

Office of Finance 9 Feb 4 1782

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(Circular)

Sir

In the circular letter which I did myself the honor to transmit on the nineteenth day of October last, I stated our situation, as clearly and explicitly as I could; so that you might be in capacity to form a solid judgement, as to what would be proper. I am now to inform you, that the most recent and authentic information from Europe, contains the reiterated determination, on the part of France, to grant us no further pecuniary aid. Spain appears to have neither the inclination nor the ability to afford any; and in Holland, it can only be obtained from individuals, who will always require security, and of consequence will not lend to the United States, who, as you well know, have no security to give. The want of proper funds has so reduced Domestic Credit, that we can draw no resources from thence, and until domestic credit is established, foreign credit cannot exist; for it is absurd to expect that foreigners will confide in a government which has not the confidence of its own Citizens. It is hardly possible to describe the consequences which have followed on a loss of credit. We have seen the people diffident, jealous, and unhappy; not have they yet recovered, even where the removal of undue restrictions has given them time to breathe from that load of oppression. But
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The public are, if possible, in a still worse situation. No persons will trust the public, from a deep apprehension of Ruin if they should, and consequently our operations must be bounded by the taxes which can be collected; while at the same time we must contend for our very existence as a free Country, at an expence which we cannot limit, because we cannot limit the efforts made against us. Whenever proper methods shall have been taken to restore Credit, the benefits arising from it will be as evident to all, as the want is now to those who are entrusted with the Administration. Our expence, at this moment, is greater than it ought to be, tho less than it was; and I cannot retrench, because I have not sufficient means in my power, and have not to this moment any certain reliance on sufficient aid from the several States.

I am much inclined to believe that individuals in the several Legislatures, are unacquainted with the real state of affairs, or flatter themselves that they are better than they really are, even after information. If Gentlemen would consider seriously the situation of the public servants, they would at least not suspect them of describing our dangers as greater than they are. They would not, for instance, suppose that I would give a high coloring to the disorders of our finances, because they must see that on the contrary I should derive a degree of Credit from the general belief that such disorders do not exist. And when I declare
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my apprehensions, I inquire so far my own operations. My reason for describing our situation in its true light, is, that the States may be excited to grant us relief. I might, by an appearance of wealth, extend my operations for a little while, but in the end they would fail, and how we should then be extricated, no man can tell. At present I must bear the evils which result from the want of resources, and limit my views accordingly, but it would be madness to inculcate an opinion that things are worse than they really are, because then I could not derive the full benefit of those resources which we have. You must therefore be convinced that I give you no exaggerated account; and I trust, Sir, that your Legislature will give due weight to assertions which they have every reason to believe, and which if neglected, they will be convinced of by a melancholy, and perhaps fatal experience.

Many people flatter themselves with the hope of peace; but on what is it founded? Has the enemy given the slightest evidence of a desire for it? Instead of seeking for peace, they talk only of war, they prepare only for war, and when they might have got rid of one enemy by a word, they disdained it. Altho Holland offered a separate peace, England refused to accept it; nor have we yet heard that she has agreed even to negotiate for

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for, much less to conclude a general peace. She enjoys full credit, and therefore she can carry on the war, and the object of it on her part is so great, that therefore she will carry on the war. Hitherto she has carried it on alone, and unsupported. Years have elapsed since it was pretended that she could not find resources for another campaign, and yet campaigns have succeeded each other with increasing expence, and are still like to go on. With a credit like hers there can be no want of the means, and therefore we have no reason to expect that she will be deprived of them while that credit exists. How soon she may find associates, or how soon we may loose them, no man can say. While the mutability of all human affairs, continues to be the ^{theme of} common and daily observation, no wise man will rely on the frailty of human opinion; and yet opinion may in a moment sway the politics of different powers, so as totally to change all present appearances. While the war continues, England has hope. The times and chances which happen to all may favor her, and at worst she can conclude a peace; which cannot be more pernicious than the loss of these states. We ought therefore to expect that Great Britain will continue the war, and we ought even to expect that she will find allies to assist her
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in it. We ought therefore to prepare ourselves for increasing efforts of opposition.

But admitting that negotiations were opened, and in a train of effect, what then would be our situation? Are we in capacity to insist on useful and honorable terms? There is hardly a State in the Union, but has an interest in objects, which under our present circumstances are unattainable. While the enemy continue in possession of New York and Charleston, we cannot expect such a peace as every good American ought to desire. Nor shall we obtain that security, without which, peace is no longer a blessing.

The Successes of last Campaign will undoubtedly derange the plans of the enemy for a time; but whether or not those successes will prove decisive, must depend upon ourselves. If we indolently lie still, untill the enemy can obtain reinforcements, our prospects at the close of next Campaign, may be as gloomy as at the opening of the last. If we exert ourselves to strike the enemy before he can receive aid, we may perhaps drive him entirely away, and then indeed we shall have reason to expect peace. It has been the common trick of the enemy, to pretend at every success we have obtained, nay during every winter of the war, that it would immediately cease; and they have

it must depend. I have not yet reached those bounds, for reasons I have already stated, and how long it will be before I arrive at them, must depend on the ability to perform the engagements I have made; and surely it is unnecessary to add, that this ability must depend on the exertions of the States. I mentioned also that I should shortly advertise for contracts, as the most effectual means of husbanding our resources. With respect to this matter of contracts, I have some reason to believe that it has been misunderstood, and therefore I shall take the liberty of giving some little information on the subject. When I was called into office, I had a thorough conviction that supplying by contract was most effectual, and most economical; but I had no money, and credit was at so low an ebb, that most people doubted whether any one would contract. At that time the State of Pennsylvania gave me assurances of hard money, to procure the articles of specific supplies due from that State, on the requisitions of Congress. I immediately purchased a part of those supplies, on my private and personal credit, and assurances; and I advertised for a contract to supply rations at Philadelphia. By degrees I extended the contracts throughout Pennsylvania, whereas if I had advertised for them all at once, I might probably have failed in obtaining proposals; or if not, those who inclined to

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to risque it would have made the public pay dear for the
Credit reposed in their Minister. The Contracts for Pennsylvania
were paid out of monies granted for furnishing the supplies,
and the Articles are carried to account on the Requisitions.
Having reason to expect support from the Eastern and
middle States, I have extended the Contracts for supplies,
thro all the Country northward and eastward of Potowmack
River; and in order that you may judge of the effect,
I will mention that on an application for pay to the
Department of the issuing Commissary, I required a return
of them, and of their monthly pay, which being made, I
found that within that district it amounted to ten thousand
five hundred and twenty five dollars, which sum is, annually,
for the salary alone, exclusive of all other expenses, one
hundred and twenty six thousand dollars. The rations delivered
at West-point and its dependencies, are supplied at the
rate of nine and an half ninetieths of a dollar for each
Ration. Consequently that sum will feed one million one
hundred and ninety six thousand five hundred and twenty
six Rations, which is something more than three thou-
= sand two hundred and seventy eight per day. When it is
considered that salaries were not the only expenses of
a Department, it is certainly estimating within bounds
to suppose, that five thousand Soldiers are fed every day,
on what it formerly cost the Public to support the *Issuers*
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of provision, in a part of the United States. I should have pursued the business of contracting throughout America had I received any assurances of taxation which would warrant the procedure. But I had none, and I did not dare to risk myself in making engagements which I found no probability of keeping. But whenever I see my way clear, I shall certainly do it, and I trust the effect, will be as beneficial as they have been elsewhere.

Having already observed on the necessity of early and vigorous exertions, and mentioned that I had done every thing towards them which lay in my power, I have only to add, that unless we are properly supported, every thing so done has been thrown away. The views of the Commander in chief will be disappointed. The combinations intended with our allies will be deranged; & the enemy will derive that advantage from our negligence, which we might have derived from their weakness.

It gives me pain to learn that the public service is too often interrupted, and the attention of men diverted from it, by little, trivial disputes of a private, partial, or local nature, which are comparatively of little consequence. This is a conduct unworthy of wise men, & such as cannot be justified. Surely it is best first to provide

provide for the defence of our country, before we squabble about minute objects of controversy. If we should be told that the British were so materially divided in their Parliament, that in contentions about trivial disputes, they delayed granting to the Crown effectual aid of money, we should certainly form very splendid expectations from that circumstance. Judge then whether our enemy's hopes are not raised by our dissensions. Or rather let me ask if they have not loudly asserted that they would prove ruinous to the cause of independence? May have they not boasted that those dissensions originated in British influence, or British gold? What then must be the opinion of foreigners and strangers? What will we conclude from a conduct, which according to the common reasoning, can only be accounted for by passion, folly or madness? Let us for Heaven's sake, while engaged in a Cause the most honorable, the most virtuous, and which must endear the present generation to future ages, let us preserve a conduct, noble, dignified, and worthy of that glorious Cause. In pursuit of the greatest the dearest object which man can propose; in the fair road to peace liberty & safety; let us not fall out by the way. But united to, and supporting each other, let our efforts be equal to our claims, and let us shew that we have the perseverance to

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to obtain, what we have had the spirit to demand. Let
us at once become Independent. Really and truly
Independent. Independent of our enemies, of our friends,
of all but the Omnipotent.

I have the honor to be

Sir

Your most obedient

&

Humble servant

we are of Morris

chief will be

This Excellency the Governor of New Hampshire.