

## CHAPTER MDLIV.

AN ACT AUTHORIZING THE GOVERNOR TO NEGOTIATE A LOAN, FOR THE USE OF THIS COMMONWEALTH, AND APPROPRIATING CERTAIN FUNDS AND REVENUES FOR THE SUPPORT OF GOVERNMENT, AND THE PAYMENT OF THE PUBLIC DEBTS.

Whereas the funds and revenues of this commonwealth, although eventually adequate to every necessary object, cannot, in due season, be made sufficiently productive to defray the unavoidable expenses of government, and to discharge the debts and obligations heretofore incurred upon the public faith; and whereas it appears to the legislature that a salutary anticipation of the general revenues and resources of the commonwealth may be effected, by means of a loan from the president, directors and company of the Bank of North America. Therefore:

[Section I.] (Section I. P. L.) Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That the governor be, and he is hereby empowered and enjoined to negotiate, for the use of the commonwealth, a loan of money with the Bank of North America not exceeding sixty thousand pounds, at the rate of six per cent. interest for the term of one year, for the punctual repayment and liquidation of which loan the faith of the commonwealth is hereby solemnly pledged; and as an additional security to the bank for the due discharge of this public obligation, the governor is hereby authorized to deposit with the president, directors and company of the Bank of North America an amount in certificates of the United States (the property of this commonwealth) which shall be equal in value at the rate current of similar certificates at the time of negotiating said loan, to the sum borrowed from the bank; and the state treasurer is hereby directed, on requisition of the governor, to transfer, on the books of the register of the treasury of the United

States, in the manner and form prescribed, the amount of the stock so stipulated to be pledged and to deliver the evidences of the said transfer to the governor, who shall deposit them, in trust with the president, directors and company of the Bank of North America, and shall take from them a receipt, specifying the particular uses and purposes of the said deposit and transfer; which receipt shall be registered in the books of the office of the register-general, and afterwards lodged, for safe keeping, in the rolls-office.

(Section II. P. L.) And in order to make a just, certain and regular appropriation of the funds and revenues of this commonwealth, for defraying the unavoidable expenses of government, and for discharging the public debts and obligations.

[Section II.] Be it further enacted by the authority aforesaid, That each and every sum and sums of money, received by means of the loan herein before authorized to be raised for the use of this commonwealth, together with all moneys due, or to grow due, for interest upon the certificates of the United States, which are the property of this state, other than the interest arising upon such of the said certificates as shall be deposited for the purpose of accomplishing the said loan as aforesaid, and such thereof as are or shall be by law appropriated for discharging the interest due, and to grow due, on the legislative grant to the late proprietaries, all moneys payable on account of the principal and interest of the sum and sums of moneys issued upon loan, by virtue of an act of Assembly, entitled "An act for erecting and opening a loan office for the sum of fifty thousand pounds," (1) enacted on the fourth day of April, in the year of our Lord, one thousand seven hundred and eighty-five, all moneys arising from fees payable in the land-office, all moneys arising from fees payable in the office of the secretary of the commonwealth, all moneys arising from the excise, all moneys arising from every other public tax, duty or imposition whatsoever (except as is hereinafter by proviso specially excepted), and all moneys payable for arrears of any public tax, duty or imposition whatsoever, excepting always such payments as shall be made in bills of credit, emitted by virtue of

---

<sup>1</sup>Chapter 1159.

the act of assembly, enacted on the sixteenth day of March in the year of our Lord, one thousand seven hundred and eighty-five, shall be and the same are hereby appropriated as one aggregate fund, towards payment, satisfaction and discharge of the following expenses, debts and obligations of this commonwealth, which expenses, debts and obligations shall be paid by the treasurer according to the order and priority in which the same are hereafter respectively mentioned and set forth, that is to say; in the first place, to pay the expenses of government; secondly, to pay all warrants drawn by the late president and supreme executive council, other than warrants drawn in favor of the late proprietaries; thirdly, to pay all warrants that have been or may be drawn by the governor for satisfying claims and demands against the commonwealth, founded upon any act or acts of assembly or upon any resolution or resolutions of the legislature, enacted and entered into before the meeting of the present session of the general assembly; fourthly, to pay all warrants which shall be drawn, by virtue of any law passed during the present session of the general assembly, in order to supply the deficiencies of former appropriations, or which shall be drawn for discharging the Indian expenses and satisfying the grant allowed and made by an act, entitled "An act for granting eight hundred dollars to Corn-Planter, Half-Town and Big-Tree, Seneca chiefs, in trust for the Seneca nation, and for other purposes therein mentioned," (2); fifthly, to pay the balance due upon account of the emission of bills of credit, commonly called island money; sixthly, to pay the balance due on account of the certificates, commonly called interest notes; seventhly, to pay the arrears of interest which were due on the first day of January last, upon the certificates issued for supplies furnished or services rendered, commonly called funded debt; eighthly, to pay the interest which shall be due on the tenth of April instant, upon the certificates of this state, commonly called funded depreciation debt; ninthly, to pay the arrearages of interest due on the new loan certificates; and tenthly, after paying and satisfying all and every of the preceding expenses, debts and obligations, the surplus of the said

---

<sup>2</sup>Passed February 1, 1791, Chapter 1525.

funds and revenues shall be applied to pay the sum and sums of money due and payable on account of the said loan, hereinbefore authorized to be raised for the use of this commonwealth, then to pay the balance of interest which shall be due on the first of January next, upon all funded certificates issued by and under the authority of this state; and finally, to pay all warrants hereafter to be drawn for claims and improvements, by virtue of any law or laws of this commonwealth. Provided always, That the funds and revenues heretofore by law especially appropriated, for redeeming the several emissions of bills of credit, commonly called dollar money, and shilling money, shall be and remain appropriated for that purpose, exclusively until the same is fully and completely accomplished, anything herein contained to the contrary notwithstanding; but it is the true intent and meaning of this act that upon the full and complete accomplishment of the said redemption of the said last mentioned bills of credit, the said funds and revenue, so especially appropriated, shall forthwith become and be a part of the aggregate fund hereinbefore described, for the purposes aforesaid.

(Section III. P. L.) And whereas the loan hereinbefore authorized to be raised for the use of this commonwealth, and the gradual accumulation of the public revenues, must eventually render it unnecessary to pursue the injurious and impolitic expedient, of re-issuing such bills of credit as have been or shall be paid into the treasury, and which ought, agreeably to the faith of the legislature, to be taken out of circulation and destroyed, and any delay in paying the said arrears of interest due on the certificates of this state, commonly called new-loan certificates might tend to obstruct the arrangements which this commonwealth shall deem it proper to make for the purpose of subscribing to the loan proposed by congress in an act, entitled "An act making provision for the debts of the United States": Therefore:

[Section III.] Be it further enacted by the authority aforesaid, that, from and after the passing of this act, it shall not be lawful for the treasurer to reissue (and he is hereby expressly

prohibited from so doing) any sum or sums of money which shall then have been, or which at any time after may be, paid into the treasury of this commonwealth, in any of the emissions of the bills of credit heretofore by law emitted, upon any other pretence or account, than for the sole and exclusive purpose of paying such of the arrears of interest due on the certificates of this state, commonly called new loan certificates, as may be demanded by the holders thereof, which arrears he is hereby authorized and directed to pay in the bills of credit emitted by virtue of the act, enacted on the sixteenth of March, one thousand seven hundred and eighty-five, until the same be fully paid and satisfied according to law.

(Section IV. P. L.) And whereas full provision is made by this act for the redemption of the bills of credit, commonly called island money, and of the certificates, commonly called interest notes; and whereas sufficient time has already been allowed for the same, and it is proper and expedient that some limitation of the period for said redemption should be ascertained and fixed: Therefore:

[Section IV.] Be it further enacted by the authority aforesaid, that all the said bills of credit, commonly called island money, and all the said certificates, commonly called interest notes which shall not be brought into the treasury, and redeemed, as by this act is provided, on or before the first day of January, one thousand seven hundred and ninety-three, shall not afterwards be redeemed, but the same shall be, and are hereby declared to be from thenceforth, irredeemable, anything in any act or acts of the legislature to the contrary notwithstanding.

[Section V.] (Section V. P. L.) And be it further enacted by the authority aforesaid, That so much of every law of this commonwealth as is contrary to the provisions of this act, and no further, is hereby repealed, annulled and made void.

Passed April 7, 1791. Recorded L. B. No. 4, p. 164, etc. See the Acts of Assembly passed April 9, 1791, Chapter 1559; April 13, 1791, Chapter 1563; April 13, 1791, Chapter 1569; April 10, 1792; Chapter 1646.