

NOTES AND DOCUMENTS

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“SMALL PRODUCER THOUGHT IN EARLY AMERICA, PART I: PHILADELPHIA ARTISANS AND PRICE CONTROL”

The American Revolution, like the other Atlantic revolutions of the seventeenth and eighteenth centuries, witnessed a dramatic outpouring of popular thought.¹ In the Revolutionary upheaval, ordinary Americans, whose ideas were normally confined to the oral culture of the family, farm, and workshop, joined in public debate with merchants, planters, and lawyers about the direction American society was to take. Nowhere was this debate sharper than in Revolutionary Philadelphia.

Philadelphia artisans maintained a tradition of resistance to the city's mercantile elite dating from at least the 1720s.² In 1765 artisans were prominent in protesting the Stamp Act that some wealthy men supported. Again in 1769 and 1770 artisans made up a significant portion of the non-importation movement, forcing recalcitrant merchants to sacrifice a measure of their own wealth to the good of the community as a whole. And, in 1776, craftsmen formed the backbone of the popular Revolutionary movement that drove Pennsylvania's merchant oligarchy from power and pulled Pennsylvania into the patriot camp.

Despite their sacrifice and contribution to the Revolutionary cause, however, most Philadelphia artisans suffered during the war. Currency devaluation, the burdens of militia service that fell disproportionately on their shoulders, and the scarcity of food and essential goods made their lives more difficult than at any time in the past. These discontents came to a head in the summer of 1779 when the popularly elected Committee of Trade called on the city's merchants to reduce their inflated prices to pre-war levels.³ Hoping to sell flour and other foodstuffs to the French

and Continental Armies at high prices, some Philadelphia merchants had begun to hoard these items earlier that summer. As a result, the costs of food and other necessities skyrocketed.

Against this backdrop, one of the most remarkable debates of the Revolutionary era took place. At the immediate level, the discussion between Philadelphia merchants and the popularly based Committee of Thirteen concerned the propriety and feasibility of price controls. But at a more fundamental level, the argument pitted two opposing conceptions of community and property rights against each other. The merchants' delegation claimed that an unfettered marketplace was the most salutary device for meeting the needs of the community. A free market, they declared, harnessed individual greed for the well-being of all citizens and any intervention in the marketplace disrupted the "natural" forces of supply and demand to the detriment of the entire community.⁴

The Committee of Thirteen, whose chairman, Blair McClenahan, was the political leader of the city's craftsmen, expressed the position of many of artisans and lesser workingmen. From their perspective, mercantile greed drove up the prices of life's necessities and devalued the paper money upon which laboring people depended for payment of services, wages, and the purchase of raw materials, food, and rent. To many laboring-class Philadelphians, an unrestrained market meant the continued polarization of their community into a small class of the truly wealthy and a large class of impoverished, or nearly impoverished, working people.⁵

By making a distinction between ownership and service, the Committee of Thirteen drew upon the moral force of a small producer ethic that had long informed the thoughts of the city's craftsmen.⁶ This ethic, rooted in the culture of the independent farmers and craftsmen of post-feudal England, viewed labor as the cornerstone of social existence and placed the productive farmer and artisan at the center of community life. This popular version of the "labor theory of value" is here expressed as the notion of service; the idea that by investing their labor in building, outfitting, and provisioning ships for Philadelphia merchants, mechanics established a claim on the use to which these ships were put. Only the toil of ship carpenters, caulkers, riggers, and many other laboring people, the Committee argued, enabled Philadelphia merchants to practice their trades. In return, mechanics expected an equal exercise of community responsibility on the part of merchants. By engrossing flour and shipping it to more lucrative markets at a time when many of the city's poorer residents could not obtain bread, merchants blatantly violated the small producer ethic of Philadelphia

workingmen. The price control movement of 1779 thus provided the setting for one of the most important moral conflicts of the Revolution. By pitting the merchants' *laissez-faire* philosophy against the craftsmen's small producer ethic, the debates of 1779 asked Philadelphians to decide what form their society would assume in the post-Revolutionary era.

The documents reproduced below provide the full text of the 1779 debate as it appeared in the *Pennsylvania Packet*. The first document is a report by the Committee of Trade, a popular committee created at a Philadelphia town meeting held on May 25, 1779. The report, which appeared in the issue of July 29, 1779, begins with a justification of the Committee's extra-legal authority, claiming that there were certain offenses against the community, such as forestalling and monopolizing, that the community, rather than the Revolutionary government, was best equipped to deal with. The document then presents the Committee's rationale for price control, arguing that price controls alone could halt the rapid currency devaluation that had been overtaking Philadelphia since the beginning of 1779. This document is followed by the merchants' memorial and the reply of the Committee of Thirteen, both of which appeared on September 10, 1779. Original spelling and punctuation have been preserved except where meaning would otherwise be unclear.

DOCUMENT #1: COMMITTEE REPORT

PENNSYLVANIA PACKET
OR
THE GENERAL ADVERTISER
June 29, 1779

The ADDRESS of the COMMITTEE of the City and Liberties of Philadelphia, to their Fellow-Citizens throughout the United States.

Friends and Countrymen,

NECESSITY and convenience, have again called into being a body of men, hitherto known throughout the several parts of America by the name of Committees; and we presume that when the several reasons therfor[e] are collected and considered, that their re-institution at this time will not only be justified, but approved and followed.

However, in the tranquil hours of peace, we may admire, and consine

ourselves to the guidance of written laws, yet in times of traitorous war, and more especially so in an invaded country, they will in general be found too slow in their operation, too uncertain in their effects.

The ingenuity of men in the invention of new crimes, the prostituted ingenuity of others, in skreening criminality from legal punishment; the additional opportunities which a state of war affords to the subtle, the selfish, and disaffected, together with the impossibility of legally describing the numerous kinds of disaffection, practicable in an invaded country, render the revival of Committees during the present war, not only a convenient but a necessary appendage to civil government.

There are offences against society which are not in all cases offences against law, and for the prevention or punishment of which no written laws can be timely constructed, or sufficiently applied. Circumstances may combine to prove a man undeserving the rank he may hold or the residence he may enjoy among the citizens of this or any other State, and yet by some accidental defect of the laws in being, the perversion of a well intended clause, the failure of immediate evidence, or even from the novelty of the crime, he may escape the punishment of a Court of Justice: in all such cases therefore, or others of a similar nature, we hold this maxim, that where the offence is publicly dangerous or injurious, and the laws unable to relieve or punish, the community in its own defence, and for its further security, has a right to expel.

Formidable as the punishment of expulsion may appear, we nevertheless justify the right of using it, on the grounds and principles of citizenship, and the admitted and immemorial custom of mankind. It is a right claimed and exercised by every separate society in this and all other countries, and as the community at large is an incorporated collection of the several parts, therefore the right of the whole cannot be inferior to the parts of which it is composed.

It is inconsistent to suppose that the lenity of our laws, or their silence on crimes we can have no conception of, are to become a safe guard to the disaffected in their acts of studied delinquency, or that no other offences are punishable in an invaded country, than what are to be found in the laws of a settled and well regulated society. We cannot construct laws that will reach all cases, and therefore we maintain the right, as well as the necessity of holding every man accountable to the community, for such parts of his conduct by which the public welfare appears to be injured or dishonored, and for which no legal redress can be obtained.

In times of war and invasion, we conceive it necessary that a discretionary power should exist somewhere; for as the authority of civil government cannot, without exceeding its bounds, or descending from its character, extend to all the circumstances that may arise; therefore a

numerous race of subtle or new invented offences, will, without the interposition of such a power, have a certain and extensive latitude to act in, unrestrained and unpunishable by law.

To blend such a power with the constitutional authority of the State, would, according to our ideas of liberty and conception of things, be unwise and unsafe; because being once incorporated therewith, the separation might afterwards be difficult, and that which was originally admitted as a temporary convenience, justified by necessity, might in time establish itself into a perpetual evil, and be claimed as a matter of right.

The exertions which are sometimes necessary to be made by the inhabitants of an invaded country, for their own preservation and defence, are frequently of such a peculiar and extraordinary quality, that as they ought not to become the rule of legal government in times of peace, should not be mixed therewith in times of war; for that which in the community may be the spirit of liberty, introduced into the laws would become its destroyer. Therefore as we cannot, on the one hand, permit our laws to be equivocally constructed and discretionarily applied, in order to fit and bend them to every new case, so neither ought we on the other hand, to suffer the general interest to be sapped by a species of delinquents, who governed by avarice, or prompted by defection, are studying to evade what they dare not transgress.

It is to those evils, too amphibious to be defined, and too subtle as well as too transitory to become the object of established laws, that we wish to apply a remedy, capable of suiting itself to the variety of the offence, without opposing the rules of its institution, and this we conceive can be no other than the discretionary power of the citizens organized, and acting through a Committee.

The condition of an invaded country sufficiently proves the exercise of such a power necessary, and we have already stated our reasons why it ought to be detached from the legal government. It is furthermore our opinion that the exercise of discretionary powers for the redress of temporary evils, is best intrusted with temporary bodies, because when the necessity which called forth such powers shall cease, the occasion of such bodies ceases therewith, and the authority of civil government, undisturbed and untempted, continue its original channel.

We are likewise of opinion that the laws already in being, would derive great support from the reinstitution of Committees, and that such a reinforcement of power to the powers of government is necessary in an invaded country. It is the best if not the only mode by which the community can conveniently throw in their portion of assistance, and contribute to the authority of the State. The fear of offending against the

general interest, where a mode of punishment is provided, which can be easily and powerfully executed, is a forceable inducement to legal obedience, and operates with peculiar efficacy on those whom no public principle can restrain.

Such being our thoughts on the subject, we submit them to the consideration of our fellow citizens, in every part of the United States. And shall now proceed to give our sentiments on a matter to which the usefulness of Committees may with particular advantages be easily and extensively applied. We mean the reinstating and supporting the credit of our currency.

It is a well known maxim, that that which is every bodies business, is no bodies business. Each one looks with discontent at the other; the expectation is returned and continued, and every one is surprized that no one begins. Such has been the state of our currency for some considerable time past, and such it will continue to be, until it be put under the care of particular bodies, present in all places, who shall be empowered to watch against the means by which it has been depreciated, prevent their encrease, and punish them on detection.

The hope of the enemy appears to be principally fixed on what they would stile the bankruptcy of the Continent, occasioned by a failure of the currency. Every one among us seemed to apprehend its probability, and tho' all appeared to lay it to heart, no one lent his hand to prevent it. Every day made the matter worse, and the talk heavier. We looked at one another, complained, murmured and went away.

Yet, so mistaken and extraordinary have been our conduct, that while we dreaded the evil we invited it on, and hastened to meet the event we wished to avoid. At the rate we were going from January to May, a state of bankruptcy must have taken place in the space of a few weeks.⁷ A bankruptcy of a paradoxical kind. A bankruptcy produced, not by the want of money, but by the abundance of it. Such has been the condition we were unwisely exposed to, and such is now become the object that claims our attention.

By the efforts of the inhabitants of this city on the 25th of May, a stop has been put to the depreciation, and afforded us an opportunity of stating the case for the consideration of all.⁸

For once we shall leave public spirit and public virtue out of the question, and address our arguments to the interest, rather than the honor, to the avarice, rather than the patriotism of individuals.

To what end is it that we get money with one hand, and depreciate in the other? Let the planter, the merchant, the miser, and any or every other order of men reckon their wealth at this time, and they will find

themselves poorer in value though richer in quantity than they were last Christmas or a year ago. Our avarice in this instance operates without its usual cunning, and we mutually impoverish ourselves to be a match for each other.

Were it possible that the property of America could fail, her lands become barren, her rivers dried up, agriculture extinguished and population extinct, the currency would then want a foundation for its credit, an ability for its redemption; because in those cases it would be a representation of nothing. Or did the credit of it depend on foreign loans, it would then, like all other matters of favor, be subject to interruption and disappointment. Besides which we should by so doing only exchange one debt for another, less suited to our interest and more expensive to redeem. But the case now is otherwise. We are both debtor and creditor. We not only hold the money, but we possess the property by which it is to be made good, and nothing but our own consent is wanting to make it of what value we please.

Yet notwithstanding these advantages, the rage for raising prices will, unless it be put a stop to, become the ruin both of those who contrived it, and those who follow it. We shall descend from pounds to shillings, from shillings to pence, and from pence to nothing. It has long been said that trade will regulate itself, yet sufficient experience has shewn that the maxim, though admittedly true in some cases, is not so in all. While monopolizers are suffered to exist,⁹ who by stepping in between the importer and the retail purchaser can produce a scarcity when they chuse, or by their transporting their goods backward and forward from State to State can occasionally create a want in any or in all, or while the retailer by laying on what profits he pleases, becomes regardless of what prices he gives, or how much they outbid each other. In all these cases trade is deprived of its chance and becomes clogged with a disease, which left to itself will destroy its credit and produce its destruction.

By laying an additional price on what we have to sell, be it what it may, we lay a loss upon the money we have in hand, more than equal to the advance we get; and while we are counting the profits of a sale, the depreciation upon the capital makes a balance against us: The instant one article rises another rises in double proportion against it, and the hope of him who made the first advance is defeated by the practice of all around him. In short, we seem not to be sensible that we cannot raise our prices without turning the tide of our own currency against us, which running faster and more forcibly down, than we are able to row up, carry us deceitfully away, and all our labour turns to no account.

If for the sake of leaving a little trade to regulate itself the whole

community is to be impoverished, the public faith suspected and impeached, and the abilities of the States reduced and weakened, it is time to take the matter up on the most serious and determined grounds; for we had better be without trade, than exposed to the consequences it has hitherto produced.

Under proper regulations, and carried on with principle and honesty, it might render to us every advantage which, in times like these, we ought to look for; but left to itself, to find its own balance by no other practice than extortion, and to regulate itself upon the ruins of public credit, and at the hazzard of national success, is an evil too dangerous to be admitted, too serious to be trifled with.

It is in vain that we complain of the currency, unless we comply with measures for restoring it; and which if we do not, we shall assuredly sink in our own hands, the hoards and funds, that, if supported would make us rich. The money is our own. No power is bound to make it good, if we whose property it is, make it otherwise. Besides which, we ought to reflect, that the public faith, or the United States is but another name for ourselves, and that while we individually undervalue the currency we diminish the faith and abilities of the States, on whose credit it is uttered. Neither can we have any right to demand in one character a value, we deny to it in the other.

The means by which it has been depreciated are too numerous to be ascertained, and too intricate to be explained; but we in a particular manner caution you against those who affect to treat it lightly, in order to give a colourable pretence to their own extortion, and then clamorously cry out "*Why is it not made better?*" neglecting at the same time to remember that their own practices contribute to its unnecessary reduction.

Having said thus much on the subject, we shall conclude with recommending it to our Sister States, to concur with us in measures, absolutely necessary at this time, for redeeming and supporting the credit of our currency, and of consequence, individual prosperity. We wish to see Committees formed in every State and county, whose immediate business it shall be to watch against the depreciation, and promote the value of the money; and that whenever they shall discover any person or persons traducing the same, by demanding or giving more than a just and regulated price, that they summons a meeting of the inhabitants at some convenient time and place, to determine what portion of disgrace and disapprobation such person or persons shall undergo.

We have for the present proposed to reduce our prices month by

month. But in order to carry the matter into extensive and effectual execution, by a rule that will agree to all places and things, we are of opinion, that a universal regulation, capable of applying itself in all cases, may be formed on the following plan: Each State, for itself, to ascertain what the prices of the several articles of produce and importation were in the year one thousand seven hundred and seventy-four, and to multiply that price by some certain number to be agreed upon for all the States, and the price so multiplied to become the regulated price.

In this regulation it is to be remembered that the prices of imported goods are higher in war time than articles of produce, and the exact difference is the expence of convoy and rate of insurance. Therefore whatever those are, are to be added to the price such goods would otherwise be at, at the place of importation.

And in order to confine the sellers of dry goods to some fixed rule, and to prevent the hitherto scandalous evasions and extortion practiced by some of them, every seller of dry goods to write on the several articles he or she deals in, or on a paper affixed thereto, the price such goods was worth or sold for in the year one thousand seven hundred and seventy-four.

We likewise recommend to every State to open an office for the insurance of such vessels and cargoes only as belong to persons resident in such State; and that no person shall insure in any other office, or any person for him, than shall be established in the State he lives in. By this means the rate of insurance will be known, and one pretence for extortion cut off.

We furthermore recommend to retailers or other persons who may have money to spare, to open subscriptions for raising funds for importing their own goods, under the management of persons to be chosen by a majority of the subscribers.

And in order to prevent the unnecessary removal of goods from one State to another under various pretences, by which the prices are enhanced, it is hereby proposed, that the inhabitants of any State, whose ports may at any time be blocked up or rendered unsafe, shall have full privilege to import their cargoes into this port, and to remove the same under the management of a sworn Agent of their own appointing; and this we presume will more effectually answer their purpose than their depending too much on the purchases they may hope to make of goods already imported—because by encouraging importation we in a great measure prevent monopolizing.

It gives the well affected inhabitants of this city, and their Committee, great pleasure to find, that the measures lately adopted are so generally

approved, and so warmly supported. We can only call it a beginning, and hope to see it productive of universal benefit.

The Committee have already received letters of approbation and request from several of the neighbouring States, and we in a particular manner invite and call on our fellow-citizens of the State of Maryland, because we are persuaded that the contrivances which have been carried on between this city and Baltimore, have in an extraordinary manner contributed to undermine the value of our currency.¹⁰

We are now arrived at a period at which nothing can hurt us but want of honesty, and in which to be rich or to be poor depends on our own choice and consent; and such being truly our situation, we submit the farther consideration thereof to the wisdom, justice and patriotism of the States in Union.

Signed in behalf and by order of the Committee,

WILLIAM BRADFORD, Chairman

Committee-Room, June 26, 1779.

The Printers in the several States are requested to insert the above Address in their Papers.

DOCUMENT #2: MERCHANTS' REPRESENTATION

Pennsylvania Packet or
THE GENERAL ADVERTISER EXTRAORDINARY
Friday, September 10, 1779
PHILADELPHIA

In COMMITTEE, September 1st, 1779, Resolved,

That the report of the Committee of thirteen, on the memorial of the merchants, be approved, that a copy thereof be signed by the chairman and sent to the merchants, and that the said report together with the memorial be published.

Extract from the minutes,

JARED INGERSOLL, Secretary.

To the COMMITTEE of the City of Philadelphia:

A Representation from the Merchants of the said City.

Gentlemen,

Having at the earliest commencement of this contest, in the time of the stamp-act, taken a decided part in favour of our country, and persevered in the same line of conduct until the present moment, none will cast upon us the injurious reflection of being inattentive to her interests. We

are not to learn, that the depreciation of our money is the most capital inconvenience which she now labours under, and we will not waste arguments to shew what you must be fully convinced of, that no set of men in America are more deeply interested in removing the ill effects which flow from that source. As we have not opposed the wishes of our fellow citizens in appointing a committee for the purpose of limiting the prices, so we shall at all times concur with them in any measures which may tend to the salutary purposes they have in view: But we hold our indispensable duty to lay before you our sentiments upon the measures already taken and those which may perhaps be further adopted.

The limitations of prices is in the principle unjust, because it invades the laws of property, by compelling a person to accept of less in exchange for his goods than he could otherwise obtain, and therefore acts as a tax upon one part of the community only. In the operation, it is still more unjust, because it is impossible for any man or set of men to be acquainted with all the circumstances necessary to determine with precision the prices which ought generally to be taken, and even in any particular case no man can tell what the change of those circumstances may be in a month, a week, or perhaps a single day, in a war like the present, where a victory or defeat at home or abroad so materially affects insurance, the value of our money and consequently the labour and commodities of our own country, exchange, and every article which may have been already imported: we will venture to lay it down as a maxim, that no limitation of prices can be proportionate, much less just for three days together.

But supposing the objections which lie against the injustice of this measure could be removed, it would then be unnecessary, because it would then bear that protection which things in their plain and natural state shall necessarily arrive at. To this indeed it may be objected, that engrossers have raised the price of some commodities in an exorbitant degree. We know how great is the popular odium against men of this cast, and we would avoid saying any thing upon the occasion, if it were not necessary to convey to you in the fullest manner the just sentiments of our hearts. It must be remembered that these men relieved the necessities of Pennsylvania when the enemy were in possession of her capital,¹¹ by introducing articles of consumption from the extremes of the continent. It is true they were prompted by the love of gain, but whatever may have been the cause, the effect certainly was to relieve the necessities of the people. Leaving this however out of the question, it will readily be admitted that the trade of an engrosser consists in hoarding up those articles which will probably become scarce and dear, to take

advantage of that circumstance, creating thereby an artificial, previous to a natural, scarcity. By the high price consequent upon the artificial scarcity the actual consumption is lessened, the natural scarcity is lessened, and an actual want prevented. Thus the interested views of these men, like the provident foresight of a captain who puts his people on short allowance, prevents in both cases sufferings of the most alarming nature. However, novel this doctrine may be, it is not the less true on that account, and will appear with the force of irresistible evidence if the stock of goods in America at the commencement of the war and the importations since be compared with the stock now on hand, and the importations for an equal period in time of peace. If to this be added the further consideration that foreign commodities imported must be paid for by native productions exported and the balance remain as a debt upon our country, the exertions for decreasing the consumption of foreign articles (on whatever principle) have tended greatly to the public advantage. And to prosecute this subject one step further we can affirm, that although some few persons may have amassed considerable fortunes in this way, yet many who have gained by it still hold much of their property in a nominal wealth, hourly decreasing and that it is demonstrable by calculations on the prices of different articles (whether specie, bills, or the produce of our own country be taken as a standard) that the greater part of those lately engaged in monopolizing have been losers and not gainers by the business.

But our objections against the limitation of prices are not simply founded on the injustice of the measure; these are mentioned merely from our conviction of the weight they will have in your minds, others, equally strong, are derived from the impolicy of it. Whatever is unjust must in the end be impolitic, because it saps and destroys that confidence which is necessary to support the dealings of men with each other. It cannot be denied that the hope of gain stimulates the exertion of merchants as well as of other people. If that principle of action be taken away it is natural to suppose they will cease to act. But if it can be demonstrated that all their labour will be to a certain loss, no man can suppose they must incur it. Salt and woollens, therefore, already very scarce, and absolutely necessary for the approaching season, will, as well as other articles be no longer imported, at least in any considerable quantities, and what may be the sufferings of the country if that should be the case, we would rather that you should conceive, than that we should attempt to describe them. That very little will be imported must be evident, for foreigners who are not within the effect of those determinations which you can make will undoubtedly desist from

sending any thing to a place where on the instant of its arrival it would be taken from them at a price to be fixed by the purchasers, and where no consequence (not being able to examine thoroughly into motives and characters) they would apprehend every thing from the ignorance and injustice of those who they might conceive to be unacquainted with the true principles of commerce, and prompted by views of private advantage. We are sorry to observe to you that the best intelligence obtained from abroad will shew that our ideas on the subject are too well founded.

That the American merchant would pursue a similar line of conduct was foreseen, and therefore an association is proposed by which we are to covenant that we will order our vessels to this port and conform to your limitation. We cannot but observe, that the proposal of such an association clearly demonstrates the impolicy of any limitation. Because it shews a conviction that we should have pursued a different line of conduct, and that those evils have taken place which are before hinted at. But the association would be more unjust and impolitick than the limitation itself. For, first, as it is confessedly the only measure that can support the other, it is chargeable with the like injustice, secondly, it would direct our enemies where to cruize in order to intercept our supplies, and, thirdly, it would oblige us to continue a commerce which we can demonstrate to be ruinous.

The measure of preventing exports from hence to the neighbouring states, which is considered as a means of supplying Pennsylvania at a cheaper rate and more plentifully, will, we are persuaded, be found pernicious to her in the same manner as all selfish plans of policy have ever been. We shall not dwell here on the conduct which gratitude ought to dictate, upon a consideration of the benefits derived from the commerce of others when we were deprived of it. Neither shall we attempt to shew the evil consequences which might result from such a measure as to that political union of the several states which is necessary for their safety, liberty and happiness. But confining ourselves to consider it in a commercial light, we must observe that it would naturally produce similar determinations among them, and preclude us from deriving any advantage by their abundance. European merchants will naturally, for the most obvious reasons, direct all their adventures to Chesapeak-Bay, North, and South-Carolina. This has *generally* been done, and that it has not been *universally* so, can only be attributed to those causes which the restrictions and regulations now in agitation would effectually remove. Besides this, upon a supposition that by adventitious causes, such as the success of our cruisers, any articles not

absolutely necessary should become plentiful here, Pennsylvania would be deprived of the benefit of exchanging it in the way of commerce with her neighbours for articles more necessary in which they perhaps might abound.

But this is not all. No principle can be more undeniable than that some things must be exported, in order to bring back others. Now it is a constant fact, that the only article we can export is the produce of other states; if therefore the intercourse with them is cut off, all the commerce of Pennsylvania is that instant at an end. Nor can we help observing in this place, that some credit is due to us for those exertions by which in the short space of a year, amid the many discouragements and losses we have experienced, such a number of fine vessels have been procured and the trade so vigorously and actively extended without any one commodity of this state to support it.

And here we must advert to an argument unworthy of notice, but that it has been so often repeated, viz. that our commerce has injured the credit and value of the money. Paper money has no value further than as a medium of commerce to estimate the value of other things. If all trade of every kind was stopped, the money would be worth nothing, because it could purchase nothing, and on the other hand, the more commerce is extended, and the more things are bought and sold, and the more commodities there are for sale, the more necessary such medium becomes and consequently the more valuable it is. For the truth of this we can safely appeal to the experience of all commercial countries, and if it has not apparently been the case here, we can attribute it only to one fact, that the emissions have been so great and in such continued rapid increase as to outgo any possible extent of our commerce in the same period of time.

We would wish you, gentlemen, further to consider what appears to us of no little consequence, that the value of paper money must greatly depend upon its credit. In this view every limitation of prices has a tendency to injure it, because the pre supposition on which they are founded of some defect in its value necessarily impairs the credit. Nor is this all. As the general prices in any given state of things will be the result of a comparison between the quantity of money, which is the representative of commodities in commerce, and the quantity of commodities so represented, and as any *particular* price will in the same state of things be the result of a comparison between the proportionate quantity of that commodity and the proportionate quantity of all other commodities in commerce relative to the demand for them respectively, it follows clearly, that the prices of every commodity in the country will

bear a just relation to these three objects, 1st, the quantity of money, 2d, the quantity of commodities, and 3d, the demand for consumption: These are the natural prices, but if the first or third object be encreased, or the second diminished, the natural prices must rise. The effect of any limitation of prices is, first, to decrease the quantity of the limited commodity by removing all temptation to supply the daily consumption, secondly, to decrease it further by inducting individuals to conceal a part of the stock at market, and thirdly, to encrease the consumption by enabling men to obtain at a cheaper rate what may be immediately in the power of those who limit: The limitation, therefore, has a direct tendency to raise the natural prices. But as the actual price is fised, the difference must in the common course of things be thrown upon other commodities, and they will proportionably rise and equally distress consumers. If in such case the limitation be extended, it decreases the quantity of so many more commodities, and raises the natural prices very greatly. A general limitation then appears to become necessary, but the instant it takes place it again decreases the commodities in commerce, and unavoidably produces a redundancy in the circulating medium. That part of it which cannot be employed in buying other things becomes useless, and consequently worth nothing; the effect of this is to impair the credit and lessen the value of the remainder; dissidence ensues, barter takes place of money-purchases, and in this situation one of two things becomes inevitable, either that the limitations will become by unanimous consent destroyed, or that the paper currency will be destroyed by a consent as unanimous. The former of these things hath happened where the limitations have been tried, the latter we hope and trust in God never will happen.

But our objections to the particular limitation in question do not terminate here. We are to observe to you, that if you wish to remove an effect you must begin by removing the causes, and not hope to wither the causes by lopping off their consequences. You think of limiting the prices of imported articles, but these prices depend upon various incidents. First, upon the price of our own productions, they upon the price of the labour to produce them, that upon the price of the necessaries of life to sustain it, those again in a great degree upon the quantity of our money; and all upon the winds, the seasons, the ravages of war, the calls for malitia, for carters, for batteau-men, horses, and a thousand other contingencies, which it is not in human prudence to foresee, to obviate, to regulate, or to provide for. Secondly, upon the prices of vessels and their outfits, which rest on the same fluctuation of uncertainties with the former. And, thirdly, upon the premium of

insurance founded on the risk of a voyage, which is to be estimated by the events of the moment. If then you would limit the prices of foreign articles you must enable a merchant to get his goods freighted upon moderate terms, fix the prices of goods he is to export and open an insurance for a low premium. But until these things be accomplished, you may indeed by an act of power force away the property of men at such rates as you may think proper to allow, but like him who owned the goose which laid golden eggs, you will cut off the source of all farther supplies, and like him too, when you do repent, you will repent in vain.

We are thus free with you, gentlemen, because we foresee the most pernicious consequences not only to ourselves but to our country in general, and to convince you that we do not proceed on any light ground we have subjoined calculations on the price of salt, rum, coffee and tea. These are two fold, first, on facts as they are, secondly on a supposition that the public would cover our property at a more moderate insurance; for as to the limitations of freight, and our own commodities they are not only unjust and impolitick, but we believe utterly impracticable. We state the following facts which we think incontestible, first, that such a vessel as might have been formerly bought for 600 pounds or 700 pounds would now cost upwards of 40,000 pounds secondly, that the outfits of such a vessel on every voyage would be upwards of 5000 pounds that tobacco is at the rate of 25 pounds to 30 pounds per cent. besides charges; and fourthly, that insurance is at the rate of 35 pounds to 40 pounds per cent. between this port and St. Eustatia. In our calculations we state a vessel carrying eighty hogsheads of tobacco at 20,000 pounds the outfits wear and tare at 5000 pounds the tobacco put on board at 25 pounds and the insurance at 33 pounds and one third. And suppose, in the second instance, insurance to be only 20 pounds and we take the prices limited at Philadelphia, 6 pounds 5 shillings for rum, 4 pounds 10 shillings for tea, and 15 shillings for coffee, it will by these calculations appear that the importer, when the insurance is as high as it now is, must loose on a vessel with eighty hogsheads of tobacco cargo, by importing rum, 46,372 pounds by importing coffee, 40,180 pounds and by importing tea 53,344 pounds or if the insurance could be had at 20 per cent. he would loose on the run 4,122 pounds on the tea 12,994 pounds and on the coffee he would gain 1070 pounds. It will also further appear, that on the first state, salt would cost here 40 pounds on the second 22 pounds 10 shillings. We shall make no comments on these calculations, but assure you of our sincere wishes that they could be rendered more favourable to America. We assure you further that we should most readily co-operate

in eve[ry ventu]re that will tend to appreciate the currency [of the?] continent. We have already subscribed amply [to] the public funds, although they are by no means on such footing as they ought to be in order to hold out proper encouragement to the lenders, and we will chearfully pay three, four, or even five years taxes in advance.

Perhaps we may be asked our opinion as to the measures which we conceive necessary for the purposes we have in view with our fellow citizens, and which it is so much our particular interests to prosecute. We do not hesitate to give this question an immediate answer. The first thing necessary is to take off the embargo, and every other regulation and limitation of commerce, and to prevent the unnecessary purchase of w[h]eat, flour and other necessities at remote places by commissaries and quartermasters. Secondly, to fix the value of the money borrowed by the continent, and in so doing to give a sufficient advantage as an inducement to the lenders that sums may be by that means obtained for the public exigencies without farther emissions. Thirdly, to enable merchants to make remittances abroad at a low rate in the way of exchange. And, fourthly, to levy taxes of one two or three pence in the pound monthly upon the actual value of estates estimated according to the prices of such articles, native and foreign, as may be taken for a standard in the following manner. The prices of those articles in the year 1775 to be taken as the first number, the value of an estate in lands, houses, etc. as they would have sold at the same period as the second number, the present prices of the standard articles as the third number, and the fourth number, which may be found in proportion to the three former, as the sum of which the tax should be levied. Measures like these, we will venture to say, would immediately arrest the depreciation in its present state, and daily restore our money by just degrees to its pristine value, without distressing the people, and render it the immediate, as it certainly is, the remote interest of every man to begin the lowering of prices with his own commodities, without setting arbitrary rules for his neighbours, and to induce them to lower theirs simply by refraining from the purchase of those things which are too dear. If after all, regulations should be necessary, they ought to be laid on the necessities and not on the luxuries of life. Nor can it at any time be justifiable to oblige one man to part with his property meerly to gratify the palate of another. Still less can any reason be conceived for laying a ruinous tax on the industrious merchant, that drunkenness of the most dangerous and pernicious kind may be rendered cheap, yet such is the effect of a limitation on the price of rum.

Thus, gentlemen, we have taken the liberty to give you our sentiments

at large on a subject of the utmost importance to us, to you and to our country in general. We have done this from a sincere desire to harmonize with you in the fullest manner, that the measures to be taken may be wisely designed and vigorously executed. We lament those appearances of dis-union which have given hopes to our enemies and inspired our friends with doubts, jealousies and apprehensions. But we hope that whatever private differences of lesser moment may exist, the intire union of all ranks on an occasion so important to the liberty and independence of America, will convince the world that we know how to bury in oblivion all little animosities where the glorious cause of our country is concerned.

We are, Gentlement,

Your most obedient and humble Servants,

Jean Kean, William Lawrence, George Kennedy, William Davis, Philip Wilson, Thomas Morris, John Steinmetz, John Ramsay, John Lardner, Isaac Cox, Isaac Moses, Thomas Barclay, William Turnbull, Bertles Shee, John Purviance, Alexander Nelson, George Meade, David Lenox, Joseph Cowperthwait, William Cross, Thomas Moore, John Nixon, Frances Lewis Junior, John Benezet, Charles Young, John Wilcocks, J. Shallus, David H. Conyngham, Francis Gurney, Alexander Foster, John Donaldson, John Murray, William Bell, John Boyle, Peter Freneau, Peter Whiteside, John Campbell, Joseph Carson, James King, James Ash, Thomas Franklin, James Vanuxem, Samuel Meredith, Nicholas Low, James Cochran, Samuel C. Morris, John Mease, Robert Bridges, Patrick Moore, Jonathan Mifflin, John Pringle, John Patton, James Caldwell, David Duncan, Andrew Hodge, Junior, Robert Duncan, John White, Francis C. Hassenclever, Charles White, James Crawford, John Imlay, Cadwallader Morris, William Alricks, Lardae Clark, Samuel Inglis, and Co., Samuel Caldwell, James Totteu, John Barclay, Andrew Bunner, John McKim, Joseph C. Fisher, James Mease, Benjamin Davis, Junior, Pelatiah Webster, William Pollard, Robert Morris, Alexander Tod, Alexander Nesbitt, Matthew Duncan, Townsend White.

DOCUMENT #3: COMMITTEE OF 13 REPLY

The committee to whom was referred the memorial of sundry merchants, signed by them in three columns, without date, and presented August the 18th, by John Nixon and John Wilcocks, merchants of this city, to the committee of thirteen, for enquiring into the state of trade, make the following report thereon:

We have read and duly considered the memorial in question, and are of opinion, that the far greater part thereof is no ways applicable to the business we have in hand, and that for the following reasons:

First, The general town-meeting having almost unanimously resolved to establish just and equitable regulations as a necessary means for preserving the currency from depreciation and ruin, and having elected a committee for carrying the said regulations and other resolutions then agreed on, into execution, it does not remain with us as a matter of duty to enter on the consideration of objections and remonstrances against the measures then adopted, because such objections and remonstrances, if proper to have been made at all, ought to have been made at the general town-meeting, and not to us.

Secondly, We conceive likewise, that the intention of the general committee in appointing us a sub-committee for enquiring into the state of trade, to have been with a view to propose means to equalize the regulations, if upon enquiry or information we should find that any one or more articles were not proportioned to others, or that any particular branch or branches of commerce or manufacturers were burthened with improper inconveniences, and in order to effect this we published an advertisement, inviting information from the importers and retailers of wet and dry goods, and the several traders and manufacturers in the city and liberties, together with an account of their several rates and prices in the year 1774, and their rates and prices at this time, because by a comparison of these, with the circumstances attending them, we should be enabled to judge whether any were under or overrated by the regulations, and propose such alterations as the case might require.

But the memorial now before us from the importers is almost wholly confined to objections and remonstrances against any regulations whatever, and appear to us to be calculated to unhinge every principle of limitation, and consequently to leave the currency in the same road to ruin in which the first town meeting found it on the 25th of May last.

From the reasons above stated, and considering ourselves either as members of the general committee elected for the purpose of executing the resolves of the town-meeting, or as members of the sub-committee appointed by the general committee for receiving information or making enquiries as aforesaid, we conceive that the memorial, from its matter and tendency, is not within the order of the business for which we were either elected or appointed. Yet that we may not be thought inattentive to any circumstances by which the general interest may be affected, we beg leave to offer a few remarks on such parts thereof as appear most to deserve or require it.

The memorial opens with a declaration on the part of the memorialists that from the earliest time of the stamp-act they took a decided part in favour of the liberties of America, and have invariably continued the same unto the present day. Against this we can have nothing to object, more than that, from the want of years several of them were not then sufficiently interested in the concerns of life to subscribe collectively under the same character, and therefore the declaration, however well intended, seems to convey an idea of durable importance which is not altogether the case.¹²

Page the 1st, the memorialists say, that "the limitation of prices is in the principle unjust," and the reasons they assign for this declaration are, "because," say they, "it invades the laws of property, by compelling a person to accept of less in exchange for his goods than he could otherwise obtain."

To this we reply, that the claiming a right to an unlimited extortion, such as prevailed before the limitation took place, and to be able to enforce that claim, because that the foreign necessities of life are in the hands of a few, and the use of them wanted by many who cannot otherwise procure them, nor conveniently subsist without them, *is a principle far more unjust*, and therefore admitting their position to be true, (which we do not,) and determining between two evils by a comparison of causes and consequences, we are led to prefer the least as the wisest choice.

We likewise think it a far greater invasion of property, that any one man or set of men should, at their own unlimited discretion, distress others to give as much again for a thing as it is worth, because such persons cannot do without or els[e]where procure it, than it can be in the 1st mentioned persons to limit such articles to a just and reasonable profit.

Neither can we subscribe to the doctrine, that "*the limitation of prices is in the principle unjust*." We observe, that the limiting of prices, where extortion might otherwise be easily practised, has been the custom, not only of our own but of other countries in particular times and cases. The limiting the interest of money by law, to prevent extortionous usury, is on the same principle. The limiting tavern expences, porters and carriers charges, ferriages, and numerous other matters, by the former laws of this state, are founded on the probability, that if no such restraints were laid on, that the persons practicing those employments would take an unjust advantage of the immediate necessity of others, and compel them to pay just what they pleased: yet we never remember the merchants exclaiming that the principle, thus applied to their advantage, was unjust.

The state of foreign trade is now in the same predicament with the matters already mentioned. It is in the hands of a few. These few have it in their power to exact what they please, and to assume a discretionary command over the purses of their fellow citizens, and we are sorry to have occasion to say, that both in their dealings and in their memorial they have discovered too much of that principle which requires restraint.

In times when trade is free and open, the natural rivalry which takes place between persons in the same branches of commerce keeps down the practice of extortion, and renders all other restraints unnecessary, because each being desirous of an extensive custom is obliged to seek it by a reasonable state of profits. The present times are practically different from those, and the natural restraint by rivalry no longer existing, and the thirst of gain continuing, require that some other restraint should be substituted in the room of that which is lost. The limitation therefore means no more, and operates to no other effect, than would be naturally produced by a rivalry in trade without any limitations. And in this view of things it would be just as reasonable in one merchant to exclaim against another for selling at a price, which obliged him to do the same, as it is for the memorialists to exclaim against the limitations for producing the same effect.

We further hold, that the social compact or state of civil society, by which men are united and incorporated, requires, that every right or power claimed or exercised by any man or set of men, should be in subordination to the common good, and that whatever is incompatible therewith, must, by some rule or regulation, be brought in subjection thereto.

The memorialists claim an unlimited right of setting what price they please on their commodities, and from the present situation of trade they have it in their power to enforce those prices. The right without the power would produce no ill effect, as is evidently seen in times when trade is free, open and plentiful: but the present situation of trade has introduced a union of the right with the power, and therefore it becomes dangerous, and requires that kind of restraint which shall make it otherwise.

To illustrate this we shall instance the case of a single person, for if the right and power which the memorialists contend for is well founded, it will be as true in one person as in a body of men making it a common cause between them.

Suppose that every article of foreign produce or manufacture in this state was in the hands of a single merchant, has he or has he not a right to exact what prices he pleases, however extortionous, or to shut up his

warehouses and refuse selling them till the accumulated wants of the community shall distress them to compliance?

We are free to declare he has not such a right; and that not only on account of the fatal or dangerous consequences attending it, but on the ground he stands with regard to the supplies themselves, for as he could not possess himself of those articles without first deriving assistance from the collected efforts of the community, it follows as an act of duty, that having first received advantage from their service he owes them his in return, at a price proportioned to what he gave; and, therefore, whenever the avarice of individuals occasions them to transgress this line, the principles of public justice and common good require it to be limited. In short, we wish the memorialists to see that it is the extortion which has been so extensively practiced that we wish to restrain and prevent; and as there is no way to reach or check it than by a limitation of prices, therefore those limitations, operating as a boundary to the extortion, become at once both necessary and just.

As this matter naturally connected with an article in the proposed association against which the memorialists likewise object, we shall for the present pass over the second page in the memorial, to reply to the objections stated in the third and fourth pages against the aforesaid article, which article is in the following words:

“And we do further engage and promise, that we will not order any of our ships or vessels, loaded or to be loaded with foreign produce or manufactures, if any such we now have, or are or may hereafter be concerned in or possessed of, into any port out of this state, there to unload, or permit any commander or master in our employ so to do, unless he shall by distress of weather or other necessity be compelled thereto; and that we will to the utmost of our power use our best endeavours to keep the state supplied with such produce and manufactures, whether foreign or domestic, as we in our several dealings and occupations are or shall be concerned in, and having done so, will likewise endeavour to supply the wants of any of the United States.”¹³

To this memorialists object and say,—“That the American merchants,” (*meaning themselves*) “would pursue a different line of conduct,” (*that is, send their vessels to other places,*) was easily foreseen, and “therefore,” say they, “an association is proposed, by which we are to covenant that we will order our vessels to this port and conform to your regulations. We cannot,” say they, “but observe, that the proposal of such an association clearly demonstrates the impropriety of any limitations, because it shews a conviction that we should have pursued a different line of conduct, and that these evils have taken place which are

before hinted at. But the association would be more unjust and impolitic than the limitation itself. For first, as it is confessedly the *only* measure which can support the other, it is chargeable with the like injustice: Secondly, it would direct our enemies where to cruise, in order to intercept supplies; and thirdly, it would oblige us to continue a trade which we can demonstrate to be ruinous.”

To this we reply, first, in general terms, that we can see no injustice in requiring from them a service which it would be their duty to perform if no such assurance was required; and that for the following reasons:

On our return to this city,¹⁴ after it was evacuated by the enemy, there was not a vessel, scarcely a boat, to be seen in the river: It was therefore impossible that those who then professed themselves merchants, or have since denominated themselves by that character, could exercise their professions without the accumulated assistance of the several trades and manufacturers concerned in the art of building and fitting out vessels for sea. Ship carpenters, joiners, blacksmiths, gunsmiths, rope makers, block makers, tanners, curriers, painters and labourers of numerous kinds, contributed their several portions of service to this purpose. When the vessel was on float and capable of sailing, another set of men were employed to victual her, and a third to man her; and without the previous assistance of all these, the merchant would have been only an unserviceable name applied to an occupation extinct and useless.

We conceive that those men and all others concerned had something more in view than their meer wages when employed in the constructing and fitting out vessels for mercantile purposes, and that they naturally considered themselves as furnishing such vessels, not so much for the particular emolument of the merchant who employed them, as for the more beneficial purposes of supplying themselves and fellow citizens with foreign necessities; and therefore we hold, that though by the acceptance of wages they have not, and cannot have any claim in the *property* of the vessel, after she is built and paid for, we nevertheless hold, that they and the state in general have a right in the *service* of the vessel, because it constitutes a considerable part of the advantage they hoped to derive from their labours.

That the *property* of the vessel is the immediate right of the owner, and the *service* of it the right of the community collectively with the owner, is so naturally deduced from the purposes for which all mercantile vessels are built, that we undertake to declare as our opinion, that the proposed article in the association, whereby the service of such vessels is so claimed and stipulated for, is founded on a matter of right in the community, and therefore is not and cannot be unjust.

To illustrate this point by a farther argument, and to shew that an exclusive right to the service of vessels is not vested in the owner, we will suppose a case that will clearly prove them to be distinct and separate, which is,

That if the owner has a right to employ his vessels without any regard to the interest or convenience of the community he resides among, he has a right *not* to employ them for any purpose whatever, or to burn or otherwise destroy them, and consequently the merchants claim a collective right of suspending the commerce of a country whenever they please, which never can be admitted, because, in this case, the claim of a few individuals is opposed to the good of the community; to which as we have before observed, 11 separate claims must be subordinate. Thus much for the general principles on which the aforesaid article in the proposed association is founded. We now proceed to take notice of the particular objections stated against it in the memorial:

The memorialists say, that as the aforementioned article in the association is “confessedly the *only* measure that can support the limitation of prices, it is chargeable with the like injustice.”

In replying to this position we would first observe that the reasoning in it is defective, because the supposed injustice in the article is placed on its being the “*only*” measure that can support the limitations, which mode of reasoning appears to us to be neither truth nor argument because it will from thence follow, that *any* measure which can be applied or thought of for that purpose must of course be chargeable with injustice; an assertion we likewise deny, unless it can [be] proved that the banishment of extortion is an act of criminality.

We would further observe, that the memorialists, by allowing the aforesaid article in the association to be the “*only*” measure that can support the regulations, confess thereby that the regulations are supportable, and that the committee have luckily or wisely hit on the very thing which will give it that support; which confession we cannot but consider as a very powerful reason why the service of the vessels here constructed or fitted out should be applied to the purpose expressed in the association. And we have yet further to observe, that they have likewise furnished us with additional reasons for requiring from them this part of a citizen’s duty, because they have in several parts of their memorial thrown out hints that the hope of a little more gain in any other place will induce the importers to desert the convenience of the community they reside among by carrying their vessels and cargoes elsewhere.

In reply to their second objection, we do not conceive that the directing their vessels to this port will be any further inducement to the enemy than the directing them to other ports; because the time of their return being always uncertain the enemy can have no more hope in one place than another, and their coming in will in any case be safer than their going out. Beside which, the present condition of the enemy at sea and the superiority of the combined fleets of France, Spain and America, will render it impossible for the enemy to keep stationary vessels in the manner they formerly did, and as most of our armed vessels are superior to the little half manned privateers of New-York, we do not look on this objection as having sufficient weight, and the less so, as the aforesaid article in the association admits their putting into other ports under circumstances or distress or danger.¹⁵

To their third objection; namely, that "it is obliging them to continue a commerce which they can demonstrate to be ruinous," we have only reply, that whenever they please to quit it by disposing of their vessels they will find persons enough to succeed them who will not start the same objections, and as we have yet heard of no importer becoming a bankrupt, we think the fact somewhat contradicts the assertion.

As an appendage to their objections against the aforesaid article in the association, the memorialists, in page 4, say, "that the measure of preventing exports from this state to the neighbouring states will be found pernicious to her in the same manner that all selfish plans of policy have ever been" to this we answer, that we know of no article in the proposed association that admits of such an explanation or justifies such an assertion. We only enjoin that persons resident in this state and fitting out vessels from hence, shall import their returns into it, and we recommend the same measure to every state in the union while the war lasts; because we are of opinion that it is not only just in itself but will likewise abolish the custom of hawking cargoes from state to state, by which means the prices are unnecessarily kept up, and also prevent those artificial scarcities being produced by withholding the supplies, and thereby enforcing exorbitant prices on the stock in hand. But it is, and ever has been, and ever will be, our wish and endeavour to supply the rest of the states, especially such as do not or cannot import, and in order to do this, it is in the first instance necessary that the imports should be confined to the supply of that market from whence those after supplies are to proceed, and therefore it is not we, but the importers, who prevent the supplying such states, by not making a sufficiency of returns into this, or by concealing them after they are arrived.

Quitting this part of the memorial, we pr[o]ceed to take notice of a paragraph in page five, in which the memorialists say, "We wish you, gentlemen, further to consider, what appears to us of no little consequence, that the value of paper money must greatly depend upon its credit. In this view, say they, "every limitation of prices has a tendency to injure it, because the pre-supposition on which they are founded of some defect in its value necessarily impairs its credit."

To this we reply, that the defect cannot be in the money itself, neither can it be in the want of ability in the states to redeem it when they please, but in the little value which has lately been set upon it by those who have endeavoured to get great sums into their hands for small quantities of goods. And we wish the memorialists to see, that if the value of the money should be still farther impaired by an advance of prices, that it seems to us reasonable to apprehend that it will scarcely be worth the redeeming, and that the easiest, cheapest, and most expeditious method to sink it will be for every man to consent to lose that portion of it which he possesses, whether in bills or loan office certificates. For we are free to declare, that the late depreciated state of the currency has introduced such a practice of speculating upon its future probable value it is not only disreputable to the national character of the country, but dangerous to her real and public interest, and that unless the value of it can [be] so supported as to become of equal and universal advantage in the community, it had better not be supported at all.

The memorialists, in page 6, speaking app[r]ehensively that the credit of the money, (or what is the same thing, the money itself) may be destroyed by unanimous consent, say, "*that they hope and trust in God such an event will never happen.*" To this we answer, that their hopes and wishes will avail but little unless they take other methods to prevent it. The conduct which the importers as a part of the community, were pursuing before the limitations took place, would, in our opinion, have produced the effect they seem so much to dread in the space of a few weeks; neither shall we think the money worth supporting if greater prices are to be given than the present regulations have fixed, and in this view of things we in the most serious manner call on the importers either to join in the regulations, or to give their consent to sink the money at once. The price of salt is now above an hundred fold what it used to be; yet the importers say they must have more. To this we answer, that unless the state can be supplied at that price or less, it is not in our opinion worth making any further experiments to support the money.

We shall conclude this head with observing, that it is impossible to oppose an argument of words against an argument of facts. We have had

the experience of four years without limitations or regulations; the consequence of which had very nearly been the total ruin of the currency, and, resting it here, we prefer this single case to all the arguments that can be produced against it.

On page 7 the memorialists say, that "they have subscribed amply to the public funds, although they are by no means on such a footing as they ought to be in order to hold out encouragement to the lenders." [T]o this we reply, that an ability in the importers to subscribe amply to the public funds is rather an inconsistent method of "*demonstrating their commerce to be ruinous,*" which is the declaration they have thought proper to make on page 4.

But we are by no means satisfied that the public funds, on their present footing, are any benefit to the United States, neither are we of opinion that the borrowing paper money on the credit of paper certificates is an eligible system of finance; and that for the following reasons:

The country is thereby burthened with an interest of six per cent. without receiving a proportionate advantage therefrom because an emission of certificates is as much an emission of money as if the same quantity had been struck in dollars, therefore the six per cent. is paid for nothing, and the same sum which the certificates represent might as well have been struck in dollars without interest as in certificates with it; for on a full consideration of the case we have numerous reasons to believe, that the sums which have been borrowed by Congress, and represented a second time in certificates, and those certificates nego[t]iated in payments, add as much to the quantity of money in circulation, as if the same sum had been struck which has been borrowed. Neither do we conceive it possible that the quantity of dollars which have been emitted should be a sufficient supply, considering the present amazing high prices, were not some other species of money circulating in large payments: and therefore the importer, by changing his dollars into certificates, and trading with those certificates, in the same manner he would with the dollars, receives the same mercantile advantages under one shape as another, and an interest of six per cent. into the bargain, which we conceive to be a mode of funding and financing the country will not be able to bear.

We shall conclude our remarks on this part of the memorial with expressing our satisfaction at the declaration which immediately follows the quotation we last made, namely, that the memorialists "*will cheerfully subscribe three, four, or even five years taxes in advance:*" from this mode of collecting money there is reason to expect every

present good, without any future evil, and if the subscriptions be sufficiently general there is a great probability that the emissions may be stopt.

The memorialists have presented us with several estimates of expences for vessels and cargoes out and in, among which we find no account of prizes taken by the importers, although such prizes must very considerably lessen the expence of insurance, and ought to be placed to the value of the cargoes imported, or put in opposition to those which are lost.

But without entering into a critical enquiry of the exactness of these estimates, or opposing them by counter ones, we have in general to remark that the want of profits is not [o]ccasioned by the want of prices, (for those are high enough,) but by the want of value in the money; and this defect will continue as long as the depreciation continues, and the depreciation will necessarily increase as long as the prices continue to rise. Every attempt therefore to obtain greater profits by an advance of prices is like climbing a running wheel, which descends by every step made to mount it. The rise of prices and the depreciation of the money is inseparably one and the same thing; and it will be found as impossible to fix the value of the money and yet go on with an advance of prices, as it will be to give rest to one side of a wheel, and continue the other in motion.

We are apprehensive that the memorialists are led on by the hope of some future event that shall give a double or triplicate value to the money, and in consequence of that hope are endeavouring to get it cheaply into their hands by encouraging the depreciation: This we look upon to be speculation. We, on the contrary, wish to have the value of the money known and fixt, so that the benefit arising from it may be equally just and universal, for we never can think it right that one part of the community should be taxed to make fortunes for the other.

Had we no other use for money than what is wanted in the way of trade between man and man, the depreciation would not be of such material consequence, because each would find a way to redress himself; but we have an army and navy to provide for, besides a number of continental expences to support, whose demand is now so exceedingly multiplied by the encrease of prices, that unless those can be lessened and brought within some reasonable bounds, it is and will be impossible either to stop the emissions or go on with them. In the late and even present state of things no estimates can be made of public expences that will answer for a single week. No taxes can be levied under any certainty

of their being sufficient for the purposes to which they are to be applied; and all the money which can be raised, as well as all which shall be subscribed, added to all which can be struck, will not be equal to the expenses if the advance of prices are to continue.

What particular hope, or what future expectations, the memorialists can have in thus risking the loss of all the currency, we are at a loss to conceive.—Through the whole of their memorial there is not a thought bestowed on public expences, or scarcely a line dedicated to the probability or improbability of supporting them. Immersed in trade they seem scarcely to know that such expences exist, and argue as if the present commerce constituted the whole and sole object of the currency.

The frequent declarations and reasonings interspersed through the memorial in favour of a *free trade*, are in our opinion delusively applied to cases they have no concern with, unless it can be proved that a right to extort and a power to enforce that extortion is one of the descriptive principles of a free trade, which we deny: A *free trade* consists in the right of every one to partake of it, and to deal to the best advantage he can, on just and equitable principles, subordinate to the common good; and as soon as this line is encroached on, either by the one extorting more for an article than it is worth, or the other for demanding it for less than its value, the *freedom* is equally invaded, and requires to be regulated. Neither can we help observing that the freedom which the memorialists contend for, is not so properly the freedom of trade as the freedom of extorting, and as we consider extortion to be incompatible with the right and advantages of a free trade, therefore the limitations by being levelled against the one, are calculated to support the other: But if the freedom of trade is to be taken on the scale which the memorialists have affixed to it, then must all and every species of forestalling, monopolizing and engrossing be sanctioned thereby, because their idea of a free trade is, for every man to do what he pleases; a right, which if claimed and exercised by individuals in that line, may for the same reason be claimed and exercised by individuals in matters of government, and therefore the practice is inadmissable, because it is repugnant to the very principles on which society and civil governments are founded. We likewise think it needless in the memorialists to advance any thing on this head to us, who are ourselves tradesmen, and several of us importers, and consequently are as much interested in supporting the fair and just freedom of trade as themselves.

That we may not be thought to have introduced the words *forestalling*, *monopolizing* and *engrossing* with an ill-natured design, to case unnec-

essary reflections, we shall quote what themselves have advanced in the second page of their memorial, and sorry we are to say that such practices should find such public advocates.

"We know," say the memorialists, "how great is the popular odium against men of this cast," (meaning the persons above-mentioned.) "and we would avoid saying any thing upon the occasion, if it were not necessary to convey to you in the fullest manner the just sentiments of our hearts. It must be remembered that those men relieved the necessities of Pennsylvania when the enemy were in possession of her capital, by introducing articles of consumption from the extremes of the continent. It is true they were prompted by the love of gain, but whatever may have been the cause the effect certainly was to relieve the necessities of the people. Leaving this however out of the question, it will readily be admitted that the trade of an engrosser consists in hoarding up those articles which will probably become scarce and dear, to take advantage of that circumstance, creating thereby an artificial previous to a natural scarcity. By the high price consequent upon the artificial scarcity, the actual consumption is lessened, the natural scarcity is lessened, and an actual want prevented. Thus the interested views of these men, [l]ike the provident foresight of a Captain who puts his people on short allowance, prevents in both cases sufferings of the most alarming nature."

To this we reply, that we know of no kind of vice that cannot be paliated, but we insist that none can be justified: Neither are the arguments they have advanced, consistently founded under any circumstances they can suppose, because the same quantity of goods in their first distributed state will supply the same quantity of wants as they will in their collected or monopolized state, and that with greater convenience to the purchaser, and loaded with less expence; and therefore as monopolizing does not encrease the quantity of goods, but only collects them, it will follow, that the same *short allowance* will take place in one case as in another; and admitting the same profits to be put on them by the first holders as are afterwards put on them by the monopolizer, yet the unnecessary expence of carriage is saved upon the goods, and the charges of travelling is lessened to the consumer. But it often happens that the most plentiful articles may be and are monopolized, and a scarcity produced from no other cause, and therefore in whatever light it may be viewed, we conceive that no vindication can be set up for a practice which in no probable case can do good, and in every known case must do hurt.

We hear much of a scarcity of several articles in the city, and we think

it necessary to call on the memorialists for the reason. The imports, since the regulations took place, have, we believe, been more plentiful than before, and therefore no scarcity could happen unless the importers and wholesale dealers have either concealed their goods or collusively disposed of them. To say they have sent them elsewhere, because they could get a few more shillings per pound or per gallon, is to confess the offence for which themselves must answer. And desirous as we may be to execute the trust committed to us, it is impossible for us without further assistance, to watch men who from inclination or avarice may be disposed to thwart every public measure, and to justify such conduct by the pretence of a *free trade*[.]

We were in hopes the memorial would have afforded us a ground whereon to establish a plan of mutual confidence and dependence, between the several parts of the community; and it is matter of surprize to us to find so considerable a number of the same names subscribed to the memorial as were proposed in a ticket for members of a committee at the last election, because it proves to us that the disposition of such persons, though at that time partially concealed, was directly contrary to the purposes for which they were proposed to be chosen; and that the powers they so endeavoured to possess were intended to be applied to oppose the measures they seemed to countenance.

The repeated experience of four years has convinced us of the absolute necessity of limiting the prices, in order to stop the depreciation. Every penny taken from the former will be so much, at least, added to the value of the money, and when it is considered how great a part of the property of America is invested in the money, it is certainly not only a national object but an object of individual advantage to endeavour to give to it as much permanent value as the quantity will admit of.

But this is not all. We cannot go on with the currency if the rise of prices is to continue. Every calculation for the maintenance of the army and of government is unhinged thereby. Had we no army, no government expences to support, the emissions might stop whether there was money in the treasury or not, but this not being the case, and the daily demands for money being increased by the advance of prices, the emissions are thereby unavoidably forced on, and as soon as they are out in circulation are as instantly swallowed up by the new encrease of prices which succeed them.

Limit those prices so that the expences of government will admit of calculation, and promote, at the same time, the measures for collecting money into the public treasury either by a subscription of taxes or by levying them directly on such persons as shall neglect to subscribe, and

the emissions may then be stopt. But we think it worthy of remark, that in our opinion, the stoppage can only take place in *consequence* of those measures and not be made the *means* for producing them, because the treasury must have an ability to go on at the very instant in which the emissions shall cease.

NOTES

1. Popular thought in the Atlantic revolutions is the subject of a large and growing literature. For the English Revolution, see Christopher Hill, *The World Turned Upside Down: Radical Ideas During the English Revolution* (New York, 1972); and Brian Manning, *The English People and the English Revolution, 1640-1649* (London, 1976). For the French Revolution, see Albert Soboul, *The Sans-Culottes: The Popular Movement and Revolutionary Government, 1793-1794* (Princeton, 1980) and the appropriate sections of George Rudé, *Ideology and Popular Protest* (New York, 1980). Popular thought in the American Revolution is discussed in Gary B. Nash, *The Urban Crucible: Social Change, Political Consciousness, and the Origins of the American Revolution* (Cambridge, Mass., 1979); Eric Foner, *Tom Paine and Revolutionary America* (New York, 1976); Edward Countryman, *A People in Revolution: The American Revolution and Political Society in New York, 1760-1790* (Baltimore, 1981); and my own, "Thoughts Among the People: Popular Thought, Radical Politics, and the Making of Philadelphia's Working Class, 1765-1828" (Ph.D. diss., University of California, Los Angeles, 1985).
2. Conflicts between Philadelphia artisans and the city's merchant oligarchy are the subject of Gary B. Nash, *Quakers and Politics: Pennsylvania, 1681-1726* (Princeton, 1968); Nash, *Urban Crucible*; Steven Rosswurm, "Arms, Culture, and Class: The Philadelphia Militia and the 'Lower Orders' in the American Revolution, 1765 to 1783" (Ph.D. diss., Northern Illinois University, 1979); Richard Alan Ryerson, *The Revolution is Now Begun: The Radical Committees of Philadelphia, 1765-1776* (Philadelphia, 1978); and Schultz, "Thoughts Among the People."
3. The price-control movement of 1779 is discussed in Foner, *Tom Paine*, chap. 5; Rosswurm, "Arms, Culture, and Class," chap. 7-8; and Schultz, "Thoughts Among the People," chap. 2.
4. For a discussion of this view in the early modern Anglo-American world, see Albert O. Hirshman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (Princeton, 1977).
5. Blair McClenahan's role as a popular political leader is discussed in Schultz, "Thoughts Among the People," chap. 3. For the plight of Philadelphia workingmen during the Revolution, see Rosswurm, "Arms, Culture, and Class,"; Billy G. Smith, "Struggles of the 'Lower Sort': The Lives of Philadelphia's Laboring People, 1750-1800," (Ph. D. diss., University of California, Los Angeles, 1981); and Smith, "The Material Lives of Laboring Philadelphians, 1750-1800," *William and Mary Quarterly*, 3d Ser., XXXVIII (1981), 163-202.
6. The small producer ethic is the subject of Schultz, "Thoughts Among the People."
7. The first five months of 1779 were marked by skyrocketing prices and rapid currency devaluation.
8. On May 25, 1779 a Philadelphia town meeting created the Committee of Trade to investigate and regulate citywide prices.
9. A monopolizer was a person, usually a merchant, who bought up large quantities of goods in order to remove them from the market. This artificial scarcity would drive up prices and increase the monopolizer's profit.

10. Baltimore was a growing commercial rival of Philadelphia. It was the practice of some Philadelphia merchants to remove goods from their native city to Baltimore where prices were generally higher despite the scarcities which this practice created in Philadelphia. This was one of the reasons for the creation of the Committee of Trade in May, 1779.
11. The British army occupied Philadelphia from September, 1777 until June, 1778.
12. The reference here is to the Stamp Act crisis of 1765 when many merchants joined with laboring-class Philadelphians to oppose the imposition of the stamp tax.
13. This is a quotation from the articles of association which the Committee of Trade presented to the city's merchants in the summer of 1779.
14. During the military occupation of Philadelphia the British destroyed most of the city's shipping and many of its buildings and residences.
15. Before France formally allied itself with the United States in 1778 and supplied naval protection, the British had maintained an effective naval blockade of American ports.