

Circular
Sir

239 65
Office of Finance October 19th 1781.

I am now to address you on a Subject of very great Importance. I have to detail some Facts which will demand the most serious Attention, from every Legislature and from every Public Officer in the United States. It is my Determination to administer the Affairs entrusted to my Care according to Plans which are founded in Sincerity and Truth. Convinced of the Folly of our Enemy, in supposing that any considerable Body of Men in the United States are opposed to the Revolution, I am persuaded that in Order to remove the greater part of our Difficulties, the first proper Step is to state them fully to the People, thro' their Representatives. It shall therefore be a part of my Study, to prepare every Transaction for the Public Eye, so that the meanest Individual may be in due time informed of those Affairs, in which as a free Citizen he is interested. The various Reports which have been circulated, the Publications in the several Gazettes, and even Letters from some who ought to have known better; all these Things have conspired to infuse an Opinion, that every Power in Europe is favorable to us, that great Sums of Money are already advanced to us, and that still greater may be obtained. — Whatever may be the Fate of my Administration, I will never be subjected to the Reproach of Falshood or Insincerity. I therefore take the earliest Moment, in which I am permitted to make those Communications which will give an Insight into our real Situation.

With Respect to the Situation and Politics of Europe, it is neither my Business to detail them, nor am I in Capacity to do it with Certainty. But this at least is certain, that the disposition of the European Powers, however friendly, has been too much relied on. As a Proof, I need only observe, that not a single State has acknowledged our Independance except France, altho' our Alliance with that respectable Monarchy has now subsisted near four years. Yet that Monarchy is certainly the first in the World. It is in the closest Connection with Spain. Spain has long been engaged in the War, and still longer solicited to form an Union upon the Basis of the Treaty with France. The armed Neutrality, which gave such splendid Hopes to many, has not yet produced the Benefits expected. I will not proceed on the Ground of Conjecture, nor is it necessary for me to dwell longer on our political State, with Respect to foreign Powers. But as there is little Reason to expect, so I hope there is no American who would wish an Alliance with any Empire on Earth, until they shall be so sensible of our Importance as to treat on principles of Equality.

The public Opinion as to the Conduct of other Princes and States, has greatly injured us, by relaxing our Exertions. But the Opinion as to pecuniary Aid, has been still more pernicious. —

People have flattered themselves with a visionary Idea, that nothing more was necessary than for Congress to send a Minister abroad, and that immediately he would obtain as much Money as he chose to ask for. That when he opened a Loan, hundreds would run to see who should have the Honor of subscribing to it, and the like. But surely a Moments Reflection should have convinced every reasonable Man, that ^{without} the clear prospect of Repayment, People will not part with their Property. — Have the Efforts to borrow in this Country been so successful, as to ground any Hopes from abroad? Or is it to be supposed that Foreigners will interest themselves more in our prosperity or safety, than our own Citizens? — Or can it be believed, that

that Credit shall be given abroad, before solid Funds are provided at Home.² Or could it be imagined, that the disorders necessarily incident to a great Revolution, would be considered as a better Source of Trust and Confidence than the Regularity and Consistency of antient Establishments?² —

The Congress, conformably to the public Wish, have appointed Ministers, requested Grants, and opened Loans. In Holland they have got nothing, and in Spain but very little. Loans were expected from Individuals in Holland but nothing of that sort has been, or probably will be, obtained. Loans were not expected in Spain, unless from the King, and from him they have been solicited with but little Success. —

The distressed Situation of Public Affairs, forced the Congress to draw Bills of Exchange on their Ministers, some were drawn on France, some on Spain, and some on Holland. The first were honored and paid. The others were accepted, but Recourse was finally had to the Court of France for the Payment of them also. They were drawn at long sight, the sales were slow, they were remitted from time to time, and every opportunity afforded the Ministers of the United States to obtain the Monies for discharging them; but in vain.

Of consequence these Bills have been regularly referred to the Court of France for payment. And this has done us Injury, by anticipating the aid which France has been disposed to afford us, and at the same time has justly alarmed and greatly embarrassed the French Ministry. —

These Things it appears necessary that you should know, and your Legislature will undoubtedly draw the proper Inferences. They will see how much has been suffered by delaying to call forth the Resources of our own Country, and relying on the empty Bubbles of Hope, instead of the solid Foundations of Revenue. They will I trust clearly see, that all their Hopes and Expectations are narrowed down to what France may give or lend. But here, as in other Cases, Delusion takes place of Reality, we flatter ourselves with ideal Prospects, and are only convinced of our Folly by the fatal Crisis of national distress. In Order that you may clearly understand the Sum afforded by France, I enclose an Account extracted from a State lately furnished to Congress, by the Minister Plenipotentiary of His Most Christian Majesty. —

You will observe, that his Majesty granted to the United States a Subsidy for the current Year of six Million Livres. And, on a Representation of our distresses, he was pleased to become Security for a Loan to be opened on our Account in Holland. And when it appeared that there was little Probability of obtaining any Money there, in Season, he further agreed that the Sum to be borrowed should be advanced for us, in the first Instance, from the Royal Treasury. Thus the Gift and the Loan together amount to sixteen Million Livres, which would, if in this Country, be equal only to two million nine hundred and sixty two thousand nine hundred and sixty two Dollars, altho at the rate of estimating Dollars in France, it is there equal to three Million and forty seven thousand, six hundred and nineteen Dollars. But at the highest Rate of Exchange which has hitherto taken place, this Sum if drawn for would have amounted to no more than two million five hundred and sixty thousand Dollars. I have been thus particular with respect to the Amount of this Sum, because the difference of Currencies very often tends to deceive those to whom their real Value is not a familiar Subject of Attention. —

The inclosed Account is in Livres, and the two first Articles contain the Total of the grant and Loan, amounting to sixteen Million Livres. The Remainder contains the Deductions to be made. The two first Articles whereof, amounting to two million three hundred thousand Livres, is for the payment of the Bills

drawn

drawn on France, Spain and Holland, which I have already mentioned; the produce of the Sales whereof had been applied to the Public Service long before my Appointment. The most Article, being two million of Livres, is appropriated to the payment of the Interest Bills; wherefore no part of it can be applied to other purposes. — The fourth Article I need say nothing of here, as it has long been in the Mouths of every Body. The fifth and sixth Articles are for those Stores which were laden onboard four Transports by order of Col. Lawrence, three of which have safely arrived, and the other put back in distress. The seventh Article is in consequence of the Loss of that valuable Ship the *Marquis De la Fayette*, which contained a great number of Public Stores, the replacing of which is necessary for the Army and its Operations, and which will amount to that Sum. — The last Article contains the amount of Monies deposited to answer my Drafts, which have been made from Time to Time, and the Produce appropriated to the Service of the current Year. On the whole there remains a Balance of three Million and sixteen thousand four hundred and ninety nine Livres; this, with the Sum brought by Col. Lawrence, may be considered as of the Value of about one Million Dollars, which is the utmost; for it would exceed that only by twenty one thousand five hundred and seventy four Dollars, if it were now in this Country. —

Thus then you see the Extent of that pecuniary Succor which has filled the Minds of all with such towering Expectation, is narrowed down to one Million of Dollars. But by the best accounts and Estimates I have been able to procure, this War has hitherto cost about twenty Millions annually. — I do indeed expect that the future Expenditures will be greatly curtailed, but it must be remembered, that the most rigid Economy has its Bounds, and that it cannot exist without the gradual Performance of those Engagements on which the first Steps towards it must depend. — As soon as the proper Estimates for the next Year can be made out, the Demands founded upon them will be stated, and I shall shortly advertise for Contracts, as the most effectual Mode of husbanding our Resources. I feel it my duty however to observe, that a Note this day sent to Congress of some of my principal Engagements for Money amounts to upwards of two hundred thousand Dollars. Yet the calls for it from every quarter are incessant. —

I would gladly quit the Subject of foreign Supplies and Expectations here, but it is necessary that the States should know all, and I should not answer the Views of Congress, if I did not add that the Court of France place the aid now afforded to us, among the Number of those extraordinary Efforts which cannot be repeated. — The Declaration that no more pecuniary assistance can be afforded to us, is as plain as Language will admit of; and altho applications on the Subject may, and probably will be, made by our Ministers to the Court of Versailles, yet surely no prudent Man would form any Reliance on such applications in the Face of such a pointed and express assurance to the contrary; and especially when to every Request a short Answer can be made, by asking what we have done for ourselves. Sir I must speak to you most plainly. While we do nothing for ourselves, we cannot expect the assistance of others. —

This is a very painful Subject to dwell upon, but a consideration of great Magnitude remains behind, and sooner or later it must come forward. Prudence therefore bids us to examine it now, and provide for it in season. The neglect in funding the Public Debt, has introduced a practice of Issuing Loan Office Certificates, for the Interest due on other Loan Office Certificates. This I have absolutely forbidden, nor will I ever consent to it. Such accumulation of Debt, while it distresses the Public and destroys its Credit, by no means relieves the unfortunate Individual who is a public Creditor; for if Revenue is not provided, increasing the Certificates, would only lessen their Value. This would be such a Fraud, as would stamp our National Character with indelible Marks of Infamy, and render us the reproach and Contempt of all Mankind. —

It is high time to relieve ourselves from the Ignominy we have already sustained, and to rescue and
the National Credit. This can only be done by solid Revenue. Disdaining therefore those little timid artifices
which while they postpone the moment of Difficulty only increase the Danger and confirm the Ruin, I prefer
the open Declaration to all, of what is to be expected, and whence it is to be drawn. To the public Creditors there-
fore I say, that untill the States provide Revenues for liquidating the Principal and Interest of the Public Debt
they cannot be paid; and to the States I say, that they are bound, by every Principle which is held sacred among
Men, to make that Provision. —

I have gone thro the Task which I proposed to myself in writing your Excellency
this Letter, which I pray you to communicate to the Legislature of your State. I hope the Congress will soon be
enabled to transmit their Requisitions, and I shall endeavour that those be as moderate as possible. But I much
pray that every Man whether in Public or private Life, will seriously consider the Importance of complying
with those Requisitions. It is not by the Brilliant Successes of War, the splendor of Conquest, or the shout of
Victory, that a wise Ministry are to be affected. The superiority of national Resources, is the sure Ground on which
to hope for success, and that superior Resource, steadily and perseveringly applied, must eventually attain its Ob-
jects. It is for these Reasons that the Enemy have hoped every Thing from the Derangement of our Finances,
and on the other Hand, as I am well informed, it is from the Establishment of a National Bank, and the forming
of Contracts to supply our Armies, that they have the greatest apprehensions. — By the Bounty of the Almighty, we
are placed in a Situation where our future Fate depends on our present Conduct. We may be happy or miserable
as we please. If we do our Duty now, this War will soon be brought to a close. If not, it may last for many
Years; and what will then be its Termination it is not in human Wisdom to foresee. Thoroughly convinced
that the Enemy must ask Peace, when we are in a Condition vigorously to prosecute the War, and that it
shall be in that Condition, whenever our Affairs are reduced to Order and our Credit restored, and that for these
purposes, nothing more is necessary than a proper System of Taxation, I cannot avoid expressing my Sentiments
on the Subject, in all the Warmth with which they flow from my Heart. I hope and pray that the Facts I
have stated, may meet that calm attention which is due to their Importance, and that such Measures may
be taken as shall redound to the Honor and Interest of our Country. —

With all possible Respect

I have the Honor to be

Sir

Your Excellency's
Most Obedient

Humble Servant

Robt Morris

This Excellency

The Governor of the State of New Hampshire

10th December 1781
13th 1781
19th 1781
26th 1781
31st 1781