

amount of unemployment in urban areas. In the rural districts the farmers faced foreclosures and imprisonment for debt.

In every state the small farmers organized a campaign to obtain paper money and stay laws. Pennsylvania was no exception. Here, however, the battle for paper money legislation merged into a movement to revoke the charter of the Bank of North America which had grown out of the Bank of Pennsylvania founded by Paine, Robert Morris and a group of merchants in 1780. The back-country farmers feared that it would be valueless to obtain paper money legislation if the bank was still in existence, for if the institution refused to accept paper money on the same terms as specie, the public would have no faith in the bills. Accordingly, a bill to repeal the bank's charter was introduced in the Pennsylvania legislature and by April 4, 1786, passed its second reading.

The pro-bank forces now rallied to defeat the repeal bill. James Wilson wrote a pamphlet supporting the bank, but the material was so heavy and couched in such complicated legal terminology that it had little popular appeal. This was the situation when Paine's *Dissertations on Government, The Affairs of the Bank, and Paper Money* came off the press in February, 1786.

Paine was reluctant to enter the controversy over the bank. "It was my intention," he wrote to his "Old Friend," Daniel Clymer, in September, 1786, "at the conclusion of the war to have laid down the pen and satisfied myself with silently beholding the prosperity of my country, in whose difficulties I had done my share, and in the raising of which, to an independent Empire, I had added my mite . . ." ¹¹

Paine did not join in the popular agitation conducted by the back-country farmers in favor of paper money legislation and in opposition to the bank, because he believed that these measures were unwise and harmful to the general well-being of the country. He felt that the bank was essential for commercial development in Pennsylvania and that its services were indispensable for the growth of the state. To destroy a financial institution did not seem to him to be either progressive or necessary. "The whole community," he wrote in his *Dissertations*, "derives benefit from the operation of the bank . . ." As for paper money, it was nothing more than an unjust balm for those debtors who were determined to steal by depreciation "the widow's dowry and children's portion." In any event, neither a legislature nor the people had the right

¹¹ Paine to Daniel Clymer, September, 1786, Paine *Mss.*, Historical Society of Pennsylvania.