

leave sufficient money for domestic use. The colonists were always pushing their settlements westward, and the drain of money to England was continual. Moreover the incessant wars with the Canadians and with the Indians often demanded great exertions from the Colonial Governments. Then the wonderful power of paper money was called into requisition. The various Governments (Virginia excepted) issued Bills of Credit for five shillings and upwards; with these they tided over great emergencies, and, as they became accustomed to them, they paid with these current expenses of Government. It seemed to the colonists that they had discovered a new El Dorado. In some colonies loan offices were opened by Government, and these bills loaned to private parties on land security at interest. In Rhode Island the interest might be paid in hemp, flax, or other produce, so that in appearance the Government derived an ample revenue without imposing a tax. The bills were made a legal tender, and as fast as one set of bills matured, others in increased amount were issued. The Government and the people were mutually accommodated, the currency passed readily from hand to hand, satisfying all the domestic exchanges, and causing for years a great apparent prosperity; but the inevitable result followed. There was no limit to the issue but the moderation of the people who were the issuers. In 1738 one specie dollar in Massachusetts would buy five, in North Carolina fourteen, and in South Carolina eight paper dollars. Massachusetts, ever in advance, was the first to push these issues to the utmost, and the first to abandon them. The great efforts made by that colony in 1745 in fitting out the expedition which resulted in the capture of Louisbourg, brought the currency and credit of the Province to its lowest ebb; and the evils of unrestrained paper issues became so apparent that when England, exulting in the prowess of her daughter colony, refunded the cost of the expedition, the grant was used to place the currency upon a specie basis,