a good one) of estimating the real value of certificates issued in 1777 and the subsequent years, should not be applied to the certificates which were issued at the close of the war.

But there is certainly great reason why our most virtuous citizens, who, by their patriotic efforts, services, and supplies, supported the war, and saved our country, should not be subjected to the loss of seven-eights of their just dues, for want of such a rule, or some other means of saving them from such ruinous and shameful injustice.

Farther, let us appeal to plain, common sense on this subject. When the public accounts were settled at the close of the war, the public creditors were entitled to their several balances due to them from the States, in good hard money. Now can any possible reason be given, why a certificate worth but 2s. 6d. should be good payment to them, of 20s. at that time, any more than now at this time? I believe it will be readily admitted, that if any body (personal or aggregate) should, at this time, seriously propose to pay a debt of 20s. with a certificate or any thing else, which was worth but 2s. 6d. the offer would be rejected with every degree of contempt, as a most villainous and rashly inust.

Is there one Member of Congress, who would not think himself abused by the offer of a certificate worth 3-5ths of a dollar, in full satisfaction of six dollars, which he expects for one day’s attendance in the house? but how aggravated and keen, would be his feelings and chagrin, if he should neglect his family and private concerns, and attend Congres seven years, and, at the end of the term, should be paid off in certificates of the same depreciated value?

Or, do you think his vexation would be softened any, by being told, that tho’ his certificates were really worth at present but 2s. 6d. in the pound, yet the sum expressed on the face of them was 20s. in the pound, and therefore he must be satisfied with them as good and full payment, and if he would have patience to keep them long enough, they might perhaps bring him the full, real value expressed in them?

I believe
I believe every Member of Congress will readily allow; that I have hit on what would be the true feelings of any of his brethren, and even of himself, in such a supposed case. If so, gentlemen, please to do as you would be done by; this rule of conduct is enjoined upon you by an authority much superior, and far paramount, to any you can lay the least claim to, in your utmost dignity, and fullest possession of sovereign power.

From all this it appears evident, that the public creditors, who have received certificates in payment, were paid no more than the current value or exchange of the certificates, at the time they received them. So much is paid and no more, and so much and no more they ought to be debited, and the residue of the debt, not having been paid, is still due to them.

It farther appears, that the certificates which were delivered to the soldiers and other public creditors, on the final settlement of their accounts, after the close of the war, were worth not more than 2s. 6d. in the pound, which ought to be debited to them, and the remaining 17s. 6d. in the pound, being unpaid, still remains due to them.

II. These balances which remain unpaid to the public creditors, ought to be paid as soon as possible. The sums due to them are their dear, their painful earnings; these claimants are the soldiers who fought, and the citizens who supplied them, when the salvation of our country was the great prize contended for; it is owing to their virtuous and strong exertions, that we have anything left, either for our own enjoyment, or the payment of them.

We have no instance in history, of an army who discovered and practised more spirit, firmness, patience, discipline, fortitude, and zeal, either under the instant pressure of the greatest hardships and sufferings, or in the solemn and awful march to the most dangerous enterprises, or in the arduous moments of battle, than were found in our troops.

Nor did they hesitate or falter in the least, till they had completed their great work, raised their own, their general's, and their country's honor and character to the utmost height, and reached the arduous goal which they had constantly
stantly in view, thro' every stage of their fatigue and dan-
ger; this glorious goal was the complete liberation of one of the
greatest empires of the earth, which empire we are, who fit
clothed in all the majesty of empire, wealth, and power,
solemnly deliberating, whether we shall pay these our deli-
verers, or not.

That "the laborer is worthy of his hire," is the great
doctrine of **commutative justice**, that divine law of
nature, and nature's God, which, in the utmost majesty of
command, connects the *quid pro quo*, that august principle
on which alone all *thrones* and *governments* can acquire and
fix a *permanent establishment*; this sacred principle, I say,
requires that these worthy claimants should be paid the
money due to them, because they have dearly, nobly, and
faithfully earned it.

There is in every human heart, a *principle of right*, a
principle planted by the great Creator, ever approving the
things which are most excellent; how far ever this sac-
cred principle may become generally practical, emanate and
spread in society, and *govern* and direct the general mind;
yet the *dispensation* of public justice and right, lies in the
power, and becomes the *peculiar duty, of a few men*, the
chosen and dignified few, to whom the administration of
the great affairs and interests of the nation are commit-
ted.

These dignified personages are sometimes called *gods*;
they certainly sit in the place of God, and whether given
to the people in *wrath* or *mercy*, are certainly appointed
by him, and the sacred *charge* and *duty* of imitating his
government lies on them; *judgment* and *justice* are the ha-
bitation of his throne; and these sacred virtues ought al-
ways to be found in our supreme council, not as *transient
persons* who may be called in on favorite occasions, where
their preference may be pretty well admitted, and their in-
spection may be tolerable, but as *constant resident*ls, who
take up their dwelling there, as the place of their *uniform
habitation*.

With a heart melted in sympathy with the *sufferings* of
my country's *deliverers*, with a sublimated sense of the
*importance,*
importance, as well as sacred nature, of the justice and judgment of our nation, I most devoutly implore (and doubt not the concurrence of every honest American) that these sovereign and sacred virtues may dwell, not only in our supreme councils, but in the heart of every member who shall give his vote in the decision of this most capital and interesting cause which I am pleading.

Another thing which ought to induce us to pay these worthy citizens is, their brilliant success, and the most important benefits we derive from their exertions. I do not say that success simply is a virtue, but it is a very great proof of it, in as much as success generally follows prudent, spirited, and persevering conduct; nor do I say that rewards ought to be proportioned to the benefits received; for by this rule we can never pay enough to our deliverers; but where the benefits accruing from virtuous exertions are very great, they at least become entitled to a full compensation, and perhaps liberal minds will think a generous one might with great propriety be allowed.

We call general Washington, the father and favour of his country, and with great propriety; the virtues of a father he might have possessed alone, but the favour of his country he could not have been without his army. He indeed designed with discernment, commanded with prudence, and led on his troops with fortitude; but although these virtues were carried by him beyond the power of imitation, the success must have failed, had not his army co-operated with his designs effectually, obeyed his orders cheerfully, and followed him with firmness; without these, neither his laurels could have been obtained, nor our deliverance have been completed.

They were his faithful companions in distresses, in dangers, in battles, in victories; they shared his fortunes, they shared his merits, and they persevered with him, till they also shared his final success, which put a period to their long and patient labors, and our country's calamities.

How would all the fine feelings of the human mind have glowed in the breast of that exalted general, if, in that period of triumphant and final success, he could have called
called these his dear and worthy fellow-laborers and fellow-sufferers together, met their brightened countenances with the warmest mutual congratulations, thanked them for their services, and dismissed them with such rewards, as would have enabled them to return to their families with some degree of advantage, as well as honor.

But I will draw a veil over the rest, and only say, the hard necessity of the times prevented this; the general knew it, the soldiers knew it, and submitted with patience to accept their discharge, and find their way home as they could, with empty hands and dry lips.

Is it possible that the great councils of America shall suffer such persevering fortitude, discipline, and patience to go without their reward? Generous allowances are not demanded; liberal appointments are not solicited; no more is required than the simple pay which was promised them by Congress; all they ask for, is the fulfilment of that sacred contract, which is grounded on the public faith and honor of an empire.

Indeed, I think that the patient and quiet behaviour of the real public creditors, both at the close of the war and since, entitles them to the highest esteem and respect of all our citizens, and should excite a very strong zeal, to make the most powerful efforts to do them right; it is certainly mean, base, and shameful, it is below the dignity of a nation, to deny or delay that justice to virtuous, quiet, and well-behaved citizens, which would be granted to tumult, uproar, and insurrection.

Will any man presume to say they are quiet, because it is not in their power to make disturbance? This is very ill-natured; but were it really the case, it would bring them into the rank of helpless persons, like the widows and fatherless, who have rights which they are not able to assert and support; these are entitled to the most peculiar and tender protections of the government; the wrongs and oppressions of such as these, are always ranked among the most horrid and cruel acts of injustice.

But I do not conceive this to be the real fact; all States have found that there may be as great force and strength in
in the still, small voice, as in the explosions that break the cedars of Lebanon: it is not commonly a fretfulness of temper in the people, but the cause of complaint, which breeds disturbances in a State; it is rare that people can be worked up into general insurrection, without some great and general cause.

Wrongs and oppressions diffused over a State will always sow the seeds of discontent; these sit easy on nobody; but always operate by way of fret and resentment, and are generally the causes of serious insurrections, and sometimes of most capital revolutions, in government; I know of but one sure way to keep the people quiet and easy in any government, and that is, to cause 'justice and judgment to run down its streets, and righteousness to cover it.'

But it ought to be noted here, that tho' the proper way to keep the subjects of any State in quietness, is to do them justice, yet it does not follow, that no men will be quiet under wrongs; many virtuous and good citizens will put up with injuries, and bear them with patience, rather than engage in pursuits for redress, which may make the remedy worse than the disease; few men would be willing to foment public disturbances, and make the land of their nativity a scene of desolation and horror, to gain redress of personal wrongs, or to gratify a spirit of revenge.

Many good men would patiently suffer injuries, rather than even give uneasiness to their oppressors, especially where the wrong happens to proceed from some near connection, a brother, a father, or perhaps the fathers of their country; but this virtuous patience under injury I deem highly meritorious, and deserving the utmost attention to their rights, and the redress of their wrongs.

But when the very people from whom redress is expected, begin to take advantage of the peaceable disposition of such a citizen, to think him void of spirit, and proceed to infilt his wrongs, trifle with his demands, ridicule his pretensions, and plead absurd arguments in avoidance of his claims, arguments which are a burlesque of common sense, and which cannot meet the approbation of that discerning power, which the all-wise Creator has planted in every hu-
man mind, as the great index of right and wrong; I say, when insults of this fort are added to injuries, there is a point, a bound, beyond which human patience will not endure, and, of course, such injuries never will be offered to any perfon who is supposed to be in condition to assert and vindicate his own rights, or to refent properly the insults offered to him.

For example, let us suppose that the Continental army, officers and men, with those who, by their contributions, fed and clothed them, were all met together, with their august general at the head of them,* and, in this respectable state, should present their humble petition to Congress for their pay; do you think, gentlemen, that there is a man in all the States, either in or out of Congress, who would venture to tell them they were paid already, and had no right to expect anything further from their country?

If a speech of this fort is supposeable, it may be proper to consider it a little more particularly. I conceive that any speech directed to an army, the great subject of which is, to persuade them, after seven years' hard service, to go off quietly without their pay, must necessarily carry in it materials somewhat rough, harsh, and not much suited to the taste of the bearers; it will therefore, doubtless, be necessary to soften and sweeten it as much as may be, in order to insure its proper effect.

I will go on then to suppose, if you pleafe, that some grave perfon of known wisdom, candor, and polished manners, should rise up to make an address to this great and respectable body of citizens, which, I think we may presume,

* When I wrote this I had no doubt but that, if such an assembly of fellow-laborers and fellow-sufferers had appeared, their general would have cheerfully put himself at their head, and have supported their suit with all his power and influence.

It is also very manifest, that both they and their rights are all, at this time, in real existence and full life, tho' not all met together in condition to assert and demand the justice which is due to them.

It is further certain, that the known rights of an absent man ought not to be neglected, because he is not present to assert them, or in condition to vindicate his demand; infants, and all other helpless persons, have rights which are ever recognized by the law of right, and ought ever to be supported by the government, to which the administration of that law of right is committed.
fume, might be pretty nearly in the following manner, viz.

"Gentlemen—I address you as most respectable citizens; your conduct has been noble; your merits are known to all the world, and acknowledged by all the States. Your arduous, persevering efforts have saved your country. What a pity is it then, that after so much worthy action, and so much triumphant virtue, you should be inadvertently betrayed into such an improper conduct, as to petition for your pay; inadvertently betrayed, I say, for I do not attribute your present application to any evil design; but to your having somehow imbibed very improper sentiments. I must be so free, gentlemen, as to tell you, you have been paid, fully paid already."

Here the soldiers interrupt the orator.—"Paid already!

"fully paid! with certificates worth but 2s. 6d. in the pound, and hard work to get so much."

The orator resumes—"Have patience, my friends; do not interrupt me; I am delivering the sense of your country."

Soldiers. Is it the sense of our country, that a debt of 20s. can be paid, fully paid, with a certificate, or any thing else, which is worth, and will sell for, but 2s. 6d.?

Orator. "I again beg your patience a little, my dear friends; it is true, your certificates, when you received them, were indeed somewhat dull and low; they would not fetch more than 2s. 6d. in the pound, and hardly that; 2s. 6d. was the extent of the general current price of them; but surely you ought to consider this was no fault of the certificates; they were wrote on as good paper, and with as good ink, as need be, and 20s. was wrote on them as plain as could be wished; and not only so, but the public faith of the States, the sacred honor of your country, was annexed to that 20s. and solemnly pledged to make it good, and what could you wish more? Certainly, gentlemen, you cannot have the assurance to suggest, or even to think, that the public faith, the sacred honor of your country, was worth but 2s. 6d. in the pound!"
"pound! that their State-bills of 20s. were worth but half a crown."

Soldiers. We do not wish to enter into any conversation about public faith and honor; it seems to us, that this subject is not very proper to talk much of, at this time; for the least said is soonest forgot; but one thing we know and feel, that we could get no more than 2s. 6d. in the pound for our certificates; and our necessities obliged us to part with them for what we could get.

You will please to consider, sir, it is no small thing for people in our condition, to be deprived of seven years' hard earnings, carved out of the prime of life, and to be left with nothing to begin the world with, or even to keep ourselves and families from starving.

Orator. "I do not blame you in this distress for selling your certificates; but you ought to have considered, that, when you sold them, you made over and transferred all your right to payment, for all your services and advances to your country, and; therefore, ought not to have sold them so cheap; you really hurt yourselves, and debased the honor and credit of the States, by that impudent step; had you been wise enough to have sold them at 20s. in the pound, your necessities had been better relieved, and all this trouble and perplexity which you give yourselves and us, would have been prevented."

Soldiers. You might as well blame us for not turning our certificates into joes and guineas; you know as well as we, that it was absolutely impossible to get more for them, or do better with them, than we did; we received the certificates made payable to the bearer, and of course, negotiable, and calculated to be bought and sold, i.e. to circulate like cash thro' any and every hand; but we had no idea when we sold them, that we sold any more than we received; or that our selling them destroyed our demand on the States, for that part of our earnings which we had not received, and which was not paid to us; nor can we conceive, how our sale of negotiable certificates can operate on our real earnings like an enchanter's wand, so as to annihilate them, or turn them into a mist.

Orator,
Orator. "I observe, gentlemen, you grow somewhat warm; I wish to avoid all ill-humor and hard language; you have deserved nobly; you have gained great honor; you have saved your country; and I hope, after all this merit, you will neither tarnish your own honors, nor disturb your country's peace, by your uneasiness and discontent.

"What is done is past and cannot be recalled; I earnestly recommend to you, my dear and honored fellow-citizens, to return home peaceably and quietly like virtuous and good christians, and go to work double sides, to raise money to pay the present holders of your certificates; for however foolishly you parted with them under value, yet the public faith is annexed to them, and must be supported."

I appeal to every man in the Union, whether this address, or rather dialogue, does not state every fact and every argument, truly and fairly; and whether such a statement of facts and arguments would be likely to send the bearers home contented and quiet, without their pay; I throw not. If the above statement is not right, I challenge any body that can, to mend it; for my part, I freely own my opinion, that the whole harangue, tho' ever so well-dressed and polished, is, and must be, from the nature of the facts, an insult not only on these worthy citizens, who rendered their supplies and services to their country during the war, but on common sense itself, and must wound the natural feelings of the humane mind, and which no man of honesty and candor could ever make in the absence of the parties, and which no man, who had any regard to personal safety, would dare to make in the presence of them.

The Orator's plan is, to consider the certificates delivered to the public creditors, on the settlement of their demands, for supplies and services rendered during the war, to consider these certificates, I say, as full payment of the sum due to them, and to redeem the certificates at full nominal value, by payments made to the bearers of them.

It is farther a most plain fact, that the certificates were not worth more than 2s. 6d. in the pound, at the time they were
were delivered to the real public creditors, on the final settlement of their accounts, after the close of the war.

And it is a farther plain fact, that by far the greatest part of these certificates have been sold by the original holders, in their necessities and distresses, to persons who are now possessed of them, at 2s. 6d. in the pound, or at most for some trifle which bears but small proportion to the nominal value.

Now this plan, dress it, and cook it, and season it, and color it in any and every way you possibly can, if carried into execution, will most necessarily and unavoidably draw after it these two consequences:

1. That a sum of many millions of money must be levied and collected from the labor and painful earnings of the citizens of the States, not to be paid to the worthy citizens, who, by their supplies and services, during their country's distress, have merited and earned it, but to be paid to numbers of rich speculators, who have no pretence of having merited or earned any of it, and who will, upon the earnings of those others, make a profit immense, not less in thousands of instances than 1000 per cent. Whilst,

2. The great bulk of the worthy citizens, who, by their supplies and services, really and dearly merited and earned the money, but who have sold their certificates (which is the cafe of by far the greatest part of them) must and will absolutely and finally lose 7-8ths, and very many even eleven parts out of twelve, of their real merits and painful earnings, from which shameful injustice, Good Lord, deliver us.

I beg leave here to ask the gentlemen who compose our supreme administration, legislative, executive, and official,

1. Whether they can possibly reconcile their own minds to any plan which involves such gross injustice?

2. Whether any of them could be prevailed on, at any time of their lives, on any consideration, to pay a private debt of their own of 20s. with a certificate, or any other depreciated paper, worth but 2s. 6d.?

3. Whether in heaven or earth (and farther we need not go) I say, whether in heaven or earth, there can be found
found a reason which can justify a minister of State, or any public man, employed in the dispensation of the justice and judgment of a nation, in devising or doing any thing, which, in his personal capacity, would wound his honor and conscience, and damn him to eternal infamy and contempt.

It is known to every body, that at the close of the war, our nation was bankrupt; at least they stopped payment, could not, and did not, do justice to those to whom they were justly indebted; and if we could not pay them when we ought, the only way to heal and remedy the matter, is to pay them when we can; and it is mighty plain, if we honestly mean to pay our debts, we must not only pay the whole money we owe, but must pay it to those to whom we owe it; for paying it to any body else can be no satisfaction of the debt.

Nothing can be more absurd than to apply the common rule of assignments of negotiable notes, bills of exchange, &c. to the public certificates; the exchange of the one rarely rises or falls more than 4 or 5 per cent.; the depreciation of the other is 15 or 20 times as much, and is so enormous, that the principal value is absorbed by it, and not more than 1-8th or 1-10th part of the nominal value in reality remains; here is an extreme case indeed, and it is well known that every law, right, or rule of morality is limited to its mean or reasonable application; the moment it diverges therefrom, and flies into its extreme, it loses its rectitude and equity, and becomes injurious and wrong; and the sure and infallible criterion of such extreme, is when such application operates by way of injustice and destruction of right.

And in the case in point before us, the application of the common rule of assignments, to the certificates, has a necessary operation, most cruel, injurious, and harmful in two respects:

1. It takes an immense sum of money from virtuous citizens, who dearly merited and earned it, and subjects them to a total and ruinous loss; whilst,

2. It conveys the same immense sum to other men, who never merited or earned it all, and gives them an enormous profit.
profit of 1000 per cent. on the merits and earnings of the
lovers.

This whole doctrine is so perfectly known and familiar
to all doctors in law and morality, that they have adopted
it for a proverb or maxim, *sumnum jus, summa injuria;* i.e.
right in extreme becomes extreme wrong; and nobody ever
pretended to dispute this maxim, who was not either most
poignantly puffed with argument (in which case the school-
men will make any shifts) or hurried and impelled by some
favorite scheme or interest, out of all their philosophy, decen-
cy, and common sense.

There is another plan or method of doing this business,
which appears to me much more just and equitable, and
quite as easy as the one I have been exploding, viz. Let
every certificate be estimated by a scale of value, grounded on
the current price or exchange of it at its date, and at this va-

tue let it be debited to every public creditor who received it, and
at the same value,* or at the current value (as the case may
require)

*I apprehend that certificates should never be redeemed at a higher rate
than their value or current exchange was at the time of issuing them; for
the public never received a valuable consideration for any more than was
paid; and to demand their redemption at a higher value would be charging
the public with notorious injustice, which would be as wrong between public,
as between private contractors.

It may be objected, perhaps, that the public do not literally receive 2s. 6d.
and give their bond or certificate for 20s.; but I answer, they really do
this; for it is very plain, that the certificate, when issued, was worth no
more than its current exchange at that time, say 2s. 6d.: the public creditor
received no more, and ought to be debited with no more; but the certificate
is made payable to the bearer, *who is a stranger,* at 20s.

Now if I pay 2s. 6d. and, in consideration thereof, take a bond to a
third person, *who is a stranger,* for 20s., it is plain that the bond is infamous and
void, and if it passes by assignment thro' a thousand hands, the usury will always
stick to it, and, of course, it will ever carry with it its legal defects, or prin-
ciple of avoidance.

For it is plain, that if a private man should receive 2s. 6d. and give his
bond for 20s. the bond would be infamous, and of course void.

My proposition is plainly just, and acknowledged by Congress and every
body else, and has the sanction of general practice with respect to long-
effice certificates, Continental money, &c. and I challenge any man to give
a shadow of reason, why all subsequent certificates, or paper of public cre-
dit, should not be treated, and in every respect be governed, by the same
rule.

But if the certificate depreciates below its original value, the aggregate
public suffers the less. This is manifestly the case with respect to all paper
money;
require) let it be redeemed, with interest from its date to the time of its redemption, and let the remainder of the balances due to the public creditors, who have received certificates, be paid them in money with interest, as soon as that can be done.

I know no reason why the real or current value of the certificates in question should not be fixed by a scale, as well as the loan-office certificates, and other depreciated public paper, during the war; this principle, as I before observed, was adopted not only by Congress, but by all the States, as a matter of both justice and necessity, and the tender-acts and other infringements of this plan, were found totally wrongful, and, of course, were repealed.

No human plan of dispensing commutative justice to a nation, can ever be perfect and wholly free from error; all that human wisdom and human virtue can do, is to adopt that plan, which, in its operation, shall produce the most justice and right, and the least injury and wrong, of any that can be devised, and carry the plan into effect by the most equitable administration which can be practiced.

If this then is a good rule or criterion of a good plan (which certainly no man can seriously deny) let us try the two plans by this infallible touchstone, viz. which of them, in its operation, will produce the most justice and utility, and avoid the greatest injury and wrong.

1. The justice and utility of the one is reduced by its operation to almost nothing, whilst the injuries and wrongs it produces money, certificates, and other public securities of every kind, which, gain a general currency, or become objects of common exchange and negotiation through the community, and happen to depreciate during such currency.

The loss by depreciation becomes divided into innumerable parts, every single one of which consists of the loss each individual severally sustained by the depreciation of the paper, whilst it was in his hands, and the aggregate sum of all these parts or losses, makes up the whole sum of the depreciation, or the difference between the current value of the paper at the time, and the original value of it when it first issued.

By this it appears, that the aggregate public has sustained the whole loss, not in a way of perfect equality indeed (and perhaps no public assessment ever did or can do this) but by way of general tax, of which innumerable individuals (the not strictly every one) has sustained or paid his share, and, of course, it would be very unjust to tax the same public over again for such sum, not to pay it to the persons who have suffered by the depreciation, but to other people, who have left nothing, nor have any claim of merit to it.
produces are enormous, detestable, and almost infinite; no less than depriving numberless citizens of 9-10ths of the reward due to their great merits and services, and subjecting them to a final and total loss of the same, whilst it heaps the immense wealth (which is their due, and which they lost) on another class of men, who have no pretence to any merit at all.

2. The other plan gives to those meritorious citizens all the rewards to which they are entitled, and if any injustice has been done them by the long delay, it is in some measure made up to them by the interest it proposes to give them, whilst it gives to the purchasers of alienated certificates, the same price for them which they were worth when first issued, with interest from that time till their redemption; and I think this is all they have a right to expect, and we may very well say to each of them, Take what is thine own with injury, and more we will not give thee.

If this class of men sustain any loss, it must arise from their having purchased certificates at a higher exchange or price than they bore when they were first issued, and this is a loss to which speculations of that sort are always exposed; if any of our rich and enterprising citizens are disposed to deal in stocks, gamble in the funds, or to be concerned in any negotiations of hazard whatever, they all expect to be liable to a run of ill luck, as well as to good fortune; and I do not know that the public have much occasion to trouble themselves about either their profit or loss.

But if the losses of these men should be thought pitiable, they certainly, in either magnitude or distress, bear not the least proportion to the heavy, ruinous losses, which our most virtuous and meritorious citizens must sustain on the other plan; much less can they justify the adoption of a plan in their favor, which will deprive our most respectable citizens of the immense sums due to their painful merit and services, in order to lavish the same away on these adventurous speculators, and thereby accumulate the fortunes of the one, and the distresses of the other, to a degree almost infinite.
But after all, if the losses of these speculating gentry must be thought to require compensation, I beg it may be made by the public, but by no means let it be carved out of the dear merits and earnings of the noblest patriots of our country.

But the sacred duty of paying these worthy citizens, who have done and suffered so much for our country, and from whose noble exertions we actually derive and enjoy most inestimable benefits, is not only enforced on us by every principle of justice, honor, and gratitude; but it is farther recommended by many advantages and great inducements of interest, which are either involved in it, connected with it, or consequential from it. It may be proper here to mention some of these.

The reverence and respect which we owe to general Washington, ought to induce us to pay with punctilious honor and justice, these his faithful followers and fellow-laborers; it is known only to God, and the humane heart of that august commander, what anguish of mind, what poignant sensibility of regret and compassion occupied his breast, at the close of the war, when the exhausted finances of the country reduced him to the dreadful necessity of dismissing his faithful followers without their pay, and leaving them to find their way home as they could, without a shilling, either to relieve the distresses of their families on their return, or even to buy a cup of good liquor to recruit their exhausted spirits, or make their meeting cheerful.

It is known only to God, and to the humane heart of that august commander, how animated, how alive would be every fine sensibility of that great man, how dilated his whole heart, could he be informed that the justice and gratitude of his country would furnish the reward due to the virtues and merits of these his worthy followers and supporters.

With what a diffusion of pleasure would he hasten to find out these noble spirits in their retreats of obscurity and distress, extend to them the welcome relief, and sympathize in their joy and gladness; is it possible we should hesitate to indulge a man we reverence and esteem so highly, with this gratification,
gratification, in which every good heart in our nation would sympathize, and which every feeling of honor and compassion strongly requires of us?

On the other hand, do you think he could bear a disappointment in this, with his usual equanimity? He can bear hardships and dangers; he can bear a retreat before his enemies, he can bear the horrors of war, and the dreadful collisions of a battle, he can bear the joys and triumphs of victory, he can bear final and decided success, and he can bear the univerfal applause, gratitude, and melting hearts of his fellow-citizens; I say, he can bear all these with that heroic strength of mind, which, indeed, feels every incident, but can control every passion into calmness and decency.

But were he to see the immense sum of money due to his companions and supporters, twice earned, first by their toils and supplies, and then again by the citizens at large, out of whose labor the money was earned and collected, were he to see, I say, this immense sum all swept away into the coffers of those who never earned any of it, whilst his dear companions were left to lament, in remediless despair, the savage injuries of their country, the disappointment of all their lost expectations, and the hopeless ruin of their fortunes and families; this, I think, would be too much for his mighty fortitude to sustain, would shake that firmness of mind, that great power of self-command, which perhaps forms the most inimitable part of his character; and what has been done, that you should subject him to this insupportable mortification, this agony of sympathizing wo?*

I do

* When this Essay was written, I had not the least idea that any possible consideration could have induced General Washington to sign any act, which, in its operation, would cut his soldiers out of their pay, and leave those without compensation, who, by their advance of money and supplies, had fed and furnished his army; nor do I apprehend, that when he signed the funding bill, he conceived these effects would follow its operation: but I see two ways only, in which these effects can be avoided:

One is by paying both original creditors and speculators; which, I suppose, will be considered either extremely difficult or desperate, for want of cash.

The other is by a repeal of the funding act, or, which amounts to the same thing, by an explanatory declaration that by public creditors, in the act, is meant the real, original creditors, and no. the speculators.

But
I do not mean by all this, to suggest that the simple humor or caprice of any individual, however dignified, ought to be the basis of any public measure, in which national interests are concerned; but where any man exists in a nation, whose long practice and example have demonstrated that all his powers are directed by wisdom, all his passions are controlled and governed by discretion, and every action excited and animated by virtue and patriotism, I say, to form public acts agreeable to the wishes of such a citizen, is paying court to virtue itself.

Whilst, at the same time, the government makes a very high compliment to the great body of the people, in supposing that their minds are all under the influence of a similar virtue and patriotism, and, of course, that it is highly proper to propose such an act to their approbation, on full presumption that a public act, dictated by the wishes of such an illustrious citizen, would certainly meet with a co-incidence of sentiment in the people at large, and, of course, must be equally grateful to their wishes also.

I do not offer this as an airy compliment to the citizens of the States; but I do most seriously believe, that the wishes of our august general, in the case before us, and those of the great body of our people, are the same, or at least, similar; the operations of the war being under the direction of the general, and the more important parts, both of action and events, happening under the inspection of his own eye, will doubtless excite in his mind more lively sentiments of many things and circumstances, than the people at large can have; yet I think the conduct of those worthy patriots who supported the war by their supplies and services, meets the approbation of the people in so universal a manner, that very few can be found, who would not sincerely join their august general, in wishes that they may be paid. This leads me to observe,

III. That the patriots who supported the war by their supplies and services, not only ought to be, but in fact can be, paid.

But be this as it will, I conceived it impossible for the general to sign such an act, and, of course, thought it would be great cruelty, and even infidelity, to offer such an one to him.
paid. Let their merits be ever so great, and our obligations to do them justice be ever so sacred, yet if our care was such that we could not pay them, no more need be said on the subject; but if we can pay them, and do not, one would think that heaven and earth would rise in their favor, and revenge their wrongs.

To prove that they can be paid, the following facts may, and doubtless will, be admitted to be true and convincing evidence.

1. That the country is rich enough to pay them: 2. That the people are generally convinced, that the debt demanded is justly due to their merits and earnings: 3. That they are willing to pay them: and, 4. That our government, or supreme council, is also willing to pay them, and vigorously to set on foot and pursue the ways and means proper to effect it.

1. That the country is rich enough to pay their deliverers, is too manifest to admit a doubt, or need any proof. It is easily demonstrated, that an additional impost on imported luxuries (such as spirits, wines, silks, jewellery, &c. &c.) but barely high enough to reduce the consumption down to that moderate degree, which is really necessary to the health, wealth, and morality of the inhabitants, would make our finances amply sufficient to pay every shilling we owe to those worthy citizens, and not this only, but also to discharge every other debt which either honor, justice, or gratitude demands of us.

2. That our people are generally convinced that the money demanded by these worthy citizens is justly due to them, is abundantly manifest from many considerations: 1st. They have discernment enough to know that a debt justly due will always be due until it is paid. That long delay of payment is no extinguishment of a debt. 2d. I believe their genius rises high enough to comprehend, that a debt of 20s. cannot be paid and satisfied by a payment of 2s. 6d. or, which amounts to the same thing, that the whole is greater than a part, or that 20 of any thing cannot be balanced or equalized by an eighth part of the same thing.

3. That
3. That our people at large are universally willing to pay these worthy citizens, is also very manifest.

1st. The habits of morality are strongly impressed on our people in general. The country is not old enough to establish vice, oppression, and injury, or to obliterate the natural index of right and wrong, in the human mind: in the old countries, the luxury of an individual may consume the labor of thousands; a nation may be taxed and oppressed to support the lust, pride, and haughty grandeur of a few; a court of inquisition may be instituted to force the mind, and infringe the rights of conscience, and the people will bear it; but with us it is otherwise.

In America, oppressors have not lost their shame, nor the oppressed their resentment, nor the people their natural sense of good and evil; when these worthy citizens exhibit their merits and services, shew their wounds, and plead their constitutions and fortunes broken in the cause of their country, and cry for their pay, the general mind is instantly affected, a sense of both justice and compassion is strongly excited, and the universal wish and murmur is, 'let right be done,' and, 'why has it been so long neglected and delayed?'

2d. For the truth of the fact, I appeal to every man in the States, whether, within the circle of his acquaintance, there does not prevail a general pity for the soldiers and other liberal supporters of the war; a decided opinion and high sense that they have been injured and ill used; and a strong and sincere wish that they may be paid: as far as my acquaintance with my countrymen extends, this wish is almost universal, and if any exception can be found, I conceive it must be among two classes of people. 1. The present holders of alienated certificates, some of whom, I suppose, wish to grab and secure to themselves, the rewards due to the merits and services of these worthy patriots. 2. The other class are those who always abhorred both the war and Revolution, and are therefore well enough pleased to see all those who were concerned in promoting both the one and the other, most effectually mortified and disappointed. This leads us to consider,

4. The
The happy facility and ease with which our supreme council can adopt the measure of paying these worthy, injured citizens, and put into most effectual operation the ways and means necessary to accomplish it; nobody doubts that this is the ardent wish of their hearts, or that they will speedily adopt the favorite measure, and vigorously support and push it to its final effect, and thereby demonstrate to the world, how strongly they are animated and gratified with the pleasing task of repairing the wrongs of our injured citizens, and restoring the justice, honor, and dignity of our country.

By large and repeated trials of the temper of our people, we find that they will bear great pressures and burdens, and will freely devote their services and fortunes for what they deem to be the good of their country, for objects which fall in with their wishes, and meet their approbation; this temper will enable government to institute any proper modes of supply, for the payment of our worthy patriots, when that very payment is the favorite wish of the people who are to pay the tax which is collected for that purpose.

Two different bodies of claimants now present their demands on government; these worthy patriots are one of them; and the present holders of alienated certificates are the other; it will require equal sums of money to pay either of them; the only question is, which of them shall have it? but I conceive, that the difficulty of raising the money for the payment of each of these, will not be by any means equal, but extremely different.

This brings into view another consideration, which, in the present state of our finances, appears to me of great moment; our revenue system is young and tender, and it is of great importance to introduce the practice of it, and get it formed into a sort of habit in the States as soon as possible; and this may require delicate management; if taxes are called for in ways, and for purposes, which are generally approved, the collection may be made with little difficulty and few murmurs; but if immense sums of money are demanded in ways that are disgusting, and for purposes not generally approved, and perhaps abhorred, the difficulties of collection
collection will be great, and the murmurs, infinite; this may bring embarrassments on the revenue, which we may long feel very sad effects of. To apply this to the case before us—

A large impost laid purposely for the payment of the royal supporters of the war, will meet the approbation, and coincide with the wishes, of the great body of our people, and, of course, the collection will be made with ease and good humor; but let our people be told that this immense sum, which is levied for that favorite purpose, when carried into the treasury, is not to be given to those favorite patriots, but is to be grabbed up by another class of men who have no pretense to either service or merit, but claim only what is due to the merits and the services of the others, I conceive, in this case, that all good humor will take its flight in an instant, and murmurs plenty and four enough will ensue.

What effect such general murmurs, complaints, and discontents may have on the revenue, may be easily foreseen, and I should be glad to know, that these mischiefs would end with the revenue, without extending farther to disturb and derange the general police of the nation; the least mischief which can be expected from this general dissatisfaction may be, that it will furnish a plausible excuse or plea for smugglers and those who wish to defraud the revenue, viz. that there cannot be much harm in eluding a tax which is levied for the very purpose of satisfying claims, which are, in their nature, wrongful, and not grounded on any such valuable considerations, as the laws of commutative justice make essentially necessary to the existence of any rightful transfer of property.

I imagine it would be pretty much in vain for government to attempt to compose all this confusion, and pacify the general ill humor, by holding out an old law of trade, or mercantile rule (good enough, indeed, within its proper limits) but which is racked and tortured far beyond the reach and influence of that reason, on which alone all its fitness and propriety ever did, and ever must, depend; and which is stretched to such a degree of extravagance, as no nation
nation under heaven ever thought of *adopting into practice*; and which no man of common sense can ever reconcile to that *natural sense of right*, which exists in his own mind; I mean the old law or usage of assignments.

I do not recollect more than two instances which ever happened in *Europe*, of stock, bills, or certificates (for they are all different names for the same thing) of such magnitude as to *affect national credit*, the variations of exchange of which ever were so great as from par to 8 for 1; these two instances were, the *Mississippi scheme in France*, in 1719; and the *South-Sea scheme in England*, in 1721.*

These

* In the original publication of this Essay, the following short account of the *South-Sea scheme in England* was inserted by way of preface, viz.

*The South-Sea scheme in England* affords us the only instance I ever heard of in that country, of any national stocks or funds, whose fluctuation or exchange ever varied, i.e., rose or fell, so much as from par to 8 for 1, or, vice versa, from 8 for 1 to par.

*National stocks or funds* I call them, not because those stocks were properly public money, but because they were of such magnitude and extent as to affect the trade and credit of the nation, and were managed under the *favour and protection of national authority*, and controlled by the inspection of *Parliament*.

*The South-Sea Company* was incorporated by *act of Parliament*, in 1711, *i.e.* a great number of proprietors of *navy bills*, *debentures*, and other *public securities*, were incorporated into *a Company*, to which was given a *great variety of duties on wines, tobacco, India goods, &c.*, to pay the annual interest due to them, amounting to above *half a million* sterling; and also, with this grant was joined a grant of a *monopoly* of the trade to *Spain* from *South America*, grounded on the *Affecto treaty*, &c.

*This Company* soon grew amazingly rich, had the King and most other capital *perogatives* for *stock-holders*, and, in 1720, *his Mississippi himself* was chosen their *Governor*; at which time, the Company was become the great favourite of the court and nation, and, in 1720, were in such good condition, that *100l.* share of *their stock* was worth *130l.* i.e. 30 per cent. above par.

*At this time, i.e. in 1720*, the scheme of reducing all the *public funds into one*, for discharging the national debt (which, by the by, at that time was alarming enough), was set on foot.

*The South-Sea Company* and *Bank of England* were competitors, and bid on one another for the privilege of taking in the national debts, and thereby increasing their *capital stock* and *specie fund*. The offer of the Company to Parliament for this privilege, was above *7,000,000l.* sterling, &c., which was more than the Bank would give, and, of course, was accepted and ratified by an *act of Parliament*.

*Having thus carried their point*, the next thing was *to go to work*, and make the most of their privilege, which was generally thought so great, that their stocks rose from *130 to 330l.* for a share of *100l.* by the time their contract with Parliament was completed.

* The
These were both established and authenticated by acts of the supreme legislature; acted under the inspection and control

"The first thing they had to do, was to purchase in the public securities, which they were able to do on pretty favorable terms; for the Revolution, and the wars of King William and Queen Anne, had raised the national debt to about 45,000,000l. keruing (if I remember right) which was in those days thought a very alarming sum (the nation have learned better since), of course, the credit of the public debts was somewhat doubtful; and as the stock of the South-Sea Bank or Company was in the first credit, the proprietors of the public securities thought themselves happy to carry in and sell their public securities, on such terms: as they and the Company could agree on. Above 26,000,000l. keruing was subscribed into the South-Sea stock, in this manner.

"In short, the Company opened their books and sold out stock to an immense amount, and to a profit from 300 to 1000 per cent. Their first subscription was for 1,000,000 at 300l. April 12, 1720; and the stock rose so fast, that on the 24th of August following, the books were opened for a subscription of 1,000,000 capital stock, at 1000l. for every 100l. capital stock, which was filled in three hours; such was the rage for that fort of speculating, at that time. And, what is more amusing, after the books were closed, in the afternoon of the same day, this same subscription was sold in Change-Alley at 30 or 40 per cent, advance.

"The cash and credits of the Company were vastly accumulated by this time; and as they lent millions on interest, and sold most of their stocks for about 1-5th cash in hand, the rest on credit at several future payments, the debts due to them were immense.

"When the bubble burst, as it did in less than six months after, and the stock the subscribers had purchased at 1000 per cent. was reduced down to about 150, and, of course, the loss of every such subscriber was 850l. out of every 1000l. subscribed; I say, when this happened, legal suits (of which very many were commenced for these debts due to the Company, would have reduced most of the middling men in the kingdom to a state of remediable bankruptcy, and the Company must have lost most of their money in the bargain. The public creditors had lost most of their public securities, which they had subscribed into that fund. And infinite other mischiefs of a like nature must have accrued, of a kind most ruinous and wrong, and of an amount to great as to affect national interest, honor, and credit, and of such an extreme and extraordinary nature, that no ordinary rules of law could be applied in any such manner as to afford the least remedy, but would rather increase the evil, and give the wrong a kind of function of law.

"In this extreme case, the Parliament found themselves under an absolute necessity of assuming the powers of sovereign equity, and, as supreme chancellors of the kingdom, to supersede the ordinary rules of the law, control its force, soften its rigor, and adopt such equitable principles, as would afford some remedy of an evil, an injury, a wrong, of such magnitude, as brought the justice, credit, and safety of the nation into danger.

"On this principle they suspended law-suits; annulled special bails; discharged numberless debtors who owed for stock, on paying 10 per cent. of their debts; compelled compensations in favor of the sufferers; forced dividends and appropriations of the stock of the Company; and even punished many for mismanagement, who seemed to have conformed themselves to the letter of the law, &c. &c.

"Vide Thoal's Continuation of Rapin, in the pages referred to in the index, under the words, South-Sea Trade and Company."
trol of it; were the channels thro' which the public monies were circulated; and the final accounts of both were settled and adjusted under the direction and authority of the same supreme power of the respective nations. These schemes were so extensive as to affect national interests; most of the monied men in both nations were deeply concerned in them, and when the enormous and ruinous effects of that great variation of exchange, which these stocks suffered, came to be be generally felt, applications without number were made to government for relief.

Very strong remonstrances were made against the interference of the legislature, and that the matter should be left to the course of common law, i. e. to be decided according to the common rule of assignments of all negotiable notes, bonds, &c. But on a close inspection of the matter, it was soon clearly seen, that the variation of exchange of these stocks (or their depreciation, as we call it) was so enormous and extreme, that any application of the ordinary rules of law and practice to them, would produce the most ruinous injustice and wrongs, and, of course, every idea of that mode of settlement and adjustment was instantly given up.

Their great principle was, that justice and right was the grand end of law, and paramount to any particular rules or established practice, and, of course, ought to control them in all cases of so extreme and extraordinary a kind, as could not fall within the reason on which those rules were founded, but so circumstanced, as that an application of these common rules would unavoidably produce such injury and wrong, as was totally destructive of all that right which was the essential principle and end of all law.

Upon full consideration of all this, by an act of soverignty they adopted the most equitable principles, which they could devise in those great confusions, which would apply to the particular cases that lay before them, and which would, in their operation, produce the most right and avoid all wrong, in the best manner they could think of.

The English House of Commons went so far as to suspend all judgments and executions recovered upon any contract,
tract; for sale or purchase of any stock or subscription, and
also ordered that all persons, who had become indebted
to the Company for South-Sea stock, &c. should, on pay-
ment of 10 per cent. be discharged from any farther demands.
They made many other resolutions (which were afterwards
made acts of parliament) totally repugnant to the common
rules of law and practice, but absolutely necessary to be
adopted in those extreme cases, to which these common
rules could not be applied without the most manifest and
ruinous wrongs and injustice; wrongs of such magnitude as
to affect the trade and credit of the nation, as well as to
bring remediless ruin on thousands of individuals, and, at
the same time, heap immense fortunes on others who had
never deserved them.

I know very well that great pains were taken in France,
to throw much odium and blame on Mr. Law, and to make
him chargeable with the great and ruinous mischiefs of the
Mississippi scheme; and the same industry was used in England,
to cast blame on the directors of the South-Sea Company,
and to father the pernicious consequences of that scheme
on their corruption and mismanagement.

But tho' it may be probable enough, that in schemes of
that vast magnitude and national interest, faults in the man-
geement might be found, which are always made to rest
on the prime movers and directors of them, yet the most cap-
tal and destructive mischiefs sprung from the nature of the
schemes themselves, and would necessarily happen (tho', per-
haps, not in every possible excess and aggravation) if the
same plans were to be set on foot a thousand times over.

But as these schemes were established under the sanction
of the Legislature, in the fullest manner that could be de-
vised, it was not quite decent to admit in the national assem-
blies, that their mischiefs flowed from their nature, but the
blame must be thrown on somebody, as some stupid com-
mittees, in the late times, attributed the depreciation of the
Continental money to the merchants.

This, to be sure, in England, was natural enough, where
they adopt this principle, that when popular discontents
rile very high, one man must die for the people, i.e. one or
more
more victims must be sacrificed, like scape-goats, to appease the people, and thereby parry the resentment due to the minister, or prince, or Parliament, or other principal, from whose folly or misconduct the mischief originally proceeded; witnesses, admiral Byng, and many others.

But let the mischief originate wherever it might, the grand object of attention was a remedy, and this, doubtless, engrossed and occupied the whole wisdom of the legislatures and the respective nations, at the time; for whilst their great interests, both national and individual, were rapidly melting down under the fatal influence of these destructive schemes, even supreme councils were willing to hearken to advice; and, therefore, we may well presume that we have an example of the most consummate national wisdom that could be collected, in the modes of remedy which they adopted.

Nor does any body suppose that one man in England expects that their national debt will ever be paid at par, tho' the present discount or depreciation is but about 2½ per cent.; or that more interest will be paid than the real value of these stocks or certificates require; the present interest paid on them being 3 or 3¼ per cent. whilst the common interest of that country is 5 per cent.

I do not pretend to refer to any thing, which might be done in the old days of barbarity and ignorance; but I do not recollect having ever heard of one modern prince or State in Europe, who ever attempted to pay his soldiers or other public creditors, in certificates, or stocks, or negotiable securities of any sort; except when such payment made a part of the original contract, as the contracts for navy supplies are payable in navy bills, &c. All that I know, which is at all like it, is paying armies, &c. with base coin, which some princes have done; but this was a State-cheat universally detested; nor could all the authority of such prince ever give such base coin a currency beyond its real value; nor did I ever hear of much it being called in and redeemed at full nominal value.

This I take to be the practice of the nations of Europe, in cases similar to the one I am pleading; and, I think, a very little discretion on our part might induce us to imitate their
their prudence and virtue, profit by their example, and avoid their errors.

But it may, perhaps, be more important to our internal quiet, to advert to what has been the practice of our own States in similar cases; for any innovations, or departure from known usages and customs among ourselves, may give more dissatisfaction to our people, than any deviation from European practices, which, tho' perhaps equally wise, yet are less known and considered among us, than our own.

The loan-office certificates issued by our own supreme council during the war, are all estimated by a scale, the principle of which is the value of them at the time of their dates; the value of our Continental and State money has been estimated by either the general scale of Congress, or that of particular States; this method was indeed neglected too long, but was at last fully adopted, upon the plainest reason and most urgent necessity; and when our Continental and State money depreciated down to nothing, it all died where it was; nobody ever thought of appreciating it again, by a redemption at its original value.

The Old Tenor and other bills which had a currency in many of the States long before the Revolution, were redeemed at their current exchange, without the least regard to their nominal value.

And can any possible reason be given, why we should adopt an innovation (proposed and urged by many) respecting the certificates in question, which is a total departure from the constant practice of all the States before, at, and since the Revolution, in all cases of similar reason; an innovation, which, by its natural and necessary operation, must and will not only produce immense and ruinous wrong to numberless individuals of most deserving citizens, but will also disgrace and disparage our public credit, honor, and dignity, and discourage the confidence of our own citizens and foreigners in our national justice and morality?

Indeed, the ordinary rules of law would do infinite mischief and injustice, were not the rigor of them to be softened and corrected by chancery; the powers of chancery ought always to control the common law, whenever, in any case, the
the application of the ordinary rules of law will manifestly destroy right and justice, or work a wrong; for law is certainly perverted and needs correction, whenever it destroys right, or does wrong.

The supreme power of every State is the supreme chancery of it, and always hath, and must have, sovereign authority to repeal, to limit, or control every rule of law; and may, and ought to, do it, whenever that rule operates by way of destruction or defection of right, or producing wrong, for justice and security of right can never be perfect, or even tolerable, in any State, without the existence of this power, and the prudent exercise of it.

When all the foregoing reasons, the practice of all our own particular States, and also, that of our own supreme council, as well as that of all the States of Europe, in similar cases, as far as their practice is known to us; I say, when all these things are duly considered, I think my great conclusion will be admitted very readily, viz.

That our most deserving and patriotic citizens (whose cause I have been advocating) must be paid; that the welfare of our own citizens require it; that our character of honor and justice, both at home and abroad, requires it; and that we shall be deemed by the nations of Europe, the veriest knaves in policy and finance, as well as knaves in practice, if we do not do it.

I will subjoin one short observation here, because I think it of great importance, viz. it is the great interest, duty, and honor of every government, not only to pay their contracts honestly and in good season, but also to grant proper compensations to all their citizens, who, by patriotic exertions, deserve the notice and rewards of their country; this will enable government at all times to command every possible exertion of their people, either in the way of services or supplies, and will induce them to hasten with cheerfulness and pride, to offer to government anything they have or can produce, which the public service stands in need of.

Whereas, if these noble spirits find themselves neglected and forgotten, and that in their country's service they have labored
labored in vain, and spent their strength for nought, their zeal for the public service will become very languid, and not only so, but the example of their disappointment will operate by way of great discouragement of their neighbours. Nothing animates and keeps up the spirit and good-humor of a nation so effectually, as a full confidence in the justice and gratitude of its government; and this is the deepest and firmest foundation on which the wealth, the peace, the honor, and the establishment of a nation can be built.

For this great purpose, excessive and extravagant allowances are by no means necessary, but are even criminal, when the finances are low and straitened, for we ought, at least, to be just before we are generous; the honor of the service and the acceptance of government, are the grand inducements to noble, patriotic actions; and moderate compensations, adequate to the services and merits, will be perfectly satisfactory; more than enough need not be given to any one, for that will make it necessary to give less than enough to some other.

On the whole, raising the great sums of money necessary to satisfy all the real public creditors, will, under proper management, be no great burden to the States; the levying them as fast as the honor and justice of the States require, will not impoverish them. Large sums collected from the body of the nation, if they are paid out again and distributed over the same nation, especially if the collection is principally made from the richer fort, and the payments made to the poorer fort (which will be the case, on the plan I propose) this tax, I say, will rather prove a benefit than a burden.

It will increase the circulation of cash; it will stimulate industry; it will enable thousands to pay their debts, who otherwise could not do it; and, of course, it will enable thousands to receive the debts due to them, who must otherwise lose them; it will enable very many poor to support themselves, who otherwise would be a burden on the public or private charity; it would tend to equalize the wealth of the community, by giving every one his due portion of it;
and thereby prevent the riches of the country from accumulating in few hands, &c. &c.\

These are no small advantages resulting from taxation; and, I think, their effects on the nation at large will compensate the burden of it, and probably yield a balance of advantage; especially if the tax should be levied by an impost on imported luxuries, and thereby lessen the consumption of useless and hurtful articles; which would operate to the benefit of the community, even if the money produced by the tax was all thrown into the sea.

This mode of taxation may easily be made adequate to all the exigencies of the State, and leave no occasion of reverting to either an excise or direct taxation, both of which will be much more difficult in their assessment, more expensive in the collection, more disagreeing in the mode of demand, more burdensome to the subject, less equitable in pretension, and much more uncertain in the product.

I now, with the utmost confidence, submit it to the heart, to the feelings, and to the conscience, of every citizen of the States, that I have exhibited proofs, not barely sufficient

* It is here very worthy of notice, that these salutary effects will naturally and fairly flow from my plan of paying the public moneys to the real, original creditors, who are scattered over all the States; and payment to them will, of course, not only afford such relief as will be highly convenient to them and their neighbours, but will also produce such a brisk circulation of the money so paid, as will be greatly beneficial to the whole nation.

Not so, but in a manner widely different, will be the operation of the scheme of paying these moneys to the speculators; about one-third of whom, I am told, are foreigners, who will carry their share of the money out of the country, never to return again; and the other two-thirds, if paid to the speculators here, will not probably produce any general increase of circulation of money, or other benefit to the public.

For money obtained by sudden acquisition, without industry, merit, or earnings, seldom proves any benefit either to the possessor or to the public, but generally produces luxury, vanity, pride, and hurtful example of prodigality and waste, till the whole is expended, and then the poor objects and their families are left much more forlorn and distressed than they would probably have been, had the money never have come into their hands.

I think any body may observe the very different effects and operations of these two plans, and it appears to me, that little penetration will be necessary to discern that the gain lies on the side of godliness; and, of course, if we reject the right, with so many benefits annexed, and adopt the wrong, with such a train of mischief at the heels of it, however our integrity may be unimpeachable, our position will be doubled, and will appear to many people altogether inadequate to the management of the finances of a nation.
sufficient for full conviction, but so plain, that any person
must put violence on himself, who will not be convinced,

I. That the real public creditors, whose cause I am
pleading, have not yet been paid; this is as plain as that 20s.
is more than 2s. 6d.

II. That they ought to be paid, with the first monies we
can get; this is as plain as that "the laborer is worthy of
his hire," or, that contracts made on valuable consideration
given, ought to be fulfilled.

III. That I have exhibited such a statement of our finan-
ces or resources of supply, as demonstrates that they can be
paid; that the payment of them would not be a burden or
distress on the country, but rather a benefit, a manifest ad-
vantage, to our people at large: and,

IV. That from most essential considerations of public
justice and honor, of national character, both abroad and
at home, and of the internal peace and establishment of
our nation, it follows most clearly, that they must be paid.

I do not know any thing farther necessary or that can be
done, but to give this Essay some inscription, which may
direct it to some particular attention; for that which is of-fered to the public at large, is generally considered as every
body's business, and so is apt to be in fact nobody's, and, of
course, becomes neglected.

As I mean, in this Essay, to plead the cause of national
justice, I wish to address it to Congress, and beg the pa-
tronage of that august body;

Not merely because they are the fountain of national jus-
tice, and their deciions alone can administer the remedy
which I solicit; but also,

Because many very respectable personages, who now
compose that supreme council, were, during the war,
either concerned in the most capital public transacions in the
cabinet, or were officers of most distinguished rank in the
army; and therefore, by near inspection, were enabled to
judge in the best manner, not only of the importance of the
merits and services herein urged; but also of the spirit,
fidelity, and patriotism, with which they were rendered to
the public; and also,
Because I wish to set up the claim of these worthy, deserving patriots, along side of that of the present holders of certificates, who (I am told) have presented their petition to Congress, in which they count very largely on the merits, services, and sufferings of these worthy citizens, of which they exhibit pathetic and very moving descriptions, but after all, very modestly request, that the money due to these very meritorious citizens, may be paid to themselves.

I think, I can introduce my friends at least under the advantage of old acquaintances; whereas the others, I conceive, are mostly new faces.

I have great confidence, that my plea for citizens of such merit and respectability, will meet at least the attention, if not the approbation and patronage, of Congress.

But after all, if it should be the final determination (which I cannot suppose) that the certificates shall be considered as full payment to those who received them, and that nothing is now due to any but to the possessors of these certificates, I have one more motion to make, viz. that the original holders of these certificates should be preferred and first paid, as claiming payment of debts of a higher nature, and grounded on greater merit, than the others can pretend to.*

I know

* Congress, in their last session, after long debate, rejected the whole plan of discrimination between the original creditors or holders of certificates, and the speculators or the holders of assigned certificates, and, without any distinction, admitted alike the claims of all the present possessors, and, by their funding act of August 4, 1792, funded all the certificates at full value, or 20s. in the pound, with interest payable quarterly on two-thirds of their amount, from the first day of January, 1791; and the other third, with interest to commence the first of the year 1801, or ten years from said January 1.

The certificates for interest, called indents, are excepted out of this provision, and are funded at an interest of 3 per cent, only.

By this act, an enormous sum of the public money is appropriated for the payment of speculators, who never earned it, nor pretend to hold out any sort of right to it, which is founded on their merits, or earnings, or valuable consideration paid, but claim it entirely in right of others, to whose merits and earnings the money was rightfully due, and which they make title to merely by force of the common rule of assignments, which, it appears to me, cannot admit any reasonable application to this case.

Whether it is the design of Congress, by this statute, to cut the real, original creditors off from their pay of that part of the balances which they have never
I know that Congress, like all other similar bodies of supreme authority, must necessarily have a great variety of important, different, and sometimes, contending interests, referred to their decision; and, of course, the several parties will use all possible arts, address, and influence in their power, to bend the mind of that august body to their several wishes.

It is very difficult for any body of men, thus befet and surrounded (if they have any passions or prejudices at all) to pursue a course perfectly direct, and free from error; yet so very important and consequential is every decision they make, and every measure they adopt, that the fate of millions hangs on their lips, and the fortune of millions is balanced by the motion of their hands.

Therefore, under a due impression and sense of both the difficulty and importance of their stations, councils, and actions, all good men ought to be candid in their opinions, moderate in their censures, and very zealous and sincere in their prayers that Almighty God would, in all their difficult consultations, give them that wisdom which may direct and lead them to such decisions as may be conformable to natural right and justice, conduce to his glory, and establish the peace, happiness, security, and best good of our country.

never yet received (and which, I suppose, is yet justly due to them) I know not; but I take it, that this is the light in which it is generally understood.

If this is really the case (which I cannot yet believe) I have only to lament that all the arguments I have published, which appear to me to be very strong, clear, and conclusive, and all the concern I have felt for this great subject, are vain and fruitless, and I suppose I ought to set myself down as an idiot, stupid as a post, because I cannot perceive an iota of reason or justice in a measure, which appeared to Congress to clear and just, as to induce them to adopt it in a solemn, public act. or may I rather be indulged in the thought that a Prince, a Diet, a Parliament, a Congress, an Assembly, however high in dignity, and however important to mankind their decisions are, may err, and, what is more, may, on revision, be convinced of their error, and—correct it?

Facili deceptus Averni:
Noste atque dies potest atrei junxa Ditis;
Sed revocare gradum, superasque rovadur ad auras,
Hoc opus! hic labor est!—

Virgil.

A REVIEW
A REVIEW OF THE PRINCIPLES AND ARGUMENTS

Of the two foregoing Essays, viz.

The Seventh Essay on Finance, and The Plea for the Poor Soldiers;

WITH SOME OBSERVATIONS ON THE FINANCES of the UNION.

I. THE finances or management of the stock or revenue of every State or individual, from the greatest Empire down to the least Republic, from the highest company to the lowest partnership, from the richest landlord or merchant to the poorest peasant or pedlar, determines their fortune or fates, is the great principle out of which their peace and plenty, or their embarrassment and straits, must grow, and from which must proceed their final honors and success, or their disgrace and ruin.

This subject, of course, becomes an object of most capital concern, and ought to be an object of first consideration, both of every community and also of every individual.

Therefore,
Therefore, when any plan, either of political manœuvre in a nation, or business in lesser communities or individuals, is in contemplation, to count the cost becomes an indispensable part of the deliberations.

And when the cost is properly computed or counted, the next thing is, to look out for and find revenues or incomes sufficient to pay it.

An error in either of these, i.e. a wild calculation of the expense of any proposed plan, or a wild and deficient estimate of the income or revenue sufficient to pay it, is the common and usual cause of bankruptcy, breach of faith, and loss of credit, in both the one and the other, and of all the disgraces, embarrassments, and other ruinous consequences which must flow therefrom.

II. The capital stock of a nation or individual is the wealth each possesse, and the resources which are with certainty within their power; but the more proper and safe way of computing the stock is rather by the yearly income or revenue, than by the capital; because if the annual expenditures exceed the annual incomes, the capital stock must be left in debt at the end of the year, which, if continued, must soon produce embarrassments and straits, and even bankruptcy in the end.

It often happens that much valuable property is so conditioned, that it will not produce any yearly income, or, at most, not any that is adequate to the interest of its value; therefore, it would be very imprudent for a nation or individual to make calculations of yearly expenditures, grounded on such estates, for they will fail of supply otherwise than by way of mortgage, which ought to be avoided as a left, because it is a fatal, reft.

III. But let the stock or finance of a nation or individual be ever so good and affluent, yet every advantage of it must and ever will arise from, and be limited by, the justice, honestly, and truth, with which it is negotiated or administered. Honest payment of just debts, and fulfilment of contracts, are most essentially necessary to give either a nation or individual the command and control of all the supplies and services,
services, which can be furnished within the circle of their influence.

For all persons will hasten with eagerness to render all supplies and services in their power to an honest, grateful paymaster, and will avoid, with a proportionate reluctance, furnishing either the one or the other to a dishonest, dilatory, or trickish paymaster.

And, of course, all supplies and services, in the one case, will be obtained in the easiest, quickest manner, and will be executed and rendered in the highest perfection (as there will be choice of materials, stores, and workmen) and in the cheapest way, and at the lowest rates.

But, in the other case, both the supplies and services will be embarrassed in their acquirement, will be executed and rendered in deficient manner, and at very high prices; for every one is loth to deal with a bad paymaster, nor will suffer himself to be engaged or employed by him, unless he is impelled by some urgent necessity, or induced by the offer of very high price, or great emoluments.

IV. Economy and prudence in expenditures is absolutely necessary to the obtainment of the great advantages and benefits of the revenue or national stock; without this, that justice and honesty in the management of the revenue can never be practised, which is essentially necessary to its ends and uses: for if the revenue or stock is wasted by needless expenses, those which are necessary must be unprovided for; if large, fictitious, and groundless demands are accepted and paid, debts which are by honor, contract, and real merits, justly due, must lie unpaid.

This operates not only to the great injury of the real creditors, but also to the embarrassment of the whole community; for every branch of business in the nation stands connected with the public finance, as the public debts are great and extensive objects of dependence and exchange, and, of course, any disappointment in these will generate innumerable disappointments in the course of currency thro' which they ought to pass, and, of course, will either directly or remotely affect every branch of business.
We have had late and large proof of this kind of vexation, in the numberless instances of persons who could not carry on their business, or pay their debts, because they were disappointed of receiving monies due to them by the public: such a mode of financing as this will ruin any nation in the world.

The foregoing propositions and remarks I consider as maxims or first principles, which force the assent of the mind at first sight, by a kind of intuitive proof or instant perception, and which nobody will ever think of denying; I therefore premise them like axioms, on which I may safely proceed to build any doctrines or plans which really rest on these foundations, or come within their essential principles and reasons.—I go on now with my Review of the Principles and Arguments of the two foregoing Essays.

The great principles of the two foregoing Essays are comprised in the following propositions:

I. That all certificates delivered to the public creditors, ought to be placed to the debit of their account, at the value or exchange of them at the time they received them, and the remainder or residue of the debt due to them, ought to be paid to them with interest; and that all certificates, when brought into the treasury, ought to be paid to the bearer, whether an original holder or alienee, at the value or exchange, which each of them bore at the time of its date, or at the current exchange at the time of redemption, as the case may require. If this cannot be admitted, my second proposition is,

II. To pay all certificates brought in by the original holders, at full nominal value, with interest; and to pay all the alienated certificates at the value or exchange they bore at their dates, or at the time of redemption, as the case may require. If this cannot be admitted, I propose,

III. That the original holders be first paid, and the speculators, last of all, if they must be paid at all.

The great principle or substance of my argument is, that the public money ought to be paid to the real, original creditors, who, by rendering supplies and services to the country, have really, meritiously, and painfully earned it: for,
1. Their demand is founded on the most solemn contract of Congress, who had good right to make such contract, which binds the honor, the morality, and justice of the country, and nothing but payment can discharge the country from the guilt of injustice, and violation of faith and truth most solemnly plighted to them.

2. They fulfilled the whole of said solemn contract virtuously, honestly, and very painfully on their parts, and therefore, on every principle of merit and earning, are entitled to their pay.

3. The infinite benefits we derive from that contract and their faithful fulfilment of it, afford another argument why we should pay them; we cannot honestly enjoy the benefit of any man's labor, without paying him his hire; it is to the supplies and services of these men, that we are indebted for our country, our lives, our estates, our liberty, and our independence, and all the blessings of a free government, uncontroll'd and unbiased by any foreign power or influence; and it ought not to be thought possible, that such an American government, which derives its existence from the exertions, the travails, and perseverance of these patriots, should, by a public act, deny them their pay, their hire, their reward, for merits which have been so beneficial to us, and painful to them; or should suffer any how the public money, carved out of the wealth and earnings of our citizens for the very purpose of paying these worthy patriots, to be diverted from this desirable object, or to be applied to any other purpose whatever.

4. The heart-moving and unparalleled distresses of very many thousands of these worthy patriots for want of their pay, is another cogent reason why they should be paid: I do not say, that the benefits we receive from their merits, or the distresses they suffer from our breach of faith and promise in denying them their pay, increase or alter the stipulations of their contract; but both have a strong effect on the gratitude, the benevolence, and compassion of the human mind, which are virtues of such precious and primary consideration in society, that, I think, no government ought to be callous to their influence, or hardened into an insensibility.
We all think it worse to refuse a laborer his hire, when he and his family must starve and perish for want of it, than to deny payment of an equal sum to a rich man, who had a equally just demand, but whose fortune would enable him to bear the loss without pain.

5. These original creditors have not yet been paid, but in small part, and therefore the remaining balance is still due to them, and ought to be paid. Nobody pretends they have ever received any payment but negotiable certificates made payable to the bearer, and worth on average, when they received them, about 2s. 6d. in the pound; these certificates, I say, ought to be debited to them at their value or current exchange when they received them; so much they have received, and no more; and the residue of balance due to them ought to be paid to them.

I have attended to all the debates on this great subject, both public and private, which have fell in my way, but I do not recollect one person who ever seriously insisted, that the certificates delivered to the public creditors were full payment of the debt due to them; but this notwithstanding, I have heard many objections, silly and nugatory enough, strongly urged against making any further payment to those who had sold their certificates.

1. One was, that if they had not sold their debt, they had sold the evidence of it, and so could have no further demand: this is not true; the evidence of the debt is the public books, where their accounts are adjusted, and the balance due to them is entered; and nothing can justly be objected to this but some evidence that the debt has been paid; which evidence, the certificate, if produced, could not supply. Further, the certificate, if produced, could not be so good evidence as the public books; for the one might be counterfeit, the other could not be: suppose a man brings suit on a record, of which he has some time or other taken a copy, and produces the record in court; can it be objected to his recovery, that he has not produced the copy? Or, if a man brings suit on a contract, and has three witnesses to it, two of which he produces, who fully verify the fact; shall he lose
lose his cause, because he did not call in the third witness?

The public creditor who demands his pay, must doubtless bring evidence sufficient to support his suit, i.e. the proof will lie upon him, and if he can, in any way, verify the facts, and support his right, he doubtless ought to be paid.

2. Another objection has been made, viz. that all the original creditors who sold their certificates, were not driven by necessity to do this; and what if they were not? can there be any crime or disqualification in selling a negotiable certificate, made payable to the bearer, and purposely calculated, like bills of money, for negotiation and currency thro' any and every hand?

3. It has been objected, that some original creditors sold their certificates thro' diffidence of the public faith. And what if they did? Do you think they were singular in their diffidence? Suppose any man wants confidence in his debtor, and fears or doubts that he shall lose his debt; can that affect the justice of his demand, or his right to payment?

4. Another objection to any further payment, because some of the creditors who sold their certificates for 2s. 6d. in the pound, had managed their 2s. 6d. so well by a seven years' negotiation, as to make 20s. out of it.

5. Another objections, that many of the public creditors were of such a dissipating turn, that if they were paid the whole 20s. due to them, they would soon spend it, and, of course, would be no better but rather worse off, than if they had never been paid.

Now, gentlemen-readers, suppose any private debtor should be summoned into court, at the suit of his creditor, for a debt of 20s. and he should show that he had, seven years ago, paid his creditor 2s. 6d. of the debt of 20s. and plead any or all the foregoing objections against any further payment of the 17s. 6d. which remained due; can you imagine that the court would allow such plea to be good in law or equity, and sufficient to discharge the debtor from any further payment? And if these pleas and objections should appear
appear trifling and ridiculous in a private concern, can you bring yourselves to believe they would receive any additional weight or dignity from being introduced by any most dignified personage, and urged in the most august assembly on earth, against paying public creditors circumstanced in the same manner.

But the great objection still remains, the clincher that is to support the whole plan, and to connect the parts together, as to make the whole consistent with law, reason, right, and justice; for certainly no plan can be justified, which has not all these qualities. This capital objection to paying the original creditors, who have sold their certificates, the balance of the debt, which has never been paid to them, is this, viz.

They have sold their certificates, and thereby conveyed to the purchaser all their right to their demand or debt due to them. As much stress is laid on this objection, it requires a particular consideration.

1. If the public promise or faith is supposed to be given in the certificate, it was broken the instant it was made; it was violated in the very birth of it; it was verbal only, not real; the words expressed the nominal value, but the reality or meaning sunk down instantly to the current value, by the very construction which Congress itself fixed, by their scale, on like words in the loan-office certificates, and under this construction they passed, by universal consent of buyer and seller, from hand to hand.

The wrong was instantly done to the original creditor, and he instantly sustained the injury and damage, and, consequently, if any thing is to be done in future time to compensate or repair that damage, it ought so to be done, that he who suffered the injury and damage, may receive the benefit of it; making this compensation to a stranger, who suffered nothing, is no repair of the wrong done, is no sort of restoration of injured right, and is, of course, nugatory and ridiculous.

2. But, in real truth, if the public faith was designed to be really plighted at all, it was annexed to the debt, not to the certificate; the debt was founded on the merits or valuable
valuable considerations out of which it grew; and to these it adheres, and carries with it the promise or public faith which is annexed to it.

The certificates and these merits are very widely different things; the one depreciated to 2s. 6d. in the pound; the other kept their value without the least diminution; the one was transferred; the other was not. The speculators can produce the certificates, but they cannot produce the merits, of the original creditors: these they never bought or paid for, and, therefore, can have no right or claim to them, or the rewards of them, i.e. to the debt annexed to them; for it is impossible that one man should have a right to the labor or hire of another, without paying a valuable consideration for it; if it was even agreed to be transferred without this, the transfer would be void as a nulsum pactum, not only by the laws of the land, but by the immutable laws of commutative justice.

3. The certificate was never either delivered to, or received by, the original creditor, as full payment of the debt due to him, and therefore never comprised or carried in it that debt; nor is it pretended or pleaded by any body as any thing more than the evidence of that debt; and, of course, if the debt can be sufficiently proved by the public books, or any other evidence, the want or absence of the certificate can be no objection to the claim of the original creditor.

4. The certificate, when first delivered to the public creditor, being made payable to the bearer, and expressly fitted and calculated for circulation or exchange, like other bills of public credit, comprised and carried in it some value as long as it could be fold, but, like all other articles of negotiation or exchange, that value was liable to variation according to the rise or fall of the market.

From the two last propositions it clearly follows, that when the certificate was fold, all the value which it comprised or carried in it was fold and transferred with it, and no more; and of course, the purchaser, by the sale, became entitled to that value, and no more: the rest of the debt staid behind, and stuck fast to the original merits out of which it originally grew, and in the place where it al-
ways belonged; i. e. the original creditor, by the sale of his certificate, fold and granted all that he received, and no more; and that part which he had not received, he retained; and has a right to call for and receive, whenever he pleases.

5. A reference to the real design of Congress in issuing the certificates, especially at the close of the war, may cast some light on this affair. We are not to suppose that Congress issued negotiable certificates for 40,000,000 of dollars, worth but 2s. 6d. or some such trifle, in the pound, with real, serious design to load the nation with the immense burden of redeeming them at 20s. in the pound, wholly for the benefit of the bearers; by far the greatest part of whom, they had every reason to suppose, would be strangers not only to the merits, out of which the debt certified originally grew, but to any such services, or even kind wishes, for our country, as could deserve the public notice; and many of them strangers to the country itself.

We never ought to impute bad intentions; especially to public bodies of dignity, where their actions will equally well bear a favorable construction. I think, we are rather bound in charity to suppose, that, as Congress found the public treasury so exhausted that it was impracticable to make even a small, partial payment to the public creditors, they might think that negotiable certificates would sell for something, which, tho' little, might be better than nothing, and afford some relief, till the country could recover a little from the ruins of the war, and arrange the finances into some productive state, which would supply funds sufficient for full payment; and that, in the mean time, they might safely trust to the wisdom of a future Congress, to adopt modes of redemption of such certificates, either similar to their own scales then in established practice, or some other which might do justice to all, or at least something near it, and bring ruin on nobody, nor even disappointment; for such a limited redemption was expected by every body at that time.

They had been long accustomed to issue public paper with the public faith plighted in words expressive and solemn enough, which yet, by their own scales and by general acceptance, were reduced, in construction or meaning, down to
to the current value or exchange which their paper obtained; and when they issued the certificates in question, I have no doubt but they considered themselves merely pursuing their long usage or practice, and conceived that the public paper they then issued, with all the rest that preceded it, would, in time, find and meet some reasonable mode of liquidation and final redemption, tolerable to all, and ruinous to none.

In this view of the matter, tho' the means they adopted may not be deemed altogether proper (and perhaps, under the public pressures and necessities which then existed, no means could be hit on wholly free from exception) yet their intentions may be admitted to be just, salutary, and benevolent, and agreeable to the general expectation.

Whereas, on the other hand, to suppose them deliberately loading the States with a debt of 40,000,000 of dollars, for only 5,000,000 which they received and had the benefit of, is monstrous, which becomes still more hideous, if this horrible plan was designedly so formed that, by its natural operation, it would, in the end, cut all such of the original creditors who took benefit of it, off from 7-8ths of their pay or the debt certified to be due to them. But,

6. To suppose that the whole debt due to the original creditors is comprised in their certificates, and transferred by the sale of them to the purchasers, by the common rule of assignments, I say, this supposition will demonstrably prove either that the common rule of assignments is wrong and bad in itself, or wrongly applied to this case: but wrong in itself it is not; for it is plainly enough very good and useful in its place, i. e. within its due mean and reason; therefore, in the case in question, the application is wrongful, i. e. the rule will not admit a reasonable application to the facts, on which its operation is demanded.

For every law divine and human, every practicable rule of morality or sound policy, is and must most necessarily be founded on justice and right, and, in its application, must produce justice and right, and avoid injury and wrong; therefore, whenever any law or rule, however sacred in itself, is applied to any facts or case to which it so ill suits, that its necessary and unavoidable operation will be to destroy right
right and justice, and to produce wrong and injury, the application is certainly wrongful; in such case, the true use and meaning of the rule is mistaken or perverted.

All laws of every country are so capable of application to cases which are out of their reason, that a Court of Chancery makes a part of every judiciary system; the authority and duty of which is to control and soften the extreme rigor of the law; and when any statute or other rule is of so high authority that the powers of the court, do not extend far enough to give relief, application is and ought always to be made to the supreme authority, which is ever the supreme chancery of the State, to repeal such law, or explain and limit its true meaning, and correct the errors and wrongs of it.

Now to apply the foregoing position (which certainly no man will controvert) to the case before us—The opinion in dispute, 'that the sale of a certificate transfers the whole debt certified, to the purchaser, by the common rule of assignments,' cannot be true, because this would necessarily involve and imply great wrong and injustice, viz. it would take away the rewards due to the merits and earnings of our most meritorious citizens, and give the monies due to them to another class of people, who are not entitled to any of it by any kind of valuable considerations, merits, or earnings whatever, i.e. it would cut the original public creditors, who, by their merits and services, supported the war and saved their country, off from the rewards, the pay, the hire due to them, and give the same to the speculators, who never served or saved the country, and to whom we owe nothing.

This takes the public money to an immense amount, from a vast number of most deserving citizens, scattered thro' every part of the Empire, who have dearly and most virtuously earned it, and have never been paid, and many of whom, with their families, for want of their pay, are now suffering the pangs of ruin and extreme distress, and all suffer great inconvenience and disappointment; I say, from these worthy, unhappy objects it takes the public money due to their earnings, and gives it to speculators, who have never earned any of it.

These
Thefe effects are unavoidable. Turn, and twist, and
cook the matter into all shapes possible, and these effects
will be found. They must and will exist, if that plan is
carried into effect; the great injustice of which strikes eve-
ry one with a force which the mind cannot refift. No
man ever adopted that plan, but he found the grofs, but un-
avoidable, final injustice of it a great difficulty, hard to be got
over; and this final injustice proves as plainly that the plan
which involves it, is wrong, as that any effect indicates the
nature of its caufe, or that that which does or works wrong,
is wrong: of course, there is an error in the matter so very
grofs and important as to be fatal in society. Society can-
not exist, if the laws of it will not secure to the laborer his
hire, or to the virtuous the rewards of his virtue, or to the
indulrious the fruits of his industry.

In fine, the facts under that plan stand glaring thus:
The original creditors claim their pay by solemn, public con-
tract, by dears earnings, and most virtuous merits; they have
not been paid; the money due to them is carved out of the
labors of the nation, in order to pay them; they can get none
of it, are finally cut off from it, and the speculators are to
get it all, without the least claim of merit, serives, or va-
tuable consideration paid for it.

These facts must be either disproved or avoided (which
cannot be; they are of the meft public notoriety) or the
abfurdities and injuries resulting from them must be swal-
lowed and digested (Good Heaven! what throats and stom-
achs men must have to do this!) or the plan must be
given up.

Many people puzzle themselves to find where the error
or wrong lies: some fay, in the breach of the public faith;
some fay, in the original issuing the negotiable certificates;
others fay, in the folly of the feller, &c. &c. but I should
think it very easy to fee that the error lies in suppoing that
property can be transferred by implication, without any inten-
tion of the feller, and without any valuable consideration paid
for it.

But it matters little where the error or wrong lies; it is
quite enough to know that it really exists, and will produce
its
its baneful effects, and is of such magnitude as to affect the essential interests of the nation, and will do so for ages to come; and, therefore, as soon as the error is discovered, it ought immediately to be corrected or remedied: the national safety, peace, and prosperity require this.

If we sow all over the nation errors and wrongs, they may be unnoticed at first, but will soon spring up and grow into a forest of chagrin and discontent, of wretchedness and ruin. Nothing can give peace and establishment to a nation, equal to 'judgment and justice running down its streets, and righteousness overflowing it.'

It is not uncommon for men of lively genius and eager reasonings, and perhaps honesty too, to pursue their fine-fuud arguments into conclusions that meet obfinate facts, which, like an impregnable wall, must and will stop their progress; but if their obstinacy happens to be equal to that of the wall, they will not be willing to turn about, or even stop, but will go on and beat and bruise their heads till their skulls are broken, and some crevice is opened, thro' which their chimerical ideas can fly out; then, indeed, they will soften into calmness and moderation, and grow willing to hearken to some plan that is admissible by the hard facts which stand round them.

I heard once of a doctor who was called to a sick patient; he felt his pulse, soon thought he found his disorder, and prescribed a dose which killed him. When the doctor was told his patient was dead, he answered with some emotion, that he had no business to die; for he could demonstrate by the most approved rules of physic and medicine, that he ought not only to have lived, but to have got well by this time.

Now, if you please, we will seriously compare this plan in question with mine, which is comprised in my first proposition, viz. to debit the original creditors with the certificates they received, at the value or exchange they bore at the time of their dates, and to pay the residue of the balance due to them with interest, and to pay the certificates at the same value or their current exchange (as the case may require) to the bearers of them, whether original holders or assignees;
alienees; and let us judge of the two plans by this most sure and unexceptionable criterion, viz. which of them will naturally operate by way of most justice and right, and least injury and wrong? for no practicable plan that can be adopted, every one will allow, will operate by way of perfect right and no wrong at all; no public plan that ever was adopted ever came or can come up to this degree of perfection, and all that is or can be in the power of human wisdom and weaknes is to adopt that plan, which, in its operation, naturally produces most right and least wrong. By this criterion then we will judge of the two plans before us, which criterion is (all subtilities of reasoning aside) the only safe one which is practicable within the extent of human power.

1. The plan I oppose pays the immense sum of public money given by the nation purposely to reward the favours of their country, pays this money, I say, to the speculators, who never earned any of it, who do not pretend to found their claim to it on any merits, or services, or valuable consideration, which they ever rendered to the nation or any body else, but demand the compensations and rewards due to the original creditors, without pretending to have paid any valuable consideration therefor to them; and at the same time, the plan denies those immense rewards to those worthy citizens, who found their claim thereto on the most sacred contract of Congress to them, under sanction of the public faith, which binds the country "by the laws of God and man," on the most punctual fulfilment of said contract, on their part; and on their great virtue and merit, in saving their country in its most dreadful danger and distress: if any body thinks there is any honour, justice, or right in this plan, let him look for it, and I believe he will easily find all that is there.

2. The plan I propose is, to debit the original creditors with all the certificates they received, at their current value at the time of their dates, and pay the remaining balance due to them with interest; and to redeem the certificates by payment to the bearer, let him be either original holder or alienee, at
at the same rate, or at their current exchange at the time of redemption, as the case may require.

This plan pays the immense public monies to the people who earned them, i.e. to those who, by solemn, public contract, and by their real supplies and services rendered as the conditions of that contract on their part, are most justly and substantially entitled to them; and, at the same time, pays to the speculators the proper value of the certificates which they have purchased.

This plan, I think, will do the most general justice to the citizens at large, which can be done by imperfect human wisdom, in the present circumstances of the matter. This will place the public monies where they belong, will give every one his due, and no more than his due. This will bring, on one side, wrong and ruinous distress on nobody; nor will it, on the other, heap unmerited, unearned fortunes on any body. This will, in the end, do manifest justice and right to everyone. This ought ever to be our goal, whatever confusion, doubt, and darkness may arise from the chaos of subtile arguments, dexterity of management, and artful disguising and twisting of facts, thro' which we may be forced to make our way in our passage on to this realm of justice, truth, and light: for whatever dark and gloomy passages we may have occasion to pass thro', in the deliberation and adjustment of human concerns and disputes, final justice and right ought ever to be the star that directs our steps, and which will certainly guide us to the rightful issue at last.

I cannot see that this plan will bear hard on more than two forts or descriptions of men, viz.

1. Such public creditors who have real merits and just right to a claim, but, by some means, may not be able to prove their right; and probably, among the infinite number of real public creditors, there may be some of this fort, and perhaps many, who must suffer without remedy; for what cannot be proved, cannot be admitted in any court in the world; but then it is to be noted, that the plan I oppose leaves these sufferers as much unprovided for, and as much desperate and without remedy, as the plan I propose, and, of course,
course, this objection lies with equal weight against both plans, if it is of any weight against either of them.

2. The second sort of men who may think my plan imposes hardship on them, are such speculators as have purchased their certificates at a higher exchange than that at which I propose to redeem them; but this loss or hardship (if it is any) is and always must be incident to such speculations, which, at best, are but games at hazard, altogether useless, barely tolerable, and often very hurtful to the public: I do not, therefore, conceive their loss or gain deserves any consideration in the public deliberations or decisions of this great question, viz. what rate or scale of redemption of certificates, Continental money, or any other public paper, does the general justice, and national honor, and safety of our country, require? But if we were to allow that the losses and hardships of these men were real and pitiful, they bear not the least proportion to the infinite hardship and ruinous distress, to which the plan I oppose subjects countless thousands of our most deserving citizens; even if the calculation is made on either the numbers, amount of loss, or the merits, of the sufferers.

If this alternative cannot be avoided, it can admit no doubt but the lesser must yield to the greater; for it is certainly a less evil to incur the loss of a penny than a pound, or even to do injustice to one man than to a thousand; and of two evils we ought to choose the leaft.

But the morality of the two plans, i.e. the degree of justice and right, or of injury and wrong, which their operation will naturally produce, is not the only thing which ought to govern our choice of them; there is a most important difference both of facility of collection and utility of payment, under them. For,

I. Under the plan I propose, the public money paid will be scattered over the whole nation, thro' every part where the real public creditors will be found; and the money to paid will,

1. Do an act of justice long due to the receiver:

2. Will increase the business of the country; as most of the creditors will be thereby enabled to go into or increase their
their business, who are now restrained and held back, thereby of their stock withheld from them by the public.

3. This money will immediately spread thro' every part of the nation, and cause a great increase of circulation, which will give spirit and facility to the general industry and wealth of our people at large; and as the taxes are all ultimately paid by the consumers, who are spread over every part of the country,

4. The facility of collection of the second tax will grow out of the operation of the first, as the payments will be made more easy and satisfactory thereby; for the people will naturally grow contented under a tax, when they perceive advantages arising out of the increased circulation of cash produced by it, enough to compensate the burden of the tax.

II. But under the plan I oppose, the case will be greatly otherwise; for,

1. One third of the speculators are supposed to be foreigners, and, of course, their third of the money paid (say, 7 or 8,000,000 of dollars) will be sent directly out of the country, never to return again; this drain of cash by annual interest (for nobody thinks of paying the principal) when added to that of the foreign debt, is enough (if we had no other drains) to keep the country poor, distressed, and behind hand for ages to come.

2. The other two-thirds paid to the speculators here, will not be scattered over the country, and increase the general circulation, but will be accumulated in few hands, most of which, according to the common course of human passions, will be applied to make and support nurseries of vice, luxury, pride, vanity, dissipation, and bad example; for fortunes obtained by sudden acquirement, without any merits or earnings, are usually spent in this way; and if few of them should happen to employ their money prudently, it will so far contribute to accumulating the national wealth into few hands, which is one of the worst things that can happen to a nation.

III. Another difference of the operation of the two plans will have great effect on the revenue. When the public
public money is paid for purposes of acknowledged justice, utility, and general advantage, the payment of taxes will be made without murmur, and the collection, of course, will be easy and without disturbance. Paying to the original creditors the hire of their labors, the debt due to them for exertions that saved their country, is a method of employing the public money of most acknowledged propriety thro' the nation; but the payment of speculators is not so popular; it is hard for people to see the fruits of their labor taken from them, and given to speculators who never earned any of it.

This will naturally make the taxes odious; and, of course, the burden of the old taxes, the instituting of new ones, and the collection of both, will soon become objects of general uneasiness, murmur, and ill-bauer; which, when general, will be easily blown up into tumults, insurrections, and a general derangement of the peace and political order of society; smuggling and other avoidances of the taxes may not be the most alarming of these national frets.

In a nation thus tempered, a few men of spirit and enterprise, who may happen to be disgusted, foured with malevolence, and fired with thirst of revenge, may do infinite mischief.

Without the aid of any such incendiaries, I am persuaded beyond a doubt, that any tax to pay the speculators will fit very uneasy on the most quiet and peaceable citizens that can be found among us.

I was lately in conversation with a gentleman of great fortune, and noted for a very generous and peaceful temper, who told me he had just been paying an impost of about 30 dollars for wines he imported for his own use, and added, "had it been to pay our soldiers and other supporters "of the war, I should not have begrudged it, had it been "three times as much; but the thought that it must go to "the idle speculators, makes my blood boil in my veins:"— and I conceive, every honest American that earns his own money, feels just so.

Taxes are ever ranked among the most techy articles of civil police, and require very delicate management; and our revenue-
revenue-system is very young, tender, and not ripened enough into firm, general habit; and, tho' in its infancy, it is pressed with a much heavier load than the country ever felt before; I therefore conclude, that any plan that tends to embroil the finances, and furnish objections and murmurs against the revenue, ought to be reprobated as the most dangerous and fatal measure that can be devised.

IV. There is another objection to the plan I oppose, which I consider very great, and which, I think, is obviated by the one I propose, viz. it encourages and supports idle and hurtful arts and contrivances to procure fortunes by dexterity and sleight of hand, rather than by the old, painful methods of industry, economy, and care. These speculators all have for their object, the acquisition of wealth without earning it, i.e. of getting the hire and rewards due to the labor and merits of another, into their own possession and enjoyment, without any retribution: this therefore is, in its nature and principle, wrongful; and people of this cast commonly spend their stock and time in these pursuits, which, otherwise, they would employ in useful occupations of husbandry, manufactures, or trade; and, of course, so much good stock and time is lost to the public.

I think, this sort of speculations ought not to be considered as merely useless, but hurtful also, and, therefore, ought by no means to be encouraged and supported by any measures of government; especially when their excess has been carried to such an enormous pitch, as to draw after it the ruinous consequences described above, and obvious to every discerning eye.

V. My next objection to the plan I oppose, arises from the general state of the finances of the nation, which I beg leave to introduce, with some previous observations by way of preface.

1. I am not alarmed at a heavy national debt; much less do I apprehend any destruction or ruin from it, if not too enormous; nor,

2. Am I under any doubt or diffidence of either the strength or patience of our people to bear it, if the following limitations and qualities of it are attended to:
1st. If the debt contracted, or the public monies to be paid, are for necessary public purposes, i.e. to support and maintain the real justice, honor, safety, convenience, and well-being of the nation, e.g. to pay the civil list and just debts, for defence against enemies or pirates, for public roads, inland navigation, encouragement of genius, useful arts, &c. &c. &c.

2d. That the debt or annual demand for money does not exceed the product of an impost on imported luxuries, no higher than is necessary to reduce useless, luxurious, and hurtful consumptions down to that moderation that is necessary for the health, morality, and wealth of our people; and,

3d. That the money collected by the tax shall be so paid out, that it may revert in its circulation to, and diffuse itself over, the same States and places out of which the money so collected was originally drawn, i.e. that the expenditures or payments of the money raised by the tax, shall be so made, that it shall revert to and circulate through the same countries and places that paid it.

Under these limitations and restrictions, strictly and uniformly adhered to, no national debt can hurt, much less ruin, a nation; it would, in my opinion, operate like a sumptuary law, and would be rather an advantage and benefit on the whole, than a detriment. But this notwithstanding, I should choose to have the calculations made so, that the annual incomes might a little exceed the expenditures, that there might be a small surplus left to support accidents, or contingencies, or, as the country proverb is, that something might be laid up for a rainy day; but I would not wish to have such surplus very great, for if it was so, I should expect that most administrations would find plenty of contingencies, enough to consume it all—I will now go on to consider the present state of the public debt, as it is exhibited in estimates calculated up to the last of the year 1790.

The certificates of all sorts, now in circulation and to be provided for, amount, by the public estimates, principal, to $27,000,000 dollars; interest due last of the year 1790, to $13,000,000; whole amount, $40,000,000 dollars.

By
By a moderate estimate, and much below what is generally supposed to be the real fact, three-fourths of these, i.e. 30,000,000 dollars, are in the hands of the speculators; the original value of which, when issued by Congress, at an average of 2s. 6d. in the pound, amounts to 3,750,000 dollars; this sum, of course, was paid by the speculators to the real creditors, at the first purchase of them, and, therefore, ought to be placed to the debit of their account; the remainder of the 30,000,000 dollars, viz. 26,250,000 is the clear gain of the speculators, which they never paid anything for, either to the nation, to the original creditors, or to any body else; therefore, that sum, having never been paid by any body, still remains due to the original creditors, and ought to be provided for, and, of course, ought to be added to the estimate of the national debt, viz. 26,250,000 dollars.

The national debt then, in round numbers (for my calculation does not require accuracy enough to make it necessary to insert the broken or fractional quantities) the national debt, I say, as calculated up to the end of the year 1790, will then stand, in round numbers, nearly as follows, viz.

Foreign debt, including interest, about (somewhat less) - - 12,000,000 doll.  
Domestic debt, funded, about (somewhat more) - - 40,000,000 do.  
Domestic debt, unfunded, computed at 2,000,000 do.  
State debts to be assumed, computed at 25,000,000 do.  
Balance due to the original creditors, as computed above - - 26,000,000 do.  
Provision for particular applications, where the justice of the demand and hardship of the claimants require relief (incomputable) but say - 4,000,000 do.

Total of the national debt 109,000,000 do.  
Annual interest of foreign debt by public estimate - - 542,600 doll.  
Annual
Annual interest of domestic debt, viz.
97,000,000 dollars, at 6 per cent. 5,820,000 doll.
Civil rent, computed at 6,000,000 do.

All these added together, make the amount of the yearly expenditure, computed for full payment 6,962,600 do.
The whole annual revenue now in existence is estimated at about 2,600,000 do.

Which subtracted from the annual expenditures, leaves a deficiency to be provided for, of 4,362,600 do.

From this statement it appears, that the whole present revenue is less than two-fifths of the yearly expenditures; a little more than two-fifths of it are absorbed by the civil rent and interest of the foreign debt, and about two-thirds of the remainder are appropriated to pay the clear profits or gains of the speculators, and the debts due to the original creditors come in for the other third, but by such an unequal distribution, that far the greatest part of them get nothing at all; and those who do come in for something, get but two-thirds of the debt confessed by everybody to be due to them.

For the truth of this statement I appeal to the public books, estimates, calculations, and records, except my estimate of the exchange or value of certificates, which is a matter of public notoriety, and I leave any body to correct it, who can.

Out of this statement, I think, arises a very strong objection against the plan I oppose. I think it is manifestly wrong, especially in the distressing facts and deficiency of the revenue, to bestow 26,000,000 of the living funds which the revenue can supply, on the speculators, who never paid any thing for it, either to the nation, or to the original creditors, whilst there remains due to said creditors a debt of above 50,000,000, which is not only unpaid, but totally unprovided for; and especially when it is considered, that this neglected debt is originally founded on the most solemn, public contract, and the most faithful and painful fulfilment of it on the part of the creditors.

I do
I do not at present advert to any but the following questions, that can arise on this statement of the public debt and the existing revenue.

The first question to be considered is,—whether this statement is wild and ideal only, or really true and grounded on such facts as will support it? For my part, I have not any particular knowledge of the facts on which it is grounded, and, of course, do not object to any of it, except that part which adopts the clear gains of the speculators into the public debt, and loads the nation with the burden of 26,000,000 dollars to pay them, and of 800,000 more, to raise the old Continental money out of the grave where it has quietly slept more than seven years.

The second question which offers itself is,—whether any part of the public debt, included in the above statement, can be reduced, docked off, or thrown out? There are but two items which, I conceive, can admit a doubt in this question:

The first is,—the 26,000,000 dollars appropriated to the payment of the clear gains of the speculators. This, I think, ought to be rejected for all the reasons assigned above.

The second is,—the balance of the same sum due to the original creditors. I think (whatever may be decided as to paying or rejecting the clear gains of the speculators) this item of the statement ought to be admitted and paid, for all the reasons above urged, and this additional one, viz. the character of the nation abroad for justice and honor, requires this.

For let us suppose that one of our embassadors at a foreign court should, in some grand circle, happen to harangue a little on the justice, honor, political constitution, strength, riches, and blessings of his country, and some grave man, with much meaning in his countenance, should reply to him—"Sir, all you say of the blessings of your country, may be true for any thing I know; but it seems to me, the justice and honor of it are not quite so clear; for I think I have heard that your Congress refused to pay to those noble and patriotic citizens, who, with their blood
and travail, purchased for you all these blessings you boast of, the rewards, the simple hire due to them by the most sacred, public contract that could be made, and faithfully fulfilled on their part, by exertions and services, the most noble, arduous, painful, and persevering, of which we have any example in history."

I suppose, in such a case, you would not wish to see our ambassador daubed out of countenance, pocket the affront, and flink into a corner; but if you think some reply necessary to bring him off, and as he may not have one-ready cut and dried at hand, I wish any of you who opى.of this payment, would make a suitable one for him, that he may be properly armed at all points to defend the honor of his country, whenever it may be insulted or attacked.

Third question. As the present revenue amounts to less than two-fifths of the yearly expenditures, according to the above statement, the next question is,—can the revenues be increased up to the amount of the necessary annual expenditures? i.e., can the duties or taxes be raised up to three-fifths higher than they now are? I conceive this will be difficult in the affront, and more so in the collection; indeed, it appears to me totally impracticable, as things stand at present; and the idea of deferring payment, and loading the nation with an installment to be paid ten years hence, brings to my mind a young rake, who bought a horfe, and agreed to pay for it "at the next election," but surreptitiously drew the note payable "at the resurrection," the creditor applied for payment; the rake plead that the time was not come; on which the creditor applied to his father, who was a grave, ferious man; he called his son, and asked why he did not pay the debt; the son replied, that it was not yet due, as he would see by the note; the father replied, "Ah! young man, pay the debt instantly; I fear, at the rate you go on, you will have enough to answer for at the resurrection, without this note against you."

Fourth question. If the revenue is not adequate to full payment, ought not the actual payments to be made by dividends, payable to every creditor in equal proportions of the debt due? In such case, to pay part of the creditors half
or two-thirds of their demand, and nothing to the rest, is contrary to the most received rule of distributive justice, in all cases of private bankruptcies or stoppages of payment; and I can see no reason why the same rule should not extend to the deficiencies of the public revenue.

Fifth question. If the public revenues are deficient, ought any creditor at all to be paid any thing; till the whole debt is liquidated and reduced to a certainty, without which it is impossible to make the requisite dividends? A negative answer to this question seems to be so clearly just and proper, that I cannot conceive that it will be disputed.

But after all, if the first proposition of my plan above urged cannot be admitted, and the final decision must be, that the original creditors who have sold their certificates, have, by the sale, extinguished their demand for any further payment; that no evidence of the debt can be admitted, but certificates; and no payment of the debt certified in them, can be allowed and made to any body but the holders of them (all which appears to me to be strange doctrine) I beg leave, if this must be the case, to introduce my second proposition, viz.

That all original holders of certificates be paid the full nominal value of their certificates, principal and interest; and that all alienated certificates be paid to the bearer at the rate, value, or current exchange they had at their dates, or at the time of redemption, as the case may require, i.e. so that no certificate shall be redeemed at a higher value or exchange than it bore at the time of its date, or (if, after its date, it depreciated) at no higher exchange than shall be its current value at the time of redemption; for the public never received any valuable consideration for it, more than its value at the time of its date; and therefore never ought to pay any more to redeem it; but if it has depreciated thro’ the course of its currency or circulation, the public has paid that depreciation once already, for it operates by way of tax on the innumerable hands in which it depreciated, i.e. on the public, thro’ which it circulated; and there can be no reason why the public should pay the same loss over again; and if they should do this, it would be no reparation to the sufferers.
ferer; for, at the time of doing this, the certificate would not be in the same hands which suffered by the depreciation; but this argument is more fully discussed in the preceding Essays, where the doctrine of appreciation and depreciation is often called up and considered.

The certificates are evidence of the debt certified, in the hands of the original holder, and my proposition is, to pay it to him: but in the hands of the alienee it carries not any such evidence, for it is plain enough, both in fact and reason, that, by the sale of the certificate, nothing more was either transferred by the seller, or expected or paid for by the purchaser, than the chance or right of receiving such sum or value for it, as the Congress should set or fix as the price or exchange at which it should be finally redeemed; and this rate or scale of redemption ought to be set or estimated without the least regard to the loss or gain of the speculators; but on principles of general justice and right only, i.e. in such manner as will do most right and least wrong, i.e. in such manner, that no description of citizens should be more benefited or hurt, or made richer or poorer, by it, than another; for all national distributions of justice, all public institutions and decisions whatever, ought always to be so made, that both the burdens and benefits of them may fall equably on all, and not lie more heavily or more beneficially on one than another, i.e. so that every one shall participate his clear and proportional share both of the burden and benefit of them.

The rate or scale of redemption, thus estimated and fixed, will manifestly pay to the speculator all that he has right to receive, i.e. all that he ever bought or paid for; and if the overplus may not be paid to the original creditor, let it be retained in the treasury, and be paid to nobody; for I cannot see the use of paying it at all, where it is not due.

This proposition (which I advanced five years ago in my Seventh Essay on Finance) gave rise to the great question of discrimination between original holders and purchasers of certificates, and has been so fully discussed, that little need be added in this Review of the Arguments.
Perhaps it may be enough to observe, that most of the opposers of the proposition acknowledge the justice of it, but object to it at impracticable. But I can see very little weight in the objection; every one who claims as an original holder, must discriminate himself, i. e. the proof will lie on him that he is such. I should suppose, that his name inserted in the certificate, and his affidavit that he has never alienated it, would be sufficient. If the certificate was taken out for his benefit in the name of another (as perhaps has been often done) the balance due on the public books, and the certificate debited to him, with his own affidavit, would make the matter clear enough; besides, the negotiator of such a matter would be a good witness.

There is no more danger of perjuries in this case, than there is in oaths to original entries on books of accounts, to signatures, &c. &c. After all, there can be but very few cases, if any, where the plan I oppose can give any more or better remedy to creditors who have lost their proofs, than the one I propose affords.

My last proposition is,—if neither of the above-mentioned two can be admitted, that the original holder shall be first paid, and the speculator last of all, if he must be paid at all. The reason is, because the debt of the original holder is founded on greater merits and real earnings than the other, and, therefore, ought to be considered as of a higher and more worthy nature, and, of course, ought to be preferred in payment.

Upon the whole matter, I have no conception that the present arrangement of the public finances, i. e. of receipts and payments, is by any means adequate to the exigencies of the nation. I cannot form any idea, that our revenue either is or can be made sufficient to support the immense load of debt which lies upon it: nor can I conceive how any nation can exist without the utmost deficiencies, disgrace, and even bankruptcy, where the drafts on the revenue so greatly exceed the annual incomes of it; can exist, I say, without running over head and ears into the horrible gulf, the unbounded chaos of derangement, which will draw into it every conceivable embarrassment, not only of the public revenue,
i.e. of the justice and honor of the nation; but which will also, by its necessary consequence, involve every branch of business through the whole nation in disappointment and distress.

Deferring payments to future time is but putting far away the evil day, and avoiding the pain of present pressures, at the expense of future embarrassment. The unavoidable consequence of an over-loaded revenue will be a deficiency of the public payments, i.e. a failure of the public credit, and of the justice and honor of the nation.

But in our own ease, this is not all our calamity; for, under all this pressure of taxes, we can derive little improvement of our country, or even safety and security, from them: this immense gulf of debt swallows up all our revenues, and is by no means satisfied with them all; it leaves us not a shilling for public roads, inland navigation, encouragement of agriculture, manufactures, or genius of any sort, or even for defense against enemies or pirates, in case of a war; all the navy of the nation is not sufficient to suppress a pilot-boat, if it should be armed and manned by pirates to infest and infest our coasts.

But this is not all; our people have not the benefit of that increased circulation of cash, which would arise from the heavy taxes they do pay, if the payments were made to creditors scattered over the nation, who would instantly circulate the money they received, among the same people from whom it had been collected; but our money goes to strangers, or to such accumulations, that it is carried off far beyond our reach for ever, after we have paid it in taxes.

In fine, it is not possible that our nation should continue even to exist in honor, safety, and peace, under these burdens; a penny can never pay a shilling, and a shilling due will ever be a debt, and a fretting one too, till it is paid. The nature of our calamity admits but two alternatives, viz.

Either to reduce the debt by docking off some part of it, or to increase the revenue up to an amount sufficient to pay it: the latter I take to be utterly impracticable and desperate, as the matter now stands; the other, I think, might be done. The only part of the estimate of the national debt that is not
not for the nation's benefit, is the 26,000,000 dollars appropriated to pay the clear profits of the speculators. This, I think, might be spared out of the deficit, but as it is funded, I think it cannot be well docked off without a repeal of the funding act, which I humbly wish may take place. I know there would be great difficulties in doing this, but I conceive there will be much greater difficulties in not doing it. I am confident, the act, when it begins to operate, will be found, in its nature, wrong and impracticable, and necessity will compel the refunding it sooner or later, and it is much easier to correct a new error than an old one; it is more honorable to correct an error with tremendous of mind on first conviction, than to wait for the severe compulsions of necessity.

But if the repeal of the act should be thought improper, perhaps a supplement fixing a reasonable rate or scale of exchange at which the certificates and Continental money shall be received into the new loan, might prove a very salutary amendment of it; and if I could believe that anything less than the nation's well-being made this repeal or amendment necessary, I should be silent about it.

Any attempt to pay this vast sum twice over, would draw consequences the most destructive and ruinous that can be conceived; and if both cannot be paid, and we cannot avoid the alternative, I would prefer sacrificing a demand which never originated in real merit or earnings, but receives its whole force from an extravagant implication of a meaning in words, which, by construction of speaker or bearer at the time of utterance, was never comprised or conveyed by them; I say, I would prefer this to any violation of the solemn contract, the sacred public vows, sealed and plighted to the original creditors, in the time of our country's utmost danger and deep distress, and to whose faithful and painful fulfilment of that contract on their parts, we are indebted under God for our deliverance.

If the first part of this alternative can be adopted, our desperation may cease, the great difficulty will diminish, partly because a large and the most exceptionable part of the burden will be taken off, and partly because what is left
left will be a debt of such acknowledged and uncontroverted right, justice, and honor, as will give courage and force to our councils to afeefs, and our people to bear, such burdens of tax as will be necessary to support it, and gradually to wipe it off.

It is human to err, but it is the decided mark of strong intellects and a generous temper, to acknowledge and correct an error on conviction; yet such is the common weakness of the human mind, that error is often connected with obstinacy; those who are weak enough to make mistakes, are rarely wise enough to correct them; and the hard necessity which compels an amendment of an error, will not always produce an acknowledgment of it. The stability of public measures and decisions ought to rest on their rectitude and natural fitness, not on an obstinacy that is blind to their faults. Every body acknowledges that it is honorable and noble to own and correct an error, and that it is mean and base to persist in one; yet most men feel a sort of degrading shame, when they are called upon to correct their own mistakes. I hope our public councils are not affected with any of these little feelings: but, be it so or not, it is commonly true, that errors adopted on long deliberation are not easily given up and corrected. I do not wish to insinuate here, that any attention will be wanting to my arguments, drawn from religion and the fear of God (for his name has been called in to give force to the vows of the nation to their real creditors) or to arguments drawn from morality, national justice and honor, from gratitude and compassion, &c. these are arguments to be answered to God, to the nation, and to conscience.—But to wave all these for this time, I beg to conclude with the following questions, directed to every body:

First question. Whether paying the clear profits of the speculators, viz. 26,250,000 dollars, will not load and exhaust the revenue so much, as to put it out of our power to pay our real debts of the first honor, justice, covenants, and truth of the nation?

Second
Second question. Whether this payment will not be matter of general disapprobation and disgust, especially when kept alive and fresh in memory, by the annual demand of above 1,000,000 dollars to pay the interest of it?

Third question. Whether denying payment to such of our citizens, who, by their virtue and efforts, favored our country, will not be matter of great dissatisfaction to our people, and discourage their future zeal and readiness to serve their country, when their services may be necessary?

It is the right as well as duty of every citizen, to use his best endeavors to avert his country’s dangers and impending distresses, whenever they appear threatening. Our country has a right to the wisdom as well as to the wealth of all its inhabitants, when the public exigence makes either or both necessary, and the right of the nation implies the duty of its citizens.

In discharge of this duty, I here offer my mite of wisdom, such as it is, to my country. If any one sentence of these Dissertations does not carry conviction, let it be rejected; but if my principles and arguments reach the heart, and compel the mind of the reader to yield to their rectitude and force, they will produce the effects I wish.

But whether I am gratified or disappointed, whether my country be saved or not, I have that consciousness of upright intentions and faithful endeavors for the salvation of the Union, which inspires me with the most satisfactory expectation, that I shall be glorious in the eyes of the Lord and of posterity.

A CITIZEN OF PHILADELPHIA.

AN ESSAY
ON THE SEAT OF THE
Federal Government,
AND THE
EXCLUSIVE JURISDICTION
OF CONGRESS OVER A
Ten Miles District;
WITH
OBSERVATIONS
On the Economy and delicate Morals necessary to be ob-
served in infant States.
[First published in Philadelphia, Sep. 21, 1789.]

AS the fixing the Seat of the Federal Government is a
subject, which has of late engrossed the attention
of many people both in and out of Congress, perhaps a
few observations on the nature and consequences of that
measure may be useful, and, of course, acceptable at this
time. I offer my best thoughts with freedom, without
meaning to offend.†

* The seat of Congress was at New-York at that time.
† Tho' the United States of America contain about 640,000,000 acres of
land, which have every advantage of soil and situation that any country
can
It appears to me, that deciding, or even pressing, the question of the permanent residence of Congress is very improper at this time, because,

I. Congress have it in their power, without moving this question, to obtain every accommodation for themselves which can be necessary for years to come, and in a situation as nearly in the centre of the present population of the States, and as convenient for the whole Union, as any that can be obtained by any fixture of place that can be made, and all this without any expense of the States.

It is certain, that Philadelphia can and readily would furnish any and all public buildings, which Congress can need for their two Houses; and it is likewise certain, that all the public officers have such liberal appointments, that they can very well afford to pay any small rent which would be necessary for their offices.

It is farther certain, that Philadelphia is nearer to the centre and general convenience of the States, in their present state of population, than any spot either on the Potowmac or Susqueannah, or any other place proposed for the permanent residence of Congress, and will probably continue so for many years.

II. Fixing the seat of government will be altogether useless, till a sum of money can be advanced, sufficient to purchase the soil, and erect the necessary buildings; which will require (according to the estimate of the Lower House of Congress) 100,000 dollars. But it is certain, that, in the present state of our finances, and the numerous and pressing demands on the treasury, we are in no condition to advance any such sum; we have large debts called for in the most pressing manner, by creditors both foreign and domestic,
whole demands we are bound to satisfy with the first monies we can raise, either from our own resources or our credit; these demands, I say, we are bound to satisfy, on every principle of justice, public faith, national honor, and common honesty, nay, by every inducement of gratitude, and even compassion.

It follows then, that to delay these payments, in order to squander away 100,000 dollars on buildings of no immediate use or necessity, is an act of very high injustice, and even wickedness; it is prostituting the justice, honor, and even morality of the nation, to very little more than vain show and pageantry.

It may, indeed, be doubtful what sort of justice or gratitude is due to the purchasers of alienated certificates; but there can certainly be no doubt of the justice and gratitude too, which is due to the original holders of certificates, who actually rendered their services, supplies, and cash to the States, in the time of their highest dangers and distress.

These men did in fact pay the purchase of our independence; and can it be supposed, that Americans can enjoy all the rich blessings of their independence, and, at the same time, refuse payment to the first purchasers of it, who come like beggars to solicit payment, to relieve them from the penury and distress which they suffer for want of it?—Must all this scandal, meanness, and wrong be incurred, in order to lavish immense sums on a parcel of large edifices, to be reared up in the woods, and which are no more necessary to the present honor, safety, or even convenience of the States, than a fifth wheel to a coach? Common sense forbids it.

It is manifestly as wicked, shameful, inhuman, and ridiculous for a State to do this, as for an individual to purchase a large estate, enjoy the rich produce of it, and refuse to pay the original purchase of it, because the creditor happens to be a poor creature, who cannot compel him to payment. Can such a man, with any reason, expect either the blessings of Heaven, esteem of mankind, or any kind of prosperity in possession of such iniquitous affluence and inglorious grandeur? whilst the original purchase-money is wrongfully
wrongfully withheld from the creditor; and the money due to him is laid out in sumptuous buildings and gaudy parade.

I should think, that gentlemen who can propose such a plan, have forgot the great principles of justice, public faith, and economy, on which alone the honor, establishment, and safety of a nation can be founded, and, instead of these, have adopted the sentiments of young beaux and girls, who think the highest distinction consists in the finery of their dresses, and set that mfs down as undoubtedly the most respectable, whose clothes and jewels are the richest and most brilliant.

When there is an estate much involved, it commonly happens that some debts, on account of greater original merit, better earnings, or other causes, are deemed to be of a higher nature than others, and are therefore entitled to a precedence or priority of payment; the original holders of the public securities have undoubtedly this claim, and are therefore entitled to precedence of payment, and the States are undoubtedly furnished with sufficient resources to pay them, or, at least, their annual or half-yearly interest; and these resources ought not to be diverted from so necessary and honorable an object, to the vain purposes of ridiculous parade or extravagant appointments, or other Utopian expenses.

But it may be objected to this by honest men, who will say, 'we approve the justice and reason of this proposition; it coincides with the very sentiments of the heart, and meets both the honest and grateful feelings of our souls; but, alas! it is impracticable, because the original holders of the public securities cannot be ascertained and discriminated from others who are not such; many who are really original holders, will not be able to prove that they are such.' In answer to this, I readily admit that any man who pretends himself as an original holder, and claims the benefit of precedence of payment, must prove himself to be such, i.e. the proof will lie on him, and which almost the whole of them will be able to produce with the utmost certainty, because their names are recorded in the public offices, in which their accounts were settled, and out of which
their certificates issued; and tho' some few will not be able to make this proof, and so must lose the benefit for want of proof, yet this affords no reason why those who can make proof, should lose the benefit of it; we might as well deny that authenticated deeds should be admitted as good evidence of titles of lands to the possessor, because many people have purchased estates, but have either neglected to procure the proper deeds, or, by some misfortune, have lost them, and, of course, must lose their estates, for want of the proper evidence of that right which is really in them.

III. In the late public debates of Congress on the subject of fixing the permanent seat of government, gentlemen differed so extremely in their estimates of the distance of stations, convenience of passage both by land and water, fertility or unhealthiness of places, state of population, and many other circumstances necessary to be taken into account, that it appears very plain, that the internal geography and many other local qualities of the United States are not sufficiently defined and understood, to enable us to fix even the centrality of the States, and ascertain many other things absolutely necessary to be known and considered, in determining the permanent seat of government. Therefore, it is prudent to put off that determination, till the data on which it manifestly ought to depend, can be more fully known and ascertained.

IV. It is expected that four or five States will soon be added to the present Union;* the accession of two of them we hope to be very near, and it is unreasonable to push the decision of a question (which is thought by many to be of the utmost consequence to the whole Union) by only a part of the whole, when, by a little delay, in no manner prejudicial to us, a decision may be obtained, in which every part may have its due weight and influence.

But there is another reason against an immediate decision of the question (and perhaps of more consequence than

* North-Carolina and Rhode-Island had not, at the time this Essay was published, acceded to the Union under the New Constitution: the accession of some new States was expected, viz. Vermont, Kentucky, &c.
than this) which is drawn from the present state of Congress, viz.

V. In the late discussions of this subject in Congress, different gentlemen adopted different spots or places for the seat of government, and became divided into two parties nearly equal; each contending for his favorite spot with all force of argument and energy of zeal; and both parties adhered to their several favorite positions with such pointed and inflexible obstinacy, and worked themselves up to such an acrimony of debate, that it became impossible to force the decision, without giving a sort of triumph to one party, and subjecting the other to very sensible mortification; and as the majority must be very small, if the question is pushed on to a decision (for the parties are nearly equal), it is much to be feared that the affair will produce much dissatisfaction, and perhaps destroy mutual confidence and good-humor, which may in future weaken our councils, and lessen our unanimity in matters that have no connection with the seat of government; for it is well known, that irritated parties rarely adopt much accommodating temper or benevolent condescension one towards another.

England and France, Holland and Italy, give us, in their histories, dreadful lessons of the tragical effects of state-parties, and I pray God, we may have prudence enough to put an early stop to them, if we find them in small beginnings growing amongst us.

For these reasons I wish the said decision may be postponed; I would with this, if it was only to give gentlemen time to cool, and, when cool, to revise their opinions and arguments.—Time softens the acrimony of the mind, takes off the edge of the passions, makes room for charity and benevolence, and may perhaps produce such a spirit of accommodation, as, together with new information and new lights that may be thrown on the subject, may produce in a future time a decision which will strengthen our union, without any danger of weakening or destroying it.

Perhaps it may appear in future time, that neither of the spots contended for are on the whole eligible, and, of course, both parties may yield their favorite positions, without
out giving any cause of triumph to their opponents.—But there are still other reasons for a postponement of this decision not yet mentioned, viz.

VI. Centrality will undoubtedly be (ceteris paribus) the principle on which the seat of government ought to be placed, because every part of the Union has equal right to accommodation; but this must be a centrality of population, not of territory; it cannot matter much whether the seat of government is at little or great distance from those parts of the territory, which consist of uninhabited woods and lakes.

But this centre is, in its nature, a moving point, and must and will continue so, till the population of every part of the territory is complete, and becomes invariable, which, in the common course of human events, can never happen. And no kind of establishment which we can give to the seat of government, will keep it fixed and unmoved, when future reasons and future counsels shall operate against it.

Therefore, it is altogether vain and highly imprudent to endeavour to fix our seat of government by laying out any more money than is of immediate use and absolute necessity, in furnishing the accommodations of it, and especially at a time when our finances are extremely low and deranged, our people greatly burdened, and the honor and justice of the States every where suffering in a scandalous manner, by our breaches of faith and failure of public credit.

But tho' centrality is the principle (ceteris paribus) on which the seat of government ought to be placed, yet (ceteris non paribus) it may become otherwise; many other things may occur, to make a removal from centrality absolutely necessary.

VII. The seat of government ought to be in a place where the court and officers of government, and all the vast numbers of people, both citizens and foreigners, who have occasion to resort there, may be accommodated in the best and most convenient manner; but it is certain, that neither the one nor the other have any chance for such accommodations on the desert banks of the Potowmac or Susquehannah for
for many, many years to come; therefore, I think it best to defer moving to either of the places for the present.

VIII. The seat of government ought to be in a place of the greatest attainable intelligence, that the rulers may take benefit of the most extensive correspondences of men of all professions, of foreigners resorting from every part of the earth, of the most complete libraries, maps, &c. &c. &c.

Congress may have concerns with all the world. Not a citizen in the States can have a connexion in any part of the earth, but, on some occasion or other, Congress may have the matter before them. They must preside over all improvements of the country, in which the experience and information of foreigners may be of essential use. We may be interested in the customs of foreign nations, which nobody can explain so well as their own people residing among us, &c. &c. &c.

It is not supposable that the Members of Congress will come from home, furnished with competent knowledge of all the subjects they will have occasion to consider and decide; and if they have not this knowledge, they must obtain it by information, as other folks do, and, of course, must be furnished with the means of information; but I think we might as well immure them in the bottom of a well, or shut them up in a cave, where they would be effectually cut off from all intelligence of the world, as place them within the desert, dreary fogs, and disheartening agues of either the Potoymac or Susquehannah, where there is nothing grand and majestic to be seen, but the ice and floods, and nothing lively to be heard or felt, but muskrats. I am of opinion, the defects of nature must be corrected by art, before either of these places can become the best centre of intelligence in America; and therefore, I think Congress need not be in much hurry to move to either of them.

IX. It is necessary the seat of government should be placed where the manufactures, agriculture, trade, and wealth of the country can receive the best protection and encouragement, and be most easily and properly directed and regulated by the government. The great first principles of our wealth are our great staples of manufactures and agriculture; these both
both receive their invigorating principle from our trade, for nobody would labor much to raise the produce of the earth, or make fabrics, if there was no trade to make a vent for them, or no market where they could be sold.

This, of course, brings the whole into action on the various seats of navigation, and, of course, it is absolutely necessary that the seat of government should be near such seat of navigation, that government may have the best opportunities to cherish and protect these most important interests, which not only comprise the grand wealth and resources of the subject, but out of which must be derived the great and most capital supplies of the government.

Farther, if it is necessary that the seat of government should be near any of these seats of navigation and trade, it is evidently most necessary, that it should be placed near to the greatest seat and centre of them.

But neither the banks of Potowmac nor Susquehannah are near any such centre, nor have either of them any chance of ever possessing such advantage; therefore, I think it best to put off at least for the present an emigration to either of them.

X. It is necessary that the seat of government should be placed in that position, which is most convenient for the defence and protection of the Union. Our State is yet young; we are yet ignorant how far, and in what light, we may be considered in the political systems of the European or African nations, or what designs they are or may be meditating concerning us; I suppose, our derangements and pressures since the peace have left us in a somewhat disadvantageous light among them; but nature will soon give us consequence, as, in the ordinary course of events, another century will make us as numerous, and perhaps as powerful and rich, as the greatest of them, and, of course, we shall be as respectable, if we have wisdom enough to improve our advantages.

The two colonies of the European powers, to which we are contiguous, are so thinly inhabited and weak, that I conceive we are in little danger from them; the Indians we can easily manage; our connexions with all the other nations
nations of the world must depend on navigation, for we can neither pass to them, nor they to us, otherwise than across the sea.

I suppose nobody does now, or perhaps ever will, wish for any other than commercial connections with any of them; but even our commerce may require protection, and as the caprices of mankind are sometimes very vicious, and may lead to actions very provoking, it is not impossible we may be insulted on our own coasts, or even in our harbours, if we are wholly void of force to protect them.

All this brings into view the very great importance of our navigation, which is the great means of our commerce, and, of course, of our wealth, which will doubtless require very extensive and numerous shipping; and these will make a naval force, greater or less, at least in some degree, necessary; and as this is an object on which not only the wealth, but even the character and safety, of the States will capably depend, it instantly rises into view as an interest, an accommodation, of such vast magnitude, as to require a sort of precedence of consideration, of most capital and decided attention; and, of course, will at least require the seat of government to be so near to the seat of it, as may be necessary to give it all the inspection, support, and protection, that a matter of such capital consequence must require from government.

The banks of Potowmac and Susquehannah are too remote from any practicable seat of a navy, to admit any probability that it will ever be properly attended to by a court at such distance. We have no instance of any nation, which pays a proper attention to their navigation, whose seat of government is at a great distance from their principal harbours.

France and Spain have good harbours, and every inducement and advantage for building and furnishing a complete navy, but their capitals are far removed from the sight of ships, and, of course, they are neglected.

On the contrary, the courts of England, Holland, Venice, and Genoa, have their harbours near them, and their shipping is rarely neglected or out of order.
In as much, then, as capital considerations ought ever to control capital decisions, I have no doubt but a seat of the federal government will be looked for and found, not on the banks of Potowmac or Susquehannah, but near to some navigable water, proper for the capital station of a navy; and to recede from this principle will indicate not error of judgment, not corruption of heart alone, but absolute, total madness; and for the justice of this remark, I appeal to the sentiments of all the citizens of America, and of all their friends in the world.

Time has fully justified Peter the Great, Czar of Muscovy; who, on the force of this very principle, removed the seat of his Empire from its ancient position, near 500 miles farther from the centre of his dominions, and into a climate and soil much less desirable, merely to gain a situation contiguous to a harbour for his ships; in consequence of which his Empire is amazingly enriched by trade, and become very respectable for its naval force.

But I suppose it will be strongly objected to any delay of fixing the seat of government, that, till that is done, Congress cannot come into possession of their exclusive jurisdiction over ten miles square of territory, which is to surround their seat when fixed, and not before; and, of course, till then they cannot enjoy the advantages of it.

This is a measure that has been adopted and approved by so many votes of Convention, Congress, and particular States, that I suppose myself very stupid, whilst I cannot see any kind of fitness or propriety in the measure, or any advantages that will naturally result from it. But as stupidity is no crime, and nobody can be rightfully blamed for not understanding what is totally out of the reach of his mental powers, or for not seeing what does not appear visible to him, I will venture to give my thoughts on this subject, in full expectation, not of blame and censure, but of being deemed most uncommonly stupid and dull, in not being able to comprehend what is so very clear and plain to other folks.

I. In the first place, I can easily conceive that Congress ought to have and enjoy all powers, authorities, and jurisdictions,
dictions, that are or can be necessary to preserve their own dignity, respectability, and state; sufficient fully to secure them, to all intents and purposes, against all contempts, violences, intrusions, or embarrassments, and to regulate and adjust their own order, economy, and even ceremony, in the most proper and decent manner, which they can devise; and that they shall be fully empowered to try and punish all violations and trespasses in any of these respects, either by acts of their corporate or aggregate body, or by such judges or officers as they shall appoint; and that all these powers shall be superior to, and uncontrollable by, any other power or authority whatever.

All these powers of self-preservation ought undoubtedly to exist in the fullest manner in that august body, and their prudence in the exercise of them may safely, and must necessarily, be relied on by the citizens of the States, without instituting any superior authority to control them.—But, in the second place, it appears to me,

II. That these powers, authorities, and jurisdictions must not be fastened or limited to any particular place; but must be inherent in that august body, and must go and come with them when and wherever they move.

If, by the invasions of an enemy, a conflagration of their edifices, the infections of a plague, or any other cause, they should find it convenient to remove their court or the seat of their residence to some distant place, they must carry all these jurisdictions and powers with them; it will not do well to leave them behind; their use will be as great and necessary in the place to which they move, as it was in the place they have left, and it would be hard upon that august body, to add to their calamities of removal, the additional mortification of being lessened and disflowered by it.

III. I have no idea that the citizens of any one district should be any more subject to the authority and control of Congress, or should be entitled to their benefits or notice in any way whatever, more than all the rest. Every citizen has equal right to all the benefits of, and owes equal duty to, that supreme body. Any distinctions of this sort lay a foundation
foundation for partialities, expectations, or at least jealousies, which are very pernicious in society; and although the citizens of the ten miles district may be few at first, yet we shall probably find (whatever objections Congress have to a residence in cities) that buildings and inhabitants will multiply round their court very soon into a large city; in which numerous occasions will probably arise to operate on the above-mentioned sources of discontent and chagrin.

IV. Congress will have to make a whole code of laws for the ten miles district, to appoint every judiciary and executive officer, and to superintend the administration of the whole; and if they are as slow about that, as they are in organizing the federal government (and the case is quite as novel, and the ground equally untrodden) this work may probably take up their time many months; and as the States pay them about 1000 dollars a day, during their session, the administration of the district will soon cost the States 100,000 dollars; which is much more than either we can spare, or the district can be worth to us.

V. The whole police of the district will be a solecism in the federal government; their laws will be made and imposed by people that are not of their election, but by strangers, not by even their own fellow-citizens. It is altogether at the option of Congress, whether they may appoint one officer of their police, either judiciary or executive; they have no voice in taxation or giving their own money; they do not belong to the Thirteen States, for they are no part of either of them, and, of course, not parties to the confederation, nor are they a State of themselves; the process of none of the confederated States can run there, so that, for any thing they can do, their district will be a refuge for debtors, thieves, and even murderers.

They must submit, right or wrong, to the decisions of their rulers, for they have no appeal, no refuge from injury or tyranny; and this is no very comfortable circumstance, if we consider a little how common it is for courts to oppress the cities in which they reside. And if, under these circumstances, the district should think themselves oppressed,
pressed, and should happen to rebel or raise an insurrection, the force of the Union must be called in to quell them; and this will occasion another expense to the States, both of blood and treasure, which I strongly object to.

VI. Besides all this, I know not what they will do, or what will become of them, if Congress should happen to remove from them finally, and not return; here must be another new road cut to their final destination, I know not how nor where.

After all this trouble and expense, I cannot see one single benefit or advantage which can accrue to the Congress, or the States, or the districts, from the whole of it; the powers and jurisdictions above described appear to me to contain every thing, every authority which Congress can possibly need. I take it they are all comprised in the constitution, tho' not particularly enumerated there; but if it should be judged that these powers are not given explicitly enough in the constitution, they can easily be added by way of amendment, and I dare believe every State will readily ratify them.

But I am tired of gazing at this ten miles district, this unnatural object, this sport of police; for I can really make nothing of it; and so I quit it, being willing to refer it over to Congress to make something of it, if they can.

I now return from this long and wearisome discussion of this great objection against any delay in fixing the seat of government, and return to my principal subject, which I mean briefly to revise, and reduce the matter to very few words, as follows:

We have every necessary building for the use of Congress ready made, and have no need of new ones; and if we did need them, we have no money to spare to build them, so long as our debts (of most poignant pressure and distress) are unpaid;—the geography and other circumstances of the States are not sufficiently known, to enable us to ascertain the most central place for a seat of government;—the present violent heats in Congress about this subject render a decision of it dangerous at this time;—we expect an accession of new States, who ought to have their weight
weight in the decision, but they must be excluded, if the
decision is pushed before their accession;—that any attempt
to establish a permanent seat of government of long dura-
tion, is impracticable and vain, as the just and central
point for such a seat will, in its nature, be always moving,
and future reasons and counsels will alter any establi-
ishments we can now make;—that the seat of government
ought doubtless to be situated in the place of the greatest
intelligence,—in the centre of commerce and navigation,—
and as near as may be to the most capital and convenient
station or harbour of the navy,—and in that place which is
most convenient for the general protection and defence of
all the States.

Upon the whole matter, the great internal sources of our
wealth, which are derived from the labor of our people,
either in the way of husbandry or manufactures, all tend to
a centre in the line of navigation, which runs near the sea-
coast, from one end of the States to the other; the extern-
mal wealth derived from our trade with foreign countries,
tends to and centres in the same line; here both meet and
receive their invigorating principle, viz. their market.

The market or sale is the principle which gives life and
vigor to both these: this principle is put in action on this
great line of navigation; here the sales of both are made;
the one is purchased and shipped for exportation, the other is
purchased and sent off for consumption, into the various parts
of the country.

On this line, then, is the great seat and centre of negoti-
ation, both of our home produce, and our imported wealth;
here are to be found the great exchanges of the nation, and,
of course, the greatest plenty of cash, and here are found
the great banks, the richest repositories of money, and the
grand conduits of its circulation.

On this same line runs the greatest course of intelligence
and advice from one end of the States to the other; and
next to this are the communications which are conveyed by
sea, from the remotest countries on one side, and by the
great roads leading from the extremities of the interior coun-
try on the other; but both centre and unite on this grand
line
Line of communication: for the truth of this I appeal to every post-office in the Union, and to every man whose business has any connexion with the general communication of the country.

It is farther obvious, and so intuitively plain that it cannot need a proof, that a court, whose business lies with all men and all places, ought to be seated in the greatest centre of that communication which connects them all.

It follows then, by the most intuitive evidence, that the seat of the federal government ought to be placed on the great line of navigation, and as near the geographical centre of it, as the great centre of wealth and communication can be found, and as near as may be to the grand station of the navigation, both of commerce and force, which must infure the wealth, honor, and safety of the whole.

Another obvious and very interesting reason why the seat of government ought to be placed in the grand centre of trade and communication, is this, viz. very many people will have business of importance with the federal court or some of its public offices, which may be well enough done without their personal attendance, and they will have many more opportunities of sending their business by some person of confidence who is going to the court, than they could find, if the court was held in some out-of-the-way place, far from such centre of general resort.

It is easily observed, that a person in Boston has more opportunities to send to New-York, which lies on the great road of general communication, than to Albany, which lies across the country; a person at Pittsburg has more opportunities to send to Philadelphia, than to any place of half the distance, which lies either north or south of it; any person in the country may send to their capital easier than to a neighbouring town, which lies in any direction which crosses the road to their capital at right angles.

Besides, many people will frequently have business with the court, and private business of trade, at the same time; and it is a great advantage to be able to do both with but one expense of journey and time; to people who live at great distance, these advantages will be very considerable.
and the instances very numerous, tho' perhaps the mentioning the matter here may seem trifling.

These statements of facts, observations, and reasonings appear to me proper, important, and convincing; and for the truth, justice, and fitness of them, I appeal to the heart of every American, to that approving power which is to be found in every human breast, and which no man can control, when the matter proposed strikes the mind with a force of evidence, which, however disagreeable the subject, will compel the assent.

I farther make the same appeal to the conscience of every man, who makes truth the sole object of his pursuit, and who has honesty and firmness enough to control the little ferried passions, which local attachments, sinister interests, or party zeal may call up and stimulate to corrupt his judgment, or to prostitute it; but perhaps, in the present corrupt state of human nature, no degree of virtue or natural firmness will make a man at all times proof against these little passions.

It is lamentable, when we see a man of dignity of conduct, noble sentiments, great comprehension of mind, extensive erudition, and found judgment, forget the great principles of his subject, lose his balance, and fret himself out of temper, in patronizing any little local interests and partial attachments.—Good Heaven! how he lessens! how he sinks! how out of character he appears! like a clergyman of sanctity grown foolish with drink; a grave judge losing his law in a passion; or a senator, entrusted with the confidence and counsels of a nation, frizzling and acting like a fool to please a courtezan.

If the above principles and reasonings are allowed to be just and conclusive, our next business will be to look for a place for a seat of government, to which they will apply; I will venture to propose PHILADELPHIA for the place.

1. It is as near the geographical centre as any place in any manner capable of accommodating Congress; its distance from the south line of the States is about 700 miles; from the north-east extremity, about the same; from MISSISSIPPI, on an east and west line, perhaps a little more; the said east and
and west line will divide the territory of the Union into two parts, of nearly equal acres.

The computation cannot be made with accuracy, because the northern boundary, as well as the northern part of the western boundary, is little known, and, of course, the lines, having never been measured, cannot by computation be reduced to certainty; but as far as the best maps we have may be depended on, the difference is not very great, tho' the southern part is the largest of the two, but is greatly covered and incumbered by many huge mountains of immense length, every where rendered incapable of cultivation by their height, precipices, and rocks, also by vast barren plains of bot, coarse sand, and by dry knolls of land full of shrubs, hard soil, and stones; all which can never be capable of but small cultivation, if any at all. The northern part is better land, more capable of extensive and uniform cultivation, has a better air, and climates much more healthy.

The present population of the northern part is the most numerous, if we may compute from the number of Delegates in Congress, which are sent from the two parts, allowing seven of the Pennsylvania Delegates to the northern part, and one of them to the southern; as the said line leaves about one-eighth part of Pennsylvania on the southern side; but the inhabitants of the northern part are much the most robust and industrious, and, of course, the most likely to increase the wealth and strength of the Union.

The inexhaustible fisheries in which the northern people are concerned, will add greatly to their population and wealth, for the wives of fishermen are noted for bearing the most numerous and strongest children; the simple herring-fishery, is said to be one of the greatest sources of wealth and population in Holland; if so, it is probable the immense fisheries of our northern people will have a similar effect, and of much greater extent.

Indeed, the chance of rapid population is generally much greater in the northern part than in the southern, for their natural increase is much greater, and their people are not only more enterprising, but stronger and more industrious, and,
and, of course, more able and fit to endure the hardships of new beginnings. The natural increase of New-England is not less than 30,000 souls yearly, and their emigrations will be almost wholly to the westward, not to the southward, for they are generally prejudiced against the southern climates.

From all this it appears, that Philadelphia is as near the centre of the Union, as any point which can be found in the great line of navigation, and in all probability will continue to be so for at least an age or two to come.

II. Philadelphia is, and undoubtedly will be acknowledged by every one, the greatest centre of wealth, trade, navigation, and intelligence, both foreign and domestic, which is any where to be found in the United States: this needs no proof.

III. It is seated on the banks of the river Delaware, which is the best station or harbour for shipping that can be any where found, or even desired. It has the following qualities or accommodations: 1. It is capable of easy and most impregnable fortification and defence from the chaps of Newcastle Bay, 80 miles from the sea, up to the city, which is about 50 miles above the said chaps. So that, by its distance from the sea and its defences, it is perfectly secure, or may be easily made so, against any sudden surprisal, or even invasions, of an enemy. 2. It affords sufficient water for any ship that ever was built, as far up as Wilmington, which is 15 miles above the said chaps, and 24 feet water from Wilmington up to the city. 3. It affords the best anchorage, and is wholly secure against all winds, tides, and storms, the whole length from the said chaps up to the city. 4. The common tides rise and fall about 6 feet, which is a great advantage in many respects. 5. Its waters only produce no incumbrance to a ship's bottom, but instantly kill all worms, cockles, and other vermin which may happen to infest a ship on her first arrival from sea. 6. It is furnished with the greatest plenty of timber, iron, and all other materials and stores for building, rigging, and repairing ships, and provisios for victualing them. 7. It is furnished with all natural conveniences for dry docks; which may be built
in sufficient number and extent for every purpose of cleaning ships. 8. It is spacious enough to afford anchorage and every other accommodation of security for perhaps all the ships in the world. 9. The port of Philadelphia, being the grand centre of commercial navigation, will always furnish plenty of seamen, and render the manning of a navy always easy, or at least practicable. These are the rare, singular, and excellent advantages of this port and river.

I know of but one considerable inconvenience which can be objected to it, viz. the ice usually stops navigation in the river about two months in the year; but this is in the middle of winter, when we rarely wish to have ships at sea; and if they should happen to come on the coast in that season, they may easily make a harbour in New-York or Chesapeake Bay; ships that winter in the river are easily secured against any damage from the ice, as we never have any floods which rise more than a foot or two above common high-water.

IV. Philadelphia can furnish more local accommodations for Congress, and all the vast number of people who will resort to the seat of government, than any other city in America. When compared with any of them, it has more houses, more inhabitants, more riches, more churches, and more play-houses, and quite as much virtue, tho' perhaps somewhat less sociability, but more punctuality in payments, which is some indication of more honesty.

V. The climate is temperate, and the air, good; the spring and fall are delightful; the winters mostly moderate, with no more snow or frost than in necessary for the convenience of the inhabitants and the growth of vegetables, &c. the heat of summer is rarely intense, and if at any time it becomes violent, it seldom lasts long; it is very uncommon to have the Mercury at 90°.

But I suppose the greatest objection to it is its numerous population. I cannot conceive what objection Congress can have to residing in a large city; their accommodations are better and cheaper, their intelligence and communication more full and easy, their means of information from conversation, large libraries, maps, &c. are much greater, and their dignity
dignity and respectability more conspicuous than they could possibly be in lesser places.

I never heard of the least inconvenience, which the English Parliament ever suffered from sitting in Westminster, which is the most populous spot in Europe. The city of Rome, which contained 6,000,000 of people, was the seat of the Roman government, and all the inconveniences which were felt, arose not from the continuance of it there, but from the removal of it to Constantinople; this soon brought on a division of the Empire into Eastern and Western, or Roman and Grecian; which soon terminated in the total ruin, and even extinction, of the Western Empire; the courts of most of the States and kingdoms of Europe are held in the most populous cities, without any mischiefs arising from their population that I ever heard of.

But if there are mischiefs in this, they are unavoidable, for let them fix their seat where they please, a populous city will soon grow round them, which can never be avoided without repeated removals.

I never heard of but one inconvenience arising from the largeness of the city which is the seat of Congress, which is this, viz. the various allurements and pleasures of the place are apt to divert some of their Members from their attention to the public business and their duty in the House; but this, I conceive, is by no means to be remedied by running away from the mischief, but by imposing severe laws on their own Members, and rigidly punishing, and even expelling, such of them as are guilty of any immoral and scandalous practices, which reflect disgrace on their body, or corrupt their morals or counsels; or such who, on any account, neglect their attendance and duty in the House.

When persons appointed to such high and dignified stations, happen to be so lost to all sense of duty, honor, and even shame, as to disgrace themselves and the august body to which they belong, by levities, debaucheries, negligence of their duty, and of the most important interests they are appointed to manage, these men, I say, are the proper objects of punishment; and if they cannot be reformed, the honor and safety of the States require that they be expelled from the House.
House. And this, I conceive, is the only practicable method of curing the mischief; and this, if put into proper execution, will very effectually cure it.

It is very manifest that the dignity, the honor, the respectability, example, and even universal visible virtue of Congress are in their own keeping. No other authority can interpose to correct a failure in any of these, unless it is the awful tribunal of the press, which is a most dreadful court, that always multiplies and increases the mischief in order to remedy it; and I should suppose, a Congress of the least degree of prudence would take the matter under their own direction, in order to prevent an appeal to that most sovereign, indeed, but most mortifying and disgraceful, of all umpires.

The virtues and example of Congress are of infinite importance to the Union. Vices and corruptions planted in a court (where they make their first appearance with a sort of brilliance, derived from their connection, or at least close neighbourhood, with the first honors of the nation) have a very high introduction, and spread fast among the people. Nobody can watch and suppress the first budding of this fruitful source of evil, more fatal than the opening of Pandora's box, but Congress itself.

There is no situation in either town or country, no grandeur of show or pompous parade, no virtues of a few, no combination of every excellency in the President, nor any strength, wealth, and majesty of the States they represent, which can give dignity to Congress, so long as the Members have not virtue and discretion to give dignity to themselves, and fitness to their resolutions. The vices, the negligence, and even the levities, of a few, will tarnish the glory and lessen the dignity of that august body, and diminish the confidence of the subject in them.

Some very extraordinary things which have lately passed, induce me to turn my attention to the great principles of economy and delicate morals, which are absolutely necessary to be practised in an infant State.

I. Any appearance of pomp, grandeur, and magnificence of dress, of equipage, of buildings, or of entertainments should be carefully avoided.
1. Because the dignity, the establishment, the defence, and internal police of the States, do not at all con"fit in any of these; Fabricius, with his disinterestedness and poverty, exhibited in Greece a much more striking sample of the dignity and excellence of the Roman mind and police, than Lucullus, when he returned to Rome thro' the same place, with all the blaze of Eastern luxury and magnificence.

2. Our people being generally of middle rank, have not been accustomed to these grand appearances, and are apt to think there is something 

jovial and puerile in them, something that indicates weakness and vanity, or, which is worse, may imagine they are designed to exhibit and keep up a sort of bauteur, lustinefs, and pride of station, which is to cow down and dispirit the subject, and depref him with a fenfe of his own inferiority, when he comes near the court.

3. Luxuries and levities, magnificence and show, take up much time, and are inconsistent with that gravity of counsel, fixed attention, and steady pursuith, which the great affairs of the nation require of its ministers; it is well known that hard students, or men deeply engaged in pursuith of any kind of business, neglect all parade, and generally despise them.

4. All these appearances are attended with expense which is not only needless, but hurtful; as it must be a burden either to the public treasury, or to the individual concerned, and may probably become a very bad example of luxury and little pride, which a young State, like all new beginners, should ever avoid.

Besides all this, the great bulk of our citizens are made up of people who set out in the world with small beginnings, and, by unwearyed industry and thrift, have by little and little accumulated the competency they now enjoy. Any departure from this line of conduct they have commonly seen followed by poverty and wretchedness; such people have a high sense of the value of money, because, by long labor and careful economy, they have earned and prized it. To people of these fixed habits, any excess of liberal grandeur and sumptuous parade must appear very dan-

gerous;
...grous; like a gulf which will soon swallow up all the public money; this makes them averse to the payment of taxes or cash, which is like to be consumed and lost in prodigal expenses.

More than all this, very great numbers of our people are derived from ancestors, who left their native soil on account of religion; whose devotion and morals were very severe, and a religious gravity and austerity of manners has marked the character of their descendants ever since; not so much as a play-house could be admitted, till very lately, in the most capital cities; and, of course, every excess of levity, gaiety, dress, equipage, parties of pleasure, gallantries, amours, &c. &c. appear to such people like debauchery, dissipation, and corruption of morals, and prudence directs that not only evil, but all appearance of it, is to be avoided.

Some respect should certainly be paid to the strong habits, customs, tempers, and sentiments of any people, by persons who reside among them, especially by persons who have the management and direction of their most precious and delicate interests. I am sure the gaieties, pleasures, and expenses of New-York, since the new Congress have resided there, are the common talk and lamentation of the people where I live; who are not the most noted in the world for rigid manners or parsimony of living.

II. Another great article of economy, most necessary to be observed by Congress and all the States, is the appointments or emoluments annexed to all public offices. Making money or accumulating fortunes ought not to be the ruling object either in those who give, or those who take, public offices; the greatest integrity, learning, and official abilities are commonly found among men whose habits are formed under the practice of moderate living and prudent economy; who would very cheerfully accept a public office with very moderate emoluments, and execute it in the best manner.

An abundant sufficiency of men of this cast may be found in the Union, whose mediocrity of desires and prudent economy will enable them to afford very well to accept the place on moderate terms; and whose habits of industry, steadiness,
nefs; and integrity will almost insure a faithful and proper performance of the duties of it.

What madness is it then to pass by this sort of men, and offer the public offices to men of either such great fortunes or great businesses, that they cannot afford to attend to the duties of them, without very great emoluments? To hear men talk in Congress of the sacrifices of fortune which they make by accepting their places, raises my indignation; not against the impatient sufferer so much, indeed, as against the fools who appointed him, who, I conceive, made much greater sacrifices of their common sense in giving him the place, than he did of his money in accepting it.

Besides, where a man’s wants are supplied by his diligence, he will naturally be very industrious and persevering; but it is commonly found that industry is very apt to abate, where the occasions of it are lessened or removed. I do not know a more effectual way to spoil a public officer, than making him too rich; such a man is apt to turn over the public concerns to clerks or subalterns, and to devote more of his time to indolence or pleasures, than to the business of his office.

Whether any of these observations will apply to the compensations which Congress have voted to themselves, the great officers of state, the collectors and officers of the revenue, the door-keepers, and sundry other public officers, I leave to be discussed another time; without going into any detail of that matter at present, I have only to say, that the compensations are generally deemed (by people I have conversed with) to be about double of what they ought to be, in order to insure the business of the respective offices to be well done: and as they are amazingly higher than the States of the Union in general allow to their officers of a similar nature, I suppose they will be thought excessive, and, of course, will be complained of, and probably viewed with uneasiness and dissatisfaction.

Certainly the extravagances of the courts of Europe in this respect are no kind of rule for us; and I think any gentleman might be ashamed to quote their example (which is and ever has been universally exploded in America) as a reason
reason why we should imitate it. But it may be noted; that no compensations allowed in Europe or America to the Members of any Parliament, Diet, States General, Assembly, or any other body similar to that of Congress, ever were one-third of what Congress have granted to themselves; at least this is true as far as I could ever gain information of the matter.

I suppose they give no credit for the honor of their stations, their acquaintance with all the capital characters in America, and all those of Europe, which repair to the federal court, their information of the state and principle of the manufactures, agriculture, commerce, and policies of all the States of the Union, the opportunities they acquire of serving their children and friends, and the consequence which their residence in Congress will ever after give to them and their families in their respective States, whenever they shall return home. I should suppose all these advantages, or even any one of them, would be compensation enough for a few months' residence in Congress, without any money at all; especially if their simple and necessary expenses were born by the public into the bargain.

III. Economy absolutely requires the payment of the public debts, at least the annual or half-yearly interest of them; the public would derive greater advantages from this, by the general animation of every sort of business it would produce, than would compensate the burden of raising the money to do it, even if we pay no regard to the public justice, honor, credit, morality, gratitude, and even compassion, which all conspire to enforce the same measure.

But if all this cannot be done at present, enough may doubtless be done to satisfy the original holders of the public securities, who are manifestly the most meritorious, as well as the greatest sufferers, and the most distressed and ruined by the public defaults of any among us; but I touched on this before, and it is needless to add more on this dreary subject in this place.

IV. Economy requires that the public monies should be raised in that way that is easiest to the people, and least troublesome, disgusting, and expensive in the collection; an impost
on imported luxuries and articles of unnecessary consumption, but just high enough to reduce the excessive use of them down to that degree, which is most conducive to the health, morals, and wealth of our people, together with the small impost on other articles already assessed, will, I conceive, produce all the supplies which the public exigences require; the collection of all this will be cheap and easy: a few officers in the places of navigation will be sufficient; and the importers who pay the duty, will be few, and will all be reimbursed in their sales.

But a general excise (which, I hear, is in contemplation) will require an almost infinite number of officers, whose pay will amount to vast sums, and whose duty will be of the most disgusting and mortifying kind to the people; for my part, I had rather pay a dollar a gallon, impost duty, on all the spirits and wines I consume, than suffer the mortifying intrusions of an excise-officer, to examine my liquors, tho' his demand was but a shilling; and after all, it will be totally impossible to collect this duty in the exterior parts of the States with any kind of general uniformity and equality, as all experience has ever made manifest. But I have treated this more fully in my Fifth, Sixth, and Seventh Essays on Free Trade and Finance, to which I refer any body who wishes to see my sentiments on this subject more fully explained.

I write with the most unlimited freedom, and I expect the candor of my countrymen; if my sentiments are wrong, condemn them; if right, approve and adopt them; it is not an itch of writing which impels me, but a zeal for a good government and a wise administration prompts me to write, and dictates every line. I lament that anyone advantage of my country should be lost for want of proper management, or that we should ever incur the old censure of fools, having a price put into their hands, but no hearts to improve it. May Heaven direct our public counsels, and give prosperity and establishment to our union.

**REMARKS**
REMARKS
ON THE
Address of Sixteen Members
OF THE
ASSEMBLY OF PENNSYLVANIA,
TO THEIR
CONSTITUENTS,
DATED SEPTEMBER 29, 1787.

With some Strictures on their Objections to the CONSTITUTION recommended by the late Federal Convention.*

[FIRST PUBLISHED IN PHILADELPHIA, OCTOBER 12, 1787.]

I AM now to consider the objections of our sixteen Members to the NEW CONSTITUTION it self, which is much the most important part that lies on me.

1. Their first objection is, that the government proposed will be too expensive. I answer, that if the appointments of

* When the NEW CONSTITUTION was laid before the Assembly of Pennsylvania, in September, 1787, a resolution passed the House (forty-three against nineteen) to call a Convention to consider it, &c. Sixteen of the Directors published an Address to their Constituents, dated September 27, 1787, stating their conduct and assigning the reasons of it: but as there was very little in all this affair that reflected much honor on the opposing Members or on the State to which they belonged, and nothing that could affect or concern any body out of that State, I have here omitted my remarks on all of it, but their objections to the NEW CONSTITUTION itself, which being of general consequence to the States, in as much as that Constitution (with a few amendments since adopted) is the same which now exists in full establishment thro' the Union, I therefore here infer, I say, their objections and my remarks on them, and leave out all the rest as matter of local concern at such time, but like to be little interesting to the public in general at this or any future time.
of offices are not more, and the compensations or emoluments of office not greater, than is necessary, the expense will be by no means burdensome, and this must be left to the prudence of Congress; for I know of no way to control supreme powers from extravagance in this respect. Doubtless many instances may be produced of many needless offices being created, and many inferior officers, who receive far greater emoluments of office than the first President of the State.

2. Their next objection is against a legislature consisting of three branches. This is so far from an objection, that I consider it as an advantage. The most weighty and important affairs of the Union must be transacted in Congress; the most essential counsels must be there decided, which must all go thro’ three several discussions in three different chambers (all equally competent to the subject and equally governed by the same motives and interests, viz. the good of the great Commonwealth, and the approbation of the people) before any decision can be made; and when disputes are very high, different discussions are necessary, because they afford time for all parties to cool and reconsider.

This appears to me to be a very safe way, and a very likely method to prevent any sudden and undigested resolutions from passing; and tho’ it may delay, or even destroy, a good bill, will hardly admit the passing of a bad one, which is by far the worst evil of the two. But if all this cannot stop the course of a bad bill, the negative of the President will at least give it further embarrassment, will furnish all the new light which a most serious discussion in a third House can give, and will make a new discussion necessary in each of the other two, where every member will have an opportunity to revile his opinion, to correct his arguments, and bring his judgment to the greatest maturity possible: if all this can not keep the public decision within the bounds of wisdom, natural fitness, right, and convenience, it will be hard to find any efforts of human wisdom that can do it.

I believe
I believe it would be difficult to find a man in the Union, who would not readily consent to have Congress vested with all the vast powers proposed by the New Constitution, if he could be sure that those powers would be exercised with wisdom, justice, and propriety, and not be abused; and I do not see that greater precautions and guards against abuses can well be devised, or more effectual methods used to throw every degree of light on every subject of debate, or more powerful motives to a reasonable and honest decision can be set before the minds of Congress, than are here proposed.

And if this is the best that can be obtained, it ought in all prudence to be adopted till better appears, rather than to be rejected merely because it is human, not perfect, and may be abused. At any rate I think it very plain that our chance of a right decision in a Congress of three branches, is much greater than in one of a single chamber: but however all this may be, I cannot see the least tendency in a Legislature of three branches to increase the burdens or taxes of the people. I think it very evident that any proposition of extravagant expense would be checked and embarrassed in such an Assembly, more than in a single House.

Further, the two Houses being by their election taken from the body of the States, and being themselves principal inhabitants, will naturally have the interest of the Commonwealth sincerely at heart, their principle must be the same, their differences must be (if any) in the mode of pursuing it, or arise from local attachments; I say, the great interest of their country, and the esteem, confidence, and approbation of their fellow-citizens, must be strong governing principles in both Houses, as well as in the President himself. *

3. Another objection is, that the Constitution proposed will annihilate the State-governments, or reduce them to mere corporations. I take it that this objection is thrown out (merely

* Vide this subject fully discussed in my Dissertation on that Constitution, which is necessary for the United States, page 198.
(merely invidic causa) without the least ground for it; for I do not find one article of the Constitution proposed, which vests Congress, or any of their officers or courts, with a power to interfere in the least in the internal police or government of any one State, when the interests of some other State, or strangers, or the Union in general, are not concerned; and in all such cases it is absolutely and manifestly necessary that Congress should have a controlling power, otherwise there would be no end of controversies and injuries between different States, nor any safety for individuals, nor any possibility of supporting the Union with any tolerable degree of honor, strength, or security.

4. Another objection is against the power of taxation vested in Congress. But I answer, this is absolutely necessary and unavoidable, from the necessity of the case; I know it is a tender point, a vast power, and a terrible engine of oppression and tyranny, when wantonly, injudiciously, or wickedly used, but must be admitted; for it is impossible to support the Union, or indeed any government, without expense—the Congress are the proper judges of that expense, the amount of it, and the best means of supplying it; the safety of the States absolutely requires that this power be lodged somewhere, and no other body can have the least pretensions to it; and no part of the resources of the States can, with any safety, be exempt, when the exigencies of the Union or government require their utmost exertion.

The stronger we make our government, the greater protection it can afford us, and the greater will our safety be under it.

It is easy enough here to harangue on the arts of a court to create occasions for money, or the unbounded extravagance with which they can spend it; but all this notwithstanding, we must take our courts as we do our wives, for better or for worse. We hope the best of an American Congress, but if they disappoint us, we cannot help it; it is in vain to try to form any plan of avoiding the frailties of human nature.—Would any man choose a lame horse left a found one should run away with him? or will any man prefer a small tent to live in, before a large house, which may
may fall down and crush him in its ruins? No man has any right to find fault with this article, till he can substitute a better in its room.

The sixteen Members attempt to aggravate the horrors of this devouring power, by suggesting the rigid severity with which Congress, with their faithful soldiery, will exact and collect the taxes. This picture, stripped of its black drapery, amounts to just this, viz. that whatever taxes are laid will be collected, without exception, from every person charged with them, which must look disagreeable, I suppose, to people who, by one shift or another, have avoided paying taxes all their lives.

But it is a plain truth, and will be obvious to any body who duly considers it, that nothing can be more ruinous to a State, or oppressive to individuals, than a partial and dilatory collection of taxes, especially where the tax is an impost or excise, because the man who avoids the tax, can under Fell, and consequently ruin, him who pays it, i.e. smuggling ruins the fair trader, and a remedy of this mischief, I cannot suppose, will be deemed by our people in general such a very awful judgment, as the sixteen Members would make us believe their constituents will consider it to be.

5. They object, that the liberty of the press is not asserted in the Constitution. I answer, neither are any of the ten commandments, but I do not think, that it follows that it was the design of the Convention to sacrifice either the one or the other to contempt, or to leave them void of protection and effectual support.

6. It is objected further, that the Constitution contains no declaration of rights. I answer, this is not true: the Constitution contains a declaration of many rights, and very important ones, e.g. that people shall be obliged to fulfil their contracts, and not avoid them by tenders of any thing less than the value stipulated; that no ex post facto laws shall be made, &c. but it was no part of the business of their appointment to make a code of laws; it was sufficient to fix the Constitution right, and that would pave the way for the most effectual security of the rights of the subject.

7. They
7. They further object, that no provision is made against a standing army in time of peace. I answer, that a standing army, i.e. regular troops, are often necessary in time of peace, to prevent a war, to guard against sudden invasions, for garrison-duty, to quell mobs and riots, as guards to Congress and perhaps other courts, &c. &c. as military schools to keep up the knowledge and habits of military discipline and exercise, &c. &c. and as the power of raising troops is rightfully and without objection vested in Congress, so they are the proper and best judges of the number requisite, and the occasion, time, and manner of employing them; if they are not wanted on military duty, they may be employed in making public roads, fortifications, or any other public works: they need not be an useless burden to the States: and for all this the prudence of Congress must be trusted, and nobody can have a right to object to this, till they can point out some way of doing better.

8. Another objection is, that the New Constitution abo-
lishes trial by jury in civil causes. I answer, I do not see one word in the Constitution, which, by any candid construction, can support even the remotest suspicion that this ever entered in the heart of one Member of the Convention: I therefore set down the suggestion for sheer malice, and dismiss it.

9. Another objection is, that the federal judiciary is so constructed as to destroy the judiciaries of the several States, and that the appellate jurisdiction, with respect to law and fact, is unnecessary. I answer, both the original and appellate jurisdiction of the federal judiciary are manifestly necessary, where the cause of action affects the citizens of different States, the general interest of the Union, or strangers (and to cases of these descriptions only does the jurisdiction of the federal judiciary extend) I say, these jurisdictions of the federal judiciary are manifestly necessary for the reasons just now given under the third objection.

I do not see how they can avoid trying any issues joined before them, whether the thing to be decided is law or fact;
but I think no doubt can be made, that if the issue joined is on fact, it must be tried by a jury.

10. They object, that the election of Delegates for the House of Representatives is for two years, and of Senators, for six years. I think this a manifest advantage, rather than an objection. Very great inconveniences must necessarily arise from a too frequent change of the Members of large legislative or executive bodies, where the revision of every past transaction must be taken up, explained, and discussed anew for the information of the new Members; where the settled rules of the House are little understood by them, &c. &c. all which ought to be avoided, if it can be with safety.

Further, it is plain that any man who serves in such bodies, is better qualified the second year than he could be the first, because experience adds qualifications for every business, &c. the only objection is, that long continuance affords danger of corruption, but for this the Constitution provides a remedy by impeachment and expulsion, which will be a sufficient restraint, unless a majority of the House and Senate should become corrupt, which is not easily presumable: in fine, there is a certain mean between too long and too short continuances of Members in Congress, and I cannot see but it is judiciously fixed by the Convention.

Upon the whole matter, I think the sixteen Members have employed an address-writer of great dexterity, who has given us a strong sample of ingenious malignity and ill-nature—a masterpiece of high coloring in the scare-crow way; in his account of the conduct of the sixteen Members, by an unexpected openness and candor, he avows facts which he certainly cannot expect to justify, or even hope that their constituents will patronize or even approve, but he seems to lose all candor when he deals in sentiments; when he comes to point out the nature and operation of the New Constitution, he appears to mistake the spirit and true principles of it very much; or, which is worse, takes pleasure in showing it in the worst light he can paint it in.

I however agree with him in this, 'that this is the time for consideration and minute examination;' and, I think, the great
great subject, when viewed seriously, without passion or prejudice, will bear, and brighten under, the severest examination or the rational inquirer. If the provisions of the law or Constitution do not exceed the occasions, if the remedies are not extended beyond the mischiefs, the government cannot be justly charged with severity; on the other hand, if the provisions are not adequate to the occasions, and the remedies not equal to the mischiefs, the government must be too lax, and not sufficiently operative to give the necessary security to the subject: to form a right judgment, we must compare these two things well together, and not suffer our minds to dwell on one of them alone, without considering it in connexion with the other; by this means we shall easily see that the one makes the other necessary.

Were we to view only the gaols and dungeons, the gallows and pillories, the chains and wheel-barrows, of any State, we might be induced to think the government severe; but when we turn our attention to the murders and parricides, the robberies and burglaries, the piracies and thefts, which merit these punishments, our idea of cruelty vanishes at once, and we admire the justice, and perhaps clemency, of that government, which before shocked us as too severe.

So when we fix our attention only on the superlative authority and energetic force vested in Congress, and our federal executive powers by the New Constitution, we may at first be induced to think that we yield more of the sovereignty of the States and of personal liberty, than is requisite to maintain the federal government; but when, on the other hand, we consider with full survey the vast supports which the union requires, and the immense consequence of that union to us all, we shall probably soon be convinced that the powers aforesaid, extensive as they are, are not greater than is necessary for our benefit: for,

1. No laws of any State, which do not carry in them a force which extends to their effectual and final execution, can afford a certain and sufficient security to the subject; for,
2. Laws of any kind, which fail of execution, are worse than none, because they weaken the government, expose it to contempt, destroy the confidence of all men, both subjects and
and strangers, in it, and disappoint all men who have con-

fided in it.

In fine, our union can never be supported without definite
and effectual laws, which are co-extensive with their occa-

sions, and which are supported by authorities and powers
which can give them execution with energy; if admitting
such powers into our Constitution can be called a sacrifice,
it is a sacrifice to safety, and the only question is, whether
our union or federal government is worth this sacrifice.

Our union, I say, under the protection of which every

individual rests secure against foreign and domestic insult and
oppression; but without it we can have no security against
invasions, insults, and oppressions of foreign powers, or a-

gainst the inroads and wars of one State on another, or even
against insurrections and rebellions arising within particular
States, by which our wealth and strength, as well as ease,
comfort, and safety, will be devoured and destroyed by ene-
mies growing out of our own bowels.

It is our union alone which can give us respectability
abroad in the eyes of foreign nations, and secure to us all
the advantages both of trade and safety, which can be de-

rived from treaties with them.

The Thirteen States all united and well cemented toge-

ther, are a strong, rich, and formidable body, not of stati-

onary, maturated power, but increasing every day in riches,
strength, and numbers.

Thus circumstanced, we can demand the attention and
respect of all foreign nations, but they will give us both
in exact proportion to the solidity of our union: for if they
observe our union to be lax, from insufficient principles of
cement in our Constitution, or mutinies and insurrections of
our own people (which are the direct consequence of an
insufficient cement of union) I say, when foreign nations see
either of these, they will immediately abate of their atten-
tion and respect to us, and confidence in us.

And as it appears to me, that the New Constitution does
not vest Congress with more or greater powers than are ne-
necessary to support this important union, I wish it may be ad-
mitted
mitted in the most cordial and unanimous manner by all the States.

It is a human composition, and may have errors which future experience will enable us to discover and correct; but I think it is pretty plain, if it has faults, that the address-writer of the sixteen Members has not been able to find them; for he has all along either hunted down phantoms of error, that have no real existence, or, which is worse, tarnished real excellencies into blemishes.

I have dwelt the longer on these remarks of this writer, because I observe that all the scribblers in our papers against the New Constitution, have taken their cue principally from him; all their lucubrations contain little more than his ideas dressed out in a great variety of forms; one of which colors so high as to make the New Constitution strongly resemble the Turkish government (vide Gazetteer of the 10th instant) which, I think, comes about as near the truth as any of the rest, and brings to my mind a sentiment in polemical divinity, which I have somewhere read, that there were once great disputes and different opinions among divines about the mark which was set on Cain, when one of them very gravely thought it was a horn fully grown out on his forehead. It is probable he could not think of a worse mark than that.

On the whole matter, there is no end of the extravagancies of the human fancy, which are commonly dictated by poignant feelings, disordered passions, or affecting interests; but I could wish my fellow-citizens, in the matter of vast importance before us, would divest themselves of bias, passion, and little personal or local interests, and consider the great subject with that dignity of reason, and independence of sentiment, which national interests ever require.

I have here given my sentiments with the most unbaffled freedom, and hope they will be received with the most candid attention and unbaffled discussion by the State in which I live, and in which I expect to leave my children.

I will conclude with one observation, which I take to be very capital, viz. that the distresses and oppressions, both of nations and individuals, often arise from the powers of government.
government being too limited in their principle, too indeterminate in their definition, or too lax in their execution, and, of course, the safety of the citizens depends much on full and definite powers of government, and an effectual execution of them.

The Weaknesses of Brutus exposed:

OR, SOME

REMARKS

In Vindication of the Constitution

PROPOSED BY THE LATE

FEDERAL CONVENTION

AGAINST THE

Objections and gloomy Fears of that Writer.

[First published in Philadelphia, Nov. 4, 1787.]

The long piece signed Brutus (which was first published in a New-York paper, and was afterwards copied into the Pennsylvania Packet of Oct. 26, 1787) is wrote in a very good style; the language is easy, and the address is polite and insinuating: but the sentiments, I conceive, are not only unfound, but wild and chimerical; the dreary fears and apprehensions, altogether groundless; and the whole tendency of the piece, in this very important crisis of our politics, very hurtful. I have, therefore, thought it my duty to make some animadversions on it; which I here offer, with all due deference, to the author and to the public.

His
His first question is, *Whether a confederated government is best for the United States?*

I answer,—If Brutus, or any body else, cannot find any benefit resulting from the union of the Thirteen States; if they can do without as well as with the respectability, the protection, and the security, which the States may derive from that union, I have nothing further to say: but if *that union is to be supported* in any such manner as to afford respectability, protection, or security to the States, I say it must be done by an *adequate government*, and cannot be otherwise done.

This government must have a *supreme power, superior to and able to control each and all of its parts*. It is essential to all government, that such a power be somewhere-existing in it; and if *the place* where the proposed Constitution has fixed it, does not suit Brutus and his friends, I will give him leave to move it away in *any other place that is better*: but I will not consent to have it *annihilated*; neither will I agree to have it *cramped and pinched for room*, so as to *lessen its energy*; for that will deftroy both its nature and use.

The supreme power of government ought to be *full, definite, established, and acknowledged*. Powers of government *too limited*, or *uncertain and disputed*, have ever proved, like Pandora's box, a most fruitful source of quarrels, animosities, wars, devastation, and ruin, in all stations and degrees, in all communities, states, and kingdoms on earth.

Nothing tends more to the *honor, establishment, and peace* of society, than *public decisions*, grounded on principles of *right, natural fitness, and prudence*; but—when the powers of government are *too limited*, such decisions cannot be *made and enforced*; so the mischief goes without a remedy: dreadful examples of which we have felt, in instances more than enough, for seven years past.

Further, where the powers of government are not *definite* but *disputed*, the administration *dare not make decisions* on the footing of *impartial justice and right*; but must *temporize* with the parties, left they lose *friends* or make *enemies*: and, of course, the *righteous* go off injured and *distinguished*, and the *wicked* go off grumbling too; for it is rare that
that any sacrifices of a court can satisfy a prevailing party in the State.

It is necessary in States, as well as in private families, that controversies should have a just, speedy, and effectual decision, that right may be done before the contention has time to grow up into habits of malignity, resentment, ill-nature, and ill offices. If a controversy happens between two States, must it continue undecided, and daily increase, and be more and more aggravated, by the repeated insults and injuries of the contending parties, till they are ripe for the decision of the sword? or must the weaker States suffer, without remedy, the groundless demands and oppressions of their stronger neighbours, because they have no avenger, or umpire of their disputes?

Or shall we institute a supreme power, with full and effectual authority to control the animosities and decide the disputes of these strong, contending bodies? In the one proposed to us, we have perhaps every chance of a righteous judgment, that we have any reason to hope for; but I am clearly of opinion, that even a wrongful decision would, in most cases, be preferable to the continuance of such destructive controversies.

I suppose that neither Brutus nor any of his friends would wish to see our government embroiled abroad, and, therefore, will admit it necessary to institute some federal authority, sufficient to punish any individual or State, who shall violate our treaties with foreign nations, insult their dignity, or abuse their citizens, and compel due reparation in all such cases.

I further apprehend, that Brutus is willing to have the general interest and welfare of the States well provided for and supported, and, therefore, will consent that there shall exist in the States an authority to do all this effectually; but he seems grieved that Congress should be the judges of this general welfare of the States. If he will be kind enough to point out any other more suitable and proper judges, I will consent to have them admitted.

Indeed, I begin to have hopes of Brutus, and think he may come right at last; for I observe (after all his fear and trembling
trembling about the new government) the constitution he defines and adopts, is the very same as that which the Federal Convention have proposed to us, viz. "that the Thirteen States should continue thirteen confederated republics, under the direction and control of a supreme federal head, for certain defined national purposes only." Where we may observe,

1. That the New Constitution leaves all the Thirteen States, complete republics, as it found them, but all confederated under the direction and control of a federal head, for certain defined national purposes only, i.e. it leaves all the dignities, authorities, and internal police of each State in free, full, and perfect condition; unless when national purposes make the control of them by the federal head or authority, necessary to the general benefit.

2. These powers of control by the federal head or authority are defined in the New Constitution, as minutely as may be, *in their principle*; and any detail of them which may become necessary, is committed to the wisdom of Congress.

3. It extends the controlling power of the federal head to no one case, to which the jurisdiction or power of definitive decision of any one State can be competent. And,

4. In every such case, the controlling power of the federal head is absolutely necessary to the support, dignity, and benefit of the national government, and the safety of individuals; neither of which can, by any possibility, be secured without it.

All this falls in pretty well with Brutus's sentiments; for he does not think that the New Constitution in its present state is very bad, but fears that it will not preserve its purity of institution, but, if adopted, will immediately verge to, and terminate in, a consolidation, i.e. a destruction of the State-governments. For argument, he suggests the avidity of power natural to rulers, and the eager grasp with which they hold it when obtained, and their strong propensity to abuse their power, and encroach on the liberties of the people.
He dwells on the vast powers vested in Congress by the New Constitution, i.e. of levying taxes, raising armies, appointing federal courts, &c. takes it for granted that all these powers will be abused and carried to an oppressive excess; and then harangues on the dreadful case we shall be in, when our wealth is all devoured by taxes; our liberty destroyed by the power of the army; and our civil rights all sacrificed by the unbounded power of the federal courts, &c.

And when he has run himself out of breath with this dreary declaration, he comes to the conclusion he set out with, viz. that the Thirteen States are too big for a republican government, which requires small territory, and cannot be supported in more extensive nations; that in large States liberty will soon be swallowed up, and lost in the magnitude of power requisite in the government, &c.

If any conclusion at all can be drawn from this baseless assemblage of gloomy thoughts, I think it must be against any union at all; against any kind of federal government. For nothing can be plainer than this, viz. that the union cannot by any possibility be supported with success, without adequate and effectual powers of government.

We must have money to support the union, and, therefore, the power of raising it must be lodged somewhere; we must have a military force, and, of consequence, the power of raising and directing it must exist; civil and criminal causes of national concern will arise, therefore, there must be somewhere a power of appointing courts to hear and determine them.

These powers must be vested in Congress, for nobody pretends to wish to have them vested in any other body of men.

The Thirteen States have a territory very extensive, and inhabitants very numerous, and every day rapidly increasing; therefore, the powers of government necessary to support their union must be great in proportion. If the ship is large, the mast must be proportionally great, or it will be impossible to make her sail well. The federal powers must extend to every part of the federal territory, i.e.
i.e. to the utmost limits of the United States, and to every part of them; and must carry with them sufficient authority to secure the execution of them; and these powers must be vested in Congress, and the execution of them must be under their direction and control.

These powers are vast, I know; and the trust is of the most weighty kind that can be committed to human direction; and the execution and administration of it will require the greatest wisdom, knowledge, firmness, and integrity in that august body; and I hope they will have all the abilities and virtues necessary to their important station, and will perform their duty well; but if they fail, the fault is in them, not in the Constitution. The best Constitution possible, even a divine one, badly administered, will make a bad government.

The Members of Congress will be the best we can get; they will all of them derive their appointment from the States, and if the States are not wise enough to send good and suitable men, great blame, great sin will lie at their door. But I suppose nobody would wish to mend this fault by taking away the election of the people, and directing the appointment of Congress to be made in any other way.

When we have gotten the best that can be obtained, we ought to be quiet and cease complaining. It is not in the power of human wisdom to do more; it is the fate of human nature to be imperfect and to err; and no doubt but Congress, with all their dignity of station and character, with all their opportunities to gain wisdom and information, with all their inducements to virtue and integrity, will err, and abuse or misapply their powers in more or less instances. I have no expectation that they will make a court of angels, or be any thing more than men; it is probable many of them will be insufficient men, and some of them may be bad men.

The greatest wisdom, care, and caution, has been used in the mode of their appointment; in the restraints and checks under which they must act; in the numerous discussions and deliberations which all their acts must pass thro', before they can receive the stamp of authority; in the terrors
rors of punishment if they misbehave. I say, in all these ways the greatest care has been used to procure and form a good Congress.

The dignity and importance of their station and character will afford all the inducements to virtue and effort, which can influence a mind capable of their force.

Their own personal reputation, with the eyes of all the world on them, — the approbation of their fellow-citizens, which every man in public station naturally wishes to enjoy, and the dread of censure and shame, — all contribute very forcible and strong inducements to noble, upright, and worthy behaviour.

The particular interest which every Member of Congress has in every public order and resolution, is another strong motive to right action. For every act to which any Member gives his sanction, if it be raising an army, levying a tax, instituting a court, or any other act to bind the States, such act will equally bind himself, his nearest connexions, and his posterity.

Another mighty influence to the noblest principle of action will be, the fear of God before their eyes; for while they sit in the place of God, to give law, justice, and right to the States, they must be monsters indeed, if they do not regard his law, and imitate his character.

If all this will not produce a Congress fit to be trusted, and worthy of the public confidence, I think we may give the matter up as impracticable. But still we must make ourselves as easy as we can, under a mischief which admits no remedy, and bear with patience an evil which cannot be cured: for a government we must have; there is no safety without it; tho' we know it will be imperfect, we still must prefer it to anarchy or no government at all. It is the height of folly and madness to reject a necessary convenience, because it is not a perfect good.

Upon this statement of facts and principles (for the truth and reality of which, I appeal to every candid man) I beg leave to remark.

1. That
1. That the Federal Convention, in the Constitution proposed to us, have exerted their utmost to produce a Congress worthy of the public confidence, who shall have abilities adequate to their important duty, and shall act under every possible inducement to execute it faithfully.

2. That this affords every chance which the nature of the thing will admit, of a wise and upright administration.

3. Yet all this notwithstanding, it is very possible that Congress may err, may abuse or misapply their powers, which no precaution of human wisdom can prevent.

4. It is vain, it is childis, it is contentious to object to a Constitution thus framed and guarded, on pretence that the Commonwealth may suffer by a bad administration of it; or to withhold the necessary powers of government from the supreme rulers of it, lest they should abuse or misapply those powers. This is an objection which will operate with equal force against every institution that can be made in this world, whether of policy, religion, commerce, or any other human concern, which can require regulations: for it is not possible to form any institution however necessary, wise, and good, whose uses may not be lessened or destroyed by bad management.

If Brutus or any body else can point out any checks, cautions, or regulations, which have been hitherto omitted, which will make Congress more wise, more capable, more diligent, or more faithful, I am willing to attend to them.

But to set Congress at the head of the government, and object to their being vested with full and sufficient power to manage all the great departments of it, appears to me absurd, quite wild, and chimerical: it would produce a plan which would destroy itself as it went along, would be a sort of counter-position of contrary parts, and render it impossible for rulers to render those services, and secure those benefits, to the States, which are the only great ends of their appointment.

The Constitution, under Brutus's corrections, would stand thus, viz. Congress would have power to raise money, but must not direct the quantity, or mode of levying it; they might raise armies, but must not judge of the number of soldiers
soldiers necessary; or direct their destination; they ought to
provide for the general welfare, but must not be judges of
what that welfare consists in, or in what manner it is to be
provided for; they might control the several States for de-
fining national purposes, but must not be judges of what pur-
poses would come within that definition, &c.

Any body with half an eye may see what fort of admi-
nistration the Constitution thus corrected would produce,
e.g. it would require much greater trouble to leave the
work undone, than would be necessary to get it well done,
under a Constitution of sufficient powers. If any one
wishes to view more minutely this blessed operation, he
may see a lively sample of it in the last seven years’ practice
of our federal government.

5. Brutus all along founds his objections and fears on
extreme cases of abuse or misapplication of supreme powers,
which may possibly happen under the administration of a
wilful, weak, or wicked Congress; but it is easy to observe,
that all institutions are liable to extremes, but ought not to
be judged by them; they do not often appear, and perhaps
never may; but if they should happen in the cases supposed
(which God forbid) there is a remedy pointed out in the Con-
stitution itself.

It is not supposable that such abuses could rise to any ru-
ninous height, before they would affect the States so much,
that at least two-thirds of them would unite in pursuing a
remedy in the mode prescribed by the Constitution, which
will always be liable to amendment, whenever any mischiefs
or abuses appear in the government, which the Constitu-
tion, in its present state, cannot reach and correct.

6. Brutus thinks we can never be too much afraid of the
encroaching avidity of rulers; but it is pretty plain, that
however great the natural lust of power in rulers may be,
the jealousy of the people in giving it is about equal; these
two opposite passions will always operate in opposite direc-
tions to each other, and, like action and reaction in natural
bodies, will ever tend to a good balance.

At any rate, the Congress can never get more power
than the people will give, nor hold it any longer than they
will
will permit; for should they assume tyrannical powers, and make encroachments on liberty without the consent of the people, they would soon atone for their temerity with shame and disgrace, and probably with their heads.

But it is here to be noted, that all the danger does not arise from the extreme of power in the rulers; for when the balance verges to the contrary extreme, and the power of the rulers becomes too much limited and cramped, all the nerves of government are weakened, and the administration must unavoidably sink and lose that energy which is absolutely necessary for the support of the State, and the security of the people. For it is a truth worthy of great attention, that laws are not made so much for the righteous as for the wicked; who never fail to shelter themselves from punishment whenever they can, under the defects of the law, and the weakness of government.

I now come to consider the grand proposition which Brutus sets out with, concludes with, and interlards all along, and which seems to be the great gift of his performance, viz. that a confederation of the Thirteen States into one great republic is not best for them: and goes on to prove by a variety of arguments, that a republican form of government is not compatible; and cannot be convenient to so extensive a territory as the said States possess. He begins by taking one assumption for granted (for I cannot see that his arguments prove it at all) viz. that the Constitution proposed will melt down and destroy the jurisdiction of the particular States, and consolidate them all into one great republic.

I cannot see the least reason for this sentiment, nor the least tendency in the New Constitution to produce this effect. For the Constitution does not suffer the federal powers to control in the least, or so much as to interfere in, the internal policy, jurisdiction, or municipal rights of any particular State; except where great and manifest national purposes and interests make that control necessary.

It appears very evident to me, that the Constitution gives an establishment, support, and protection to the internal and separate police of each State, under the superintendency of the federal powers, which it could not possibly enjoy in an independent
independent state. Under the confederation each State derives strength, firmness, and permanency from its compact with the other States. Like a slave in a cage well bound with hoops, it stands firmer, is not so easily shaken, bent, or broken, as it would be were it set up by itself alone, without any connexion with its neighbours.

There can be no doubt that each State will receive from the union great support and protection against the invasions and inroads of foreign enemies, as well as against riots and insurrections of their own citizens; and, of consequence, the course of their internal administration will be secured by this means against any interruption or embarrassment from either of these causes.

They will also derive their share of benefit from the respectability of the Union abroad, from the treaties and alliances which may be made with foreign nations, &c.

Another benefit they will receive from the control of the supreme power of the Union is this, viz. they will be restrained from making angry, oppressive, and destructive laws; from declaring ruinous wars with their neighbours; from fomenting quarrels and controversies, &c. all which ever weaken a State, tend to its fatal disorder, and often end in its dissolution. 'Righteousness exalts and strengthens a nation; but sin is a reproach and weakening of any people.'

They will, indeed, have the privilege of oppressing their own citizens by bad laws or bad administration; but the moment the mischief extends beyond their own State, and begins to affect the citizens of other States, strangers, or the national welfare,—the salutary control of the supreme power will check the evil, and restore strength and security, as well as honesty and right, to the offending State.

It appears then very plain, that the natural effect and tendency of the supreme powers of the Union is, to give strength, establishment, and permanency to the internal police and jurisdiction of each of the particular States; not to melt down and destroy, but to support and confirm, them all.

By what sort of assurance, then, can Brutus tell us, that the New Constitution, if executed, must certainly and infallibly terminate in a consolidation of the whole into one great republic,
subverting all the State-authorities. His only argument is, that the federal powers may be corrupted, abused, and misapplied, till this effect shall be produced. It is true, that the Constitution, like every other on earth committed to human management, may be corrupted by a bad administration, and be made to operate to the destruction of the very capital benefits and uses, which were the great end of its institution.

The same argument will prove, with equal cogency, that the Constitution of each particular State may be corrupted in practice, become tyrannical and inimical to liberty. In short, the argument proves too much, and, therefore, proves nothing: it is empty, childish, and futile, and a fe- rious proposal of it is, I conceive, an affront to the human understanding.

But, after all, supposing this event should take place, and, by some strange fatality, the several States should be melted down and merged in the great Commonwealth, in the form of counties or districts; I do not see why a commonwealth mode of government would not be as suitable and convenient for the great State, as any other form whatever; I cannot see any sufficient ground or reason for the position: pretty often and boldly advanced, that a republican form of government can never be suitable for any nation of extensive territory and numerous population.

For if Congress can be chosen by the several States, tho's under the form and name of counties or election-districts, and be in every respect instituted as directed by the New Constitution, I do not see but we shall have as suitable a national council, as wise a legislative, and as strong and safe an executive, power, as can be obtained under any form of government whatever, let our territory be ever so extensive or populous.

The most despotic monarch that can exist, must have his councils and officers of state; and I cannot see any one circumstance of their being appointed under a monarchy, that can afford any chance of their being any wiser or better than ours may be. It is true, indeed, the despot may, if he pleases, act without any advice at all; but when he does so,
So I conceive it will be very rare that the nation will receive greater advantages from his unadvised edicts, than may be drawn from the deliberate acts and orders of our supreme powers. All that can be said in favor of those is, that they will have less chance of delay, and more of secrecy, than those; but I think it probable, that the latter will be grounded on better information and greater wisdom, will carry more weight, and be better supported.

The Romans rose from small beginnings to a very great extent of territory, population, and wisdom; I do not think their constitution of government was near so good as the one proposed to us, yet we find their power, strength, and establishment were raised to their utmost height under a republican form of government. Their State received very little acquisition of territory, strength, or wealth, after their government became imperial; but soon began to weaken and decay.

The Carthaginians acquired an amazing degree of strength, wealth, and extent of dominion, under a republican form of government. Neither they nor the Romans owed their dissolution to any causes arising from that kind of government: it was the party rage, animosity, and violence of their citizens, which destroyed them both; i.e. weakened them, till the one fell under the power of their enemies, and was thereby reduced to ruin; the other changed their form of government to a monarchy, which proved in the end equally fatal to them.

The same causes, if they cannot be restrained, will weaken or destroy any nation on earth, let their form of government be what it will; witness the division and dissolution of the Roman empire; the late dismemberment of Poland; the intestine divisions, rage, and wars of Italy, of France, of Spain, and of England.

No form of government can preserve a nation, which cannot control the party rage of its own citizens; when any one citizen can rise above the control of the laws, ruin draws near. It is not possible for any nation on earth to hold their strength and establishment, when the dignity of their government is lost, and this dignity will for ever depend on the
the wisdom and firmness of the officers of government, aided and supported by the virtue and patriotism of their citizens.

On the whole, I do not see but that any form of government may be safe and practicable, where the controlling authority of the supreme powers is strong enough to effect the ends of its appointment, and, at the same time, sufficiently checked to keep it within due bounds, and limit it to the objects of its duty; and, I think, it appears that the Constitution proposed to us has all these qualities in as great perfection as any form we can devise.

But after all, the grand secret of forming a good government is, to put good men into the administration: for wild, vicious, or idle men, will ever make a bad government, let its principles be ever so good; but grave, wise, and faithful men, acting under a good Constitution, will afford the best chance of security, peace, and prosperity to the citizens, which can be derived from civil police, under the present disorders, and uncertainty of all earthly things.
AN ESSAY ON CREDIT:
IN WHICH
The Doctrine of BANKS is considered,
AND
Some Remarks are made on the PRESENT STATE of the
BANK OF NORTH-AMERICA.
[First published in Philadelphia, Feb. 10, 1786.]

Credit is the confidence which mankind place in the virtue and good character of its object: so when we say of a man, 'he is a person of credit and reputation,' the meaning is, that he is a man in whose virtue and good character people in general place confidence.

Credit, in a commercial sense, is the confidence which people place in a man's integrity and punctuality in fulfilling his contracts and performing his engagements. When we speak of a merchant of credit, we mean a merchant in whose ability, integrity, and punctuality in fulfilling his contracts and engagements, people have confidence, i.e. a man of integrity and truth, who is fit to be believed and trusted; the contrary or reverse of this is a man of no integrity in his dealings, who will quibble and shuffle, evade his contracts, violate his word and truth, delay his payments, disappoint
disappoint his creditors, use deceit, chicanery, and falsehood, &c. i.e., is not fit to be believed or trusted.

From this view of the matter it appears, that credit is a most valuable thing in society, it gives hearts-ease, it gives wealth, it is a nurse of every social virtue, it makes a soil suitable for the growth of public spirit and every public virtue; the worth and value of this may, perhaps, be best illustrated by comparing it or viewing it in contrast with its contrary; how much better do we feel, how much richer do we grow, how much more easy, safe, and satisfied do we enjoy ourselves, when we live among citizens to whom we can give full credit, in whom we can have safe confidence, and whom we can trust, than when we find ourselves among people to whom we can give no credit, in whom we can have no confidence, and whom we cannot trust, and where every concern or contract we make with them is attended with anxiety, uneasiness, and fear, and commonly followed by deceit, loss, and disappointment? In this case, I desire, I can need, no better argument, no better proof, no better explanation of my subject, than an appeal to the infant feelings of my fellow-citizens.

But however valuable and excellent in society, however profitable and happyfying, however soothing to our warmest wishes, credit public or private may be, it is in vain to hope for it, or even to imagine the possibility of its existence, without its proper object, which is honesty or integrity; it can no more be forced by laws, it can no more be obtruded by authority, however high and puissant, than an article of faith can be forced on the understanding, without proper proof or evidence.

Credit and honesty are in their nature correlatives, and must and for ever will imply and support each other. Integrity will generate credit and confidence the moment it is known in any part of the world; and the moment that integrity or honesty is observed to cease, the credit or confidence which was generated by it, instantly ceases too; it dies, it can never be brought to draw another breath, after the integrity
integrity which generated it and supplied all its vital motions, is gone.

It is here to be noted, that however necessary and even essential integrity is to credit, yet in a commercial sense, i.e. as far as it relates to trade, money, or wealth, it is not the only thing necessary; power or ability must be added; for however clear and plain it is, that an honest man will never contract beyond his power of performance, yet it often happens that his power of performance may be much lessened between the time of contract and the time of fulfilment, by many incidents which may and often do take place, which at once lessen his credit, or the confidence of his neighbours in his engagements.

These incidents often affect honest merchants so deeply, as to occasion their failure or bankruptcy, and their failure often produces another in their creditors, that a third, and that a fourth, &c. This succession of failures often originates in a swindler or rascal, who knowingly contracts vastly beyond his ability of performance, and, of course, ruins not only himself, but a numerous succession of honest men.

This affords us one instance of the vast mischief which a community may and often does suffer, from one dishonest man residing among them; very many others might be produced of like mischief, effected in a great variety of ways, and to such a degree that a national character may be deeply stained by the iniquity and knavery of a few.

This shows that it is of most serious consequence to every State, to use every possible means, not only to preserve the national credit and character of their State in good purity and honor, but also to introduce, as far as may be, habits of integrity and honor among their citizens, and extirpate, as far as can be done, all such villainous and scandalous practices, as naturally tend to disgrace the national character, and ruin the fortunes of private citizens.

These observations will appear with greater force and advantage, if we recur for a moment to what I just now mentioned, viz. the great ease, satisfaction, and convenience of living in a State where the public finance is so managed,
nated, that all private citizens can safely rely on the justice and punctuality of the public engagements, and where the habits of honesty and integrity are so general among the private citizens, that they may safely trust one another, so that credit and mutual confidence in each other may prevail thro' the community.

Thus circumstanced, every man may safely employ his flock in any business of advantage, either of merchandize, mechanism, or husbandry; whereas if he lived in a State, and among citizens, of contrary character, he would be afraid to let his flock go out of his own keeping, lest it should fall into hands, either public or private, which would retain it from him, so that he could not recover it again, thro' the advantages of improvement. both to the public and himself, might be very great and inviting.

In a State, and among citizens, so happily disposed, any man, with industry and economy, tho' his means were small, might live very easy and comfortable, and the man of fortune might improve his estate very safely and happily, to the great advantage both of the public and himself. Strangers would have every encouragement to flock in to such a State, and thereby increase the population, and, of course, the commerce, manufactures, and husbandry of it.

From this view of the subject it appears strikingly evident, that credit, both public and private, and the mutual confidence of citizens in the public justice and in each other, is of most momentous advantage, of most capital convenience, both to the public and to the individual members of it; it contributes most decidedly and essentially to the internal establishment, security, and safety of the government, and to the ease, wealth, and happiness of private citizens; therefore, it follows, that it is the high interest and great duty of every State to adopt and pursue every practicable method of securing, enlarging, and extending to the utmost degree, all the advantages and blessings which can result from such public and private credit, and the mutual confidence of the subjects of the State in the public and in each other.

The wisest and richest nations of Europe, long before we were born, have seen this subject and its most momentous importance
importance in a light so strong and glaring, as induced them to adopt every practicable method in their power, to secure to themselves such invaluable advantages. In their practice we have an example, and in their success we have encouragement, and very strong inducement to imitate it.

For this purpose, the richest trading cities of Europe long since adopted the plan of establishing public banks; this plan they formed upon the most deliberate consideration; they had the greatest opportunities of information, had the greatest experience in the subject; they knew the importance, operation, and effects of both cash and credit, the best of any men then in the world, as their trade and wealth were then the greatest of any in the world. It is not to be supposed that their first essays reached the perfection of the subject, but they found advantages enough in their first trial, to induce them to continue the practice ever since.

Genoa was the first State in Europe which established a public bank; their bank of St. George was established in 1407, by a public act of that republic. The plan was soon followed by Venice, whose bank, which continues to this day with the greatest advantage to the State, as well as to their private citizens, and has ever been in the highest reputation and credit both at home and thro' all Europe, was established by a public act of their State.

The city of Amsterdam long after followed their example, and their present bank received a public establishment by an act of their States-General in 1609. The cities of Rotterdam and Hamburg adopted the same practice; and England, who is always phlegmatic and late in adopting the example of the other European States, instituted and established its bank in 1694; and France, whose attention in those days was little turned to improvements in trade, came later into it; their royal bank at Paris was established by public authority in 1718.

Besides these, very many other banks of less extent and consequence, both public and private, are now established in the greatest trading cities and banks are become the great
great receptacles of the cash of Europe, and almost all mercantile receipts and payments are made thro’ them.

The bank of Genoa, indeed, failed in 1746, after that republic had, for a great length of time, enjoyed most signal and capital benefits from it; but its ruin was not brought on by any defect of its principle, or mismanagement of its directors, but by the madness of the rulers of that State; they were not mad enough, indeed, to decry it as an useless or dangerous institution, but they adopted the contrary extreme, they magnified its strength and power too much, and compelled the directors to make advances to the State beyond what their funds would bear.

The other banks have continued to this day, and with such incredible and most acknowledged benefit to the several States in which they are established, that their credit or decline has generally been considered as a sort of sure criterion of the strength or weakness of the State in which they are established. When nations are at war, they ever have thought it a sure way to bring fatal embarrassments on an enemy, if they can by any possible means shake the credit of their bank; and every State has always been ready to go great lengths to support their bank, if, by any turn of affairs, it has happened to be in distress.

It must, therefore, be very absurd to suppose that such an institution can be hurtful or even useless, that has stood the test of such extensive and durable trial and practice, among so many nations of the greatest experience and most accurate knowledge of the subject; an institution thro’ which not only the cash of private merchants, but of the greatest and richest trading companies, and even the treasure of nations, has been so long negotiated, and which, thro’ so great a length of time, up to this very hour, supports its credit and character of vast utility, by the universal suffrage of nations, thro’ all ranks of people, from crowns and the most dignified assemblies of statesmen, and the most wealthy companies of merchants, down to the lowest dealer.

But all this notwithstanding, people may be found, little acquainted with the subject, and wholly unexperienced in it, who will give their opinion that such an institution is injurious.
injurions to a State, and incompatible with the safety of it. This may be considered as an instance and proof of that height of absurdity which people may arrive at, who grow zealous and positive in things they do not understand.

But however well the nature of banks may be understood in Europe, and however immense the advantages and profits which are derived from them may be, yet the thing is new in America, and by many people thought unfavorably of.

The BANK of NORTH-AMERICA, tho' established by act of Congress (December 31, 1781) which is the highest authority of the Union, and recognised expressly by many of the States, and implicitly by them all, is nevertheless treated by many people here as a most dangerous and injurious thing, utterly incompatible with the safety of the State, and, of course, they think it ought to be demolished without ceremony, and that even the common forms of dissolution are unnecessary, as people are not very nice in the manner, or delicate in the choice of means, of hunting down a beast of prey, or destroying a common enemy.

But as I suppose my fellow-citizens will ever be willing to bear before they condemn a thing that has once saved them, and very often afforded many of them a material convenience, I apprehend a short dissertation, showing the nature of a bank, will not be unacceptable.

A bank is a large repository of cash, deposited under the direction of proper officers (say, a president and directors) for the purpose of establishing and supporting a great and extensive credit, to be made use of in every case where an established credit will answer in exchange or payment as well as cash, or better than cash, as in many circumstances will manifestly and undoubtedly be the case: for instance, suppose this State should incorporate a bank, and order all the revenues of the State to be paid into it, and should direct that all the debts of the State should be paid in checks on the bank, or in bank-bills, payable to the bearer, which bearer should have liberty, whenever he pleases, to carry his bill to the bank, and receive cash for it, and should direct further, that if such bank-bills, in any circumstance, happen to suit any citizen
citizen better than cash, he should be at liberty to carry his cash to the bank, and take out bank-bills for it.

The effect or operation of such a bank, when its credit becomes established (i.e. when the people at large believed with full confidence that the fund or stock was sufficient, and the management fair and upright) I say, the operation or effect of such a bank would be, that very few of the people who should be possessed of such bank-bills, would carry them into the bank, and receive cash for them, because the bills would answer by far the greatest part of the purposes of cash as well as specie, i.e. they would purchase any kind of commodities, and pay any kind of debts, as well as cash, as we find is the case of the bank-bills of the Bank of North-America, at this time.

Further, such bills would not only be as good as specie for almost every purpose where cash is used or needed, but, on many accounts, they would be better than cash, as any sum of them is easier and more certainly counted than cash; the danger of counterfeits would be less; the carriage would be easier; they would be less exposed to thefts and robberies than cash (for a man can conceal from a thief $1000 dollars in bills, or run from a robber with them, easier than with $1000 dollars of silver); in case they are destroyed by fire, water, or other accident, they are not lost, but on proof made at the bank, they may be replaced, &c.

The advantage would be still greater, if, instead of bank-bills, the owner would take a bank credit, and draw checks on the bank whenever he needed his money; this would enable him to pay any sum exactly, without the trouble of making change; he would be able in any future time to prove his payments, if he preferred his checks which he received cancelled from the bank, as every man ought to do; this would at once free him from all danger of losses by fire, robbers, mislaying, dropping them on the road, &c. &c. This practice is found by experience to be so very convenient, that it is almost universally adopted by people who keep their cash in our present bank.

These and many other advantages which bank-bills or bank-credit have beyond what cash can have, would doubt-
less induce most people to prefer bills or bank credit to cahf, and, of course, very few possessors of either would demand cahf at the bank; the consequence of which would be, that at the end of the year much of the cahf would remain in the bank, tho’ the whole amount of the bank-stock should have been paid out in bills, and been constantly circulating among the people, with every advantage that cahf could have, and many other very valuable advantages that cahf could not have, as has been just now shown.

The benefits or uses of the bank, when thus established, are various: 1. The bank gains all the lost paper, i.e. all such bank-bills as are lost (where the loss cannot be proved) and, of course, can never be brought to the bank for redemption or payment.

2. The bank can, on any public emergency, emit bank-bills beyond the amount of the cahf or flock in the bank, and, of course, can have the benefit of a considerable sum to circulate or use for the public benefit, without paying interest, or having it known to an enemy that they are embarrassed or in debt. Or,

3. If the exigencies of the State should not require this, they may accommodate their citizens with discounts or loans on interest, to the great increase of the bank-flock or revenue, as well as doing great favor to individuals, and increasing the trade, manufactures, and husbandry of the State; this is the best and perhaps the only proper way of supporting a public loan-office in a State. And,

4. If the revenues should increase beyond the expenditures of the State, they will accumulate in the bank till the amount may be very great; and a rich State, like a rich individual, derives many and great advantages from wealth, and even from the reputation of wealth.

These advantages have been found by experience to be much greater, vastly greater, than a sanguine speculator, upon a bare view of the nature of the subject, would imagine. The force and energy of credit, perfectly well established and permanent, is vast almost beyond conception; it is found by experience to supply the place of cahf, and much better than cahf, in almost all transactions, except in small expenses,
penies, where small change is necessary, such as travelling
expenses, market-money, &c.

It is also found by experience, that any sum of money in
the stock of a bank well regulated and managed, is suf-
ficient to support the credit of double or treble its amount in
bank-bills, whilst each of those bills is indisputably as good
as cash, because the possessor may at any time exchange them
at the bank for solid hard money, whenever, either thro' dis-
trust of the bank, or his own convenience, he may choose to do
it; it follows then,

5. That a good bank may increase the circulating medi-
um of a State to double or treble the quantity of real cash,
without increasing the real money, or incurring the least
danger of a depreciation. And,

6. A good bank will receive no money but good coin of stand-
ard weight and fineness, and this will naturally and unavoid-
ably keep the current coin, cash, or medium good, or dis-
cover its defects; for if, by any means, a debased or light
coin, or public bills of depreciated value, should gain a
currency in any State (all which have often happened) the
standard of the bank will discover their defects, and an ex-
change or cgio of such depreciated money and that of the bank,
will at once determine the true or real value of such depreciated
currency.

7. Another capital use and advantage of a bank is, that
it makes one of the best repositories for money that is designed to
lie for any great length of time on interest, as it affords a
much better security than can be found in the hands of
any private man, and the half-yearly dividends are more
than equal to any profit that can be derived from them
when put to interest on mortgage, and the punctuality of
payment better secured, and the trouble of collection much
less.

Such monies as are here intended, are legacies or any
other provision which is made for young children, to be paid
to them with the interest, at their full age; any provision
which a man may wish to make for himself or wife, against
old age; the funds of public institutions of religion or charity,
such as churches, hospitals, poor-houses, widows' fund, sea-captains' fund, &c. any accumulation of cash, which a man may choose to prepare, in order to complete some great payment, or accomplish some great purchase at a future day, such as a house, a farm, &c. &c. And as bank-stock of a good bank can at any time be sold for cash, the bank becomes the surest fund to produce the principal cash reposed in it, when needed, and also the interest in the mean time, which may be used, if needed, when it is paid in, or may be added to the principal in the bank.

This will appear to be a very important use of a bank, if we attend to the subject a little, especially to the case of orphans and infants, and see in how many ways they are defrauded or somehow deprived of the cash, which their parents have carefully laid up for them, whilst their infancy prevents their taking care of it themselves.

8. Another great use of a good bank is, that it probably may very much promote economy and industry, as particularly in many of the fore-mentioned instances, viz. when a man is engaged in accumulating any sum of money for any capital purpose, such as making provision for his infant children, or himself in old age, or for a heavy purchase, or any other design which lies near his heart, he will be very industrious, and his economy will be very good, till he has made up his heap, or got the necessary sum together, and by that time he may perhaps have acquired such habits of industry and economy, that he may not stop at the acquisition of the sum first proposed, but may be induced to keep on and enlarge it beyond the original design.

The bank gives a sure operation to such a scheme, at least in point of safe keeping and punctual payment. Neighbours may see the example and its advantages, and fall into it themselves, and so on till the instances of such accumulations, and, of course, of such economy and industry, may become general among menied men thro' the State, to the great advantage and strength of the State, the bank, and themselves.

These are only a few of the benefits derived from a bank, which our short experience will enable us clearly to unders tand,
stand, and which in point of fact or reality are demonstrat-
ed by the same experience so clearly and fully, as to put
the matter beyond a doubt. I do not pretend to compre-
hend the great subject enough to explain all the infinite
uses and advantages which the long experience of the great-
east cities of Europe has found resulting from banks, or the
still greater advantages which a further experience may dis-
cover either to them or to us; but these are certainly suffi-
cient to induce every friend to the integrity, wealth, and
honor, interest and genuine respectability of his country,
to think favorably of the subject, and to exert all proper
endeavours to participate of its uses.

But to pursue the matter further—suppose a number of
private citizens form a bank, each of whom puts in one or
more shares, and raise in that way a bank-stock of any
proper sum (say, 1,000,000 dollars) for a fund to support
a large and extensive credit, for the purpose of deposits,
loans, and discounts, and appoint proper officers to manage
the same, and obtain a public establishment by a charter,
or other public act of the government; this will be a private
bank, because the stock of it is the money of private men,
and the officers or directors are appointed by private stock-
holders; but it may in some sense be deemed public, both on
account of its extensive utility and public importance, and the
public patronage and establishment it receives from govern-
ment.

This bank will have a nature and operation similar to the
other, and will afford the same kind of convenience to the
citizens who choose to be concerned in it, and in both
cases the particular profits of the bank will go to the stock-
holders, i. e. to the private stockholders, whose contribu-
tions compose the stock, or to the State, as far as the pub-
lic funds are vested in bank-stock, if it should be thought
proper to vest any part of the public treasure in such stock,
but the management of it would be exclusively under the
conduit of its own stockholders and directors.

Of this kind is the BANK OF NORTH-AMERICA, and
has a much greater capital (about 900,000 dollars) than
any state-bank can have in the present condition of our
finances,
finances, and its operation, effects, and uses are much more extensive, and its accommodations to the citizens, and even to the State, much greater than a state-bank could have; this may afford one answer to an objection which some may raise against the present bank, viz.

That it would be better to discontinue the present bank, and erect a state or public bank in its stead; another answer may be, that no plan of this sort can be so sure of a proper management under the State, as it would be under the direction of its own proprietors. A bank is a sort of mercantile institution, or at least has such a close connexion with the whole mercantile interest, that it will more naturally and properly fall under the direction of merchants, than of any other sort of men less acquainted with its nature and principles, and less interested in its success.

Another reason is, that a bank, whose flock is made up by the subscription of private men, and managed by the stockholders, is the surest antidote or preservative against tyranny in the government, that can be named; its owners are the rich men of the State, who will never be concerned in needless popular clamors or sedition against the government, but, at the same time, have both influence and inducement enough to be a check and restraint on government, when it becomes oppressive, and really verges towards tyranny.

The rich have an interest in their poor fellow-citizens, and (as some men use their wives) however tyrannical they may be themselves, they will not suffer any body else to tyrannize over them. Trade and banks cannot flourish in a despotic government, and, of course, where they do exist, they will keep despotic, as far as possible, out of the State. The stockholders are too numerous, too much scattered, of sentiments and connexions too different, to admit any danger of becoming tyrants themselves. I never heard an instance of a State whose government was corrupted by a private bank.

But a state-bank, if we could possibly suppose that it would be well managed, and grow rich, would tend immediately and directly to tyranny in the government, because it would give the minister or ruler the command of a vast sum
sum of money; and I never knew a rich treasury at the command of a minister, whose head was not turned by it, and the infantry never fails to take a direction towards tyranny.

The better way, I should think, would be to join both together, so as that all the state-revenues may be paid into the bank, and all public payments be made by checks on the bank, and let the State become stockholders as far as they please, and take sums out of the bank to the amount of their flock, whenever it is necessary.*

This will answer every purpose of the State as well as a state-bank, will increase the flock of the present bank, and, of course, extend the power and energy of it so much, that it will be able to supply the necessities of the State with any loans of cash, which (without the most violent convulsions) can ever be necessary; and, at the same time, would be able to afford most ample accommodations to private citizens or companies, to the vast benefit and increase, not only of private fortunes, but of our trade, manufactures, and husbandry in general.

The present funds of the Bank of North-America, or the cash which supports it, is, 1st. the bank-flock, or the money paid in by the stock-holders, which is about 900,000 dollars: and, 2d. the money deposited by men of all descriptions, who may draw it out by checks on the bank whenever they please.

These

* Many advantages would arise from this method:
  1. The bank is more responsible for any deficiency than any private man can be.
  2. It has the least convenience and security for safe keeping the cash deposited in it.
  3. No minister or other man can pay away public money otherwise than by a check on the bank, which is in some degree a matter of notoriety, and involves a responsibility.
  4. The receipts and payments would be settled up to a shilling (according to the custom of the bank) at least once a month.
  5. The commission or allowance to a treasurer for this service would be favored, as the bank would be very willing to undertake the business of receiving all or any part of the public revenue, and paying the same out, without any commission or salary, i.e. without any allowance or charge for the service; this would be a great saving, even if the commission allowed to a treasurer was not more than a real compensation for the service.
These sums are variable, indeed, but always very consider- 

able, as no person ever draws checks beyond his deposit, 

very few ever draw quite up, and very many people have 

large sums there, because their cash lies in the bank not only 

more secure, but is more convenient for payments there, 

than it could be in the keeping of its owner.

Some objections have been made to the present bank, 

which it may be proper to consider—

1. Such vast sums of money are hoarded up in the bank, 

that cash is become scarce in town and country. I answer,— 

This is not true in fact: 

1. Because the bank circulates daily more cash than it has 
in the bank, and, of course, makes cash plentier than it 
would be, if we had no bank. And,

2. A very great part of the bank-stock, on the strength of 

which the bank issues and supports the circulation it gives out, 

belongs not to this State or its neighbourhood, but to people who 

live in distant parts, to whom it must be remitted if the 

bank should be broke up.

II. Another objection is, that monied men find a greater ad-

vantage in purchasing bank-stock than in letting their money on 

interest to people in the country, as formerly was done, and, of 
course, tho' the monied men in town may gain by the bank, 

yet the country-people suffer by it.—This is a strange sort of 

sentiment to appear in form of an objection; because the 

bank enhances the value, or increases the use, of cash or 

any other property, so that the possessor can be more bene-

fited by it than before; therefore, the bank is hurtful.

The same cause (i.e. the bank) raises the price of wheat 

and flour, to the benefit of the country farmer, indeed, 

but to the damage of the merchant in town, who must pay 

more for them than before; if our country produce was 

all consumed in the State, these misfortunes and benefits 

would balance one another; because what one citizen lost, 

another would gain; but a very considerable part of our 

produce is exported and paid for by foreigners; and there-

fore the higher the price, the greater is the benefit to the 

State.
But this evil complained of does not originate in the bank, but in quite different causes; many monied men who used to lend money on interest, have lost their money by war, by the enemy, or by the depreciation of money, or by evasions of payment which have been introduced since, and, of course, have no money to lend; and all who have any, have found the danger of letting it in the old way so great, that few will venture into it again; and, lastly, the objection is hardly true in fact; because any man in the country who has credit enough in town to get a good indorser, can have money out of the bank, as well as a merchant of the city.

III. Another objection to the bank is, that the discounts of the bank make money of such easy acquisition, that it induces merchants to over-trade their flocks, and dissipating young fellows to spend their money faster than they would do, if it was harder to get it. I believe this is all true, and not only arises from, but is an actual proof of, the great convenience and public utility of the bank.

This is just of the nature of all other objections against a good thing; because it may be made an ill use of; and will prove that a good farm is worse than a bad one, because it makes the farmer lazy, in as much as a little work on good land will raise his bread; good victuals and drink are worse than bad, because gluttons and drunkards will eat and drink to excess; a loving wife is worse than a cross one, because her husband will be apt to lie in bed too long with her; and riches are worse than poverty, because they introduce luxury, &c. &c. But I cannot be made to believe that blessings ought to be driven out of the State, because some people will make an ill use of them.

I shall ever believe that it is easier living in a place where a man can raise a sum of ready cash on any emergency, without delay or difficulty, than where such a thing cannot be obtained without great delay, trouble, or perhaps selling property to great disadvantage for it. Such a facility is an advantage which, I think, is not to be despised or easily parted with.

IV. Another objection is, that all the institutions of the bank centre in the city and near confines of it, but the country recept...
no advantage from it. I answer,—suppose this was true (which cannot well be admitted) as it costs the country nothing, why do they begrudge the advantages of it to the city? I dare say the inhabitants of the city would all rejoice most heartily to see the country in full enjoyment of every advantage and convenience of life, that could be derived from nature or art.

But it is very evident that the country derives a great advantage from the bank, for the richer the merchants are, and the greater their trade, the better market they afford for the produce of the country. This is a particular of capital consequence to the country, for their husbandry is animated and supported by their market; indeed, the husbandman and the merchant ever mutually support and benefit each other: and it is scarcely possible that either of them should be benefited or hurt, but the other will be affected by it.

V. Another objection is, that the great wealth of the bank will give it an undue influence on the government. There is no doubt but wealth creates influence; but it is that sort of influence which has ever been found safe to the State. Our bank is a sort of mercantile institution, and the influence of merchants is the safest of any that can affect a government.

The parson lives on the sins of the people, the doctor on their diseases, and the lawyer on their disputes and quarrels (and, I suppose, they all think they ought to pray for their daily bread) but the merchant lives on the wealth of the people. He never wishes for a poor customer or a poor country; the richer his customers are, the more they can purchase, and the better payments they can make to him. The merchant has every inducement to seek and promote the wealth of the State.

Wealth rarely begets sedition; that baneful production generally springs from poverty, vice, and disappointment. These are the characters which find an interest in fishing in troubled waters. We have, perhaps, no instance of a nation ruined by its merchants. I never heard of a State distress ed by a private bank; but instances are plenty enough of States served and saved by such a bank.
On the whole, I think it absurd to banish wealth from a State, for fear it should gain too much influence in government, or generate faction in the State; but of all kinds of wealth, a bank would be the least likely to produce these effects, because the stock-holders of the bank are made up of all parties, and are as likely to balance each other’s influence there, as in any other part of the State. It would, in my opinion, be much more politic, to make a levelling act, to prevent the great wealth of individuals, who are much more likely to become dangerous to the State, than any aggregate bodies of men, however wealthy they may be.

VI. Another objection is, that the general benefits of a bank depend on the integrity of the directors, who may, in many ways, by a corrupt or partial management, destroy these uses, or make the whole stock of the bank subservient to the interests of a few favorites, and, of course, the great body of the people must be excluded from the advantages of it. I answer,—this is an objection that may be made with equal force against every institution on earth; none of which are so good and beneficial, but their uses may be lessened or destroyed by corrupt management; and when our directors are called upon to vindicate themselves against any such charge, it will be time enough to think of an answer: in the mean time, the present internal strength and good condition of our bank demonstrate, that the management of the directors has been conducted with great prudence.

I here beg leave to subjoin a short history of the Bank of North-America, with an account of some great difficulties it hath had to struggle with from its first commencement (four years ago) down to this time, and to make some remarks on its present state.

I. I shall attempt to give a short history of our bank.—It being observed that the finances of the wisest and best regulated States of Europe, have for a long time been negotiated thro’ their banks, or at least been so closely connected with them, as to derive the most capital benefits and assistance from them, Mr. Morris, in 1781, when our finances were in a crisis almost desperate, I say, Mr. Morris, being then Financier-General, adopted the scheme of forming a bank.
bank in America, which was proposed to and approved by Congress, to which a thousand shares, of 400 dollars each, were soon subscribed, and application was made to Congress for a charter of incorporation, which was granted by their public ordinance of December 31, 1781. It appears by the preamble of said ordinance, that Congress approved and adopted the scheme from a conviction of the support which the finances of the United States would receive from a national bank, and that the exigencies of the United States made it indispensably necessary that such a bank should be incorporated.

The act of incorporation passed in Congress, Dec. 31, 1781, yet it was no new or sudden thought; for the Financier-General had laid the plan of a national bank before them as early as May 17, preceding, and on the 26th day of the same month Congress approved the same, and engaged to grant an act of incorporation, as soon as the subscription should be full; nor was the thing new to any of the States, for the scheme of the bank, and the resolution of Congress of May 26, were published in all the States, and subscriptions were publicly opened in them all.

In the resolution last mentioned, Congress recommended to all the States to make all necessary laws for support of the bank, and in particular to make it felony to counterfeit the bank-notes, seal of the bank, &c. &c.

All the States recognized the act of Congress for incorporating the bank, many of them most explicitly, the rest implicitly, as none of them objected to it, but all made use of the bank, and participated of the benefits of it, as far as their opportunity and convenience prompted them.

The State of Pennsylvania recognized not only the said recommendations, by their act of March 18, 1782, against counterfeiting bank-bills, &c. but by another act of April 1, 1782, counting upon the act of Congress incorporating the bank, did grant an act of incorporation to the bank, similar to, and in the same words of, that of Congress, enacting THAT THOSE WHO ARE AND THOSE WHO SHALL BECOME SUBSCRIBERS TO THE SAID BANK, BE AND FOR EVER HEREAFTER SHALL BE, A CORPO-
RATION AND BODY POLITIC, BY THE NAME AND
STYLE OF THE PRESIDENT, DIRECTORS, AND COM-
PANY OF THE BANK OF NORTH-AMERICA.

By these public acts, the subscribers to the bank consider
themselves and their property in the bank for ever, under
the most solemn and sacred sanction and protection of the
law, and guarantied in the most effectual manner conceivable
by the public faith, pledged to them both by Congress and
the State; for it is not possible that the public faith can be
plighted more solemnly and more effectually by any su-
preme or subordinate authority, than by a formal public act.

Under this sacred sanction of the law, and fully confi-
ding in the honor, justice, and even contract, of our Legis-
lature, the Directors, in January 1784, resolving to make
their institution as extensive and useful as possible, opened
their books for new subscriptions. Under the inducement
and encouragement of these firm establishments, very many
persons, both citizens and foreigners, became subscribers,
and placed their money in our bank; the amount of the new
subscriptions, after the charter of this State was obtained,
was above 500,000 dollars. Old men placed the money
designed for the support of their old age in the bank; the
money of widows and orphans likewise was lodged there,
as well as the monies of the merchants, and every other
description of men.

The amount of the old and new subscriptions arose up
to the vast sum of 900,000 dollars, which is the present
amount of the stock of the bank, a vast sum indeed for the
new beginnings of America, tho' small when compared
with the immense stock of some European banks.—With
the deposits and this great capital stock (which was perma-
nent, and not liable to be withdrawn by the proprietors,
as the deposited monies were) with the deposits and the
permanent stock, I say, the bank was in condition with
great safety to make such extensive negotiations, as could afford
every capital accommodations both to the public and to private ci-
tizens, whenever their occasions and exigencies made the
assistance of the bank necessary to them.
So great was its success, and so amazing were its effects, that it appears by the bank-books, that its cash-account in one year, viz. from January 1, 1784, to January 1, 1785 (the third year of its operation) amounted to the almost incredible sum of 59,570,000 Mexican dollars; and tho' the attacks upon the bank, and many other difficulties which much diminished its negotiations in the succeeding year, were so great as seemed almost fatal, yet such was its great internal strength, and the energy of its very nature, that its transactions from January 1, 1785, to January 1, 1786, amounted to about 37,000,000 dollars.

II. I now proceed to give some account of the difficulties which the bank has had to struggle with, from its first beginning down to this time.

1. The first difficulties arose from the novelty of the thing. The Directors were engaged in a business in which they had no experience (nothing of the kind having ever before been practised in America) and tho' they acted with the greatest consideration, care, and caution possible, yet all this notwithstanding, it is hardly supposable but some errors in management must have been committed. These (if any have happened) by experience will be discovered, and by prudence may be corrected and avoided in future time, but they form no conclusion against the principles of the bank or its natural utility.

The same novelty of the thing prevented a general confidence in the bank at first among the people.

It was further unlucky, that the bank was first opened at a time when the people had so often been disappointed and deceived in every species of public propositions and engagements relative to money, that they knew not whom they could trust; they hesitated lest they should be taken in by the bank, as they had often been by very numerous proposals to which their confidence had been courted. But the fidelity of the Directors, and the perfect punctuality of all payments at the bank, soon got the better of this diffidence, and the bank gained an almost universal credit and confidence among the people, even among its professed and bitterest enemies.

2. Another
2. Another difficulty with the bank has ever been, that the balance of foreign trade has been against America, ever since the bank was first established. This has occasioned such great exports of cash as render it scarce, and, of course, embarrasses all cash business. This must deeply affect the bank, as it is obvious at first sight to every one.

3. Another sort of difficulties arose from numerous enemies, who, from different motives, embarrassed the operation of the bank much; they began with crying up the public utility of the institution, and its great profits to the stockholders, and thought that one set of men ought not to monopolize the reputation and opportunity of doing so much good, and engrossing such great profits to themselves, and withal throw out hints, importing that the Directors were haughty, partial, and not obliging enough, &c.

To remedy all which, in 1784 they set on foot a scheme for a new bank, by the name of the Bank of Pennsylvania, got large subscriptions for a fund to begin with, and petitioned the Assembly of this State for a charter, &c. not a word was heard all this time against the bank, as an institution hurtful to the States or individuals, but its mischiefs were made to grow out of its great utility and salutary effects.

The Directors, with much trouble, put a stop to this plan, by strongly urging the fatal consequences arising from two capital banks operating in one city, which might, perhaps, all in opposition to each other, and, of course, destroy each other. They finally persuaded the subscribers to the new bank to relinquish their scheme, and join the old bank, and add their subscriptions to it, which they at last agreed to, and so that difficulty was got over.

But the bank did not rest long, for soon after this last mentioned difficulty subsided, there arose a pretty numerous party in the State who adopted the scheme of paper money to be issued by our General Assembly. All the difficulty was to make it pass equal to hard money, and they had little hopes of this, unless the bank would give it a currency, which every body saw plain enough that the Directors could
could not do. The bank, therefore, and the scheme for paper money, were considered as inconsistent with each other, and one or the other, of course, must fail. The party for paper money determined at once that the bank must be sacrificed, and united with all its other enemies to decry it as an institution injurious to the State, and incompatible with the public safety.

They raised (and declaimed upon) many objections to it, the most material of which (that I heard of) I have considered already in the foregoing pages of this Essay. The matter was carried so far, that an act of the Legislature of this State was obtained, and passed September 13, 1785, repealing the act of April 1, 1782, which granted the state-charter to the bank, and also the act of March 18, 1782, which made it felony to counterfeit the bank-bills, &c. and thus stands the matter at present.

III. I now proceed to make some remarks on the present state of the bank.

1. Notwithstanding all the difficulties above-mentioned, the bank is now in good condition; its internal strength is not weakened; its funds are not diminished, tho' its energy and extent of operation has been indeed somewhat lessened, as was observed before.

2. The present funds or wealth of the bank consists in,
1st. the bank-stock, about 900,000 Mexican dollars. 2d. In the discounted bills now in the bank, and payable to it. 3d. The cash deposited in the bank for safe keeping, and which the owners may draw out whenever they please. 4th. The furniture and utensils of the bank, and any small profits which may have lain over or arisen since the last dividend.

The debts of the bank to be paid out of their stock are,
1st. All the bank-bills now in circulation. 2d. All the bank-credits or balances due to such persons as have deposits in the bank. N. B. When both these are deducted from the stock, they leave a balance of about 900,000 dollars in favor of the bank.
3. The legal establishment of this bank is derived from the charter of Congress, of December 31, 1781; from the charter of the State of Massachusetts-Bay, of March 9, 1782; from the charter of Delaware State, of February 2, 1786; from the recognizance of the charter of Congress, publicly made by the State of Pennsylvania, in their act of March 18, 1782, and their charter of incorporation of the bank, by their act of April 1, 1782: but it is to be observed, that these two last mentioned acts of the State of Pennsylvania were repealed by their act of September 13, 1785. This repeal of the said two acts of the Legislature of Pennsylvania has given rise to several very important questions.

Question I. Whether Congress has a right to establish a national bank, so as to make it such a legal institution as the laws of the States of the Union are obliged to acknowledge or recognize?

1. I answer,—this objection is grounded principally on the second article of the Confederation, viz. "Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right, which is not expressly delegated to the United States in Congress assembled." But the answer is easy; for,

1st. A power of incorporating a national bank never did exist in any of the States. They might erect banks, or any other corporations, and call them by what name they pleased; but their authority, like that of all their other laws, must be limited by the bounds of the State, and could not extend beyond them. Nor,

2d. Does this act of Congress limit the power of any of the States?—They still retain and may exercise every power, jurisdiction, and right of incorporating banks, as fully as ever they had them: for,

3d. The said second article of Confederation does not restrain Congress from having or exercising any sovereignty, power, jurisdiction, or right, whatever; it only restrains them from exercising it in such manner as to deprive the States of it. Notwithstanding all the sovereignty and power of Congress, they shall ever be so limited, that each
State shall retain its own sovereignty, power, &c. even concurrent jurisdictions (if these can be called such) often exist together without the least restraint of each other.

2. The act of Congress incorporating the bank, is an act of finance; they considered it most expressly as a means, a very important means, of finance, which is a branch of power that most undoubtedly falls within their authority or jurisdiction. They are not expressly empowered, indeed, to appoint a Financier, give him instructions, receive his plans, or form a bank. But, as all those were necessary means of promoting the general interest, the liberties, and general welfare of the States, which are the grand and most acknowledged objects of the Confederation, they are doubtless comprehended within its powers.

3. The Confederation (article 9) empowers Congress to borrow money on the credit of the States, and this certainly implies a power to find or procure somebody who will lend it to them; and this they effected to a great degree by incorporating the bank, which supplied them to a very large amount.—They owed the bank at one time 400,000 Mexican dollars, for money lent them by the bank; and all the monies lent at different times to Congress, and to the different departments under their direction, amounted to above 2,000,000 Mexican dollars; and these loans were of such capital and essential service in that most deranged and weak state of the public finances, that (in the opinion of those best acquainted with the matter) the war could not have been continued without them.

The bank also lent at different times to this State, for its defence and other public purposes, above 130,000 dollars, which certainly proves that the bank was very convenient to the public, and very necessary to the general welfare and general interest of it; and, therefore, must be comprehended in the powers granted to Congress, to manage the general interest, and secure the liberties, defence, and general welfare of the States.

4. The independence, defence, and almost the very existence, of our present political establishments must depend on the bank, in case of an invasion of an enemy; for it is very certain, that,
in such case, due and necessary opposition and defence could not be made by a depreciating currency; nor do I think it would be possible for the Congress or States to borrow elsewhere monies sufficient, and in season, for our defence; or to issue paper bills enough for that purpose, which would not depreciate.—I apprehend I shall not be called on for any proof of this.

I therefore go on to infer, that Congress, who are expressly empowered to secure the defence, liberties, welfare, and general interests of the States, are, of course, empowered to institute a bank, which is so apparently and essentially necessary to all these great purposes.—It follows then, that those who oppose the bank, oppose the essential means of our defence, and, of course, lay us open to destruction, the first time any enemy shall invade our country.

5. If we should admit that there was a defect in the powers of Congress to incorporate the bank, yet that defect is amply supplied by the subsequent recognizance of the States, their acquiescence in the institution, and participation of the benefits of it, for a course of years; for a subsequent consent of the principal is as good as a previous order, to every purpose of establishment or legitimation of any act of a substitute.

On the whole, then, I conclude that the Bank of North-America, by the ordinance of Congress for its incorporation, is a well-established and legal institution, and as such ought to be considered and recognized by all the States, both in their laws and all judicial proceedings, as far as the same may affect the said bank.

Question II. What is the meaning, energy, and operation of the act of this State of March 18, 1782, making it felony to counterfeit the seal or bills of the bank?—I answer—

1. It carries in it the strongest recognizance or acknowledgment of the legal establishment of the bank; and, of course, of the authority and lawful force of the ordinance of Congress for its incorporation, on which alone the legality of the bank then depended; for it is trifling, it is ridiculous, it is infamous, to suppose that the Legislature of this State would, by a most solemn act, make it felony, i. e. death,
to counteract the seal and bills of any number of men, who had no legal right to make a seal, issue bills, or assume to themselves any other powers, liberties, or privileges of a corporate body.

2. That act implies the most solemn consent of this State to the aforesaid ordinance of Congress, and carries in it further the nature, and energy of a solemn stipulation and compact of this State with Congress, i. e. with all the States, to support that public measure of the Union, with all the weight and authority which this State could give to it, in all the particulars or clauses mentioned or enacted in the said law.

The public and vigorous support of the particular States gives great force to an act of Congress, tho’ it might be considered as fully legal without it, gives confidence in the public measures, and is a good reason and strong inducement to engage the public councils of the particular States, as well as individuals, strongly to exert themselves and risk their fortunes therein. Therefore,

3. That act cannot, of right, be repealed by this State, without consent of Congress, i. e. of the other States of the Union. It is a part of that support of a public measure of the Union, on which the other States have, and ought to have, dependence and confidence. Mutual confidence is the end of the Union, as that alone can produce defence and other exertions for the public welfare; all the States have therefore an interest in that support, a very great interest, indeed, and cannot be deprived of it, without a violation of the union; it is a part of that band of union, which holds the States together; to take it away, therefore, is to weaken the union, and, of course, to lessen its power of operation, and the benefits resulting from it.

Indeed, if this State can repeal the said act without consent of the other States, I do not see why they may not go on to repeal all the acts they have ever made in support of the union, and all the powers of it, even up to that act of theirs which consented to and adopted the Confederation itself.

Question
Question III. *What is the meaning, energy, and effect of the act of this State of April 1, 1782, incorporating the bank?* I answer,—

1. It carries in it the most public and full acquiescence and satisfaction of our Legislature in the act of Congress for incorporating the bank; because it counts upon that act, without the least censure, but with most apparent approbation of it.

2. It imports their approbation, because they show a readiness to give it all the support which the authority of this State could give, and add to its establishment the further sanction of a charter of this State, conceived in the very words of Congress.

3. Tho', as I take it, this state-charter did not add any thing to the legality of the bank's establishment under the charter of Congress, yet it served to obviate and satisfy the prejudices of many people, who had formed an opinion, that it would be safer to trust their property in the bank, with a state-charter, than without one, and, on that account, withheld their subscriptions till the state-charter was made.

I never heard that any body, at that time, disputed or called in question the legal authority of Congress to give a charter to the bank; but the public faith, plighted by Congress, relating to money, had been at that time so often and recently violated, that very little confidence was placed by many people in their public acts or resolutions of any sort, who therefore thought themselves more secure under a state-charter, than they should be under a charter of Congress, without such support.

This I take to be the true reason why the President and Directors of the bank applied to our Assembly for a state-charter, which manifestly removed many prejudices and obstacles which operated against the bank, as it was plain that subscriptions to it were offered faster, and bank-stock was more coveted, after the state-charter was obtained than before: therefore, I think it very evident that,

4. This act operated by way of strong inducement and encouragement to very many citizens, as well as strangers, to subscribe to the bank, and trust their property in it; and that
The act was purposely made with intention that it might have this operation and effect; and therefore ought to secure the proprietors from any disappointment, as far as the whole force of the act can do it; for certainly it cannot be justifiable in any State to hold out encouragement to the people, to draw them into a snare, and then leave them in the lurch.

5. Whatever might be the effect of this act on the bank, by way of aiding the legality of its establishment, or giving it support as a Continental institution, there is no doubt but it had this one perfect effect, viz. it incorporated the subscribers to the bank into a legal company, and instituted a complete, established, and legal bank of Pennsylvania, tho' by the name of the President, Directors, and Company of the Bank of North-America; for any State may give what name or title they please to their corporations, tho' they cannot extend their authority or privileges beyond their own jurisdiction.

This act, therefore, undoubtedly brought the bank under the cognisance of the laws of Pennsylvania, and entitled the Company, and every proprietor of it, to the full protection of these laws: Whether this put them into any better condition than they were before, made their establishment any more legal, or increased their right to the protection of the laws of Pennsylvania, or not, may be a question; but it can be no question, that very many people were of this opinion, and governed their conduct by it.

It is further certain that this state-charter may eventually prove of most capital service to the stockholders; for it is possible that Congress may repeal their ordinance for incorporating the bank, or, by some other act of sovereignty, may vacate its charter (for strange things happen sometimes) or the union of the Thirteen States may, by some means or other, be dissolved (which, I think, would soon happen, if each State should withdraw its supports) and, by that means, the authority of all their acts might cease, and, of course, their charter of the bank might fall with the rest.

Yet,
Yet, I say (all these misfortunes notwithstanding) under the charter of Pennsylvania, the bank would continue to be a legal state-establishment, and might go on with its negotiations, and, in short, pursue the whole business which the great interests of the concern might make necessary.

Question IV. Can the act of March 18, 1782 (making it felony to counterfeit bank-bills, &c.) and that of April 1, 1782 (incorporating the bank) I say, can these acts, of right, be repealed by our Legislature, without consent of the parties interested.—I give my answer in the negative, and for this my opinion I beg the reader's candid attention to the following reasons, which appear to me to deserve great consideration, even by those who may not think them of sufficient force to justify my conclusion.

1. These acts vest a right, privilege, and interest, i.e. a valuable property in all the stockholders of the bank, and therefore cannot, of right, be repealed by any act of the Legislature, without the consent of the stockholders. These acts are of the nature of bargains or contracts between the Legislature and the stockholders, in which the stipulations were, that in consideration that the stockholders had or should put their money into the bank, the Legislature would give such support and legal establishment to the bank, as should enable them to make and enjoy all the advantages and profits which should result from it, under the firm protection of the law.

On this encouragement, the stockholders held or placed their fortunes in the bank, and the Legislature passed the said acts in support of it, and so the bargain was finished. I take it that when the act of the Legislature vests in or grants to any individual or company of men, on valuable consideration (i.e. for which the grantee pays his money) any valuable right, interest, or property, the grantees instantly become legally seized of such right, which thereby becomes as much guaranteed or warranted to them by the law of the land, as is any other property whatever which they may or can possess; and, therefore, they cannot be defrauded or deprived of it by any act of the Legislature, any more than of their lands, cattle, furniture, or any other estate, of which they are
are lawful owners, and which they hold under the full protection of the law.

The sort of acts of the Legislature which I here mean (that vest a right or interest in any individual or company of men) are such as these, viz. an act granting a commission of seers to owners of meadows, who expend much money in banking and ditching them, to make them useful to the public and their owners; an act granting toll to persons who shall build a bridge, for which they contribute their money; an act granting wild lands to people who will cultivate and improve them, and who expend their money for that purpose; any acts for supporting and incorporating the subscribers of a bank, in consideration of large sums of money subscribed or contributed to it, and in prospects of great benefits resulting from it, both to the public and to the stockholders; an act for incorporating churches, universities, hospitals, schools, \\textcopyright in consideration of money paid or to be paid by the contributors, \\textcopyright \\&c.

I conceive that all acts of this kind vest such rights, privileges, or interests in the grantees (who thereby gain such protection of the laws in the enjoyment of them) that they cannot be rightfully defeved of or deprived by any act of repeal of the charters or acts which give their title, or by any other act of the Legislature whatever.

2. The second great reason of this is, that the declaration of rights (which is part of the Constitution of this State) gives every citizen a right to be protected in the enjoyment of his property. It knows but two ways by which the subject can be defeved of his lawful property; 1st. by crime and forfeiture; and, 2d. by his own contract or consent: if his property is challenged or demanded of him in either of these ways, or by any other way, let the controversy be of what nature soever, respecting property, he is entitled to a fair trial by jury. [See articles 8, 9, and 11.] This can be had no where but in a judicial court.

The General Assembly are not such a court; they have the legislative, but not the executive or judicial, power of the State; they can neither empanel a jury, nor make a judicial decision without one, much less can they deprive any
any individual or company of subjects of any of their legal rights, interests, property, or privileges, without any trial, summons, or examination at all, by any act or repeal of acts whatever, which they can make.

3. I take it, that the declaration of rights is of superior authority to any act which the General Assembly can make, and will control and even render totally null and void any act of the Assembly which infringes it; and will and ought to be considered so by the judges of our courts, whenever the same may be pleaded before them: for when two contradictory laws are pleaded before a court, it is impossible but the one or the other must be judged void; and if one of these laws appears to be grounded on a superior authority to that of the other, there can be no doubt but the superior authority must control the lesser.

I consider the Assembly as the mere creatures of their constituents, and acting merely by a substituted power; and the declaration of rights I consider as the capital instructions which they receive from their constituents, by which they are bound to regulate their conduct, and by which their power and authority are altogether limited. This doctrine ought to be brought into full view, and to be recognized by every subject, in its whole importance and energy, whenever we see our Assembly infringing the declaration of rights, in so capital and alarming an instance, as to make any act whatever, which will, in its operation, unavoidably and eventually deprive any subject, or number of subjects, of any right, interest, or property, without trial by jury.

The very persons whose wishes or prejudices may be gratified by such acts of the Legislature, ought to tremble at their consequences, for the two-edged sword, which has one edge turned against our enemy, has another which may be turned against ourselves, i.e. it can cut both sides alike, and is equally qualified to wound both parties, whenever it may be applied to them.

Charters (or rights of individuals or companies secured by an act of the State) have ever been considered as a kind of sacred things, not to be vacated by a bare holding up a few bands, and foiling a page of paper, without any further previous
vious or subsequent forms or ceremonies; but in all wise States have ever been considered as securities of such capital consequence, that any attempts to destroy them have ever excited a general alarm, and have rarely happened but in times of great corruption of government and dangerous encroachments of arbitrary power.

I think it, on the whole, very manifest, that a Legislature, which, for valuable consideration paid, has by public act fold and granted certain valuable rights, privileges, or interests to any individual or company of men; I say, such Legislature have no more right by repeal of their act to vacate the title and destroy the estate of such grantees, and to release themselves, than any private contractor has to release himself, and refuse to execute his own contract, whenever he grows sick of his bargain.

Indeed, I think the sacred force of contracts binds stronger in an act of state, than in the act of an individual, because the whole government is injured and weakened by a violation of the public faith, but the vacillation of a private man can produce no more than private damages.

But as public faith is an old threadbare topic of argument, and is as much out of fashion as going to church or reading the bible, and has been dinned in the ears of some folks, till, like the doctrine of repentance to sinners, it rather nauseates than convicts, I will forbear pressing it further at this time, as I wish not to disgust but to persuade.

4. The ordinance of Congress for granting the charter of the bank is a measure of the Union, solemnly recognized by this State (in the two repealed acts) in which all the States are interested, and is, therefore, of such high authority as controls all the States to such a degree, that any attempts of this State (by an act of repeal, or any other act) to withdraw their support, and thereby weaken and embarrass such measure of the Union, must be void, ipso facto, in itself.

For I take it, that every act of Congress appointing or directing any measure of the Union, when recognized by the States, either by their express act of approbation, or by
by long acquiescence and practice, is of superior authority, to any act of any of the States, nor does it remain in the power of any particular State to withdraw their support from it, or to release and discharge themselves from their obligations to it, or to make any act which shall, in its operation, lessen the energy and effect of it. But I have touched on this before, and so need not enlarge on it further in this place.

5. The act of repeal (Sept. 13, 1785) deprives a great number of our citizens and strangers of their rights, privileges, and property, to a vast amount, and to the utter ruin of many families; rights, privileges, and property which were guaranteed and secured to them for ever, by the most solemn act of our Legislature, and, of course, by the whole force and power of the law; and all this by an act of mere sovereignty, without so much as alleging against them any crime by which they have forfeited, or contrav by which they have alienated, them, and without any summons, or trial, or judgment of court, or verdict of jury.

This is so directly in the very face of our declaration of rights, as manifestly infringes it, and, of course, renders the act void. This is, indeed, rather an epitome of what I said before than a new argument, but the immensity of the loss or damage occasioned by the said act of repeal, may, perhaps, engage the reader's attention, and set the subject in a stronger light of importance, than it might appear in, were the consequences left fatal and ruinous both to the Union in general, to each of the States, and all the individuals who are concerned in the bank.

But admitting that the act of Sept. 13, 1785, for repealing the said acts of March 18, 1782, and of April 1, 1782, is to all intents and purposes valid in law, and, of course, that the bank is thereby deprived of all the support and legal establishment which it once received from the said laws, when they were in force, there arises another question, viz.

Question V. In what condition does the said act of repeal leave the bank? I answer,—
1. In point of its legality, the said act of repeal leaves the
bank just where the said repealed acts found it, when they were
first made; the repeal takes away no more than the acts
themselves gave, and, of course, if the bank was a legal
establishment before these acts were made, it continues so still
after the repeal of them: therefore,
2. The President, Directors, and Company of the Bank
remain a legal corporate body, under the charter of Congress,
and may do all acts as such in the same manner as before
the said repealed acts of this State were made.

Upon the whole matter, I think it very plain that the
supreme authority of all States under all forms of govern-
ment, whether monarchical, oligarchical, or democratical
(a theocracy only excepted) is lodged in the body of the peo-
ple.

1st. Because the rights to be secured by, and which are
the sole end of, all civil government, are vested in them: and,
2d. Because the great force or strength which must support
all civil governments is lodged in them; and, of course, all
pacta conventa or capital constitutions established by them,
do bind and control all authorities whatever which act under
them, and, of course, it appears that the Legislature of
this State have not an original but a derived authority,
which, of course, is not absolute but limited; it is li-
mitcd,

1st. By the laws of God:
2d. By the Constitution of this State: and,
3d. By the confederation or union of the Thirteen States,
and, of course, by every legal act of Congress under that
union, for the general welfare of the States: therefore, if
our Legislature should make an act to repeal the ten com-
mandments, or to infringe the Constitution, or to destroy or
weaken the Union, or any legal measures of Congress, it
would, of course, be ipso facto void.

Further, I take it that our General Assembly are limited
and tied down to the sort or kind of authority which is given
to them; all acts proper for a legislative body, they are em-
powered to do, subject to the aforesaid limitations, but they
cannot assume to themselves or exercise the judicial or exe-
cutive
ative powers of government; these powers are totally out of their commission or jurisdiction, and they can no more intrude on, or exercise the authority of these departments, than a sheriff can obtrude himself on the judge's seat, or a chief justice serve a writ.

Therefore, it follows that if the Legislature shou[d pass an act, which, by its operation, takes away the life, liberty, or lawful rights, privileges, or property of any subject, i.e. such as the subject holds under the protection and sanction of the law, it must be void; for if any thing of this sort is to be done in the State, or if any controversy or question about it, is to be decided, the Constitution has ordained a different method, a quite different court or authority, in and by which it must be done.

It is no objection to this, to say that much and many important things must be left to necessity and the discretion of the Assembly; for such necessity must exist, before it can operate, or justify any act grounded on it; and because much is left to the discretion of the Assembly, it does not follow, that they have a right to throw by all discretion, and act without any.*

But

* There is no doubt but such a combination and concurrence of events may happen, as will make a departure not only from the ordinary course of administering justice, but even from the common maxims of justice itself, necessary.

Such a necessity was found in France, when a remedy was to be provided for the flagrant mischiefs of the Mississippi scheme.

The South-Sea bubble produced a like necessity in England, in order to obviate the enormous and complex mischiefs of that fatal excess of speculation.

The National Assembly in France have found a like necessity in order to reduce the enormous accumulation of the wealth of the community into few hands, (viz. of their nobility and clergy) and to liberate the nation from the difficulties, weaknesses, and ruin thence arising.

Perhaps every cession of territory from one nation or state to another involves in it some such necessity.

And we may probably meet the same necessity, if our nation should see fit to exonerate itself from the immense burden of providing about 30,000,000 dollars, to pay speculators who never earned a shilling of it, nor ever rendered any service or valuable consideration whatever to the nation or any body else, for any part of it.

But it is to be here noted with great care, that such necessity must exist, before it can operate, or be pleaded in excuse of the extraordinary measures which it will justify; but a pretence of such necessity, when it does not really exist, is not only ridiculous, but very dangerous. This is arguing on false premises,
But waving all questions of law, I beg to consider the
bank one moment in the light of prudence. Supposing the
bank and all its operations could be broke up and entirely
stopped on March 1, next, what would be the conse-
quence?

1. The great and usual circulation of cash (thro' which
37,000,000 dollars were negotiated last year) would at
once be stopped.

All discounted bills must immediately be paid or sued,
which would ruin very many, I think I may say, scores of
substantial families; and their failures would occasion,

3. A great loss to the bank, and, of course, to the stock-
holders. And,

4. The stockholders must lie out of their money till the
bank-accounts could be settled, which would probably be
some years.

5. All the monies belonging to subscribers out of the
State, must be carried out of it as fast as they could be col-
lected: and,

6. A most fatal wound would be given to our credit, as
well as to all our trade, and every kind of business which
depends on the circulation of cash.—Who but an enemy
would wish for such calamities, or promote the means of
them?

I will conclude my Essay on this very important and in-
teresitting subject, with only observing, that I have stated
the facts with all care and the best information, and, I be-
lieve,

position, a sad example of which we have in the troubles of Charles I. of
England.—The King, or rather his court, held out,

1. The vast powers and prerogatives of the crown in cases of extreme nec-
esity, i. e. when the country was invaded, or otherwise in imminent danger;
and,

2. That the King, holding the supreme executive power, was the legal and
proper judge of that necessity.

On these positions they proceeded to justify the power at that time
claimed and practised by the King, of raising money without all of Parlia-
ment, such as slip money, cont and conduit money, & c. & c. i. e. it was only
laying that the King judged the existing necessity sufficient to warrant these
measures, and the matter was all legal; that was the clincher that finished
the business. I am told, this argument of necessity and imminent danger was
often called up and urged in the Assembly of Pennsylvania, when the repeal
of the charter of the bank was debated there.
I have, with exactness and truth; should I have erred, I am ready to submit to better information; the sentiments and reasonings are open and obvious to every one, and, I wish, may be received and considered in the same light of importance in which they appear to me. I have no interest in the subject distinct from that of my fellow-citizens, and as I would not be willing to be misled myself, so neither do I wish to lead them into error. Magna est veritas et praeventia.

**STRICTURES**

**ON THE NET PRODUCE OF THE TAXES OF GREAT-BRITAIN,**

*In the Year 1784, as published by Order of their House of Commons.*

*[First published in Philadelphia, Aug. 4, 1785.]*

HAVING by accident met with a lift or detail of the British taxes for 1784, and the net produce of each of them, which lays open in a pretty clear manner the sources of the British revenues, and points out the ways and means by which those immense sums are raised, which are necessary for the current services of the year, payment of the interest of their vast national debt, support of their public credit, &c. and as the attention of the Thirteen American States is, or ought to be, much fixed on a public revenue, and, of course, on our trade, out of which it must grow; I thought the practice and example of so old, so experienced, and successful a people as the Britons, might
might be of use to us at this time, and therefore procured
the account or lift of their revenues above referred to, to
be published in the Pennsylvania Packet of August 4, 1785,
and added these Strictures on them.

Whether the British government has expended the vast,
the immense sums produced by their finance for the last 90
years, for purposes salutary and beneficial to the nation, or
not, is out of the present question; but their success in raising
these vast sums is certainly surprising. Especially when we
consider that this has been done in such a manner, that
the nation has not only, not been impoverished thereby, but
has been increasing rapidly in the most substantial riches, dur-
ing the whole time it supported the immense pressure of
their taxes.

The houses of Great-Britain are now much more valua-
ble than they were 90 years ago; the live stock of their
farms is greatly increased; their lands are better cultivated,
and much more productive; their conveniences for
transportation are greatly increased by mending roads, open-
ing canals, and clearing rivers for inland navigation; their
manufactures are vastly increased, both in quantity and va-
lu; the trading stock of their merchants, their shipping,
and the exports of their manufactures, and produce of their
lands, are vastly increased since the year 1694, when the
Bank of England was first instituted, and the scheme of
funding the public debts had its origin. By these only the
wealth of the nation can be truly estimated.

This real wealth, considered as national, has very little
connexion with the public funds or flecks; for should they
all fail, this must continue, and out of it might always be
produced funds or stocks sufficient for the use of the pub-
lic: this kind of wealth must then be considered as the real,
substantial wealth of the nation; the great bases on which
all the superstructures of public credit or nominal wealth
must be built, and by which they must be supported.

The fact is, then, that this real wealth of Britain is
much greater now than it was 90 years ago, notwithstanding
the amazing taxes which have been paid during the
whole of the last 90 years, and the vast debt which now
lies
lies on the nation: indeed, this real wealth, as observed before, has little connexion with this public debt; but, on the whole, is rather helped than hurt by it; for it appears very plain, that the national wealth has increased faster under the weight of that debt, than ever it did before the doctrine of creating and funding a national debt was thought of.

It appears, then, that the national debt, or the public credit, may fail, without destroying the real and substantial wealth of the nation; for if the public credit was to fail, as our Continental money, and their South-Sea stock, once did, and every person who had any thing in the funds should lose it all, this would not destroy the houses, fields, cattle, &c. of the country; it would only produce a shift of property from one person to another; would produce infinite injustice and ruin to individuals, indeed, and no degree of punishment would be too great for those, thro’ whose mis-management, fraud, and corruption, such a thing should happen; but it would by no means bring on the destruction of the nation.

All that could happen would be, that those who had money in the stocks would lose them; and those who were taxed to support the stocks, would be liberated from the burden of tax; but the fields would produce the same quantity of wheat, and the meadows would fatten the same number of cattle, as before; and, of course, the bread and the meat would be as plenty as ever, and the more bread and meat the country produced, the richer it certainly would be.

Therefore, a man who buys lands and puts them into high cultivation, or cret’s mills, shops, &c. for manufactories and conveniences of life, possesses most substantial wealth of high independence; whilst the man who deals in public securities and paper credit, depends on the humor, the honor, the wisdom, and the justice of the nation, and therefore acquires a wealth which is liable to moth and rust, and which thieves can steal.

The long experience of Great-Britain affords a most irrefragable proof of fact, that both those kinds of wealth are mutual supports of each other, i. e. that public credit increases
increases the value and produce of the lands and manufactu-
res, whilst, at the same time, the lands and manufactu-
res produce the great staple and extensive commerce, 
which enable the nation, by a proper management, to sup-
port the public credit; and, therefore, what this proper ma-
nagement is, becomes a matter of much importance for us to
know, and carefully attend to.

For Britain and America, in one great thing, are alike,
viz. the source of wealth in both countries is the same;
the lands and manufactures are the first matter which af-
ford the great staples of commerce, as well as the most ca-
pital home-supplies of the people; therefore, it is probable,
that the same management or line of conduct which has
proved advantageous to them, may be so to us.

We see in the account of the taxes of Britain, a speci-
men and a good deal of the detail of this important ma-
nagement,—on which I beg leave to remark—

I. They are very careful to make their revenues in such form
that their produce shall be certain, and their amount capable of
pretty exact computation.

II. To be guarded against all possible delay or disappoint-
ment, they circulate their revenues mostly thro' the bank, or at
least keep the exchequer so closely connected with the bank, that
they can at all times avail themselves of a bank-credit when
they need it: so that they are always able to satisfy the de-
mands of every creditor of the public funds, without the
least delay or trouble: this could not, perhaps, by any pos-
sibility, be done in any other method than by the help of
the bank, and the importance of it will be obvious to any
body, who considers that public credit can by no possibility
be supported in any other way than by most punctual pay-
ments to the public creditors: the experience of all nations,
but especially our own, has taught us that public promis-
ces and paper, or public laws of regulation and tender, can do
nothing towards the support of public credit, without punctu-
tial payment of the public creditors.

III. They have ever made it an object of great care, to
lay and collect the public taxes in such a manner as should be
the most easy, the most insensible, and the most advantageous of
any they could devise: this is, indeed, the materia magna of the whole subject (which is odious and heavy, under all forms of delicacy and prudence that any administration can devise) as instances of this, it is easy to observe—

1. That the great burden of their taxes consists in the customs, excise, and stamps; the net produce of these is above 9,000,000l. sterling, in all which, lands, labor, and farmer's stock are not called on, nor is any person compelled to pay any of the taxes, unless he chooses to be concerned in the articles taxed.

2. The tax is laid in a very great measure on either articles of mere luxury, or such fine and rich goods as are consumed mostly by people of wealth, e. g. about one half of this tax is on drinkable liquors (for under this class I shall doubtless be allowed to rank malt, hops, tea, &c. &c. the sole use of which is to make such liquors) these are mostly articles of luxury, as wines, spirits, strong beer, &c. Tobacco and snuff are great articles, as also are East-India goods, carriages, &c. most of which are either articles of mere luxury, or the consumption of very wealthy people. But,

3. Goods of necessary consumption are not wholly omitted, as we see in the articles of hides, tallow, candles, salt, coals, paper, &c. but in these the heaviest part of the burden falls on the rich, as they consume these articles with much greater prodigality and profusion than the poor.

4. Very poor people have very small use for any papers which pay a stamp-duty, and, of course, these duties are almost wholly paid by people of at least good substance, if not great wealth.

5. The heaviest and most painful part of said taxes is that on houses and windows, ranked under the head of incidents; this is said to be paid by the poor tenants, many of whom brick up their windows to avoid the tax.

6. The land-tax at 4s. on the pound (not mentioned in the account) produces about 2,000,000 a year: but this, tho' called 4s. is really not more than 1s. or perhaps not 6d., because that tax is laid on an old assessment or estimate of the lands of England, which lets them at less than a quarter of their present value, and some very improved estates are not estimated
estimated at one-tenth of their present value, and, of course, if a man has rents to amount of 100L. per annum, his tax may be 5L. or perhaps 40s. This, and the tax on houses and windows, are all which bear any resemblance to our taxes on poll and estates, and, in point of weight and burden, bear no proportion to ours.

On the mode of the English taxes, and the operation of their national debt, the following things may be noted, and deserve our consideration.

I. Their taxes being chiefly on luxuries are a benefit and favoring to the nation; they lessen the consumption, and of course restrain the excesses, of luxury, and prevent the vices, expenses, and mischiefs, which would otherwise ensue.

II. The taxes prevent the exportation of money; that part of the price of the goods taxed, which goes to pay the duty, cannot be exported, but goes into the public treasury, whence it issues in half-yearly payments to the public creditors all over the nation.

III. This produces a great plenty and brisk circulation of cash; for these payments are all made without the least delay, and in ready cash; and the amount being very large (perhaps, about half the current cash of the nation yearly) makes a very large and brisk circulation of cash, and the frequency of the payments keeps up that circulation into almost an equable flow thro' the year.

IV. From this plenty and quick circulation of cash produced by the taxes, each individual, or at least the nation at large, derives a benefit which more than compensates the tax which is the purchase of it; for every one knows the odds of doing business in a place where cash is plenty and briskly circulating, and in a place where it is scarce and stagnant; this will soon produce a difference in the proceeds of any man's business, equal to his share of the tax.

V. This shows a reason why the British nation increases rapidly in wealth under the pressure of cash taxes, and has uniformly done so for 90 years past; i.e. the benefits resulting from the tax are more than a compensation for the inconvenience of paying it. So that it leaves a balance of profit in favor of the nation or individual who pays it.

VI. This
VI. This benefit results chiefly from the great punctuality with which the public creditors are paid—to a day—to an hour—without the least put off or delay. This not only sets the example, but gives the power, of punctual payments, and strongly tends to introduce the general practice of it, to the vast advantage of all trade. This depends on the same principle as the old adage, viz. "If you would make money fast, pay a high rent;" i. e. it is better to have a stand in a place of brisk business, tho' the rent is high, than to fit down in a dull place at a low rent, or even rent-free.

VII. This punctuality of the public payments, which produces so many vast advantages, becomes practicable only by the close connexion which subsists between the public treasury and the bank; but these advantages are not the whole of the benefits thence derived, the same thing enables the treasury to furnish any sum of money in an instant, which any emergency may make necessary; so that the nation is never in danger of losing the benefit of any important manœuvre for want of cash.

By this means they have often been enabled to oppose foreign enemies, crush interior rebellions, support their great trading companies at a hard push, give aid to the bank, and ever to preserve their public credit.

And could that discerning, successful people have possessed wisdom and gravity of counsel enough to make the best use of their own advantages, sua fe bona norint, their happiness and glory must have been vast indeed. Had they in improvements of their husbandry and trade, in meliorating and decorating their country, spent the money which they have wasted in needless subsidies to foreign princes, in Continental and American wars, and many other fatal policies, their strength, their riches, their respectability, their happiness would have risen superior to that of any nation on the face of the earth.

This is the nation from which we derive our origin, and I hope we may respect the honors of our parentage, without imitating the vices of our ancestors. And what I have to wish is, that tho' we are broken off from them, we may have
have wisdom and found judgment enough to esteem and imitate those parts of their policy which have raised them above the nations round them, whilst their fatal calamities may sufficiently warn us to avoid their mistakes and errors. It is with this view that I offer these thoughts to my fellow-citizens, which, I doubt not, will be received with candor, as I know they are written with sincerity.

AN ESSAY ON TEST-ACTS

Imposed with Penalties.*

[First published in Philadelphia, Sept. 12, 1781.]

TEST-ACTS imposed with penalties, I humbly conceive, are hurtful; because,

I. Their address is to the hidden things of the heart, to the secret sentiments of the understanding, which are not controllable

* By the act of the Legislature of Pennsylvania, June 13, 1777, the following oath was required, viz.

I do swear, or affirm, that I renounce and refuse all allegiance to George III. King of Great-Britain, his heirs, and successors; and that I will be faithful and bear true allegiance to the Commonwealth of Pennsylvania, as a free and independent State; and that I will not at any time do, or cause to be done, any matter or thing that will be prejudicial or injurious to the freedom and independence thereof, as declared by Congress; and also that I will discover and make known to some one justice of peace of the said State, all treasons, or traitorous conspiracies, which I now know or hereafter shall know to be formed against this or any of the United States of America.

On which I beg leave to remark,

I. That a very great number of the principal inhabitants of Pennsylvania, and as respectable and well-behaved as any in the State, from scruples of conscience had ever refused to take or subscribe any oath or affirmation of allegiance to any government, either British or American.

II. Very
controllable by any human authority, nor amenable to it; they belong to God only, and the conscience of the possessor, and

II. Very many very serious and good men, and fast friends to America and the American cause, thought at that time that the Declaration of Independence was premature; and it was a matter of great doubt with all men, whether that independence could be finally supported; and, should it fail, many thought,

III. That abjuring the British government would involve them in perjury, or, at least, in a shameful and ridiculous duplicity of counsel, under the most awful and solemn cries of deportation.

IV. Many wise men had a great attachment to the British government, under which they were born and educated; and the they abhorred and condemned the demands and conduct of the British court as much as any man in Congress, yet did not think that a redress of American grievances was dispair, or that it was the real, true interest of America to be disjoined from the British Empire; at least, they thought the American independence ought to be free, and the war should be over, and the disputes between the contending states should be adjusted before an oath of allegiance to the one, or abjuration of the other, should be demanded.

V. Many good men thought they did not understand the nature and essential qualities of treason or treasonable conspiracies, well enough to be fate in swearing to give information of all such as came within their knowledge; or they might know such, but not be able to make proof of them, and, of course, their information would expose them not only to the resentment, but to real actions of defamation.

I do not pretend to determine whether any or all of the above objections against taking said oath, were good and proper or not; but they had such weight with great numbers, that near half of our most serious people refused taking the oath.

Yet, I conceive, all men will allow that Pennsylvania was as true to the American cause, and supported it with as much effect, zeal, and unanimity as any State in the Union; and the few terms we had, who retained any attachment to the British government, were most effectually converted by the samples of British faith, honor, and favours, exhibited by General Howe, whilst he commanded the British army in Philadelphia and its neighbourhood.

But be all this as it may, the extraordinary penalties with which the oath was enforced, were, in my opinion, equally odious, absurd, and forcible; some of which were as follows, viz.

That every person above the age of eighteen years, refusing or neglecting to take and subscribe the said oath or affirmation, shall, during the term of such neglect or refusal, be incapable of holding any office or place of trust in this State, forging on justice, signing for any debts, being elected, buying, selling, or transferring any lands, tenements, or hereditaments, and shall be dispossessed, &c.

—Travelling out of the city or county where he usually resides, without a certificate of his having taken the oath or affirmation, may be committed to the common gaol to remain without bail or mainprice.

Shall be subject to fine or use any action, bill, plaint, or information in court of law, or to prosecution, any fine in equity or otherwise howsoever, or to be generation of the perjur or estate of any child, or to be executor or administrator of any person; shall be incapable of any legacies or devises; or to make any will or testament; and shall be compelled to pay double taxes, &c.

All
and no man can be obliged to confess or divulge them, more than to accuse himself. 'Tis acts, tho' in a less degree, are of the same nature as racks and tortures, are calculated for the same ends, produce the same effects, and are therefore grounded on the same principles, and, of course, are reproved by the same reasons; their end is to wring out those hidden things of the heart, which no man living has a right to demand, and, of course, no man can be under any obligation to disclose. It is impossible that any man should have a higher and more exclusive right to any thing whatever, than to the secrets of his own mind; and, therefore, to force them from a man is a direct violation of the most sacred, as well as most delicate, rights of human nature.

II. Every man has a right (in the use of his reason) to form sentiments of government, as well as of religion, and every thing else which concerns his well-being. There can be no crime in this, and, therefore, his sentiments of government (be they what they may) ought not to subject him to any kind of punishment either of pain or loss, or deprive him of any one privilege or benefit of civil society. It is true, if he accepts an office under a government which

O o o

All non-juring trustees, provosts, rectors, professors, masters, and tutors of any college or academy, and all schoolmasters and teachers, merchants and traders, sergeants and counselors at law, barristers, advocates, attorneys, solicitors, proctors, clerks, or notaries, apothecaries, druggists, and every person practicing physic, are disabled in law to use any of those employments, and liable to be fined 500l. for practicing in any of them.

Two justices may summon any non-juring person before them, and, on refusal to take the said oath or affirmation, commit him to the common gaol or house of correction for three months, unless he pay any sum, with costs, under 10l. which they may require, and also become bound with two sufficient sureties to appear at the next court of general quarter sessions of the peace; where, if he refuses to take the oath or affirmation, he shall, under the direction of the court, depart the State in thirty days, and forfeit his goods and chattels to the State, and his lands and tenements to the persons who would by law be entitled to inherit the same, in case such offender was dead intestate, &c. &c.

N. B. By act of Assembly of March 29, 1787, the above-mentioned oath, with all the shocking penalties of it, was repealed, after it had done infinite mischief in the State, and had kept the party that made it, in the faddle about ten years (which, by the way, I conceive, was the principal design and use of it) and there was suffituted in the stead of it, a very simple oath of allegiance, without any of the exceptional clauses of the former, by which the rights of our citizens are restored, and a happy peace and general satisfaction of our people have succeeded.
he disapproves, he ought to execute the office faithfully and
legally, or he is punishable; if he cannot do this, he ought
not to accept the office: he doubtless ought also to be a
quiet and peaceable subject of the government which exists,
and to use none but lawful means to mend or alter it.

He is supposed to be of a minor party, who must be go-
vern'd by the major vote; but such minor party, having no
guilt, is entitled to every blessing and benefit of govern-
ment, as much as any of that party who are most cordial
to the present establishment, i.e. government ought to hold
an even, true, and just balance over every subject, and se-
cure and defend the rights, liberties, property, privileges,
&c. of every individual equally. The law is the equal
right of every man, and therefore every man has an equal
right to all its benefits, protections, securities, privileges,
and advantages of every kind, till by some act of guilt he
shall forfeit them.

It may be objected here,—shall the enemies of the present
Constitution* enjoy the same privileges under it as its friends,
who have run every risk, and made the strongest exertions, to
introduce and establish it? I answer—Yes. It is to be
presumed, that the zeal of the patrons of the Constitution
has ever been directed in all their exertions with a single
eye to the public good, otherwise they certainly deserve no
favor; if their design was to introduce a partial govern-
ment, not equal to all, in which they and their friends
could monopolize the benefits and emoluments of government
to themselves, they must be deemed very execrable, and
their plan and administration most pernicious to society.

Government (both in theory and practice, system and
administration) is a sort of public thing, in which every in-
dividual has an interest, and this interest is of so high and
delicate a kind, that any violation of it excites the highest
resentment in the sufferer. To be thrown out of the protec-
tion of the law, is a punishment of a very high nature, and

* The Constitution of Pennsylvania then newly made (but since abroga-
ted by the late Convention of the State) was greatly opposed by most men
of gravity and wisdom, tho' it was carried by a warm party which prevail-
ed at that time, and was propped up by tell-acts, &c.
in all good governments pre-supposes a conviction of some very black and atrocious crime, some crime of a very high nature and deep guilt. Wherefore, the least disfranchisement, or deprivation of any one benefit, which ought to flow from government equally on every subject, must partake of the nature of that high punishment, and, of course, ought never to take place, but where there has preceded a conviction of such high guilt as will justify it.

To adopt any principles or administration of government, which, from their nature, must keep party resentments alive, and fret the community with the perpetual gnawing anguish of continued oppressions, is the height of absurdity, must keep society in a perpetual ferment, and will for ever prevent the community from cementing in such an union, confidence, and acquiescence in the government, as are essential to the well-being of civil society; for human nature must cease to be what it is, before any part of mankind will acquiesce in an administration which treats them with distinctions of contempt, like underlings cut off from those honors or emoluments of the State, which the government diffuses with equal benevolence on all their neighbours.

If the government be good and properly administered, it will prove itself so by practice; the benefits of it will be diffused thro' the community, and be felt by every one. This will naturally reconcile every opposer to its principles and practice, and it will soon have all good men for its friends; and when this is the case, there will be little danger of public disquietude arising from the wicked and guilty part of the community, who are uneasy with the government only because it restrains their wickedness, follies, or lusts.

It appears, then, that the thought, opinions, sentiments, and designs of men, have an object which no human authority can or ought to reach; that the very attempt to do this is a violation of the most sacred rights of the subject; it is an intrusion into the great and exclusive prerogative of the Almighty, to whom alone secret things belong; goes on a supposition that is both useless and impossible, viz. that the secret opinions, sentiments, and designs of all men can or ought
ought to be alike; limits the rights, privileges, liberties, and
security of the subject, to conditions which are absurd and
ridiculous, because they have no connexion with the vir-
tue or vice, the merit or demerit of the subject; and is so
far from securing the peace, good order, and safety of so-
ciety, that it cannot fail, on most natural principles, to
keep up a perpetual fret and resentment of parties, to
plant and keep alive that discord, uneasiness, and revenge,
which is of the worst tendency, and generally produces
very hurtful, and often very tragical, effects.

In fine, human nature is such, that all mankind have
secret things about them, which they with and think they
have right to hold secure against the forcible intrusion of any
body: if they disclose them, it must and ought to be their
own voluntary act, to which they ought to be courted, not
compelled: any attempt, therefore, by violence and the force
of laws, to wring such secrets from the possessor, is against
nature, is an in fault on the natural feelings of every perfon
living; the absurdity, indecency, and injury of which all
men living see fait and clear enough, when it is put in
practice by their enemies on themselves or their friends.

But what adds to the absurdity of this ill-fated piece of
policy, is, that the little benefit which is hoped for and ex-
pected from it, fails entirely in the effects; and so after all
the risks, scandals, cruelties, and mischiefs wrought by it,
there remains no balance of profit at all, and the measure
turns up at last, after all the trouble and pother about it,
ridiculously useless. For,

III. The benefits expected from it all fail upon the trial.
It would, indeed, be a fine thing to have a criterion by
which we might distinguish our friends from our enemies,
to have all our subjects under the strongest voluntary ties
to the government, and to have the sacred power of reli-
gion mustered in aid of our civil policy: but plain fact and
the fullest experience prove, that these effects are not, will
not, cannot be produced by test-acts.

Read the history of the weak reigns of the bloody Queen
Mary (the Britifh persecutrix) of James I. and Charles I.
of England; of Henry II. Charles IX. and Henry III. of
France;
France; in which test-acts greatly abounded (and, I think, they are ever a sign of a weak administration:) in all these we find a cloud of evasions, explanations, mental reservations, &c. which, with infinite variety of operation, never cease till they have totally avoided or obliterated the force of the acts.

For, whatever obligation the imposers of these acts may conceive to be in them, or whatever force the decisions of divines, civilians, or canonists may give them, it is plain that the general sense and practice of mankind, when harassed with them, give them mighty little or none at all. It is a well-known maxim, that the construction of any statute obtained by usage and common practice, is of more effect than the words, because such usage always controls the words: and if this rule may be allowed to apply, mighty little binding force will be left in the test-acts.

Indeed, I think it requires but little acquaintance and observation of the world, to see plain enough, that it is matter of general sentiment, that the most of mankind always did and always will believe, that if rulers or robbers attempt by force to wring from you any secret of your mind, which they neither have nor can have any right to know, that it is very proper and lawful for you to deceive them, cheat them, bubble them, and get rid of them any how that you can, and retain your own secret.

Can any man in his senses expect to get a true answer, were he to demand an oath of each subject of any State, whether he was or ever would be a traitor or heretic? and this I take to be the meaning of every test-act and oath of allegiance forcibly imposed on the subject, with this difference (which often makes a notable difficulty) the question sometimes is, not whether you are or will be a traitor to the State, but to some proportion, fact, whim, or system specified in the oath, and which is not always thought to be the same thing with the true interests of the State.

If any man thinks true answers can be obtained by this method of interrogation, it may not be improper to try the precious expedient in a few other similar cases, viz. try to oblige a woman to answer on oath, whether she is or ever will
will be a whore; a clergyman, whether he is or ever will be a liar, drunkard, or heretic; a merchant, whether he ever did or will make false entries in his books, or forge bills of exchange. I am of opinion, that a little practice of such a sweet cue on various subjects, would soon demonstrate the utility or absurdity of this magical kind of logic, or method of investigating truth, shew how it will suit the ordinary feelings of the human heart, and discover what rare inducements such curious questions must excite in sensible minds, to tell the truth, the whole truth, and nothing but the truth.

But if this unreasonable, indecent method of investigating truth would always produce it, I have still a pretty cogent reason against the practice of it, viz. that the public would not be benefited, but greatly prejudiced by such a discovery. I think it is very evident that many sins do less hurt while they lie concealed, than they would do, if published; eaves-droppers rarely hear any good of themselves; jealousy is a low, uneasy passion, and is commonly gratified by an increase of torment; and people that are anxiously fond of fishing for secrets, rarely fail to book in trouble; and these observations are not less true, and commonly more dangerous, in state-policy than in private life; but in both equally indicate weakness of intellect, disorders of imagination, great ignorance of human nature, and that painful, ridiculous anxiety which generally accompanies irritable nerves, and want of true, found judgment.

This weakness of human nature is a kind of womanish imbecillity, like tears, which appear much more ridiculous in subjects of dignity and gravity, than in the weaker sex, to which they more properly belong. Government may enjoin a thousand oaths, and thereby occasion ten thousand perjuries, not one of which can be proved or punished without overt acts, and such overt acts will have equal effect both of conviction and punishment of all the abjured treason, without the oaths as with them; and, of course, the oaths are at least useless, if not hurtful.

Dignity and gravity ought always to be most carefully maintained in government; which will ever lose its respectability
ability, when it descends to low, pimping methods of administration. The tree is to be judged by its fruit only.

It is by overt acts only that the designs of the heart can be made to appear; within this line of evidence we are limited by the laws of nature, as within brazen walls, beyond which the human powers cannot go. Nor does the safety of human society require this to be exceeded; for I am fully persuaded, if the well-being of mankind had required any other or better way of discovering the secrets of the heart, the great Governor of the world would have communicated to men some other way in which it could be done.

I have on the whole no opinion that test-acts or even oaths of allegiance afford any kind of security to the State; nor have I any very high opinion of oaths of office, but I do greatly object to any oaths being tacked to an office, more than the simple adjuration to execute the office legally and faithfully; and I equally object to municipal rights and privileges being made dependent on test-oaths or solemn declarations of secret opinions or sentiments.

I have candidly given my reasons for my opinion, which I hope will be candidly considered; and beg leave to move, with some hope and great humility, that all acts which enjoin such oaths, especially the test-acts, may be repealed by the proper authority. But if a repeal of those acts should be thought too much, I beg leave to recommend the removal of some of the severities which are imposed by these acts on the non-jurors; particularly their double tax, and the demand of that part of their tax in hard money, which the jurors are allowed to pay in paper of about one-third the value of hard money.

As a reason for this, I humbly urge, over and above the capital arguments drawn from the justice of government, and the equality and impartiality with which it ought to be administered to all orders and ranks of people, I say, besides this, I wish to urge the necessity of convincing all our people, by the equity and impartiality of our government, that it is a safe and sure protection of person and property; that the
the burdens of it are equally laid, so that no one part of the
community is oppressed or burdened more than the rest.

This will give a practical proof that our government
carries in it the most characteristic marks of a free, just,
and gentle policy, which is directly opposed to tyranny, the
esseence of which consists in a denial or partial distribution of
justice, and laying unequal burdens on one part of the com-
community, in favor of other parts. This will soon gain the
approbation and confidence of all people of serious and
cool reflection; the violent ravings of passion and prejudice
will soon spend their own strength, and subside of course,
when all real ground of complaint is taken away.

The non-jurors are very numerous; our business and in-
terest is to get them reconciled, not exterminated. Man-
kind will ever like that government best, where they can
enjoy most security, justice, and peace. Our political char-
acter, both among neighbours and foreign nations, re-
quires this; if great numbers of our own people have a
strong aversion to our government, it will afford a pre-
sumption to strangers, that either our people or our go-
vernment must be very bad. Either of which will lessen
our dignity and weight, and injure our public character
abroad, and discourage that accession of foreigners, which
is necessary to increase our population, trade, and husban-
dry.

Rigor and force can never govern any people longer than
till they can find an opportunity of avoiding or revenging it.
The understandings of the people must be convinced and
courted, and the cements of society cannot be long want-
ing. We may, by perpetual, galling, and odious distinc-
tions, keep up the heat and virulency of parties, as long
as those of the Guelphs and Gibelines lasted in Italy, and
to about as much advantage, i. e. till the peace, wealth,
and morality of the country are all ruined.

We may, if we please, with more ease, like Henry IV.
of France, by giving equal justice, benefit, and favor to
all, soon convince all, that the government is their best
friend and surest protection; then they will love and trust it
for their own sakes, and when interest and allegiance con-
spire
sphere together, and mutually support each other, the government has the highest possible security of good order, public peace, and social happiness.

Sundry other reasons and observations might be added on this subject, which I can only hint at here, and leave the reader to enlarge on them as he pleases.

I. A great multiplicity of oaths makes them common and familiar, and thereby lessens their solemnity and practical force.

II. It cannot be expected that they will be sincerely taken and kept; and, therefore, they will introduce many perjuries, evasions, &c. which naturally tend to eradicate from the mind the high obligation of such awful appeals to the Almighty, and that solemn sense of truth, which most effectually secures the benefits of an oath.

III. It is presumed that very few of the present non-jurors refuse the oaths because they wish to return to the English government, or because they are averse to the American independency; but for a great variety of other reasons, which might be easily mentioned; and for the truth of this I appeal to the non-jurors themselves, who can best explain their own opinions and sentiments.

IV. Some of the enjoined oaths contain facts which many do not believe to be true, and contradictions which cannot be reconciled.

V. People of the most delicate sentiments of religion and truth only, i. e. the best people in the world, may be governed and perhaps hurt by them; whilst people of a contrary character will all avail themselves of some shift or other to avoid their whole effects.

VI. The experience of ages and nations proves that this measure has ever failed of producing the effects proposed and intended by it. Have we secured the obedience and goodwill of one American subject by it? We have seen, with indignation and contempt, the British generals rigidly imposing their oath of allegiance wherever they gained footing, and hanging such as have relapsed; the consequence is, they have disaffected and left all their friends in the southern
southern governments lately, and in all the rest long ago; the revolts against them are nearly universal.

VII. The real object of these tests is not always the safety of the State; they are too often made use of as engines of a ruling party, to entrap and punish such people as they suppose inimical to themselves, and whose conduct is so prudent and inoffensive, that they are not liable to punishment, but by some law which creates a crime which can be proved and punished without the evidence of overt acts. This is the height of abomination, a most execrable corruption and abuse of the most sacred rights of law.

VIII. When, by such wicked tricks, numbers of our freemen are excluded from their right of election, and bearing their part in the government of the State, the essential principle on which the government of the United States is founded, is violated. This principle is, that all right of government lies in the people, and that our government is a government of the people; which cannot be the case where numbers of the people, who have a right to a share in it, are excluded.

It is easy enough for any party which gets into the saddle, to keep their places there, by imposing some condition which is either impossible or impracticable, on all the people of different sentiments from themselves, e. g. they may make the very point in question between the two parties a term of admission or exclusion of the civil privileges and franchises of the people.

This is a short way of cutting down opposing parties, and destroying their weight in society, and changing the very essence of the Constitution from being the government of the people, to that of being a government of part of the people only: for there is a very wide difference between a government by major vote of all the people, and a government by a major vote of part of the people, whilst the other part are excluded from voting at all; for by this method of proceeding, the governing or voting part may, by repeated exclusions, reduce the government to a very small number, a mere juncto of a few, from which the main body of the people may be excluded; which is not the free government
government of the people intended by our Constitution, but a mere unchecked tyranny of a few.

To effect all which, nothing more is necessary than this, viz. whenever there arises an opposition to any point carried by a majority, for that same majority to require an oath approving the very point in dispute, and imposing a penalty of exclusion from all right of voting, on such as refuse the oath, and so go on toties quotas, whenever an opposition arises. This will effectually exclude the opposition from future voting; for men will often conform to a matter carried by a majority against them, who would by no means swear an approbation of it.

This may be repeated till there are but two voters left in the whole State, and then one of them has nothing more to do than to kill the other, and he will be sole tyrant, and will be very safe, if he can get a standing army to support him: and this will not be difficult, if he has money enough: and this too will be easy; for the voting part of the community can always lay what taxes and raise what money they please, and the army which is to receive that money, can easily enforce the collection or payment of it.

Nor is this any very unnatural, strained, or extravagant supposition; for we have often seen Commonwealths, by the fatal errors of their policy, run into a monarchical and despotic tyranny: and the only sure way to avoid the fatal consequences of such errors, is to nip them in the bud; ob\-fure principis, to detect their principles, and restrain and correct the first beginnings of them, before they gain such strength as to be irrefusible. I am here almost compelled to offer to public consideration one more proposul, viz.

To take off all disfranchisements and disabilities created by any of our statutes, for no other cause than neglecting the test-acts, oath of allegiance, &c.

I write

* Test-acts, at the time this Essay was written, were deemed so important, that any objection to them, or doubt of their ufe, was cried out upon and reprobated by the violent party which then prevailed in the State, as malignancy against the American independence, disaffection to the government, and a sort of treason. I was insulted and much threatened for writing this Essay. A very angry writer, under the signature of A Constitutionalist, in the Fre-
I write under a most serious conviction of the importance of my subject, and truth of my arguments, and really myself mean to be as open as I with my readers to be, to the conviction of sound reason, and the dictates of true policy, and therefore think I have a right to hope for indulgence, even where my sentiments cannot obtain approbation.

man’s Journal of Sept. 28, 1781, undertook to blacken it most effectually; then went on to defend tefl-acts, and answer my Essay. After applying pretty liberally all the hard words he could think of, he gives the character of it as follows:—“Of all publications hitherto exhibited in print, since the establishment of our independence, this Essay is foremost in barefaced and undignified principles, to toryism favorable; to our Revolution inimical; and of our Constitution subversive,” and then goes on to observe, that every independent State ought to be guarded by some criterion, by which good citizens may be distinguished from bad ones; and that all such States have good right and authority to adopt any such criterion or term of citizenship, which they think proper; and that tefl-acts are of this kind, &c.

In my reply, published in the same Journal, Oct. 5, 1781, I urge that tefl-acts have no more connexion with the independent government of the Union, or the Constitution of this State, than with all other governments; but they may be necessary to toryism, as they have been generally most adopted and praised in the recent and worst governments;—that I do not dispute the authority of any independent State to make tefl-acts; it is the expediency only of making them which I object to;—that very many good men will refuse them, and many bad men will take them—that the merits and qualities of citizens ought to be taken and estimated by their conduct or overt acts, not by the secrets of their hearts, which are cognizable by God alone, not by the State, till by overt acts they are made known: the Constitution itself says, that non-jurors are aliens, not citizens; this I denied; for were they aliens, they could not be bound to any municipal obedience or duties, such as taxes, services, &c. or be capable of treason, or crimes against the State, to which (if aliens) they could owe no allegiance;—I further urged,—that tefl-acts, where the most that could be, was made of them, amounted to no more than a man’s testimony in his own cause, which was not admitted in matters of the smallest moment, and, of course, the most important of all interests ought not to be controlled or limited by it,—that prefring tefl-acts was a sure way to keep alive the most galling fads and discontents in a State, and was very bad policy even in a ruling party, because the same measures might be retorted upon themselves, if they should happen to slip out of the saddle, and their opponents should get into it.—

On the whole I much prefer a government which secures to every man the secrets of his own mind, and makes him amenable for his conduct and overt acts only, rather than one which javed on such secrets, and makes the discovery of them on oath a term of the richest and noblest benefits and privileges of society.

If any body may wish to see more of this matter, I refer him to the pieces at large, which are preserved in the Freeman’s Journal, as quoted above.
AN ESSAY
ON THE
EXTENT AND VALUE
OF OUR
WESTERN UNLOCATED LANDS,
AND THE
PROPER METHOD
Of disposing of them, so as to gain the greatest possible Advantage from them.
[First published in Philadelphia, April 25, 1781.]

IN my several treatises on finance, I have all along endeavoured to open and explain the great general principles of the subject, viz. improvement of the revenue, and economy in the expenditures. In this Essay I mean to confine myself to one particular source or object of public wealth, out of which great revenue may be obtained by proper and timely wisdom and care, I mean, our vacant, unsettled lands. I will endeavour to arrange, as clearly as I can, what I have to say on this subject, under the following heads, viz.

I. The whole territory or extent of the Thirteen States is the aggregate of them all, i.e. the territory or extent of each of the States added together, make the whole territory or extent of right and dominion of the United States; and, of course, whatever is comprehended within the boundaries of each State, now makes a part of our Commonwealth.

This is to be considered as our present possession, our present decided right, which is guarantied to us by the treaty with
with France (Article XI.) together with any's additions or conquests, which our Confederation may obtain during the war, from any of the dominions now or heretofore possessed by Great-Britain in North-America; so that by conquest we may extend our dominion further, if we can; and, in this case, we shall have the guarantee of the treaty aforesaid for our security; but if this cannot be done, our present possessions are absolutely and unconditionally guaranteed to us, with liberty, sovereignty, and independence, absolute and unlimited, in and over the same.

And as the great interests of France and our Commonwealth will always make the perpetual union of them necessary, so these powers united will be able to afford such a sure mutual protection to the whole dominions of each other, as will render them wholly secure and free of danger from any other powers whatever; so that we may safely compute on all the advantages of our present possessions, and turn our thoughts on the ways and means of making the best of them; while, at the same time, we have a rich and valuable chance of acquiring by conquest new dominions, and having, of course, such new acquisitions covered by the same guarantee which now secures our present possessions.

Nobody can pretend to deny that our present possessions comprehend all the lands included within the boundaries of the Thirteen States, as the same existed at the time our independence first began; but it will be strongly urged that they cannot extend beyond them, so as to cover any lands not included within the bounds of some one of the States, unless we can make a claim to a further extent by conquest; indeed, I do not see how we can otherwise support a claim to independence, sovereignty, and dominion over any thing which was not within our bounds at that time: therefore, it follows,

1. That wherever we fix the exterior limit or bounds of any one of the States, there we fix the bounds of our Commonwealth; and it will be urged against us, that all beyond is not our territory, our right, or dominion: and, therefore,

2. It
2. It is our interest to extend the exterior boundary of each of our States as far as we fairly can; and, of course, any attempt (arising from envy or any little disputes) to abridge or reduce the limits of any of the States to lines short of their true extent, and so prevent their covering the whole territory to which their original charters, or usual prescriptive titles, give them right, is the height of folly and absurd policy, and operates directly against the great interests of the Commonwealth.

And here I cannot but take notice of the madness, shortsighted policy, and public mischief, of a late pamphlet, entitled Public Good, which, by very weak and trifling arguments, attempts to limit the territory of Virginia to a very inconsiderable part of its original and true extent. I think some note of disapprobation should be fixed on that treatise, lest it should be produced in future debates, as a proof of the general sense of the States at this time.

There is, indeed, as is well known, some obscurity of description to be found in all the ancient charters of these States, which, by that means, admit of a latitude of construction; but most of these are reduced to a determinate certainty by subsequent acts, decisions, usages, &c., and, I conceive, that for most obvious reasons.

II. The boundaries of the several States are to be taken and ascertained from their original charters, with such construction as has obtained by subsequent usage, judicial decisions, or any other acts of the crown or the inhabitants, which tend to give them a determinate and fixed definition. If, in any case, no light can be drawn from such usage or subsequent acts, the particular boundaries must depend on the words of the charters, with such reasonable construction as shall give them their greatest effect, and be most adequate to the original intention of them, or, in law language, so ut res magis valeat quam pereat; by which rule of construction, there can be no doubt but Virginia, having boundaries sufficiently fixed on the sea-coast, is to extend west, and carry her breadth to the South-Sea, or at least as far as the dominion of the crown extended, at the time when American independence first began.

Two
Two things are sufficiently clear,

1st. That all the States are so bounded on each other, that there are no strips of land lying between any two of them; and,

2d. That their western boundary is the South-Sea, or at least the western boundary of the dominions of the crown, at the commencement of our Commonwealth.

So that the country or territory of the Thirteen States, is clearly bounded on the west as aforesaid; on the south, by the south line of Georgia (about N. lat. 30° 22') on the east, by the sea, including the islands lying in the offing of the coast; and north, by the north line of the Province of Maine, New-Hampshire, and the Massachusetts State (about N. lat. 45) its length, north and south, is about 1000 miles; and its breadth, east and west (if it extends no farther than the Mississippi river) about 600 miles on the southern part, and 1250 miles on the northern part.

The contents of which are somewhat more than 810,000 square miles; more than equal to those of France, Spain, Germany, and Italy, and much more valuable in respect of air, climate, soil, timber, fossils, fisheries, harbors, rivers, &c. with all conveniency for transportation, both by maritime and inland navigation.

It is further to be noted here, that with respect to Virginia, and some other governments, which either never had any charters, or whose charters have been surrendered to the crown, that the soil and jurisdiction of them were both in the crown, and therefore the King ever claimed right to make new grants of soil, and carve out and establish any new jurisdictions or governments which he thought expedient, and on this principle actually did carve Maryland and part of Pennsylvania out of Virginia; how justly I am not to say; but this does not hinder Virginia from taking her departure from her true eastern boundary on the seacoast, and covering all the lands within her limits (not included in these carvatures) to her utmost western boundary.

It is, indeed, to be observed here, that ascertaining the boundaries of any State, does not prove the title or right of such State to all lands included within such boundaries. There
There is a distinction to be made between those lands which have been alienated by the crown, the title of which, at the date of our independence, was not in the crown, but vested in particular persons, either sole or aggregate, and those which remained in the crown, the title of which the crown then held in right of its sovereignty, which was a right vested in the supreme authority, in nature of a trust for the use of the public.

There is no doubt but every right and title of all persons and bodies politic are as effectually secured and confirmed to the owners, to all intents and purposes, under the Commonwealth, as they were formerly under the crown; but it cannot be admitted that any individual or bodies politic should acquire new rights by the Revolution, to which they were not entitled under the crown, i.e., each State has right to claim, hold, or alienate whatever property or estate it had right to obtain, hold, or alienate, whilst it was a colony under the crown; but cannot have right to claim, hold, or alienate any estate, the claim, tenure, or alienation of which was then the right of the crown.

But every such estate being then held by the crown in right of sovereignty, or its supreme power, in trust for the use of the whole community or body politic, of which it was the supreme power, must pass, by the Revolution, into the supreme power of our Commonwealth, i.e., into the Congresses, and be vested in them in trust for the public use of the body politic, of which they are the supreme power; and the right of tenure and alienation must be vested in them alone.

Indeed, in all revolutions of government which have ever happened in Europe, and perhaps in the whole world, all crown-lands, jewels, and all other estates which belonged to the supreme power which left the government, ever passed by the revolution into the supreme power which gained it; and all such estate always became vested in the latter occupant, in the same condition and under the same limitations to which it was subject under the tenure of the former occupant.
Nor can I see the least pretence of reason, why we should depart from a rule of right grounded on the most plain and natural fitness, adopted by every nation in the world under like circumstances, and justified and confirmed by the experience and sanction of ages. I think that nothing but our unacquaintedness with the heights to which we are risen, the high sphere in which we now move, and an incapacity of viewing and judging of things on a great scale, could give rise to so extravagant an idea, as that one State should be more entitled than another to the crown-lands, or any other property of the crown, which ever was in its nature public, and ought to continue so, or be disposed of for the use and benefit of the whole public community; or that one State should acquire more right, or property, or estate than another, by that Revolution which was the joint act, procured and perfected by the joint effort and expense, of the whole. We have too long and too ridiculously set up to be wiser than all the world besides, and too long refused to be instructed by the experience of other nations.

III. The vast territory of the Thirteen States above described, and containing something more than 500,000,000 acres of land, is mostly wild and uncultivated; a strip only adjoining to the sea, and not containing more than one-third, or at most two-fifths, of the whole, and that by far the poorest part of the soil is any how become private property and settled; the rest remains a large extent of the richest wild lands in the world, to be disposed of and cultivated in future time; and the part which I call settled, is so far from being filled with inhabitants, that it does not contain more than one-tenth part of the people which the soil, in a state of perfect cultivation, would support; the frontiers are every where thinly settled, and, of course, very liable to the inroads of the enemy, and very difficult to defend.

IV. Six only of the States have a large western extent of unsettled lands, viz. Massachusetts, Connecticut, Virginia, North and South-Carolina, and Georgia; the other seven are limited within much narrower bounds.

V. Tho'
V. Tho' the title and right of the said six States to their whole western extent should be indisputable, yet the preservation and use of it are secured to them, and the whole must for ever be defended, by the arms and at the expense of the States-general. The quotas of this expense ought to be proportioned to the value and extent of the thing secured and defended by it; *qui sentit commodum, sentire debet quoque onus:* but if the quotas of the said six States should be increased in proportion to the great extent of their territory, or even the value of the same, it would bring such a very pressing weight on the present inhabitants, as might be beyond their strength, or at least very inconvenient to them.

For here it is to be considered, that the expense of the war is not to be estimated merely by the cost it has cost; but the devastations of the enemy, the loss of lives, &c. are to be brought into the account; and when the estimate comes to be made on these principles, it will rise very high on such parts of the interest defended as could lose no lives, because it had no inhabitants; and was incapable of devastation, because it had no improvements which could be destroyed.

Besides, as all the States have exerted themselves with equal ardor, danger, and effort in carrying on the war, it is but reasonable they should all share alike in the advantages resulting from it. To these might be added many more strong reasons why the said six States should cede or grant their western uncultivated lands to the States-general, to remain a common stock, till they can be disposed of for the good of the whole.

But I deem it needless to urge this matter farther, because I am informed that a general conviction of the expediency of this measure prevails thro' all the States, and that it is freely agreed on the part of the said six States, to make such a cession or grant to the States-general, as above mentioned, and that the same will soon be done.*

We

* The foregoing ideas and arguments were such as were suggested at the time when this Essay was first published, and were matters of much conversation
We will suppose, then, that this is done, and the right and title of these western uncultivated lands vested in the States-general; what is to be done with them? i. e. how are they to be managed, in order to obtain the greatest national benefit possible from them?

Some people think we ought to sell or mortgage them to foreign States, for money in our present distress. But I have many reasons against this method. The first is,

That it is capable of the most demonstrative proof, that no importation of money can help us, even if it was given to us, much less if our lands are to be mortgaged for it. We are in much more danger from the plenty of money coming from all quarters in upon us, than from any scarcity of it: our salvation must arise from the wealth and virtue which abounds in the country, not in hunting abroad for money.

Besides, I abhor the very idea of strangers having their paw on any of our lands in any shape whatever: and,

Further, they would bring mighty little in this way, i. e. very little present benefit, tho' enough of future trouble; it would be like killing the goose that laid an egg every day, in order to tear out at once all that was in her belly. But every idea of this sort is painful to me; I wish not to dwell longer on it, but beg leave to propose a method which appears to me more for our advantage.

I. Let the ceded territory be divided from the unceded by the plainest lines, and let it be kept in its present uncultivated state, and preserved from the intrusion of any settlers whatever, by the most rigid and effectual prohibitions, till the lands adjoining are fully settled: then,

II. Survey

conversation and discussion both in and out of Congress, but have all been long since adjusted and settled.

The boundaries of the Union were defined in the treaty of peace with Great-Britain, in Feb. 1783, and extended much beyond the limits here proposed.

And the affair of the great western extent of the six States was accommodated to general satisfaction, by cessions of such parts of them to Congress as lay beyond their settlements, since which the lands so ceded have been considered as public property, and as such subject to the disposal of Congress, for the benefit of the whole Union.
H. Survey out townships of six, eight, or ten miles square, contiguous to the settled country, and sell the lands at vendue to the highest bidder, on the following conditions:

1. That none be sold at less than a Spanish dollar per acre.

2. That every purchaser be obliged to settle and improve his purchase within two or three years, or forfeit his lands; the particular regulations of which should be published at the time of sale, and be rigidly executed; and when the first course or tier of townships are sold, and the settlement of them secured, lay out another tier, sell them in like manner, and so on thro' the whole. This method will have the following advantages, viz.

1. All the lands sold will bring at least a dollar per acre; and if we admit, as above computed, those 300,000,000 acres of our western territory to become the public property of the States-general, and allow 100,000,000 acres for lakes, ponds, beds of rivers, barrens, &c. there will remain 200,000,000 acres of good land to be sold; which, at a dollar per acre, will produce 200,000,000 hard dollars for the treasury of the United States; the annual interest of which, at 5 per cent. will be 10,000,000 dollars per annum; a sum much more than sufficient to defray the whole public expenses of the Thirteen States, in a time of peace, and, of course, a large surplus to be expended on a navy, roads, canals, and many other improvements of our country, with a sufficient fund to be laid up for a time of war.

2. This method will push our settlements out in close columns, much less available by the enemy, and more easily defended, than extensive, thin populations; there will be people here for defence near the frontiers; they will have the inducements of a near interest to animate them to the service; their course of life and acquaintance with the country will render them much more fit for the service, than people drawn from the interior parts of the country; and the necessary force may be collected and put into action much quicker, and with much less expense, than if the same was drawn from distant parts.

These
These and many more and great advantages will naturally result from our pushing out our settlements in close columns, which cannot be expected or hoped for from a vastly extended frontier thinly inhabited.

Add to this, that every new beginner makes his first improvement in company of near neighbours, and at but small distance from older settlements, much more easily than he could do alone in a wilderness, where he could receive no helps from neighbours, let his necessity be ever so great.

3. This method would obviate one abuse very hurtful to new settlements, most injurious to the individuals who first migrate and bear the hardships of first cultivation, and which greatly retards the population and improvement of a new country, viz. large quantities of land lying unimproved in the lands of non-residents or absentees, who neither dwell on the land, nor cause it to be cultivated at all, but their land lies in its wild state, a refuge for bears, wolves, and other beasts of prey, ready to devour the produce of the neighbouring farmers, bears no part of the burden of first cultivation, and keeps the settlers at an inconvenient distance from each other, and obstructs the growth and riches of the townships in which it lies; whilst the owner, by the rife of the land, makes a fortune out of the labor and toils of the neighbouring cultivators. This is a most cruel way of enriching one man by the labor of another, and so very hurtful to the cultivation of the country, that it ought to be restrained by the most decisive measures.

4. This method will give every inhabitant of the Thirteen States an equal chance of availing himself of any advantage of procuring lands for the accommodation of himself or family; whilst, at the same time, the ceding State will reap great benefit from the produce and trade of the adjoining settlements, which will, at the same time, become a secure barrier to their frontiers, against the incursions of an enemy on that side.

5. In this method we can extend our laws, customs, and civil police as far and as far as we extend our settlements; of course, our frontier people will enjoy every benefit of civil society and regular administration of justice; which cannot
-Cannot take place with equal perfection in the great extent
of a thin settled frontier.

6. Another thing very necessary to be observed in the
whole management of this affair is, to cultivate a good and
friendly correspondence with the Indian natives, by a careful
practice of justice and benevolence towards them. They are
an innumerable race of people, probably, extending over a
vast country to the west seas, and very great advantages
may be derived from their trade, if we can gain and pre-
serve their confidence.

Whereas nobody ever yet gained any thing by an Indian
war. Their spoils are of no value; but their revenge and de-
predations are terrible. It is much cheaper to purchase their
lands, than to dispossess them by force; and justice in all cases
is more profitable than violence and wrong.

It may be noted here, that many inhabitants are already
on the lands supposed to be ceded. What is to be done
with them? I answer—if their continuance is matter of
uneasiness to the Indians, and is likely to produce broils with
them, they are by all means to be removed. For it is un-
reasonable that the public tranquillity should be endangered
for the sake of the convenience of a few people, who,
without the least pretence of right, have fixed themselves down
on lands not their own.

But notwithstanding this, if their continuance will not
endanger the public security, let them keep their possessions
on express condition, viz. that,- when the townships in
which their possessions shall be included when the future
surveys shall be made, shall be sold, they shall pay as much
for their lands as the other purchasers of the same town-
ship pay on an average for theirs, excluding every idea of
favor, to which they may think themselves entitled for their
first migration and cultivation. For I esteem all this very
wrong and injurious to the public, which rather deserves
punishment than reward.

But there is another objection more forcible, which, I sup-
pose, will be pretty readily made to my scheme, viz. all the
benefits of this scheme are future, are a great way off; but
we want present supplies, to relieve the present necessities
of
of our country. This was Esau's argument, when he sold his birthright for a mess of pottage, and is certainly a very good one, when really grounded on fact; for no doubt a man had better give his whole fortune, for one meal of victuals, than starve to death for want of it; but I think wise men will examine this fact very closely, and be very decidedly convinced, that the supposed present necessity is really great enough to induce us to forego all the fore-mentioned advantages for the sake of the pitance, the trifle of money which those lands would now bring, if sold or mortgaged at present for the utmost they would bring, attended with all the shocking and mortifying disadvantages of giving any foreigners a footing in our country, and a claim upon our most essential and central interests.

But I think the objection itself is grounded on an error; for I think the present advantages resulting from my plan greater than could arise from any kind of mortgage or alienation of these lands; for I consider them like a rich, valuable, and sure reversion, which never fails to give the owner a great estimation, credit, and respectability in the eyes of his neighbours; tho' he receives no permanency of present profits; but if this reversion was sold or mortgaged for a trifle, and soon dissipated (as doubtless would be our case) the owner would appear in a light more contemptible, and in every view much more disadvantageous, than if he had never owned the right.

It cannot be too often repeated, that we are not capable of being saved, or even helped, by the importation of foreign money; it will destroy our industry, it will introduce luxury; the increase of quantity and ease of acquisition will depreciate it, and thereby defeat its own uses.

This is as true as the diurnal rotation of the earth, but, like it, not obvious to the perceptions of every mind. Unhappy for us! the nature of money, and the radical essence of the public finance, depend on principles too latent for easy comprehension; and what makes the matter more dangerous, like many delusive appearances in the natural world, is, they seem to be perfectly easy and obvious, when they are least understood; and therefore it has been observed in all
all ages, that they work like magic under the direction of
unskilful men, ever producing effects the least expected, as
well as failing of those most sanguinely computed upon.

Their operations, like other doctrines which depend on
an infinity of relations, are governed by so many co-opera-
ting causes, that their delineation is very difficult, and
their demonstration intricate, and not to be understood
without a long and deep attention.

They make a part of the great law of proportions,
which nature never fails to regulate and adjust with perfect
exactness, but which the greatest and strongest intellects,
with the most nervous attention, can but imperfectly com-
prehend.

Therefore, in this, as in all other branches of physisal
knowledge, our safest cue and surest principles must be
drawn from experiment. But to return to my subject—

I do not apprehend the actual pernancy of profits from our
western lands, when disposed of according to my plan, so
very distant as many may imagine. The argument of ana-
log from what has been to what will be, is generally al-
lowed to be a good one. If, therefore, upon this rule of
reasoning, we may suppose that the increase of population
in our country shall continue the same in time to come as
we have experienced in time past, viz. that the number of
souls double once in 25 years, it will appear very probable
that our own eyes may live to see the commencement of a
great demand and rapid sale of our western territory. The
number of souls in the Thirteen States in 1775, was gen-
erally computed at 3,000,000. [Some people of great ob-
ervation were of opinion, this number was much exceed-
ed.] On the aforesaid scale of computation, the number of
souls in these States, at the end of the next century,
will amount to 96,000,000; enough to extend over the
whole territory of our Commonwealth, and more than
Spain, France, Germany, and Italy now contain.

I will here subjoin one thing more, which may per-
haps be thought worthy of some consideration, viz. that
in surveying and granting the western lands, all saltlicks,
and mines of metallic ores, coals, minerals, and all other
valuable
valuable fossils (in all which the country greatly abounds) may be reserved and sequestered for public use: a great revenue may grow out of them: and it seems unreasonable that those vast sources of wealth should be engrossed and monopolized by any individuals. I think they ought to be improved to the best public advantage, but in such manner, that the vast profits issuing from them should flow into the public treasury, and thereby inure to the equal advantage of the whole community.

The foregoing considerations open to view such great objects, such prospects of vast population and national wealth, as may at first sight appear chimerical, illusory, and incredible. A great minister of state was formerly so astonished at the very mention of the vast supplies predicted by the prophet Elisa, that he, with amazement mixed with unbelief, exclaimed, "If the Lord would make windows in heaven, might this thing be?" But I mean to subject this Essay to the most rigid examination. Please to review every proposition, and closely examine every argument and inference I make, and if they do not justify the conclusion, reject them; but if you find the facts alleged, true, the propositions just, and the inferences fairly drawn, do not start at your own good fortune, or shrink from the blessings which Heaven pours on your country. The boundaries herein described, by which the contents of our territories are computed, are taken from Mitchell's map, published in 1755, at the request of the Lords Commissioners of Trade and Plantations, and is chiefly composed from draughts, charts, and actual surveys of different parts of the English colonies and plantations in America, great part of which have been lately taken by their Lordships' orders, and transmitted to the plantation-office, as is certified by John Pownall, secretary of said office, and is perhaps a map of the best authority and greatest accuracy of any extant. The facts are of public notoriety. The computations are all made on obvious principles, and may be corrected by any body, if wrong. The sentiments are my own, and are cheerfully submitted to the most rigorous scrutiny that can confine with truth and candor. The sub-

ject
ject is very large; I do not pretend to exhaust it, or that this Essay is a finished piece; it is a sketch only, a draught of outlines, which, I hope, will be allowed to deserve at least a candid attention. I wish it might be sufficient to produce a full conviction, that it cannot be the interest of the United States either, 1st. to suffer such vast and valuable blessings to be ravished from us by our enemies; or, 2d. to consent to their being sold and alienated to foreigners, for any little, trifling present considerations; such foolish bargains must originate in very narrow views of the subject, and terminate in shame and loss, and in every stage be marked with mortification, disputes, and embarrassment.

I will conclude by just observing, that this Essay is wholly confined to one branch only, to one single resource, of our public revenue; only one item of our national wealth: an income vast indeed, not drawn at all from the purses of the people, but capable of being conducted, that every individual who chooses to be interested in it, may find a good profit resulting from the concern. I do not doubt but if the whole great subject was properly surveyed by a mind capable of such reflections, many other sources of revenue might be found, of vast utility to the public, and in no sense injurious, but highly profitable, to individuals. So to graft the revenue on the public stock, so to unite and combine public and private interests, that they may mutually support, feed, and quicken each other, is the secret art, the true spirit of financiering; but we must never lose sight of this one great truth, viz. that all resources of public wealth and safety are only materials put into our hands for improvement, and will prove either profitable or hurtful according to the wisdom or folly with which they are managed. Ruin may grow out of national wealth, as well as from national poverty. Perhaps it may require more great and good talents to support an affluent fortune than a narrow one. Affluence has at least as many dangers as indigence. All depends on the characters of the men who manage them. The happiness and wretchedness of nations depend on the abilities and virtue of the men em-
ployed in the direction of their public affairs. And I pray 
God to impress a due sense of this great and most important doctrine on the minds of all electors, and others con-
cerned in the appointment of public officers. *

* It may be worth notice here (tho' it does not immediately belong to 
the subject of the foregoing Essay)

1st. That the first Congress under the New Constitution met at New-
York, March 4, 1789; and, after two long sessions, adjourned to Philad-
phia. The first session which was held there was on Dec. 4, 1790; and the 
session concluded on March 3, 1791.

2d. That eleven States only had adopted the New Constitution at the time 
of the first session of Congress under it; but the two deliberating States, 
viz. North-Carolina and Rhode-Island, soon acceded, and their delegates were 
admitted in Congress.

3d. That two new States, viz. Kentucky and Vermont, were admitted in- 
to the Union in Feb. 1791: so that the American Union now consists of 
fifteen States.
### Scales of Depreciation of Continental Money.

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**Scales**
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May 31, 1781, Continental money ceased to pass as currency, but was afterwards bought and sold as an article of speculation, at very uncertain and defulitory prices, from 500 to 1000 to 1.

The exchange of State-money of Pennsylvania, in May 1781, was 2½, 6, 7, 5, and 4, to 1 hard Money.
### A Chronological Table of Remarkable Events

**America** first discovered by Columbus in the year of our Lord, 1492

North-America discovered by Cabot, 1499

Penn's charter for Pennsylvania, 1682

American Philosophical Society established, 1762

Tea destroyed at Boston, Dec. 16, 1773

Battle of Lexington, April 19, 1775

First Congress met at Philadelphia, Sept. 5, 1774

Battle at Bunker’s-hill, June 17, 1775

Charlestown (Massachusetts) burnt, June 17, 1775

Falmouth burnt, Oct. 18, 1775

Canada invaded by the Americans, 1775

Declaration of independence, July 4, 1776

Gen. Montgomery fell, Dec. 31, 1775

New-York taken by the British, Sept. 11, 1777

Battle of White-Plains, Oct. 28, 1777

General Washington took 900 Hessians at Trenton, Dec. 26, 1776

Battle of Princeton, Jan. 3, 1777

Battle of Brandywine, Sept. 11, 1777

Battle of Bennington, Sept. 19, 1777

Wilmington (Delaware) taken, Sept. 19, 1777

Wilmington (Delaware) taken, Sept. 19, 1777

Philadelphia
Philadelphia taken, - - - Sept. 27, 1777
Battle of Germantown, - - - Oct. 4, 1777
Burgoyne taken by Gen. Gates, - - - Oct. 17, 1777
Esopus burnt, - - - Oct. 25, 1777
Treaty with France, - - - Feb. 6, 1778
The British commence hostilities with France, June 17, 1778
Philadelphia evacuated by the British, - June 18, 1778
Battle of Monmouth, - - - June 28, 1778
Savanna taken, - - - Sept. 29, 1778
Stony-point taken by Gen. Wayne, - - July 16, 1779
New-Haven taken, - - - July 16, 1779
Spain begins a war with Britain, - - - July 16, 1779
Fairfield burnt, - - - July 16, 1779
Charlestown (S. Carolina) taken, - - - May 12, 1780
French army arrives at Rhode-Island, - - July 10, 1780
Battle of Camden, - - - Aug. 16, 1780
Britain declares war against Holland, - - Dec. 20, 1780
Wilmington (N. Carolina) taken, - - - Jan. 1781
Articles of Confederation finally ratified, Mar. 1, 1781
Continental money ceased to circulate as cash, May 1781
Battle of Eutaw Springs, - - - Sept. 8, 1781
New-London burnt, - - - Sept. 13, 1781
Wilmington (N. Carolina) evacuated, - - - Oct. 1781
Cornwallis surrendered, - - - Oct. 19, 1781
Savanna evacuated, - - - July 11, 1782
Charlestown (S. Carolina) evacuated, - - - Dec. 14, 1782
Preliminary treaty signed, - - - Jan. 20, 1783
Treaty with Sweden, - - - April 3, 1783
The first air-balloons let off by M. Montgolfier at Paris, - - - Aug. 27, 1783
Definitive treaty of peace ratified, - - - Sept. 3, 1783
New-York evacuated, - - - Nov. 25, 1783
The American army disbanded: Gen. Washington resigns his commission, - - - Dec. 1783
Convention met for revising the Federal Government of the United States of America, - May 25, 1787
Finished their deliberations on a plan of government for the United States of America, and published the same, - - - Sept. 17, 1787
First Congress under the New Constitution met at New-York, - - - Mar. 4, 1788
And, after two long sessions, adjourned to Philadelphia; the first session at which place was, Dec. 4, 1790

F I N I S H.