

which continued until the Revolution. The Government brought up all its outstanding bills by paying one Spanish dollar (six shillings legal par value) for every 45s. of the older, or 11s. 3d. of the more recent issue. This somewhat sharp financial operation was justified by the consideration that, the bills being no longer in possession of the original holders, and being largely depreciated, to pay their nominal value would be to impose a tax upon the people, to which the "people" generally objected.

The other colonies (Virginia excepted) never afterwards obtained a specie currency. Pennsylvania in 1723 issued a small quantity of paper at five years date. In 1729 Benjamin Franklin was one of the most strenuous advocates for a further issue. His pamphlet "Considerations on the necessity and value of a paper currency" largely influenced public opinion, and the printing of the issue which was entrusted to him probably tended to strengthen his convictions. Writing in his later years he confesses, however, that his views had changed, and that paper money might be abused; but the current theory among the people then was, that as gold was representative of value, so paper was a representative of gold, and of value, by a double substitution. So firmly wedded did the people become to paper money that even in Massachusetts, when the Assembly were making efforts to return to a specie basis, riots occurred among the country people, who fancied it was a plot of the rich Boston merchants to sweep up all the money for their English remittances.

Paper money being as before stated, a legal tender in most of the colonies, strange feats of finance were performed. Instead of remitting to England, payment was often made to a resident agent, who would be compelled to receive the amount in paper at its nominal value. Sometimes the debtor class would get control of the issues, then money would be abundant, and mortgages, contracted in more unpropitious