A HISTORY OF SOME LOANS MADE TO THE UNITED STATES DURING THE REVOLUTION.

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During the formative period of this great country when the patriots throughout the land began the struggle to cast off the British yoke then so burdensome to such an energetic people, many of those who were able, offered such financial aid to prolong the fight as their slender purses permitted, with the firm conviction that the cause would ultimately be successful.

During this early state, or between the dates of the Declaration of Independence and the signing of the Articles of Federation, money was very scarce among the Colonists and hard to get, yet there existed the same patriotic spirit among its people as has characterized the nation ever since. With this strong sympathetic feeling for their country, many withdrew their slender hoards, gathered with much infinite patience and self-sacrifice during previous years, and gave this little all for their country's sake.

To better handle such contributions, Congress, by resolutions passed on January 14, 1777, February 25, 1777 and February 3, 1779, authorized the opening of offices in the various States to facilitate their receipt and transfer. These places of deposit were termed "Loan-offices" and were under the control and management of a Commission of three men and a "Treasurer of Loans" who would receive such funds as were offered and in exchange give notes of the United States, called "Loan-office Certificates," bearing 6 per cent. interest and maturing in generally three years from their dates. It is the history of several of these early loans that I shall venture here to briefly trace.

In the time of the Revolution there resided in the West
Indies one William T. Smith where he owned large estates and who had originally come from England. One of his estates, being his principal place of residence, was known as "St. Eustatia," and another composed a large sugar-plantation on the Island of St. Martin, known under the name of "Hope Garden."

Smith was a prominent merchant of those days, active and far-seeing, and at the outbreak of the war, cheerfully threw his influence with the Colonists. Two years after the Declaration of Independence had been announced, he shipped from St. Eustatia to the United States a lot of woolen goods of which the country and the public service stood greatly in need. He deposited the proceeds from these shipments from time to time at the "Loan-offices" in the States of Georgia and South Carolina, receiving in exchange "Loan-office Certificates."

From December 1, 1778 to November 12, 1779, he had advanced to the Government during that period goods for which he received sixteen certificates, all payable at three years from their dates, and aggregating a total nominal valuation of $9,000. One of these certificates reads as follows, all being worded precisely alike and only different in the amounts and dates:

"$5000.00  No. 312.

The United States of America Acknowledge the Receipt of Five Thousand dollars from Joshua Darrell for account of William Smith of St. Eustatia, which they promise to pay to the said William Smith or bearer on the twelfth day of November One thousand seven hundred and eighty two with interest annually at the rate of Six percent per annum Agreeable to a Resolution of the United States passed the third

\[1\] William T. Smith had six children. Mary, born in 1769, married as her first husband John Morgan, who died in 1794. For her second husband, she married in 1797 Samuel Richards of Philadelphia, brother of Benjamin W. Richards, Mayor of that City. She died in 1820, when Samuel Richards married, in 1822, as his second wife, Ann Witherspoon, a daughter of Thomas Witherspoon of Glasgow, Scotland. She had previously married John Martin, the son of Burling Martin of New York. Smith died in 1812 leaving an estate valued at $300,000.
day of February 1777. Witness my hand this Twelvth day of November Anno Domini One thousand seven hundred & seventy nine.

Francis Hopkinson
Countersigned

WILLIAM GIBBS
WILLIAM PARKER
EDWARD BLAKE

Committee in the Loan Office
State So. Carolina.

Samuel Hillegas was the United States representative at both the Georgia and South Carolina Loan-offices, though he seems to have been temporarily relieved in South Carolina by Francis Hopkinson, who also signed himself "Treasurer of Loans."

When these certificates, matured in 1781 and 1782, they were unpaid. About the year 1790, Smith moved from St. Eustatia and became a permanent resident of Philadelphia. Through this change of residence he seems to have mislaid the envelope containing these certificates, and in 1794, applied to the loan-offices of both States for duplicate certificates. Being unsuccessful in this, in the same year through Mr. Fitzsimmons, a member of Congress from Philadelphia, he applied to the United States Treasury for relief, and again was unsuccessful because of the fact that Congress alone were competent to grant relief in such matters.

In 1804, Mr. Smith presented his petition direct to Congress, but no action was then taken. He renewed his prayer at the succeeding session but again was unsuccessful. He died on February 23, 1812, his petition with the original papers being still on the House file, where they remained until 1837, lying dormant during twenty-five years after the petitioner's death. About that time Samuel Richards, Smith's son-in-law, discovered the claim and having already found the lost certificates, as executor to Smith's estate, revived the claim.

The Register of the Treasury Department, C. L. Smith, certified on December 15, 1836 that all of these loan-office certificates above referred to were at that date "still outstanding and unpaid." This petition was made to the
XXVIth Congress and on December 22, 1837, it was referred to the "Committee on Revolutionary Claims," but no final action was taken.\(^1\)

On February 9, 1842, after the revival of this claim in the XXVIIth Congress, the above Committee reported that "Wm. T. Smith, in his life-time, late of Philadelphia, and as early as 1804, presented his petition to Congress, praying payment of certain loan-office certificates which were alleged to have been lost, and pursued his claim until his decease, which took place a few years thereafter. His executor, when he had ascertained the existence of the claim, again petitioned for the payment of these certificates; and he now states that they were recently found and are in his possession. The case received a favorable report during the last Congress, and this Committee sees no objection to the payment of the certificates according to their specie value, with interest; and they therefore report a bill for paying the same on presentation to the Treasury Department."

Notwithstanding the favorable report of the Committee on February 9, 1842 to pay these notes, their payment was not then made.\(^2\) The claim was again presented to Congress and Mr. Brodhead, from the Committee on Revolutionary Claims to whom was referred the petition of Samuel Richards, executor of William T. Smith, reported on March 18, 1844 "that this case has heretofore received four several reports in favor thereof; once a bill granting relief, passed the House and was favorably reported upon in the Senate but received no final action thereon. The case received a favorable report during the last Congress, and the Committee agree to the same now and report a bill for the relief of the petitioner."

The bill then passed the House and the Senate reported upon it favorably, both at the second and third sessions without amendment.\(^3\)

\(^1\) House Digest "Revolutionary Claims to 1838, page 339."
\(^2\) House of Rep. 28th Congress, 1st session, report No. 318, bill No. 226.
\(^3\) Senate list of private claims 1815 to 1849. Misc. Doc 67, page 909.
Samuel Richards, the son-in-law and executor of William T. Smith, died on January 4, 1842, his son-in-law, Stephen Colwell, continuing the appeal for the payment of Smith's claim. Though on March 18, 1844, Congress reported favorably, it adjourned without having taken final action. Subsequently the petition was referred to the proper committee in succeeding Congresses and urged strenuously for payment. It was not until an Act was finally approved on August 30, 1852\(^1\) that the Treasury was authorized to redeem the "Sixteen Loan-office Certificates with interest, provided that evidence can be produced to the Secretary of the Treasury that the persons presenting them are bona fide owners of the same."

The nominal value of the loans made in 1778 and 1779 of $9000 showed a specie value of but $810.93. Notwithstanding this depreciation when the claim was finally paid in 1853, the principal and interest amounted during these seventy-two years to $4144.53 or over five times the original specie value.\(^2\)

Thus have we traced notes of the United States of America held by one of its sympathizers and his successors through seventy-two years, when final payment was accomplished after years of effort and toil. It is surely a sad commentary on the honor of our forefathers in refusing to more speedily pay their just debts.

\(^1\) Statutes at Large, Vol. 10, page 95.
\(^2\) Receipts and Expenditures fiscal year 1853, page 215.