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REVOLUTIONARY HISTORY
OF THE
STATE OF NEW JERSEY.

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For the NEW-JERSEY JOURNAL.

LETTERS ON OUR PAPER CURRENCY.

LETTER V.

I DID not expect so soon to have wrote again upon the subject of our paper currency, but something has ocured that induces me to offer something more on this head. We are all in duty bound to say and do all that we properly can for the good of our fellow creatures, and to prevent evil. I cannot help thinking what is best for my fellow countrymen, and what is not; and if I think differently from some others, especially those that lead in public affairs, it may be my unhappiness; but still I have a right to and am bound to point out the wrong measures that are pursuing or which appear to me and many others to be wrong; I say pursuing while they are only in agitation and not determined. When laws are once made I shall submit to them; yea support them, and act as an obedient subject; though I should think that some other measures might have been much better. In my letters I purposely avoided saying any thing upon regulating prices, because I hoped our leaders would have seen the difficulties and bad consequences of such a measure. I also said as little as possible upon the attempt to appreciate our Continental bills, because I hoped a better might be fallen upon. But I find these things are in agitation, and measures pursuing to carry them to the extent. Sure I am the country must and will sooner or later feel the bad effects of such a measure, and I must yet hope they may be avoided.

As to regulating prices, the method I think must be either, *First*, To set the prices of things were they now are or near it, and let them continue so without alteration. Or, *Second*, Begin where they now are, or near it, and monthly, quarterly, or yearly appreciate the money; or which is the same thing, lower the prices of goods and provisions. Or, *Third*. At first order every thing to be bought and sold at the prices they were seven years ago, and so continue. The last mentioned is so unlikely that I shall say no more to it. If the prices should be set as they now are, or near it, and ordered to continue so till our money is struck dead, or all called in by taxes, it would so little answer the purpose of those that are at the bottom of the regulating scheme, and would also fill the country with many difficulties, that I suppose this will not be attempted. Therefore I suppose that the design is to set the prices at first, nearly as things are now bought and sold, and every month, quarter, or twelvemonth, appreciate the money, or which is the same thing, order the prices of things to be lower. But, *hic labor, hoc opus*. This will not easily be accomplished. It will be difficult to bring people to take a less price than they used to have, especially if taxes are large, and money hard to obtain, which will soon be the case. People will not be easily brought to sell things for a less price than they gave for them. The farmer will not produce more than he wants for his family. The merchant will not trade, and manufacturing will in a great measure cease. The farmer will not, to raise a crop, be at the expence of a thousand dollars, if he thinks

he shall not get half so much for it eighteen months hence, as the present price is. It may be said by those on the other side, that though the farmer cannot get above half so much money for his crop, yet he can get as much in any thing else that he wants, and therefore he will produce. But I answer; the farmer that raises more than he needs for family use, wants to lay up some money against the time that it shall be appreciated, or be made as good as silver, and he will rightly think that the thousand dollars that he now has in hand, will be better kept by him than laid out in producing a crop that will not bring half the present price. If he believes that the money will finally be made good, he will keep it by him, and not lay it out in farming; and if he believes that the money will not be made good, but the appreciating scheme finally fail, he will not sell his produce while things are regulated, but keep it till he can have what he thinks a proper price. The same will be the case with the merchants, and in a less degree with manufacturers, and the consequence will be that great part of the country will starve or be reduced to amazing want. Should the regulating scheme take place, and people in general believe that it would produce the effect proposed, it would set every body to hoarding money, and would prevent the circulation of every thing necessary in the country; for money laid by would be better than laid out in farming or any kind of trade. But let us consider some other difficulties attending this regulating scheme. People will in innumerable instances evade the law. 'Tis certain they can do it and no doubt will do it; and it will be done in so many instances, that it will ruin those that endeavours to observe the law, and buy and sell according to it. Again it will be impossible to put a proper price upon things in different places. 'Tis certain the same thing should not bear the same price in every part of the country; and things cannot be brought to an equality by allowing for transportation. A bushel of wheat raised in or near a market town, where land is five times the price, ought to be sold for as much as a bushel of wheat is, after it is brought fifty or one hundred miles out of the country. The same might be said of tanners bark and many other articles, and yet I think there is no law could remedy these difficulties. Again it is next to impossible to regulate the price of foreign goods imported, both to the satisfaction of the country, and the importers, and if the country is not satisfied, they will find some way to distress cities, which must live by country produce. Again, there are no laws made, especially respecting matters that are new and untried, but what soon, and often want altering and amending; and this would be the case respecting the regulating scheme, and would cause such difficulties in such a large extended continent, under such variety of circumstances, as would soon destroy the plan. In fine, there will be so many through the continent that will suspect or be fearful that the scheme will not last long, that they will as much as possible suspend all expensive business till they see what will be the event, and this will help to defeat the design.

I must now say something concerning the appreciation or raising the credit or value of our present currency. The attempt I suppose must be, either by diminishing the quantity, or by gradually diminishing the

prices of goods and provisions, by a regulating act, or by both these conjunctly. As to a regulating law I shall say no more. If that is attempted, time will soon shew the wisdom and propriety, or the weakness and impropriety of it. As to diminishing the quantity of our money; if it is not done by exchanging it at a great discount for silver, or new bills struck, I suppose it must be either by calling it in by taxes and burning it; or by borrowing it of those that have it, burning it when thus borrowed, and laying it a debt upon the country; or by both these conjunctly. The diminution of it by taxes must be impossible while the war lasts, because we every year want more for the army, and other public expences, than can or will be paid in by taxes. But suppose the best;—suppose the war over, it will not be easy to call it in by taxation and burn it. There will be still yearly large public expences. There will also be some debts that must speedily be paid. The diminution of the money will be slow; and when money begin to be scarce in proportion to the largeness of the taxes, which will soon be, yea begins already to be the case with great part of the country; men will then enquire what the large taxes are for, and finding they are to make good the money to a few men, *i. e.* to give them twenty times as much as their money cost them, the country will not bear it. They will appoint such legislatures as will remedy this matter. This leads me to say a word upon the equity of exchanging our old money at fifteen, twenty, or thirty for one; and how unreasonable it is for any to say that this is killing or sinking the money in the hands of those that at that time possessed it. The man that receives a thousand dollars the day, week, or month before he exchanges it, and for these thousand dollars gave something that was worth but the twentieth part of so many silver dollars, does not lose or sink nineteen twentieths of his money by receiving one for twenty. No; nor does he sink a penny of it, but receives the full value. The money has been sinking in the hands of people for several years; and if exchanged for what it is worth at any period, though at twenty for one, it does not any of it die in the hands of the possessour that exchanges it. It has been dying in every man's hands for a long time. For congress or the legislatures to decree that it should be nothing worth, at any period, would be killing in the hands of the possessours; but to exchange it for what it is then worth, is far otherwise. So unreasonable, false, and wicked is the pretences and clamours of those that say it is killing it in the hands of the possessours, and destroying public faith, &c. The Congress justly reject, and that with abhorrence, the thought of violating the public faith. But to give men the proper value, and only the proper value of their money, is not to violate the public faith. But it would be violating the public faith with a witness to give men twenty times as much as their money cost them or was worth, and make the public pay it. My proposal has been that the debts contracted should be paid in money as good as it was at the time they were contracted. I would have justice take place in all cases as far as possible. But to return to the diminution of our money. What taxation will not do must be done by funding, that is, borrowing. Should we borrow the Continental money of the few men

through the continent who have it in their hands, and burn it when thus borrowed; this would bring a fine debt upon the country. Should we borrow one hundred and fifty millions dollars, and sink them, this sum, with near one hundred and fifty million, which we now owe, would put us into a fine situation, especially as the proposal is to make all the money as good as silver. But we will suppose the best;—suppose by taxation, or some such way, we had sunk one half this, besides paying our yearly expences; and suppose also that we had exerted ourselves so as to have paid half the debt already contracted; then what we borrowed to diminish our money and the debts before contracted might not exceed one hundred and fifty million dollars. This would and must remain a debt for ever unpaid, for we could not pay the annual interest of it at a low per cent. Suppose five per cent. The interest of our debt of one hundred and fifty million dollars would be near as much. And as the money is supposed to be made good, this at twenty for one would be four times as much as there is Continental money now extant. A fine sum to be paid annually! When then would the principal be paid? Thus we may guess at some of the rare effects of appreciating our money, by regulating prices, and by funding. As to taxes, they should be as large as the country can bear: we need them for many purposes, but sure I am they will never appreciate our money. I have but little expectation that our leading men will come into the best method to manage and settle our finances, till they are forced into it by dire necessity. I know what they must come to in the end, but I fear they will try other measures till the country is much hurt, and can bear those measures no longer.

I have only to add, that the large quantities of counterfeit money, and the increasing practice of counterfeiting; its being so much easier to counterfeit the old money, so long extant, than it would be to counterfeit a new sort that might be struck, and so contriv'd as to be difficult to counterfeit, all shew the expediency of the method I have proposed in my third letter.

EUMENES.

POSTSCRIPT.

I have seen a piece in the New-Jersey Journal signed *Unshaken*, who seems to be angry with Eumenes, and treats him as his passions and abilities would allow. I have nothing to say to *Unshaken*, who I am persuaded, will not be unshaken very long. I will only say a few words for the sake of the public; much I need not say since so weak a performance cannot make any considerable impression on persons of sense. Most of his arguments (if any thing he has advanced may be called argument) are such feminine ones, as Deane Swift says, directly tend against the cause they were designed to defend. The only thing he mentions, that I think worth while to say any thing to the public upon, is the supposition that the new money proposed to be struck, would depreciate as the old has done. There are some besides *Unshaken* that are a little afraid of this; but their fears are groundless; for the ground of the depreciation of the

old money was not a fear that America would not prevail against Britain; or that, the Congress and country were not able and willing to make the money good: But the cause was the quantity: Such a quantity as gave opportunity to other causes to operate, and increase the depreciation. Such a quantity especially as gave opportunity to lay by all the hard money. Had there not more than twenty million dollars been struck, comprehending the paper money of the several States then extant, the Continental bills would have remained as good as silver. And should we not strike more than fifteen million dollars new money, and at the same time strike dead all the old, there would infallibly circulate so much hard money, as would keep the paper alive. Should we obtain a small loan of hard money, to emit together with the new struck paper, in order to give it a little more life and vigour, it would not be amiss; any other way than it would increase our public debt, which we should as much as possible guard against. I think I may defy Unshaken, or any body else, to produce an instance where paper money has depreciated, if there was a proper quantity of hard money circulating among it, and where the authority of the whole State was engaged to support the credit of the paper money. As also to shew that paper money ever did or could be made to keep its credit, let what authority would be engaged for it, if there was not a proper proportion of hard money circulating with it. The scarcity of paper money will never keep up its credit without a proper proportion of hard money, and that because foreign nations which any State trades with, cannot be obliged to take it as a legal tender, and because it will often be a damage to traders to be obliged to take it when there is not hard money plenty to exchange for it upon emergencies. I have within forty years past seen all the wisdom of the Eastern States employed, and all the authority of their several legislatures engaged, and engaged in vain, to support the credit of paper money, while hard money was not any part of their circulating medium; and that at a time when they had a good trade, and an open sea coast; and when there was often a great cry of the scarcity of money through the country. I think it has been a mistake in these United States, that they have not found some method to encourage and direct the circulation of hard money with the Continental all the time of the present war, which might easily have been done. This would have saved thousands of private estates, that are now gone. Should the legislature now order, that the paper money should pass at twenty for one with silver, and that all debts and payments should be discharged by the one or the other, in this proportion, it would immediately prevent any further depreciation; and the paper would have no tendency to alter from this, any more than an old three pound Jersey bill had a tendency heretofore to be valued at less than a half joe. Suppose there are now two hundred million dollars extant: They passing at twenty for one, reduces the whole to ten million dollars, which, with the hard money in the country, would be a scant medium of trade. And should there be ten or fifteen million new dollars struck, and the old annihilated, the new would pass in the same reputable, unfailling, unsinking manner that paper money has

done, when it had silver for its support. There would be no danger but that people would take, and use the new paper money with all freedom. But the few monied men that have such an eager desire that the old money should be restored to its original value, will keep up the cry that the new money would depreciate, to fright people and prevent the measures taking place. It is evident to all persons that will observe, who the few persons are through the country, that are for having the money made good; and it is obvious what their end and design is. E.

—*The New-Jersey Journal, December 21, 1779.* Vol. I., No. 45.

To be sold at public VENDUE,

On Monday the 27th of December;

A HOUSE and lot of land, situate in Elizabeth Town. The house is very convenient for a small family, has a good cellar, kitchen, and two good rooms on a floor; about one and a half acre of excellent plough or meadow land.—Will be sold at same time, two good wagon horses, one good ox cart, two patterns of bed ticking, variety of womens apparel, and some other articles. Vendue to begin at 10 o'clock said day, when due attendance will be given by

JOB HEDDEN.

Elizabeth Town, December 20, 1779.

To be sold at public VENDUE,

On Thursday the 23d instant, at the house of Cortland Vanartsdalen, at Springfield;

ABOUT fifty or sixty head of continental cattle, which are too thin for present use of the army. Vendue to begin at 10 o'clock, when due attendance will be given by

Azariah Dunham.

Morris Town, December 20, 1779.