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THE AMERICAN REVOLUTION, VOL. 12 ***

**THE
DIPLOMATIC CORRESPONDENCE
OF THE
AMERICAN REVOLUTION.**

VOL. XII.

THE
DIPLOMATIC CORRESPONDENCE
OF THE
AMERICAN REVOLUTION;

BEING

THE LETTERS OF BENJAMIN FRANKLIN, SILAS DEANE, JOHN
ADAMS, JOHN JAY, ARTHUR LEE, WILLIAM LEE, RALPH
IZARD, FRANCIS DANA, WILLIAM CARMICHAEL, HENRY
LAURENS, JOHN LAURENS, M. DE LAFAYETTE, M.
DUMAS, AND OTHERS, CONCERNING THE FOREIGN
RELATIONS OF THE UNITED STATES DURING
THE WHOLE REVOLUTION;

TOGETHER WITH

THE LETTERS IN REPLY FROM THE SECRET COMMITTEE OF
CONGRESS, AND THE SECRETARY OF FOREIGN AFFAIRS.

ALSO,
THE ENTIRE CORRESPONDENCE OF THE FRENCH MINISTERS,
GERARD AND LUZERNE, WITH CONGRESS.

Published under the Direction of the President of the United States, from

the original Manuscripts in the Department of State, conformably
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EDITED
BY JARED SPARKS.

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THE
CORRESPONDENCE
OF
ROBERT MORRIS,
SUPERINTENDENT OF FINANCE.

VOL. XII

OF
ROBERT MORRIS.
— — — —
CORRESPONDENCE CONTINUED.
— — — —

TO M. DE LA LUZERNE.

Office of Finance, November 3d, 1781.

Sir,

Agreeably to my promise, I have the honor to send you a copy of the circular letter, which I lately transmitted to the several States. This will be an additional proof of my desire to draw from among ourselves the necessary resources, and thereby to become truly independent. But the sincerity with which I have always spoken to you, and which I mean to preserve, and which the generous conduct of your Sovereign demands for his servants, that sincerity will not permit me to conceal my sentiments on what is to be expected.

The annual expenses of this country may certainly be reduced within narrower bounds, than they have hitherto been; perhaps it will be less than I myself have now an idea of. But still it must be considerable, if we mean, which we certainly do, to make becoming efforts in the common cause. Besides this, it will require a considerable revenue to provide the sinking fund for our public debt. As I consider national credit to be an object of the greatest magnitude and importance, so I think it necessary to bend every possible effort to the establishment and support of it. Provision for our debts is, therefore, the first object, and therefore must take place of every other demand. [4]

Whatever may be the wealth of the inhabitants of America, and however capable they may be of bearing heavy taxes, this at least is certain, that they have neither been accustomed to them, nor have the Legislatures hitherto adopted the proper modes of laying and levying them with convenience to the people. Taxation requires time in all governments, and is to be perfected only by long experience in any country. America, divided as it is into a variety of free States, possessing sovereign power for all domestic purposes, cannot therefore be suddenly brought to pay all which might be spared from the wealth of her citizens. The amount even of that wealth is very disputable. Our extensive forests, though they are valuable as property, are by no means productive to the revenue; and many of our people have endured such losses, that they require alleviation, instead of being able to bear burdens. Besides this, the use of many articles, not strictly necessary, are become so even by that use, and therefore, the mode of living being habitually more expensive than in other countries, requires greater wealth. A good Prince would not suddenly render the lot of his subjects worse. How then are we to expect that the people themselves will do so?

But supposing our taxes could equal the demand for revenue, another circumstance remains. The paper money, which has been emitted lays in our way to reformation, and we feel it at every step. It has been issued, and the people will with propriety refuse to pay taxes, if it be totally refused. Much, therefore, of the revenue must be in paper, while that paper exists. If it be re-issued after it has been raised in taxes, the mischief attendant on a depreciating medium will still continue. A large nominal revenue may indeed be collected, but that revenue will be nominal. The specie in the country also will be continually secluded from circulation, and by that means, not only the sources of revenue will be dried up, but even the bills of exchange, which may be drawn on Europe, will not find a proper market at their value. [5]

I might add a number of reasons to show the necessity of destroying this paper money; but your residence here has enabled you to see this subject to the bottom, and I have found in conversation your ideas so clear, that I will not attempt to demonstrate what you cannot but perceive at a single glance. But how is it to be done? If a recurrence be again had to the detestable expedient of force, our credit is ruined. Prudence, therefore, forbids any such attempt; besides, it is so dishonest, that I will never have any concern in it. There is then no other means, but to receive the taxes in paper, and to destroy a part, at least, if not the whole.

This method of proceeding will lay a proper foundation for establishing public credit, and when that is established, we well know what good consequences may be drawn. But, in the interim, it is evident that the revenue, even if otherwise equal to our wants, must be deficient. I, therefore, am bound to declare to you my conviction, that we must have aid from abroad. It is unnecessary to add the place from which that aid is to be expected. [6]

It is very painful to ask assistance in any case, especially in a situation like ours, where the object of the war is to secure what is of the utmost importance to us. But having candidly explained our situation, and shown the impracticability of doing all which I wish, there is a greater propriety in stating to a gentleman, who knows those wishes, the ideas which arise from the nature of that connexion which subsists between the two nations.

The war in America must of necessity prove fatal to Great Britain, if it continues; because it is

carried on by her at an expense so disproportionate, to that which is borne by France, that the greater effort must exhaust every fund she can possibly draw forth, and inextricably involve her in eternal debt. If then the object of the war were in itself indifferent to France, the mere continuance of it would alone be a valuable object to her, and indeed, to every other power, particularly to those who are in any degree maritime, as they are most exposed to British encroachment and rapacity. But when we consider that the object of the war is of the last consequence to the commerce of his Majesty's dominions, and especially so to his marine; and when we further consider, that his honor stands pledged for our support, to doubt of his further assistance would imply a reflection both on his wisdom and integrity. I hope, Sir, you will believe me to be incapable of casting such reflections.

Let me further take the liberty to observe, that I would by no means detract from the generosity of his Most Christian Majesty, yet the moneys, which he may be disposed to advance to the United States, are neither lost nor thrown away. The subjects of France will for ages derive benefits from a commercial connexion with this country, and I hope their Sovereign will always find here a warm friend and a faithful ally, should any of those changes, to which human affairs are subjected, induce him to ask that aid, which he now bestows. [7]

With great respect, I have the honor to be, &c.

ROBERT MORRIS.^[1]

TO THE PRESIDENT OF CONGRESS. [8]

Office of Finance, November 5th, 1781.

Sir,

Copies of the Act of the United States in Congress assembled, of the 2d instant, have been sent to me, and were yesterday received. It would have given me pleasure to have had an opportunity of expressing my sentiments before those acts were passed; but it becomes necessary to take the liberty of doing it now. I, therefore, do myself the honor to enclose a letter written on the 28th day of August last, which was not transmitted before, because Congress were so much engaged, that, as well from that as from other circumstances, those matters, which it relates to, could not properly be brought before them. In the beginning of that letter, the reference made to me on the 23d of August, of two letters from the State of Massachusetts, and of a report upon them, is mentioned. On the 12th of September following, I received the resolutions of that State, which were referred on the 10th; and I have now to observe, that my sentiments on the subject of those resolutions are fully contained in the letter.

I should have sent in that letter, notwithstanding my reasons to the contrary, if I had conceived that any of the subjects it relates to had been in agitation before the United States. And, although Congress have not taken up all the matters mentioned in it, there is some propriety in sending it as it was written, because such objects are better understood when viewed in their connexion with each other, than when separately considered.

I shall say nothing as to the amount of the sum required, because I have not seen the estimates. Congress have certainly considered the supplies necessary, and the abilities of their constituents. Immediately after the apportionments, I find the following clause, "that the said sums, when paid, shall be credited to the accounts of the several States on interest, to be hereafter adjusted." I hope that I shall be pardoned for observing, that I cannot see the necessity of this provision, and that ill consequences will probably result from it. As to the necessity, I will suppose that the proportion of any State were rated so high as greatly to exceed its means of payment, or materially to distress the people, surely Congress might afford redress in the next apportionment by relaxing the demands on such State and dividing the deficiency among others. Nor is it of any consequence whether the disproportion arises from error in laying the quotas, or from a subsequent change of circumstances. It is for this reason that the clause appears unnecessary. The idea of leaving the adjustment of accounts to a future day will discourage the efforts of every State in the Union. They will consider it as determining, in other words, that the accounts shall never be settled at all, or rather, they have already formed that opinion. This has produced discontent, and given rise to complaint. The disputes which must follow cannot but be pernicious. Nor are these the only ill consequences of that provision. I hope that Congress will pardon me, when I state the sentiments, which may arise in the minds of others, although they have no place in my own. Postponing a final adjustment may cast an air of doubt, or even timidity, on the proceedings of the United States. It may be construed into an appearance of leading individual States unwarily into efforts beyond their proportion, or their strength. It may be imagined that there is some want of that firmness and decision, which ought to be the constant companions of sovereign authority. It gives me pain to hazard a difference in opinion with Congress, and, therefore, I quit the subject. [9]

The next article in the Act of the second instant declares, "that certificates, which may be given by the Quarter Master General, or other officers properly authorised to give them for supplies, that shall hereafter be furnished, shall be accepted in payment." This provision may, in some [10]

instances be necessary, in some improper, but in all it must be dangerous. I shall not dwell on the consequences of giving these certificates; but I will suggest one idea, which will, perhaps, merit attention. That article is an act of sovereign authority, and therefore while it exists doubts may arise how far the issuing of such certificates can be restrained. If the Quarter Master and others will give certificates, and the States will receive them and tender them to me, I must, according to this act, accept them in payment; but those who contract for supplies to the public, certainly will not take them from me. If, on the other hand, that article be not inserted, the general authorities given to me by Congress are equal to all the necessary regulations in executing their commands. I might, for instance, appoint a trusty person to give certificates in extraordinary cases. I should then know the amount of such certificates, and I could make the necessary arrangements with relation to them.

My sentiments on the next article are so fully expressed in the enclosed letter, that I will not trouble Congress with the repetition. I shall only observe, that daily observation and information confirm my fears, that frauds have been practised in giving those certificates, and I must be of opinion, that a general permission to receive them in taxes will be very injurious, not only to the public revenue, but to the reputation of our measures. I am apprehensive that many honest men through the United States, who know the frauds committed in their neighborhoods, will imagine that sufficient attention is not paid to the detection of villany, and that idea will disincline them very much from the payment of taxes, because nothing induces men to part with their money so cheerfully, as the belief that it will be applied to the purposes for which it was granted, with economy and integrity. [11]

What I have written on the subject of a final apportionment may appear to have proceeded from a want of attention to that article of the confederation, which points out the manner of defraying public expenses. But this is not the case. The article in question relates merely to those circumstances, which shall arise after the completion of it, and makes no provision whatever for past expenses. The several requisitions of Congress do indeed refer to a future settlement, according to the mode expressed in the confederation; but the confederation itself must receive a liberal and equitable construction; much more so those resolutions which refer to it. If this be not the case, it would be madness to expect obedience from free agents independent of each other, which is the situation of the several States. If, then, the article be considered and weighed, even as to the quota of the current year, where certainly it applies with greater force, than to any past transaction, we shall find that it presupposes the following things; first, a certain mode of determining the value of lands, &c., or, in other words, the value of each respective State; secondly, that this mode should not be permanent but variable, and framed from time to time, according to the then existing state of things; thirdly, that it should be founded in liberal principles of justice; no other mode being presumable from those who are to adopt it; fourthly, that the value being thus equitably determined, the expenses of the current year should be estimated according to the best lights, which could be obtained; and fifthly, that this expense should be apportioned according to that valuation. [12]

If these ideas be just, and I think that an inspection of the article itself will show them to be so, then it will follow, that a valuation made for one year cannot properly apply to any preceding or subsequent year; more especially, if any considerable change take place in the respective circumstances of the several States. Let us, for instance, suppose, that in the year 1776, five hundred acres of land in the State A were worth one thousand pounds; that in the year 1777, they were worth five hundred pounds; and in the year 1778, one hundred pounds; while, during the whole period, five hundred acres in the State B were worth five hundred pounds. Let us suppose the States A and B to have been of the same extent, and that thirty pounds were to have been paid annually by those States according to the apportionment of the confederation, they would then have been charged as follows; in 1776, the State A twenty pounds, and B ten pounds; in 1777, A fifteen pounds, and B fifteen pounds; and in 1778 A five pounds, and B twentyfive pounds. Thus, then, of three times thirty or ninety pounds, A would be chargeable with twenty, fifteen, and five amounting in the whole to forty pounds; and B with ten, fifteen, and twentyfive, amounting in the whole to fifty pounds. The proportion, therefore, between them is as four to five; but the proportion arising from their relative wealth in either of those terms is widely different. In the first, it is as two to one. In the second, as one to one, and in the third, as one to five. Wherefore, if the whole ninety pounds were to have been apportioned on the valuation of the first year, it would have been to A sixty, and to B thirty. On that of the second A fortyfive, and B fortyfive, and on the third A fifteen, and B seventyfive. [13]

If this conclusion be fairly drawn, then a question will arise on this point. Suppose no mode of valuation adopted, how are the quotas to be ascertained? In answer to this question, I state the following positions; first, that the object of the confederation was to make an equitable apportionment; secondly, that Congress will always, when they direct a valuation, do it in an equitable mode; and thirdly, that a valuation is, at present, impracticable, much less a valuation for times past. These things admitted, and the necessity of an apportionment being also admitted, the question answers itself; for no other mode will remain, but by resorting to such lights as Congress may have on the subject, and that they determine as equitably as they can, according to those lights, which is the very thing I have already proposed. [14]

I shall trespass no longer on your Excellency's patience, than to mention, that I have detained the copies of those acts, until the further order of Congress. But if they disapprove of it, I shall immediately transmit them.

I have the honor to be, &c.

TO M. DE LA LUZERNE.

Office of Finance, November 6th, 1781.

Sir,

I have been honored with your Excellency's answer of the 4th to my letter of the 3d instant. I am sure we cannot differ in opinion. It is impossible, that I can doubt the wisdom or integrity of his Most Christian Majesty, or that you can doubt his desire of giving further assistance to the United States. As to the mode in which that can be done, his Majesty's convenience, and the situation of affairs will best determine it. I wish to receive pecuniary aid, and when I consider the importance, I am led to expect it. You have doubts on that subject; but the success which has followed from the grants already made, will show so clearly the utility, that you, who see the good effects, and who are so zealously attached to the common cause, will concur with me in your efforts also. The regard you have expressed for the United States, and which, I am sure you feel, gives me the highest reason to expect your good offices on all occasions, which may relate to their welfare, and particularly those in the line of my department, where you are fully sensible assistance is most necessary.

With the most perfect esteem and respect, I am, &c.

ROBERT MORRIS.

TO THE COUNT DE ROCHAMBEAU.

[15]

Office of Finance, November 15th, 1781.

Sir,

I have the pleasure to observe to your Excellency, that I have discharged a bill drawn on me by M. Baulny, in favor of M. Roquebrune, for eighty thousand livres, being in part payment of the one hundred and forty thousand livres, which you were so kind as to advance, and for which I beg leave again to express my grateful sense of obligation. The remaining sum of sixtyfour thousand livres, I hold at your order, and had determined to remit it; but having accidentally mentioned the matter to the Chevalier de la Luzerne, he observed to me, that in all probability, you would want money rather in Philadelphia than Virginia, because of the necessary expense, which would arise in transporting stores from Boston. Upon this principle, I deferred sending forward, until I should hear from your Excellency on the subject. M. de la Luzerne has also promised me to mention it in his letters to you.

Before I conclude this letter, I must trespass one short moment on your patience, to express my congratulations on the important and splendid success, which has crowned the allied arms before Yorktown. My voice, Sir, cannot add to that glory, which the public sentiment has most deservedly conferred; but you will permit me to assure you of the high gratification it gives my mind, that you are so much the object of gratitude, applause and esteem, throughout the United States.

With the most perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

[16]

Office of Finance, November 17th, 1781.

Sir,

I have the honor to enclose acts of Congress of the 30th of October, and 2d instant, which were handed to me on the 4th; but upon a perusal of them, it appeared that some things had escaped the attention of Congress; wherefore, on the 5th I had the honor of writing to them a letter on the subject.

In this letter I took the liberty to state some objections to the three clauses in the Act of the 2d, which follow immediately after the apportionment. I shall not here repeat those objections. They

lay before the United States in Congress, and will receive such mature consideration, as is becoming the wisdom of that sovereign body. I will not however hesitate to declare to your Excellency, that it was my wish to have those three clauses repealed.

On the 12th, the United States in Congress assembled passed the act, of which a copy is also enclosed, and by which your Excellency will perceive, that one of those clauses is repealed. I received this Act on the 30th, and I have waited until this day the further order of Congress; but there being now but a thin representation, so that business cannot be done with the same despatch as when more States are present, and these Acts being of great importance, I have thought it best immediately to forward them. To press a compliance is I trust unnecessary. The respect due to the representation of America will speak more loudly and more effectually, than the weak voice of any individual servant they may have employed. I shall make but one observation. The present requisition is very moderate; the compliance, therefore, must be very punctual, for delays are equally dangerous and expensive, and if they should happen, the people must be burdened with new taxes unnecessarily.

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With great respect, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

Mount Vernon, November 19th, 1781.

Dear Sir,

I have to inform you, that a very considerable debt has been incurred on you as Financier of the United States, by an order for the relief of the officers of the army from the goods found in Yorktown; each officer, military and staff, having been authorised to take up on public account, the sum of twenty pounds Virginia currency; for which Mr Ross, commercial agent of this State, is answerable to the merchants, payable in tobacco; Mr Ross receiving the amount in bills upon you to be paid in six months from the time of the goods being taken. The returns not being handed in, I am unable to give you the amount with any precision; your own calculations will afford you the sum with a degree of certainty.

A quantity of goods found on board a cartel in York river, and which have been judged to be forfeit, were part suitable for the army, and part for the country; the latter, which will amount to a considerable sum, are to be sold at public vendue, and accounted for.

Knowing the state of your finances, I have studied to keep this debt within its most moderate bounds, but in spite of all my endeavors, I fear you will find it but too large. I hoped to have given you some assistance from the military chest found with the enemy, but unavoidable contingencies of the army, and furnishing the Quarter Master General for the southern army, have swallowed up near one half of its contents. A number of iron cannon, being unnecessary for our use, I have appropriated as a fund for the discharge of the debt incurred, and they are sent to the head of the Elk; this with the other funds may possibly amount to a full discharge of the debt.

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I am, &c.

GEORGE WASHINGTON.

P. S. Since writing the above, I am informed by General Lincoln, who is come up since I left Yorktown, that the whole amount of the goods taken by the officers and on public account, will arise to about thirteen thousand pounds sterling, and that the articles sold in Yorktown, at public vendue, will be near six thousand pounds.

G. W.

TO THE GOVERNOR OF CONNECTICUT.

Office of Finance, November 20th, 1781.

Sir,

I have been honored with your Excellency's letter of the 7th instant, and am much obliged by the attention you have been pleased to pay to the several applications from me, which are noticed in it.

I shall be very happy to receive the several accounts you have promised, because the final settlement of all accounts appears to me of the utmost importance, and I hope such measures will be taken, as founded in justice and propriety will meet your wishes, and be agreeable to the

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State, over which you so worthily preside. I hope that in future, there will be no accounts between the States and the United States, except cash accounts, one side of which will consist of the requisitions, and the other with the payment of them. The old Continental, which is brought in, will, I hope, be forwarded hither, with its proportionate part of the new, and indeed of the whole, both new and old, as soon as possible. Both shall be carried to the credit of the State.

As to what you mention of the tax in specie, I have to observe, that whatever may have been the practice heretofore, I hope that the moneys designed for the general service will be paid into the Continental Treasury, and that the army will be paid from thence. This I conceive to be the only mode, by which heart-burnings, murmurs, and complaints can be avoided, and, at the same time, it is the only mode, by which the moneys obtained from the people can be applied with effect and economy.

To feed, clothe, and pay the army, form a part of the objects of my administration. Clothing I have received. Rations I have contracted for in some degree, and I shall extend those contracts. Pay will also be advanced, when the treasury will admit of it. I am, therefore, to request that the hard money collected, and collecting in your State may be held subject to my drafts. I expect that the States will all levy taxes sufficient for those things I have just mentioned, and for the other necessary expenses. The money which is submitted to my disposal shall be faithfully applied.

That the requisitions from Congress have been later than was to have been wished, is indeed to be lamented. That body have so many objects, which call on their attention, that they cannot always do what they would wish. Besides this, the uncertain situation of our money has hitherto greatly increased the difficulties, which Congress have labored under, and you will permit me to observe, Sir, that those difficulties are not a little to be attributed to the inattention of the several States. But your Excellency will, I am sure, agree with me, that our situation requires joint vigorous exertions, and not unavailing complaints and recriminations.

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With the greatest respect, &c.

ROBERT MORRIS.

REPORT OF A LETTER TO DON BERNARDO DE GALVEZ, MADE TO CONGRESS, NOVEMBER 21ST, 1781.

The Superintendent of Finance, in pursuance of the order of the 7th instant, prays leave to submit the following draft of a letter to General Galvez.

Sir,

Your letter, dated at New Orleans the 22d of July, 1780, has been received, and was laid before the United States of America in Congress assembled on the 29th of September following. The committee to whom that letter was referred, did not make any remittances in consequence of it, nor write you an answer, because the dangers attending a communication with you at that time were too great, occasioned by the many ships of war, with which the enemy then infested our coast.

I am now, Sir, directed by the United States to express to you the grateful sense they entertain of your early efforts in their favor. Those generous efforts gave them so favorable an impression of your character, and that of your nation, that they have not ceased to respect you, and to wish for an intimate connexion with your country. Conceiving it to be for the mutual interest of Spain and North America, they have an earnest wish, that as the cause is one, and the enemy one, so the operations against him may be continued in such manner, as to answer the great purposes, which all have in view. The late successes, which have crowned the combined arms of France and America in Virginia, while they demonstrate the benefits which flow from a union of efforts, will at the same time, lead to wholesome reflections on the manner in which that union has been cemented. The French and American soldier marching under the same banners, enduring the same fatigues, bearing the same dangers, and bleeding in the same field together, express in the language of their different nations the common sentiment of fraternal affection. Let me congratulate you very much on this success, and still more on the sentiment, by which, under Providence, it has been secured.

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With respect to the advance made by your Excellency, I have the honor to enclose copies of two resolutions of Congress, one of the 6th of February last, and the other of the 7th instant, by which you will perceive, that the public accounts with Mr Pollock are settled, and a considerable balance carried to his credit. In these accounts is included a part of your advance, and the remainder of it is contained in Mr Pollock's account with the Commonwealth of Virginia. This latter account has been referred to the consideration of that Commonwealth, and I trust the debt to Mr Pollock will be acknowledged by them. That which is due from the United States to Mr Pollock is now on interest at six per cent, and if you wish that the sums which he has appropriated to the service of the United States out of those advanced by your Excellency should be credited to you, on transmitting an assignment thereof from Mr Pollock, it shall immediately be done, and payment will be made both of the principal and interest, as soon as the situation of

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our finances will admit of it, which, from the present prospect of things, may happen in a shorter space of time, than the public creditors have been generally led to expect.

With perfect respect and esteem, I am, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

Office of Finance, November 22d, 1781.

Sir,

In conversation with your Excellency last evening, you requested me to write to you on the subject of it, that you might be fully possessed of my sentiments. I have now, therefore, the honor to remind you, that some time in the month of May last you promised me that I should draw for half a million of livres, and shortly after, for a million more. You afterwards extended this sum to two millions and a half, and on the 25th of September last, I wrote to you on the subject, having then seen the report of the committee appointed to confer with you, by which it appeared, that your engagement with me to draw for the sums first mentioned formed one object of that conference, but that the engagement for one million more was omitted.

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I have extended my engagements according to the extent of the means, which I was induced to suppose in my power, and therefore, estimating the money and supplies the States would probably furnish, and relying on the money which had arrived, that which I was authorised to draw for, and that which the engagements of your Court had led me to expect, my views were directed to all those resources. I shall not dwell on the consequences of my efforts. Enough of them are known to speak for themselves, and I leave to your knowledge and observation the comparison of our public affairs now, with what they were exactly six months ago. I will only say, that if those foundations, on which I built, are removed, my past labors will have been thrown away, and my future utility absolutely destroyed.

You can well remember, Sir, what I have often told you of the course of exchange. I have raised it gradually since I first commenced my operations, and although it would now have been higher than it is, if the quantity of bills thrown on the market last summer had been withheld; yet even now, at fifteen pence this money for a livre, it is but ten per cent below par; and as I expect shortly to raise it to sixteen pence, it will then be at a discount of only four per cent. To sustain these operations, if for no other purpose, it is necessary that I continue to draw bills, for certainly a remittance cannot be made so cheaply from Europe. But, indeed my present demands, arising on past engagements, are very great and urgent, so that if I do not continue to draw, the chest will presently be empty, which will be known as soon as it happens, and then I am again at the mercy of the world. I will dwell no longer upon this subject, but take some notice of another matter, which stands in intimate connexion with it.

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You will remember, that you have often mentioned to me a mistake in the account, of which you delivered a copy to Congress. As I made no doubt, that it would be properly and satisfactorily explained, I have hitherto restrained myself from going at all into the subject. But it now becomes my duty to write to Dr Franklin upon it; and, therefore, I wish to communicate to you my sentiments, while I request you to use your good offices with the Court for having the matter placed on its proper footing.

The note from the Count de Vergennes, of the 16th of May last, shows very clearly a grant of the three following sums; four millions to Dr Franklin to discharge the bills of exchange drawn on him by Congress; six millions as a gift towards the operations of the campaign; and ten millions in advance of the loan to be opened in Holland, amounting in the whole to twenty millions. The first sum of four millions, appears evidently to have been for payment of the bills drawn to discharge the interest of loan office certificates, according to the original engagement, which the Court entered into with the American Commissioners. Of the money granted by the Court, there has been advanced, as appears by the account you delivered to the committee, in warlike stores and money, to Colonel Laurens, four millions seven hundred and eighty-nine thousand one hundred and nine livres; and to purchase the remainder of the articles demanded by him, three hundred and ninety-seven thousand livres. For the bills of exchange drawn by Congress on their Minister, I will suppose the sum mentioned in the Count de Vergennes' note, viz. four millions, and I will add for my drafts one million and a half, being what, as I have already observed, you first promised. Thus the whole amount of these sums is ten millions six hundred and eightysix thousand one hundred and nine livres, and the balance, which I conceive to be subject to my disposition, is nine millions three hundred and thirteen thousand eight hundred and ninetyone livres. As to replacing the cargo of the Fayette, which is mentioned in your account, I do not take notice of it, because I wish that it may not have happened, and because if it has been made, it will be time enough to deduct it when the articles shall have been actually delivered. The loss of that ship, and the detention of one of the transports laden by Colonel Laurens, have already compelled me to make heavy expenditures. Among these I will mention the purchase of lead some time ago, and a late purchase of clothing to a very large amount, a part of which I am now

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paying for, and the remainder is to be paid in three, six, and nine months from the date of my engagements.

I have the honor to enclose what I conceive to be the clear state of the account between us and your Court. This will be transmitted to Dr Franklin, and I hope it will meet with your approbation and support. As I have nearly drawn for twelve hundred thousand livres, I must request your compliance with your original engagement, that I may extend my drafts so as to include the remaining three hundred thousand, necessary to complete the one million and a half, mentioned in the enclosed account. [26]

I shall be glad to be informed, Sir, whether any more money has been shipped on account of the United States. I shall immediately take measures to draw on account of the balance already mentioned, as our necessities require it; and if in the mean time, so much shall have been shipped, as that my bills exceed the balance due, I shall expect that they will be punctually paid, and I will readily repay that excess out of the moneys so shipped, to the use of your army here.

I have the honor to be, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

Office of Finance, November 26th, 1781.

Sir,

The letter, which you did me the honor to write on the 24th instant, was delivered yesterday morning, and I take this early opportunity to acknowledge it. As you have assured me, that you cannot know any account, which is not conformable to the instructions his Majesty's Minister has addressed to you, I shall spare your Excellency the trouble of my remarks. But as you say, that your letter of the 26th of September last could not have left me the shadow of a hope on the subject of further drafts, your Excellency will pardon one observation. Those precise orders from your Court, received by Colonel Laurens, which compel you now to prohibit my further drafts, permitted you then, in consequence of the observations I had the honor of making to you, an extent of nearly three hundred thousand livres. It is my duty to trespass one moment longer on your Excellency's patience, while I take the liberty to observe, that I can by no means consider purchases made for any particular State in the Union as properly chargeable to the United States. [27]

With the most perfect esteem and respect, I have the honor to be, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, November 27th, 1781.

Sir,

The Marquis de Lafayette who is about to sail for France, will have the honor to deliver this letter, and, consistently with the acts of Congress of the 23d instant, I must request you to communicate it to him, and, from time to time, to take his aid in the prosecution of the business, which I must recommend to your particular attention. The affairs of my department are of a nature not to require concealment; but, even if that were not the case, I have such perfect confidence, as well in the prudence of the Marquis, as in his attachment to this country, that the acts of Congress out of the question, I should feel a pleasure in making him acquainted with my views and wishes. Indeed, I expect that his zeal and activity will go far in smoothing the way towards the accomplishment of those objects, which your Excellency may have to solicit.

In order that you may be perfectly acquainted with the situation of our affairs, I shall previous to my observations on the supplies to be asked for the next campaign, take some notice of the efforts I have made, and am daily reiterating, to obtain supplies from the several States, upon the various requisitions, which Congress have already made, and to operate a settlement of past accounts, and to procure proper funds for the public debts. I shall also make some remarks as to the prospect of future supplies in this country, and on those which have already been granted by the Court of France. [28]

The papers enclosed relate chiefly to the former requisitions of Congress. You will observe, Sir, that by an act of the 28th of June last, I was directed to press a compliance with those requisitions, and it is in consequence thereof, that my circular letter of the 6th of July was

written. The demands of Congress were twofold; some for specific supplies of the produce of the several States, the others for money. It may be proper here to observe, that the manner of doing public business had been such, that it was not merely difficult, but absolutely impracticable to state any accounts in the clear satisfactory manner, which ought always to be wished, even in private life, but which in public life is of the last importance. I do not mention this to cast any reflection or aspersion; for the evil resulted more from the want of arrangement, than the faults of any particular men. But it is right to take notice of the circumstance, because, in the course of what I am about to write, the want of such accounts cannot but appear. I shall say nothing as to the ill effects of demanding generally a contribution of specified articles; my opinions on that subject will appear from the enclosed papers, and experience has taught, that such contributions are no longer to be relied on. At the same time, I declare now, that in some degree it must still take place, for reasons, which will be mentioned at the proper time.

As the letter last mentioned contains no statement of the accounts, I wrote on the 16th of July another, containing the cash account of each State, as extracted from the treasury books; a statement, however, which I knew to be imperfect, for causes not necessary to be repeated. On the 25th of July, I wrote another circular letter, and in which was enclosed a statement of the several demands for specific supplies. These were considerable, and I am of opinion, that a very great part of them still remains to be delivered at this day; but there have yet come to my hands no accounts by which to determine the balances. What is said, as to the settlement of accounts in this letter, will be honored with your notice presently. You will now observe, that I therein request information as to the revenue laws, which have been passed, the mode of collecting taxes, the moneys in their treasuries, the various appropriations of it, and the different paper currencies in the several States. To your Excellency, it is unnecessary to observe, that my object was to obtain proper materials, on which to ground my future expectations, and to form efficacious systems of revenue and expenditure. I have the mortification, however, to mention, that no accurate or satisfactory answers have been received to these questions; and when I tell you, that I am not much deceived in my expectations, you will readily form the proper conclusions, as to the relaxed habit of administration in this country. I wish you to be fully possessed of our situation, and that you may convey a clear idea of it to the Court of Versailles. This will be useful to the common cause. I trust that I need not remind you how advantageous it would be for us to know as fully the real situation of France.

The low state of public credit, for the want of solid funds to support it, had induced the United States in Congress, to call for an impost of five per cent on all goods imported, and on all prizes and prize goods, to be granted for the payment of the principal and interest of the debts contracted, or which might be contracted, during the present war. Some of the States had complied with this demand. The two more Southern States were in such disorder, that a compliance from them could not reasonably be expected; neither was it relied on, as you doubtless have remarked, on reading the resolutions of the 3d of February upon that subject, which must have reached you before this day. On the 27th of July, therefore, I wrote a letter to the States of Massachusetts, Rhode Island, New York, Delaware, Maryland, and North Carolina. I have the pleasure to inform you, that the States of New York, Delaware, and North Carolina, have since complied with the demand of Congress, and I am convinced that they will, in the laudable step, be speedily followed by the other States. In the mean time, we must patiently wait the event. Such things require time, and since we cannot command obedience, we must stay for the assent of conviction.

On the 6th of August, I wrote a letter to the President of Congress, enclosing those already mentioned. On this letter it is necessary to say nothing more, than that it met with the approbation of the several members, who have, I believe, written such letters to their respective States as I desired.

My letter of the 15th of September, to the Governor of Massachusetts, was, as your Excellency will perceive, although the settlement of past accounts is mentioned in it, written in answer to his of the 23d of August, in which he tells me, that he will lay the business of the impost law candidly before the Legislature, but thinks it will go heavily through. I shall add nothing here to what is said in that letter.

My letter of the 20th of September to the Assembly of Pennsylvania, was written so particularly, in consequence of the authorities they had confided by their resolutions. I wrote to you respecting these resolutions, and my plans founded on them, the 21st of July, and I just mention here, by the way, that this plan has not been in any degree executed, for reasons not necessary to be at present enlarged upon. My letter to the Assembly of Pennsylvania, with the enclosures referred to in it as accounts of which I send you copies, will need no explanation, unless it be to mention that this State had issued one hundred thousand pounds, secured with interest on certain lands near the city, which is now nearly paid by the sales of these lands, and five hundred thousand pounds more not bearing interest, which was funded upon the Land Office, the dues to which were estimated at a much larger sum. I have sent this letter, as also my private letter of the 16th of October, to Governor Nelson, merely that you may be well apprized of the incessant attention, which is paid here to call forth our own resources. I might have added many other letters to particular States on particular occasions, but I dare say you will find this letter sufficiently voluminous.

Before I quit this subject of the past requisition of Congress, I must add that, notwithstanding my pressing instances, very little hard money has been obtained from the States; not more than one hundred thousand dollars during my whole administration. There has, indeed, been drawn forth

some considerable specific supplies of provision, and there is on hand a great deal of paper money. From the former our army has been principally maintained, and indeed there is a small advance made to the Count de Rochambeau, which I mean to be in part of your promise mentioned in a former letter, and I here repeat to you my determination to comply with it as speedily as any convenience will possibly admit. [32]

As to the paper money, it is of no use, although it is necessary, for evident reasons, to receive it in taxes. But the confidence of the people is so entirely lost, that for the present no bills of credit whatever can be made use of as money. I hope that the taxes laid and collecting in most of the States, will bring in all this useless load by the middle of next summer; and I have some expectation, that the States of Massachusetts, Connecticut, Pennsylvania, and Delaware, will be entirely rid of it by the spring. If I could buy anything with it, I would not, until the last necessity; but it will buy nothing, so that it must be burnt as soon as it honestly can.

The picture I have already given of this country will not be pleasing to you. Truth bids me add, that it will admit of a higher coloring. But what else could be expected from us? A revolution, a war; the dissolution of government, the creating of it anew; cruelty, rapine, and devastation in the midst of our very bowels. These, Sir, are circumstances by no means favorable to finance. The wonder, then is, that we have done so much, that we have borne so much, and the candid world will add, that we have dared so much. I could take up much of your time in recapitulating many less matters, which have tended to weaken the exertions we have otherwise been capable of. The confused state of public accounts, and the deplorable situation of credit for want of funds to secure, or means to redeem, the debt, for which the public faith is pledged, are, however, of such important operation, that I must not pass them over in silence. [33]

In the enclosures your Excellency will have perceived, that I have noticed the effects, which follow from the want of a final settlement of accounts. Representations on the subject of these accounts, and also of certificates given by public officers in the Commissary's and Quarter Master's Departments for articles taken from the people had been made by some of the States to Congress. The impost asked for by Congress was, I have already observed, for the funding of our debts. On the 13th of October, I wrote a letter to the several loan officers, in which I expressly prohibit the issuing of any more Loan Office certificates. The reason for this order will appear more clearly from the latter part of my letter to the several Governors of the 16th of October.

I do hope and expect, that some methods will speedily be adopted by the United States in Congress assembled for settlement of the public accounts, as also to liquidate the several certificates given by the public officers, and to provide revenues for funding the public debts. The last of these objects must not, however, be urged with too much rapidity. The impost law is not yet passed, and is the first step. When that shall have been taken, it will give room for urging what further may be necessary. In the meantime, there is a well grounded expectation, that the clamors of our creditors will induce the several Legislatures to comply with the requisitions of Congress upon that subject. [34]

From what has been said, your Excellency will perceive, that the prospect of future supplies from the several States, is by no means very brilliant. I send you the Act of Congress of the 29th of October, calling for eight millions of dollars, the Act of the 2d instant apportioning that demand among the several States, and the Act of the 12th instant, repealing (in consequence of my letter of the 5th) a part of the Act of the 2d. My circular letter of the 17th, enclosing those Acts to the Governors, will close what I have to say on the subject. But I must observe to you on my letter of the 5th to the President of Congress, that although it is strictly true, that I had not seen the estimates as mentioned in that letter, yet it is equally true, that until the business was nearly completed, I was supposed to have seen them, and when the contrary was suggested, they would have been sent from Congress, but that so few States were represented, as that only the number absolutely necessary to pass such requisitions were then present, and some of the representatives of those few were about to depart, wherefore it was waved. I have further to remark on the estimates themselves, that they are only for the feeding and paying the army. The expense of recruiting that army, of moving it from place to place, the heavy articles of clothing and ordnance, with expense of the hospitals, and the long train, which is comprehended under the title of contingencies, is totally unprovided for. Defective as it is, I have no hope that it will be complied with. The great arrearage of unfunded debt, the cumbrous load of useless paper, the multiplied mass of certificates, the distracted situation of the more southern States, the ravages which have been made in them, the total loss of their commerce, the real want of coin in many States, and the equal want of system in all. These, Sir, are circumstances, which forbid the most sanguine temper to expect a full compliance. It shall be my business, as it is my duty, to get as much as I can, and for this purpose, I shall make compositions; where it is necessary, take articles of provisions in lieu of money and the like. Still, however, I am convinced, that I shall not get what is asked for, and indeed I do not expect any part of it, before the middle of next campaign. [35]

I have said, that I will make some remarks on the supplies already furnished by France. It is necessary to do this, as well because I am so unfortunate as to differ a little in opinion on the subject with the Minister of his Most Christian Majesty here, as because the demands we are to make on the Court for the next year, will depend on the compliances, which have been, and shall be, made with the grants for the present year.

It was a point understood in Congress very early, that his Most Christian Majesty would pay the interest of certain moneys to be borrowed by Congress in America. Your Excellency knows better

than any other man what passed on that subject. It would, therefore, be absurd in me to recapitulate it. Those circumstances which rendered an express stipulation improper then, have introduced much delicacy into it now; and, therefore, I do not expect that the Court will recur to a formal acknowledgement of what was then, perhaps, rather a personal, than national, obligation. But I do expect that the payment of that interest will be provided for as heretofore, without considering the moneys appropriated to that purpose, as a relief to us in carrying on the war. You will have seen, Sir, from the course of my letters how much it is an object with me to collect from ourselves the revenues necessary to lighten our debts. There is a variety of reasons for it, which I will not repeat. Among them, however, this is one, that I wish to remove the load from France to ourselves. It will in the end be the same thing; because, in proportion as our resources here are appropriated, we must ask help there. But it would be better, that the people were taught to look at home for the basis of national credit, because there alone it can be found. I should not have mentioned this matter, but that you will find it noted in the correspondence between the Chevalier de la Luzerne and myself, of which copies are enclosed.

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Shortly after the arrival of M. Gerard, it was understood that France would supply us with the clothing and warlike stores which might be necessary, and therefore it was, that Colonel Laurens, when in France, labored to prevent a deduction from the subsidy of six millions on account of the articles furnished to him. As I am persuaded that his efforts were in consequence of your advice, and in concert with you, I shall say nothing more upon that subject, only to lament that the Court have differed from you in opinion, and to acquiesce in their determination, on the principle, that those who give have a right to dispose of that which is given.

By a note from the Count de Vergennes, of which I enclose a copy, I perceive that the Court granted the United States as a gift, six millions; advanced to you four millions to pay the bills which might be drawn on you; and became security for a loan of ten millions; the amount of which was to be advanced from the royal treasury, in case the loan should fail of success. The expression, as to this last object, is strong, namely, *that his Majesty will see himself under the necessity of supplying the deficiency*, although, in the former part of the note it is said, that he will supply it from his own finances *as soon as possible*. An expression which, while at the first blush it makes an earnestness of affection, may be, and in fact has been, construed into a kind of cautionary provision. Your Excellency will also, I doubt not, observe what is there said of the appropriation of the gift, the last two millions whereof, as is already observed, we did not expect to find there.

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Enclosed also is an account delivered by the Minister of France in the month of September to a committee of Congress, which had been appointed to confer with him. There are striking differences between this account and the note last mentioned. But by this account it appears, that it was the design of the Court to make the advances of the present year distinct from all past transactions. From whence this conclusion, at least, will follow, that such of the bills drawn by Congress, either on yourself, or on their agents in Spain, or Holland, as you may have discharged before the commencement of the present year, are not to be deducted from the sums mentioned in the Count de Vergennes' note. Now that I am on this subject, I will observe to you, Sir, that I have determined to prevent that circuitous negotiation of bills, which has so much perplexed and distressed you, and have for that reason stopped many of those already drawn, as will presently appear. Another observation to be made on this account is, that no notice is taken of the four millions expressly mentioned in the Count de Vergennes' note, as granted to you for payment of bills drawn by Congress.

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A third observation is, that the articles marked B, and the article number two, C, which together amount to the sum of six million, six hundred and eightysix thousand one hundred and nine livres, are all charged as being expended to the order of Colonel Laurens. But by the Count de Vergennes' letter to you of the 8th of June last, it appears, that Colonel Laurens was to have had the command of no other than the six million livres, given by the King. Indeed the Count's note of the 16th of May shows the same thing. The letter of the 8th of June just mentioned, shows clearly the opinion of the Court on another point of very great importance, namely, that the whole ten million livres, to be advanced for the loan, are, as in effect they ought to be, subject to the disposition of the United States only. A fourth observation is, that the article A three, B two, and C one, amounting to four millions three hundred thousand livres, were, or were to have been, in your possession for payment of bills. If to this be added four million livres, granted for that express purpose, of which no mention is made in the account, it would follow, that you would have eight millions three hundred thousand livres at your disposal; and this leads me to consider the amount of the demands, which could be made on you.

These cannot be precisely ascertained, but the paper number seventeen, contains the best estimate, in my power. The first six articles of this estimate contain all the bills, which have been drawn upon you, excepting some interest bills, which although made out had not been delivered to the people before the 1st of April last. These amount to ten millions six hundred and seventyone thousand four hundred and fiftysix livres, thirteen sols, four deniers. The article number seven, is the whole amount of guilders drawn for; the far greater part of which I have detained, as you will perceive by the article number eight. The balance it is not possible to ascertain exactly in livres, because it must depend upon the course of exchange; but at two livres for a guilder, the whole of the bills actually negotiated on Holland will amount to one million ninetyfour thousand seven hundred and twentynine livres. The article number nine, is the amount of bills drawn on Spain, of which a considerable part has been paid by Mr Jay, and a part, somewhat more considerable, is destroyed. These parts are contained in the articles ten and

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eleven. The balance (calculated at the value of a dollar in France, which will, I suppose, be as much as it can cost) amounts to one million seventyseven thousand two hundred and eighteen livres. So that the whole of those bills, which by any means whatever could have come upon you for payment, will be twelve millions eight hundred and fortythree thousand four hundred and three livres, thirteen sols, four deniers, and from this sum very considerable deductions are to be made. The article number twelve, which is the first of them, contains the exact amount of the several bills for interest, which were negotiated previously to the first of April last.

It may be objected, that these bills will many of them be payable during the present year; which indeed, is true, and for that reason, I have added to the bottom of the account the extent of one year's interest on Loan Office certificates, and which is more than will, I believe, be presented. The next article, number thirteen, is for bills which had been drawn on you, and have been stopped by me. The article, number fourteen, is, you will perceive, for bills, which in all human probability will have been paid during the last year. The certainty of this transaction is doubtless with you, and what we are now upon is an estimate, not an account. The remaining articles speak clearly for themselves; wherefore I conceive myself well founded in making the amount of deductions in this estimate, nine millions one hundred and sixtythree thousand two hundred and sixtyfive livres; so that after including one year's interest, as is already mentioned, the total is five millions eight hundred and seventythree thousand one hundred and twentyeight livres, thirteen sols, and four deniers; and from this there must be some deductions, because undoubtedly you have paid some of the bills drawn on Spain and Holland before the first day of January last. I have mentioned no sum for this purpose, but in order to be within bounds, I will suppose it to be only three hundred and seventythree thousand one hundred and twenty eight livres, thirteen sols, and four deniers, and then the extent of the bills payable by you in the year 1781, will be five millions and a half of livres; and, therefore, the four millions granted by the Court, and the million and a half said to be stopped by you in Holland, will apply to this demand.

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As the last mentioned sum appears by the Count de Vergennes' note, to have been part of that, which was given by the Court, this state of the matter will leave clear the ten million livres to have been loaned, and seems properly to consist with the Count's note of the 16th of May, and his letter to you of the 8th of June following. I have mentioned above, that in making the deduction for bills paid previous to the year 1781, I meant to be within bounds. It is proper to give a reason why I supposed that deduction to be so. I have already made one remark on the article A one two and F, in the account officially communicated by the Minister of France in September last. From those articles it appears at least that three million livres were advanced for the payment of bills last year. The amount of the interest bills, I have already stated as being in the extent, two millions one hundred and ninetythree thousand nine hundred and ninety livres, to this sum must be added one hundred and fortyfour thousand livres, due to M. Beaumarchais, and the one hundred and twentyfive thousand livres deducted in the estimate, as having been drawn for by the Resolutions of the 19th of May, 1780. These sums together amount to two millions four hundred and sixtytwo thousand nine hundred and ninety livres; to which I will add for contingencies one hundred and thirty seven thousand and ten livres more, making the whole amount two millions six hundred thousand livres; wherefore suppose the grant of moneys to pay bills for the year 1780, to have been but three million livres, and it appears evidently to have been at least that, there would have remained in your hands a balance of four million livres; which is more than I have deducted from the amount of my estimate.

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On the whole, then, I conceive myself well grounded in the opinion, that the whole loan is still at our disposal, and this opinion is so well supported by the Count de Vergennes' letter to you, that I might with great propriety insist on that point. The letter, therefore, which I shall write with such act of Congress, as may be made, in consequence of yours of the 11th of June, will proceed entirely upon that supposition.

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I must, however, remark to you in this place, that I by no means intend to insist rigidly with the Court, on points which may incommode them. We are neither in a situation to do it, nor would it be proper even if we were. But while I say this, I do not mean to preclude myself from such observations as my duty shall render necessary, on any transaction which has happened, or which may happen hereafter.

I enclose you an account, containing the extent of what I conceive to have been the appropriation of the supplies above mentioned, together with an invoice from the Board of War, amounting to the sum of one million seven hundred and seventyseven thousand five hundred and twenty livres and ten sols, and which I will call one million eight hundred thousand livres, from which it will appear, that there must remain, subject to my disposition, the sum of four millions at least, after replacing the Lafayette's cargo, and purchasing the articles mentioned in the invoice.

I have had the honor to mention to your Excellency, that I have the misfortune to differ in opinion with the Minister of France. This is upon two points, namely, the drawing of bills by me, and the amount of what may remain due by the Court. From the correspondence between us, which is contained in the enclosed papers, there will appear to have been some warmth on the occasion, but this rather arose from the nature of the transaction, than anything else. I know not what impression it may have left on his mind, but for my own part, as I greatly respect him, I sincerely feel for a situation, to which the orders of his Court have reduced him; and although the language of his letter of the 24th of November, evidently intended for his Court, was so pointed as to force me into the observations contained in mine of the 26th, in my own justification; yet I was almost as much wounded while writing, as he appeared to have been at reading it. I am much inclined to believe, that he wishes to place this business substantially in the same point of light that I do. The

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whole correspondence is enclosed, that you may be in a capacity to make any proper observations, which occasion may dictate.

Before I take up this correspondence more particularly, I must detain you one moment longer to mention the facts, which preceded it. Before my acceptance of the office I now hold, the Chevalier de la Luzerne informed me, that the Court had given money to the United States, with a determination that it should be at the disposal of General Washington, but that upon my acceptance, he would authorise me to draw for it. It was agreed between us, that I should draw for five hundred thousand livres, and so much be deposited to answer the drafts, and by giving him notice in season a new deposit of five hundred thousand livres should be made, and so on from time to time. Shortly afterwards, I formed a plan to get money from the Havana, and explained it to the Chevalier. He approved of it, and in consequence, I drew a bill on Messrs Le Couteulx & Co. the 17th of July, for five hundred thousand livres, but the capture of the Trumbull frigate prevented the negotiation of that bill, which being then on board of her, intended for Havana, was sunk with my despatches; and the knowledge that Colonel Laurens was then on his way with specie, together with the expectation of that, which was to be sent by the way of Holland, prevented a repetition of the experiment upon Havana at that time. It was previously to the 2d of July, 1781, that the Chevalier agreed that I should negotiate bills for one million five hundred thousand livres, of which the five hundred thousand livres to have been negotiated at the Havana, was a part. [44]

You will see enclosed my letter of the 2d of July upon this subject, which was the day before M. de la Luzerne went to camp; and also M. de Marbois' answer to it. My reply of the 4th closes the matter at that time; and then it was understood on all hands in the manner I have just now mentioned, and which I have, you will perceive, insisted on through the whole of my correspondence, and which was equally insisted on in a variety of conversations.

That part of the letter last mentioned, which relates to the effect of drawing bills, together with the letters of the 2d and 3d of August, need no comment. They merely serve to show the desire, which animates the servants of the United States, to economise the resources of France. I am not disposed to criminate, but it is right that I should inform you of my opinion, which is, that the French troops in this country have cost much more than was necessary, if my information is not extremely erroneous. I have now in contemplation plans for feeding them more cheaply, and I think the French ration ought not to cost more than half a livre, at least not much more, if so much. The officers who now return to Europe can best answer, whether it has formerly exceeded that amount, and the Court must know how much has been lost on the negotiation of their bills. While on this subject it is my duty to add, that the Minister of France here, has demonstrated the most earnest desire to introduce economy in the expenditures of the army, and that the readiness shown by the Count de Rochambeau, and other general officers, to aid in it, demand acknowledgements. [45]

On the 24th of September the Chevalier wrote me a note, of which a copy is enclosed. This, you will observe, was after the receipt of those letters, in consequence of which, he, among other things, communicated the account, on which I have already had the honor of making some remarks. This letter, while it assigns reasons for continuing my drafts, shows clearly that the Chevalier had communicated his instructions to stop them, which was done, not only to me, but to the committee. But I confess, that I was very far from considering those instructions as absolute. I concluded, that a line of discretion had been left to the Minister; and, indeed, his answer to my letter confirmed me in that opinion. This answer is of the 26th. He does indeed say, that *it is impossible to depart from the precise instructions received on that subject, and authorise my drafts to the amount of two millions five hundred thousand livres*; but he immediately goes on to permit an addition of two hundred and ninetyeight thousand nine, hundred and eightyone livres, fifteen sous, and four deniers. Wherefore, it followed, that either those instructions left him at liberty to extend those drafts, or that he was at liberty to disregard the instructions. I therefore did expect to have gone on to the sum first agreed for. These expectations were frequently mentioned in conversation, and particularly so in that alluded to in mine of the 22d instant. [46]

On the other hand, I must acknowledge, that he always mentioned his instructions, but so as to leave me under the original impressions I had received. As this letter of the 22d takes notice of another matter, it is proper to mention here, that the Chevalier had observed on a difference between the account he delivered officially to the committee of Congress and the note to the Count de Vergennes; but no pointed conversation on this subject had taken place, he expecting further information from his Court, and I hoping daily to hear from you, and being unwilling to raise a question unnecessarily. The reason why I did at last bring it forward is contained in my letter, and therefore I shall say nothing about it. The account sent in that letter, needs no comment, although it differs very widely from that marked thirtythree.

I shall only note, that if the sum of six hundred and eightysix thousand one hundred and nine livres be taken from that mentioned as advanced for stores by order of Colonel Laurens, so as to render that article conformable to what is said in the Count de Vergennes' note, the same sum must be added to the balance; by which means placing the one million five hundred thousand livres, to have been drawn for by me, in the stead of that to have been sent out from Holland, the whole will stand as first above mentioned, leaving the amount of the loan untouched. In the close of my letter, I mention a determination to draw *on account of the balance*, an expression which appears to have been mistaken. The reason of the assertion will in some degree appear from the answer to it. I will add, that, although I shall not risk the drawing of bills while there is any [47]

chance that they may return protested, I must, nevertheless, take measures to obtain the money for very evident reasons, and it is with this view, that I have drawn on you in favor of Messrs Le Couteulx & Co. for one million livres.

You have also a copy of the letter written on the 24th instant, in answer to that last mentioned. I shall not here notice the difference between what we have said about the additional million, as well because it is in substance the same, as because I had not insisted on drawing for it. In like manner, I shall say nothing about the permission given me to extend my drafts after the orders to stop them brought by Colonel Laurens; but you will observe, that the pointed declaration, that the letter of the 26th of September *could not leave me the shadow of a hope, &c.* (with what follows it) stands in such direct opposition to the whole tenor of my letter and to the real state of my expectations, that to have submitted in silence, would have been tantamount to the acknowledgement of falsehood. It is indeed easy to perceive, that the Chevalier wrote this letter to his Court, although he directed it in the first instance to me; and I conclude it to have been in consequence of his last despatches, which had not been received long before his letter was written. The equivocal use of the expression *as soon as possible* will not escape you, Sir; but it shall meet no other remark from me than this, that I am convinced the Court will not apply it in the same sense with the Chevalier. Neither the dignity of the Prince, nor the magnitude of the occasion will permit a reliance on such distinctions. [48]

The state of the account made in this letter, I really do not see the propriety of. It seems to have been, in some degree, extracted from the account furnished in September to the committee of Congress, because, if the mistake of six thousand livres in the castings of that account be rectified, it will make the first sum total amount to fifteen millions one hundred and ninety-nine thousand five hundred and one livres, from which deducting ten million livres, being the amount of the subsidy of six million livres and loan of four, there will remain the first article of that account, namely, five millions one hundred and ninety-nine thousand five hundred and one livres. But if this be the case, it is a little surprising, that the Chevalier should not have noticed a deduction made in that very account of the two first articles, amounting to three millions four hundred and sixteen thousand livres, which are, it is there said, to be added to the advances formerly made to the Congress.

It is somewhat extraordinary, that all these should be considered by the Chevalier as advances made in the month of September. For although that account was rendered in September, yet four millions six hundred and ninety-four thousand three hundred and ninety-two livres are expressly mentioned as being to be furnished. I shall dwell no longer here, but I must repeat, notwithstanding the polite manner in which the assertion has been contradicted, that my operations have received a very severe, as well as material check, from stopping my drafts; not so much on account of the value of the three hundred thousand livres, as because, while they were negotiating, I should undoubtedly have received those advices from you, which would have enabled me to go on in the same line. I had brought the exchange up very nearly to par, and should soon have sold at seventeen pence this money (Pennsylvania money) for a livre, or eight shillings and sixpence for a crown, which is worth here at the extent but eight and four pence. This would, therefore, have been two per cent advance, with a saving of time, freight, and insurance; and, although a very large sum could not have been negotiated during the winter, perhaps not more than one million five hundred thousand livres, yet that would have enabled me to go on making the preparatives for an early and vigorous campaign, and kept everything in train, till some money could have been either shipped from Europe, or so negotiated as to be sent hither from Havana. [49]

I will take no notice of what is said in the letter now before us, as to the error of six thousand livres, because you must at once perceive how little it was an object of conversation, and how easy to be remedied by any clerk, without waiting either orders or instructions from the Court; and because you must also perceive the material omission of four million livres, which cannot be overlooked, let the calculations be combined as they may. I have not, however, the less concern about it, because so rigid an adherence to so palpable an error leads me to fear a design, which the generous conduct of the King will not permit me to suspect.

Having already given my sentiments as to the interest of Loan Office certificates, I will not now repeat them. As to the replacing the Marquis de Lafayette's cargo, it is a matter which I will not seriously contend about, because, although there will not be use for all the articles, there certainly will for many of them; and therefore I hardly think a representation on that score necessary, because there is no use in multiplying disagreeable considerations. But, by the way, I must observe, that it is a little extraordinary this cargo should have been replaced out of the loan to have been opened, &c. at your request, while at the same request money could not be obtained to pay the bills drawn by the order of Congress, as appears from your letter, and that from the Count de Vergennes, which is enclosed in it. The idea of making advances for any individual State from the funds of the United States, must never be admitted by any servant of Congress. It will be quite time enough to do that, when they shall have complied with the several requisitions made upon them, and when they shall have intrusted these subaltern negotiations to the Ministers whom Congress have appointed. Such advances stand on a very different ground, indeed, from those made for purchasing a like cargo to that of the Lafayette; and it cannot be expected, that they should be passed to the account of Congress. Besides this, the successes to the southward have rendered succors of that sort unnecessary. What has already been said will render observations on the letters of the 26th instant unnecessary. [50]

On the whole matter, I have to request your exertions to have this affair settled as soon as

possible, and that you will cause the whole of what remains to be paid over to Messrs Le Couteulx & Co. sending me notice thereof by every opportunity, that I may attend to the disposition of it. I mean, nevertheless, that a reservation should be made of what is necessary, to purchase the articles mentioned in the enclosed invoice of the Board of War. I wish you to have as little trouble as possible in this business, and, therefore, I am to request you to employ in it Mr Barclay, our Consul General, and Mr Matthew Ridley. They are both gentlemen of knowledge and integrity, and I doubt not will perform it with economy and expedition.

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You will also be pleased to take arrangements with the Minister of Marine, and give your consequent orders to those gentlemen, so that all articles of every sort and kind, which are the property of the United States, and now in Europe, may come under safe convoy to this port. The Marquis de Lafayette, who is charged with the General's instructions on military subjects, will assist in combining matters, so as to accomplish these objects. I confide, Sir, that your wisdom and his vivacity will produce the most beneficial consequences.

Let me add, while I mention the depositing all which remains due to us with Messrs Le Couteulx & Co., that I wish you, in conformity to the Act of Congress enclosed, to pay the sum of fortytwo thousand one hundred and eighty-nine livres therein mentioned, with the interest, to William Lee. Let me also mention my desire, that you would retain two millions two hundred thousand livres to pay interest bills drawn from the 1st of September to the 1st of April next. I will take such arrangements as will save you the trouble of doing this business in future, and I mention it here, although the money will come more properly under the head of supplies to be asked from the Court for the ensuing year.

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The declarations, that no more pecuniary aid will be afforded to us, are very clear and explicit, but I trust, that these declarations will not be adhered to. The interest bills, as I just now observed, will amount to about two millions livres. You have to pay M. Beaumarchais two millions five hundred and fortyfour thousand livres, and the clothing and stores necessary will amount to four millions livres. Besides all this we must have money, so that it will become necessary to obtain at least twelve millions. When I mention this sum, I take the lowest, and I do it from my sincere desire not to burden the finances of France with American demands; but I think such clear reasons can be assigned for it as must produce conviction.

You have a copy of my letter to the Chevalier of the 3d instant upon this subject. You will have observed, that my circular letter of the 19th of October, which was enclosed in this of the 3d instant, is so formed as to lower the expectations of the several States, and accordingly the account sent with it is framed from the erroneous one before mentioned, and the four millions are totally omitted. The languor of the States had been so fostered by their teeming expectations from France, that it became my duty to prevent if possible the ill effects of it. But on the other hand, a circular letter could not but be public, and it necessarily contained such matter as must stand in the way of procuring a proper settlement of past accounts with the Court, or of obtaining future supplies from them. I, therefore, communicated that letter to the Minister, and as he very naturally asked a copy, I took the first opportunity, after the many necessary copies could be made out, to send it with mine of the 3d instant. This contains, as you will perceive, some short reasons why we want, and why France should grant, pecuniary assistance. The answer to it of the 4th instant, and my reply of the 6th, close the correspondence on that subject.

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This last was intended to take off from the force of those observations, as to the King's wisdom and integrity, which had rather more of republican simplicity, than courtly elegance. As my letter of the 3d was not intended to convince the Minister, that being unnecessary, as I am persuaded the conviction was already produced, but to prevent any improper conclusions from my circular letter, so it was unnecessary to make any particular reply to his observations, because, after all a paper argument in Philadelphia can have but very little influence at Versailles; and as the Chevalier observed very properly in one of his letters, the instructions from his Court must necessarily form the basis of his opinion. The proper and useful mode, therefore, of convincing him, is by stimulating them.

Knowing as I do the great force and compass of your talents, I should not presume to add one word of remark on the Chevalier's letter, if I were not convinced, that as it was written for the Court, so it will be necessary to oppose it in some degree by a knowledge of facts, which may not be in your immediate view. He takes it for granted, that the people will make extraordinary efforts, in consequence of their successes, and I will readily admit that they have the ability and ought to have the inclination; but they must differ much from former experience, if they do exert themselves. I will admit that their rulers ought to urge them into activity, but it must be remembered, that those rulers are themselves of the people, that their ideas and views are limited, and that they act like the people rather from feeling than reflection. I speak here of the several Legislatures, for I must repeat again and again, that our general system has not grown into that form and vigor, which can communicate the impulses of a sovereign mind to the remotest members of subjected power. I will admit that a Monarch, would on so brilliant a success, call into action, all which his kingdom possessed of strength and resources; but America is not under monarchical government. I will admit further, that if the object of the war was conquest, instead of security, every victory would give new animation to all the members of our republican confederacy; but this war is not carried on for conquest. While it rages in any quarter it makes food for itself. The inroads of the enemy create opposition. An application is then made immediately to the feelings of the people; but when the inroad ceases, when the enemy retires, the storm subsides, each man returns to his domestic pursuits and employments, and thinks no more of the scenes, which had just passed before him. It is true that this is only changing the

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field of battle. But America is so extensive, that a shock given at one extremity is lost before it reaches the other.

This true picture of our country, while it demonstrates the impracticability of subjecting it, explains the reasons why our exertions have always disappointed both our friends and our enemies. If then, as the fact is, the mere change of position at the option of the foe can so lull our people to rest, how much more are we to expect it will follow from the capture of a considerable part of his force. To reason rightly on the late events, we must admit the ability to make greater exertions, and then seek the means of calling them forth. This, Sir, can only be accomplished by pecuniary aid. The Chevalier observes that the King's obligations to us have been exceeded. This is but a narrow idea. If the King is engaged to support the war until our Independence is established, his simple object of inquiry will be, how that can be speedily and cheaply accomplished? It is certain that America ought to do everything in her power, and you may assure the Court, that Congress and the servants of Congress are sensible of this duty and determined to comply with it. But it is in vain to think of breaking the bounds of possibility, and equally vain to think of changing the nature of man. [55]

Let me add, that there is little propriety in reproaching Americans with faults inseparable from humanity. Besides this, the exertions of our country have really been very great, and as soon as more consistency shall have been put in the administration, they will again be great; but this is the period of weakness between the convulsive labors of enthusiasm and the sound and regular operations of order and government.

There is in the end of the Chevalier's letter a hint in relation to our commerce, which although it does not immediately apply to the present purpose, must not pass unnoticed. That an indirect commerce has taken place with England is true, and that France has in a great measure been the cause of it is equally true. Men will naturally buy where they can obtain things most cheaply. The prime cost of goods, though a great object in time of peace is not equally so in time of war. The freight and the insurance are then so high that a small difference of danger or convenience will counterbalance a great difference of price. When France, by subscribing to the principles of the armed neutrality, gave her enemy the means of bringing her manufactures in safety to our neighborhood, she tempted our merchants to buy those manufactures. She added the motives of interest to the force of habit, and ought not, therefore, to be surprised that such cogent principles have had effect. One mode remained, that of convoying the trade between France and America, and that mode has been neglected. I am happy, however, to observe, that this British commerce is dwindling very fast. The war with Holland has given it one deadly blow, and if our privateers are once more freed from the shackles too hastily imposed upon them, I cannot doubt, but that the trade of this country will flow directly to France, as indeed it ought to do. [56]

And now, Sir, before I close this letter, let me make one further observation with respect to the future supplies from his Majesty. To solicit them is considered as asking for assistance in a war, whose object is of the last importance to us. This is the point of view in which I have placed it, and in which I am desirous it should stand. But there is another method of looking at it, and, although delicacy will forbid us so to present it, yet you may depend upon it, that there are many, who have taught themselves to reason about it in a different way from what you or I would wish. Whether Britain will acknowledge our independence is a question, which is to be answered only with some modifications. If, in consequence of such an acknowledgement, we would forego our connexion with France, there is no manner of doubt, but she would make it immediately. This would on our part be wrong, and therefore it ought not to be done; but, Sir, when this great object shall be presented on the one side, and the weight of new and great taxes be felt on the other, with all their ancient prejudices and predilections in aid, will not there be some men who, for the shades of ease, will quit the paths of virtue? [57]

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, November 29th, 1781.

Sir,

Having just now received a short letter from Mr Jay, of the 1st of September, from St Ildefonso, I find it my duty to communicate the contents immediately to the United States in Congress assembled. Mr Jay informs me, that he expects soon to be under the necessity of protesting the bills drawn on him; that Dr Franklin had hitherto saved that necessity, but that he cannot advance much more, unless by the express order of Congress. He says, further, that he has but little hopes of loans or subsidies from Spain; that the ship America is neither sold nor engaged, and that the Spanish Court seems determined to do nothing until the campaign ends.

I have the honor to be, &c.

ROBERT MORRIS.

TO MR GRAND.

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Office of Finance, December 3d, 1781.

Sir,

When I was called to the superintendence of the American finances, it became necessary to appoint a banker, with whom to deposit the moneys, which were to be granted by the Court for payment of my bills. Your house naturally presented itself to my consideration, but as I knew you to have large accounts open, and as I wished that my transactions should be kept in a separate, clear, and distinct manner, I named for this purpose the house of Messrs Le Couteulx & Co. At the same time, I wrote to his Excellency, Benjamin Franklin, the Minister Plenipotentiary of the United States, upon that subject, and was honored with his answer two days ago. He has mentioned your services to my country in those warm terms of gratitude, which are due to early, vigorous, and disinterested exertions. My deep respect for the opinions of that worthy Minister, my desire, on all occasions, to evince the gratitude of my country, added to those favorable impressions, which your conduct has made upon my mind, have induced me to employ you as a banker in the affairs of the United States.

You will be pleased, Sir, to close your former accounts, and, in due season, to transmit them. For subsequent transactions, you will open new accounts, and, from time to time, keep me informed of the state of our affairs. The allowance formerly made of one half will be continued.

The intelligence lately received, gives strong hopes that the loan of five millions of guilders, opened in Holland, will have been completed before this reaches you. One million of these is appropriated to purchasing certain articles for our army; and I now direct one million to be deposited with you, and one million with the house of your brother in Amsterdam, subject to my drafts. The remaining two millions are to be shipped for this country.

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As I am not positively instructed that this loan has succeeded, I do not venture to draw bills on you; but in case you shall be in cash for the United States, which I expect will happen, you will pay to Messrs — & Co., for account of John Ross, the sum of two hundred thousand livres; to Messrs Le Couteulx & Co., for account of William Bingham, one hundred thousand livres, and to John Holker, for account of John Holker fils, the sum of one hundred thousand. From each of these persons you will take quadruplicate receipts, in the form following; "Received of —, banker, by order of the Superintendent of the Finances of the United States of North America, on behalf of — the sum of — being so much paid by the said States to him, the said — for which I have signed four receipts, all of this tenor and date. Done in Paris this — day of — 178—." You will be pleased, Sir, to forward to me three of the copies by different opportunities.

I am, Sir, &c.

ROBERT MORRIS.

TO M. JOLY DE FLEURY.

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Philadelphia, December 3d, 1781.

M. de Fleury will have the goodness to pardon an entire stranger for intruding one moment on that attention, which is engaged in so many important objects. I have been called, Sir, almost at the same time with you, though in a different country, to the same office. The intimate alliance and connexion between our Sovereigns is such, that we are engaged in the same cause. My first steps have encountered difficulties, and you have afforded the first means of surmounting them. Thus, I flatter myself, from your clear view of the interests of France, that you are disposed to give pecuniary aid to America. I will not pretend to delineate the advantages resulting from it to the penetrating mind, which has already conceived them. I will only add my wish, that your name may be enrolled among those true friends of France, who, by espousing warmly the cause of this country, have shown themselves to be equally the friends of all human nature. To defend, to assert, and to vindicate the insulted rights of man shall be the solid monument of glory, which his Minister will industriously raise for your royal master. With every fervent prayer for their most perfect success, and with the sincerest esteem and attachment, I pray you to believe me to be, Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

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Sir,

I was yesterday morning favored with yours of the 12th of September, enclosing third copies of your two letters of the 26th of July, also a copy of Count de Vergennes' letter to you of the 23d of August. I find by these letters, that the idea I had entertained as to the advances made by the Court was not so favorable as the truth, and that the ten millions of livres, or five millions of florins to be borrowed in Holland, will be over and above those advances. How much pleasure I receive from that circumstance, you will easily conceive. It is an additional pleasure, that the labor of adjusting the matters mentioned in mine of the 27th of November, will be saved to you.

I am much surprised to find so large purchases made on account of the United States in Holland. If everything else were equal, the generous conduct of France towards us has been such, that I cannot but think that every possible preference ought to be given to the manufactures of that nation. But there is, in my opinion, very essential preferences of a different kind. The position of Amsterdam is unfavorable in a war with England to a commerce with this country. France also can, and I suppose will give convoy, to the articles procured there. But I will dwell no longer on the subject, for, I trust, that nothing of the kind will happen hereafter.

Should the loan be obtained, you will be so kind, Sir, as to deposit one million of florins with Mr Grand, to whom I will pray you to deliver the enclosed letter. I shall, in consequence, not draw upon you for a million of livres in favor of Messrs Le Couteulx & Co. as I intended; and, in like manner, I beg leave to revoke what I have said on the subject of paying all balances into their hands, in my letter of the — last. One million of florins you will also be pleased to deposit with the house of Grand at Amsterdam, sending me the precise address of both, so that I can direct my bills properly to them. Nearly one million will be necessary to pay the invoice sent in my letter of the — last. The remaining two millions, I wish may be shipped from France in gold by proper vessels of war, which, I dare say, will readily be provided by M. de Castries.

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I perceive you have not written to Congress on the subjects mentioned in the letter of the Count de Vergennes of the 23d of August, which I am glad of. The more that an opinion prevails here that we must succor ourselves, the more we shall do it; and, therefore, I shall not communicate what you have said for the present; but, as the best acknowledgement, I shall endeavor to further the operations against the common enemy, and draw forth all our resources for an early and vigorous campaign. The splendid and important success, which has crowned the combined arms in Virginia, is, I hope, only an earnest of what is to be done next year. These are the returns which we shall make to the King, for the aid he so generously affords. And I have a very particular satisfaction in assuring you, that throughout this country, a strong attachment to the French nation is daily taking place of that blind partiality, once felt for everything, which had the name of English. Let me add, for your use, a piece of mercantile information lately communicated to me from unquestionable authority. The demand for French goods in this country has raised the prices in France from twenty to thirty per cent. The importations have reduced the prices here nearly twenty per cent, and the exchange, you already know, has been raised considerably.

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I shall say nothing to you in this letter on the subject of future supplies, further than what is contained in mine of the — last, because I feel a conviction, that you will obtain such as may be necessary. I will only repeat what I have often said, let them be early. I enclose a letter to M. de Fleury, which you will either deliver or not, as may best answer your purposes.

I hope often to have the pleasure of hearing from you, and I pray you to believe me to be, with very great truth,

Dear Sir, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF NEW YORK.

Office of Finance, December 11th, 1781.

Sir,

I have been honored with your favor of the 24th of last month, covering resolutions of the Senate and Assembly of the 21st and 22d. You will easily conceive by what passes in your own bosom, how much I feel at a representation of distresses, while the necessity of revenue admits not of alleviation. The Legislature are undoubtedly best able to discover and to describe the evils, which afflict their constituents, and I should almost in any case, bend before so high an authority. But the situation, in which I am placed, compels me to make some observations, which if they are not admitted to have weight, will not I hope, be considered as foreign to the purpose.

It is contended by the State agent, that the supplies, which he has delivered, and those which he holds ready to furnish, amount fully to the demand for specific supplies. And it is lamented, that the army have subsisted from the neighborhood of West Point in former times, leaving thereby a great mass of certificates, which being useless to the inhabitants, the supplies obtained have to

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all intents and purposes, operated a tax. To this I will add, that the resolutions of your Legislature state an extra expense, which has produced a tax to the amount of one hundred and eighty thousand dollars. If these exertions joined to the ravages of the enemy, and the usurpations complained of, have occasioned distress, they at least demonstrate the abilities of the State in former periods. You will perceive, that I am now about to supply the troops by contract, wherefore a ready market for their produce must immediately be opened to the inhabitants of your State. This will enable them to obtain hard money, and that will enable them to pay taxes. The great object, therefore, of the Legislature will be to adopt a vigorous and just system of taxation, and to take off all those restraints upon the people, which injure, afflict, and impoverish them, without producing any advantage to the public. The army must be supplied by law or by force. The latter mode is detestable, and as to the former, certainly the best way, in which it can operate, is to raise taxes and purchase supplies; because by this means much less of the produce of the country is expended, and in the event, the payment of the people is by the produce of the country, that being the only source of national wealth.

As the Legislature seem to have great apprehensions on the score of former demands, I take the liberty of enclosing an estimate, which is formed on the supposition, that all the specific supplies shall have been delivered, which as I have already had the honor to observe, is contended for by the agent, though the truth of it cannot be admitted before the final adjustment of the amount. The burden of these demands would in such case be very moderate. It is my intention to destroy the paper money as soon as it can be called in. Wherefore a slight exertion for that purpose will relieve your State from the burden of it. [65]

As to the extra expense, which has accrued to the State by calling new levies into the field, it is the business of the United States in Congress to determine upon it. It is, however, my duty to remark, that exclusive of the great expense of additional officers, the sum there stated as a bounty is fully equal to the pay and rations of so many men for six months. I am sure that I need not observe to your Excellency the impracticability of carrying on a war where it costs as much to enlist a man as it does to feed and pay him for six months. A few such extra corps raised in each State, and the bounties charged to the United States, in payment of the quota would immediately compel Congress to disband the whole army for the want of the means of subsistence, or to permit the troops to plunder the inhabitants.

In the midst of those complaints of your situation I receive a particular pleasure from the assurance that the Legislature will contribute to the general service of the Union their proportion of well established funds. I hope the recommendation for that purpose will soon come under the consideration of the United States and be duly expedited.

I have the pleasure to add, Sir, that a report from this office for the full and final settlement of accounts is now before the Congress. Whenever a determination shall have been made it will be transmitted. [66]

With perfect respect and esteem I am, &c.

ROBERT MORRIS.

TO THE GOVERNORS OF NORTH CAROLINA, SOUTH CAROLINA, AND GEORGIA.

Office of Finance, December 19th, 1781.

Sir,

In my circular letter on that subject, I have already had the honor to transmit the requisitions of Congress, contained in their Acts of the 30th of October and 2d of November last, by which the quota of your State for the year 1782 is — dollars, payable in quarterly payments, commencing the 1st day of April next.

The distresses which your State has lately suffered, will not, I fear, permit the collection of this quota in hard money, although the subsistence of the army will naturally call for an expenditure to a great amount in such articles as the State can furnish. The mode hitherto pursued of granting receipts and certificates by every one empowered or employed to impress or purchase, cannot but be attended with much confusion and difficulty, if not with oppression and fraud. It is the duty of those who are intrusted with the management of the public affairs, to prevent as much as possible these evils, and as much as possible to equalize and diminish those burdens, which the people must bear. It would give me great pleasure to be put in such a situation, as that I might at once contract for the supplies of the southern army; but I have not specie for the purpose; nor do I find that taxes are yet laid in the Southern States to procure it. Wherefore, I must wait yet some time, until the public treasury is replenished, until the hard money now in America gets somewhat more diffused, and until I have a prospect of receiving back from those States in hard money their quota of the public taxes. [67]

In this situation of things, I have devised and proposed to the Delegates of the three Southern States, the following plan. To appoint a Receiver of the taxes in each State, agreeably to the Act

of Congress, and to empower such Receiver to issue notes on the warrants of the General, payable in those taxes, or from the amount of them when collected. By which means those articles necessary for the consumption of the army may be purchased, and the quota of the State be thereby paid.

The Delegates of North and South Carolina thought the plan eligible, but one of the Delegates of Georgia was disinclined to that part of it, which requires the previous passing of a law to raise the quota of taxes called for by the United States. I am this morning informed, that upon a reconsideration of the matter, a majority of the Delegates of South Carolina are also of opinion, that it would be better not to make the enacting such a law an indispensable part of the system. I am very sorry for this circumstance, because, as all the Delegates from the three States mentioned, approve of the plan in other respects, I did expect their warm recommendation of it to their respective Legislatures; for your Excellency will perceive at a single glance, that it originated in the sincere desire of relieving those States, and has that relief for its object, as far as the public service of the United States will possibly permit.

Those gentlemen who object to making a tax bill the preliminary to any issues of the notes, have proposed as an expedient, a law, promising the payment of the notes when taxation shall become practicable, compelling the receipt of them in payment as specie, and limiting the prices of those articles, which the army may want. This is done to obviate two objections, which are supposed to be against taxation, that the state of the country will not admit of the collection, and that those who have no property left but lands, cannot pay the taxes without extreme distress. [68]

Before I go into any detailed observations on these subjects, I beg leave to state one general reason why I must insist on the tax law, even if in other respects I should have no material objections to the expedient proposed. As Superintendent of the Finances of the United States, it is my duty to urge a compliance with the requisitions of Congress, and, therefore, to facilitate that compliance; but I should betray the trust reposed in me, if by any expedient whatever, I assisted in eluding those requisitions. With me, therefore, the propriety of passing the tax bill can admit of no question; and in consequence, my orders are precise, to prevent the issue of a single note, until such bills shall have been enacted, and effectual provision made for the collection.

I shall now take the liberty of trespassing on your patience, with some observations as to the two laws proposed. And first, as to the expediency of taxing, and the weight of the objections against it. When it is considered, that the expenditures of the army, (supposing the war to be carried on in the Southern States, must greatly exceed the amount of the sums called for from those States,) one position is clear, that by complying with the requisitions of Congress, a balance of money [69] must necessarily be brought in from the other States, to supply the deficiency of the whole revenue in those particular States, when compared with the amount of the whole expenditure. But by neglecting to comply with the requisitions of Congress, (as it will be impossible to supply the army in the same regular manner, which prevails elsewhere,) the whole cost of the expenditure will fall in the first instance on those who are near the seat of war, subject to a future settlement of accounts. Besides which, it is demonstrable, that this latter mode of supply, which is at present practised, is very wasteful and expensive. Nor is this the only objection, though certainly a very strong one. We must further consider, that according to the present mode of taking supplies, the burden falls very unequally on the inhabitants, and of course, very unjustly. I fear that, with truth, it may added, that in some instances, it is attended with strong circumstances of distress.

Hence, then, I conclude that the propriety of taxation is evident, unless the reasons against it are of weight sufficient to counterbalance the inconveniences, which would result from neglecting it. I proceed, therefore, to examine them. And first, as to the state of the country and the means of collection. It is clear that within the enemy's lines, taxes cannot be collected; but out of them, they certainly may be. For, surely, it is as easy to compel a man to pay money by seizing his property, as it is to seize that property for the subsistence of the troops. There is, however, this additional advantage in taxing, that those may be compelled to pay, who have not articles useful for the army, as well as those who have. The objection, that those who have land only will be distressed by the sale of it, will have just as much weight as the Legislature may choose to give it; [70] for if no taxes are raised on land, the objection will vanish, and certainly the Legislature will be in capacity to determine whether any tax should be laid on it, and what that tax should be.

But, further, it appears that the objection is calculated to favor the rich, who are great landholders, in preference to the poor, who labor on a small plantation; and how far this may be either wise or just is not for me to determine. I will, however, suggest an expedient, that, as the taxes are payable quarterly, the first two quarters' tax should be raised on the polls, the slaves, and other personal property in the State, and the land tax be paid on the last quarterly instalments. This will give the several landholders room to turn themselves, so as to provide for their several appropriations in season. I will just add under this head, that if (as there is some reason to hope) the southern States should be totally evacuated, the extension of their commerce will soon obviate every objection, which can possibly be in the way of taxation.

I must observe further, that those States, which delay the levying of taxes to answer present requisitions, will become totally incapable of complying with future calls, and consequently, we shall always be dealing in doubts and uncertainties, instead of establishing that confidence and vigor, which alone can perfect our independence.

I come now to the proposed law for compelling the receipt of the notes and regulating the prices of articles. My opinion of all such laws is decidedly fixed. I know both from reason and [71]

experience, that they injure the credit of the paper they appear designed to support. They show doubts in the mind of the Legislature, they communicate those doubts to the breasts of the people, the credit of the paper is then destroyed before it is issued, and all the after operation of the law is one continued scene of fraud and iniquity. If, therefore, such tax bill shall be passed as will permit issuing the notes in question, I entreat, that on no representation, nor for any cause whatever, any law be passed making the notes a tender, valuing the price of goods, or anything of that sort. I ask for no embargo, no regulations. On the contrary, I wish and pray, that the whole detestable tribe of restrictions may be done away, and the people be put in possession of that freedom, for which they are contending. I have no system of finance, except that which results from the plain self-evident dictates of moral honesty. Taxation and economy are the two pillars by which that system is supported, and if the several States will provide the former, I will pledge myself for the latter, as far as my abilities will permit.

To return then, Sir, to the plan I have to propose. It is simply this. I expect that the Legislature of your State will immediately pass laws to collect by the days named, the sums called for from them for the service of the year 1782. To facilitate the collection and payment of the taxes, I consent to receive the notes signed by the Receiver of the continental taxes for your State. If, therefore, the Legislature approve of my plan, they will merely add a clause rendering those notes receivable by their collectors as specie, in the continental taxes. They will, I doubt not, provide the ways and means by which the Receiver shall compel the several collectors to pay over whatever sums, either of those notes or of hard money, they may have received. This will leave it purely optional with the people to take the notes, or to let them alone. If the taxes are collected, they must either pay those notes or hard money. If they pay hard money, the notes will not be necessary. If they pay the notes, the public will already have received the value of them, in the articles for which they are first paid.

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I enclose the form of the notes and the denominations, and I will appoint the Receiver of the continental taxes for your State, as soon as I can fix on a proper person, and prepare the necessary instructions. In the meantime, the law may easily be passed, with a clause directing the mode in which the appointment of such Receiver shall be announced to the public.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF RHODE ISLAND.

Office of Finance, December 29th, 1781.

Sir,

I have been favored with your letter of the 3d of last month, and am much obliged to you for the information it contains. There is now before Congress, on a report from this office, a plan for liquidating and adjusting the accounts of the several States, and I should sooner have answered your letter, if I had not expected the pleasure of sending forward the Act of Congress on that subject with my letter.

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I have no doubt but that the State over which you preside, has made great exertions in the common cause, and but for the exertions, which have been made, the enemy would long since have been more successful. Every State in the Union claims the merit of extraordinary efforts, and whose claim is the best, I will not pretend to ascertain; but I feel it to be my duty to observe, that nothing but a continuance of active exertions on our part can possibly assure those objects, for which so much has already been done and suffered. Persuaded that the wisdom of your Legislature will feel equally with me the force of this observation, I have no doubt but that the requisitions of Congress, for the service of the year 1782, will be punctually complied with.

With respect to the impost law, I will not say anything more about it, than merely to remind you of what has already been said in former letters. The time is hastening on, when it must be determined, perhaps forever, whether the United States of North America shall, or shall not, possess the inestimable jewel of public credit. In the meantime, the conduct of those in public life, as far as it relates to this object, must determine whether or not they are really the friends of their country. Mr Warren, who is now I suppose with you, will, I doubt not, give you every information, which may be required as to the situation of our affairs, and his genius and talents will enable him to place in a much stronger point of view than any letter from me, the importance of complying with the requisitions of the United States. I hope, Sir, you will pardon me for adding, that if every State in the Union has an equal right with yours to wait until others have complied, the Congress may spare themselves the trouble of doing any further business, and their constituents may be spared the expense of keeping them together. I need not, I am persuaded, go into detail of the consequences.

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With perfect respect and esteem, I am, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, January 3d, 1782.

Sir,

Although it is now eleven months since Congress recommended an impost of five per cent on goods imported, and on prizes and prize goods, the States of Massachusetts, Rhode Island, and Maryland, have not yet complied with that recommendation.

I will not repeat the arguments to induce a compliance, which are contained, either in my letter of the 27th of July, or elsewhere; that is unnecessary. The object of this letter is to make a representation, which can no longer be delayed consistently with the duties I owe, either to myself, or my country. And although it is principally designed for those three States just mentioned, yet I transmit it to the other States, (in a letter, of which the copy is enclosed,) because all ought to know what is interesting to all.

Convinced that the impost recommended was not sufficient, I had devised some additional funds for the payment of our debts, and the support of our credit. These I should have submitted to the consideration of Congress, had the States complied with their former recommendations. [75]

In a circular letter, dated the 19th of October last, I had the honor to mention an order prohibiting Loan Officers from issuing certificates in payment of interest, together with the reasons for which it was made. That order has already produced much clamor among the public creditors. This I expected, and I still expect that it will occasion much more.

The public debt is considerable, and the public credit must be lost, if the interest of it be not provided for. Congress have done their duty in requesting revenue, and I have done mine in soliciting a compliance with their request. It only remains for me to bear testimony against those who oppose that compliance, and to declare, that they and they only, must be responsible for the consequences. They are answerable to the other States, to their fellow citizens, to the public creditors, and to the whole world.

I must speak plainly on this subject. I must point out from time to time, the reason of those things, which have produced murmurs and complaints against the representative body of America. I must direct those who suffer, to those who occasion their sufferings, and those who are injured to those who have done them wrong. Let me then once more entreat, that this great object be seriously considered. Let me repeat, that the hope of our enemy is in the derangement of our finances; and let me add, that when revenue is given, that hope must cease. He, therefore, who opposes the grant of such revenue, not only opposes himself to the dictates of justice, but he labors to continue the war, and of consequence to shed more blood, to produce more devastation, and to extend and prolong the miseries of mankind. [76]

I have the honor to be, &c.

ROBERT MORRIS.^[2]

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, January 8th, 1782.

Sir,

I have the honor to transmit herewith an ordinance passed by the United States in Congress assembled the 31st day of December, 1781, incorporating the subscribers of the Bank of North America, together with sundry resolutions recommending to the several States to pass such laws as they may judge necessary for giving the said ordinance its full operation. The resolutions of the 26th of May last speak so clearly to the points necessary to be established by those laws, that I need not enlarge on them. Should anything more be found necessary upon experience, the President and Directors will no doubt make suitable applications to Congress, or to the States respectively, as the case may require.

It affords me great satisfaction to inform you that this Bank commenced its operations yesterday, and I am confident that with proper management, it will answer the most sanguine expectations of those who befriend the institution. It will facilitate the management of the finances of the United States. The several States may, when their respective necessities require, and the abilities of the bank will permit, derive occasional advantages and accommodations from it. It will afford to the individuals of all the States a medium for their intercourse with each other, and for the payment of taxes more convenient than the precious metals, and equally safe. It will have a tendency to increase both the internal and external commerce of North America, and undoubtedly will be infinitely useful to all the traders of every State in the Union, provided, as I have already said, it is conducted on principles of equity, justice, prudence, and economy. The [77]

present directors bear characters, which cannot fail to inspire confidence, and as the corporation is amenable to the laws, power can neither sanctify any improper conduct, nor protect the guilty. Under a full conviction of these things, I flatter myself, that I shall stand excused for recommending in the strongest manner, this well meant plan, to all the encouragement and protection, which your State can give, consistently with wisdom and justice.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF RHODE ISLAND.

[78]

Office of Finance, January 14th, 1782.

Sir,

The delegates of Rhode island did me the honor to communicate your Excellency's letter of the 24th of last month, directed to them. I have carefully considered that letter, and now, agreeably to my promise made to them, shall endeavor to convey my sentiments upon it to you. You mention, Sir, that the Assembly unanimously concluded, that the sum of two hundred and sixteen thousand dollars, called for by Congress, to be so large as that it could not by any means be raised in specie, and you say, further, that the scarcity of cash has become uncommonly great.

By the Acts of Congress on that subject, you will perceive the amount of taxes called for by the United States, to be eight millions of dollars. I cannot pretend to say, that the apportionment has, or has not been equal; but I am persuaded it is as nearly so as the information, which could have been obtained, would by any means admit. The whole sum, Sir, however large it may appear, is very much short of our former annual expenditures; and, I am sorry to add, that it is certainly short of what will be necessary, even with the strictest economy. I am compelled on this occasion to observe, that the want of credit is now materially felt. Other free nations find infinite relief from the oppressive weight of taxation by anticipating the public revenue; but we, with every advantage from nature to prevent it, are obliged to bear now those burdens, which ought, in reason, to be divided with succeeding generations. To obtain credit, we must provide funds amply sufficient, not only to pay the interest of all former debts, both foreign and domestic, but also sufficient to liquidate those, which we may find it necessary in future to contract. These funds must be permanent, clear, sufficient, and at the disposition of Congress. Nothing short of that will answer the purpose.

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In the meantime, the interest of our debt is as great as if such funds were given; and to pay that interest will cost as much to the people; but the complaints from every quarter, until it be provided for, do infinite injury. Whereas, if funds were granted, we might from time to time obtain loans, both at home and abroad, sufficient to defray a great proportion of our annual expenditure. You will easily perceive what relief the people would feel from paying the interest instead of the principal. As to the want of money, your Legislature must consider, that there must always be such want from the very nature of things, because nothing gives to money its value, but the universal desire of obtaining it; and, of consequence, the ease with which all the necessaries, conveniences, and luxuries of life are obtained in exchange for it. It is the value of money, which has induced all wise nations to raise the supplies in coin, rather than in produce, because there is nothing, which so facilitates the economy of public resources. And the great object of a wise and just government is, to reduce as low as possible the burdens, which the people must bear, for their own preservation, safety, and advantage. The want of money always has been, and now is complained of throughout the United States. This want will, however, be soon remedied in some degree by the bank paper; and further, it must be remembered, that as the public wants will call for an expenditure faster than the collection of taxes will take place, those taxes will by no means decrease the general circulating medium, and if that medium be, as is said and as I really believe, deficient, commerce will continue, as at present, to increase it by the daily importation of specie from abroad.

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The taking of specific supplies has, by experience, been found unequal to the object, and is extremely wasteful and expensive. Many articles produced in the several States, in themselves very valuable, will by no means admit of transportation; and even those, which will admit of it, can seldom be brought to the place where they must be consumed, but at an expense which, in many instances, exceeds the original value.

I am convinced, nevertheless, that there is force in your observation, on the propriety of expending within the State as much of the revenue drawn from it as can consist with the general interest of the Union. This, Sir, must, nevertheless, depend in a great degree upon the cheapness with which your citizens will furnish such things as the public may want. While they industriously make and cheaply vend those things, which the necessities of mankind require, they need not apprehend a want of money; for as, on the one hand, he will get most of a commodity, who will give for it the most money; so, on the other, he will get the most money who will give for it the most of a commodity. Your honorable delegates inform me, that many articles fit for our use, and in particular blankets and woollen stockings, are manufactured in your State, and can be

afforded to the United States on good terms. If so, it is very probable, that not only the revenue called for may be expended there, but even a greater sum. I will give orders to the Clothier General to make inquiries immediately as to the quantities and prices of articles proper for his department in your State; and to purchase, if they can be had upon proper terms.

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As to making any agreement for specific articles, I cannot undertake it, because I have already made contracts for most of the articles, which we may want, payable in money; and I am too distant to judge of prices; nor is it possible for the human mind in that complicated scene, which engrosses every moment of my time, sufficiently to attend to such minute details. The business of government must be simplified, in order that it may be well conducted, and to do this is with me a very principal object. Your Excellency will perceive, that I am authorised to appoint a Receiver of the Continental taxes within the several States, and I shall make the appointment within your State very speedily. I have every disposition to comply with your wishes, and will give such instructions to the Receiver, as that he may from time to time facilitate the views of the Legislature and lighten the burdens of the people, which I sincerely assure your Excellency is an object that lies nearest my heart.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, January 15th, 1782

Sir,

Finding by the Act of the United States in Congress of the 7th instant, that I am instructed to prepare and report a table of rates, at which the different species of foreign coins most likely to circulate within the United States shall be received at the Treasury, I have been induced again to turn my attention to an object, which has employed my thoughts very frequently, and which would have been long since submitted to Congress, had I not been prevented by other business, and much delayed by those things relating to this business, which depended upon others. I shall now pray leave to deliver my sentiments somewhat at large on this subject.

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The United States labor under many inconveniences and even disadvantages which may at present be remedied, but which, if suffered to continue, would become incurable, and lead to pernicious consequences. It is very fortunate for us, that the weights and measures used throughout America are the same. Experience has shown in other countries, that the efforts of the legislator to change weights and measures, although fully seconded by the more enlightened part of the community, have been so strongly opposed by the popular habits and prejudices, that ages have elapsed without producing the desired effect. I repeat, therefore, that it is happy for us to have throughout the Union the same ideas of a mile and an inch, a hogshead and a quart, a pound and an ounce. So far our commercial dealings are simplified and brought down to the level of every capacity.

With respect to our money, the case is very widely different. The ideas annexed to a pound, a shilling, and a penny, are almost as various as the States themselves. Calculations are, therefore, as necessary for our inland commerce as upon foreign exchanges. And the commonest things become intricate where money has anything to do with them. A farmer in New Hampshire, for instance, can readily form an idea of a bushel of wheat in South Carolina, weighing sixty pounds, and placed at one hundred miles from Charleston; but, if he were told, that in such situation it is worth twentyone shillings and eight pence, he would be obliged to make many inquiries, and form some calculations before he could know that this sum meant in general what he would call four shillings; and even then he would have to inquire what kind of coin that four shillings was paid in, before he could estimate it in his own mind, according to the ideas of money, which he had imbibed. Difficulties of this sort do not occur to farmers alone. They are perplexing to most men, and troublesome to all. It is, however, a fortunate circumstance, that money is so much in the power of the Sovereign, as that he can easily lead the people into new ideas of it; and even if that were not the case, yet the loose state in which our currency has been for some years past, has opened the way for receiving any impressions on that subject.

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As we are now shaking off the inconveniences of a depreciating medium, the present moment seems to be that, in which a general currency can best be established, so as that in a few months, the same names of money will mean the same things in the several parts of the United States.

Another inconvenience, which admits of the same easy remedy, and which would indeed be cured by the very same Act, is the want of a legal tender. This is as necessary for the purposes of jurisprudence, as a general currency is for those of commerce. For although there is great impropriety, not to say injustice, in compelling a man to receive a part of his debt in discharge of the whole, yet it is both just and proper, that the law should protect the honest debtor, who is willing to pay, against the vexatious suits of an oppressive creditor, who refuses to receive the full value.

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The nature, value, and use of money have always occasioned strong temptations to the commission of fraud, and of consequence, the practice of counterfeiting is coeval with that of coining. No government can guard its subject entirely against the wicked ingenuity, which has been exercised in this respect. But it has always been the object of every wise government to take all the precautions against it, which are within the compass of human ability. These precautions will be least effectual where the coins are so numerous, that the knowledge of them being a kind of science, the lower order of citizens are constantly injured by those who carry on the business of debasing, sweating, clipping, counterfeiting, and the like. It is, therefore, to be lamented, that we have so many different coins in the United States.

It is not necessary to mention what is in everybody's mouth, that the precious metals were first used as bullion, and that the inconvenience of weighing, and the difficulty of assaying introduced the practice of coining, in order that the weight and fineness, might be known at the first view, and of consequence, the value be instantly ascertained. It is equally unnecessary to observe, that the great privilege of declaring this value by particular marks has, among all nations, been vested exclusively in the Sovereign. A trust so important could not indeed be vested anywhere else; because the danger of abusing it was too great. And history informs us, that Sovereigns themselves have not on this occasion behaved with that integrity, which was alike due to their subjects and to themselves, to the interests of their people and their own personal glory. [85]

Experience has already told us, that the advantage of gold as a coin is in this country very considerably diminished, for every distinct piece must be weighed before it can be safely received. Both gold and silver coins are indeed preferable in one respect to common bullion, that the standard is presumed to be just, and consequently, they are received without the delays and expenses of assaying. It must, however, be remembered, that they are all foreign coins, and of course, we are not only exposed to the tricks of individuals, but should it suit the interest or convenience of any Sovereign to make base money for us, there is nothing to prevent it. If, for instance, the King of England, or any of his Birmingham artists, should coin guineas worth but sixteen shillings sterling, our citizens would readily and freely receive them at twentyone shillings sterling. It is my duty to mention to Congress information I have received, that guineas of base metal are coined at Birmingham so well as to escape any common attention. Now there can be no doubt, that every such guinea received here would be a national loss to us of an English crown. How much we suffer in this way at present it is impossible, to estimate.

What I have already had the honor to observe contains some of the reasons why it appears to me highly necessary, that an American coin should be adopted without delay, and to these reasons it may be added, that there is a want of small money for the common occasions of trade, or that it is more felt by our soldiery than any other persons. For the little pay, which they do receive, being either in gold or at best in dollars, the sutlers and others with whom they have dealings, continually take the advantage of their want of change, and rate the prices of their goods accordingly. [86]

Shortly after my appointment, finding that there was a considerable quantity of public copper at Boston, I ordered it round to this place. It has safely arrived, and will when coined amount to a considerable sum. The necessary machinery of a mint can be easily made, and there are persons who can perform the whole business. I must pray leave, therefore, to submit to Congress some few more particular remarks on this subject, as introductory to a plan for an American coin.

Although most nations have coined copper, yet that metal is so impure, that it has never been considered as constituting the money standard. This is affixed to the two precious metals, because they alone will admit of having their intrinsic value precisely ascertained. But nations differ very much in the relation they have established between gold and silver. In some European countries an ounce of pure gold passes for fifteen ounces of pure silver. In others for fourteen. In China it passes for much less. The standard, therefore, which is affixed to both metals is in reality affixed to neither. In England, gold is to silver nearly in that proportion of one to fifteen, and in France nearly of one to fourteen. If a man carries fourteen ounces of gold from France to England he receives two hundred and ten ounces of silver, which in France purchases fifteen ounces of gold. In like manner he who carries from England fourteen ounces of silver to France receives one ounce of gold, which in England purchases fifteen ounces of silver. If it be, then, supposed that the coins of these two countries were alike pure, it must follow that in a short time all the gold coin of full weight would be in England, and all the silver coin of full weight in France. But the light silver circulating in England, and the light gold in France, the real standard of coin in each would be different from the legal, and seek a medium of fourteen and a half of silver for one of gold, although the legal standard might still be in the one place fifteen and in the other fourteen. [87]

The demand which commerce might make for any of the precious metals, in preference of the other, would vary this real standard from time to time, and in every payment a man would get more or less of real value for his debt, according as he was paid in the coin of greater or less value, in relation to the real standard. If, for instance, the debt were contracted when the silver was to gold as one to fifteen, and paid when as one to fourteen; if the debt were paid in silver he would gain one thirtieth, and if in gold he would lose one thirtieth. In England the money standard is rather affixed to gold than to silver, because all payments are made in the former; and in France it is rather affixed to silver than to gold.

Arguments are unnecessary to show, that the scale by which everything is to be measured ought to be as fixed as the nature of things will admit of. Since, therefore, a money standard affixed to [88]

both the precious metals will not give this certain scale, it is better to make use of one only. Gold is more valuable than silver, and so far must have the preference. But it is from that very circumstance the more exposed to fraudulent practices. Its value rendering it more portable is an advantage, but it is an advantage, which paper possesses in a much greater degree, and of consequence the commercial nation of England has had recourse to paper for the purposes of its trade, although the mass of circulating coin is gold. It will always be in our power to carry a paper circulation to every proper extent. There can be no doubt, therefore, that our money standard ought to be affixed to silver.

But silver is liable, like everything else, to a change of value. If there is a demand for it to export, the value will rise; if the contrary it will fall; and so far it cannot be considered as a fixed measure of value. Before this objection be considered it will be proper to make a few reflections on another part of the present subject; but in this place I remark, that if the objection cannot be removed, we must not suffer it to be preponderate, because it weighs alike against every other metal.

To coin money is a certain expense, and of course it is an expense, which must be borne by the people. In England the coin when melted will sell as bullion for just as much as its weight in other coin. The expense of coinage is paid by the Crown, and of course is raised by taxes from the people. In France the coinage instead of being expensive yields a profit. The price given for metal at the mint is about eight per cent less than the same quantity will yield when coined at the French standard. Both of these methods are liable to objections. When commerce demands an exportation of bullion from England, the coin of the kingdom goes out in common with others. This increases, of course, the national expense of coinage. Laws to prevent the exportation, or importation of any thing so valuable as money are always nugatory, because they always *can* be eluded, and therefore when private interest requires it they always *will* be eluded. That the guineas of England, therefore, are not continually going away is to be attributed to the extraordinary value affixed to gold, which has just been mentioned, and which banishes silver continually. In France the people are not liable to this inconvenience, because their money passing for more than its value in bullion, bullion will always be exported in preference to coin. But, for the same reason, there is always a strong temptation to imitate their coin and send it for the purchase of their commodities. It would be both impossible and unnecessary to distinguish the true from the false, because both would be of equal intrinsic value. The place at which they were struck would be indifferent to the receiver. Of consequence, the foreigner who made French coin, would gain; by his trade, and the French nation would lose proportionably.

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The money paid for coining, or the coinage of France has, however, this advantage, that the money is a standard, which does not fluctuate with the price of bullion. This coinage is, as has been said, about eight per cent. When bullion is below ninetytwo, it is carried to the mint; when above ninetytwo, to the broker, or the silversmith. The coin still continues fixed, nor will it bear exportation until bullion rises to a hundred, when the French coin would be as liable to exportation as the English. In that case, it would be exported on one hand, while on the other no more would have been coined for a considerable period, because to make the eight percent coinage, it would be necessary that the mint price should be ninetytwo. The coin, therefore, could not long be exported, if at all, but would resume its value. The price of bullion must float between ninetytwo and a hundred, while the coin would preserve its fixed quality as money.

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Hence then, it appears proper, that the price of coining should be defrayed by the coinage; because, first, it is natural and proper, that the price should be paid when the benefit is received, and that the citizen in return for the advantage of being ascertained in the value of the medium of commerce by the sovereign, should pay for ascertaining it, just as much as that he should pay for the fashion of the plate he uses, or the construction of the cart he employs. Secondly, it is right that money should acquire a value as money, distinct from that which it possesses as a commodity, in order that it should be a fixed rule, whereby to measure the value of all other things. And thirdly, it is wise to prevent the exportation of coin, which would involve an unnecessary national expense, and also to prevent the imitation of it abroad, so as to create a national loss. For both of which purposes, it is proper that the coinage should only defray the expense, without making any considerable profit. The laws usual in all countries, with respect to the money, will then fully operate the effect intended.

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In order that a coin may be perfectly intelligible to the whole people, it must have some affinity to the former currency. This, therefore, will be requisite in the present case. The purposes of commerce require, that the lowest divisible point of money, or what is more properly called the *money unit*, should be very small, because by that means, price can be brought in the smallest things to bear a proportion to the value. And although it is not absolutely necessary, yet it is very desirable, that money should be increased in decimal ratio, because by that means all calculations of interest, exchange, insurance, and the like, are rendered much more simple and accurate, and of course, more within the power of the great mass of the people. Wherever such things require much labor, time, and reflection, the greater number who do not know, are made the dupes of the smaller number who do.

The various coins which have circulated in America, have undergone different changes in their value, so that there is hardly any which can be considered as a general standard, unless it be Spanish dollars. These pass in Georgia at five shillings, in North Carolina and New York at eight shillings, in Virginia and the four Eastern States at six shillings, and in all the other States, excepting South Carolina, at seven shillings and sixpence, and in South Carolina at thirtytwo shillings and sixpence. The money unit of a new coin to agree, without a fraction, with all these

different values of a dollar, excepting the last, will be the fourteen hundred and fortieth part of a dollar, equal to the sixteen hundredth part of a crown. Of these units, twentyfour will be a penny of Georgia, fifteen will be a penny of North Carolina or New York, twenty will be a penny of Virginia and the Four Eastern States, sixteen will be a penny of all the other States, excepting South Carolina, and fortyeight will be thirteen pence of South Carolina.

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It has already been observed, that to have the money unit very small, is advantageous to commerce; but there is no necessity that this money unit be exactly represented in coin, it is sufficient that its value be precisely known. On the present occasion, two copper coins will be proper, the one of eight units, and the other of five. These may be called an Eight, and a Five. Two of the former will make a penny Proclamation, or Pennsylvania money, and three a penny Georgia money. Of the latter, three will make a penny New York money, and four a penny lawful, or Virginia money. The money unit will be equal to a quarter of a grain of fine silver in coined money. Proceeding thence in a decimal ratio, one hundred would be the lowest silver coin, and might be called a *Cent*. It would contain twentyfive grains of fine silver, to which may be added two grains of copper, and the whole would weigh one pennyweight and three grains. Five of these would make a *Quint*, or five hundred units, weighing five pennyweight and fifteen grains; and ten would make a *Mark*, or one thousand units, weighing eleven pennyweight and six grains.

If the mint price of fine silver be established at twentytwo thousand two hundred and thirtyseven units per pound, this being coined would be four times five thousand seven hundred and sixty grains, or twentythree thousand and forty units. The difference is eight hundred and three units, and therefore the coinage is eight hundred and three, or twentythree thousand and forty, or somewhat more than three fortyeight one hundred per cent, which would be about the expense attending it. A dollar contains by the assays, which I have been able to get, about three hundred and seventythree grains of fine silver, and that at the mint price would be fourteen hundred and forty units. In like manner, if crowns contain from four hundred and fourteen to four hundred and fifteen grains of fine silver, they would, at the mint price, be worth sixteen hundred units.

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When such a coin shall have been established, the value of all others would be easily ascertained, because nothing more would be necessary than to have them assayed at the mint. The advantage of possessing legal money, in preference of any other, would induce people to carry foreign coin to the mint, until a sufficiency were struck for the circulating medium. The remainder of the foreign silver, together with the gold, should be left entirely to the operations of commerce as bullion.

In the present moment, it is by no means of such consequence to establish the relative value of different coins, as to provide a standard of our own, by which in future to estimate them. If the value were now sought, they must all be estimated in dollars, because dollars are called for in the several requisitions of Congress. Without noticing the preference thus given of one coin over another, it is sufficient to observe, that if a greater alloy should be introduced by the Spanish government into their dollars, our interior regulations as to money would be overturned; and certainly we have no security that this will not happen. There is not any great inconvenience in leaving matters on their present footing, until they can be remedied by the operations of a mint; for it is not to be supposed that all the money raised by taxes in a State is to be brought out of it. I expect that there will be very little occasion to transport money from place to place. It is much easier to negotiate than to carry it; and if any species of money is generally received within a State at the same rate in which it is paid in taxes, there will be no difficulty in expending it at its value. Whenever money shall be struck by authority of the United States, then indeed it will be proper to receive in taxes no other coin.

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If Congress are of opinion with me, that it will be proper to coin money, I will immediately obey their orders and establish a mint. And I think I can say with safety, that no better moment could be chosen for the purpose than the present; neither will anything have a greater tendency to restore public credit; for although it is possible that the new money will at first be received with diffidence by some, yet when it has been fairly assayed, it will gain full confidence from all, and the advantage of holding the only money, which can pay debts or discharge taxes, will soon give it the preference over all, and indeed banish all other from circulation. Whereas fixing a relation of value now on whatever principles attempted, might give offence to the power whose coin should, in any instance, be reduced from its present numerary value among us.

These sentiments are submitted, with all possible deference, to the United States in Congress assembled, in expectation of their further instructions on the subject.

With great respect, I have the honor to be, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS. [31]

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Philadelphia, January 25th, 1782.

Sir,

I have received your favor of the 23d respecting Captain Hutchins, and shall give you a more definitive answer after I have seen that gentleman.

By a letter, which General Lincoln addressed, to me before he went to the eastward, I find that you approve of my plan of sending officers to the four New England States particularly, with the returns of their deficiencies of troops, and with instructions to attend upon the Legislatures, and to endeavor to impress them with the expediency, and indeed necessity, of filling their battalions previous to the opening of the campaign. He informed me also, that you would be glad to give the same officers some instructions relative to the business of your department. If so, I could wish you would have your letters ready to go by the next post, by which time I expect to have the returns prepared. I have not yet fixed upon the gentlemen who will be proper, but you can leave blanks for the insertion of the names of those who may be chosen.

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As we may reasonably expect to hear soon again from Sir Henry Clinton, on the subject of the meeting of commissioners, I think it would be well to be preparing the substance of the powers to be delegated to the gentlemen to whom the transaction of the proposed business will be committed. What I would wish you to prepare particularly, is so much as will relate to the liquidation of the former accounts of prisoners, and making provision for their maintenance in future.

I have the honor to be, &c.

GEORGE WASHINGTON.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, February 11th, 1782.

Sir,

The situation of my department makes it necessary to lay some matters of importance before the United States in Congress, and I shall endeavor to do so with as much precision, as possible.

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It gives me pain to observe, that the States of Massachusetts, Rhode Island, and Maryland, have not yet passed the laws recommended by the resolutions of the third of February, 1781. I learn, (though not officially,) that the State of Virginia has lately suspended the operation of the law, which they had passed in conformity to that resolution. The bare mention of these things is sufficient to mark the consequences. Our debt being unfunded and unprovided for, the interest cannot be paid. Those, therefore, who trusted us in the hour of distress, are defrauded. To expect that, under such circumstances, others will confide in the government, would be folly; and to expect that foreigners will trust a government, which has no credit with its own citizens, would be madness. The whole weight, therefore, of the war must be borne in the present moment; and even the slightest anticipations of revenue are made on the personal credit of the Minister.

This, Sir, is not said boastingly, but with unaffected concern. I have labored to establish a credit for my country, that when the period should arrive, (and I hoped it was not far distant,) in which I could lay down the burden now pressing upon me, my successor in office should have no other difficulties to struggle with, than those which necessarily attend an extensive and complicated administration. It is, therefore, with no common degree of anxiety and distress, that I see my wishes frustrated. I feel as an American for my country, as a public servant for the interest and honor of those whom I serve, and as a man, that I cannot enjoy the ease and tranquillity I have sought for through a life of continual care and unremitted labor. It is my duty to mention to you the fact, and to apprise you, that in such circumstances, our operations will continue to be desultory efforts of individual power, rather than the combined exertion of political strength and firmness.

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The repeated assurances we daily receive from the Ministers of his Most Christian Majesty, of their steady determination to grant no further pecuniary aid, will not leave room to doubt of their intentions. I candidly acknowledge that I had formed not only hopes, but even expectations from that quarter. For I had persuaded myself, that when the brilliant successes of the last campaign should be known, and when it should also be known how much the United States are capable of, and how necessary an aid of money is to call their power into action, the King would have again extended that relief, which must be most beneficial to the common cause. Even now, I shall request that Congress will instruct the Secretary of Foreign Affairs to make the most pointed representations on this subject through our Minister at the Court of Versailles, and I shall readily furnish all such materials in my department as may be necessary for the purpose; but I must not conceal my doubts as to the effect of such representations. Duty to this country requires that they should be made, but prudence forbids a reliance on their success, and will dictate to us a farther duty, which is, to act under the influence of a belief, that they will not succeed.

As to hopes of pecuniary aid from any other quarter, the delusion has already passed away. It is in vain that expensive establishments are kept up to solicit succor from Spain, who appears neither able nor willing to afford it; from Holland, who seeks peace and not to increase the causes of war; or from Russia, who seems more inclined to crush, than to support us. Let us apply

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to borrow wherever we may, our mouths will always be stopped by the one word, security. The States will not give revenue for the purpose, and the United States have nothing to give but a general national promise, of which their enemies loudly charge them with the violation.

Thus, Sir, compelled, however reluctantly, to look at home for the means of supporting ourselves against an enemy, whose power has rather increased with the increase of her foes, whose force has risen superior to defeats, and has found resources in a situation, which might have inspired despair, we must no longer rely on those who may neglect us, but take care that we be not charged with neglecting ourselves. I would to God, that I could say, that there were even the appearances of general vigor and exertion. But the truth is very different. The United States have called for eight millions of dollars early in November last, of which the first quarterly payment was to have been made on the 1st day of April next; but I cannot find that a single State has yet laid the taxes. I neither know what they will think proper to give, nor when. Happy to experience a momentary relief from the clamor and revolt of a starving army, from the rage and devastation of an inveterate enemy, and from the waste and extravagance of cumbrous, unwieldy departments, there appears to be no solicitude anywhere for the support of arrangements, on which the salvation of our country depends.

To give a little time for the people to breathe, and to remedy some of the many abuses, which were equally palpable and enormous, I early ventured on the business of contracting, and I have extended it as far as prudence would in any degree justify. Nay, relying on the States for support, I have made engagements, which, in almost any other circumstances, would savor of temerity, and which nothing would have led me to do, but a hope that by retrenching expenses, they would be sooner induced to grant revenue. So thoroughly am I convinced of the superior economy, which attends the present mode of supplying our armies, that I would have offered contracts for the southern department, could I have formed any well grounded expectation of moneys sufficient for the purpose from the southern States. Nor should I have been deterred even by the distance of the period at which it could be had, if I could have formed a reasonable reliance on it at some certain period. Our expenses, it is true, are retrenched, and to give an idea to what degree, I will mention, that for the amount of salaries alone in the Commissary's department to the northward of Potomac river, between three and four thousand soldiers are now fed with full rations. But though the retrenchments are great, the expenses are great also, and they must rapidly increase every moment in preparing for an early and vigorous campaign.

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A view either of general politics or of our own situation will impress the conviction, that we ought to make an early and vigorous campaign. The blow, which the enemy have received in Virginia, should be followed as soon as possible before they have time for reflection, for reinforcement, or for defence. We must not imagine that Great Britain will be so stunned by this blow that she cannot recover, or that she will, for such a check, abandon the object both of her interest and her wishes, an object in which national importance appears to be combined with her national existence, and where every covetous and angry passion is strongly excited. What aid she may find from foreign powers must depend upon the manner of considering the propositions, which may be made, perhaps upon their interests, and, perhaps, upon their caprice. A nation, which can hold at bay one half the force of Europe, is by no means a despicable ally.

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But whether she gets aid from others, or whether she draws it, as before, from domestic credit and confidence, this, at least, is certain, that we ought to expect new efforts against us, and that we ought not to expect any in our favor. If then, we can strike before she is ready to ward off the stroke, or bear the blow, our own people will be animated, the doubtful will be convinced, and the convinced will be confirmed. Nations, who are friendly to us, will give marks of amity. Nations, who are hostile, will be deterred from their attempts. The councils of our enemy will be distracted. Their intended succors may land on hostile ground, and where they want relief, it may be too late to obtain it. At what point, and in what manner, and for what purpose our efforts are to be made, is the province of the General to determine; but, I repeat again, it is our indispensable duty to put him speedily in possession of the means.

In order that anything effectual may be done, we must have both men and money, and we must have them early. On the 10th of December last, Congress were pleased to call on the States in the most pressing manner, to have their respective quotas in the field by the 1st day of March next; and they determined, that recruits should be raised to complete the quotas at the expense of the States, in the first instance to be reimbursed by the United States. The intention of these resolutions, however clear, may be misunderstood, and attempts made to deduct the expenditures of the recruiting service from the supplies, which were required by the Acts of the 30th of October and 3d of November. For this reason, and also that the States may be more effectually stimulated to comply with the views and wishes of Congress, I shall, before I close this letter, submit certain additions and explanations of their Act of the 10th of December. At present, I shall only observe, that it gives me very sincere pleasure to find the United States in Congress, so fully impressed with the necessity of early efforts. This circumstance leads me to hope that they will be equally impressed with the duty of urging a compliance with their requisitions. It is at least my duty to suggest it. A duty, which I owe to America at large, and which no hope of praise, or apprehension of blame, shall induce me to neglect. I know there is a delicacy, which influences some minds to treat the States with tenderness and even adulation, while they are in the habitual inattention to the calls of national interest and honor. I know that delicacy, and I disclaim it. Nor will I be deterred from waking those who slumber on the brink of ruin. But my voice, Sir, is feeble, and I must therefore pray to be assisted by the voice of the United States in Congress. Supported by them, I may, perhaps, do something; but, without that support, I must be

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a useless incumbrance.

It is also a duty to economise the moneys which are in our possession, and it receives a double force of obligation from the peculiarity of our circumstances. What moneys the States may grant, and when they may grant them, is known only to Him who knoweth all things; but that which we have is certain, and ought not to be expended but for useful purposes. If we look back to the conduct of the several States in former times, we shall find that the negligence with which they have treated the requests of Congress has been unequalled, unless by the earnestness of entreaty, with which those requests were made. And I fear that there is little hope, that the conduct now to be pursued will in one instant become the counter part of former experiences. We have reason to apprehend a continuance of that shameful negligence, which has marked us to a proverb, while all Europe gazed in astonishment at the unparalleled boldness and vastness of claims, blended with an unparalleled indolence, and imbecility of conduct. But let the several States be ever so negligent, the confederation has given no power to compel. While it confers on Congress the privilege of asking everything, it has secured to each State the prerogative of granting nothing. Since, then, the Congress cannot compel the States to make a grant of money, they must at least take care to prevent the States from making an unnecessary expenditure of those moneys, which are in our possession. Nor is this all. We are called on by the principles of justice as well as of duty to prevent such expenditure.

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The requisitions of Congress have been for men and money. The States have furnished officers and transmitted a variety of accounts, demands and complaints; but while officers continue numerous they have neglected to provide soldiers. Instead of it, some of them have formed State regiments, and given State bounties to all those regiments; regiments confined to the limits of the State, as if the ultimate object of military employment were the show of parade, or to consume the fruits of the earth. In the meantime, the continental officers, whose services have entitled them to respectful attention, and whose experience has enabled them to be essentially useful, are left without men to command, and forced to bear the mortification which must afflict every generous mind, perceiving themselves a useless burden to the community.

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But while such pains are taken to enhance expense, every request for revenue to pay it is treated with neglect. Congress have determined to keep up the establishment agreed on in October, 1780. I shall, therefore, by no means propose any reduction. On the contrary I am persuaded, that nothing would so speedily terminate the war as the bringing such an army into the field, with proper funds and materials for its support and operation. This would render us truly independent, independent of the smiles of our friends and the frowns of our enemies. But although I will not propose any reduction of our establishment, I cannot consent that the Union bear the expense of a great number of officers without men to command. Neither will I propose the expedient of sending them home upon half pay, and liable to be called into service. This is an expedient for halving a difficulty, which ought to be wholly cured, and at the same time it subjects the individual officer to very serious difficulties, which he has by no means merited. It is not the officer's fault that he has not men, and while he holds himself in readiness to obey the orders of his General, he ought to receive that compensation which his commission entitles him to. He ought, therefore, to draw his full pay and subsistence; but until the State provide men for him to command, that pay and subsistence should be drawn from the States. If the States will not find soldiers, the continent ought not to pay their officers. It is unequal and it is unjust. Some States at a great expense, bring men into the field and lay taxes for the general support. Others send officers without men, and draw money from the treasury without putting any in it. I am regardless where the censure lights. If it fall nowhere, then all are innocent; but if it is merited, those to whom it applies must blame their own misconduct. My justification is already made in the mind of every honest man.

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But it is not only necessary that the States bring men into the field. It is necessary that this be done at an early period. Recruits which do not join the army until the autumn, come too late for anything but to increase expense, and to lose their lives by the diseases incident at that season, to those who have not been accustomed to the habits of a military life. Nor is this all. Recruits sent forward at a late period only serve to fill up the vacancies occasioned by sickness, deaths, and desertions, without increasing the effective force of the army.

To remedy the evils which have been pointed out, I take the liberty to propose to the United States in Congress assembled, a resolution,

That on the 1st day of April next, accurate returns be made to the War Office of every non-commissioned officer and private in the army, and of the particular State to which they belong.

That every State be debited in account for the recruiting service for every non-commissioned officer and private, assigned to such State respectively in October, 1780, the sum of one hundred dollars in specie.

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That every State be credited in the said account for the recruiting service for every non-commissioned officer and private in the army, and belonging to the States respectively on the said 1st day of April next, a like sum of one hundred dollars.

That for every recruit which shall join after the 1st day of April and before the 2d day of May, the State shall be credited in the said account ninety dollars. For every recruit which shall join after the 1st day of May and before the 2d day of June eighty dollars. For every recruit after the 1st day of June and before the 2d day of July seventy dollars. For every recruit after the 1st day of July and before the 2d day of August sixty dollars. For every recruit after the 1st day of August

and before the 2d day of September fifty dollars. For every recruit after the 1st day of September and before the 2d day of October forty dollars. But that no allowance be made for any recruit whose period of enlistment shall be less than three years or during the war.

That every recruit shall be considered as joined, as soon as he shall march for the place to which he is ordered on service, from the place of general rendezvous within the State, to be appointed by the Commander in Chief.

That to determine such time of marching, the time of arrival shall be determined and a time allowed for marching thither, calculating on the distance at the rate of fifteen miles per day.

That the recruits be maintained at the expense of the States, until they shall join as aforesaid; but that during the time of marching an allowance be made to the State for each officer and man, at the rate of one sixtieth of a dollar per mile for every mile from the said place of rendezvous to the place where they shall arrive as aforesaid. [108]

That the Minister of War cause the several men of the different State lines to be arranged within their respective lines, in such manner as to form complete corps, or parts of corps, so that there be a due proportion of men to the officers according to the establishment as near as may be.

That the remaining officers, excepting such as the Commander in Chief may think proper to retain in service for particular purposes, retire to their respective States until such times as the States shall provide men for them to command agreeably to the establishment; and that in the meantime the said States provide the pay, rations, and forage allowed to the officers respectively by the several resolutions and Acts of Congress upon that subject.

And in order to explain fully the reasons for taking such measures I would also propose, that an address be prepared to the people of America stating the want of power in Congress to take measures for the defence of the country, the conduct of the several States heretofore, the importance of making exertions in the present moment, with the dangerous consequences of inattention to, and neglect of, the late requisitions, and calling upon them to urge through their respective Legislatures the measures recommended by Congress.

My reason for this proposal is, a conviction that the people are heartily disposed to support the revolution, but that the public service is too frequently delayed by local disputes and animosities, which consume the time to be devoted to important purposes, and that individuals in the several Legislatures are too apt to believe, that by sparing grants they render themselves agreeable to their constituents, although in effect such policy cannot but prove highly expensive and dangerous if not destructive. [109]

That Congress may be enabled to judge of the saving, which would arise from the proposition I have had the honor of making, with respect to the officers of our army, I enclose an estimate, by which it will appear, that this would be upwards of sixty thousand dollars a month; and to this must be added a further consideration of very great importance, that as the servants to officers are taken from among the soldiers, the army would in effect, receive a considerable reinforcement.

With respect to the price of recruiting, I do not consider anything proposed as being by any means definitive. I have stated each at one hundred dollars, and I would suggest, that as the design is to raise men and not money, it is better to value them too high than too low. I am far from considering this as the best mode of recruiting an army. On the contrary, I am convinced, that if it were a continental instead of a State army, the raising as well as maintaining of it, would be infinitely easier and cheaper; but under the present limited power, which Congress are invested with, it becomes the duty of their servants to propose such measures as appear to them best. What I have had the honor of stating, is submitted with all possible deference, and I hope the decisions of Congress will be as speedy as the nature of the business will permit. With perfect confidence in their wisdom, I have the honor to be, &c. [110]

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, February 15th, 1782.

Sir,

In the circular letter, which I did myself the honor to transmit on the 19th day of October last, I stated our situation as clearly and explicitly as I could, so that you might be in a capacity to form a solid judgment 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, nor have they yet recovered, even where the removal of undue restrictions has given them time to breathe from the load of oppression. But the public is, 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 expense, 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 intrusted with the administration. Our expense at this moment is greater than it ought to be, though less than it was, and I cannot retrench, because I have not sufficient means in my power, and have not at this moment any certain reliance on sufficient aid from the several States. [111]

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 could 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 my apprehensions, I injure 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 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. [112]

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 suing 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. Although Holland offered a separate peace, England refused to accept it; nor have we heard that she has agreed even to negotiate 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 expense, and are still likely 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 lose 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 much 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 in it. We ought therefore to prepare ourselves for increasing efforts of opposition. [113]

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 the 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 until 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 had emissaries among us to inculcate that idea. The consequences have been, that we have never been in a state of preparation as soon as they have, notwithstanding the Atlantic ocean lies between the two countries, and places them at least three months asunder as to all military operations. [114]

No thinking man can hesitate a moment in the opinion, that we ought to prepare for an early and vigorous campaign, in order to take New York and Charleston. But some persons of sanguine temperament say, that the enemy will evacuate one of these places. If it be so, surely they will be so much stronger at the other, and of course it will be so much the more difficult to expel them

from it. Possibly they may incline to evacuate one of these places, and if so they will be determined by the knowledge of our force. If we are formidable it will be an additional reason with them for evacuation. But other persons still more sanguine suppose, that they will evacuate both places. This is surely absurd, for even if they negotiate for peace, they will hold something as a ground, on which to make demands, and if they prosecute war, they will certainly not abandon the objects of it. Admitting, however, that the enemy may have some thoughts of this sort, surely the determination will be greatly influenced by the consideration of our relative force or imbecility. And even if they should entirely quit the United States, still there are objects well worth fighting for, objects too which cannot be obtained without fighting.

Every reason, therefore, combines in showing the propriety of commencing our operations very early, and, therefore, everything has been done for the purpose, which the means in my power would admit of. It remains only with the several States to provide men and money, and to make that provision as early as possible; for the old adage, that "he who gives early doubles thereby his gift," can never be more applicable than on the present occasion. For whatever may be the different opinions of different men, all must agree, that the only way to secure peace is to be prepared for war. And depend upon it, that if we neglect the present moment, we shall have bitter cause to lament our negligence. [115]

In the letter before mentioned, I did myself the honor to observe, that I expected the future expenditures would be greatly curtailed. This has happened, but I also observed, that the most rigid economy had its bounds, and could not exist without the punctual performance of those engagements, on which the first steps towards 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 contracts was the 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 requisition 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 at once, I might, probably, have failed in obtaining proposals; or if not, those who inclined to risk it would have made the public pay dear for the credit reposed in the Minister. The contracts of Pennsylvania were paid out of moneys granted for furnishing the supplies, and the articles are carried to account on the requisitions. Having reason to expect support from the middle and eastern States, I have extended the contracts for supplies through all the country northward and eastward of Potomac river; and in order that you may judge of the effect, I will mention, that, on 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 twentyfive dollars; which is annually for the salary alone, exclusive of all other expenses, one hundred and twenty six thousand dollars. [116]

The rations delivered at West Point and its dependencies are supplied at the rate of nine and a half ninetieths of a dollar for each ration; consequently, that sum will yield one million one hundred and ninety six thousand five hundred and twenty six rations, which is something more than three thousand two hundred and seventy eight per day. But 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 now fed every day on what it formerly cost the public to support the issuers of provisions 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 risk myself in making engagements, which I found no probability of keeping. But whenever I can see any way clear, I shall certainly do it, and, I trust, that the effects will be as beneficial as they have been elsewhere. [117]

Having already observed on the necessity of early and vigorous exertions, and mentioned that I had done everything towards them which was in my power, I have only to add, that unless we are properly supported, everything 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, and the enemy will derive that advantage from our negligence, which we might have derived from their weakness.

It gives me great 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, and such as cannot be justified. Surely it is best first to 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 [118]

independence; nay, 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 they not conclude from a conduct, which according to their habits of reasoning, can only be accounted for by disaffection, 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 possess; in the fair road to peace, liberty, and 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 show that we have the perseverance to obtain what we 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, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, February 18th, 1782.

Sir,

I do myself the honor to submit to the United States in Congress assembled, through your Excellency, the propriety and necessity of adopting immediate measures for adjusting the accounts of the four following departments; namely, the Commissary's, the Quarter Master's, the Hospital, and the Marine; up to the last day of December, 1781, inclusive. Having long and attentively considered this subject, it appears to me to be among those cases, which do not admit of the common forms. There must be a degree of vigor and decision in the conduct of the business, which few men possess a knowledge of; business not commonly to be found, and such uncorrupted and uncorruptible integrity as will give security to the United States. What may be an adequate reward for the services of such men, I really do not know, but I have such reason to believe that many fraudulent practices have happened, and that, in some cases, considerable balances are due to the United States, that I cannot in consistency with my duty avoid proposing to Congress the following resolutions. [119]

"That four Commissioners be appointed for the settlement of accounts, namely; one for the Commissary's department, one for the Quarter Master's department, one for the Hospital department, and one for the Marine department; and that each of the said Commissioners have full power and authority to liquidate the said respective accounts up to the last day of December, 1781, inclusive.

"That the Superintendent of Finance be authorised and directed to appoint the said Commissioners, and to agree with them for a reward for their services respectively, and also with respect to the allowances to be made to their clerks; and that he report the names of the said Commissioners to Congress.

"That it be recommended to the several States, immediately to pass laws authorising such Commissioners to send for persons and papers, and to examine witnesses upon oath."

These I propose only as a sketch, which the wisdom of the United States in Congress will mould into such form as shall be most proper. I will only observe one thing, which is, that the proposition that I should appoint such Commissioners comes from me. I have no particular persons in view, but shall be happy to find those who are proper. I am far from being desirous of appointment to office, but this is an occasion so important, that I cannot sacrifice my duty to false notions of delicacy. Characters fit for such an intricate and difficult business cannot easily be found, still less can they be known to the several members of Congress, and the debates which sometimes take place when appointments are made, deter the most proper persons from putting themselves in the way of nomination. Besides this, as it is not possible that the several members can be sufficiently acquainted with the talents of the particular persons, it is better that the appointment should be in one, who can be made accountable for an improper choice. I take the liberty to observe, that nothing will give more satisfaction to the people at large than to find that these things are put in a proper train; for the complaints are general, and I am convinced, that in some cases at least they are well founded. [120]

My reason for urging this matter at the present moment is, that I am not only pressed on the subject by several dismissed officers of those departments and by their creditors, but I have also had recent information of very considerable frauds and practices; and on conferring with the Controller of the treasury this morning, the plan above proposed appeared not only the most eligible, but indeed the only effectual one. It is submitted, with all due deference, by your Excellency's most obedient, &c. [121]

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, March 9th, 1782.

Sir,

On the 20th and 27th of last month, the United States in Congress passed Acts for settling and finally adjusting all the public accounts, up to the first day of the present year. These important Acts would immediately have been transmitted, but I wait the event of some additional propositions upon that subject, which are now under the deliberation of Congress, and then I shall have the honor of laying before you the whole of this very important business, so that it may be maturely considered in a general and comprehensive point of view.

At present I shall confine myself to congratulating your Excellency, which I do with the most unfeigned pleasure, on the prospect which begins to open, of adjusting these intricate and almost obsolete transactions of relieving the various public creditors, and consequently of rescuing and restoring the public credit. Let me add, Sir, that I consider these things essential to the consolidation of our federal Union, to the promotion of general harmony and generous confidence throughout the United States, and to the establishment of our glorious independence on the solid basis of justice. I am to request, Sir, that your public accounts be put in a state of preparation, so that the person appointed for that purpose may be able speedily to investigate them; as much time and consequently much expense will be thereby spared. [122]

I have the honor to be, &c.

ROBERT MORRIS.

TO MR GRAND, AT PARIS.

Office of Finance, March 9th, 1782.

Sir,

In a letter, of this day to Benjamin Franklin, Minister Plenipotentiary of the United States of America to the Court of Versailles, I inform him, (which information I am now to convey to you,) that I shall draw bills on you, as a market for them may offer, to the amount of five hundred thousand livres tournois, on account of the United States of North America. I have detailed to him everything necessary on the subject, which he will communicate. I am to request of you, that you will duly honor and pay those bills, giving me notice of every transaction, from time to time as occasion may offer and require. The necessary funds are, I presume, in your hands already, or will be before this reaches you; but at any rate Dr Franklin will provide them in season.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

[123]

Office of Finance, March 9th, 1782.

Sir,

The Secretary of Foreign Affairs yesterday transmitted to this office, the letters and invoice brought by Captain Jackson from Messrs Neufville of Amsterdam. Upon perusing them I am very sorry to observe, not only that there has been very great mismanagement, but also that the letters do not contain that clear and satisfactory account of the business which ought to have been transmitted. There is reason to believe, that a considerable part of these goods are of British manufacture, and consequently such as cannot be brought within the United States. As these matters are not clearly stated, it would be useless to go at present into an inquiry who has been or is to blame, and therefore any particular observations from me would be both unnecessary and improper.

I have written to Dr Franklin to take this business under his inspection, and to cause all the goods of British growth and manufacture to be sold. As to the remainder of the goods, the propriety of selling or shipping them must depend on many circumstances, a knowledge of which cannot be acquired here, so as to give consistent orders what shall be done there. I have, therefore, desired Dr Franklin to cause the goods to be so disposed of, as shall to him appear most for the interest of the United States. My reasons for referring the whole matter to him were,

because he has already had so much to do with it as at least to have paid the money, and is, I presume, privy to the original agreements made by Colonel Laurens; because he will know what goods are coming out from France, and consequently how far any or all of those in Amsterdam, which are not of British manufacture may be necessary for us; because he will have an opportunity of explaining such parts of the business as may be proper to explain to the Court of France, who has had some reason to complain, or at least thinks that she has; and, finally, because I shall draw bills, the payment of which will be at Paris under his direction, and if the other resources fail, the proceeds of these goods will enable him to honor them.

[124]

With great respect, I am, &c.

ROBERT MORRIS.

TO THE BARON D'ARNOT.

Office of Finance, March 18th, 1782.

Sir,

I have received your note of the 9th instant, and in answer am to inform you, that if his Prussian Majesty should incline to procure for his subjects a part of the emoluments attending the commerce with this country, the importance whereof can be easily estimated, from the riches it poured into Britain while she enjoyed the benefit of monopoly, all that is needful to be done is, to set open his ports to our vessels, and protect them whilst there. The merchants of this country are unrestricted in their enterprises and commercial pursuits; they will naturally trade where they shall find their profits most certain and permanent; and I have not a doubt but Prussia would have her share of their trade, were the government to give the proper encouragement to it.

As to the supplies of the army of the United States, I have determined in future to contract for all such articles with individuals, on whose abilities for procuring goods on the best terms, I can depend. They will import them at their own risk; consequently you see I can by no means engage to purchase any of the commodities you mention at St Thomas's; but as that island seems to be the general mart in the West Indies, where the people of America resort to exchange their produce for the manufactures of Europe, I have not a doubt but any of his Prussian Majesty's subjects, who may be inclined to this business, will readily find an occasion of disposing of their goods there, and receiving in exchange for the same, the staple articles of this country.

[125]

As to what relates to your personal affairs, you will find that I have conformed to your views, and I expect what is done in that respect will be much to your satisfaction.

I am, Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, March 23d, 1782.

Sir,

Applications being frequently made by the several Loan Offices, for orders to renew sets of exchange, in consequence of proof made to them by the proprietors of interest bills, that the first, second, third, and fourth bills, have been lost and destroyed, or by accident prevented from reaching the persons to whom they were remitted, and as it is but just in such instances to renew the same, I have caused a number of bills to be struck, of the same denominations, and in the same style, manner, and tenor, except that they are fifth, sixth, seventh, and eighth bills, and when made use of will be filled up in the same manner as the first four were, and issued from the same office. I give you this notice, that you may direct the banker to pay due honor to any one of those bills in all instances, where no one of the set, consisting of eight, has before been paid; and of course he will before such payment always satisfy himself, that none of the others have been honored. This general advice will I think answer the purpose, and render unnecessary particular advice with each renewed set of exchange.

[126]

I have the honor to be, &c.

ROBERT MORRIS^[4]

TO OLIVER PHELPS.

Office of Finance, March 30th, 1782.

Sir,

As I promised during the conference, with which you honored me yesterday, to give an answer in writing to the proposition you made in consequence of a resolution passed by the Legislature of Massachusetts, on the 5th day of this month, I shall now perform that promise, but in doing it I shall think it unnecessary to go into that full detail of reasoning on the subject, which took place in conversation between us; and I am the more readily induced to decline this, because you, Sir, seemed satisfied of the force and propriety of the reasons urged; wherefore when you come to make the communication to the State, your candor will induce, and your abilities enable you, to do me ample justice. [127]

I will, therefore, content myself with observing, that in all countries engaged in war, experience has sooner or later pointed out contracts with private men of substance and talents equal to the undertaking as the cheapest, most certain, and consequently the best mode of obtaining those articles, which are necessary for the subsistence, covering, clothing, and moving of an army. The experience of other countries could not satisfy America. We must have it of our own acquiring; we have at length bought it; but the purchase had nearly been our ruin. I had been long since convinced, that nothing could save us, but opening all the American ports to unrestrained commerce, all the markets of America to the free sale and purchase of every article of its production and import; and by taking away all restraints on money, leave every individual to judge and act for himself. I labored hard in consequence of this conviction, to introduce such measures into the State, of which I am a member, and finally was happy enough to succeed; the good consequences were immediately seen and felt; the example, has been followed, and it is to be attributed to the freedom, which we now enjoy, that persons can be found willing to contract for furnishing supplies to the American army.

I have succeeded in obtaining many contracts on very reasonable terms. The saving to the United States thereby is immense, and I am confident, that neither the patriot who fills the chair of government, the honorable gentlemen who compose the council, nor those who represent the country of Massachusetts, would wish me to make an engagement, which in partiality to that State, would in its effects destroy a system, that has been proved so truly economical. I cannot, Sir, enter into the engagements proposed by Massachusetts, without being exposed to similar claims in twelve others, and I feel the absolute necessity and propriety of declining every application of the kind. The persons who contract with me to supply the armies of the United States, must make purchases of the articles necessary; their interests will lead them to those markets, which will supply cheapest, however remote from the scene of action, and this will give all the States a fair chance of obtaining money, or bank notes, through that channel to pay their taxes. Those who will give most labor or goods for money and notes, will undoubtedly obtain the greatest share thereof. [128]

I cannot quit this subject, without observing, that taxing in specifics is expensive to the people, cumbersome to the government, and generally inadequate to the object. I think if every individual in the country is left to dispose as he pleases of his property, and compelled to pay his taxes in money or bank notes, he will satisfy the tax by the sale of much less of that property, than in the case of a specific tax taken from him to raise the sum. Nothing could gratify me more than to have an opportunity of evincing to the State of Massachusetts how much I am disposed to comply with her wishes in every instance, that my general duty to the United States will permit.

I have the honor to be, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, April 15th, 1782.

Sir,

In a circular letter, which I had the honor to address to your Excellency, on the 9th day of last month, you were informed, that the United States in Congress had on the 20th and 27th of February, passed Acts for settling and finally adjusting all the public accounts; and that those Acts would have been transmitted immediately, but that I was induced to wait the event of some additional propositions upon that subject, which were then before Congress. [129]

As I now discover that those propositions meet with much greater delay, than at that time was expected, and as it is still uncertain when they may be decided upon, I think it improper to detain longer the Acts that were passed, although several considerations induced a desire to have the whole system communicated to the several Assemblies at one and the same time.

You will observe, Sir, that it is earnestly recommended to the several Legislatures, duly to

empower and authorise the United States, in Congress assembled, to make a final settlement of the proportions to be borne by each respective State, of the general expenses of the war, from the commencement thereof, until the 1st day of January, 1782. An immediate compliance with this recommendation is of infinite importance to the Union, as it is also to each of the States. No determination of quotas, which Congress can at this time possibly make, will create a difference for or against any State equal to the expense, which will arise either by disputing its quota, or by delaying to have it fixed. If Congress are now empowered, they must be determined by general principles, and if the decision is delayed ever so long, general principles must at last be resorted to, and that after large sums shall have been expended by each of the Governments, in attempting to ascertain their respective numbers of inhabitants, value of property, quantity of lands, annual income, &c. The returns on these points severally, cannot be made with certainty and exactitude *as to the time past*, and therefore they will only afford more ample field for disputation; disputes, which if the cause be not removed by a compliance with the present requisition, may probably deprive us of the blessings of peace after the war with Great Britain shall cease. [130]

I do not think it necessary to detail the reasons, which induced Congress to adopt this measure, but I cannot help observing, that it is to the want of a decision on this point, that the languor and want of exertion of the several States are to be attributed. That fatal assertion that each has done most, which each has made and repeated, until it has gained but too much credit, would never have obtained a place in the minds of men, who really love their country and cause, had the requisitions of Congress been made annually for money, and the quotas fixed finally at the date of the demand. The compliances of each would in that case have determined their respective merits or demerits; we should then have seen a competition the very reverse of that which has for some time past prevailed; and it is not yet too late. Let us settle the accounts of the past expenditures, adjust the shares which each State has to pay, but let the settlement be final, or we do nothing. And if on the requisition of men and money for this, and for future years, the quotas be finally fixed, and the compliances be made publicly known, we shall banish that distrust, which I am sorry to say now exists between the States, and in place thereof excite the noble ardor, which animated our conduct in the commencement of the contest. The strife will then be which shall be foremost in contributing their share to the support of that war, on the success of which depends the political existence of all. [131]

A desire to name commissioners of approved abilities and character, has induced me to delay such nominations, until I can obtain information of suitable persons from each State. I shall very soon proceed in this business, in such manner as to me shall seem most likely to obtain honest, impartial, and equitable settlements of the public accounts.

I have the honor to be, Sir, &c.

ROBERT MORRIS.

TO NATHANIEL APPLETON.

Office of Finance, April 16th, 1782.

Sir,

I am indebted for your letters of the 14th and 28th of last month. Having personally a great regard for your Governor, it gives me pain to disapprove of any of his measures, and probably he never could have given cause for blame by any delay of the impost law, had he considered how many widows and orphans, as well as other deserving persons, friends to their country and its cause, are deprived of the means of comfortable subsistence, by being kept out of that interest, which is so justly their due, and which the revenue to be raised in consequence of that law was intended to discharge.

I know he has a benevolent heart; I know that he is generous; and principles of justice will always have their proper influence over him. I beg you will remind him, that his generosity, humanity, and justice, are all concerned in promoting the establishment of permanent revenues, sufficient to discharge the interest of our public debt. Nay, more, the political existence of America depends on the accomplishment of this plan. We cannot be called a nation, nor do we deserve to be ranked amongst the nations of the earth, until we do justice to those, who have served and trusted us. A public debt, supported by public revenue, will prove the strongest cement to keep our confederacy together. Sound policy would also dictate, that we should do justice to those who have trusted us, in order that we may have pretensions to credit in future. We might then tax the present race of citizens six pounds, instead of a hundred, and leave posterity to pay the principal of a debt contracted in consequence of our distresses and necessities, but from which they will derive ease and emolument. I could say a great deal more on this subject, and probably shall to the world at large, if the just measures of Congress continue to meet with such ill judged opposition. [132]

I am, Dear Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, April 17th, 1782.

Sir,

In consequence of the communications made to me by his Excellency, the Chevalier de la Luzerne, since his return from Virginia, I shall proceed to draw bills upon Mr Grand to the extent of five hundred thousand livres monthly; so that computing the months of January, February, March, and April, I have now to draw for two millions of livres; as I hope and expect that the five hundred thousand livres, already drawn, may be provided for out of the balance due on the Dutch loan. This supply comes most seasonably, and at a more leisure moment you will be charged with the proper acknowledgements to the Court. I must however repeat, that the sum requested for the service of this year will be necessary to enable me to support the campaign, and perfect my arrangements; it will be my constant study to draw forth our own resources and lessen our demands on France; but these things require time.

[133]

I find it will be advantageous to draw upon Holland and Cadiz as well as on Paris; and, therefore, I request that you will desire Mr Grand to give immediate orders to Messrs Fizeau, Grand & Co. in Amsterdam, to honor any bills I may draw on them, with directions to take their reimbursement on him, for account of the United States. He must also give similar orders to Messrs Harrison & Co. of Cadiz, and I will furnish Mr Grand with regular advice of every bill I draw, whether on himself or either of those houses. My bills in the whole will not exceed the sums to which I am limited, and the commission those houses charge will be paid by Mr Grand. I expect it will not exceed a half per cent; respecting which I shall write to them. I am induced to draw on those places, because the sale bills will thereby be extended, and the price better supported.

I have the honor to be, &c.

ROBERT MORRIS.

TO JOHN JAY.

Office of Finance, April 23d, 1782.

Dear Sir,

You have enclosed herewith, the copy of an official letter to the Secretary of Foreign Affairs, which contains some information on subjects that you ought to know. It has been my intention for some time past to give you a detail of circumstances, which have happened since the date of my former despatches; but the occurrences of every day employ my whole time, and engross my whole attention, especially for the last six weeks, as I have been deprived of assistance. The first leisure moments shall be devoted to make you acquainted with the situation of things here, and in the meantime you may indulge the pleasing idea, that system and regularity are dispelling the clouds in which our affairs have been enveloped.

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I am, very sincerely, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

Head Quarters, April 23d, 1782.

Sir,

I am obliged to you for the copy of the contract you have been pleased to send me, under cover of your favor of the 15th instant. It came very opportunely, as I have already been applied to for a determination upon the points submitted to my decision.

I am very glad to find that an Intendent, appointed by you, is to attend the army, and to hear and decide causes of complaint or uneasiness, which may arise between the army and the contractors. As we are still to gain knowledge by experience, other complaints than those which have already occurred may yet arise; and I shall be very happy to be relieved from those troubles as much as possible. I wish you may be fortunate in the appointment of this person, and that he may be with the army at an early period.

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You may be assured, that I am fully persuaded of the importance and utility of the present mode of feeding the army, and that I shall take every occasion to impress the same ideas upon the minds of the officers. I am pleased to find, that saving the complaints, which have arisen in their execution, they are generally inclined to acquiesce and promote the contracts; and you may depend, that I shall take pleasure in giving the gentlemen concerned in our supply, every assistance and protection in my power, consistent with that justice, which I think is due to the army.

I have the honor to be, &c.

GEORGE WASHINGTON.

TO MAJOR GENERAL GREENE.

Office of Finance, April 24th, 1782.

Sir,

The several bills you found it necessary to draw upon me have been punctually honored, and I am pleased at having been able by this means to strengthen your credit and provide you with money, which I dare say will, agreeably to your declaration, be expended only on occasions of pressing necessity. Would it were in my power to make you perfectly easy on the score of money; you would then experience the alacrity with which my compliances would be made. [136]

I have observed by the tenor of several of your letters on the subject of the confederation, that your sentiments coincide entirely with my own. The inefficacy of that instrument is daily felt, and the want of obligatory and coercive clauses on the States will probably be productive of the most fatal consequences. At present they content themselves with the assertion, that each has done most, and that the people are not able to pay taxes. Languor and in exertion are the offspring of this doctrine, and finally the people, who are said to be incapable of bearing taxation, actually pay double the sum, that would be necessary in the first instance. Nothing on my part has been omitted that I could think of, to stimulate them to exertions; and I have given them every encouragement to support my arrangements, that could be derived from regularity, system and economy; but all this does not produce the effect it ought; there are in every Legislature, characters too full of local attachments and views, to permit sufficient attention to the general interest. I am perfectly sensible, and was the day I became Superintendent of Finance, of the difficulties that are to be encountered. I know full well that it requires much time, more patience, and greater abilities than I claim, to bring the finances to the order in which they ought to be in every well governed country. But I apprehend this knowledge ought not to deter either you or me from continuing the struggle with those difficulties. If I had been deterred by their appearance from the acceptance of my appointment, our affairs would probably have been worse than they now are, or if you had declined to oppose the British arms in the Southern States, Virginia might now have formed the boundary line. [137]

You, therefore, my Dear Sir, must continue your exertions, with or without men, provisions, clothing, or pay, in hopes that all things will come right at last; and I will continue mine until somebody more competent shall be found to relieve me. The Secretary at War will say everything that is necessary with respect to men, clothing, short enlistments, and future operations.

With respect to the pay of the army, we have abolished the practice of partial payments. The officers with you will be furnished monthly with their subsistence money, and let their distance be what it may, they shall have the same payments with those that are nearer; for I never will consent to partial payments so long as it depends on me. How much pay I shall be able to make, depends absolutely on the collection of taxes in the several States. If they comply tolerably well with the requisition of Congress for the year 1782, I will make tolerably good pay to the army for that year, but if the States will not furnish the means, it is impossible. The discontents of the army should in justice be directed to the Legislatures of those States, which neglect or delay to pay their quotas of the continental tax, and it shall be clearly known in future which they are.

I am, Sir, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF VIRGINIA.

[138]

Office of Finance, April 27th, 1782.

Sir,

In a letter from the Minister Plenipotentiary of France, of the 22d instant, is the following

paragraph.

"His Majesty having consented to furnish the State of Virginia with arms, clothing, and munitions, for a sum, with the amount of which I am unacquainted, the Minister desires that Virginia would render an account of the same to the United States, and that you would close the business, and the amount which has been advanced by France to Virginia, shall be deducted from the sums loaned to the United States."

My answer of this date is as follows.

"With respect to the supplies for the State of Virginia, I have already had the honor of mentioning to your Excellency, that I could by no means consider purchases made for any particular State in the Union, as properly chargeable to the United States. This was in a letter of the 26th of November last, in consequence of your application relating both to Maryland and Virginia. If Dr Franklin has asked the supplies on the credit of the United States, they will, of course be brought to their account. But I cannot conceive, that this has been done by him, as I do not know of any orders to do so from the Congress. Your Excellency will, I am confident, see with me the impropriety of listening to the applications made by separate States, and be convinced how much it is the duty of those to whom the administration is committed, to oppose these appearances of disunion in our councils; appearances, which, however unfounded, are not the less injurious. The State of Virginia, is, as you well know, far from being singular in her applications abroad for separate aid, and your Excellency is better informed than almost any other, of the evils which have resulted from them. I do not mention this with a view to blame those who made, or those who granted the requests, alluded to. On the contrary, it gives me pleasure to find, that in some instances among so many, a fruitless recourse has not been had to the purses of individuals. As there is a hope that these irregularities may no longer take place, I will not absolutely decide, and must pray that this question be for the present left open; as I am extremely desirous not to injure the operations or credit of any particular State, while I pursue the road marked out by public duties. I shall transmit to the government of Virginia that part of our letter, which relates to this object."

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I presume that it will be unnecessary to remark to your Excellency, how incapable the United States are of assuming burdens of debt, while so little attention is paid to put the public treasury in a situation to defray the necessary expenses of the current service. I must pray to be furnished with an exact account, as soon as may be, of the sum due by the State of Virginia to the Court of France, and of the funds which the State propose to apply in discharge of it; in order that I may, if possible, take such measures as may preserve her credit, and not be injurious to the United States. It becomes my duty, Sir, on this occasion, to mention further the sum of sixtysix thousand eight hundred and fiftythree livres, which were expended by Mr Lee in the purchase of supplies for your State; which were acknowledged by a certificate of the 13th of March, 1780, with a promise to account.

Your letter of the 28th of March last has been received some time ago.

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I have the honor to be, &c.

ROBERT MORRIS.

TO THE SECRETARY OF FOREIGN AFFAIRS.

Office of Finance, April 27th, 1782.

Sir,

His Excellency the Minister of France having informed me on the part of his Court, that no extraordinary sums will be paid to the Ministers of the United States in Europe, I must request that you will furnish me with an account of the several salaries payable to the foreign Ministers and their Secretaries; and I will make out bills in your favor on the Banker of the United States in Paris, for the last quarter, commencing with the present year. I must, at the same time, pray you will require of those gentlemen, the state of their several accounts with the public for salaries, that the whole may be adjusted, and all future expenses of that sort be classed under the proper head of the Department of Foreign Affairs.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF MARYLAND.

Office of Finance, April 30th 1782.

Sir,

I had the honor to receive your Excellency's letter, dated In Council, Annapolis, April, 1782, previous to which I had in mine of the 15th instant, transmitted the Acts of Congress, which you mention. I hope they will meet the wishes of your Excellency and of the State, so that a speedy compliance with them may forward the great business they are formed to accomplish. [141]

I am much obliged by your Excellency's observation, as to the propriety of stating how much money is to be expended. The estimates of the current year were formed by Congress; the accuracy of them I cannot answer for, but rather incline to think they will fall short of the object proposed. The loose manner in which business has formerly been conducted, did indeed render it impracticable to frame very precise estimates. That those adopted are not exorbitant, will easily be seen, by comparing the sum total with the expenditure of former years. It is my intention to show by the exhibition of clear accounts, how the public money intrusted to me has been expended. This shall be done publicly, and then estimates formed agreeably so such accounts will be clearly understood, and convey that satisfaction to the mind of every candid man, which I am desirous of imparting.

Your Excellency will easily perceive, that the primary step must be to grant money, and the accounting for it a secondary one. I presume that by the American Constitution, the determination on sums to be appropriated must be vested in the supreme representative, and I hope there is so much confidence in the wisdom and integrity of that body, as to believe that they do not ask for sums which are unnecessary.

Before I close this letter I will pray leave to repeat to your Excellency a sentiment often expressed before, that I despise every scheme or system, which must depend for its success on mystery or concealment, and am convinced that our credit will never be fully established, until all our public affairs are open to the public eye. I ardently long for the arrival of that moment, when I may lay a state of them before the world, in an account of the moneys received and the moneys expended, with the debts we owe, and the produce of the funds assigned for the payment of them. Your Excellency is not a stranger to many of the reasons why such an account cannot now be framed, and will, I doubt not, sincerely co-operate with me in removing them. [142]

I have the honor to be, &c.

ROBERT MORRIS.

TO JOHN WENDELL.

Office of Finance, May 1st, 1782.

Sir,

I have been duly honored with yours of the 7th and 15th of April. From what you propose with respect to the establishment of a bank in New Hampshire, as well as from the ideas which you say are entertained of the increase of my private fortune, I am convinced that you and other gentlemen are alike mistaken as to the nature of the National Bank, and my official connexions and transactions. The confidence you have been pleased to repose in me, and your communication of sentiment as to public affairs, require of me, that I should give such explanation of both, as the multiplicity of objects, which engross my attention will permit.

The bank is a mere thing, in which any man may be interested, who chooses to purchase stock. Personally I have no other concern in it, than any other gentleman may have, who pleases to invest his property in it. The government have nothing to do with the bank, except merely to prevent the Directors, should they be so inclined, from extending their operations in a manner disproportionate to their capital, thereby endangering their credit. Any aid which the government derives from the bank is by lodging proper securities with it, and borrowing money for short periods on the discount of interest at the rate of six per cent, which is receiving ninety-nine and paying a hundred at the end of two months. The moneys so borrowed are punctually repaid. [143]

By accepting the office I now hold I was obliged to neglect my own private affairs. I have made no speculation in consequence of my office, and instead of being enriched I am poorer this day, than I was a year ago.

You will, from what I have said, see two sufficient reasons against adopting the plan you have proposed. That I have not money, and that I have totally quitted commerce and commercial projects, to attach myself wholly to a business which requires my whole attention. A principal object of my last letter was to acquaint you with this circumstance, and by what I have there said I meant to acquaint you also with the manner of doing business at the bank. If, for instance, you draw a bill in favor of your factor here on a merchant of reputation, payable at sixty days' sight, and that merchant accepts the bill, your factor can get ninety dollars for every hundred of the bill by discounting it at the bank, and with that money can purchase the articles you direct; but you must then be careful to make due remittances to the merchant on whom you draw. If by connecting yourself in this manner with any gentleman in trade here you can derive any benefit, [144]

it will afford me a very sensible pleasure, but as to myself, I must again repeat, that I have quitted trade; and I will add, that the closing my past dealings, which is now the only private object of my attention, requires time, which I cannot spare for the purpose; and of consequence it is, with everything else of a private nature, very much neglected, to my very great disadvantage.

I am, &c.

ROBERT MORRIS.

REPORT TO CONGRESS ON A MEMORIAL OF THE MERCHANTS OF PHILADELPHIA.

Office of Finance, May 4th, 1782.

The Superintendent of the Finance of the United States, to whom was referred the report of a committee on a memorial of the merchants of Philadelphia, and motion thereon, begs leave to report,

That the navy of the United States is not in a situation to afford protection to their commerce, nor can it be rendered equal to that object for some considerable time, even if the necessary funds could be procured. That there remains no mode of obtaining such protection, unless from the allies of the United States, or the powers engaged with them in war against Great Britain.

That the commerce of these States is of such importance, that it is not improbable the Court of France would afford permanent protection if in their power; and that in the interim some relief may, perhaps, be obtained from the fleets in the West Indies. [145]

The following resolution therefore is submitted; That the Superintendent of Finance prepare a statement of the commerce of the United States, together with a plan for the protection thereof.

That the Secretary of Foreign Affairs communicate the same to the Minister of his Most Christian Majesty, and cause application to be thereupon made by the Minister of these States to the Court of Versailles; and that the Superintendent, as Agent of Marine, make application on the same subject to the Commanders of the fleets of France and Spain in the West Indies.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 8th, 1782.

Sir,

His Excellency, the Minister of France, in a late letter to me has officially declared, that in future no sums will be paid to the Ministers of the United States in Europe by his Court. It becomes necessary, therefore, to make provision for their support here. I immediately applied to the Minister of Foreign Affairs for an account of the annual salaries payable to his Department. I have received it this day, and do myself the honor to enclose a copy. I must take the liberty to observe, that the sum is very large, and such as cannot be advanced without greatly retrenching from essential services, at least in the present moment. It will, I humbly conceive, be necessary that arrangements should be taken, so that in future all such salaries as are payable to foreign Ministers be advanced in America, and negotiated by their respective Agents. This will be honorable to the United States, and I should suppose more agreeable to the gentlemen concerned. [146]

The Minister of France has also observed, that the accounts between his Most Christian Majesty and the United States having become very important, by the greatness of the sums advanced and lent, it is indispensable that measures be taken to adjust them, and to avoid that confusion, which would be introduced by a longer delay. And in consequence, he has desired that Congress would transmit to Dr Franklin full power finally to settle those accounts, and in the name of the United States to execute the proper obligations for securing the debt and fixing the periods of payment. To this he adds, that it is not expected Congress can do anything towards payment during the war, but that they will fix the several epochas at which they shall be made.

To a proposition so reasonable, there will, I presume, be no objection. The solidity of the observation on which it is founded cannot be called in question, and I am induced by it to extend the remark a little further. The great sums which remain unsettled and undetermined between the French Court and the United States are alike unsettled between the latter and their public servants. How the accounts may stand I know not, but it is my particular duty to observe, that there appears to have been but little received for the great sums, which have been expended, and [147]

therefore it is highly necessary, that the public accounts of these States with their servants in Europe be also settled. It shall be my study in future to prevent the existence of such accounts, but their magnitude as well as other circumstances, makes me extremely solicitous to have them adjusted.

I have the honor to be, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES

Office of Finance, May 9th, 1782.

Sir,

I do myself the honor to enclose you copies of three accounts, which I have this day received from the Controller of the Treasury of the United States. Each State will from these accounts perceive what still remains for it to do in consequence of the resolutions of Congress, of the 18th of March, 1780.

As this is a circular letter, the observations I make shall be general, and such as result from a general view of the object. The particular application of them, dependent on local circumstances, will be made by those to whom such circumstances apply. The resolutions of the 18th of March, 1780, were in part directed towards the redemption of the old Continental money, and the opinions which may have been formed as to the issuing of a new paper medium, the paying of interest upon it, and the connexion with relation to the old, are immaterial under the present point of view. [148]

Nothing can be more clear and simple than this, that the bills issued by Congress for support of the war should be redeemed by taxes. This was one capital object of the resolutions, and as to the apportionment, I am to presume it was as perfect as the fluctuating nature of human affairs will permit, and more especially so, when the few lights, which could be obtained, and the various circumstances of the several States, are compared with the very variable object of depreciated paper, which was then in contemplation. But, admitting for argument's sake, that the apportionment was not strictly right; this must also be admitted, that to redeem the paper was called for by principles both of reason and justice. It was, therefore, a duty of the several States to comply with the requisitions of their sovereign representative. For any inequalities, either actually existing, or which a subsequent change of circumstances might produce, would admit of a remedy, but a neglect of the resolutions had the inevitable consequence of injuring the public credit, weakening the public operations, and risking our very existence as a people.

But however strong the motives, which should have prompted a compliance, it will not be disputed that some of the States may have been in circumstances not to admit of the exertion, and whether this incapacity has arisen from exterior violences, or the defects of internal polity, or both, is in one sense immaterial, because the eventual consequence is the same. Yet, though charity may for a time overlook these defects, it becomes the duty of each State to apply a remedy, if the evil be in its nature remediable; and should they neglect what is in their power, they must expect complaints from Congress, and the servants of Congress from the other States, and from their own bosoms the admonitions of conscience, which will become more poignant from every moment's delay. [149]

A general view of the accounts now transmitted, will show at a single glance, that large sums of the old paper still remain to be provided for, and it might, perhaps, have been right in Congress to have fixed an ultimate day of redemption for the whole, and charged what remained due after that day at forty for one in specie to every deficient State. This, I say, might perhaps have been right, if the ravages of war and other local circumstances had not required attention and forbearance as to some, if not all. But it cannot be denied, that many are now in a capacity to call in by taxes their quota of this paper. And those who are, should consider what must be the feelings of men, who hold it on the faith of so many promises, such repeated requisitions, and such sacred bonds of national faith and honor. What must be their feelings to find those promises violated, those requisitions neglected, and that faith disregarded? Can it be expected, that while such flagrant instances of national neglect, to call it by no harsher name, are in the view of almost every citizen, we can possibly establish the fair reputation so essential to public credit?

The plea of inability is not to be admitted, excepting, as I have already observed, in some very particular circumstances. Considering our country in a general point of view, this paper laying dead is already lost, and the only question is, whether that loss shall be borne by the whole people or only a part of them. Those who parted with it have received the value, and it would be a flagrant injustice, that the whole tax for redeeming it should fall on those who have received it. Neither can it be supposed, that if any were inclined to promote such injustice it would be borne by the sufferers. And whether these sufferers are individuals or States, the suffering is the same; the sentiment, therefore, must be the same, and so will the conduct be which that sentiment shall dictate. [150]

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 10th, 1782.

Sir,

In consequence of the Act of Congress of the 4th instant, I do myself the honor to enclose a state of the American commerce, with a plan for protecting it. I shall, in obedience to the orders of Congress, transmit a copy of this paper to the commander of his Most Christian Majesty's fleet in the West Indies, and make the application which I am directed to him, and to the commander of the fleet of Spain. I take the liberty to suggest for the consideration of Congress, whether any application on this subject to the Court of France would not go with propriety through the Office of Foreign Affairs.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.^[5]

CIRCULAR TO THE GOVERNORS OF THE STATES.

[151]

Office of Finance, May 16th, 1782.

Sir,

I have heretofore taken occasion to observe, that the former expenditures of the United States were at a medium rate of twenty millions of dollars annually, for the support of the war. At the present moment, while laboring under a large debt, only eight millions have been asked for. It is evident, therefore, that the sum now required is as little as can possibly answer the purpose. I venture to say that it is not enough. According to the estimates for the year 1782, which were laid before Congress by the late Board of War, the present establishment of the army would require for pay, exclusive of the half pay, near three millions and a half, for rations near two millions and a half, for clothing, about twelve hundred thousand, for forage above three hundred thousand, for the Quarter Master's department, (exclusive of articles on hand) above eight hundred thousand, for military stores (exclusive of articles on hand) near two hundred thousand, for the hospitals (exclusive of medicine and also of sundry stores on hand) above one hundred thousand.

If to all these be added the sum of four hundred thousand for the Departments of the Pay Office, Commissary of Prisoners, and the various other contingencies of service, which naturally and necessarily arise, without mentioning the losses, which happen in war, here will be an aggregate amount of nine millions, and in this sum nothing is estimated for the interest of our debts, for the Marine, and for the Civil List, and the Department of Foreign Affairs.

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Of the various expenditures, much was to be provided immediately. The heavy article of clothing, for instance, was indispensable. Many things were to be provided early, in order that the army might operate, and the subsistence is to be paid for regularly and constantly. Yet the States have not been asked for any money before the 1st day of April; and I appeal to them all, whether the supplies of money they have afforded me for the last year were such as would enable me to provide for the present.

A three months' expenditure was permitted by Congress to elapse, before the first payment of two millions was asked from the States; but what have they done? While I write this letter near two months more are gone forever, and a dishonorable neglect endangers our country. Little local objects have postponed those measures, which are essential to our existence, so that the most fatal consequences are now suspended but by a thread. Should they fall on our heads, this solemn protest shall point to the real cause of our calamities. I write, Sir, to apprise you of the public danger, and to tell you I shall endeavor to fulfil engagements, which I have entered into already, that I may quit my station like an honest man. But I will make no new engagements, so that the public service must necessarily stand still. What the consequences may be I know not, but the fault is in the States. They have not complied with the requisitions of Congress. They have not enabled me to go on. They have not given me one shilling for the service of the year 1782, excepting only the State of New Jersey, from which I received five thousand five hundred dollars, a few days ago, and this is all that has come to my hands out of two millions, which were asked for.

[153]

Now, Sir, should the army disband, and should scenes of distress and horror be reiterated and

accumulated, I again repeat, that I am guiltless; the fault is in the States; they have been deaf to the calls of Congress, to the clamors of the public creditors, to the just demands of a suffering army, and even to the reproaches of the enemy, who scoffingly declare, that the American army is fed, paid, and clothed by France. That assertion, so dishonorable to America, was true, but the kindness of France has its bounds, and our army, unfed, unpaid, and unclothed, will have to subsist itself, or disband itself.

This language may appear extraordinary, but at a future day, when my transactions shall be laid bare to public view, it will be justified. This language may not consist with the ideas of dignity, which some men entertain. But, Sir, dignity is in duty, and in virtue, not in the sound of swelling expressions Congress may dismiss their servants, and the States may dismiss their Congress, but it is by rectitude alone, that man can be respectable. I have early declared our situation, as far as prudence would permit, and I am now compelled to transgress the bounds of prudence, by being forced to declare, that unless vigorous exertions are made to put money into the treasury, we must be ruined. I have borne with delays and disappointments as long as I could, and nothing but hard necessity would have wrung from me the sentiments, which I have now expressed. [154]

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 17th, 1782.

Sir,

I do myself the honor to enclose to your Excellency the copy of a circular letter, which I have written to the several States. The situation which I find myself is extremely delicate. The habitual inattention of the States has reduced us to the brink of ruin, and I cannot see a probability of relief from any of them. I rather perceive a disposition to take money from the public treasury, than to place any in it. A variety of causes, which Congress are, I presume acquainted with, prevents the collection of taxes, and delays the payment of them, even after they are collected. In many States they are not laid. I must not conceal from Congress my apprehensions, that the idle hopes entertained from the changes of administration in Britain will increase that negligence, which is but too prevalent throughout the United States.

I might add many reasons, why a call should be made in the present critical moment, and it is evident, that such a call should be couched in terms so pressing, as to stimulate if possible their sluggishness into exertion. But on the other hand, it is evident that if a faithful representation of our distressed circumstances should fall into improper hands, it would be productive of the most dangerous consequences. And when the number of our internal enemies, and the designs of our external ones are considered, there can be little doubt, that such a letter would be handed about soon after its arrival for the illicit purposes of both. At the same time, however, it must be considered, that if any fatal consequences should ensue from the continued negligence of the States, attempts will be made to justify it on the principle, that they were not seasonably apprized of their danger. [155]

I am sure I need not take up more of your time, Sir, in showing the difficulties with which on the present occasion I am surrounded. Urged by them I must entreat the opinion of Congress, whether the letter in question be retained or transmitted. I take the liberty further to remark, Sir, that the declaration contained in it, purporting any intention not to make new engagements, is short of what I am under the necessity of doing, for the public departments are now absolutely at a stand for the want of money, and many things already commenced I must desist from. This cannot be wondered at, when it is considered that near five months of the present year have elapsed without my having received anything on account of its expenditures, except the trifling sum of five thousand five hundred dollars mentioned in the enclosed letter, and that sum, calculating our expenses at eight millions annually, is about *one fourth of what is necessary to support us for a single day*.

I have the honor to be, &c.

ROBERT MORRIS

TO B. FRANKLIN.

[156]

Office of Finance, May 17th, 1782

Sir,

In a letter which I had the honor to write to your Excellency on the 17th of last month, I mentioned the communications of the Minister of France here, by which I was empowered to draw to the amount of six millions in monthly instalments of half a million each. He has since informed me, that no moneys will be paid by his Court except on my draft. It is in consequence of this, that I have drawn the bills contained in the enclosed letter to Mr Grand, which is left open for your perusal. Your Excellency will be pleased to arrange this matter with Mr Grand, so as best to answer the purposes intended. You will also be pleased, Sir, to pay over to Mr Grand on my account such moneys belonging to the United States as may be in Europe, distinct from those to be advanced by the Court for the current year.

I am extremely desirous of having a state of these matters so as to know what dependence can be made on the funds, which are at our command. You would, therefore, confer upon me a very particular obligation by transmitting the best statement in your power. I mentioned to your Excellency in a former letter, that I would write to you on the subject of your salary, more particularly than I then did, but I have since spoken and written to Mr Livingston with relation to those matters, and he will, I expect, write to you and to all our foreign Ministers very fully.

We have not yet heard anything of the Alliance, and therefore conclude, that she must have been delayed in Europe. I hope this may have been the case, for if she sailed on the 1st of March, according to my orders, she must have met with some unfortunate accident. I hope soon to hear from your Excellency. Indeed I persuade myself, that in the very critical situation of affairs at present, we cannot be long without receiving very important intelligence. [157]

I have the honor to be, &c.

ROBERT MORRIS.

TO MR GRAND.

Office of Finance, May 17th, 1782.

Sir,

In my letters of the 28th of March, and 8th of April, I informed you of my drafts on you to the amount of five hundred thousand livres. I have since that time drawn sundry other bills, all of which you have been duly advised of, or will be so by this conveyance.

I am now to inform you, that his Excellency, the Minister of France, has given me assurances on the part of his Court, that five hundred thousand livres per month, during the year 1782, will be paid on my drafts, making in the whole six millions. He has also suggested to me the expedient of drawing twelve sets of exchange on Dr Franklin, our Minister Plenipotentiary, in favor of my banker, so that the money may be in his hands monthly at my order. In consequence thereof, I now enclose to you twelve bills of exchange on Dr Franklin, all at thirty days' sight, and each for half a million. When these bills arrive you will present so many of them for acceptance, as that at the end of the thirty days the amount shall be equal to the monthly payments above mentioned. As for instance, if these bills should arrive in July, you will present seven of them for acceptance, because by the time the thirty days have elapsed there will be due so many of those monthly payments. But in this, as well as in other matters of arrangement with the Court, you will take the advice of Dr Franklin and govern yourself accordingly. [158]

The several bills which I draw on you I will regularly inform you of. After the first month has elapsed you will present another bill for acceptance, and so on monthly, presenting each month a bill. I write also by this conveyance to Dr Franklin to pay on my account all the moneys belonging to the United States in Europe, which may be in his possession.

I wrote to Dr Franklin on the 17th of April to inform you, that I should draw on Messrs Fizeau, Grand & Co. at Amsterdam, and on Messrs Harrison & Co. at Cadiz, desiring that you would direct those houses to honor my bills, and take their reimbursement on you, which I now confirm. I expect that the five hundred thousand livres which are mentioned in my letters of the 28th of March, and 8th of April, will be paid out of moneys, which were already in Europe; and indeed, that still farther sums were there belonging to the United States, besides the monthly payments to be made by the Court as above mentioned. At any rate you will be in cash to pay all the bills which I have drawn or shall draw. You will take care to transmit me a state of your accounts by every opportunity that I may be thereby directed in my operations. [159]

I have the honor to be, &c.

ROBERT MORRIS.

TO MR GRAND.

Sir,

Our enemies being at length convinced by fatal experience, that it is in vain to effect the conquest of America, have now changed the mode of attack, and strike at our commerce and our resources. I have no doubt, but that eventually they will be foiled in this, as in every other attempt they have made, but in the interim between their first effort and the period which must elapse, in preparations to obviate this plan, we have suffered and must suffer considerably.

The commerce of this country has sustained no severer blow than has been hitherto felt, and the effects of it materially influence my operations. The merchants deprived of their property cannot command money, and of consequence cannot pay bills. I am, therefore, unable to command by drafts the money in your hands. My bills do not yet amount to a million of livres, and will not I believe exceed that sum when this letter goes away. These bills will not come to you before the month of July, and the greater part will not be payable until the end of September, and even later; but you will be possessed of three millions and a half by the first of July, even if you shall have received nothing from Dr Franklin on the old accounts.

I am therefore to request that you will make three shipments of one hundred thousand crowns each, or six hundred thousand livres, making in the whole eighteen hundred thousand livres. I wish it to be sent by three different conveyances, for the sake of greater safety, unless some very important convoy should offer, in which case I desire an immediate shipment of twelve hundred thousand livres. I wish also, that the money be invested if possible in gold, because four crowns are worth here only four hundred pence, but a louis is worth four hundred and fourteen pence, being a difference of three and a half per cent. But that you may know the best mode of investing it, I have to inform you, that English guineas are worth four hundred and twenty pence, half johannas seven hundred and twenty pence, moidores five hundred and forty pence, and Spanish pistoles three hundred and thirtysix pence. [160]

I shall leave this letter open for the inspection of Dr Franklin, to whom I shall enclose it, and I shall request him to obtain for and communicate to you such information from the Court as may be necessary for your direction in this business. I wish that the shipments of money may if possible be on board of the same vessels in which the money shall be sent for the use of the French army or navy here. I wrote to you on the 3d of December last, requesting you to pay to Messrs Couteulx & Co. for account of John Ross two hundred thousand livres, and for account of William Bingham one hundred thousand livres, to John Holker for account of John Holker fils; conceiving that you would be in cash for the purpose, from the loan opened in Holland for our use.

I hope before this reaches you, that those sums will have been paid; and you will observe it is my wish, that as well those as the bills mentioned in my letters of the 9th and 28th of March, should be paid out of that loan, but if that cannot be done, you will then make payment from any other moneys which may be in your hands. [161]

I have the honor to be, &c.

ROBERT MORRIS.

TO MESSRS LE COUTEULX & CO. ^[6]

Office of Finance, May 18th, 1782.

Gentlemen,

I pray that you will receive my sincere thanks for the accurate and punctual manner in which you have performed the business of the United States, which I have placed in your hands, and be assured that it shall always command my attention. I should have lodged in your hands very considerable sums on their account, subject to my disposition, but Dr Franklin having recommended to me in a very particular manner Mr Grand, whom he had formerly employed, not only for his punctuality as a banker, but also for his zeal in the American cause, which he had early and warmly espoused, and evidenced his attachment by liberal advances of money on the credit of their commissioners, before the Court had acknowledged them as a nation, I thought it my duty to employ him. But I think it more than probable, I shall have occasion for another banker, on particular occasions and negotiations, and I shall take the liberty in every such instance to employ you, gentlemen, not in the least doubting a continuance of your punctuality and attention. [162]

I have the honor to be, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, May 23d, 1782.

Sir,

The Minister has been so kind as to delay his express, until I could write this letter. You mention in yours of the 4th of March, that on Friday (then) last, the Minister informed you that we should have six millions, paid quarterly, and that you should now be able to face the loan office and other bills, and your acceptances *in favor of M. de Beaumarchais*.

You are not unacquainted with the disputes which have subsisted with respect to M. de Beaumarchais' demand. Whether or not the moneys were originally advanced to him by the Court, is not at present to be brought into question by me, because it involves many things, which are better adjusted by the Court themselves, than by any communications to or with others. I am only to observe, that if the very considerable sum, which is now payable to that gentleman forms a deduction from the pecuniary aid afforded us, the remainder will be extremely incompetent to the purposes intended by it. There can be no doubt that your acceptances must be paid, but I have always expected that you would have been enabled to do it by a special grant for that purpose, or by an assumption of the payment on the part of the Court. I shall not enter into the mode of arranging this business, but I must not refrain from observing, that the great object now is to prosecute the war, that the articles which may have been furnished for the sum payable to M. de Beaumarchais must long since have been applied and expended, that our necessities now are as pressing as they possibly can be, and that everything which adds to their weight is extremely distressful.

[163]

You will observe, Sir, that I have already made my dispositions as to the six millions granted for the current year. I shall go on to draw as occasion offers, for all the moneys which may be in Mr Grand's possession, making allowance for the shipments of money, directed in my letters to him. If, therefore, any part of this sum should be otherwise disposed of, it might produce the most dangerous consequences.

With respect and esteem, I am, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 23d, 1782.

Sir,

I do myself the honor to enclose to your Excellency copies of letters, the former from Dr Franklin to me of the 4th of March, and the latter from the Count de Vergennes to him of the 6th of February. With these, I send the best sketch I have been able to form of the state of the public moneys; from which Congress will perceive that every sou we can command during the year 1782 is already anticipated. They will perceive that the pecuniary supplies of 1781 and 1782 amount, after deducting the expenses on the loan, to twentyfive and a half millions of livres, and that there are, (including the two million two hundred thousand livres, appropriated to the interest of Loan Office certificates) ten millions, besides the sum expended in Holland, which have already passed and are now passing through the hands of Dr Franklin, and of which not a livre has been, or ever will be, applied to the current service.

[164]

If to this be added above two millions and a half due on Beaumarchais' bills, we shall have an amount of about twelve and a half millions, being at least one half of all the moneys obtained abroad for the service of the year 1781 and 1782. And we shall find, that this greater half is totally consumed in paying the principal of some, and the interest of other debts, which have been contracted before that period. I shall make no further comments on these things. They are before Congress, and will speak for themselves. I have only to lament, that the situation to which our affairs have been reduced is such, that the greatest exertion which our ally can make in our favor is barely sufficient to satisfy present engagements, and that the knowledge of such aid only confirms the inattention of our own citizens to those distressing circumstances which it does not relieve.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

[165]

Sir,

I do myself the honor to enclose certain information, which I have just received in a letter from the Minister of France. I take this occasion to mention, that it is some time since M. de la Luzerne communicated to me the grant of his Court, which was made in the month of December last. I think it my duty to add the persuasion I have, that this grant was made on the Minister's representations, and I cannot omit testifying to Congress my grateful sense of his conduct, and my conviction, that his endeavors have not been wanting still further to promote the interests of the United States.

I should earlier have communicated my intelligence of the loan in question, but I wished to receive the details, which would enable me to judge how much of it was at my disposition. I confess that I did not expect they would have been so unfavorable. I was restrained also by an apprehension, that the exertions of the States would relax, when they should learn that any foreign aid could be obtained; and the situation of our commerce was such, that if I had been enabled to draw for much larger sums, it would have been of no avail, as I could not have got money for the bills.

I have the honor to be, &c.

ROBERT MORRIS.

Information mentioned in the above Letter.

The King never promised any subsidy to the United States, and all the sums which they have received from him have been lent or freely given. All those, which have been advanced after the 6th of February, 1778, are to be repaid by the United States except the six millions given last year. All the rest, whether furnished in money or in value, is a debt, which they have contracted with his Majesty. [166]

These advances have been made at the following periods, and are payable with interest, conformably to the acknowledgements and obligations of Dr Franklin.

	Livres.
In 1778,	3,000,000
In 1779,	1,000,000
In 1780,	4,000,000
In 1781,	10,000,000

	Total, 18,000,000
From this sum must be taken the gratuitous subsidy granted last year of	6,000,000

	Remains 12,000,000
To this must be added, 1st the produce of the loan in Holland,	10,000,000
2dly, The loan made by his Majesty for the service of the current year,	6,000,000

Total of the capital of the debt contracted by the United States with his Majesty,	28,000,000

I am ordered, Sir, to renew to you the demand, which I had the honor to make before, to the purport that Congress should authorise Dr Franklin to consolidate the principal and interest of that debt, by an obligation in proper form. You are so firmly resolved, Sir, to preserve the order you have introduced into your department, that it would be superfluous to reiterate to you the assurance, that his Majesty will under no pretext exceed the sum of six millions, which he has determined to advance to the United States for the current year. This exactness, which is in all cases indispensable, has become still more so now, that the enemy seem determined to adopt a system, which obliges us to turn the greatest part of our resources to a marine. I am persuaded, Sir, that you can have no doubt as to the interest of Loan Office certificates, and that you will not consider it as being at our expense, seeing that no engagement of that sort has ever been taken by us. If bills for this interest should continue to be forwarded, those who draw must provide for the payment of them. [167]

LUZERNE.

TO B. FRANKLIN.

Office of Finance, May 29th, 1782.

Dear Sir,

I do myself the honor to enclose you copies of two Acts of Congress, one of the 5th of June, and the other of the 18th of June, 1779, relating to the affairs of M. de Beaumarchais.

You will observe, Sir, that you were authorised to pledge the faith of the United States to the Court of Versailles for obtaining money or credit to honor the drafts on you. There is a mysteriousness in this transaction arising from the very nature of it, which will not admit of explanation here, neither can you go so fully into an explanation with the Court. M. de Beaumarchais certainly had not funds of his own to make such considerable expenditures; neither is there any reason to believe that he had credit. If the Court advanced money it must be a secret; but there would be no difficulty in giving an order in your favor for the sum necessary to pay those bills, and, therefore, measures might be taken to obtain from him the reimbursement of any sums he might have received. Consequently, there would be no actual advance of money made, as the whole might be managed by the passing of proper receipts from you to the Court, from M. de Beaumarchais to you, and from the Court to him.

[168]

I wish that you would apply on this subject and get it adjusted. The diverting from a loan, for the service of the current year, so considerable a part as that due to M. de Beaumarchais, will defeat the object for which it was granted. It ought not, therefore, to be done if possible to be avoided.

With respect and esteem, I am, &c.

ROBERT MORRIS.

TO DANIEL CLARKE.

Office of Finance, May 30th, 1782.

Sir.

I received your letters of the 7th, 9th, 14th, 18th, and 21st of May. The resolutions of the House of Delegates, passed on the 20th, have been submitted to Congress, and they have referred the matter to Mr Rutledge, and Mr Clymer, two of their members, who are going on special business to the southward. Your letters contain a great many particulars, which I shall briefly enumerate, and take notice of; many of them are of a private and personal nature, and therefore ought not in any case to have influenced the determinations on a matter of great public importance. I should pay no attention to them, if I were not persuaded, that the design is not so much to injure me, as to involve the national affairs committed to me.

[169]

I find there are made against me personally, the following charges.

1st. That I have robbed the Eastern States of their specie.

2dly. That I am partial to Pennsylvania, being commercially connected with half the merchants of Philadelphia.

3dly. That I am partial to the disaffected.

4thly. That I have established a bank for sinister purposes.

5thly. That my plan and that of Pennsylvania, are to keep Virginia poor, and

6thly. That with the Secretary of Congress and Mr Coffin I am engaged in speculation.

As to the first point, I believe the Eastern States have a very different opinion of the matter, although there may be one or two persons in some part of those States, who from their great latitude of conscience, would not scruple to assert what they know to be false. Those who make and respect such assertions, must be content to pass for the authors and inventors of untruths, with design to injure the public service and sow dissensions among the States. I have not received from the Eastern States, any more than from the Southern States, *one shilling of specie*, since I was appointed to my present office, although I have sent very considerable sums from hence, both eastward and southward, as the exigencies of the service required.

[170]

As to the second point, that I am commercially concerned with half the merchants of Philadelphia, if that were as true as it is false, the conclusion, that I am partial to Pennsylvania would by no means follow. A merchant, as such, can be attached particularly to no country. His mere place of residence, is as merchant perfectly accidental, and it would be just as reasonable to conclude, that an American residing at L'Orient, and trading to China, must be partial to the French and Chinese. I know that this story of my partiality to Pennsylvania has been very assiduously circulated, and has obtained an extensive currency. It was supposed that I must be partial to Pennsylvania, because I reside in it. The assertion therefore was made, and the

contracts I had entered into were brought as the evidence to support it. I have received from Pennsylvania, for the service of the last year, one hundred and eighty thousand dollars, besides a warrant on their treasury for near ninety thousand, which is not yet paid. The contracts in Pennsylvania have not amounted to that sum. Is there a State in the Union, which can say I received from them one shilling for the last year? There is not one. But I can demonstrate that while I was charged with this partiality, I had exhausted my credit, and supplied every shilling of money, which I could command from my private fortune, to support and succor *the Southern States*. But this was not from a partiality in their favor, for I will neither endeavor to ingratiate myself with them, on such principles, nor subject myself to the ignominy of just reproach from others. It was for the general good.

That I am partial to the disaffected is among those threadbare topics of defamation, which have been so generally applied, that they have lost their effect. But I have remarked, that this particular aspersion is generally cast on those who least deserve it, and by those who are in a fair way of becoming disaffected themselves. I am not very sorry for this charge, because it shows, that while I have inveterate enemies, they have nothing to allege against me, and must resort to the regions of fiction for the ground of calumny. [171]

That I have established the bank I shall confess. That bank has already saved America from the efforts of her avowed, and the intrigues of her concealed enemies; and it has saved her from those, who, while they clamor loudly against the administration for doing so little, sedulously labor to deprive it of the means of doing anything. The bank will exist in spite of calumny, operate in spite of opposition, and do good in spite of malevolence. If there be sinister purposes in view, it must be easy to show what they are. The operations of a bank are such plain matters of arithmetic, that those who run may read. There is nothing of mystery, disguise, or concealment. If, therefore, these sinister views cannot be shown, (and I know that they cannot) that defect of proof, after the charge made, is itself a proof that the thing does not exist. But the matter does not terminate here. A groundless unfounded opposition against measures of public utility, must proceed from some cause. If it proceed from an opposition to the public interests, their conduct is dangerous; but if it proceed from aversion to me, I pity them.

That I should, or that Pennsylvania should have a plan to keep Virginia poor, is a strange assertion. I believe that Pennsylvania will probably be rich, the soil and climate are good, and the people are quiet and industrious. Their rulers also begin to be sensible of their true interests. They encourage commerce, have laid aside all the idle systems of specific supplies, and content themselves with laying money taxes. There can be no doubt but that such a people must become rich. On the other hand, if Virginia, or any other State, be poor, it must be their own fault. Prudence, diligence, and economy, promote national prosperity; and vice, indolence, and prodigality, involve national ruin. I am so far from wishing to impoverish Virginia, that I have constantly labored, both in my public and private applications to bring about those measures, which are calculated to make her wealthy and powerful. In the moment of cool reflection this will be acknowledged; whenever my measures are adopted, it will be known, and in that moment those who from ignorance, or wickedness, have opposed themselves to their country's good, will be known and despised. The charge of speculating, in conjunction with the Secretary of Congress and Mr Coffin, is one of those foolish things, which are not worth an answer. The whole business was known to the General, and after him, to a committee of Congress, before anything was done. [172]

You tell me further, that there are jealousies and resentments against Congress, for a design to curtail the territory of Virginia; that it is alleged no money can come into the country, while bank notes and bills on Philadelphia will purchase tobacco; and that the enemy having failed to subdue Virginia by force, would now try the arts of seduction, wherefore great care ought to be taken in preventing any intercourse with them. As to any design in Congress to curtail Virginia, if there be such, I know nothing, of it. Congress will undoubtedly pursue the line of justice, and might be justly offended were they charged with that design, which you say has offended Virginia. There was a time when Pennsylvania clamored loudly against Congress. It impeded the public service, and injured the reputation of Pennsylvania, without producing any good, much less a counterbalance for the evils, which it did produce. Happily all those heats have subsided, and Pennsylvania is now, what I hope Virginia will soon be, the zealous supporter of Congress. [173]

The means of bringing money into a country are very simple, being nothing more than the creating a demand for it. If every man be obliged to get some money, every man must part with something to get money. This makes things cheap, and those who have money always choose to expend it where things are cheapest. But what is the predilection in favor of specie? If bank notes answer the purposes of money the man who receives them has every benefit, which he could derive from specie. If they will not answer those purposes, no man will receive them; and then Virginia will not be troubled with them. If money is due from Virginia to Pennsylvania or Maryland, it must go thither, and the only way to get it back again is to sell something cheaper than Pennsylvania or Maryland will sell it. As to any profit made by the bank in issuing their paper, gentlemen in Virginia may easily share it by purchasing stock, which can be had here for the subscription and interest.

That the enemy have been foiled in their attempts to subdue Virginia is true, and when we recollect the means by which they were foiled, it will not only obviate the charges of partiality, but show the advantages of unanimity; and ought to become a motive to cultivate harmony and excite exertion. That the enemy will try the arts of seduction I verily believe, or rather that these arts have been tried, but I do not believe they have the will or the power to buy many. It will sufficiently answer their purposes, if they can promote disunion among us, because our concord [174]

is our only safety. To produce disunion nothing more is necessary than to set at work a few turbulent spirits. Neither do I see that they need go at the trouble of sending ships into the harbors of the several States, because such negotiations may be accomplished without that trouble or parade.

You tell me that the Executive of Virginia refused the passports, because they deemed the commerce and intercourse with the enemy to be dangerous. There can be no doubt, that a commerce with the enemy is not only dangerous but highly reprehensible, and if the transaction in question could be considered as a commerce of that sort, I would readily join in the censure. But if there was a commerce, it was by the capitulation, and the present object relates only to the mode of paying a debt already contracted under that solemn agreement.

You tell me, also, that it is the Governor's opinion, that the State should have the benefit resulting from the passports, because the undoubted power of granting such passports is in the State; and in another letter you say it has been urged in argument, that Congress have no right to grant the passports. As the right is thus brought in question, it is to be presumed, that should that right be in Congress, the Governor's argument must operate in their favor. If I am rightly informed, their right on this occasion is not only unquestionable, but it is exclusive; and I am told that numerous instances have occurred in which vessels having passports from one State have been captured by the privateers of another State, and been adjudged lawful prize. Judge Griffin, who is now in Virginia, can doubtless give information on this subject, and if one could be allowed to determine where the right is from where it ought to be, there can be no doubt but that it must be in Congress. If this be so, then the assertions about delivering the rights of Virginia into the hands of Congress, must be considered as nothing more than mere flowers of rhetoric, which are very good to please an audience, but ought not to influence or convince a legislative body. [175]

How it can be said, that these passports contravene the resolutions of Congress for confiscating British manufactures within the United States, I am at a loss to conceive, and shall be, unless it can be proved, that tobacco is a British manufacture. For I cannot suppose, that it is intended to confiscate that property, which, having been secured by the capitulation, is under the protection of the law of nations, which law must always be taken notice of and respected by the municipal law of every civilized country. As to the laws of Virginia, which may be contravened by it, I cannot speak decidedly, but I have a pretty strong reason to doubt the truth of this assertion, and it will presently be assigned. But of all things in the world the most ridiculous is the assertion, that this would give cause of complaint to the King of France. There is something of the same kind in the resolutions of the Delegates, which I will now consider; observing beforehand, that the objection would come rather unfortunately, should it be made by men, whose zeal for the honor and interest of his Most Christian Majesty has never shown itself, except in the present moment, and then by exciting discord among his allies. [176]

The resolutions, being the act of a respectable body, are deserving of respect, and shall meet with it from me. But I must take the liberty to differ from them in some of their positions. It is resolved first, that allowing the captulants to export tobacco is not *warranted* by the capitulation. Much of what follows depends on the equivocal sense of the word *warranted*. If by that word is meant enjoined, or directed, the position is just, but if the idea to be conveyed is, that such exportation is not *permitted*, then the position is untrue. The exportation is very clearly permitted by the capitulation, because the capitulation does not prohibit it, nor indeed say anything about it. But in a day or two after the capitulation an agreement was made for the purchase of goods payable in tobacco, which is now sanctioned by the Delegates in the last of their resolutions. Clearly, therefore, the exportation of tobacco in payment for British goods, is (in the judgment of the Delegates) *permitted* by the capitulation.

The second resolution seems to go upon a mistake. The Acts of Congress for confiscating British manufactures, as I have already observed in another place, cannot, I should imagine, be contrary to the laws of the Commonwealth, or else it would not have been permitted in another instance, for the Delegates cannot be supposed to intend a breach of the law, and still less can they be supposed to mean, that it was lawful for the general and the State Agent to do what it is not lawful for the United States in Congress to do. [177]

The third resolution, quoting a part of an article in the treaty of commerce, appears to me to be rather inconclusive. The object of that article was to make provision in a case which might happen, when one of the high contracting parties was at peace, and the other at war, which is not the case at present. The sense which France entertains on this subject may clearly be learnt from the various capitulations granted to the conquered Islands; and if I am not much misinformed the sense of Virginia on this very question of exporting tobacco may be found, by consulting sundry instances of the kind subsequent to the capitulation of York.

The fourth resolution is a conclusion drawn from the three preceding, and says that the capitulation does not warrant the enemy to export tobacco, and that such exportation would be contravening the regulations of the United States, and contrary to the laws of the Commonwealth, wherefore the vessels ought not to be permitted to load. The premises on which this conclusion is founded being unsupported, the conclusion itself must fall, or else the next succeeding resolution ought to be revoked.

The industry which you say has been used on this occasion would not have surprised me, if our affairs had been in such train, that the country was entirely out of danger. But under our present circumstances, it both astonishes and afflicts me, not for myself, but for the public. Men may flatter themselves, that all is safe and well, and endeavor to shrink from the public burdens and [178]

embarrass the public operations, but the consequence is clear, and certain. The enemy know they cannot conquer, and therefore seek to divide us. Convinced that the Northern and Eastern States cannot even then be subdued, their ultimate ambition now is to subjugate those to the southward, and the only means under heaven of preventing it is by unanimity. That the other States should be plunged into hasty measures, pregnant with disunion, might have been expected, but that any inhabitants of a State, deeply interested to pursue the contrary conduct, should be so blind both to the duty and interest of that State will scarcely be believed hereafter, and could not have happened now, but from causes which would bear a harder name than I shall give them.

I am, Sir, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 31st, 1782.

Sir,

I perceive that on the 29th instant Congress resolved, "that the salaries and allowances to which the public servants of the United States are, or shall be entitled, be in future paid by the Superintendent of Finance, and of the moneys which shall from time to time be in his hands, and that the said public servants be authorised to make quarterly drafts on him for that purpose." The tenor of this resolution would, I believe, give to every officer of the United States, both civil and military, the right of drawing upon me, which would be liable to this objection among many others, that I should frequently be obliged to protest the bills for want of funds to discharge them. If, therefore, the object of the resolution was to provide for the foreign servants only, it might, perhaps, be proper to make some alteration in the terms. [179]

But I would submit to Congress whether a better mode might not be devised for payment of the salaries in question. It will tend greatly to simplify the public accounts if those of each Department be brought under one separate head, whereas if bills are to be drawn by every public officer much confusion would be introduced, and forged bills might be paid without a possibility of detecting the forgery. The present mode which I have adopted is, that the accounts of each Department of the civil list be made up and settled at the treasury quarterly, and that a warrant issue for the amount. If this mode be pursued with respect to the Department of Foreign Affairs, the moneys may be remitted to those who are abroad by the Secretary of Foreign Affairs, until they shall have appointed their respective agents to receive it for them here. This will not only simplify the accounts, but be of great use to the parties, because in some cases they may be unable to sell their bills on this country at all, and in others they must suffer a considerable loss. And if obliged to send such drafts on their own account to obtain payment of their salaries, much time may be lost by delay in tedious passages and other accidents, and of course they will be exposed unnecessarily to inconveniences and disappointments. [180]

I am, Sir, &c

ROBERT MORRIS.

TO GEORGE OLNEY, OF RHODE-ISLAND.

Office of Finance, June 1st, 1782.

Sir,

I have received your favor of the 13th of May last, enclosing an account of moneys you had received. The particular details you have entered into are a pleasing circumstance to me, as they show your accuracy and attention; but as such returns will consume much time and be of no correspondent utility, it will not be necessary to continue them; but in general state to me the amount of cash received, the amount of cash exchanged, the amount of cash in hand, the amount of bank notes in hand, and the amount of my notes in hand.

It would be of great use to the State that the special account of the money received from each collector should be published; and when they place you in the situation required by Congress, it will form a part of your duty. In the interim you had better avoid any discussion on the subject, which may lead to disagreeable altercation. If the sum total received from each collector were published, in order to render the system complete it would be proper, that every such collector should be obliged to deposit, in some place within the circle of his collection, such account of his receipts *for the public inspection*, that every man might see whether the moneys he had paid were fairly delivered over.

You will do well to explain this whole system to men of discernment in your legislature. My object in this branch of administration is to enable each individual man to trace the money he pays, from his own pocket into the public treasury. To this I shall add accounts of equal notoriety, by which every man who can read (being previously informed as above of the sum total of receipts) may perceive the manner in which the public treasure is expended and appropriated. A similar line of conduct will be pursued with respect to all funds which may be granted for liquidation of the national debt. [181]

Finally, when all the world can perceive that our revenue is equal to our expenditure, and that new revenues are devising, and the old daily placing in a better state of collection, our credit will be firmly established; that will enable the public to command money in any emergency, both at home and abroad; that again will put us in a situation to make active, vigorous exertions, and thus we shall come to be beloved by our friends, feared by our enemies, and respected by all mankind. In this natural progress and order of things, I must expect of the several States, as the servant of the United States, a revenue ample in its extent, punctual in the payment, and absolutely at my disposition. In return for such grants the States are to expect from a Superintendent of Finance, vigilance, integrity, order and economy. Should he be deficient in these duties he will deserve to be removed and punished. Should the States be deficient they must allow him to complain, they must expect him to remonstrate, and finally they must not be surprised if their negligence, boding ruin to their country, be pointed out, and exposed, and reprehended.

Your most obedient, &c.

ROBERT MORRIS.

CARON DE BEAUMARCHAIS TO ROBERT MORRIS. [182]

Translation.

Paris, June 3d, 1782.

Sir,

The health of poor Francy not yet permitting him to hazard another voyage to America, I find myself obliged (to my very great loss and regret) to postpone the hope of closing and settling all my accounts with the General Congress, until he shall have recovered sufficient strength for his voyage; he alone being able to resume the thread and instructions of an affair, which he has already pursued with so much assiduity during three years.

From one merchant to another, the extract of the account adjusted in France by the person authorised, who has ordered and vouched all my advances, and which I have the honor herewith to address to you, would be sufficient for the entire settlement of my account; but my business lies with an association of United States, who have intrusted the administration of their most valuable interests, to an assembly of citizens, to a General Congress, the members of which are continually changed, and as continually liable to view transactions of the oldest date, and those which have been most thoroughly investigated at other times, with the same uncertainty and ignorance of circumstances, as if they were new events. From whence arises the necessity of causing my accounts to be adjusted and settled by the same agent, who has already presented and discussed them, agreeably to the vouchers in his possession; which M. de Francy will do as soon as his health will permit him to undertake a voyage at sea.

In the meantime, Sir, I have the honor to address to you a faithful abstract of my accounts, as they have been settled by Mr Deane, with whom alone, on behalf of the General Congress, I treated. His misfortunes, the malice with which his character, naturally mild and uniform, has been aspersed, and the complaints which I have heard in this country against certain of his writings, (of which I have not yet seen any) since the English papers made them public, have not changed the opinion I had formed of him; and I will always do him the justice to say, that he is one of those men, who have contributed most to the alliance of France with the United States. I will even add, that his laudable endeavors in the most difficult times merited, perhaps, another recompense. I see there are intrigues *among Republicans, as well as in the Courts of Kings*. This digression, (which a compassionate feeling for a man, worthy of a better lot, forces from me in writing to you, to you, Sir, who have loved him as I do,) this digression excused, I resume my affair; and I request of you, Sir, to engage Congress to assist me by the very first opportunity, with bills of exchange, such as the first which I received in 1779. Though they are not yet payable, and though I have been obliged to undergo the heaviest losses in order to make them serviceable, I cannot support the weighty burden of my credit to America, (with which alone I should be able to settle my debts in Europe,) without having, at least, an object representative of this said credit in my hands. And neither the Congress nor I should look too minutely to the losses that I sustain in the negotiation of this paper. It is one of the events, one of the indispensable consequences of the nature and situation of things. Have then the justice, Sir, to remit to me as speedily as possible, if not the whole of my account, at least a large part of what is due to me by Congress in bills of exchange, reserving what may be objected to in the account and [183] [184]

its full proof, until Francy may be able to repair to Philadelphia. My very embarrassed situation will cause me to receive this strict justice from Congress as a favor, and I shall be under the greatest obligation to you for it.

Receive, Sir, all my congratulations on the merited confidence which your fellow citizens have placed in you. No man can entertain a greater esteem for your person and superior talents than I do. Messrs De Francy and Deane have taught me to become acquainted with you; and it is after the most deliberate affection that I subscribe myself, with the most respectful regard and acknowledgement, Sir, your obedient servant.

CARON DE BEAUMARCHAIS.

THE FOLLOWING ARE THE ABSTRACTS MENTIONED IN THE PRECEDING LETTER.

Dr the Honorable Congress of the United States in Account Current with Caron de Beaumarchais.

			<i>Livres.</i>	<i>s.</i>	<i>d.</i>	
1776,						
Sept.	21,	To so much paid Messrs Du Coudray & Le Brun,	3,600			
Oct.	25,	To ditto paid ditto,	4,400			
Nov.	6,	To ditto paid ditto,	7,200			
"	12,	To ditto paid Mr Silas Deane,	20,000			
"	18,	To ditto paid Messrs Du Coudray & Le Brun,	12,000			
"	21,	To ditto paid ditto,	12,000			
"	25,	To ditto paid the Chevalier Prudhomme de Bore,	2,400			
"	27,	To ditto paid ditto,	2,100			
"	25,	To ditto paid the Chevalier Prudhomme de Bore,	2,400			
"	27,	To ditto paid ditto,	2,100			
Dec.	4,	To ditto paid Messrs Du Coudray & Le Brun,	53,541	13	4	[185]
"	5,	To ditto paid ditto,	4,800			
"	"	To ditto paid Mr Silas Deane,	2,400			
"	6,	To " " M. de Vrigny,	600			
"	12,	To " " Mr Rogers,	240			
"	13,	To amount of the cargo and expenses to departure of the ship <i>Amphitrite</i> , insurance, freight, and commission on the outfit,	979,493	8	3	
"	14,	To so much paid M. de Goy,	240			
"	26,	To ditto reimbursed to M. de Montieu per Silas Deane,	411	16		
"	"	To commission at 1 per cent on the above payments made to Mr Deane,	228	1		
1777,						
Jan.	15,	To amount of the ship <i>Seine</i> , her cargo, charges to departure, insurance, freight, and commission on the outfit,	784,631	2	10	
Feb.	5,	To amount of the cargo and charges to the departure of the ship <i>Mercury</i> , insurance, freight, and commission of the outfit,	878,758	13		
"	15,	To ditto of the ship <i>Amelia</i>	241,068	15	3	
"	27,	To so much paid M. de Goy,	800			
"	"	To commission at 1 per cent on the several payments as above made to Messrs Du Coudray, Le Brun, and others,	1,039	4		
May	10,	To amount of the cargo and expenses to departure of the ship <i>Teresia</i> , insurance, freight, and commission on the outfit,	1,062,853	17	6	
"	15,	To ditto of the ship <i>Mère Babi</i> ,	89,460	1		
June	10,	To " " <i>Maria Catherina</i> ,	166,217	6	3	
Sept.	25,	To " " <i>Flamand</i> ,	630,195	14		
Nov.	26,	To ditto of an account of expenses incurred at St Doiningue, by M. Carabasse, relative to the cargoes of the ships <i>Teresia</i> and <i>Amelia</i> ,	122,882	7	3	
1778,						
May	27,	To amount of a second account, ditto	23,037	11	10	[186]
1781,						
April	6	To commission at				

		½ per cent on 25,000)				
		30,000) = 199,000 in				
		144,000) bills on Paris,		995		
"	"	To amount of the account of interest				
		at 6 per cent per annum, as				
		particularized hereafter,		1,167,250		
				-----	---	
			Livres,	6,274,844	6	
				-----	---	
<i>Contra Cr.</i>						
1777,				<i>Livres</i>	<i>s.</i>	<i>d.</i>
Aug.	23,	By net proceeds of the returned				
		cargo of the <i>Mercury</i> ,		18,728	7	
1778,						
Feb.	27,	By ditto, ditto of the <i>Amphitrite</i> ,		135,338	9	
April	17,	By remittance to Mr Francy of				
		20,000 dollars at 4 for 1 is, at				
		5 livres tournois for a dollar		25,000		
May	26,	By ditto of 24,000 dollars at				
		ditto ditto		30,000		
Oct	22,	By net proceeds of the returned				
		cargo of the <i>Teresia</i> ,		124,139	9	6
1779,						
May	5,	By ditto of the <i>Amelia</i> , passed				
		on <i>memorandum</i> , waiting the				
		final of accounts of M. Carabasse, the				
		shipper in this affair.				
June	26,	By net proceeds of 231 hhds tobacco per				
		the <i>Fier Rodrigue</i> , reduced to				
		to 115½ on account of the freight				
		being one half,		74,905	3	9
1780,						
June	25,	By remittances on Dr Franklin to the				
		15th of June, 1780, viz.				
				74,000)		
				72,000)		
				= 144,000 ^[7]		
1781,						
April	6,	By balance due to me from the honorable		5,722,723	2	6
		Congress,		-----	---	---
			Livres,	6,274,844	11	6
				-----	---	---

[187]

Errors and omissions excepted.

Paris, April 6th, 1781.

Dr the Honorable Congress in their new Account Current with Caron de Beaumarchais.

1781,				<i>Livres.</i>	<i>s.</i>	<i>d.</i>
April	6,	To balance due to me on the preceding				
		account,		5,722,723	2	6
1782,						
May	18,	To commission at ½ per cent on 144,000				
		and 2,544,000 making 2,688,000, in				
		bills on Paris,		13,440		
"	"	To amount of interest account at 6 per				
		cent per annum, as particularized				
		hereafter,		382,698	18	
"	"	To commission at 2½ per cent to M. de				
		Francy on the returns from America,				
		viz.				
		On 552,121 9 amount of the returns to the				
		credit of their account settled the 6th				
		of April, 1781,				
		2,882,332 10 9 amount of the returns to				
		the credit of the account settled this				
		day,				
		3,434,453 19 9 at 2½ per cent,		86,861	6	

	6,204,723	6
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Contra Cr.

			<i>Livres.</i>	<i>s.</i>	<i>d.</i>
1781,					
June	25,	By remittances on Dr Franklin to the 25th of June, 1781,	144,000		
July	20,	By net proceeds of 150 hhds tobacco per the ship <i>Peru</i> , reduced to 75, on account of the freight being one half,	34,991	19	
"	"	By ditto of 176 hhds tobacco per the <i>Two> Helenas</i> , reduced to 88 by the freight;	49,826	19	
"	"	By ditto of 32 hhds ditto per <i>Good Man Richard</i> , reduced to 16 by the freight,	6,141	5	
"	"	By ditto of 188 hhds ditto per the <i>Polly</i> , reduced to 125 ¹ / ₃ , the freight being one third,	55,872	14	9
Oct.	1,	By ditto of 159 hhds ditto per <i>Fier Rodrigue</i> , reduced to 79 ¹ / ₂ by the freight at one half,	47,499	13	
"	"	By 15 hhds ditto per the <i>Jean</i> , and which were lost, this vessel having foundered at sea, (for <i>memorandum</i> .)			
1782					
May	18,	By remittances on Dr Franklin to the 25th of June, 1782, passed here in anticipation, amounting to	2,544,000		
"	"	By balance due to me from the Honorable Congress,	3,322,390	15	9
		Livres,	6,204,723	6	6

Dr the Honorable Congress

1782,					
May	18,	To balance due to me on the above account,	3,322,390	15	9

Closed the above account, as well debit as credit, of the sum of six millions two hundred and four thousand seven hundred and twentythree livres, six sols, and six deniers tournois; on which the Honorable Congress of the United States of America owe me as balance the sum of three millions three hundred and twentytwo thousand three hundred and ninety livres, fifteen sols, and nine deniers tournois.

Dr, moreover, the Honorable Congress.

[189]

To amount of the drafts of General Lincoln, drawn at Charleston, in the month of March, 1780, on Samuel Huntington, President of Congress, to the order of M. de Francy, for the purchase of the cargo of the corvette the *Zephyr*, sold by Captain Mainville to the said General Lincoln, Commander of the Southern army of the United States, for the sum of two hundred and twentyfour thousand three hundred dollars, (this for *memorandum*,) for which two hundred and twentyfour thousand three hundred dollars I am yet to be credited, no return having been made to me.

Errors and omissions excepted.

CARON DE BEAUMARCHAIS.

Paris, May 18th, 1782.

TO GEORGE WASHINGTON.

Sir,

I have received your Excellency's letters of the 17th and 25th of May, with the enclosure. I am much obliged by the attention paid in your circular letter to the situation of my department. I am very sorry to inform you that it is really deplorable. I with difficulty am enabled to perform my engagements, and am absolutely precluded from forming any new ones. I have therefore been under the very disagreeable necessity of suffering the public service to stand still in more lines than one. I have been driven to the greatest shifts, and am at this moment unable to provide for the civil list.

I can easily suppose that military men should murmur to find the salaries of the civil list more punctually paid than their own. To enter into arguments on this occasion will be unnecessary, for I am persuaded that your Excellency must be of opinion with me, that unless the civil list is paid [190] neither civil or military can exist at all.

I am well persuaded of your Excellency's desire to promote the success of those measures I have taken, because I am sure you are convinced that their tendency and my intentions are all directed to the public good. Indeed, my Dear Sir, you will hardly be able to form an adequate idea of the earnestness with which I desire to relieve you from the anxieties you must undergo. But when the several gazettes shall have announced the sums received for this year's service, and I am well convinced that the whole did not on the 1st of June amount to twenty thousand dollars; when it is recollected that our expenses at the rate of eight millions annually, are near twenty thousand dollars a day; and when it is known that the estimates on which the demand was founded do not include many essential branches, among which the Marine and Foreign Affairs are to be numbered; surely it cannot be a matter of surprise that the army are not paid; surely the blame is to fall on those from whose negligence the evil originates. But I will not give you the pain of hearing me repeat complaints, which you know to be but too well founded.

I pray you to believe, that I am, Sir, &c.

ROBERT MORRIS.

TO EDWARD CARRINGTON, IN VIRGINIA.

Office of Finance, June 6th, 1782.

Sir,

I have received your letter of the 26th of May, from Richmond. It does by no means surprise me, after some other things which have happened, that an opposition is made to receiving my notes in taxes. I am indifferent about the event of those deliberations, which may be had on that subject. If they choose rather to tax in coin, I shall be content, for the coin will answer my purposes as well as the notes, which were only intended to anticipate the revenue, and supply that want of money, which is not a little complained of, and particularly in Virginia. The views of those who oppose their circulation, I will not guess at, but I hope they may be virtuous and honorable motives, in which case, I shall only pity a want of understanding to discover the true interests of their country. [191]

I am, your most obedient, &c.

ROBERT MORRIS.

TO THE SECRETARY OF FOREIGN AFFAIRS.

Office of Finance, June 7th, 1782.

Sir,

I received this morning the letter you did me the honor to write on the 6th. Congress have asked from the several States a five per cent duty on goods imported, and on prizes and prize goods, as a fund for paying the principal and interest of their debts. This fund, when granted, will not be sufficient, and it is not yet granted by all. I expect, however, that the requisition will speedily be complied with. I shall not cease urging it, and also such further revenues as may be sufficient for the purpose. When they shall have been obtained, they will be duly applied in liquidation of the public debts; but until that period arrives, neither the principal nor the interest of such debts can be paid. [192]

I have the honor to be, &c.

TO DANIEL JENIFER, OF MARYLAND.

Office of Finance, June 11th, 1782.

Sir,

I have received the letter which you did me the honor to write on the 31st of last month. I am so habituated to receive apologies instead of money, that I am not surprised at the contents of it. If complaints of difficulties were equivalent to cash, I should not complain that the quotas are unpaid. But unluckily this is not the case, and if the States really mean to prosecute the war, something more must be done than merely to pass declaratory resolutions; for no man can be found who will for such resolutions supply food to our army. I am well persuaded, that the difficulties which any State labors under, proceed more from impolitic laws than any other source; for as to the taxes required, they are very moderate, when compared either with the real wealth of the people, or the former expenses which they have borne.

How far the quota asked from your State, is or is not proportionate, it is not my business to determine. I presume it is right; but let it be as high as it may, I am persuaded that when your specifics are turned into specie, and the various expenses attending such mode of taxation are paid, if the net amount be compared with the property taken from the people according to this simple proportion, (as the whole tax laid is to the net amount brought into the treasury, so is the price of wheat, tobacco, or any other article fixed in the law, to a fourth number to be found,) if, I say, this comparison be made, it will appear that the people have sustained a greater loss, than any disproportion in their quota could amount to. [193]

You must not, however, suppose that Maryland is singular in considering her quota too high, so far from it, that I believe every State thinks so of its own quota, and would be very happy to apologise to the world for doing nothing, with the thin and flimsy pretext, that it has been asked to do too much.

You tell me your assembly would pledge any species of security in their power to borrow money. I am persuaded that you think so, but you must pardon me for holding a different opinion, besides that their willingness in this respect can be of but little avail; for while such extreme reluctance is shown to granting a sufficient revenue to pay past debts, you must not expect that any persons will rely on promises of future integrity. I believe your assembly, like all others on the continent, means well, and therefore I am in hopes that they will act well. But before they call on Hercules they must put their shoulders to the wheel. It is a vain thing to suppose that wars can be carried on by quibbles and puns, and yet laying taxes payable in specific articles amounts to no more, for with a great sound they put little or nothing in the treasury.

I know of no persons who want your specific supplies, and, if they did, rely on it that they would rather contract with an individual of any State than with any State in the Union. I have yet met with no instance in which the articles taken in for taxes are of the first quality, neither do I expect to meet with any; and so little reliance can be placed on them, as to punctuality, that you may depend they can never be sold but at a loss. This I have experienced. Somebody or other will make a good bargain out of you, and the best you can make is to sell before the expenses eat up the whole. This will be buying experience, and perhaps it may prove a cheap purchase. [194]

I am sorry that you are about to quit your office, and particularly sorry for the want of health which leads you to that determination. I had hopes that your endeavors would have brought things into order. I shall expect to hear from you soon better tidings.

Yours, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF CONNECTICUT.

Office of Finance, June 14th, 1782.

Sir,

Mr Merrill in a letter of the seventh instant informs me, that your Excellency requested him to delay the publication of receipts for your State. I am convinced, Sir, that you had good reasons for this request, and wish it were in my power still further to gratify your wishes. But I am under the necessity of insisting on the publication for the following reasons—1st, To obviate the charge of partiality, if made in one State and not in others. 2dly, To show the deficiency of means granted for carrying on the war. 3dly, Thereby to exonerate those who are immediately

responsible. And, 4thly, to direct the public to the real cause of our calamities.

Your Excellency well knows that it is common for representatives to aim at popularity, by lessening or procrastinating the taxes of their constituents. It is proper, therefore, that the people should know the situation to which such conduct reduces them. [195]

I have the honor to be, &c.

ROBERT MORRIS.

TO JAMES LOVELL OF MASSACHUSETTS.

Office of Finance, June 16th 1782.

Sir,

I have received this day your letter of the sixth instant. I find the publications of "*no receipts*" are by no means very pleasing. Men are less ashamed to do wrong, than vexed to be told of it. Mr Merrill of Connecticut delayed his publication in consequence of a request from the Governor. This he informed me of by letter, and I enclose you a copy of my answer. It contains some of the reasons why I insist on such publications, and I send them to you because I think I can at this distance perceive, that some men will desire to know those reasons from you.

I know it will be alleged that from such publications the enemy will derive information, but I am convinced they will gain all the knowledge of that sort, which they want, without our newspapers; for the collection of taxes is a matter of too great notoriety to be concealed, and therefore I have long considered such arguments as mere excuses to keep the people in ignorance, and deceive them under pretext of deceiving their enemies.

I am, Sir, your most obedient, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Office of Finance, June 21st, 1782.

Sir,

I am informed that several of our officers have left behind them in New York considerable sums of money unpaid, which had been advanced to them while they were prisoners. The humanity of those, who have made such advances, as well as the principles of justice, requires that they should be repaid. But there is another reason which has considerable weight on my mind. The establishment of a credit among our enemies by the punctual payment of such debts will induce them again to make advances, should the chance of war place any of our unfortunate officers in a situation to render it necessary. I am therefore to request of your Excellency (should you agree with me in opinion) that you would take measures to cause the amount of those debts to be particularly ascertained, in order that I may devise some means of discharging them as soon as the state of the treasury will permit.

I am, Sir, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF RHODE-ISLAND.

Office of Finance, June 26th, 1782.

Sir,

Finding that your State has made advances of pay to their troops, it becomes my duty to inform your Excellency, that Congress included in their estimates, amounting to eight millions, the sums necessary for paying the army; of consequence there can be no use in making such payments by the several States. I must also observe, Sir, that partial payments or supplies of any kind have been found by experience to give general dissatisfaction, and therefore the determination to discontinue them has been long since adopted. [197]

The variety of accounts also is dangerous and expensive, and therefore to be avoided. I might add other reasons why such payments by the States cannot be admitted in abatement of their respective quotas. The same reasons also operate against the admission of charges for supplies of any kind, or certificates thereof as deductions from those quotas. I have written to Mr Olney on the subject, the 23d instant; and am now to pray your Excellency's attention and assistance to prevent such irregularities in future. The more our operations are simplified, the better will they be understood, and the more satisfactorily will they be conducted. Congress have asked for men and money. Those granted, they will ask for nothing more, and I persuade myself, that if consistently with the confederation, they could confine their requisitions to money alone, the people at large would derive relief from it, the Legislature would act with greater ease, and our resources be applied with greater vigor.

I have the honor to be, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Office of Finance, June 29th, 1782.

Dear Sir,

I have received your favors of the 8th and 16th instant, the former enclosing alterations proposed in the present mode of issues, and the latter a copy of your circular letter to the States of the 4th of May. I pray you to accept my thanks for these communications. I consent to the alterations mentioned, and shall be very happy that harmony be restored; for I do assure you that let the cause of disputes be what it may, I am extremely sorry to find that any exist. [198]

I find that you have misunderstood that part of my letter which relates to the complaints of the officers. My design was not to oppose any arrangement which might contribute to their convenience. I only meant to show that their convenience having been consulted in the first instance, the mode had excited uneasiness, and that the endeavor to remove that uneasiness having excited complaint and remonstrance, the direct compliance with the reasoning adopted by them would produce greater hardship, than that which was complained of. Hence follows the inference which was on my mind, that a spirit of accommodation alone could place all parties at their ease, and I supposed that the interest of the contractors on one hand, and the convenience of the army on the other, would produce that accommodating disposition in both. I am happy to find that matters are now in a train towards that desirable end, and much lament that it has not sooner arrived.

I shall close what I have to say on this subject, by assuring you most confidentially, that I will to the utmost of my power do justice, and bring relief to both officers and soldiers, but as these things can only be effected by exact method and economy, so I must pursue that method and economy, as the only means by which the desired end can be obtained.

With respect to the civil list, I shall say but one or two words. I know well the connexion, which ties together all the public servants, and I lament every comparison, which implies a distinction between them. The civil list consists chiefly of persons whose salaries will not do more than find them food and clothing. Many of them complain, that with great parsimony they cannot obtain even those necessaries. The difference then between them and the army, supposing the latter to get but four months' pay out of twelve, is that both would be alike subsisted, and the army would have an arrearage of eight months' pay to receive at a future period, but the civil list would have to receive nothing. [199]

I am, my Dear Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, July 1st, 1782.

Sir,

I have deferred until this moment my answer to your letters of the 4th, 9th, and 30th, of March, in expectation that I should have heard from you by the Marquis de Lafayette. A vessel now about to depart induces me to address you. I enclose an Act of Congress, by which you are empowered to adjust the public accounts with the Court of France. I wish this may be done, and the amount transmitted hither, that arrangements may be taken for ascertaining the times and the modes of payment. You will at the same time observe, that it is determined to appoint a commissioner for

liquidating and finally adjusting the accounts of the public servants of Congress in Europe.

The Minister here, in a letter to me of the 25th of May last, gives the following state of moneys granted by France, viz. [200]

"These advances have been made at the following periods, and are payable with interest, according to the obligations and acknowledgements of Dr Franklin.

"In 1778,	3,000,000
1779,	1,000,000
1780,	4,000,000
1781,	10,000,000

Total	18,000,000
"From this sum must be deducted the gratuitous subsidy of last year,	
	6,000,000

Remains	12,000,000"
"To this must be added,	
1st. The produce of the loan in Holland,	10,000,000
2dly. The loan made by his Majesty for the current year,	6,000,000

"Capital of the debt due to His Majesty by the United States,	28,000,000"

I think it right to send you this statement, on which I will make a few observations. I could have wished that the whole of the moneys, which the Court have furnished us had been what the greater part is, *a loan*. I know that the United States will find no difficulty in making payment, and I take this opportunity to give *you* an assurance, which is not meant for the Court, that I will endeavor to provide *even now* the means of repayment, by getting laws passed, to take effect at a future period, or otherwise, as shall be most convenient and agreeable to all parties, after the amount is ascertained and the times of payment fixed. I wish it had all been a loan, because I do not think the weight of the debt would be so great as the weight of an obligation is generally found to be, and the latter is of all others what I would least wish to labor under, either in a public or private capacity. A still further reason with me is, that there is less pain in soliciting the *aid* of a loan, when there is no expectation that it is to be a gift. [201]

Prompted by such reasons, I could be well content, that the advances made previously to the year 1778, were by some means or other brought into this account. By Mr Grand's accounts it appears, that Messrs Franklin, Deane and Lee, on the 1st of January, 1777, paid him five hundred thousand livres; on the 28th of April, other five hundred thousand livres; on the 4th of June, one million of livres; on the 3d of July, five hundred thousand livres; and on the 10th of October, other five hundred thousand livres; amounting in the whole to three millions of livres. I suppose, that these sums were received of private persons in like manner with those supplies, which were obtained through M. de Beaumarchais, and if so they will be payable in like manner with those supplies.

I have in a former letter estimated the yearly interest on Loan Office certificates, payable in France at two million livres, consequently taking in the months intervening between September and March, the total amount from September the 10th, 1777, to March the 1st, 1782, may be stated at nine million livres; which is just one half of the supplies granted for the years 1778, 1779, 1780, and 1781.

A resolution now before Congress will, I believe, direct that no more bills be drawn for this instant; but Mr Grand in his letter of the 4th of March, tells me he has paid six million two hundred and thirtynine thousand one hundred and eightysix livres, thirteen sous, four deniers, in sixteen thousand eight hundred and nineteen bills, from the 11th of February, 1779, to the 28th of January, 1782. His accounts are now translating, and when that is completed, I shall transmit them to the treasury, and I hope soon to have the accounts of the several loan officers in such a train of settlement, that all these matters may finally be wound up. [202]

Should the Court grant six million livres more for the service of the current year, making twelve million livres in the whole, which to tell you the truth, I do expect, then the sum total in five years will be forty million livres, or eight million annually. And when the occasion of this grant is considered, the magnitude of the object, and the derangement of our finances, naturally to be expected in so great a revolution, I cannot think this sum is by any means very extraordinary. I believe with you most perfectly in the good dispositions of the Court, but I must request you to urge those dispositions into effect. I consider the six millions mentioned to me by the Minister here, and afterwards in your letters, as being at my disposal. The taxes come in so slowly, that I have been compelled and must continue to draw bills, but I shall avoid it as much as possible. In my letters of the 23d and 29th of May, of which I enclose copies, are contained my sentiments as to M. de Beaumarchais' demand. Indeed, if the sums paid to him and others for expenditures previous to the year 1778, and the amount of the interest money, of which the principal was also expended at that time, be deducted, the remaining sum will be considerably less than thirty [203]

millions.

I must entreat of you, Sir, that all the stores may be forwarded from Brest as soon as possible, and I shall hope that the Court will take measures to afford you the necessary transports, so that they may come under proper convoy. As to the cargo of the ship Marquis de Lafayette, it is true, that some of it has arrived here from neutral ports, but it is equally true that money was necessary to purchase it, and that money is quite as scarce as any other article. If, however, all the cargo of that ship was like some which I procured, the taking of her has been no great loss, for the clothing was too small to go on men's backs. The goods from Holland we still most anxiously expect. Would to God that they never had been purchased. Mr Gillon, however, is at length arrived, and I hope we shall have those matters, in which he was concerned, brought to some kind of settlement.

I have the honor to be, &c.

ROBERT MORRIS.

TO ALEXANDER HAMILTON.

Office of Finance, July 2d, 1782.

Sir,

I yesterday received your letter of the 17th of June, and am very happy to find that you have determined to accept the office I had the pleasure of offering to you.^[8] I enclose the commission, instructions, &c. together with a bond for performance of the duties, which I must request you to fill up and execute, with some sufficient surety, and transmit. [204]

The complaint you make of the system of taxation in New York, might, I believe, very justly be extended; for though it may be more defective in some than in others, it is, I fear, very far from perfect in any. I had already heard, that no part of the taxes were appropriated to Continental purposes, but I expect that the Legislature will, when they meet, make such appropriation, as well as lay new, and I hope productive taxes, for the purposes of paying what may remain of their quota.

It gives me a singular pleasure to find, that you have yourself pointed out one of the principal objects of your appointment. You will find that it is specified in the enclosure of the 15th of April. I do not conceive that any interview will be necessary, though I shall always be happy to see you, when your leisure and convenience will admit. In the meantime, I must request you to exert your talents in forwarding with your Legislature the views of Congress. Your former situation in the army, the present situation of that very army, your connexions in the State, your perfect knowledge of men and measures, and the abilities which Heaven has blest you with, will give you a fine opportunity to forward the public service, by convincing all who have claims on the justice of Congress, that those claims exist only by that hard necessity, which arises from the negligence of the States. When to this you shall superadd the conviction, that what remains of the war, being only a war of finance, solid arrangements of finance must necessarily terminate favorably, not only to our hopes but even to our wishes, then, Sir, the government will be disposed to lay, and the people to bear these burdens, which are necessary, and then the utility of your office and of the officer will be as manifest to others as at present to me. [205]

I am, with respect, &c.

ROBERT MORRIS.

TO M. JOLIE DE FLEURY.

Office of Finance, July 6th, 1782.

Sir,

I have received the letter which you did me the honor to write in February last. It gives me very particular pleasure to find that my operations are approved by a gentleman whose talents and situation conspire together in giving the means and the power of forming a proper judgment. I receive, Sir, with so much greater satisfaction your promise to concur in promoting the success of my measures, as I persuade myself that a true Frenchman must deeply interest himself in the present American Revolution.

The indissoluble bands which unite our sovereigns, have connected the success of that revolution with the glory of the King, and the interests of his subjects. Being therefore alike prompted by that animated zeal and attachment to your prince which forms a beautiful trait in the French

character, and by your own benevolence, you cannot but pursue the road which leads to the establishment of our independence. It is by these motives, Sir, that you are assured of my confidence. I shall take the liberty to lay before you my arrangements, as soon as they can be completed, in order that you may possess the views of my administration.

I have the honor to be, with perfect esteem and respect,

ROBERT MORRIS.

TO MR GRAND.

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Office of Finance, July 5th, 1782.

Sir,

I have received your several favors of the 2d of February and 4th of March last, together with the accounts accompanying the latter. I am sorry to find the funds we have in Europe are so deeply anticipated. This circumstance introduces a degree of hesitancy and doubtfulness into my measures, which is alike disagreeable and pernicious. I hope, therefore, that all the old accounts will soon be wound up and finally closed; and then in future I shall possess a full view of what is in my power. With respect to any arrangements with the Court of Spain, I incline to think that they will be necessary, for I persuade myself that money negotiations through Havana might be performed to equal, if not greater advantage, by private channels.

I am, Sir, with respect and esteem, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF MARYLAND.

Office of Finance, July 9th, 1782.

Sir,

I have not been until this moment favored with your letter in Council of the 5th. I pray that you will accept and present to the Council my sincere thanks for your attention to the public service. Your offer to pay for the transportation of clothing to the southern army, gives me an additional reason to believe that a sense of the public distresses will always operate a desire to relieve them. To go into detail of those distresses, is at all times dangerous, and indeed it would be impracticable, for they are so numerous that all my time would be insufficient for the purpose. The publications made by the receivers in the several States, will however carry a conviction of them, to every man of sense and reflection.

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It is my constant endeavor to administer the little aid which is afforded to the best advantage; and I am in hourly apprehensions from the dilatoriness which has been shown by almost all the States, in granting the supplies required by Congress. No proposition can be clearer than this, that the salvation of our country must depend upon such grants; and it will be a matter of wonder for future generations, how a people who once showed such enthusiastic ardor, should at the moment when it is within their grasp, put everything to the hazard, by omitting to make the little exertion that remains. Yet such is the fact.

I shall rely on receiving considerable supplies of money from Maryland in the course of the present month; and shall, in consequence, make engagements for transporting the clothing and stores to the southern army, and for other services equally pressing and essential. That you will be obliged to sell the property of the State, at less than you suppose it to be worth, I had long foreseen, and am thoroughly convinced of. That is one among the very many objections against raising specific taxes; but you may depend that the longer they are kept on hand, the greater will be the loss. The people must be undeceived, and the sales of such property will have a tendency to produce that effect. They will at length, I hope, open their eyes, and be convinced of a truth which all history and experience bear witness to, namely, that the true art of governing is to simplify the operations of government.

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Permit me, Sir, before I close this letter, to press upon your consideration the state of public affairs. Every operation is, at present, supported by credit, and that credit has long hung but by a thread. Unless the States give speedy and effectual aid, that thread must break. It would long since have broken, and scenes of military pillage, waste, murmuring, extravagance and confusion would again have been opened, if I had not for some time declined all expenditure, except what was necessary merely to feed the army. If, under such circumstances, the enemy has made offensive operations, you may easily guess the consequences. Your State will, I hope, contribute amply to provide against them. Should anything happen, the fault will not lie at the door of

Congress or of their servants.

With perfect esteem and respect, &c.

ROBERT MORRIS.

TO JAMES LOVELL OF MASSACHUSETTS.

Office of Finance, July 10th, 1782.

Sir,

I have received your favors of the 24th and 27th of June. The conduct of the States is very alarming, and has given me much serious apprehension. A want of knowledge or of zeal among those who compose the several Legislatures, produces misfortunes which their constituents must feel, although they do not themselves appear to be aware of them. Had permanent funds been established on which to borrow money, in all human probability our credit would have been such, as that a considerable part of every year's expenditure might have been obtained in that way. The advantages of such a measure are self evident. If we suppose the states at war possessed of equal force and resources, the one of them enjoying credit, which the other wants, the efforts would be so unequal, that the nation in credit might compel her antagonist to ask peace in a very short period.

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In America we have disdained to profit by experience, and therefore are reduced to the sad necessity of bearing the whole burden of the war at the present moment, when least able to bear it. Still, however, I had hoped, by making anticipations on the taxes, to lay a foundation for more extensive credit; and at length to recover that useful confidence, which has been too carelessly squandered away. But in fixing the first stone of this useful edifice, I am disappointed by finding that after taxes are laid, and in the moment when I expect to feel the benefits, the collection is postponed unto a future day. I shall not dwell longer on this disagreeable topic. I deeply feel and sincerely lament the consequences, which you may rely on it are far more pernicious even in the article of expense than any person is aware of; besides other things which are of equal, and may perhaps, be of greater importance.

I find by examining the sums I have drawn on you for, that you can find no great difficulty in making the payments by sales of the bills. I would advise you, immediately on the receipt of this, to employ a good broker to sell all the bills you have, at a price to be fixed between you, leaving it optional in the party, to pay either specie, bank notes, or my notes, and give from a week to a fortnight credit to good hands. The price will, I suppose, be high if sold in this manner, and you will doubtless obtain a preference in the sales over others. When you open this business it must be transacted speedily by letting your broker make the sales, and take the promisory notes from the parties. The effects of this plan will be as follows; people knowing that the notes are at a discount, will readily, I suppose, make purchases on such conditions; and if they do, you will thereby raise them to par, and command a considerable sum in specie, for I know there are very few now in your country, and therefore when they come to be bought up and looked for, their value will rise; and I presume that taxation will then come in to aid their farther circulation.

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I am, Sir, with great respect, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF MARYLAND.

Office of Finance, July 29th, 1782.

Sir

I have now before me your two favors of the 12th instant. You will find my answers as well in a former letter, as in the enclosed circular. For what remains I must only declare to you my regret at finding your prospects so gloomy. The idea that taxes cannot be raised because of the want of specie, is very general, indeed it is almost universal, and yet nothing can be more ill-founded. If the people be put in the necessity of procuring specie, they will procure it. They can if they will. Tobacco may not sell at one moment, grain at another, or cattle at a third; but there are some articles such as horses, which will sell at all times. The mischief is, that when a purchaser offers, the party not being under a necessity of selling, insists on a higher price than the other can afford to give. Thus the commerce is turned away to another quarter. Nothing but the necessity of getting money will bring men in general to lower their prices. When this is done purchasers will offer in abundance, and thus it will be found, that the tax instead of lessening will increase the quantity of specie. But so long as the want of it can be pleaded successfully against taxes, so long that want will continue. And then all that remains to consider is, whether the army can be

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maintained by such a plea. The States, Sir, must give money, or the army must disband.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, July 29th, 1782.

Sir,

The reference which Congress were pleased to make of a remonstrance and petition from Blair Mc Clenaghan and others, has induced me to pray their indulgence while I go somewhat at large into the subject of that remonstrance.

The propriety and utility of public loans have been subjects of much controversy. Those who find themselves saddled with the debts of a preceding generation, naturally exclaim against loans; and it must be confessed, that when such debts are accumulated by negligence, folly or profusion, the complaint is well founded. But it would be equally so against taxes, when wasted in the same way. The difference is, that the weight of taxes being more sensible, the waste occasions greater clamor, and is therefore more speedily remedied. But it will appear, that the eventual evils, which posterity must sustain from heavy taxes are greater than from loans. Hence may be deduced this conclusion, that in governments liable to a vicious administration, it would be better to raise the current expense by taxes; but where an honest and wise appropriation of money prevails, it is highly advantageous to take the benefit of loans. Taxation to a certain point, is not only proper but useful, because by stimulating the industry of individuals, it increases the wealth of the community. But when taxes go so far as to entrench on the subsistence of the people, they have become burdensome and oppressive. The expenditure of money ought in such case to be, if possible, avoided; if unavoidable, it will be most wise to have recourse to loans. [212]

Loans may be of two kinds, either domestic or foreign. The relative advantages and disadvantages of each, as well as those which are common to both, will deserve attention. Reasonings of this kind, as they depend on rules of arithmetic, are best understood by numerical positions. For the purposes of elucidation, therefore, it may be supposed that the annual tax of any particular husbandman were fifteen pounds, so that (the whole being regularly consumed in payment of taxes) he would be no richer at the end of the war, than he was at the beginning. It is at the same time notorious, that the profits made by husbandmen, on funds which they borrowed were very considerable. In many instances their plantations, as well as the cattle and family utensils, have been purchased on credit, and the bonds given for both have shortly been paid by sales of produce. It is, therefore, no exaggeration to state the profits at twelve per cent. The enormous usury, which people in trade have been induced to pay, and which will presently be noticed, demonstrates that the profits made by the other professions, are equal to those of the husbandman. [213]

The instance, therefore, taken from that which is the most numerous class of citizens, will form no improper standard for the whole. Let it then be farther supposed in the case already stated, that the party should annually borrow the sum of ten pounds at six per cent, to pay part of the tax of fifteen pounds. On this sum then he would make a profit of twentyfour shillings, and have to pay an interest of twelve shillings. The enclosed calculation will show, that in ten years he would be indebted one hundred pounds, but his additional improvements would be worth near one hundred and fifty, and his net revenue be increased near twelve, after deducting the interest of his debt. Whereas if he had not borrowed, his revenue, as has been already observed, would have continued the same. This mode of reasoning might be pursued farther, but what has been said is sufficient to show, that he would have made a considerable advantage from the yearly loan. If it be supposed, that every person in the community made such a loan, a similar advantage would arise to the community. And lastly, if it be supposed, that the government were to make a loan and ask so much less in taxes, the same advantage would be derived. Hence, also, may be deduced this position, that in a society where the average profits of stock are double the interest at which money can be obtained, every public loan for necessary expenditures, provides a fund in the aggregate of national wealth equal to the discharge of its own interest.

Were it possible that a society should exist, in which every member would of his own accord industriously pursue the increase of national property, without waste or extravagance, the public wealth would be impaired by every species of taxation. But there never was, and unless human nature should change, there never will be such a society. In any given number of men, there always will be some who are idle, and some who are extravagant. In every society also there must be some taxes, because the necessity of supporting government and defending the State always exists. To do these on the cheapest terms is wise, and when it is considered how much men are disposed to indolence and profusion it will appear, that even if those demands did not require the whole of what could be raised, still it would be wise to carry taxation to a certain amount, and expend what should remain after providing for the support of government and the national defence, in works of public utility, such as the opening of roads and navigation. For taxes operate [214]

two ways towards the increase of national wealth. First, they stimulate industry to provide the means of payment. Secondly, they encourage economy, so far as to avoid the purchase of unnecessary things, and keep money in readiness for the tax gatherers. Experience shows, that those exertions of industry and economy grow by degrees into habit. But in order that taxation may have these good effects, the sum which every man is to pay and the period of payment, should be certain and unavoidable.

This digression opens the way to a comparison between foreign and domestic loans. If the loan be domestic, money must be diverted from those channels in which it would otherwise have flowed; and, therefore, either the public must give better terms than individuals, or there must be money enough to supply the wants of both. In the latter case, if the public did not borrow, the quantity of money would exceed the demand, and the interest would be lowered; borrowing by the public, therefore, would keep up the rate of interest; which brings the latter case within the reason of the former. If the public out bid individuals, those individuals are deprived of the means of extending their industry; so that no case of a domestic loan can well be supposed where some public loss will not arise to counterbalance the public gain, except where the creditor spares from his consumption to lend to the government, which operates a national economy. It is, however, an advantage peculiar to domestic loans, that they give stability to government, by combining together the interests of the monied men for its support; and, consequently, in this country a domestic debt would greatly contribute to that union, which seems not to have been sufficiently attended to or provided for in forming the national compact. Domestic loans are also useful, from the farther consideration, that as taxes fall heavy on the lower orders of the community, the relief obtained for them by such loans more than counterbalances the loss sustained by those who would have borrowed money to extend their commerce or tillage. Neither is it a refinement to observe, that since a plenty of money and consequent ease of obtaining it, induce men to engage in speculations, which are often unprofitable, the check which these receive is not injurious, while the relief obtained by the poor is highly beneficial. [215]

By making foreign loans, the community, as such, receive the same extensive benefits, which one individual does in borrowing of another. This country was always in the practice of making such loans. The merchants in Europe trusted those in America. The American merchants trusted the country store-keepers, and they the people at large. This advance of credit may be stated at not less than twenty millions of dollars. And the want of that credit now is one principal reason of those usurious contracts mentioned above. These have been checked by the institution of the bank, but the funds of that corporation not permitting those extensive advances, which the views of different people require, the price given for particular accommodations of money continues to be enormous; and that again shows, that to make domestic loans would be difficult, if not impracticable. The merchants not having now that extensive credit in Europe, which they formerly had, the obtaining such credit by government becomes in some sort necessary. [216]

But there remains an objection with many against foreign loans, which (though it arises from a superficial view of the subject) has no little influence. This is, that the interest will form a balance of trade against us, and drain the country of specie; which is only saying in other words, that it would be more convenient to receive money as a present, than as a loan; for the advantages derived by the loan exist, notwithstanding the payment of interest. To show this more clearly, a case may be stated, which in this city is very familiar. An Island in the Delaware overflowed at high water has for a given sum, suppose a thousand pounds, been banked in, drained, and made to produce, by the hay sold from it at Philadelphia, a considerable sum annually; for instance, two hundred pounds. If the owner of such an Island had borrowed in Philadelphia the thousand pounds to improve it, and given six per cent interest, he would have gained a net revenue of one hundred and forty pounds. This certainly would not be a balance of trade against his Island, nor the draining it of specie. He would gain considerably, and the city of Philadelphia also would gain, by bringing to market an increased quantity of a necessary article. [217]

In like manner money lent by the city of Amsterdam to clear the forests of America would be beneficial to both. Draining marshes and bringing forests under culture, are beneficial to the whole human race, but most to the proprietor. But at any rate, in a country and in a situation like ours, to lighten the weight of present burdens must be good policy by loans. For as the governments acquire more stability, and the people more wealth, the former will be able to raise, and the latter to pay, much greater sums than can at present be expected.

What has been said on the general nature and benefit of public loans, as well as their particular utility to this country, contains more of detail than is necessary for the United States in Congress, though perhaps not enough for many of those to whose consideration this subject must be submitted. It may seem superfluous to add, that credit is necessary to the obtaining of loans. But among the many extraordinary conceptions which have been produced during the present revolution, it is neither the least prevalent nor the least pernicious, that foreigners will trust us with millions, while our own citizens will not trust us with a shilling. Such an opinion must be unfounded, and will appear to be false at the first glance; yet men are, on some occasions, so willing to deceive themselves, that the most, flattering expectations will be formed from the acknowledgement of American independence by the States-General. But surely no reasonable hope can be raised on that circumstance, unless something more be done by ourselves. The loans made to us hitherto, have either been by the Court of France, or on their credit. The government of the United Netherlands are so far from being able to lend, that they must borrow for themselves. The most, therefore, that can be asked from them, is to become security for America to their own subjects; but it cannot be expected that they will do this, until they are assured and [218]

convinced that we will punctually pay. This follows necessarily from the nature of their government, and must be clearly seen by the several States as well as by Congress, if they only consider what conduct they would pursue on a similar occasion. Certainly Congress would not put themselves in a situation, which might oblige them to call on the several States for money to pay the debts of a foreign power. Since then no aid is to be looked for from the Dutch government, without giving them sufficient evidence of a disposition and ability to pay both principal and interest of what we borrow; and since the same evidence which would convince the government must convince the individuals that compose it, asking the aid of government must either be unnecessary or ineffectual. Ineffectual before the measures are taken to establish our credit, and unnecessary afterwards.

We are, therefore, brought back to the necessity of establishing public credit; and this must be done at home before it can be extended abroad. The only question which can remain, is with respect to the means. And here it must be remembered, that a free government whose natural offspring is public credit, cannot have sustained a loss of that credit, unless from particular causes, and therefore those causes must be investigated and removed, before the effects will cease. When the continental money was issued, a greater confidence was shown by America than any other people ever exhibited. The general promise of a body not formed into, nor claiming to be a government, was accepted as current coin; and it was not until long after an excess of quantity had forced on depreciation, that the validity of these promises was questioned. Even then the public credit still existed in a degree, nor was it finally lost until March, 1780, when an idea was entertained that government had committed injustice. It is useless to enter into the reasons for and against the resolutions of that period. They were adopted, and are now to be considered only in relation to their effects. These will not be altered by saying that the resolutions were misunderstood, for in those things which depend on public opinion, it is no matter, (so far as consequences are concerned,) how that opinion is influenced. Under present circumstances, therefore, it may be considered as an incontrovertible proposition, that all paper money ought to be absorbed by taxation, or otherwise, and destroyed before we can expect our public credit to be fully reestablished; for so long as there be any in existence, the holder will view it as a monument of national perfidy.

But this alone would be taking only a small step in the important business of establishing national credit. There are a great many individuals in the United States, who trusted the public in the hour of distress, and who are impoverished, and even ruined by the confidence they reposed. There are others whose property has been wrested from them by force to support the war, and to whom certificates have been given in lieu of it, which are entirely useless. I need no inspiration to show that justice establishes a nation. Neither are the principles of religion necessary to evince that political injustice will receive political chastisement. Religious men will cherish these maxims in proportion to the additional force they derive from divine revelation. But our own experience will show, that from a defect of justice this nation is not established, and that her want of honesty is severely punished by her want of credit. To this want of credit must be attributed the weight of taxation for the support of the war, and the continuance of that weight by the continuance of the war.

It is, therefore, with the greatest propriety, your petitioners already mentioned, have stated in their Memorial, that both policy and justice require a solid provision for funding the public debts. It is with pleasure, Sir, that I see this numerous, meritorious, and oppressed, body of men who are creditors of the public, beginning to exert themselves for the obtaining of justice. I hope they may succeed, not only because I wish well to so righteous a pursuit, but because their success will be the great ground work of a credit, that will carry us safely through the present just, important, and necessary war; which will combine us closely together on the conclusion of a peace, which will always give to the supreme representative of America, a means of acting for the general defence on sudden emergencies, and which will of consequence procure the third of these great objects, for which we contend, *peace, liberty, and safety*.

Such, Sir, are the cogent principles, by which we are called to provide solid funds for the national debt. Already Congress have adopted a plan for liquidating all past accounts, and if the States shall make the necessary grants of revenue, what remains will be a simple executive operation, which will presently be explained. But however powerful the reasons in favor of such grants, over and above those principles of moral justice, which none, however exalted, can part from with impunity, still there are men, who, influenced by penurious selfishness, will complain of the expense, and who will assert the impossibility of sustaining it. On this occasion the sensations with respect to borrowing are reversed. All would be content to relieve themselves by loan from the weight of taxes, but many are unwilling to take up as they ought the weight of debt. Yet this must be done before the other can happen; and it is not so great but that we should find immediate relief by assuming it, even if *it were a foreign debt*. I say if it were a *foreign* debt, because I shall attempt to show, first, that being a *domestic debt*, to fund it will cost the community nothing, and secondly, that it will produce, on the contrary, a considerable advantage.

And as to the first point, one observation will suffice. The expenditure has been made, and a part of the community have sustained it. If the debt were to be paid by a single effort of taxation, it could only create a transfer of property from one individual to another, and the aggregate wealth of the whole community would be precisely the same. But since nothing more is attempted than merely to fund the debt, by providing for the interest at six per cent, the question of ability is resolved to the single point, whether it is easier for a *part of the people* to pay one hundred dollars, than for the *whole people* to pay six dollars. It is equally clear, though not equally

evident, that a considerable advantage would be produced by funding our debts, over and above what has been already mentioned as the consequence of national credit.

The advantage is threefold. First, many persons by being creditors of the public are deprived of those funds, which are necessary to the full exercise of their skill and industry. Consequently the community are deprived of the benefits, which would result from that exercise, whereas if these debts, which are in a manner dead, were brought back to existence, monied men would purchase them up, though perhaps at a considerable discount, and thereby restore to the public many useful members, who are now entirely lost, and extend the operations of many more to considerable advantage. For although not one additional shilling would be by this means brought in, yet by distributing property into those hands, which could render it most productive, the revenues would be increased, while the original stock continued the same. Secondly, many foreigners who make speculations to this country, would, instead of ordering back remittances, direct much of the proceeds of their cargoes to be invested in our public funds, which, according to principles already established, would produce a clear advantage, with the addition, from peculiar circumstances, that it would supply the want of credit to the mercantile part of society. The last but not least advantage is, that in restoring ease, harmony, and confidence, not only the government (being more respectable) would be more respected, and consequently better obeyed, but the mutual dealings among men on private credit would be facilitated. The horrors which agitate people's minds, from an apprehension of depreciating paper would be done away. The secret hoards would be unlocked. In the same moment the necessity of money would be lessened, and the quantity increased. By these means the collection of taxes would be facilitated, and thus instead of being obliged to give valuable produce for useless minerals, that produce would purchase the things we stand in need of, and we should obtain a sufficient circulating medium, by giving the people what they have always a right to demand, solid assurance in the integrity of their rulers. [223]

The next consideration, which offers is the amount of public debt, and every good American must lament that confusion in public affairs, which renders an accurate state of it unattainable. But it must continue to be so until accounts at home and abroad be fully adjusted. The enclosed is an estimate, furnished by the Controller of the Treasury; from which it appears, that there is, already an acknowledged debt bearing interest, to the amount of more than twelve millions of dollars. On a part of this also there is a large arrearage of interest, and there is a very considerable debt unsettled, the evidence of which exists in various certificates, given for property applied to the public service. This service, including pay due to the army previous to the present year, cannot be estimated at less than between seven and eight millions. Our debt to his Most Christian Majesty, is above five millions. The nearest guess, therefore, which can be made at the sum total, is from twentyfive to twentyseven millions of dollars; and if to this we add what it may be necessary to borrow for the year 1783, the amount will be, with interest, by the time proper revenues are obtained, considerably above thirty millions. Of course the interest will be between eighteen hundred thousand and two millions of dollars. [224]

And here, previous to the consideration of proper revenues for that amount, it may not be amiss to make a few general observations; the first of which is, that it would be injurious to the United States to obtain money in loans, without providing beforehand the necessary funds. For if those who are now so deeply engaged to support war, will not grant such funds to procure immediate relief, certainly those who come after them will not do it to pay a former debt. Remote objects, dependent on abstract reasoning, never influence the mind like immediate sensibility. It is, therefore, the province of wisdom to direct towards proper objects that sensibility, which is the only motive to action among the mass of mankind. Should we be able to get money from the Dutch, without first providing funds, which is more than doubtful; and should the several States neglect afterwards making provision to perform the engagements of Congress, which is more than probable, the credit of the United States abroad would be ruined forever. Very serious discussions also might be raised among foreign powers, and our creditors might have recourse to arms, we might dishonorably be compelled to do what dishonestly we had left undone.

Secondly, the idea, which many entertain, of soliciting loans abroad to pay the interest of domestic debts, is pregnant with its own destruction. If the States were to grant revenues sufficient only to pay the interest of present debts, we might, perhaps, obtain new credit upon a general opinion of our justice, though that is far from certain. But when we omit paying by taxes the interest of debts already contracted, and ask to borrow for the purpose, making the same promises to obtain the new loans, which had already been made to obtain the old, we shall surely be disappointed. [225]

Thirdly, it will be necessary, not only that revenues be granted, but that those revenues be amply sufficient for the purpose, because (as will presently appear) a deficiency would be highly pernicious, while an excess would be not only unprejudicial, but very advantageous. To perceive this with all necessary clearness, it must be remembered that the revenues asked for on this occasion must be appropriated to the purposes for which they are asked, and in like manner the sums required for current expenditures must be appropriated to the current service. If then the former be deficient the latter cannot be brought in to supply the deficiencies, and of course the public credit would be impaired; but should there be an excess of revenue it could be applied in payment of a part of the debt immediately, and in such case, if the credits should have depreciated they would be raised to par, the offer of payment would induce creditors to lower the interest. Thus in either case, the means of making new loans on good terms would be extended, and the necessity of asking more revenues obviated.

Lastly, the revenues ought to be of such a nature, as naturally and necessarily to increase, for creditors will have a greater confidence when they have a clear prospect of being repaid, and the people will always be desirous to see a like prospect of relief from the taxes. Besides which, it will be necessary to incur some considerable expense after the war, in making necessary establishments for a permanent naval force, and it will always be least objectionable to borrow for that purpose on funds already established.

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The requisition of a five per cent impost, made on the 3d of February, 1781, has not yet been complied with by the State of Rhode Island; but as there is reason to believe that their compliance is not far off, this revenue may be considered as being already granted. It will, however, be very inadequate to the purposes intended. If goods be imported and prizes introduced to the amount of twelve millions annually, the five per cent would be six hundred thousand, from which at least one sixth must be deducted, as well for the cost of collection as for the various defalcations which will necessarily happen, and which it is unnecessary to enumerate. It is not safe, therefore, to estimate this revenue at more than half a million of dollars, for, though it may produce more, yet probably it will not produce so much. It was in consequence of this, that on the 27th day of last February, I took the liberty to submit the propriety of asking the States for a land tax of one dollar for every hundred acres of land, a poll tax of one dollar on all freemen and all male slaves between sixteen and sixty, (excepting such as are in the federal army, and such as are by wounds or otherwise rendered unfit for service) and an excise of one eighth of a dollar per gallon, on all distilled spirituous liquors. Each of these may be estimated at half a million, and should the product be equal to the estimation, the sum total of revenues for funding the public debts, would be equal to two millions. What has been the fate of these propositions I know not, but I will beg leave, on this occasion, not only to renew them, but also to state some reasons in their favor, and answer some objections against them.

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And first, as to a land tax. The advantages of it are, that it can be reduced to a certainty as to the amount and time. That no extraordinary means are necessary to ascertain it, and that land being the ultimate object of human avarice, and that species of permanent property, which peculiarly belongs to a country as neither to be removed or concealed, it stands foremost for the object of taxation, and ought most particularly to be burdened with those debts, which have been incurred by defending the freedom of its inhabitants. But besides these general reasons, there are some which are in a manner peculiar to this country. The land of America may, as to the proprietors be divided into two kinds; that which belongs to the great landholders, and that which is owned and occupied by the industrious cultivators. This latter class of citizens, is, generally speaking, the most numerous and most valuable part of a community. The artisan may, under any government, minister to the luxuries of the rich, and the rich may, under any government, obtain the luxuries they covet. But the free husbandman is the natural guardian of his country's freedom. A land tax will probably, at the first mention, startle this order of men; but it can only be from the want of reflection, or the delusion must be kept up by the artifice of others. To him who cultivates from one to five hundred acres, a dollar per hundred is a trifling object, but to him who owns a hundred thousand it is important. Yet a large proportion of America is the property of great landholders, they monopolise it without cultivation; they are, for the most part, at no expense either of money or personal service to defend it, and keeping the price higher by monopoly than otherwise it would be, they impede the settlement and culture of the country. A land tax, therefore, would have the salutary operation of an agrarian law without the iniquity. It would relieve the indigent, and aggrandize the State by bringing property into the hands of those who would use it for the benefit of society.

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The objections against such a tax are twofold; first, that it is unequal, and secondly, that it is high. To obviate the inequality, some have proposed an estimate of the value of different kinds of lands. But this would be improper; because, first, it would be attended with great delay, expense, and inconvenience. Secondly, it would be uncertain, and therefore improper, particularly when considered as a fund for public debts. Thirdly, there is no reason to believe, that any estimate would be just, and even if it were, it must be annually varied, or else come within the force of the objection as strongly as ever; the former would cost more than the tax, and the latter would not afford the remedy asked for. Lastly, such valuations would operate as a tax upon industry, and promote that land monopoly, which every wise government will study to repress. But further, the true remedy for any inequality will be obtained in the apportioning other taxes, of which there will always be enough to equalize this; besides, the tax being permanent and fixed, it is considered in the price of land on every transfer of property, and that produces a degree of equality, which no valuation could possibly arrive at.

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In a word, if exact numerical proportion be sought after in taxes, there would be no end to the search. Not only might a poll tax be objected to, as too heavy on the poor and too light on the rich, but when that objection was obviated the physical differences in the human frame would alone be as endless a source of contention, as the different qualities of land. The second objection, that the tax is too high, is equally futile with the former. Land which is so little worth, that the owner will not pay annually one penny per acre for the defence of it, ought to belong to the society by whom the expense of defending it is defrayed. But the truth is, that this objection arises from and is enforced by those men who can very well bear the expense, but who wish to shift it from themselves to others. I shall close this subject by adding, that as such a tax would, besides the benefits to be derived from the object of it, have the farther advantage of encouraging settlements and population, this would redound not only to the national good, but even to the particular good of the landholders themselves.

With respect to the poll tax, there are many objections against it, but in some of the States a more considerable poll tax already exists without inconvenience. The objections are principally drawn from Europe, by men who do not consider that a difference of circumstances makes a material difference in the nature of political operations. In some parts of Europe, where nine tenths of the people are exhausted by continual labor, to procure bad clothing and worse food, this tax would be extremely oppressive; but in America, where three days of labor produce sustenance for a week, it is not unreasonable to ask two days out of a year as a contribution to the payment of public debts. Such a tax will, on the rich, be next to nothing; on the middling ranks it will be of very little consequence; and it cannot affect the poor, because such of them as are unable to labor will fall within the exception proposed. In fact the situation of America differs so widely from that of Europe as to the matter now under consideration, that hardly any maxim which applies to one will be alike applicable to the other. Labor is in such demand among us, that the tax will fall on the consumer. An able bodied man who demands one hundred dollars to go into military service for three years, cannot be oppressed by the annual payment of one dollar while not in that service. This tax, also, will have the good effect of placing before the eyes of Congress the numbers of men in the several States; an information always important to government.

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The excise proposed is liable to no other objection than what may be made against the mode of collection, but it is conceived that this may be such as can produce no ill consequences. Excise laws exist and have long existed in the several States. Of all taxes, those on the consumption of articles are most agreeable, because being mingled with the price, they are less sensible to the people; and without entering into a discussion with which speculative men have amused themselves, on the advantages and disadvantages of this species of taxation, it may be boldly affirmed, that no inconvenience can arise from laying a heavy tax on the use of ardent spirits. These have always been equally prejudicial to the constitutions and morals of the people. The tax will be a means of compelling vice to support the cause of virtue, and like the poll tax, will draw from the idle and dissolute, that contribution to the public service which they will not otherwise make.

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Having said thus much on the propriety of these taxes, I shall pray leave to assure you of my ready acquiescence in the choice of any others, which may be more agreeable to the United States in Congress, praying them nevertheless to consider, that as the situation of the respective States is widely different, it will be wise to adopt a variety of taxes, because by that means the consent of all will be more readily obtained, than if such are chosen as will fall heavy only on particular States.

The next object is the collection, which, for the most obvious reasons ought to be by authority derived from the United States. The collection of a land tax, as has been above observed, will be very simple. That of the poll may be equally so, because certificates of the payment may annually be issued to the collectors, and they be bound to return the certificates or the money, and empowered to compel a payment by every man not possessed of a certificate. If in addition to this, those who travel from one State to another be obliged to take out and pay for a new certificate in each State, that would operate a useful regulation of police; and a slight distinction between those and the common certificates would still preserve their utility in numbering the people.

It is not necessary to dwell on the mode of collecting these branches of revenue, because in reason, a determination on the propriety of the taxes should precede it. I will only take the liberty to drop one idea with respect to the impost already required. It is conceived that laws should be so formed, as to leave little or nothing to the discretion of those by whom they are executed; that revenue laws, in particular, should be guarded in this respect from odium; being, as they are, sufficiently odious in themselves; and therefore it would have been well to have stipulated the precise sum payable on different species of commodities. The objection is, that the list to be accurate must be numerous. But as this accuracy is necessary, the description ought to be very short and general, so as to comprise many commodities under one head; and the duty ought to be fixed according to their average value. The objection against this regulation, is, that the tax on fine commodities would be trivial, and on coarse commodities great. This indeed is true; but it is desirable for two reasons. First, that coarse and bulky commodities could not be smuggled to evade the heavy duty; and that fine commodities would not be smuggled to evade the light duty. Secondly, that coarse commodities, generally speaking, minister to the demands of necessity or convenience, and fine commodities to those of luxury. The heavy duty on the former would operate an encouragement to produce them at home, and by that means a stoppage of our commerce in time of war would be most felt by the wealthy, who have always the most abundant means of procuring relief.

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I shall now, Sir, take the liberty to suppose, that the revenues I have mentioned, or some others, to the amount of at least two millions net annual produce, were asked for and obtained, as a pledge to the public creditors, to continue until the principal and interest of the debts contracted or to be contracted, shall be finally paid. This supposition is made, that I may have an opportunity, thus early, to express my sentiments on the mode of appropriation. It would be as follows; any one of the revenues being estimated, a loan should be opened on the credit of it, by subscription to a certain amount, and public debts of a particular description, or specie, be received in payment of the subscriptions. This funded debt should be transferable under particular forms, calculated for the prevention of fraudulent, and facilitating of honest negotiations. In like manner on each of these revenues should subscriptions be opened,

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proceeding by degrees so as to prevent any sudden revolutions in money matters, such revolutions being always more or less injurious.

I should further propose, that the surplus of each of these revenues, (and care should be taken that there would be a surplus,) should be carried to a sinking fund; on the credit of which, and of the general promises of government, new loans should be opened when necessary. The interest should be paid half yearly, which would be convenient to the creditors and to the government, as well as useful to the people at large; because by this means, if four different loans were opened at different times, the interest would be payable eight times in the year; and thus the money would be paid out of the treasury as fast as it came in; which would require four officers to manage the business, keep them in more constant and regular employment, dispense the interest so as to command the confidence and facilitate the views of the creditors, and return speedily the wealth obtained by taxes into the common stock. [234]

I know it will be objected, that such a mode of administration would enable speculators to perform their operations. A general answer to this would be, that any other mode would be more favorable to them. But further, I conceive, first, that it is much beneath the dignity of government to intermeddle in such consideration. Secondly, that speculators always do least mischief where they are left most at liberty. Thirdly, that it is not in human prudence to counteract their operations by laws; whereas, when left alone, they invariably counteract each other; and fourthly, that even if it were possible to prevent speculation, it is precisely the thing which ought not to be prevented; because he who wants money to commence, pursue, or extend his business, is more benefited by selling stock of any kind, even, at a considerable discount, than he could be by the rise of it at a future period; every man being able to judge better of his own business and situation than the government can for him.

So much would not perhaps have been said on the head of this objection, if it did not naturally lead to a position, which has hitherto been ruinous, and might prove fatal. There are many men, and some of them honest men, whose zeal against speculation leads them to be sometimes unmindful not only of sound policy, but even of moral justice. It is not uncommon to hear, that those who have bought the public debts for small sums, ought only to be paid their purchase money. The reasons given are, that they have taken advantage of the distressed creditor, and shown a diffidence in the public faith. As to the first, it must be remembered, that in giving the creditor money for his debt, they have at least afforded him some relief, which he could not obtain elsewhere, and if they are deprived of the expected benefit, they will never afford such relief again. As to the second, those who buy up the public debts, show at least as much confidence in the public faith as those who sell them. But allowing, for argument sake, that they have exhibited the diffidence complained of, it would certainly be wiser to remove than to justify it. The one mode tends to create, establish, and secure public credit, and the other to sap, overturn, and destroy it. Policy is, therefore, on this, as I believe it to be on every other occasion, upon the same side of the question with honesty. Honesty tells us, that the duty of the public to pay, is like the same duty in an individual. Having benefited by the advances, they are bound to replace them to the party, or to his representatives. The debt is a species of property, and whether disposed of for the whole nominal value, or the half, for something, or for nothing, is totally immaterial. This right of receiving and the duty of paying must always continue the same. In a word, that government which can, through the intervention of its Courts, compel payment of private debts, and performance of private contracts, on principles of distributive justice, but refuses to be guided by those principles as to their own contracts, merely because they are not amenable to human laws, shows a flagitious contempt of moral obligations, which must necessarily weaken, as it ought to do, their authority over the people. [235]

Before I conclude this long letter, it would be unpardonable not to mention a fund, which has long since been suggested, and dwells still on the minds of many. You doubtless, Sir, anticipate my naming of what are called the back lands. The question as to the property of those lands, I confess myself utterly incompetent to decide, and shall not for that reason presume to enter on it. But it is my duty to mention, that the offer of a pledge, the right of which is contested, would have ill consequences, and could have no good ones. It could not strengthen our credit, because no one would rely on such a pledge, and the recurrence to it would give unfavorable impressions of our political sagacity. But admitting that the right of Congress is clear, we must remember also, that it is disputed by some considerable members of the confederacy. Dissentions might arise from hasty decisions on this subject. And a government torn by intestine commotions, is not likely to acquire or maintain credit at home or abroad. [236]

I am not, however, the less clear in my opinion, that it would be alike useful to the whole nation, and to those very constituent parts of it, that the entire disposition of those lands should be in Congress. Without entering, therefore, into the litigated points, I am induced to believe, and for that reason to suggest, the proposing this matter to the States as an amicable arrangement. I hope to be pardoned when I add, that considering the situation of South Carolina and Georgia, it might be proper to ask their consent to matters of the clearest right. But that supposing the right to be doubtful, urging decision in the present moment, might have a harsh and ungenerous appearance.

But if we suppose this matter to be arranged either in the one mode or in the other, so that the right of Congress be rendered indisputable (for that is a previous point of indispensable necessity) the remaining question will be, as to the appropriation of that fund. And I confess it does not appear to me, that the benefits resulting from it are such as many are led to believe. When the imagination is heated in pursuit of an object, it is generally overrated. If these lands [237]

were now in the hands of Congress, and they were willing to mortgage them to their present creditors, unless this were accompanied with a due provision for the interest, it would bring no relief. If these lands were to be sold for the public debts, they would go off for almost nothing. Those who want money could not afford to buy land. Their certificates would be bought up for a trifle. Very few monied men would become possessed of them, because very little money would be invested in so remote a speculation. The small number of purchasers would easily and readily combine; of consequence they would acquire the lands for almost nothing, and effectually defeat the intentions of government; leaving it still under the necessity of making further provision, after having needlessly squandered an immense property.

This reasoning is not new. It has been advanced on similar occasions before, and the experience, which all America has had of the sales of confiscated estates and the like, will now show that it was well founded. The back lands then will not answer our purpose, without the necessary revenues. But those revenues will alone produce the desired effect. The back lands may afterwards be formed into a fund, for opening new loans in Europe on a low interest, redeemable within a future period, (for instance twenty years) with a right reserved to the creditors of taking portions of those lands on the non-payment of their debts, at the expiration of the time. Two modes would offer for the liquidation of those debts. First, to render payment during the term to those who would not consent to alter the nature of the debt; which, if our credit be well established, would place it on the general footing of national faith. And secondly, to sell portions of the land (during the term) sufficient to discharge the mortgage. I persuade myself, that the consent of the reluctant might be obtained, and that this fund might hereafter be converted to useful purposes. But I hope that in a moment when the joint effort of all is indispensable, no causes of altercation may be mingled unnecessarily in a question of such infinite magnitude as the restoration of public credit. Let me add, Sir, that unless the money of foreigners be brought in for the purpose, sales of public lands would only absorb that surplus wealth, which might have been exhaled by taxes; so that in fact no new resource is produced. And that while, as at present, the demand for money is so great as to raise interest to five per cent per month, public lands must sell extremely low, were the title ever so clear. What then can be expected, when the validity of that title is one object of the war?

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I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, July 30th, 1782.

Sir,

I do myself the honor to enclose for the inspection of Congress, estimates for the service of the year 1783, amounting in the whole to eleven millions. I should be strictly justified in praying a requisition of the United States for that sum, but I conceive that the demands made should be the lowest which our circumstances will possibly admit of. I am persuaded, that if the United States in Congress will adopt those means of economy, which are in their power, we may save two millions; and, therefore, on a presumption that those means will be adopted, I shall ask only nine millions. Congress will observe, that the estimates of the Marine Department amount to two millions and a half; whereas there was no estimate made for that service in the last year, any more than for the Civil List. There can be no doubt that the enemy have changed their mode of warfare, and will make their principal exertions in the naval line. It becomes us, therefore, to make like exertions, and that for the plainest reasons.

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Experience has shown that the efforts to obtain a large army have for many years proved utterly fruitless. The only effect of those efforts, has been to enhance the price of such men as were obtained, and thereby to disable the States, who exerted themselves to raise recruits, from pouring supplies into the public Treasury. Thus we have not only been unable to get more men, but also to pay and support those which we had gotten. Admitting, however, that the required number were obtained and properly supported as an army, these things are clear; first, that without naval aid we could not make an impression on the enemy's posts. Secondly, that they would be able to harass and distress us in every quarter, by predatory incursions. Thirdly, that they would prevent us from receiving those supplies, which are necessary alike to the operations and existence of an army. And, fourthly, that their inroads on our commerce would produce such distress to the country, as to make our revenues utterly unproductive, and finally bring our affairs to destruction.

An army, therefore, without a navy would be burdensome, without being able to give essential aid, supposing the enemy to have changed their system of carrying on the war. But if we had a navy, we should be able, first, to prevent the enemy from making predatory incursions. Secondly, we should, at least, keep the ships they have on our coast together, which would prevent them from injuring our commerce, or obstructing our supplies. Thirdly, if they kept in this country an equal or superior force, we should by that means have made a powerful diversion in favor of our allies, and contributed to give them a naval superiority elsewhere. Fourthly, if our enemy did not

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keep an equal or superior force in this country, we should be able by cruising to protect our commerce, annoy theirs, and cut off the supplies directed to their posts, so as to distress their finances and relieve our own. Fifthly, by economising our funds, and constructing six ships annually, we should advance so rapidly to maritime importance, that our enemy would be convinced, not only of the impossibility of subduing us, but also of the certainty that his forces in this country must eventually be lost, without being able to produce any possible advantage. And, sixthly, we should, in this mode, recover the full possession of our country, without the expense of blood or treasure, which must attend any other mode of operations; and while we are pursuing those steps, which lead to the possession of our natural strength and defence.

I trust, Sir, that the influence of these considerations, will not only lead the councils of America to adopt the measures necessary for establishing a navy, but that by economising as much as possible, we may be able (from the sums now to be asked for) to do more in that line than is contained in the estimate; but as this must depend on circumstances, which we cannot command, so it is not prudent or proper to rely on it. Having already stated the lowest necessary sum at nine millions, I proceed, Sir, to propose that four millions be borrowed, which will reduce the quotas to five millions. I make this proposition, under the idea, that the plans contained in my letter of yesterday's date be adopted. The quotas then being five millions, the sum total of what will be taken from the people will amount to only seven millions; and of that, full twelve hundred thousand will be paid back as the interest of our domestic debt, so as not to be, in fact, any burden on the whole people, though a necessary relief to a considerable part of them. On this plain statement I shall make no comment. I shall only pray, that as much expedition may attend the deliberations on these objects as the importance of them will permit, so that the States may be in a situation to make speedy decisions. And this is the more necessary, as the negotiations for a loan must be opened in Europe early next winter.

I have the honor to be, &c.

ROBERT MORRIS.^[9]

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TO THE GOVERNOR OF RHODE ISLAND.

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Office of Finance, August 2d, 1782.

Sir,

I presume you have been before this informed, that all the States except Rhode Island, have acceded to the impost law. A committee of Congress lately appointed on this subject, did me the honor to request my attendance, with that of your Delegates, to hear the objections from them, and know from me the circumstances attending the requisition. After a long conversation the committee were about to confer on a report, which, at my request they were pleased to suspend, that I might have the last opportunity of praying your attention to the subject. And I was induced to make that request, as well for the avoiding those disagreeable discussions, which cannot exist between the Union and an individual State without inducing pernicious consequences, as because it appeared to me, that the reasons urged against passing the impost are not conclusive, as some have thought them to be.

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Mr Howell was so kind as to promise, that he would state his objections in writing. This he has done, and a copy of them is enclosed. They are,

1st. That the impost would draw a disproportionate supply from either merchant or consumer.

2dly. That Rhode Island imports and consumes more of foreign articles in proportion, than any other State.

3dly. That, from her maritime situation she is exposed to great losses.

4thly. That the exclusive benefit of the impost should be carried to account of the State.

5thly. That the impost will raise prices, and therefore manufactures brought from the neighboring States will draw a revenue from Rhode Island.

6thly. That duties imposed by the neighboring States may compel Rhode Island to subsist by foreign articles.

7thly. That many men will be employed in the collection.

8thly. That it would be evaded by smuggling; and,

9thly. That the collection may be objectionable.

To each of these I will reply in their order.

1st. To determine whether the impost will act proportionably or not, we must consider in what respect the proportion is to be taken. If it be a proportion between two of the States, that will be considered under the second head; if it be a proportion among the people of the same State, it is

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only recurring to the question, whether the taxes on consumption are useful; for so long as no man pays the tax, but he who chooses to purchase the article, the disproportion, if any, is of his own creating. The necessity of a revenue to a certain amount must be admitted. Is it then wise to raise a part of it from the *consumption* of foreign articles? I say the consumption, because the tax undoubtedly falls on the consumer and not on the importer. If this be not a wise tax, what shall we substitute? Articles of primary and immediate necessity are made in the State of Rhode Island. Both food and raiment can be had without crossing the Atlantic in search of them. Every man, therefore, is at liberty to use foreign articles or not. If he does use them the tax is voluntary, and therefore cannot be considered as disproportionate, any more than for one man to wear silk while another wears wool.

2dly. That Rhode Island consumes more foreign commodities in proportion than any other State in the Union, cannot be admitted. Rhode Island certainly makes many commodities, but the more southern States are in the habit of importing everything.

3dly. That Rhode Island is, from its situation, liable to the unhappy accidents of war is true; but this incidental evil, arising from an advantageous position, cannot be adduced as a plea for exemption from public burdens. New York has suffered, at least as much and as long.

4thly. That the exclusive benefits of an impost should be carried to the State where it is collected, is a position unjust in itself, and which would forever prevent any duties; wherefore it would cut off not only one of the most productive, but one of the most useful branches of revenue. Rhode Island, Pennsylvania and some other States carry on the commerce of their neighbors as well as their own, from which they derive great riches. The duties are always (like the risks and the expenses) paid by the consumer; for unless this be so, no tolerable reason can be assigned, why foreign commodities should be dearer in war than in peace. If then a considerable duty were laid by the commercial State, it would fall on its uncommercial neighbor. That neighbor, therefore, would immediately take measures to carry on its own commerce, and prohibit the bringing of articles from the commercial State. Those measures would produce a repeal of the duty. I take no notice here of the altercations which would arise; it is sufficient to show, that the private view of revenue for the State would be defeated. [245]

5thly, and 6thly. These objections do not appear to me to apply, because in the first place, I can hardly suppose the neighboring States will ever think of laying duties on the produce, for if any of them should, her citizens would be the sufferers. Secondly, if the article of produce be left uncontrolled by the government every individual will be a check on the avidity of his neighbors, and if by this means a piece of American goods can be vended cheaper in Rhode Island than a piece of foreign goods, the consumer in Rhode Island will by the purchase of it save money to himself, and therefore to the country. And as the duty is collected only on foreign goods he will not pay the duty, and of course the duty on his State will be so much the less. [246]

7thly. The seventh objection will apply more strongly to almost any other kind of tax, because this may be collected by a very small number of men.

8thly. The eighth objection I cannot admit, because forming my opinion of that State from what I conceive to be the character of the gentleman who makes the objection, I cannot believe it to be valid. Smuggling was formerly not disreputable because it was the evading of laws, which were not made by proper authority, and therefore not obligatory; but nothing can be more infamous than to defraud our own government of so poor a pittance; and I trust, that if any individual were inclined to do so, he would be detected by the first person who saw him, and would be as much exposed to the resentment and contempt of his fellow citizens as an informer would have been in the times alluded to.

9thly. The last objection ought not to be made, because there is no reason to suppose, that Congress would devise means to oppress their fellow citizens. But it is one of our greatest misfortunes, that men are apt to reason from one thing to another that is very dissimilar. The parliament of England cared nothing about the consequences of laws made for us, because they were not affected by them. This is always the case under such circumstances, and forms one of the most powerful arguments in favor of free governments. But how can it be supposed, that a member of Congress who is liable to be recalled at a moment's warning would join in measures which are oppressive to the people, and which he must necessarily himself feel the weight of, without deriving any advantage from them. For it is not here as in England, that there is a King to buy votes for bad purposes. If the members of Congress be seduced, it must be by the Congress, which is absurd. If indeed the Congress were either an hereditary body, self-existent, or if they were self-elected, there might be room for apprehension, but as they are, there can be none. [247]

Now, Sir, the state of things is shortly this. The United States are deeply indebted to the people of America. They have called for revenues to pay their debts in a course of years, being the only means of reviving credit and lightening burdens. All the States consent but Rhode Island, to whose citizens a very considerable part of this debt is due. Of consequence the whole is suspended. The reasons assigned are purely local, and I verily believe are founded on mistaken principles. The revenue, however, if granted is insufficient. More must be demanded; and consequently, as all taxes are unpleasant some State will be found to oppose any which can be devised, on quite as good ground as the present opposition. What then is the consequence?

I am, Sir, &c.

TO SIR GUY CARLETON.

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Office of Finance, August 20th, 1782.

Sir

I do myself the honor to enclose to your Excellency letters from the masters of two flag ships, which have arrived in this port with American prisoners. I have sent them in by Mr John Greene, one of the persons that came in the Symmetry, who will bring such orders, as your Excellency may think proper to transmit to those gentlemen. I have further to mention, Sir, that I intend delivering to one of them such British marine prisoners as may be in this place, or its vicinity, when they depart, provided their receipt shall be deemed a proper evidence of the delivery, on a settlement of the account hereafter. On this point I shall be happy to learn your sentiments. It might have been more proper to have addressed myself to Admiral Digby, especially as Mr Greene carries the duplicates of a former letter to him. But as the King's servants in England have placed the masters of these flags under your Excellency's directions, I was led to conclude, that if the concurrence of the Admiral should be necessary, you would take the trouble of obtaining it.

I have the honor to be, with perfect respect, &c.

ROBERT MORRIS.

TO ALEXANDER HAMILTON.

Office of Finance, August 28th, 1782.

Sir,

I have duly received your several favors of the 22d and 27th of July, and 10th and 13th of August. My not answering them is owing to causes which you will easily conceive; for you will easily conceive the multiplicity of objects to which I must turn my attention. I am very sorry to learn that you can no longer continue in the office of Receiver. It would have given me great pleasure that you should have done so, because I am sure that you would have rendered very signal services to the public cause. This you will now do in another line, more important as it is more extensive; and the justness of your sentiments on public affairs, induce my warm wish that you may find a place in Congress so agreeable, that you may be induced to continue in it.

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I am sorry to learn, that any letter of mine should have given offence; but I conclude that this effect must follow from many parts of my writings and conduct; because the steady pursuit of what appears to be the true line of duty will necessarily cross the various oblique views of interest and opinion. To offend is sometimes a fault, always a misfortune. The letter in question is, I suppose, under the date of the 11th of December, of which I enclose you a copy. Let me at the same time assure you, that in all your excellent letter of the 13th instant, I most esteem the clause now in question because it contains that useful information which is least common. I will make no apologies for the letter, to any one, because apologies are rarely useful, and where the intention has been good, they are to candid minds unnecessary. Possessed of the facts you can guard against misrepresentation, and I have found that to be the most hostile weapon, which either my personal or political enemies have been able to wield against me.

I have not even yet seen the resolutions of your Legislature, relative to an extension of the powers of Congress. I had supposed the same reason for them that you have expressed. Indeed power is generally such a darling object with weak minds, that they must feel extreme reluctance to bid it farewell; neither do I believe that anything will induce a general consent to part with it, but a perfect sense of absolute necessity. This may arise from two sources, the one of reason the other of feeling; the former more safe and more uncertain, the latter always secure and often dangerous. It is, my Dear Sir, in circumstances like these, that a patriotic mind seeking the great good of the whole on enlightened principles, can best be distinguished from those vulgar souls, whose narrow optics can see but the little circle of selfish concerns. Unhappily such souls are but too common, and but too often fill the seats of dignity and authority. A firm, wise, manly, system of federal government, is what I once wished, what I now hope, what I dare not expect, but what I will not despair of.

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Your description of the mode of collecting taxes, contains an epitome of the follies, which prevail from one end of the continent to the other. There is no end to the absurdity of human nature; mankind seem to delight in contrast and paradox, for surely nothing else could sanctify (during a contest on the precise point of being taxed by our own consent) the arbitrary police, which on

this subject, almost universally prevails. God grant you success in your views to amend it. Your ideas on the subject are perfectly correspondent to my own. As to your doubt on the mode of collecting it, I would wish to obviate it by the observation, that the further off we can remove the appointment of collectors from popular influence, the more effectual will be their operations; and the more they conform to the views of Congress, the more effectually will they enable that body to provide for general defence. In political life, the creature will generally pay some deference to the creator. The having a double set of officers is indeed an evil, but a good thing is not always to be rejected because of that necessary portion of evil, which in the course of things must be attached to it. Neither is this a necessary evil, for with a proper federal government, army, navy, and revenue, the civil administration might well be provided for, by a stamp act, roads by turnpikes, and navigation by tolls.

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The account you give of the State is by no means flattering; and the more true it appears, the more concern it gives me. The loan I hope will be completed, and I wish the *whole* amount of the tax may be collected. The forage plan I have disagreed to, and enclose for your information, the copy of my letter on that subject to the Quarter Master General. I believe your State is exhausted, but perhaps even you consider it as being more so than it is. The certificates, which now form a useless load, will (if the United States adopt, and the several States agree, to a plan now before Congress) become valuable property. This will afford great relief. The scarcity of money also may be immediately relieved, if the love of popular favor would so far give way to the love of public good, as to enforce plentiful taxation. The necessity of having money, will always produce money. The desire of having it produces, you see, so much as is necessary to gratify the desire of enjoying foreign luxuries. Turn the stream, which now flows in the channels of commerce, to those of revenue, and the business is completed. Unfortunately for us, this is an operation which requires fortitude, perseverance, virtue, and which cannot be effected by the weak or wicked minds, who have only partial, private, or interested views.

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When I consider the exertions, which the country has already made, under striking disadvantages, and with astonishing prodigality of national wealth, by pernicious modes of applying it, I persuade myself that regular consistent efforts would produce much more than you suppose.

For your accurate, clear, and comprehensive description of general and particular characters, sentiments, and opinions, accept my sincere thanks and warm approbation. They do equal justice to your talents, both for observation and description.

Mr Duer's attention to the business of his contract, is very pleasing to me, and honorable to himself. I am very sorry that he should lose by it, but to avoid this as much as possible, I am determined to support him by liberal advances so soon as it shall be in my power to do it.

I pray you to believe me to be yours, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Office of Finance, August 20th, 1782.

Sir,

I have now to address you on a subject, which cannot be more painful to you than it is to me. I am determined to act justly, and therefore when I find that I shall be unable to pay the contractors, I will give them due notice in season. This period is fast approaching, and unless the States make infinitely greater exertions than they have hitherto done, it must soon arrive. To comprise this matter in a short compass, your army is fed at a dollar for nine rations, or three dollars and a third per month to feed a soldier. Twentyfour thousand rations per day would therefore amount to eighty thousand dollars monthly, which is more than had been paid by all the States on the 1st instant. The object of this letter, Sir, is to request that you will consider how your army is to be subsisted or kept together, if I am obliged to dissolve the contracts. I pray that Heaven may direct your mind to some mode by which we may be yet saved. I have done all that I could, and given repeated warnings of the consequences, but it is like preaching to the dead. Every exertion I am capable of shall be continued while there is the least glimmering of hope.

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I have the honor to be, with great respect, &c.

ROBERT MORRIS.^[10]

TO GEORGE WASHINGTON.

Office of Finance, August 30th, 1782.

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Sir,

My letter of the 29th, which is enclosed, I have written for two reasons; one that you may be informed and I may stand justified in every respect, should the event take place; the other, which is the principal one, that you may find a warm application on it to the States. You will, I hope, keep this entirely to yourself. You will see, that I have not intrusted a view of it to my Secretary, or to any of the clerks. The effect of your application must depend on raising a very general alarm.

I have the honor to be, &c.

ROBERT MORRIS.^[11]

TO THE PRESIDENT OF CONGRESS.

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Office of Finance, September 9th, 1782.

Sir,

I did myself the honor to propose, in my letter of the 30th of July last, the borrowing of four millions of dollars for the service of the ensuing year. It always gives me pain to repeat any application to Congress, because it is my duty to suppose they pay every proper attention to those things, which are submitted to their consideration. But I must take the liberty, on this occasion to observe, that the many engagements I have been compelled to make for the purpose of supporting the public service to the present moment, will all fall due between this and the first of next year.

My prospects of relief from the revenues of America are slender indeed. As a safe opportunity for Europe will offer in a few days, Congress will be pleased to consider that the moments are precious. They will consider, that I cannot act in this business without their authority, and that it will take some days to prepare the necessary despatches, even after that authority is given. I hope, Sir, that I shall not be understood as desiring to precipitate any acts or resolutions. We are fast approaching to the winter. If everything could be ready by the 15th of this month, we could not reckon on the arrival of despatches at Paris before the beginning of November. A month is but a short period to transact this important business, and this would not leave another month for the winter's passage back.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

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Office of Finance, September 9th, 1782.

Dear Sir,

The dates of the enclosed letters will show you my extreme reluctance to wound your mind with the anxieties which distress my own. At the time they were written, I was sore pressed on every quarter; but a gleam of hope broke in upon me, and induced me to bear up still longer against the torrent of demands, which was rushing upon me. These would long since have overwhelmed me, had I been supported only by the revenues drawn from the States.

At length, however, my other resources, which are nearly exhausted, have become useless by the total stagnation of trade, owing to the expectations of peace. There is, therefore, no other dependence left but the taxes, and, unless these become immediately productive of funds sufficient to feed our troops, I need not describe the consequences. Already I am in arrears, in spite of my efforts. I am determined, however, to continue those efforts to the last moment, but at present, I really know not which way to turn myself.

With the most sincere esteem, &c.

ROBERT MORRIS.

TO MESSRS WILLINK & CO., AMSTERDAM.

Gentlemen,

Presuming, from the letters of yourself and of Mr Adams, that the loan opened on account of the United States of America under your auspices is filled, I do myself the honor to enclose you sundry acts of Congress, by which you will see that the amount is subject to my disposal. Whatever measures I may take, you will from time to time receive due notice of, unless the miscarriage of letters by the accidents to which they are at present subjected should prevent.

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I have now in view a money negotiation, which may or may not take place according to circumstances, but which will probably be accomplished, to the amount of from one to two millions of florins. If it should be effected, Messrs Le Couteulx & Co. bankers at Paris, will have occasion to draw on you. I am now, therefore, to desire that the bills drawn by that house to whatever amount, be punctually honored and paid on account of the United States. It is in a reliance on this that I shall take my measures, and a failure of payment would be attended with the worst consequences.

I have the honor to be, with perfect respect, &c.

ROBERT MORRIS.

TO MESSRS LE COUTEULX & CO., PARIS.

Office of Finance, September 24th, 1782.

Gentlemen,

Enclosed you have letters of this date to the house of Messrs Le Couteulx, at Cadiz, and to Wilhelm and Jan Willink, Nicholas and Jacob Van Staphorst, and De la Land and Fynjé, at Amsterdam. These two letters, which I am to request that you will forward, are left open for your perusal, and will explain to you the object which I now have in view.

The United States having moneys in Holland, which are very necessary for the public service here, I have deemed it best to bring them through the Havana, for the following reasons. First, bills of exchange cannot be negotiated here to the necessary amount, and are even then negotiated at the rate of thirteen per cent discount. Secondly, as it is, therefore, necessary to import money, the risk is less from the Havana than from Europe. Thirdly, it might not be agreeable to the prejudices of many to draw from Europe their circulating coin; and, fourthly, I expect that a considerable gain will be made on the negotiations. Thus, for instance, to take it in its greatest extent, I am informed that bills on Cadiz, at thirty days' sight, sell at the Havana for an advance of eight per cent; and that bills on Paris sell at Cadiz, for an advance of nine per cent; and there is also an advance on bills drawn from Paris on Amsterdam; to which may be added, that a considerable time is also gained in these various negotiations; and, therefore, if any benefit can be derived to the United States from that circumstance, you will govern yourself accordingly. In this, as well as in every other circumstance relating to the business, I have on you, Gentlemen, the most perfect reliance.

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I think it will be best for you to know immediately of the gentlemen in Amsterdam, whether they will answer your drafts to the amount; because, if they should raise obstacles in the way, those may be removed in season from this country, provided an early notice be transmitted; for I expect you will receive this letter by the time Mr — reaches the Havana, if not before; and I do not suppose that his bills can reach Cadiz in less than two months; and, of course, at one usance only (and they shall, if that can be done without loss, be drawn at two usances) they will not be payable until three months, and then if time is necessary, you will direct the house in Cadiz to draw at two usances more, which will bring the business to between five and six months from your receipt of my letters. At any rate, it will not do, that Mr —'s bills be protested; I must rely on you to prevent an accident, which would be attended with such fatal consequences, and shall take measures to put you in a capacity to answer them seasonably.

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With perfect respect, &c.

ROBERT MORRIS.

P. S. You will observe, that there is in the foregoing letter, a blank for the name of the person who is to be employed in this business. The reason is, that the gentleman I spoke to on the subject, is prevented by the circumstances of his family from going to Havana. I shall write to you further on the subject when I shall have taken other arrangements.

R. M.

TO B. FRANKLIN, JOHN ADAMS, AND JOHN JAY.

Office of Finance, September 25th, 1782.

Sir,

I do myself the honor to enclose for your perusal, Acts of Congress of the 27th of November and 3d of December, 1781, and the 14th and 3d instant. In consequence I have to request, that all the bills hitherto drawn by authority of Congress be paid and the accounts of those transactions closed. After this is done, and I hope and believe that while I am writing this letter it may have been already accomplished, you will be freed from the torment and perplexity of attending to money matters. [260]

I am persuaded that this consideration will be highly pleasing to you, as such things must necessarily interfere with your more important attention. I have long since requested the Secretary of Foreign Affairs to desire you would appoint an agent or attorney here, to receive and remit your salary, which will be paid quarterly; in the meantime it is paid to him for your use. As to any contingent expenses which may arise, I shall readily make the necessary advances upon Mr Livingston's application. These arrangements will, I hope, be both useful and agreeable to you.

I am, Sir, with perfect respect, &c.

ROBERT MORRIS.

TO JOHN ADAMS.

Office of Finance, September 27th, 1782.

Sir,

I do myself the pleasure to congratulate you on the success of your patriotic labors in Holland. The general tribute paid to your abilities on this occasion, will so well dispense with the addition of my feeble voice, that I shall spare your delicacy the pain of expressing my sentiments.

The enclosed resolutions and copies of letters will convey to you so fully the views of Congress, and explain so clearly my conceptions on the subject, that very little need be added. If the application to France should fail of success, which I cannot permit myself to believe, you will then have a new opportunity of showing the influence you have acquired over the minds of men in the country where you reside, and of exerting it in the manner most beneficial to our country. [261]

Before I conclude this letter, I must congratulate your Excellency on the success of the loan you have already opened, which I consider as being by this time completed.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO MESSRS LE COUTEULX & CO.

Office of Finance, September 27th, 1782.

Gentlemen,

I write to Dr Franklin under this date to place in your hands five hundred thousand dollars, as soon as he possibly can. I hope it may be effected speedily. My object in making this deposit is, that you may remit to the amount of that sum to the Havana, provided bills on that place can be purchased at a discount of twentyfive per cent; by which I mean, that seventyfive dollars in Europe should purchase one hundred dollars in Havana. If the negotiations cannot be effected upon those terms, you will retain the money in your hands subject to my after direction. I suppose that those, or better terms, can be obtained for the following reasons.

The person who has money in the Havana, by selling bills will immediately possess himself of the amount for which they are sold; and therefore, allowing time for the bills to go over and be presented, with the thirty days of payment, and the further time, which would be necessary to remit that money from the Havana to Cadiz, and he would gain from eight to twelve months' time, which is itself important; but in addition to this, there is the duty of nine per cent on exporting cash from the Havana; a freight, which is I suppose considerable; a risk which is very great, and perhaps a farther duty on the arrival at Cadiz. To which may be added, the advance on bills drawn at Cadiz on the different parts of Europe. [262]

If you can accomplish the negotiation on the terms I have mentioned, you will then remit the bills to a good house in the Havana, to receive the money and hold it subject to my order; and you will, if you can, fix the terms on which that House are to do the business. Whether anything of this sort takes place or not, I am to request that you will give me every information on the subject, which you can acquire.

I am, Gentlemen, your most obedient and humble servant,

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, September 27th, 1782.

Sir,

I have the honor to enclose the copy of Acts of Congress of the 14th and 23d instant, together with the copy of my letter of the 30th of July, covering the estimates for the year 1783. These estimates are not yet finally decided on. By the Act of the 14th you are, as you perceive, instructed to communicate the resolution for borrowing four millions of dollars, to his Most Christian Majesty; and first, to assure his Majesty of the high sense, which the United States in Congress assembled entertain of his friendship and generous exertions. Secondly, their reliance on a continuance of them; and thirdly, the necessity of applying to his Majesty on the present occasion. [263]

From this, and even more particularly from the Act of the 23d, you will see, that it is the wish of Congress to obtain this money from or by means of the King. After the decisive expressions contained in those resolutions, of the sense of our Sovereign, I am sure that it is unnecessary for me to attempt anything like argument to induce your exertions. I shall, therefore, rather confine myself to giving information. The grateful sense of the King's exertions, which has so warmly impressed your bosom, operates with undiminished force upon Congress; and what is of more importance, in a country like ours, has the strongest influence upon the whole whig interest of America.

I have no doubt but that the King's Minister here has given his Court regular information on this and every other subject of equal importance, and, therefore, any general assurances on your part will be complimentary, and in some degree superfluous. But there is a kind of knowledge not easily attainable by foreigners in any country, particularly on such a matter as the present. It is not amiss, therefore, that I should convey it to you, and your good sense will apply it in the most proper manner. You (of all men in the world) are not now to learn, that the sour English prejudices against everything French had taken deep root in the minds of America. It could not have been expected that this should be obliterated in a moment. But by degrees almost every trace of it has been effaced. The conduct of Britain has weaned us from our attachments, and those very attachments have been transferred, in a great measure, to France. [264]

Whatever remains of monarchical disposition exist, are disposing themselves fast to a connexion with the French monarchy; for the British adherents begin to feel the pangs of a deep despair, which must generate a deep aversion. The British army here, felt the national haughtiness increased by the contempt which, as Englishmen, they could not but feel for those who had combined against the freedom of their own country. Every part of their conduct, therefore, towards the tories, while they flattered themselves with victory showed how much they despised their American friends. Now that a reverse of fortune has brought on a little consideration, they find a total separation from this country unavoidable. They must feel for the fate of their country; they must, therefore, hate, but they must respect us, too; while their own adherents are both detested and despised. Since General Carleton's arrival, or rather since the change of Ministers, the British have shown that their intention is, if possible, to conciliate the rulers of America; and by the influence of a common language and similar laws, with the force of ancient habits and mutual friendships not yet forgotten, not only to renew again the commercial intercourse, but to substitute a new federal connexion to their ancient sovereignty and dominion.

The assurance, therefore, which Congress have directed you to make, must not be considered in the number of those idle compliments, which are the common currency or small change of a Court. It is an assurance important because it is founded in truth, and more important still because it is dictated by the affections of a people. If I may venture an opinion still further, it is principally important because of the critical situation of things. The sudden change of Britain from vengeance and war to kindness and conciliation must have effects; and those effects, whether they be contempt or affection, will depend less, perhaps, on them than upon others. It cannot be doubted that they will ring all the changes upon their usual theme of Gallic ambition. They will naturally insinuate the idea, that France will neglect us when we have served her purposes; and it would be very strange if they did not find some converts among that class of people who would sacrifice, to present ease, every future consideration. What I have said will, I am confident, put your mind into the train of reflections, which arise out of our situation, and you will draw the proper conclusions and make a proper appreciation of them. [265]

Congress have directed you further, to express to the King their reliance on a continuation of his friendship and exertions. I have no doubt that a full belief of this reliance will be easily inculcated. Indeed, I apprehend, that we shall be considered as relying too much on France, or in other words, doing too little for ourselves. There can be no sort of doubt, that a good argument may be raised on the usual position, that the nation which will not keep itself, does not merit the aid of others; and it would be easy to tell us, that we must put our own shoulders to the wheel before we call upon Hercules. In short, if the application be refused or evaded, nothing can be easier than to assign very good reasons why it is done. But you have very justly remarked in one of your letters, that it is possible to get the better in argument, and to get nothing else. So it might be here. True sagacity consists in making proper distinctions, and true wisdom in taking determinations according to those distinctions. Twenty years hence, when time and habit have settled and completed the federal constitution of America, Congress will not think of relying on any other than that Being, to whose justice they appealed at the commencement of their opposition. But there is a period in the progress of things, a crisis between the ardor of enthusiasm and the authority of laws, when much skill and management are necessary to those who are charged with administering the affairs of a nation. I have already taken occasion to observe, that the present moment is rendered particularly critical by the conduct of the enemy; and I would add here, (if I dared even in idea to separate Congress from those they represent,) that now above all other times, Congress must rely on the exertions of their ally. This sentiment would open to his Majesty's Ministers many reflections, the least of which has a material connexion with the interests of his kingdom. But an argument of no little weight, is that which applies itself directly to the bosom of a young and generous prince, who would be greatly wounded to see that temple, dedicated to humanity, which he has taken so much pains to rear, fall at once into ruins, by a remission of the last cares, which are necessary for giving solidity to the structure. I think I might add, that there are some occasions on which a good heart is the best counsellor.

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The third topic on which Congress have directed you to dwell upon, is the necessity of their present application; and it is this which falls most particularly within my department; for I doubt not that every sentiment on the other objects, has been most forcibly inculcated by the Minister of Foreign Affairs. I might write volumes on our necessities, and not convey to you so accurate an idea, as by the relation of a single fact, which you may see in the public newspapers. It is, that the requisitions of last October for eight millions, had produced on the 1st day of this month only one hundred and twentyfive thousand dollars. You are so perfectly a master of everything, which relates to calculation, that I need not state anything of our expenses. You know also what were our resources beyond taxation, and therefore you have every material for forming an accurate idea of our distresses. The smallness of the sum which has been paid will doubtless astonish you; and it is only by conversation or a long history that you could see why it has been no greater. The people are undoubtedly able to pay, but they have easily persuaded themselves into a conviction of their own inability; and in a government like ours the belief creates the thing.

The mode of laying and levying taxes are vicious in the extreme; the faults can be demonstrated; but would it not be a new thing under the sun, that people should obey the voice of reason? Experience of the evil is always a preliminary to amendment, and is frequently unable to effect it. Many who see the right road, and approve it, continue to follow the wrong road, because it leads to popularity. The love of popularity is our endemial disease, and can only be checked by a change of seasons. When the people have had dear experience of the consequences of not being taxed, they will probably work the proper amendment, but our necessities in the interim are not the less severe.

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To tell America in such a situation, that she should reform her interior administration, would be very good advice, but to neglect affording her aid, and thereby to lose the capital objects of the war would be very bad conduct. The necessity of the present application for money arises from the necessity of drawing by degrees the bands of authority together, establishing the power of government over a people impatient of control, and confirming the federal union of the several States, by correcting defects in the general constitution. In a word it arises from the necessity of doing that infinite variety of things, which are to be done in an infant government, placed in such delicate circumstances, that the people must be wooed and won to do their duty to themselves, and pursue their own interests.

This application also becomes the more necessary, in order to obviate the effort of that British faction, which the enemy are now attempting to excite among us. Hitherto indeed they have been unsuccessful, unless perhaps with a very few men, who are under the influence of disappointed ambition, but much care will be required when their plans are brought to greater maturity. The savage inroads on our frontiers have kept up the general horror of Britain. The great captures made on our coasts have also rather enraged than otherwise, though such captures have always the twofold operation of making people wish for peace as well as for revenge. But when the enemy shall quit our coasts, (and they have already stopped the inroads of their savage allies,) if the people are urged at once to pay heavy and unusual taxes, it may draw forth and give weight to arguments, which the boldest emissaries would not at present hazard the use of.

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I have already observed, that Congress wish to obtain this money either from or by means of the King. The most cautious prudence will justify us in confiding to the wisdom of his Ministers the portrait of our situation. But it might not be very wise to explain to others those reasons for the application, which lie so deep in the nature of things, as easily to escape superficial observers. I shall enclose a copy of this letter to Mr Adams, and you will find a copy of what I say to him on

the subject. I hope the Court will take such measures as to render any efforts on his part unnecessary; but you and he must decide on what is best for your country.

I must trouble you still further on this subject, with the mention of what you will indeed collect from a cursory reading of the resolutions, that Congress have the strongest reason for their procedure, when they direct your utmost endeavors to effect this loan, notwithstanding the information contained in your letters. If the war is to be carried on, this aid is indispensable, and when obtained, will enable us to act powerfully in the prosecution of it. If a peace takes place, it is still necessary, and as it is the last request which we shall then have occasion to make, I cannot think it will be refused. In a word, Sir, we must have it.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

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Office of Finance, September 27th, 1782.

Sir,

By my letter of this date you will be informed of the intentions of Congress, to provide for a principal part of the expenditures of the year 1783, by loan. I expect that you will be able to obtain the four millions of dollars, either from the Court, or by their assistance. I wish for an immediate deposition of a part in the following manner. That the Court of Spain should give orders for the shipment of a million of dollars at the Havana, free of duties, and be convoyed by one or more ships of the line to an American port; the money to be paid to them during the year, in Europe; I wish this order may be so expedited, as that Captain Barney, in the *Washington*, by whom this letter goes, may carry it out to the Havana, and receive the money, which will by that means arrive here some time during the winter, and of course will, I expect, come safely as well as seasonably. I wish that a half million of dollars may be paid to Messrs Le Coureux & Co, as soon as possible, to enable them to execute my orders as to particular negotiations, which I commit to them. Whatever else of the money is obtained in France, will of course be paid to Mr Grand, subject to my orders. If any part of the money be negotiated in Holland, it will be, I suppose, proper to leave it in the hands of those who negotiate the loan, subject to my further disposition.

I am, Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN

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Office of Finance, September 30th, 1782.

Sir,

It is in some respects fortunate, that our stores were not shipped, because, as you observe, they might have been taken; but I hope they are now on the way, for if they are to lie in France at a heavy expense of storage, &c. while we suffer for the want, it will be even worse than if they were taken. You will find by the letters, which are to go with this, that Mr Barclay is prohibited from making any more purchases on account of the United States. I confess, that I disapprove of those he has made; for the purchase of unnecessary things because they are cheap, appears to be a very great extravagance. We want the money as much as anything else, and the world must form a strange idea of our management, if while we are begging to borrow, we leave vast magazines of clothing to rot at Brest, and purchase others to be shipped from Holland. I have said nothing on this subject to Mr Barclay, because the thing having been done, could not be undone, and because the pointed resolutions of Congress on the subject, will prevent any more such operations.

What I have now said, however, will I hope lead you to urge on him the necessity of making immediate shipments of all stores in Europe. A merchant does not sustain a total loss of his goods by their detention, but the public do. The service of the year must be accomplished within the year, by such means as the year affords. The detention of our goods has obliged me to purchase clothing and other articles at a great expense, while those very things were lying about at different places in Europe. I am sure that any demand made for money on our part, must appear extraordinary, while we show so great negligence of the property we possess. The funds, therefore, which were obtained for the year 1781, are not only rendered useless during the year 1781, but so far pernicious, as that the disposition of them will naturally influence a diminution of the grants made for the year 1782.

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You mention in yours of the 25th of June, that you would send enclosed the account of the replacing of the Lafayette's cargo, if it could be copied in season. As it did not arrive I shall expect it by the next opportunity.

I have received Mr Grand's accounts, which are not settled in the manner I wish; and in consequence I have written to him by this opportunity to alter them. I have desired him to give your account credit for every livre received previous to the current year, including therein the loan of ten millions of livres in Holland, though a part of it may not have been received until this year. I have desired him to debit your account for every expenditure made by your order, which will include all your acceptances of bills, &c. and of course M. de Beaumarchais' bills, if they shall have been paid. Finally, I have desired him to carry the balance of your account to mine, in which he is to credit all moneys received for the current year; for instance, the six millions (and the other six if they are obtained) together with such moneys as may come to his hands, from the loan opened for the United States, by Messrs Willink, Staphorst, & Co.

I did expect to have had some kind of adjustment made by this time of Captain Gillon's affair; but Congress referred much of it to a committee, with whom it has long slept; but I have informed Mr Gillon, that I must have a settlement, and at present I wait a little for the determination of Congress. [273]

You mention to me, that the interest on the ten millions, Dutch loan, is payable at Paris annually on the 5th of November, at four per cent. I must request you to send me the particular details on this subject, such as who it is payable to, and by whom, that I may make proper arrangements for a punctual performance, so as not to incur unnecessary expense. I presume that the first year's interest may be discharged before this reaches you; but at any rate I enclose a letter to Mr Grand, to prevent any ill consequences, which might arise from a deficiency of payment.

I informed you, in mine of the 1st of July, that Congress had resolved to appoint a Commissioner to settle the public accounts in Europe. This is not done, but they have reconsidered and committed the resolution. Where the thing will end, I do not know. I think, however, that eventually they must send over some person for the purpose.

The appearances of peace have been materially disserviceable to us here, and general cautions on the subject from Europe, and the most pointed applications from the public officers, will not prevent that lethargy, which the very name of peace extends through all the States. I hope measures will be taken by our public Ministers in Europe, to prevent the people from falling into the snares which the enemy has laid. Undue security in opinion, is generally very hurtful in effect, and I dread the consequences of it here, if the war is to be carried on, which is not improbable.

I am, Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

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Office of Finance, October 1st, 1782.

Sir,

In my letter of the 27th of September last I expressed my wish, "that the Court of Spain should give orders for the shipment of a million of dollars at the Havana, free of duties, and to be convoyed by one or more ships of the line to an American port," &c. Upon further reflection, I am induced to believe that the Court of Spain will not go into the whole of this arrangement; for although they may, and probably will, agree to so much of it as will procure them an equivalent in France for the one million dollars, to be shipped from the Havana, yet there are reasons to doubt whether they will convoy the Washington hither. I wish, therefore, (should you meet with difficulties in that quarter) to apply to the Court for such convoy. I wish it may consist of a ship of the line, because none but frigates will cruise on this coast during the winter, and therefore a ship of the line will afford more protection than two or three frigates. However, this will depend entirely on the convenience or inconvenience which may attend the business. I shall communicate both this letter and that of the 27th, to the Chevalier de la Luzerne, on whose representations I rely much, as well for procuring the aid asked for, as for accomplishing the necessary arrangements after it is procured.

I am, Sir, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

Sir,

I have the honor to enclose for your Excellency's perusal, the copies of letters from this office to Dr Franklin, of the 27th of last month and the 1st instant. I am to entreat, Sir, that you will represent to your Court the necessity of the application, which Congress have directed their Minister to make for four millions of dollars. The resolutions on the subject have, I suppose, been communicated to you by the Secretary of Foreign Affairs. I have, also, to request that you will facilitate the arrangements proposed in my letters already mentioned, the advantages of which are so well known to you that I shall not dwell on them.

With real esteem and respect, &c.

ROBERT MORRIS.

TO ALEXANDER HAMILTON.

Office of Finance, October 5th, 1782.

Sir,

I have now before me your letters of the 14th and 21st of last month. I am sorry to find that you are less sanguine in your pecuniary expectations than the Governor appears to be; for I have always found that the worst forebodings on this subject are the truest.

I am not surprised to find that the contractors apply with their paper, in the first instance, to the receivers and collectors. This I expected, because much of that paper is not fit for other purposes. Some of it, however, which is payable to the bearer, is calculated for circulation, which you observe, is not so general as otherwise it might have been, by reason of the largeness of the sums in the notes. Mr Duer's letters contain the same sentiment. [276]

In issuing this paper, one principal view was to facilitate the payment of taxes, by obviating the too general, though unjust, complaint of the want of a circulating medium. In substituting paper for specie, the first obstacle to be encountered, was the difference which has arisen from the late profusion of it. Had a considerable quantity been thrown into the hands of that class of people, whose ideas on the subject of money are more the offspring of habit than of reason, it must have depreciated. That this apprehension was just, is clear from this fact, that the paper I first issued, and the bank paper which came out after it, did depreciate from ten to fifteen per cent in the Eastern States, notwithstanding all the precautions which were used. If I had not taken immediate measures to create a demand for it on the spot, and to stop issues to that quarter, its credit would have been totally lost for a time, and not easily restored. Besides that the quantities, which were pouring in from thence would have done mischief here. Confidence is a plant of slow growth, and our political situation is not too favorable to it. I am, therefore, very unwilling to hazard the germ of a credit, which will in its greater maturity become very useful. If my notes circulate only among mercantile people, I do not regret it, but rather wish that the circulation may be for the present confined to them and to the wealthier members of the professions.

It is nothing but the greater convenience, which will induce people to prefer any kind of paper to the precious metals, and this convenience is principally felt in large sums. Whenever the shop-keepers in general discover that my paper will answer as a remittance to the principal ports, and will be readily exchanged by the receivers, they will as readily exchange it for other people. When the people in general, find that the shop-keepers receive it freely, they will begin to look after it, and not before. For you must know, whatever fine plausible speeches may be made on this subject, the farmers will not give full credit to money merely because it will pay taxes, for that is an object they are not very violently devoted to; but that money that goes freely at the store and the tavern, will be sought after as greedily as those things which the store and the tavern contain. [277]

Still, however, your objection remains good, that the trafficking in which the greater part of the community engage, do not require sums so large as twenty dollars. This I shall readily acknowledge; but you will observe, that there is infinitely less danger that notes, which go only through the hands of intelligent people will be counterfeited, than small ones that come to the possession of illiterate men. When public credit is firmly established, the little shocks it receives from the counterfeiters of paper money, do not lead to material consequences; but in the present ticklish state of things, there is just ground of apprehension. Besides this, the value of paper will depend much upon the interchanges of it for specie; and these will not take place when there is a circulation of small paper. Lastly, I have to observe, that until more reliance can be placed on the revenues required, I dare not issue any very considerable amount of this paper, lest I should be run upon for more than I could answer; and as the circulation of what I dare issue, by increasing the general mass, enables people (as far as it goes) more easily to get hold of other money, it consequently produces, in its degree, that object of facilitating taxation, which I had in view. [278]

I am, Sir, &c.

TO B. FRANKLIN.

Office of Finance, October 7th, 1782.

Sir,

Captain Barney having been detained until this day, and it being probable that he will not arrive in Europe so early as I expected, I am very doubtful whether it would be proper to send him to the Havana, but think it would be better he should return immediately hither, because it is likely that the negotiation I proposed will consume more time than he can spare. His ship is small, but she sails remarkably well, and will, therefore, give us a good chance of being well informed of the situation of our affairs.

If there is likely to be any delay or difficulty in the Havana plan, it will be best that you endeavor to obtain the shipment of a considerable sum in Europe on board some of the King's frigates. At any rate, we must have money, and I think you may venture fifty thousand crowns by this vessel. You will see that Captain Barney is put under your directions, and is to wait your instructions; but I must at the same time inform you, that Congress have directed his ship to be purchased and sent to France, among other things, for the purpose of obtaining a better communication with their servants, and more frequent and accurate intelligence from Europe. You will see, therefore, the propriety of despatching her as speedily as possible, and I think we may, probably, fall upon ways and means to afford you frequent opportunities of writing with a great chance of security.

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I am, Sir, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Office of Finance, October 15th, 1782.

Sir,

I have received your letters of the 2d, 3d, and 7th instant. There is no man in America, more heartily disposed than I am to remove from the army and from all others who have claims on the public, every just ground of complaint. But with the means in my power, how is it possible? I have been obliged to submit to cancelling one contract and forming another, at one third advance on the former price, for the want of a mere trifle, compared with what we had a right to expect. I am in advance on credit to an amount, which you can scarcely form an idea of, although I have declined every expenditure not indispensable.

That part of the late arrival of clothing, which is unfit for soldier's use, is now selling to pay debts contracted by the clothing department during my administration. Among these debts are twelve thousand dollars for needle work done by people in extreme indigence. The clothing which arrived fit for the officers' wear, was inadequate to the purpose of clothing them all. The division must have created confusion and raised disputes. If this had not been the case, still it would have been liable to the inconveniencies attending partial payments, and we should have been justly reproached for having broken repeated promises, that no such payments should take place. Congress have done all in their power to procure money for the army. My own efforts I shall not dwell upon. If money is obtained, that will produce satisfaction; I am sure that nothing else will.

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My credit has already been on the brink of ruin. If that goes, all is gone; but if it can be preserved, there will, in the last necessity, be some chance of making advances on credit to the army, as well as to others. Thus, Sir, you will see that I look forward as far as my distressed situation will admit; but after all, if the States cannot be prevailed on to make greater exertions, it is difficult to see where the thing is to terminate.

I have this day commissioned Major Turner as Marine Commissary of prisoners, and I trust he will soon be in capacity to prevent your Excellency from having any further trouble on that subject.

I am, Sir, with sincere respect and esteem, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF NORTH CAROLINA.

Office of Finance, October 7th, 1782.

Sir,

Since the receipt of your favor of the 20th of August last, I have received copies of a correspondence between yourself and Colonel Carrington on the subject of specific supplies. The disposition which you have expressed, (in your letter to me, and which indeed breathes through your whole correspondence) to promote those plans of regularity and economy, which Congress have adopted, command my sincere acknowledgements. [281]

I perceive that there is a difference of opinion between the officers of the continent and your State on the receiving specific supplies, which I attribute principally to some misunderstanding of the matter. The specific supplies called for by Congress in their several resolutions on that subject are undoubtedly receivable, and ought above eighteen months ago to have been received, on the requisitions which were made at the rates for that purpose mentioned. Such as it may now suit any State to deliver on those requisitions, ought in like manner to be carried to account. But it is very clear, that they cannot be received on account of the subsequent money requisitions. The several quotas of the eight millions asked for last year, to supply the current expenditures of the year 1782, must be paid in cash, or what is equivalent to it, in my notes or bank notes. I cannot consent to receive anything else. It is by this means alone, that economy can be established, order restored, and confusion, that parent of fraud, too apt to introduce itself into public accounts, banished and destroyed.

I incline to think, that as Congress have determined to have all accounts settled and liquidated to the end of the year 1781, your State would rather choose to attend only to the money requisition, and leave the further delivery of specifics to a liquidation of the old accounts; but if not, there can be no doubt but the specifics will be received, and in such case I will give the gentleman whom I shall appoint as Receiver of taxes in your State, instructions how to dispose of them; but I must again repeat, Sir, that I will not accept one particle of them in abatement of the State quota for the year 1782. [282]

Before I close this letter I must take the liberty to mention a matter, which suggests itself from one of your letters to Colonel Carrington. You tell him that you will continue the prohibition against sending certain things out of the State, in order that he may purchase for the United States on better terms. Now, Sir, while I feel it my duty to require justice for the United States it is equally my duty to take care that equal justice be done to the several States, individually considered, as well as to the individuals which compose them. I am, therefore, to request that all such restrictions be taken off. They sour people's minds, destroy the spirit of industry, impair by a rapid as well as a certain progress, the public wealth of the State, producing a dearth of the things embargoed, eventually enhance the prices far more than they could have been increased by any other mode. Whereas perfect freedom makes the people easy, happy, rich, and able to pay taxes, and the taxes when paid can be expended amid a plenty of products, and consequently be expended to advantage. I say a plenty of products because I know, that liberty to dispose of them to the greatest advantage will encourage men to raise them and produce a plenty. Your Excellency will, I hope, excuse reflections which arise from an ardent desire to promote the general welfare and happiness of all the inhabitants of the United States. [283]

I have the honor to be, &c.

ROBERT MORRIS.

TO MAJOR GENERAL GREENE.

Office of Finance, October 17th, 1782.

Dear Sir,

I have received your letter of the 1st of September, for which I pray you to accept my acknowledgements. Amid the many distresses and cares, which await every step of my administration, it is a great relief and consolation to have met with the support of those who command (and what is more, who worthily command) the armies of the United States. I have felt, my Dear Sir, your efforts to support my measures, and I know that they have been useful. I wish it were in my power to give to you and to your brave army that full relief, which their conduct, their sufferings, and above all, their patience, have merited.

I had intended to supply their subsistence, and the little contracts in Virginia, from the quota of that State, as the money there collected would have been nearest the spot where it was to be applied. But I need not tell you how deficient that State has been. The consequence is, that I must endeavor to supply the deficiency from other sources, which I am now doing; but in the precarious state of things at present, there is no reliance to be placed on any measure. I suppose, however, that the evacuation of Carolina will enable you to move northward, with a considerable part of your army; these will, I hope, meet the relief intended. I shall direct a statement of the

whole to be made out by the Pay Master General, and do whatever may lay in my power; but as to pay, my inviolable determination is, that the whole army shall equally share whatever is disposed of in that way.

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The disposition of the State of North Carolina to pay in specie, is far from being peculiar to that State. Attempts of the same kind have been made by others; and they have invariably been opposed and shall be. There is however a distinction to be taken. You recollect that Congress called for large quotas of specie. I am perfectly persuaded, that no State has fully obeyed that call, but many, and indeed almost all, aver that they have overpaid. The last requisitions have been for money; and if I had not by the publications prevented such assertions, it would not be surprising, that they should be repeated, even as to the money quotas. Now if the State of North Carolina are desirous of paying in specie, on the requisitions of specie, I shall not have the least objection; but on the requisitions for the service of the current year, I will receive money alone. I make this distinction in such clear and peremptory terms, to avoid all further cavils on the subject. I see that it has already been drawn into some length, and must, therefore, be finally terminated. Besides, under the present appearances there can be little doubt, that specie in North Carolina will be almost as useless as if they were in Otaheite. A copy of my letter to Governor Martin on this subject shall be enclosed to you.

You have in several of your letters, made very just observations on the business of my department, and such as convince me you have turned your attention to it. I have therefore taken the liberty to enclose to you a copy of a letter to Congress, on the subject of a mint, of one on the establishing public credit by funding our debts; and of a third, on the estimates for the ensuing year.

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As there is a report, that the enemy got several letters intended for you, it is possible that some or other of those, may be among the number.

I pray you to believe me, with very sincere esteem, your most obedient servant,

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

Head Quarters, October 18th, 1782.

Sir,

I take the liberty to enclose to your care, a letter for the Chevalier de la Luzerne, on the subject of expense, which at his request I have incurred, for the purpose of forwarding intelligence of the movements of the enemy at New York, to the Marquis de Vaudreuil.

If our circumstances would admit, I should be very glad that this expense should be defrayed by the United States; it is infinitely short of the debt, which gratitude imposes on us. I submit therefore to your judgment, whether to deliver the enclosed, or to send forward the money from your own funds, agreeably to the monthly estimate sent to the Minister.

The chain of expresses was instituted about the middle of August, and will probably be continued till the sailing of the French fleet from Boston.

I am, &c.

GEORGE WASHINGTON.

CIRCULAR TO THE GOVERNORS OF THE STATES.

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Office of Finance, October 21st, 1782.

Sir,

I have on many occasions warned the States of the consequences which must follow from delays in supplying the treasury. The expense which attends such delays, has frequently been mentioned, and instances daily occur to show, how much the public burdens are increased by the want of a timely provision. To cite them all would be endless; but there is one of no inconsiderable magnitude, which I think it proper to state for your consideration. I had contracted on the part of the United States for the supply of rations to the main army, at ten pence Pennsylvania currency, and to the garrison at West Point for nine pence half penny, and had agreed to pay, at the commencement of each month for the issues of the preceding month.

These beneficial contracts have been dissolved by my inability to make punctual payments, which rendered the contractors incapable of performing their engagements. After many efforts on my

part to supply the want of cash, and on their part to substitute private credit and promises in the place of ready money, they found it impracticable to proceed further on the moderate terms stated in the contract. Some of them told me so, and asked (what any persons in their situation would have asked) *the promise of indemnification for any damages they might sustain*. And a promise to pay at the end of each month, one half the amount of issues for the preceding month in coin, and three times the remaining half in bills or notes receivable in taxes. They offered if I would agree to these propositions, to go on and supply the army; but declared, that if I would not, they could no longer perform their engagements. [287]

From this moment I was obliged to consider the contract as dissolved; because the dissolution of it appeared inevitable. I had already by entering into the contract, promised on the part of the public, a payment of the whole money due for the monthly issues. A new promise of the half would have given no additional security, and therefore I considered that stipulation as a request, that I should on my private and personal honor, assure them the public funds would enable me to make such payments. But of this I had no good prospect. The greater part of what little came in from taxes, was the same kind of paper with that which they asked for, being what I had long before issued for other services. If indeed I could have trusted the assurances made to me, I might have given the assurances required by them. But experience had taught me caution, and the event has shown, that if I had made the promise, I should now have been chargeable with falsehood.

I think the contractors were prudent in requiring a promise of indemnification; their situation made it necessary; but it was a promise which I could not make, for although I had reason to confide in their integrity and would have done it in my private capacity, yet as a public officer, I could not. For there would have been no longer certainty of the extent to which their expenditures might have been carried, after it should have become a matter of indifference to their private interest what prices should be given for supplies.

Thus, Sir, I found myself reduced to the alternative of making a new agreement for subsistence of the army and garrison, or of leaving them to subsist themselves by military collection. The latter was to be avoided, if possible, for it would have been the most expensive mode of obtaining supplies, not to mention other circumstances. The former, therefore, was to be adopted, and I accordingly gave instructions to Mr Cornell, the inspector of the contracts, to consult with the Commander in Chief, and take the necessary arrangements. It could not be expected, that a contract dictated by necessity, could be made on economical terms, and the inability to perform old engagements would necessarily influence the rate of new ones. Besides this, it was indispensably necessary to obtain a longer credit, because otherwise the burden would have been shifted, not removed; and the evil must have returned with equal speed and greater magnitude. Under such unfavorable circumstances, it was necessary to pay for a credit in order to obtain it. A new contract is made, and the rations issued now, are to be paid for three months hence, at the rate of thirteen pence, Pennsylvania currency, for a ration; which is an advance of about one third upon the former price. The public therefore will pay for this advance of moneys, equal to feeding the army at the rate of thirtythree and one third per cent for three months; or, to make the matter more simple, they must pay for feeding them three months, as much as would have fed them four months. Besides this, the public credit sustains material injury, and damages will be expected by the former contractors. [288]

If, Sir, it should be supposed that this is the only instance of loss sustained from the low state of the treasury, it is a great mistake. The attempt to establish economical systems is vain, unless we can support them by punctuality. Congress have placed me in a situation where I am exposed in the first instance to claims and demands, but these must come home to the several Legislatures, and eventually to their constituents. My situation, therefore, makes it a duty to expostulate freely on the circumstances of my department. I am not to learn that free representations will sometimes give offence, and I know that those will be always most offended, who are most in fault; but I make no apologies for what I have to say. It is necessary that the truth should be known to the people; to our enemies it is known already, and has been for a long time. They hold up to contempt and derision the contrast between resolutions to carry on the war at every expense, and receipts of nothing in some States, and very little in all of them put together. Those who court public favor at the expense of public good, are very apt to inveigh against taxes, and to flatter the indolent and avaricious with the idea that war can be carried on without labor or money. But it is time for the people to distinguish between their flatterers and their friends. Sooner or later the current expense must be paid, and that payment must come from the purses of individuals. If it were made in season, it would be lighter by one half than it is. Congress have called for a certain sum, and that sum paid punctually would have answered the purpose, but they cannot be responsible for the consequences of delay. The expense will necessarily in such case exceed their calculations, and of course further sums must be required. [289]

There are certain arguments, Sir, which ought not to be used if it is possible to avoid them; but which every one invested with public authority should suggest to his own mind, for the government of his own conduct. How long is a nation, who will do nothing for itself, to rely on the aid of others? In a war waged by one country to obtain revenue from another, what is to be expected in case of conquest? How long will one part of a community bear the burdens of the whole? How long will an army undergo want, in the midst of plenty? How long will they endure misery without complaint, injustice without reproach, and wrongs without redress? These are questions which cannot be solved by arithmetical calculation. The moral causes that may procrastinate or precipitate events, are hidden from mortal view. But it is within the bounds of [290]

human knowledge to determine that all earthly things have some limits, which it is imprudent to exceed; others, which it is dangerous to exceed, and some, which can never be exceeded. It is possible, that we are near the close of this war, and perhaps we are only in the middle of it. But if the war should continue, we have to blame ourselves; for were those resources called into action, which we really possess, the foreign enemies would soon lose all hope, and abandon their enterprize. The greater injury, therefore, which we sustain, is not from foreign, but from domestic enemies; from those who impede the necessary exertions. I have mentioned one among many instances, to show the consequences of withholding the public revenue, and I take the liberty to observe, that it would be more manly to declare at once, for unlimited submission to British tyranny, than to make specious declarations against it, and yet take the direct road to bring it about, by opposing the measures for our defence. That open declaration will doubtless be restrained by the fear of general resentment; but the other conduct is so much the more dangerous, as it is calculated to close people's eyes, while they approach the precipice, that they may be thrown down with greater ease and more absolute certainty. [291]

I trust that your Excellency, and every other friend to our country, will urge forward that speedy and effectual collection of taxes, which can alone give vigor and stability to all our measures; and I risk nothing when I assert, that the public service shall be performed, (if the proper revenues be obtained,) at less than half of what would otherwise be expended.

I am, Sir, with perfect respect, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF RHODE ISLAND.

Office of Finance, October 24th, 1782.

Sir,

My circular letter of the 23d instant, contains the estimates and requisitions for the service of the year 1783. I must take the liberty to make a few observations on them, which apply particularly to the State of Rhode Island. In the letters to Congress of the 29th and 30th of July last, copies of which were transmitted in my circular letter of the 12th of September, I have so fully expressed my sentiments on the subject of credit and loans, that I shall not repeat them. Your Excellency will perceive, that in the Act of the 16th instant, although the estimates amount to six millions, yet only two are required and that further requisitions are suspended until the result of measures for obtaining loans shall be known. It is unnecessary to mention, that Congress have directed an attempt to borrow four millions.

The propriety of this step will be self evident, when the date of their requisitions for the present year is considered. The sums brought in from the several States being regularly published in the gazettes, will spare me the pain of repeating them. I say the pain, because every such repetition will have, in some degree, the air of reproach. It must be remembered, that the duration of the war does not depend upon Congress. This is an invaded country; invaded for the purpose of conquest. And between opposition and submission there is no middle line. The idea of submission is, and ever ought to be, rejected with disdain. Opposition, therefore, becomes a matter of necessity; and that opposition involves expense. [292]

There is then a certain degree of expense that cannot be avoided. And this must be provided for. The estimates being formed under the idea of money in hand to pay for services required, they are stated as low as possible. It appears, therefore, that the six millions mentioned in the estimates must be had. It appears from the experiments already made, that the people are either unwilling or unable to pay the whole in taxes; and whether want of power or inclination be the true cause, is immaterial to the present inquiry, for the fact is clear. Now there are but four modes of obtaining the supplies. Either they must be given to us, or lent to us, or raised by taxes, or taken by force. As to the first, we can place no dependence on it; and as to the last, it is neither the most constitutional, the most economical, nor the most pleasing way. Necessity may justify it, but it will be very difficult to justify the necessity. The supplies, therefore, must be obtained by loans or taxes; so that if they cannot be obtained by loans, taxation is the only resource; and in that case, there is no medium between legal taxation and military collection. For if we will not submit to Great Britain, we must carry on the war; and if we carry on the war, we must obtain the means; and if we cannot get the means abroad, we must provide them at home; and if we do not provide them by law, they must be taken by force. [293]

The inattention of the States to the requisitions of the United States, leaves Congress no choice between loans and military collections. Whether they can obtain loans must depend upon other people. They cannot obtain loans without credit, and they cannot have credit without funds; and they cannot get funds without the concurrence of the States. They must ask that concurrence before they can obtain it, and they must determine on the funds before they can ask. The making yearly requisitions of quotas to pay the interest of public debts will not do. It is in itself a futile measure; but if it were the best thing in the world, yet if those who are to lend do not think so, there is an end of the matter. Now the fact is, that nobody will lend upon the promise of such

requisitions. And truly the compliances made with those for carrying on the war, give very little encouragement. It follows then, that Congress *must* ask for particular funds. They have asked for one, and it is not complied with by two States out of thirteen. Shall Congress then adhere to the demand; or shall they change their application? If they should change it, could they expect that there would not then be one or two opposing States? To answer the question let it be inquired, what objects of taxation can be devised, to which exceptions cannot be made? Surely there are none.

Let it be inquired next, whether there is any object so unexceptionable as that which they have fixed upon? The answer is, no. It follows then, that in changing the application, there would be less prospect of success than at present. Congress then must adhere to their requisitions; and if that fund be not granted, we cannot expect loans. But it is demonstrated by experience, that we cannot get sufficient taxes. We certainly cannot get rid of the war, and therefore the people must have their property taken by force. The necessity will justify this. But as I said before, who will justify the necessity? Surely the authors of it should think of that in season. [294]

Will it be a sufficient justification, to say that the demand of Congress is *unconstitutional*? If a thing be neither wrong nor forbidden it must be admissible. Such a requisition is nowhere forbidden, and therefore it is admissible if it be not wrong. Now it cannot be wrong to do that which one is obliged to do, be the act what it may. And Congress are obliged to make such requisitions. But further it must be admitted, that they are not contrary to the moral law. Supposing then, for argument's sake, that the thing asked for, would if granted be contrary to the confederation. If so, the grant would alter the confederation. But the grant is not to take effect without general consent. The confederation was formed by general consent, and by general consent it may be altered. The requisition, therefore, if complied with, will by that very compliance become constitutional.

But it may perhaps be suggested, that the five per cent impost will not be sufficient for the object in view. This must be acknowledged, but what inference is to be drawn from thence? Not that Congress should ask for more. Under the circumstances in which they are placed it is difficult to ascertain what line of conduct is to be pursued. If they ask further revenues it may be said, that there is weakness in framing new demands before old ones are complied with. Every fund will meet with some opposition, and every opposition encourages new opponents. The evil presses hard. Public credit is at the last gasp, or rather it is expired. Not only are we to expect a formidable clamor from the abused and injured creditors, but there is really very little hope of obtaining foreign loans. For how can it be expected, that a Republic without funds should persuade foreigners to lend them money, while its own citizens, who have already lent theirs, can neither obtain the interest, nor any solid security, either for interest or principal. [295]

This, Sir, is an object of great magnitude, and one which directly or indirectly concerns every inhabitant of the United States. The critical situation we stand in, has rendered it necessary for Congress to demand a decided answer. No time is to be lost, for if the revenues cannot be obtained, the public creditors must be told so in plain terms. The efforts to borrow further sums must cease of course, and then the whole weight of the war must fall on the people, in one mode or the other. It is a very serious question, whether the little applause, which individuals may gain by specious declamations and publications should over balance every consideration of national safety. This serious and important question your Legislature is now, by the representatives of all America, most solemnly called on to decide. [296]

I am, Sir, with perfect respect, your Excellency's most obedient and humble servant,

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance. October 27th, 1782.

Sir,

I do myself the honor to enclose the copy of a paper transmitted to me by the Governor of Virginia. The clothing there mentioned is a part of those supplies for the State of Virginia, which the Court of France have charged to the United States. You will recollect the discussions on the subject. It is with a very sincere desire to remove every disagreeable trace of them, that I have agreed to a proposition made me by the Governor of Virginia, in his letter dated in Council Chamber on the 23d of September last, of which the following is an extract. "The regulations you have entered into for clothing the continental army will render useless to the State a quantity of necessaries now in France, furnished by his Most Christian Majesty; as the terms we have them on, which I have before transmitted to you, are such as will make the payment easy to the United States, we shall be obliged to you to take them off our hands, and take the debt so far as they go to the States. You will have a copy of the invoice enclosed, by which you will see, that they will be useful and necessary for the army, which will, I hope, induce you to oblige the State." The enclosed referred to, is that above mentioned. I make no doubt, that the Court will choose to consider the whole of these supplies as advanced on the credit of the United States. And [297]

therefore there is so much the less objection to taking a part of the goods. As for the remainder, I think it better for Congress to adjust the matter with Virginia than to plague the King's Ministers with altercations about it.

I am, Sir, your most obedient and humble servant,

ROBERT MORRIS.

TO THE GOVERNOR OF CUBA.

Philadelphia, November 27th, 1782.

Sir,

I do myself the honor to present to you Mr John Brown of this city, whom I have charged on the part of the United States with the negotiation of bills at your port, to the amount of two hundred thousand dollars. These bills will be drawn on Messrs J. L. & L. Le Couteulx & Co. at Cadiz. I have already taken the proper measures for placing in their hands the necessary funds. I presume that the actual state of things will render it as convenient (either to your Excellency on the part of the King, or to the merchants) to purchase bills, as it will be to the United States to sell them. The risk which attends sending of money to Europe, will probably have raised the exchange so considerably, as to compensate the risk of bringing it hither. This, I confess, is the principal reason with me for adopting this measure.

I shall highly esteem any favorable assistance, which your Excellency may be pleased to afford Mr Brown on this occasion; and I persuade myself that the intimate connexion of interests between his Catholic Majesty and my Sovereign during the continuance of hostilities against the common enemy, will be a strong inducement with you to promote the service of the United States.

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With sentiments of the most perfect esteem, &c.

ROBERT MORRIS.

TO THOMAS BARCLAY, IN PARIS.

Office of Finance, December 5th, 1782.

Sir,

On the 28th of May last, the United States in Congress resolved, that a Commissioner be appointed to liquidate and finally settle the accounts of all the servants of the United States, who have been intrusted with the expenditure of public moneys in Europe. On the 29th of July last it was resolved, that the resolution of the 28th of May be reconsidered, and on motion it was ordered, that the said resolution be committed. On the 18th of November last, on the report of a committee to whom, upon a reconsideration the resolution of the 28th of May last was referred, it was resolved that a commissioner be appointed by Congress with full power and authority to liquidate and finally to settle the accounts of all the servants of the United States in Europe; and to commence and prosecute such suits, causes and actions as may be necessary for that purpose, or for the recovery of any property of the said United States, in the hands of any person or persons whatsoever. That the said commissioner be authorised to appoint one or more clerks, with such allowance as he may think reasonable; and that the said commissioner and clerks respectively take an oath, before some person duly authorised to administer an oath, faithfully to execute the trust reposed in them respectively. On the same day you were elected the commissioner, and it was resolved, that Congress would hereafter make adequate provision for the said commissioner, according to the nature and extent of the services which he shall perform. And on the 20th of November last it was resolved, that the Superintendent of Finance be directed to instruct the commissioner for settling the public accounts in Europe, to take proper measures for adjusting, without delay the accounts of M. de Beaumarchais, or Roderique Hortales & Co. and to report such settlement to Congress; that order may be taken for the payment of the balance, if any shall be justly due; and that, in the meantime, no farther remittances or payments be made to M. de Beaumarchais or Roderique Hortales & Co. by virtue of any former resolution of Congress.

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Enclosed herein, you will find a commission authorising you to act in this business; and I shall now endeavor to give you such explanations and directions as may be necessary for the accomplishment of it, consistently with the views and intentions of the United States in Congress. You will undoubtedly remark, that no sum is fixed upon as the compensation for this duty; the reason of which is apparent, that until the completion of it, neither the nature nor extent can be perfectly known. This might, perhaps, have induced a monthly or annual stipend, to any other

commissioner, but as your other duties may, and probably will, occupy a part of your time and attention, which must nevertheless be indeterminate, so it follows, that no points could be properly assumed, by which the reasonable extent of such a stipend could be known. I have reason to believe, that it is in the intention of Congress to make a generous allowance for the performance of this service; and I am persuaded, that by attention, assiduity and the faithful exertion of your talents and abilities, you will merit their regard.

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The appointment of your clerks, as well as the ascertaining their number and reward, are left to your discretion. You will on this occasion consult the principles of true economy, which dictate the employing as many persons as are capable of performing the service and no more; the taking care that those employed are capable of performing the business committed to them, and the obtaining such a number of such persons, on the cheapest terms, for which they can be procured. But the worst economy in the world is, to employ improper men. That you may be enabled to form a judgment of the talents necessary to a clerk, you will observe that Congress in their ordinance of the 11th of September, 1781, for regulating the treasury and adjusting the public accounts, ordained and declared that the clerks, the number of whom should be regulated by the Superintendent of Finance, should be appointed by the Controller. That it should be their duty to examine all accounts which should be committed to them by the controller, to correct all errors, and to note in writing what may appear exceptionable, either as to the propriety of the charges or the validity of the vouchers, and transmit the accounts with their remarks to the auditor. And that the party for himself, and the clerk on behalf of the public should be heard before the auditor. From the nature of the commission intrusted to you, it follows that you must both commit the account to the clerk and afterwards audit it, as well as finally determine on and adjust it; which last is done here by the controller, except in cases where the appointment of a commissioner has been necessary, with authorities similar to yours. It is to be apprehended, that the accounts will, in many instances, be exhibited to you informally; and as it is not only useful in the first settling of complicated accounts to adhere to settled forms, but absolutely necessary to the clear and easy understanding of them after they are settled, so it will frequently become necessary to have the accounts restated, and all the vouchers of them numbered by your clerks. And although all your own care and attention will always be requisite to detect and discover errors and frauds, yet so much will depend on the accuracy and abilities of the clerks in these investigations, that I cannot too strongly recommend to your attention the choice of able accountants for that purpose.

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With respect to the accounts of M. de Beaumarchais, much has been said, and therefore I might dispense, perhaps, with saying anything; but as I have reason to believe, that whatever may have been the character of the persons concerned, either for ability or integrity, the business which has passed through their hands has not been well done, I must desire that these accounts undergo your strictest scrutiny. You will probably find some other large accounts which merit a like attention. In every such case, the observations made here will be equally applicable. You are too well acquainted with mercantile business, not to know what, how, and when commissions are chargeable on a transaction. I believe that knowledge and information on this subject will be found very necessary. They will be indispensable should it be attempted to charge several commissions on the same thing, whether it be done openly, as such, or covertly, as brokerage, factorage and the like, or still more covertly, for increase of original price. Hence, therefore, it will be found necessary to consider well the original prices; and it is much to be lamented that samples of the articles cannot be laid before you, because many have been received of a quality not only base but despicable.

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It is not possible at this distance of time and place, to ascertain by whom such articles were purchased, and indeed many of those which have been shipped have never arrived; under such circumstances it becomes your duty, to require proof of the quality of such articles as appear charged to the United States, and the idea will naturally suggest itself that the character of the party making the charge will influence the necessity of such proof, as the validity of the proof itself will be influenced by the character of the witnesses.

Had these transactions been merely confined to the purchase and delivery of goods, they might, perhaps, easily have been investigated, but they extend themselves to many other things, among which is the transportation, and expenses incident to it. Under this head, two objects present themselves immediately to view. First, whether due care was taken in the mode of transportation adopted; and secondly, whether the expense has been reasonable or exorbitant. With respect to the latter, it will certainly be your duty to correct improper or exorbitant charges. But in the former case, your conduct must be directed by circumstances in their nature so various as to admit of no prescribed rule, and therefore I can only recommend it to you to consult the interests of the United States as far as the principles of justice will permit. I know it is unnecessary to tell you that the delivery of goods purchased and transported should be shown before the charges are admitted; but I must desire that the evidence on this subject may be so clear and plain as to enable us to call the receiver of them to account. Cases will doubtless occur of loss by the accidents of the sea and by enemies; these also should be clearly proved, and the causes, as much as possible, investigated.

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Your commission will entitle you to aid and protection in the execution of the duties committed to you; and you will make the necessary applications on the subject to the proper persons, whenever circumstances shall require. A primary object will be to discover what sums have at any time or times been paid to the use of the United States. These can, I suppose, be discovered, and the names of the persons to whom they have been paid, although it is possible that in certain cases the persons by whom they have been paid will not be known to you. The first account you form

will be a general one, under the title of loans and subsidies obtained in Europe on account of the United States. The debt of this account you may leave in blank, but the credit side will consist of the sums paid to the use of the United States, and the persons to whom they were paid. Every account of these persons will, of course, be debited in particular accounts, for the respective sums so credited. These sums then they are to account for, and where they have paid over to others, such payments are again to be accounted for, until they are traced to a final appropriation, which will be of articles purchased for, or services rendered to the United States.

In the course of this investigation, however, it may happen, that in some case of payment by one to another, the receiver shall not account properly; on which the question will arise, how far the payment is to operate a discharge to the party by whom it was made. This question admits of so many modifications, according to the varieties of possible circumstances, that no provision can be made, which will be applicable to all. I have therefore thought it best to enclose for your perusal, the instructions on this subject to Commissioners appointed for settling the old accounts of the civil departments. You will govern yourself by the spirit of these instructions, according to circumstances, as they arise. I have already observed, that the final appropriation of moneys must be traced to articles purchased, and services rendered; but such a general distinction would not be sufficiently clear in the stating of accounts; you will place this final appropriation, therefore, under one or other of these following general heads.

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1st. *Salaries and Expenses of Public Ministers, Commissioners, and Agents.* In this account you will charge all moneys advanced to any public servants of the United States in Europe on account of their salaries or expenses.

2d. *Clothier General's Department.* In this account you will charge every article of clothing, which may have been purchased.

3d. *Commissary of Military Stores' Department.* In this account you will charge all arms, ammunition, and the like.

4th *Quarter Master General's Department.* In this account you will charge tents, sheet tin for camp kettles, and other articles properly belonging to that department.

5th. *Marine Department.* In this you will charge all moneys expended in building or buying ships of war, and fitting them out, with the incidental charges; also all naval stores purchased for the United States, and the like.

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6th. *Hospital Department.* In this you will charge all instruments, medicines, &c. &c. appertaining to that department.

7th. *Merchandise General.* In this you will charge such articles of stores as do not fall within the second, third, fourth, fifth, and sixth heads, if any such there be, and also any articles which you shall be doubtful as to the account they ought to be carried to.

8th. *Transport Service.* In this you will charge the purchase, freightment, hire, insurance, and the like, of ships or vessels for the purpose of bringing any articles to America.

9th. *Contingent Service.* In this you will charge the expense of land transportation, expresses, storages, and other like articles; also all those things, which do not fall properly under some other general head.

10th. *Prisoners and Americans in Europe.* In this you will charge all moneys paid for or to American prisoners or other Americans; taking care so to designate and specify these charges and the parties, so that those who are able may be called on for repayment. The names and usual places of abode will as far as they are attainable, be of importance.

11th. *Foreign Officers.* In this you will charge all sums advanced or paid to foreign officers coming to or returning from America.

12th. *Interest of Debts.* In this you will charge all sums paid on the interest bills of exchange, issued from the several Loan Offices, and any other interest moneys, which may have been paid.

13th. *Bills of Exchange.* In this you will charge all sums paid on bills of exchange, drawn by order of Congress.

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It is not impossible, that in the course of your business, you may find it necessary to raise some other such general accounts, and if so, you will raise them accordingly. You will take care to attend strictly to the propriety of all charges made, and to the validity of the vouchers by which they are supported. You will examine very particularly into the accounts of armed vessels fitted out in Europe on account of the United States, especially of those wherein any individuals shall appear to have been interested. And you will bring those persons to account, into whose hands any prizes, or moneys for the sales of prizes, may have come, so that justice may be done as well to the public as to the captors concerned therein.

Whenever you finally settle an account, you will take care to be possessed of the several vouchers, which together with the account are to be kept in your Consular office, until further orders; but you will transmit quadruplicate copies of the general accounts by safe conveyances as soon as possible.

I am, Sir, your most obedient, &c.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, December 12th, 1782.

Sir,

On the 7th of January last, Congress were pleased to resolve, that it be an instruction to the Superintendent of Finance, to prepare and report to Congress a table of rates, at which the different species of foreign coins, most likely to circulate within the United States, shall be received at the treasury thereof. In consequence of this resolution, I took the liberty to recommend the establishment of a mint, which was agreed to. I have taken many steps to carry that resolution into effect, and hoped by this time to have laid a satisfactory state of it before Congress. Delays, the causes of which need not be enumerated, have hitherto procrastinated this matter beyond my expectations. But there are many reasons why an immediate regulation of foreign coins should now be made. It is not the least among them, that all our dollars are rapidly going to the enemy in exchange for light gold, which must eventually cause a considerable loss and scarcity of silver, which will be severely felt. I take the liberty, therefore, to suggest the following Act.

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Whereas, by the Articles of Confederation and Perpetual Union, the United States in Congress assembled, are vested with the sole and exclusive right and power of regulating the alloy and value of coins struck off by their own authority, or by that of the respective States; and whereas, the several requisitions on the States and the public accounts of those United States are made and kept in dollars; and whereas, it is of importance, that until money be coined by authority of the United States, some fixed proportion be established between the different foreign coins, most likely to circulate; be it, therefore ordained, by the United States in Congress assembled, and it is ordained by authority of the same, that from and after the 1st day of January, in the year of our Lord, one thousand seven hundred and eightythree, English silver coin be received at the rate of one dollar and sixteen ninetieths of a dollar by the ounce; Dutch silver coin at the rate of one dollar and fifteen ninetieths by the ounce; French silver coin at the rate of one dollar and fourteen ninetieths by the ounce; Portuguese silver coin at the rate of one dollar and thirteen ninetieths by the ounce; English, Spanish, and Portuguese gold coin at the rate of sixteen dollars and sixtyeight ninetieths by the ounce.

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I take the liberty to observe, Sir, that this estimate of coins is founded upon the quantity of alloy, which they respectively contain. The weight of each particular piece current among us is so indeterminate, that the value by tale cannot be fixed; but whenever the rates at which they go as bullion are known, a table may be formed in each State for the tale, according to the customary weight which prevails.

I have the honor to be, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

Head Quarters, December 20th, 1782.

Sir,

In consequence of a resolve of Congress, I some time since directed an inscription with some devices to be engraven on the cannon to be presented to the Count de Rochambeau, and enclosed is a certificate of General Knox relative to the execution of the work and its price.

In answer to Mr Billings's application to me for his pay, I informed him I would write you on the subject, and did not doubt you would order payment to be made.

I have the honor to be, &c.

GEORGE WASHINGTON.

TO B. FRANKLIN.

Office of Finance, January 11th, 1783.

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Sir,

On the 9th instant, from an investigation of Mr Grand's account then lately received, I found that after making due allowance for Loan Office bills, &c. which might still come upon him, my drafts and those which I have directed, would exceed by something more than six millions (exclusive of the interest payable by him in November on the Dutch loan) any funds which he could be possessed of. It appeared also by indirect information so late as in the month of September, that the loan opened by Mr Adams had not produced above three millions, so that unless he had met with further success, there would be a deficiency of three millions.

Had the Court granted us twelve millions in the first instance, had Mr Adams's loan produced six millions, had M. de Beaumarchais' bills been provided for without recurrence to the American banker, or, finally, had the heavy deduction made by those bills been replaced, this disagreeable thing would not have happened. Presuming that the loan of the last year was exclusively at my disposition, I drew during the year to the amount of it, and I am convinced that all my bills, and those drawn by my authority, will have been paid. Rely on it, that as I told you in a former letter, I have acted under the influence of dire necessity, and this you will be convinced of by a few out of many circumstances.

Enclosed you have a general statement of the public account until the year 1781, on which you will observe that the army was fed principally, though scantily, by the specific supplies called for at different previous periods, and that there remained in the treasury near three hundred thousand dollars, being part of the money which Colonel Laurens brought with him from France. I also enclose to you the copy of a letter written to Congress on the 21st of October, and of its several enclosures, which will need no commentary; or if it did, I would only add, that I have been obliged to sell part of the goods, which arrived here from Holland, in order to raise so much money as would save my sinking credit from destruction. I would go into a detail of the various measures pursued to stimulate the exertions of the States, but to do this with accuracy, would be to give a tedious history of my whole administration. Whatever expedient could suggest itself, which might have that desirable effect, I have tried, and I do assure you, that when I look back at the scenes I have passed through, they strike my own mind with astonishment. As soon as I can get the accounts made up, I will transmit to you the total of our expenditures; but to transmit, or even relate our hazards and difficulties, would be impossible. [310]

Even at this moment I am making further exertions to bring our unwieldy system into form, and ward off impending evils; but what the success may be, heaven only knows. Imagine the situation of a man, who is to direct the finances of a country almost without revenue, (for such you will perceive this to be) surrounded by creditors, whose distresses, while they increase their clamors, render it more difficult to appease them; an army ready to disband or mutiny; a government, whose sole authority consists in the power of framing recommendations. Surely it is not necessary to add any coloring to such a piece, and yet truth would justify more than fancy could paint. The settlement of accounts, long and intricate beyond comprehension, becomes next to impossible, from the want of that authority which is on the verge of annihilation, from those confusions which nothing can dissipate except the complete settlement of accounts, and an honest provision for payment. [311]

Upon discovering the situation of our affairs in the manner already mentioned, I laid them before Congress. You will know the result. The Secretary of Foreign Affairs will, doubtless, transmit their Act; to which I must add this further communication, that I expect my bills will amount to a million within a month from this date. There are cases, where nothing worse can be apprehended from a measure than what would inevitably happen without it, and our present position is one of them. An immediate command of money is alike necessary to our present existence and future prospects. In Europe, when this letter arrives, you will know decidedly whether we are to expect peace or war. We must prepare for the latter. By so doing we may forward negotiations for peace, and, at the worst, will only have incurred some additional expense, whereas by neglecting it, we risk the chance of being taken unawares, and paying very dearly the penalties of neglect.

But, Sir, notwithstanding these reasons and many others will justify every counsel and every act however irregular in other respects, I would not draw one more bill, and I would boldly hazard every consequence of the omission, if I were not persuaded that they would be paid. On this occasion your sovereign will expect your most vigorous exertions, and your country will, I trust, be indebted to you in a degree for her political existence.

I am, Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, January 13th, 1783. [312]

Dear Sir,

I have received, in addition to those already acknowledged, your letters of the 12th of August,

26th of September, and 14th of October. I should, therefore, regularly have received two copies of the contract entered into on the 16th of July, between you and the Count de Vergennes, but I suppose it has been omitted through mistake in both the letters which refer to it.^[12] I lament this the more, as no one copy of it has yet arrived, and, consequently, the Congress cannot do what I am persuaded they would on the occasion. But although from this circumstance they do not make professions, yet, as far as I know the sentiments of that body, they are penetrated with gratitude. And you hazard nothing in making to the King the fullest assurances of their desire to repay the obligations they have received, and gratify their affection for his person and family by services and benefits. You will oblige me much if (together with the contract in question) you will send a statement of the Farmer-General's account, and of the agreement with them.

You tell me that the losses in the West Indies prevent you from obtaining farther aid. It is, therefore, to us a double loss. As to the precaution you give me about my banker, you will find that before the receipt of Mr Grand's accounts, I had drawn on him beyond his funds. I have this day entered into an explanation with the Minister on that subject, and I enclose you the copy of my letter, as also of another paper delivered to him, which may be worth your attention. In my turn, I rely upon your promise of exertion to pay my drafts. If one bill should be protested, I could no longer serve the United States. [313]

With respect to the apprehension you express as to my bills, I do not perceive the matter in the same point of light with you. The lists of my bills are transmitted to Mr Grand by various opportunities, and they will check any which might be forged or altered.

I shall take due notice of what you say about your salary, and will enclose the bills to you. The amount will depend on the course of exchange during the war. You will be a gainer, and after the peace you may perhaps lose some trifle, but not much, because remittances might then be made in specie, should the exchange be extravagantly high. You will readily perceive, that although the fluctuations of exchange are in themselves of very little consequence to the individuals who may be connected with government, they become important at the treasury, partly from the numbers of payments and consequent amount, but more so because they would introduce a degree of intricacy and perplexity in the public accounts, which are generally either the effect, or the cause of fraud and speculation. Besides, there is no other way of adjusting salaries, than by a payment of so much at the treasury, unless by rating them in the currency of every different country as livres, dollars, guilders, rubles, &c. The late mode of rating them in pounds sterling, required a double exchange. For instance, the number of livres to be given in payment of one hundred pounds sterling at Paris on any given day, depends on the then rate of exchange between Paris and London, and the value of those livres here depends on the exchange between Paris and Philadelphia. [314]

I pray you, Sir, to accept my sincere thanks for the kind interest you take in the success of my administration. The only return, which I can make to your goodness, is by assuring you, that all my measures shall be honestly directed towards the good of that cause, which you have so long, so faithfully, and so honorably served.

I am, Sir, &c.

ROBERT MORRIS.

TO MR GRAND.

Office of Finance, January 13th, 1783.

Sir,

I have received your several favors of the 13th of July, 11th and 19th of August, and 14th of October. The contents are far from being agreeable, but I thank you for the communication of them. If I had been so fully apprized of our situation as I now am, perhaps I might have suffered everything to be ruined, rather than have risked my bills. But if that had been done, more men would have blamed than applauded my conduct. I have gone into a full explanation with M. de la Luzerne, and although he cannot as Minister approve what is done, he has too much sense not to see the propriety and necessity of it.

It will be very useful both to you and me, that we should know exactly the state of our affairs, but I cannot acquire that knowledge by any comparison of accounts in my possession. You I think will be able to do it, and for your assistance I send the following information. There have been issued from the several Loan Offices, bills, at thirty days' sight, for eight millions four hundred and thirtyone thousand seven hundred and fifty livres; bills at sixty days' sight, for one hundred and twentyfive thousand livres; and bills at ninety days' sight, for one million three hundred and sixtyfour thousand one hundred and ninetyone livres, thirteen sous, and four deniers. An examination of your books will show at once how much of these sums remains unpaid. There have been issued bills on Mr Laurens and Mr Adams in Holland, for five hundred and fortyseven thousand three hundred and sixtyfour guilders and two thirds; and there have been issued on Mr Jay, for four hundred and fiftyeight thousand eight hundred and twentysix dollars. A proper inquiry will, I suppose, obtain the amount of payments on all these bills, and then you will be [315]

possessed of the state of things so fully, that you can apprise me of facts sufficient for my information.

From the best information I have been able to collect on the subject, my bills have very considerably exceeded your funds, but I trust that you have been possessed of additional funds for the acquittal of them in due season. I do everything that I can, and shall expect that you will exert yourself, to aid Dr Franklin. On those exertions I place much reliance; being with sincere esteem, Sir, your most obedient, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

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Office of Finance, January 13th, 1783.

Sir,

In the close of our conversation on the 11th instant, your Excellency did me the honor to request that I would recapitulate to you in writing, the reasons why my bills had exceeded the funds in possession of Mr Grand, by about three millions and a half of livres. I undertake this task with pleasure, but I will premise, that in the course of this letter (seeking clearness more than precision) I will not trouble you with an attention to fractional sums, but rather to round numbers.

You will remember, Sir, that shortly after your arrival in this country, the Congress, while they continued their drafts for interest, added a number of other bills on Dr Franklin, at a long sight, which they directed to be sold; and urged by their necessities, and relying on the success of measures then just undertaken, they drew other bills at a long sight on their Ministers in Spain and Holland. Before this they had drawn bills on Dr Franklin, in favor of M. de Beaumarchais, for nearly three millions, of which two millions and a half were payable in June, 1782. The amount of all these bills, exclusive of those to M. de Beaumarchais, was between thirteen and fourteen millions. How great a proportion of this sum had been paid, and how much remained due, it was impossible for me to determine with precision, because I had not received the accounts, but the best estimate in my power was made.

Your Excellency will also remember, that from the sketch which you did me the honor to deliver from the Count de Vergennes, there was due on the Dutch loan of 1781 about four millions, or three and a half after deducting the supposed expenses of that loan. I considered this balance as sufficient to liquidate what I estimated to remain due of the several bills drawn by order of Congress as above mentioned, excepting the two millions and a half payable in June last. I perceive, however, from Mr Grand's accounts, that although his Majesty, among other acts of his royal generosity, remitted the expenses of the loan, yet the balance actually touched by the banker, amounted only to about two and a half millions. Thus there was a deficiency of a million in what I had relied upon to acquit former engagements. It is necessary for me to mention here, that I had allowed also for a supposed deduction on account of the Virginia goods, but as I had also supposed, that fewer of the Congress bills remained unpaid than appeared afterwards to have been, so one error eventually corrected the other, and left the deficiency still at a million. It is proper also to observe further, that although the loans and subsidies of 1781, amounting in the whole to twenty millions, had been principally employed in the purchase of clothing and military stores, yet the continuance of those things in Europe by various delays and mischances obliged me to make provision for the same articles here, forming thereby a heavy deduction from the small means which were at my disposal.

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Having said thus much of things previous to the year 1782, I must now take the liberty to remind your Excellency, that I had requested the sum of twelve millions for that year, on the principle, that after deducting two millions and a half for M. de Beaumarchais, the remaining nine and a half would be absolutely necessary, and I then did expect much more from the States than has been received. The Court, however, granted only six millions, but I had every reason to suppose, that this sum would be exclusively at my disposition; and therefore in consequence of your Excellency's assurances, and according to your advice, I drew twelve bills of half a million each on Mr Franklin, in favor of Mr Grand, and I appropriated this money to the payment of what bills I should draw on him; excepting a part which I desired him to ship during the last summer, when bills were not saleable, and which I expected here in November, or December; but as it did not arrive, I conjectured as the event has shown, that no shipment was made, and extended my bills accordingly. As to M. de Beaumarchais' bills, I expected that some arrangement might have been taken with relation to them, according to our conversations. For although you declared that you had no instructions on that subject, yet you saw with me that our funds would not bear such a deduction, and the line of conduct which you advised, was precisely that which I pursued, as I shall presently have occasion to mention.

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I relied then on the loan of six millions, and on three millions which Mr Adams had obtained in Holland, so long ago as in September last. My appropriation of these sums was as follows. Bills drawn on Mr Grand in 1782 for six millions, being the amount of the loan made by his Majesty;

one million negotiated through the Havana; half a million which I directed for payment of interest on the Dutch loan of 1781; and a million and a half drawn for in 1783, at the time I had the honor to speak to your Excellency, formed the amount of three millions in Holland, which by the Acts of Congress were exclusively at my disposition.

It was not, therefore, until the investigation of Mr Grand's accounts, that I was struck with the deficiency above mentioned, and which arose from the difference of one million due on the former transactions more than I had calculated, and two millions and a half to M. de Beaumarchais. The moneys which I supposed to be at my sole disposal were, I found, subject to Dr Franklin's order, and therefore Mr Grand instead of six millions possessed only two and a half towards answering my bills drawn in 1782. I had written to Dr Franklin in the manner agreed between us as to M. de Beaumarchais. But the money was paid before the letter arrived. I should not, however, do that justice to Dr Franklin which I ought, if I did not observe, that I think he was perfectly right in causing those bills to be paid. You will consider, Sir, that they had been drawn in 1779, and negotiated for three years, through different parts of Europe and America, on the public faith and credit of the United States. It is a very moderate calculation to suppose, that a thousand different people were interested in the sum of three and a half millions. Protesting the bills, therefore, would have sent them back again from one person to another, affixing a stigma on our character wherever they went. The necessary consequence would have been, not only a total loss of credit in Europe, but that no person here would have bought my bills. The funds, therefore, which I could command would have been useless, and the difference between not having money and not being able to use it is immaterial.

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Having said thus much, Sir, on the reason of the deficiency, I find it proper to add, that the bills drawn in December and November amount to two millions; which being at thirty days' sight will not be payable until February or March next. One million negotiated through the Havana on Cadiz, thence to Paris, &c. will not finally be payable until March and April. And one million drawn the beginning of this month at one hundred days' sight, will not fall due until some time in April and May. On the other hand, any further success of Mr Adams's loan will apply for the payment.

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I trust from the whole state of these things your Excellency will see, that nothing has introduced any disorder into these transactions, but the appropriation without my authority of moneys intended to be at my disposition, and that this again has arisen from the utter incapacity of Dr Franklin any otherwise to acquit the demands on him, arising from expenditures made some years before my administration. If I might venture, therefore, to advise, it should be that three and a half or four millions were paid to Mr Grand as an addition to the loan of 1782, and then the sum which the Court may think proper to advance for 1783, being clear of preceding transactions, I will pledge myself that no act of mine shall exceed the limits to be prescribed by your Court.

You see, Sir, that I rely on aid for the current year; and this brings me to the resolution of Congress, which I had also the honor to communicate. You observed on it with great propriety, as a Minister of France, that you advised me not to comply with it; and as a Minister of the United States I might reply, that I should certainly obey the order of my masters. At the bottom I believe we are both agreed. I would not put my name to a bill if I doubted the payment, and you must be convinced that it is necessary to draw. Not to mention those critical circumstances of the army, which you are perfectly apprized of, it must be remembered how important an effect it might have on the negotiations for peace, if we should now neglect to prepare for war, and much more if we should suffer any serious misfortune. To keep the army together, in good humor and prepared for action, is a duty which we owe alike to ourselves, to our allies, and to our associates in the war.

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I shall I believe draw within a month for at least a million. You know, Sir, that the funds given by the States are incompetent, and I am sure you will do me the justice to believe, that I have done all in my power to husband our means and to increase them. That I have not talents equal to this task must be lamented and forgiven. It is not my fault but my misfortune. The share of abilities which I possess, be it what it may, has been faithfully exerted. If, however, I have incurred censure on the present occasion, it must be because I was ignorant of what I could not know, and did not perform what was not in my power.

I am, Sir, with respect and esteem, &c.

ROBERT MORRIS.

TO JOHN ADAMS.

[322]

Office of Finance, January 19th, 1783.

Sir

Although I have not yet been honored with any letters from your Excellency, I cannot omit the occasion of writing, which offers itself by Mr Jefferson. Having already congratulated you on the acknowledgement of our independence by the States-General, and on the rapid success of your

labors equally splendid and useful, I hope when this letter shall have reached your hands I may have the additional cause of congratulation, that the loan you have opened in Holland shall have been completed. This is a circumstance of great importance to our country, and most particularly so to the department, which I have the honor to fill. Whatever may be the success of it, whether general or partial, I pray your Excellency to favor me by every conveyance with every minute detail, which can lend to form my judgment or enlighten my mind.

For the more perfect security of our correspondence I do myself the honor to enclose the counterpart of a cypher, to the use of which you will soon become familiarised, and I hope you will be convinced, that any confidence with which you may honor me shall be safely reposed and usefully employed for the public benefit.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF PENNSYLVANIA.

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Office of Finance, January 20th, 1783.

Sir,

I had the honor to receive your Excellency's favor of the 18th of last evening. In answer, it becomes my duty to convey to your Excellency, the painful information, that those affairs of Congress, which relate to the public revenue, are reduced to the most critical situation. They are now under contemplation of that honorable body, and I shall take the earliest opportunity of communicating to the several States the result of their deliberations.

It is also my duty, Sir, on this occasion, to remind your Excellency, that on the 2d day of November, 1781, the Congress required of the State of Pennsylvania, one million one hundred and twenty thousand seven hundred and ninetyfour dollars, as the quota of that State, for the expenditure of the year 1782. This sum was to have been paid in equal quarterly proportions, commencing on the 1st day of April last. I am extremely sorry to mention, that during the whole of the year, 1782, there has been received towards the payment of this quota, only the sum of one hundred and seven thousand nine hundred and twentyfive dollars and twentyfour ninetieths, being less than a tenth of the sum required. It is of little avail, Sir, that the army who are the immediate sufferers, or the people of America whose national existence is so imminently hazarded, should be told, that a law has been enacted for raising the sum required. Laws not executed, or which from their nature are not to be executed, only substitute deception in the place of denial. Congress can never believe, that a State seriously means a compliance with the demands made on it, unless the laws be such, that responsible officers be sufficiently empowered to collect the taxes by certain specified periods, and that the Continental Receiver of taxes be empowered after such periods shall have elapsed, to issue executions against the persons and estates of those officers for any deficiency, which may remain of the sums payable by them respectively.

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I have the honor to be, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Office of Finance, January 21st, 1783.

Sir,

I have received your Excellency's favor of the 6th and 8th instants. I have directed the Commissary of Marine Prisoners to appoint a proper agent at Dobbs' Ferry, and I hope for your Excellency's advice to him on that occasion, which he will be desired to apply for. Without wishing to incur the blame of too great suspicion, I take the liberty to suggest, (as an additional reason for caution;) that moneys intended for commercial pursuits, might be transmitted under the idea of relieving prisoners. Mr Skinner has never yet communicated his returns or accounts.

It was with very great pleasure, Sir, that I paid the money you desired, to Mr Adams, and I beg you to believe, that I shall at all times be happy to facilitate your views. At present, the negotiation happens by good luck to minister alike to your convenience and mine. I am very sorry, that you did not make an earlier mention to me of your demands for secret service. I would have anticipated your views, had it not escaped my attention, for be the distresses of my department what they may, this is of too much importance ever to be neglected. I think it best in future, that a solid arrangement should be taken, and for this purpose I will give directions to the

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Paymaster General always to keep some money in the hands of his deputy, to answer your drafts for contingencies and secret service. I have, as you will see, taken methods to put the deputy in cash, and then your Excellency will be relieved from any further care than the due application. I am, however, to pray for the sake of regularity in accounts, that your Excellency in the warrants would be so kind as to specify the particular service when on the contingent account, and draw in favor of one of your family on account of secret services, mentioning that it is for secret service. I shall direct Mr Swanwick to endorse the bills on you in favor of Mr Adams to the Paymaster General, whose deputy will receive from your Excellency the amount.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, January 24th, 1783.

Sir,

As nothing but the public danger would have induced me to accept my office, so I was determined to hold it until the danger was past, or else to meet my ruin in the common wreck. Under greater difficulties than were apprehended by the most timid, and with less support than was expected by the least sanguine, the generous confidence of the public has accomplished more than I presumed to hope.

Congress will recollect, that I expressly stipulated to take no part in past transactions. My attention to the public debts, therefore, arose from the conviction, that funding them on solid revenues was the last essential work of our glorious revolution. The accomplishment of this necessary work is among the objects nearest my heart, and to effect it, I would sacrifice time, property, and domestic bliss. [326]

Many late circumstances have so far lessened our apprehensions from the common enemy, that my original motives have almost ceased to operate. But other circumstances have postponed the establishment of public credit in such a manner, that I fear it will never be made. To increase our debts, while the prospect of paying them diminishes, does not consist with my ideas of integrity. I must, therefore, quit a situation which becomes utterly insupportable. But lest the public measures might be deranged by any precipitation, I will continue to serve until the end of May. If effectual measures are not taken by that period, to make permanent provision for the public debts of every kind, Congress will be pleased to appoint some other man to be the Superintendent of their Finances. I should be unworthy of the confidence reposed in me by my fellow citizens, if I did not explicitly declare, that I will never be the minister of injustice.

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, February 26th, 1783.

Sir,

A number of those who have contracted engagements with me will, I know, place a personal reliance on me for the fulfilment of them, As the time approaches very fast when I am to quit this office, it is proper for me to make the necessary preparations. Among these, I must place the due and seasonable information, which as an honest man I must convey to those who have confided in me. I am, therefore, to pray that the injunction of secrecy, contained in the order of the 24th of January last, may be taken off. At the same time, I take the liberty to suggest to Congress, that the early appointment of my successor, will give him opportunity to take such measures as may prevent many inconveniences that might otherwise happen.

I have the honor to be, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Sir,

I do myself the honor to enclose to you the copy of a letter to the President of Congress, which was written on the 24th of last month. I should have transmitted it to you on the next day, but contrary to my expectations, Congress enjoined secrecy. I yesterday wrote a letter, of which I also enclose a copy, and in consequence of it I am this instant informed that the injunction of secrecy is taken off. I seize, therefore, the earliest moment to give you the information.

I do assure you, Sir, that nothing would have induced me to take this step, but a painful conviction that the situation of those to whom the public are indebted is desperate. I believe, sincerely, that a great majority of the members of Congress wish to do justice; but I as sincerely believe that they will not adopt the necessary measures, because they are afraid of offending their States. From my soul I pity the army, and you, my Dear Sir, in particular, who must see and feel for their distresses, without the power of relieving them. [328]

I did flatter myself that I should have been able to procure for them that justice to which they are entitled; and in the meantime, I labored to make the situation as tolerable as circumstances would permit. For the assistance which you have kindly afforded me, I pray you to accept my thanks, and to be assured that I shall ever retain on that account the most grateful emotions. My thanks are due also to all our officers, for I know that unwearied pains have been taken to give them disagreeable impressions, and I am, therefore, doubly indebted for the just sentiments, which amid so many misrepresentations they have constantly entertained. I hope my successor will be more fortunate than I have been, and that our glorious revolution may be crowned with those acts of justice, without which the greatest human glory is but the shadow of a shade.

I am, Sir, &c.

ROBERT MORRIS.

TO WILLIAM CARMICHAEL, IN MADRID.

[329]

Office of Finance, March 4th, 1783.

Sir,

You will probably recollect that Mr Jay protested ten bills of exchange, each for two hundred and twentyfive Mexican dollars, of which the list is enclosed. These bills, with the addition of twenty per cent damages, amount to two thousand seven hundred dollars, for which I have this day signed a set of bills on you, which, to avoid the dangers to which communication is liable, are extended to the eighth bill. This draft is at six months' sight, and I am to desire that you will honor it, and take your reimbursement on Mr Grand. The length of sight may probably place it at a considerable discount on the exchange of Madrid, and it is probable, also, that you may draw on Mr Grand to advantage; if so, I conceive it would be best to have the bill bought.

Draw on Mr Grand at the common usance, and close the transaction; which I hope may be the last of the kind, which the American government will be concerned in. An additional reason for suggesting this is, that should this bill go through hands ignorant of the whole transaction, it may give rise to conjectures, that the former practice of drawing is about to be revived. I should have drawn on France or paid in cash, but as the party is at Boston, and the rate of the exchange unfixed, it is more conformable to mercantile usage to give a new bill for the principal and damages.

I am, Sir, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

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Office of Finance, March 8th, 1783.

Sir,

I received yesterday afternoon a report, which is to be considered on Monday the 10th instant, and with it I received an order to transmit my observations. The shortness of the time obliges me to ask indulgence for deficiencies or inaccuracies. I have always believed that Congress were disposed to do *justice* to the public creditors, and I shall presume that the *power* of Congress will be exerted for that purpose.

There appear, therefore, two principal points to be considered.

I. What justice requires; and,

II. What Congress have power to do.

To the first I answer. *Justice requires that the debt be paid.* The *principles* of justice require that from a government, which a *court* of justice exacts from an individual. Government have no right to oblige creditors to commute their debts for anything else. Any revenues, therefore, to be pledged for the restoration of public credit must be such, that money may be borrowed on them to pay those to whom it is due; any plan which falls short of that object will not do justice. And no plan will embrace that object unless it be such that under it individuals would prefer government security to any other. In our particular situation it appears clear, that such public creditor has a complete right to demand his whole debt from Congress, and to name the terms on which he will forego it, and that Congress have a similar right in regard to the States.

In order to determine on the second question, viz. the *power* of Congress, we must resort to the confederation. By the eighth article it will appear, that Congress have a right to determine on the sum to be paid by the States, and the time of payment; and that this sum is to be paid by the States in proportion to their respective value, or an estimation to be made in the mode to be appointed by Congress. It is, therefore, in the *power* of Congress to call for payment of the whole debt by any day; such for instance as the 1st of January; and to have a valuation made some previous day; such for instance as the 1st of September. *The right of Congress is perfect, and the duty to pay absolute.* It appears necessary that this power be exerted in the most *decisive form*, and that whatever *general plan* of finance may be adopted, the concurrence of each State in such plan should be admitted *as an alternative* for not paying her apportioned quota of the whole debt. My reasons are these.

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1st. It will not be believed, that Congress have no power to do justice until the power which they have is exerted.

2dly. The public creditors have a right to expect that exertion.

3dly. Until it be made, a compliance with the demands of Congress will be considered by the States as a matter of favor and not of right.

4thly. Congress having a right to the whole money, it follows that they have the *exclusive* right to name those precise terms on which they will commute it.

5thly. Hence it follows that their plan, (be it what it may) must be adopted by the States in all its parts, because none of them can have a right to make amendments.

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6thly. The objections heretofore raised against the impost will by this means be totally done away, because each State may at its option either comply with the general plan or pay her particular share of the whole debt.

7thly. If the plan proposed as an alternative be adopted, it will from the nature of the case be an express national compact between the United States and each individual State. The revenue will have been purchased by Congress and they will have a perfect right to insist on their bargain.

8thly. The plans of Congress will by this means be greatly facilitated in the States, because the arguments will apply to men's feelings, and they will at once perceive, that it is better to give a permanent revenue of six, than make immediate payment of a hundred. Every term and condition in the plan will then be fair, because if the revenues be such as in the judgment of the Legislature will fall too heavy on their constituents, they can adopt others, borrow on their own account, and pay in their share at the day named. So that the United States will either receive the whole money, and pay all their debts, or they will get solid revenues to fund the whole, or they will receive a part and have such revenues for the remainder.

It also appears to me that our situation requires the utmost despatch, and therefore I wish much that the days named should be shorter than those above mentioned. The Act of the 17th of last month has been duly forwarded to the several States, but there will be no impropriety in taking a shorter mode of valuation for apportioning the debt, and leaving the valuation by the Act of the 17th to apply to the yearly apportionments subsequent to the last year. Various modes of making a speedy valuation might be suggested; such for instance, as that Congress should appoint a commissioner for each State, directing them to meet at this place on the 1st of June and determine, that the valuation made by the majority of those who do meet should be conclusive. If such a line of conduct as this be pursued, those suspicions as to the integrity of Congress, which ill designing men have endeavored to raise must immediately cease. And if justice be not done, public indignation will be pointed to the proper persons.

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With respect to the alternative which may be proposed, I am sorry to find that my ideas as to the objects of revenue have not met with the approbation of Congress. I must be indulged in observing, that let the revenues be what they may, it is indispensable that all the collectors be appointed by the authority of the United States, and for the following reasons.

1st. Experience has shown, that the taxes heretofore laid in the States have not been collected.

2dly. It is evident from a consideration of their modes of taxation, (which they are all very obstinately attached to,) that they never will be punctually collected.

3dly. The punctuality in the payment of interest is essential to public credit.

4thly. As Congress forego their right to insist on the principal, it is but just that they should have every possible security for the interest.

5thly. As the people are in either case to pay the supposed tax at certain periods it must be a matter of indifference to what particular man the payment is made. [334]

6thly. The objection raised in favor of elected tax gatherers, viz. that they consider the circumstances of the people, which is saying in other words, that they are guilty of favor and partiality, is the strongest reason why the collectors should be appointed by, and amenable to, Congress.

7thly. It is a kind of absurdity in itself, that Congress should have a right to the tax, and yet no right to send their servants to receive it.

I pray leave also to observe, that the revenues must be co-existent with the debt. No man in his senses will lend on any other terms. If the revenue be only for a fixed period of time, no more can be borrowed on it than the price of an annuity for such a time. And it has already been observed, that money must be *borrowed* to *pay* the public creditors, because they have a just right to their *money*. Another observation on this subject I must take the liberty to impress. The more clear, certain, permanent, and increasing the funds are, the lower will be the interest at which money can be borrowed. If the funds be very good, money may be borrowed at four per cent, perhaps at three per cent. If they are not good it will not be procured for less than six, seven, or eight per cent, and perhaps not at all. Proper reflections on this subject will naturally suggest themselves, and it will not be forgotten, that whether the debt be less or greater, and whether the interest be higher or lower the *people must pay all*.

With respect to the impost I conceive it to be justly exceptionable, because that an estimation ad valorem is arbitrary, and the law ought in all cases to be clear and explicit. The impost on prizes need not, I should suppose, be asked for, because Congress may take measures for the purpose themselves whenever the occasion requires. I conceive also, that a tax might be laid on exports which, without being burdensome, would still be productive. Enclosed is a list of rates, which I take the liberty to submit. I cannot go into a written detail of the reasons for them, because my time will not permit. [335]

I am told that the principal objection to a land tax is the inequality. To obviate this objection (although I cannot accede to the force of it) perhaps a reduction of the sum from one dollar to a quarter of a dollar per hundred acres might be expedient; and to supply the deficiency, a tax on houses might be adopted, according to the enclosed rate, which I also beg leave to submit.

I must take the liberty to declare my most serious apprehensions from the existence of unsettled accounts among the States. Everything which tends to create or continue them is fraught with ruinous consequences. Keeping accounts of moneys paid by taxes of the States, and liquidating those accounts by after settlements, will, I fear, prove the source of much dissension. It will operate as heretofore in preventing the States from paying anything. I would pray therefore to submit to Congress the following mode of terminating all present accounts, viz. that the whole sum paid or expended by each State, for the public service from the commencement of the war, should be placed to the credit of the particular State, and each draw interest on such sum. By these means the whole account would be equitably settled in the first instance. The States which are indebted on their own private account, would be able to wipe off such debts by an assignment of national stock. And on the first requisitions made by Congress for current expenditures, each might make payment either in part, or perhaps in the whole, by a discharge of so much of the debt. Thus a degree of simplicity would be introduced into our affairs, and we might avoid the horrors of intestine convulsions. [336]

I have the honor to be, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

Head Quarters, March 8th, 1783.

Sir,

Very painful sensations are excited in my mind by your letter of the 27th of February. It is impossible for me to express to you the regret with which I received the information it contains.

I have often reflected with much solicitude upon the disagreeableness of your situation, and the negligence of the several States in not enabling you to do that justice to the public creditors, which their demands require. I wish the step you have taken may sound the claim to their inmost souls, and rouse them to a just sense of their own interest, honor and credit. But I must confess to you that I have my fears, for as danger becomes further removed from them, their feelings seem to be more callous to those noble sentiments, with which I could wish to see them inspired. Mutual jealousies, local prejudices and misapprehensions, have taken such deep root as will not easily be removed.

Notwithstanding the embarrassments which you have experienced, I was in hopes that you would have continued your efforts to the close of the war at least; but if your resolutions are absolutely fixed, I assure you I consider the event as one of the most unfortunate that could have fallen upon the States, and most sincerely deprecate the sad consequences which I fear will follow. The army, I am sure, at the same time that they entertain the highest sense of your exertions, will lament the step you are obliged to take as a most unfortunate circumstance to them.

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I am, &c.

GEORGE WASHINGTON.

TO THE PRESIDENT OF CONGRESS.^[13]

Office of Finance, March 10th, 1783.

Sir,

In consequence of the order of Congress of the 18th of last month, I do myself the honor to enclose an estimate of the principal of the public debt to the first day of January, 1783, which has been transmitted to me by the Register of the Treasury. This amounts to *thirtyfive millions three hundred and twentyseven thousand seven hundred and sixtynine dollars fiftythree and one eighth ninetieths*, exclusive of what he calls the *unliquidated debt*, being the moneys due to the several States and to individuals in the several States. I beg leave also to mention other debts which have not been taken into the Register's contemplation, namely, the *old continental bills* and *arrearages of half pay*. Congress will easily see that it is not in the power of their servants to state the public debts with any tolerable precision.

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I have the honor to be, &c.

ROBERT MORRIS.

TO MAJOR GENERAL GREENE.

Office of Finance, March 14th, 1783.

Sir,

I received the other day your letter of the 2d of February last, and am very much obliged both by the pains you have taken, and the sentiments you have expressed in favor of a department, which I shall shortly be obliged to abandon. You will before this reaches you have seen in the newspapers my letters of resignation. I shall not, therefore, go into a detail of the reasons for taking that step, which was as painful to me as you can easily conceive. But I had no alternative. I saw clearly that while it was asserted on all hands, our debts ought to be paid, no efficient measures would be adopted for the purpose; no good plan agreed on. I felt the consequences of my resignation on the public credit; I felt the probable derangement of our affairs; I felt the difficulties my successor would have to encounter, but still I felt that above all things it was a duty to be honest. This first and highest principle has been obeyed. I do not hold myself answerable for consequences. Those are to be attributed to the opposers of just measures, let their rank and station be what they may. I expect much obloquy for my conduct, because this is what I knew to be the reward for any conduct whatever which is right. To slander I am indifferent, and still more indifferent about the attempts to question the services I have rendered, but I feel most sensibly for your situation, and for that of every other officer.

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The Congress have now, and have long since had under their consideration, a due provision for the public debts; when they will conclude it, and what it will be, God only knows. If it is such as in my opinion will do justice, I shall stay somewhat longer in office to know the decisions of the States, and if their proceedings are what on such an occasion they ought to be, I shall spare no labor and regret no time in completing the business, so that my successor may receive it from my hands as clear and simple, as it was confused and embarrassed when it was undertaken. But if these things do not happen, you and every other good man will, I hope, acquit me for leaving a post, in which I am totally unsupported, and where I must be daily the witness to scenes of poignant anguish, and deep injustice without the possibility of administering either relief or palliation. While I do continue in office, rely on every support in my power, and always, whether a public or a private man, believe in my esteem and affection.

I am, very respectfully, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, March 17th, 1783.

Sir,

I do myself the honor to enclose the copy of a letter of the 14th of December last from Dr Franklin, and the translation of a letter of the 15th instant, from the Chevalier de la Luzerne. These, together with the letter of the 23d of December from Dr Franklin, of which I have already submitted a copy, will I trust claim the attention of the United States.

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M. de la Luzerne did me the honor to make verbal communication of the Count de Vergennes' letters, from which as well as from those of Dr Franklin and from other circumstances, I consider it as certain that we are to expect no further pecuniary aid from Europe. So late as on the 9th of December last, the loan in Holland had not amounted to eighteen hundred thousand florins, and after the deduction of the charges on it, there were not above seventeen hundred thousand at my disposal. From the month of June to the 9th of December this loan had not increased half a million of florins, so that the most sanguine expectation will not carry it beyond two millions out of the five for which it was opened.

Congress will recollect, that on the 14th of September last they ordered a loan of four millions of dollars in Europe, for the service of 1783, in addition to this loan, which Mr Adams had opened in Holland. They will also recollect, that I had anticipated upon those resources about three and a half millions of livres during the year 1782. And that this anticipation was over and above the sum of a million and a half of florins, which we then knew to have been borrowed in Holland. Allowing, therefore, for the supposed increase of half a million of florins or a million of livres, there will still remain of anticipation two and a half millions of livres; so that of the sum lent for this year by his Most Christian Majesty there will remain but three millions and a half of livres. According to the common course of exchange, this sum cannot be expected to yield more than six hundred thousand dollars. Six hundred thousand dollars, therefore, with what the States will yield in taxes, form the whole of our expectations for the current year. From this is to be deducted one month's pay already promised to the army, amounting by estimate to upwards of two hundred and fifty thousand dollars.

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To judge of our prospects for what remains, Congress will be pleased to observe, that the subsistence of our officers is nearly twenty thousand dollars, that the rations issued in New York and New Jersey are about fifty thousand dollars, and that the rations of the southern army will probably amount to upwards of twelve thousand dollars. If to this be added the various detached corps, it will be found, that the articles of rations and subsistence, exclusive of the prisoners, will form an amount of about ninety thousand dollars a month. My anticipations on the taxes are so well known, that it is not necessary to mention them any more than the other objects of forage, &c. which are indispensable. I have gone into these few details merely to elucidate one position, viz. that *all the money now at our command, and which we may expect from the States for this two months to come, will not do more than satisfy the various engagements, which will by that time have fallen due.*

It is of importance that Congress should know their true situation, and therefore I could wish, that a committee were appointed to confer with the Minister of France. My reason for that wish is, that every member of Congress may have the same conviction, which I feel of one important fact. *That there is no hope of any further pecuniary aid from Europe.* The conduct of the French Court on the subject has been decisive. Some persons have indeed flattered themselves, that her positive declarations were merely calculated to restrain our rashness and moderate our excess, but these ideas can no longer have place in any sound and discerning mind. Her conduct has been consistent with her declarations, and if she had ever so much inclination to assist us with money *it is not in her power.*

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But whatever may be the ability of nations or individuals, we can have no right to hope, much less to expect the aid of others, while we show so much unwillingness to help ourselves. It can no longer be a doubt to Congress, *that our public credit is gone.* It was very easy to foresee that this would be the case, and it was my particular duty to predict it. This has been done repeatedly. I claim no merit from the prediction, because a man must be naturally or wilfully blind who could not see, *that credit cannot long be supported without funds.*

From what has already been said, Congress will clearly perceive the necessity of further resources. What means they shall adopt, it is in their wisdom to consider. They cannot borrow, and the States will not pay. *The thing has happened which was expected.* I cannot presume to advise. Congress well knew that I never pretended to any extraordinary knowledge of finance, and that my deficiencies on this subject were a principal reason for declining the office. I have since had reason to be still more convinced of my incompetency, because the plans which I did suggest have not met with approbation. I hope, therefore, that some abler mind will point out the means to save our country from ruin.

I do assure you, Sir, that it is extremely painful to me to be obliged to address Congress on this subject. I wish most sincerely, that I could look at our future prospects with the same indifference, that others have brought themselves to regard them. Perhaps I am not sufficiently

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sanguine. It is common for age to listen more to the voice of experience than youth is inclined. The voice of experience foretold these evils long since. There was a time when we might have obviated them, but I fear that precious moment is passed.

Before I conclude this letter, I must observe on the misconstructions, which men, totally ignorant of our affairs, have put on that conduct, which severe necessity compelled me to pursue. Such men, affecting an intimate knowledge of things, have charged the destruction of public credit to me, and interpreted the terms of my resignation into reflections upon Congress. I hope, Sir, that so long as I have the honor to serve the United States, I shall feel a proper contempt for all such insinuations. I shall confidently repose myself on the candor of Congress. It is for them to judge of my conduct on full and intimate knowledge. Writers for a newspaper may, indeed, through the medium of misrepresentation, pervert the public opinion, but the official conduct of your servants is not amenable to that tribunal. I hope, however, to be excused for observing, that on the day in which I was publicly charged with ruining your credit, those despatches arrived from Europe, which tell you it was already at an end. The circumstances which I alluded to in my letter of resignation, were not yet known in Europe. It was not yet known that Rhode Island had unanimously refused to pass the impost law, and that Virginia had repealed it. The very delays, which the measures of Congress had met with, were sufficient to sap the foundations of their credit. And we now know that they have had that effect. When those circumstances, therefore, shall be known, it must be overturned. I saw this clearly, and I knew that until some plain and rational system should be adopted and acceded to, the business of this office would be a business of expedient and chicane. I have neither the talents nor the disposition to engage in such business, and, therefore, I prayed to be dismissed. I beg pardon, Sir, for this slight digression. I shall trespass no longer on your patience, than to assure you of the veneration and respect, with which I have the honor to be, &c.

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ROBERT MORRIS.

TO THE RECEIVERS OF CONTINENTAL TAXES IN THE SEVERAL STATES.

Office of Finance, April 7th, 1783.

Sir,

I enclose you an account of the public receipts and expenditures from the commencement of my administration to the close of last year. While in compliance with what I conceive to be the duty of those intrusted with expenditures of public money, I publish these accounts, I cannot but blush to see the shameful deficiency of the States. You will, I hope, take occasion to make the proper remarks, and, indeed, it were to be wished that some able writers would rouse the attention of your Legislature to our situation. Surely the pride and good sense of the people will combine in stimulating them to exert themselves, so as to stand on their own feet, and not owe a support to the precarious bounty of foreign powers.

I am, Sir, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

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Office of Finance, April 7th, 1783.

Sir,

I do myself the honor to enclose for your Excellency's perusal, and the consideration of your Legislature, a statement of receipts and expenditures for the years 1781 and 1782, so far as the same have fallen under my administration. You will also find enclosed, the general accounts of receipts from the States, and subsequent payments into the treasury for the last year, together with the particular account of your State for that period. I shall not trouble your Excellency with any comments on these accounts.

I have the honor to be, &c.

ROBERT MORRIS.

TO A COMMITTEE OF CONGRESS.

Gentlemen,

Since the conference I had the honor to hold with you on the 9th instant, my mind has been continually occupied on the important subject to which it relates. My feelings are strongly excited by what I wish for the public, and by what I apprehend, both for them and for myself.

The two points, which relate to my department, are the settlement of accounts and advance of pay. With respect to the first, it is now going on in a satisfactory manner, and will be as speedily accomplished as can reasonably be expected. The arrangements taken on that subject are of such a nature, that I conceive the disbanding of the army need not be delayed until the settlement is completed, because the proper officers may be kept together, although the men be dismissed. [346] The amount of three month's pay, which is stated by the General to be *indispensable*, is, according to the estimate, seven hundred and fifty thousand dollars. From what I have already stated to Congress, it will appear that the reliance for a great part of this sum, must be on the sales of public property and the taxes. Neither of these sources can produce much immediately, and from the latter there is but little hope at all, unless something can be done to stimulate the exertions of the States.

The receipts being regularly published, I am spared the necessity of disagreeable observations on that topic. To supply so large a sum as is required is utterly impracticable, or, indeed, to obtain any very considerable part. The most, therefore, which can be done, is to risk a large paper anticipation. This is an operation of great delicacy, and it is essential to the success of it, that my credit should be staked for the redemption. Do not imagine, Gentlemen, that this declaration is dictated by vanity; it becomes my duty to mention truth. I had rather it had fallen from any other person, and I had much rather it did not exist. In issuing my notes to the required amount, it would be necessary that I should give an express assurance of payment, and in so doing, I should be answerable personally for about half a million, when I leave this office, and depend on the arrangements of those who come after me to save me from ruin. I am willing to risk as much for this country as any man in America, but it cannot be expected that I should put myself in so desperate a situation. To render the arrangements, which that advance would require, effectual in an official point of view, would be a work of time, and the period of my official existence is [347] nearly arrived.

Disbanding the army in a manner satisfactory to them and to the country, is doubly desirable, and although extremely difficult, is I believe practicable. I shall be very ready at all times, Gentlemen, to give my advice and assistance to those who may be charged with that delicate and perilous undertaking, and I would go as far to effect it myself as any reasonable man could require. But though I would sacrifice much of my property, yet I cannot risk my reputation as a man of integrity, nor expose myself to absolute ruin.

I am, Gentlemen, with perfect respect, &c.

ROBERT MORRIS.

TO ALEXANDER HAMILTON.

Office of Finance, April 16th, 1783.

Sir,

I have been duly honored with the receipt of your favor of the 15th instant. I accepted the Marine Agency, simply with a view to save the expense of the department; but whenever a Marine is to be established a previous point would be (in my opinion) to nominate a Minister of Marine, and let his first work be the forming of those plans and systems, which when adopted by Congress, he would have to execute. For my own part, were my abilities equal to this task, my leisure would not permit the attempt.

With respect to the finances, I am of opinion, that as we cannot increase our revenue, we must do all we can to lessen our expenditures, and that, therefore, we should take off every expense not absolutely necessary as soon as possible.

On the subject of the coin, I hope soon to make a communication to Congress, which, if approved [348] of by them, will complete the business.

I am, Sir, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Sir,

On the 21st of February, 1782, Congress were pleased to approve of the establishment of a mint, and to direct the Superintendent of Finance to prepare and report a plan for conducting it. This matter has been delayed by various circumstances until the present moment. I now enclose specimens of a coin, with a view that if Congress should think proper to appoint a committee on the subject, I may have the honor of conferring with them, and explaining my ideas of the plan for establishing and conducting a mint. Such plan when reported by a committee, will more probably meet the ideas of Congress than any which I might prepare.

I have the honor to be, &c.

ROBERT MORRIS.^[14]

TO THE PRESIDENT OF CONGRESS.

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Office of Finance, May 1st, 1783.

Sir,

When I saw the journal of the 28th of last month, I was surprised to find that the report of the honorable committee appointed to confer with me relative to my continuance in office, did not contain those ideas, which I had endeavored to convey. I immediately wrote a note to the chairman mentioning "that the committee had misapprehended the conference on my part." When the conversation passed, I had no expectation of seeing it introduced into the report, or I should certainly have asked permission to deliver my sentiments in writing.

I am placed, Sir, in a very painful situation and must therefore entreat your indulgent interpretation of what I am compelled to say. I had the honor of two conferences with the committee, and in the mornings after those conferences, respectively, made short minutes of what had passed. It is my custom to make such minutes with respect to most of my transactions, and as they were originally intended merely to aid my own memory, they are not very minute or particular. Those to which I now refer are contained in the following words;

April 22d, 1783. "The honorable Mr Osgood, Mr Bland, Mr Peters, Mr Madison, and Mr Hamilton, a committee of Congress appointed to confer with me respecting my continuance in office. I told them that a letter from Mr Grand, gave a new complexion to our affairs in Europe, and that a frigate being just arrived in a short passage from France I expect further advices, which I am desirous of seeing before I enter into this conference. I stated the difficulty of fulfilling engagements, and the danger of taking any new ones."

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April 24th, 1783. "The committee of Congress called this morning, in consequence of Mr G. Morris having told Mr Osgood, that he imagined I was ready for a conference with them. I told the committee that my mind had been constantly occupied on the subject, from the time they first called until the present moment. That I see and feel the necessity and propriety of dismissing the army among their fellow citizens, satisfied and contented; that I dread the consequences of sending them into civil life, with murmurs and complaints in their mouths; and that no man can be better disposed than I am to satisfy the army, or more desirous of serving our country, but that my own affairs call loudly for my care and attention. However, having already engaged in this business, and willing to oblige Congress if they think my assistance essential, I will consent to remain in office for the purpose of such payment to the army, as may be agreed on as necessary to disband them with their own consent, &c. But prayed of Congress to excuse me from even this service if they can accomplish their views in such other way as they may approve."

These, Sir, are exact copies of my minutes on the subject, and although they were hastily drawn, yet I can safely appeal to the committee to declare, whether they do not contain what really passed, and also whether I did not (in reply to a question put to me by one of the members) say, that I expected, if Congress should ask me to continue in office, they would confine their request to the effecting that particular object of satisfying the army, and would distinguish it from anything, which might be construed into an approbation of their plan for funding the public debts.

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I hope, Sir, that Congress will excuse me for picturing the situation I was in, and the feelings which arose out of it. By the Act of the 7th of February, 1781, it was declared to be the duty of the Superintendent of Finance, "to digest and report plans for improving and regulating the finances." Congress well know, that I have from time to time attempted the performance of this duty, and they know also, that such plans have not met with their approbation. The clear inference is, what I have already declared both previously and subsequently to my appointment, that my abilities are unequal to the task I am called to perform. If, therefore, Congress would at any time have made a new appointment, I should have considered it as the greatest favor. But since they saw fit to continue me in office, I prepared the best plans which I could devise, and finding they were not agreeable to the ideas of Congress, I waited for the adoption of such as

might be suggested from some other quarter, or originated among themselves. I patiently, but anxiously waited until the 24th of January last; but then a clear view of those circumstances, which have since followed, compelled me to request they would appoint some other man to be the Superintendent of their Finances, if effectual measures were not taken by the end of May, to make permanent provision for the public debts of every kind. On the 26th of February, finding that no successor was yet appointed, and that the plans of Congress were not yet completed, I requested leave *to give due and seasonable information of my removal to those who had confided in me*. By this means I became pledged to the world, not to continue in office after the end of May, unless such measures as I conceived to be effectual, should be taken before that period, to provide for the public debts. On the 7th of March, I received the report of a committee on the finances, with orders to transmit my observations. These are contained in a letter of the 8th. On the 9th day of April, (no plan being yet adopted) a committee called on me to know, whether three months' pay could be advanced to the army. I stated to them the incapacity of the public treasury to complete in any short period the one month's pay already promised, as also the great anticipations made on the public revenue. And on the 14th, in a letter recapitulating the hazardous situation of things, I informed them that I believed the object they had in view was practicable by means of a large paper anticipation. On the 18th the plan was adopted for funding the public debts. [352]

It was under these circumstances, Sir, that I held the conferences now immediately in question. It was my most earnest desire to be dismissed from office, and I stood pledged for it to the public. But a circumstance of peculiar nature, which had not been foreseen, now presented itself. That army to whom we were indebted for our national existence was to be disbanded, either in extreme misery, or with some little relief. Every principle of justice and gratitude called loudly to administer it; but this could not be done without entering into engagements beyond our resources. The dictates of prudence would, indeed, have determined me to adhere inflexibly to the resolution expressed in my letter of the 24th of January. By so doing I hazarded nothing. And as far as my own reputation was concerned, I could have placed it in security. For I must be permitted to say, that if solid arrangements had been taken to establish national credit, four times the required sum might have been easily obtained. No evils, therefore, had arisen, which I had not predicted, and none which it was possible for me to guard against. [353]

But, Sir, my conduct was not influenced either by personal or prudential motives. A sense of the situation to which Congress were reduced, an earnest desire to support their dignity and authority, a grateful regard to our fellow citizens in arms, mingled with respect for their sufferings and virtues. These sentiments, Sir, decided my opinion. I agreed for your sakes and for theirs to enter into a labyrinth, of which I did not then, nor do I now see the termination.

But I could not do this, except under conditions and limitations. The conditions were, that Congress should ask my continuance, and pledge themselves for my support; the limitations, that the objects of my continuance should be accurately expressed, and that it should be confined to the fulfilment of such engagements, as those objects might require. These terms were expressed to the committee, and I am sure they will do me the justice to acknowledge that they were so. Whether they were reasonable, and whether they have been complied with, form questions of some importance.

It may be suggested, that asking my continuance would derogate from the dignity of Congress. How far this observation is founded, will appear from a resolution of the 21st of December last. It was not a new thing to make such requests, nor was the practice obsolete, yet I should not have desired anything more particular on this subject than has been done in the Act of the 28th of April, although far short of what other persons have received. But surely it will be admitted, that I had a right to expect Congress would pledge themselves for my support when I entered into such deep engagements for theirs. Whether the limitation of my continuance in the manner just mentioned was proper, will appear from considering whether it consisted with the dignity of Congress to procure my tacit approbation of their system for funding the public debts; a system widely different from ideas, which I had expressed on a variety of occasions, and in the most pointed manner. Surely, Sir, it was not kind to place me in a situation where I must appear either to refuse the performance of an important public service, or to break the most solemn engagements and contradict the most express declarations. I might dwell much on this question, but the delicacy of Congress will render it unnecessary. [354]

The second question is, whether the terms I offered have been complied with. And this question is answered by a bare inspection of the Act. Your Excellency will pardon me for mentioning, that the report and resolution considered conjunctively, rather convey the idea of a permission to hold my office than anything else. I had declared to the committee, and here again repeat, that a longer continuance would be extremely disagreeable to me, and that nothing but the particular circumstances already mentioned, could induce my consent. I must add, that under the resolution in its present form I cannot stay. I shall detain your Excellency no longer than to mention, that I am sensible some other man may still suppose that I am only desirous of obtaining from Congress some more particular resolutions. To obviate such disingenuous remarks, it is my humble request that no further question be made on my subject. If, Sir, I have rendered any services, and if those services have merited any return, I shall ask no other reward than a compliance with this request. [355]

I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 3d, 1783.

Sir,

Upon consideration of the Act of Congress, of the 28th of April^[15] and 2d instant, I have determined to comply with their views. But I pray it may be understood, that my continuance in office is limited to the particular object of fulfilling my present engagements, and those which the necessity of our affairs may compel me to form. Let me entreat your Excellency to inform Congress, that I entertain a proper sense of their assurance of firm support, and that in a reliance on it I shall continue my zealous exertions for the service of the United States.

I have the honor to be, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

Office of Finance, May 6th, 1783.

Sir,

I do myself the honor to enclose to your Excellency the copy of an Act of Congress of the 2d instant. I shall in consequence thereof address some special despatches to Dr Franklin, by a packet boat, which I will communicate to your Excellency, and pray you to write to your Court on the subject of them. [356]

In the meantime, I beg leave to mention to you, Sir, that if, (as I am informed,) the administration of your army have more money in this country than they have immediate occasion for, it would greatly facilitate my operations to be possessed of it. What I have to propose on the subject is, that whatever sum may be paid to me here, should be deducted from the three millions mentioned in the enclosed resolution, and be repaid from the amount of the existing requisitions on the States. But that if this arrangement should not be agreeable to the Court, then that it be paid in France or here, immediately after I shall have been made acquainted with his Majesty's pleasure, and in such way as shall be most agreeable to your Court.

I present this matter to you, Sir, quite naked of arguments, to enforce the request. I am sure, that you will do what you conceive to be right; you know our situation, and I presume that you are acquainted with the orders given to your administration.

With great respect, I have the honor to be, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, May 12th, 1783.

Sir

I do myself the honor to enclose to your Excellency, Acts of Congress of the 28th of April and 2d instant, together with a copy of my letters in answer. Permit me to assure you, Sir, that nothing would have induced me to continue in office, but a view of the public distresses. These distresses are much greater than can easily be conceived. I am not ignorant that attempts are made to infuse the pernicious idea that foreign aid is easily attainable, and that of the moneys already obtained a considerable part remains unappropriated. If such attempts were injurious only to my reputation, I should be entirely silent; but they are calculated to prevent exertions, and are therefore injurious to the public service. I most seriously assure you, that I do not expect success in the application to France, directed by the Act of the 2d instant, although my earnest endeavors shall not be wanting. [357]

If, however, it should prove successful, we shall only be enabled to draw resource from it at a future period, and the amount is to be replaced from the produce of existing requisitions on the States. With respect to the moneys, which have already been obtained abroad, I will not pretend to say what lights those gentlemen may have, who speak on the subject in a decisive tone, but I candidly acknowledge, that I have never yet been able to obtain a clear statement of them, which is the reason why no account of those moneys have yet been laid before the public. Those who

know the confusion in our domestic transactions, from which we are just beginning to be extricated, will not be surprised that foreign transactions dependent on them should also be deranged. Neither can it be expected that in the midst of war the accounts could be so soon adjusted and transmitted as could be wished. I have written to obtain them, and a commissioner is employed in adjusting them. From the best statement and estimate which I have, I can assure you, that what remains at my disposition is extremely small.

Your Excellency is doubtless informed, that at the close of last year, there was an anticipation on the public credit to the amount of above four hundred thousand dollars. This anticipation amounts to a greater sum now than it did then, and a very considerable addition must be made at the disbanding of the army. My mere assertion might, I am sensible, be drawn into doubt, but, Sir, there is evidence sufficient to convince every considerate man. The expenses of 1782 were above twentytwo hundred thousand dollars; those of 1783 are greater, by a month's pay made to the army, and by extending the contract for rations. Near five months of this year are already expired. One month's pay of the army is above two hundred and fifty thousand dollars, according to the establishment, and although the army is not completed to its establishment, yet the deficiency, being in private sentinels, will not form a great deduction.

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The conclusion from what I have stated is clear and irresistible; there is no reliance but on the energy of the States, and it is on that reliance that I rest for the affairs of my department. I shall not add anything to what is said in the resolutions of Congress, as inducements for, or to stimulate exertions, because I cannot suppose that the voice or the word of an individual servant will meet an attention which is not paid to the representation of the whole empire, expressed in its solemn Acts, and on the most urgent occasion, where wisdom, justice, and gratitude combine to enforce the requisition.

I am, Dear Sir, yours, &c.

ROBERT MORRIS.

**TO THOMAS BARCLAY, AGENT FOR SETTLING THE PUBLIC ACCOUNTS
IN EUROPE.**

[359]

Office of Finance, May 12th, 1783.

Sir,

I have received from you many letters, which I beg leave to acknowledge.

The bills drawn by order of Congress at a long sight on their Ministers, as well in Spain and Holland as in France, have involved the affairs of my Department in a labyrinth of confusion, from which I cannot extricate them, and I very much fear that many of these bills will have been twice paid. I know not what has been done respecting them, and only know, that ever since I entered into office they have not only plagued and perplexed me, but they have invariably consumed the resources on which I have formed a reliance. I have now determined to refer them all to Mr Grand for payment, but according to such arrangements as you shall take. You will be pleased, therefore, to consult with Dr Franklin, Mr Adams, Mr Laurens, and Mr Jay, to whom I write on the subject, as you will see by the enclosed letters.

I enclose you an account from the treasury of what bills have been drawn on those gentlemen, and I am to request, that you will obtain as soon as possible an account of the payments made on them, as also of those which are still due, and take measures to have them paid by drafts for the purpose, if necessary, on Mr Grand, and provide against the double payments, which I fear. I have already ordered funds into Mr Grand's hands. Some I expect from you. As the credit I gave you has not been used, that alone furnishes a part, and I expect there will be considerable balances from the sales of the Alliance's prizes, of which I am daily expecting your accounts, &c. You will also, I suppose, have recovered the insurance you made, to the amount of forty thousand florins, which will be something. Every aid which you can bestow is necessary, for I fear those bills will plunge him into great difficulties, and the protest of any public bills, particularly any which I should draw, would reduce our affairs here to infinite distress.

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I am also to request of you, that you will cause as soon as possible all the accounts of the clothing, arms, and other supplies to be liquidated and transmitted, so that they may be properly adjusted here; for at present, that business is in a state of extreme confusion.

I am, Sir, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Sir,

The bills drawn by Congress in their necessities press very heavily upon me, and one of the greatest among many evils attending them is the confusion in which they have involved the affairs of my Department. I have not yet been able to learn how many of these bills have been paid nor how many remain due; neither am I without my fears, that some of them have received double payment.

To bring at length some little degree of order into this chaos, after waiting till now for fuller light and information, I write on the subject to Mr Adams and Mr Jay, and send Mr Barclay, to whom I also write, a copy of the enclosed accounts, directing him to consult with your Excellency, and with them to transmit me an account of the bills paid, and of those remaining due, and to take measures for preventing double payments. The enclosed accounts will inform you, that of the bills drawn for interest and those for carrying on the current service, which have gone forward through the Loan Offices, amount, the first to one million six hundred and eightyfour thousand two hundred and seventyeight dollars; equal to eight millions four hundred and twentyone thousand three hundred and ninety livres; and the second to two hundred and eightysix thousand seven hundred and thirtythree and one third dollars; equal to one million four hundred and thirtythree thousand six hundred and sixtysix livres, six sous, and eight deniers.

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Let me entreat you, Sir, to forward these views as much as possible, for you will, I am sure, be sensible how necessary it is for me to know the exact state of our pecuniary affairs, lest on the one hand I should risk the public credit by an excess of drafts, or on the other leave their moneys unemployed, while they experience severe distress from the want.

I am, Sir, with perfect respect, &c.

ROBERT MORRIS.

TO A COMMITTEE OF CONGRESS.

[362]

Office of Finance, May 15th, 1783.

Gentlemen,

In consequence of the conversation which passed between us this morning, I shall give you the best information in my power as to the state of my Department and the resources I can command.

You have in the enclosed paper an account of receipts and expenditures from the commencement of the year to the end of the last month; by which it appears, that there is an advance on credit to the amount of near six hundred thousand dollars, exclusive of what may appear in Mr Swanwick's accounts for the month of April. A large sum is also due on General Greene's drafts, and the contractors are to be paid in this month for the supplies of January last. At the end of this month, therefore, that anticipation must necessarily be much increased, as will appear from the slightest reflection after what is to be said of our resources.

These are either foreign or domestic. As to the first, I enclose the copy of the last letter I have received from Mr Grand, and I have to add to what is contained in that letter, that the day it was received, my drafts on him, over and above those mentioned in it, amounted to three millions forty thousand two hundred and seventyeight livres. I have directed, therefore, Mr Barclay to pay over to Mr Grand any moneys, which may be in his possession, and I have directed Messrs Willink & Co. of Amsterdam to do the same, after deducting what may be necessary to pay the interest of their loan falling due the 1st of June next. But as I have no accounts of how much has been borrowed since the end of January, and as all which had been borrowed before was disposed of, I cannot determine how far they can come in aid of Mr Grand. Neither can I tell until the receipt of his accounts what aid he may stand in need of. In these circumstances I am obliged to leave about eighteen hundred thousand livres (which remain of a sum placed in the hands of Messrs Le Couteulx for answering drafts intended through Havana,) to answer any deficiency of other funds to pay my drafts on Mr Grand. These then, Gentlemen, are all the foreign resources, except what the French Court may advance on the late resolutions of Congress, and you will see by the enclosed translation of a letter from the Minister of France, what little hope is to be entertained from that quarter.

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Our domestic resources are twofold. First, certain goods and other property, such as horses, wagons, &c. These latter will produce very little, and the former are, by the peace, very much reduced in value, and from the nature of the goods themselves they are chiefly unsaleable. Very little reliance, therefore, can be placed on this first dependence. The amount I cannot possibly ascertain, for I do not yet know, and cannot until the opening of them now in hand shall be completed, the kinds, quality and situation. Some are damaged, those which were deemed most saleable have been tried at vendue, and went under the first cost, and much the greater part will certainly not sell at a fourth of their value.

The only remaining resource is in the taxes, and what they may amount to, it is impossible to tell. But you have enclosed an account of what they yielded the four first months of this year, and you will see from thence, that if all expense had ceased on the first day of this month, the anticipations already made would not have been absorbed by the same rate of taxation in eight months more.

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Now then, Gentlemen, you will please to consider, that if your army is kept together they will consume as much in one month as the taxes will produce in two, and probably much more; to make them three months' pay will require I suppose at least six hundred thousand dollars, and every day they continue in the field lessens the practicability of sending them home satisfied. The anticipations of revenue are threefold, two of which appear as to their effects in the public accounts, and one very considerable one, though it produces great relief, is not seen. It consists in the drawing of bills on me for the public service by different persons and at different usances. I imagine that these amount at the present moment to one hundred thousand dollars. The other anticipations consist in loans from the bank on the issuing of my own notes. As to the first of these it is limited in its nature by the capital of the bank, which being small will not admit of great deductions, and it depends much upon circumstances, whether the bank will go to the extent which they may go. If they find the revenues increasing and the expenses diminishing, they will, but otherwise, they certainly will not. As to the notes I issue, and which form the greatest part of my anticipations, these have also a certain limit, to exceed which would be fatal. I must not so extend that circulation, as that I shall be unable to pay them when presented, for that would totally destroy their credit, and, of course, their utility.

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If anything of this sort should take place before the army are disbanded, you will see at once that they could be fed no longer, and must of course disband themselves. I will not dwell on the consequences, but I will draw one clear conclusion, which you have, doubtless, by this time anticipated, viz. that unless they are disbanded immediately, the means of paying them, even with paper, will be gone. And this sentiment I have not delivered to you, but to a former committee, as well as to many individual members of Congress.

But when I speak of disbanding the army, I beg to be understood as meaning to reserve a sufficient garrison for West Point; and on this subject I pray to be indulged in a view of our political and military situation as far as relates to this capital object of my department. And first, as to our political situation, I conceive that we are at peace. It is true, that the definitive treaty is not, that we know of, completed; but it is equally true, that all the other belligerent powers have been disarming for mouths past, and I presume they are at least as well acquainted with the state of things as we are. To express doubts of the sincerity of Britain on this subject is, I know, a fashionable, but in my opinion a very foolish language. We have the best evidence of their sincerity, which the nature of things will admit, for we know they are unable to carry on the war, and we see and feel, that they are passing every act, and doing everything in their power to conciliate our affections. Expressions of doubts as to their sincerity, if intended to foster enmity against them, will fail of the effect and produce the direct contrary, for everybody will soon learn to consider them as unjustly suspected, and their Ministers will take care to inculcate and enforce the sentiment.

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As to our military situation some of the troops in the southern States have already mutinied, the principal part of them are ordered away, and since the Floridas are ceded to Spain it follows, that those troops which may remain in the southern States will have to operate against the Spaniards if they operate at all. So that every man, except those under the General's immediate command and the little garrison of Fort Pitt, are in fact disbanded to every purpose but that of expense.

The prisoners are some of them going, and the rest gone into New York, so that in a few days the enemy will be able to do everything which they could do if the greater part of our army were gone home. For they could not take West Point if it is properly garrisoned, and they could ravage the country in spite of our army when theirs shall be all collected.

Our situation, therefore, seems to be this. We are keeping up an army at a great expense, and very much against their inclinations for a mere punctilio, and by that means incapacitating ourselves from performing what they begin to consider as a kind of engagement taken with them. I shall detain you no longer on this subject, but must repeat one observation, which is, that unless the far greater part of our expenses be immediately curtailed, the object Congress had in view by their resolutions of the 2d instant, cannot possibly be accomplished.

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I have the honor to be, &c.

ROBERT MORRIS.^[16]

TO MAJOR GENERAL GREENE.

Office of Finance, May 16th, 1783.

Sir,

Your bills on me fall very heavy, and I am in hourly apprehensions of being unable to pay them.

You will see, therefore, that it is utterly impossible to send money for your military chest. I hope, however, and expect, that the sales of the public property will provide you more money than you stand in need of. I know not what orders the Secretary at War may give, but if they be agreeable to my wishes, they will contain an absolute dismissal of all the troops in your quarter, for I can see no use in keeping them together. [368]

The attacks made upon you, might reconcile me to those which I experience, for they show that no conduct, however just, can possibly escape censure. It is far easier to be faultless than blameless, and the experience I have had in this way leads me to a total disregard of all things, so far as conduct is to be determined. But I must at the same time acknowledge, that I cannot help feeling indignation whenever they are made. They are for the most part mere ebullition of low malice, and if rightly understood contain the most indisputable acknowledgement of merit. Let this reflection console you for what you have already experienced and what may yet be behind.

I thank you for the sentiments you express in my favor. You will have seen, that contrary to every private interest and sentiment I have agreed to a longer continuation in office. And you may rest assured, that nothing but a view of the public necessities should have induced me still longer to bear up under the burden. Not because I regard the calumnies I meet with, for although they excite my feelings they shall not influence my conduct, but because I do not think those measures are pursued, which are calculated for the happiness of this country, and I do not wish to participate in any others.

There are many persons in the Southern States, who think the measures of Congress and of their servants are directed to the particular good of Pennsylvania, and more who pretend to think so. It is a little history of human weakness and I might say meanness, the manner in which antipathies have been imbibed and propagated with respect to my department. One sample will show the texture of the whole piece. While I was in advance, not only my credit but every shilling of my own money, and all which I could obtain from my friends, to support the important expedition against Yorktown, much offence was taken that I did not minister relief to the officers taken prisoners at Charleston. I felt their distresses as sincerely as any man could do, but it was impossible to afford relief. [369]

Before I close the letter, I must again repeat my solicitude on the score of your bills, which are coming in upon me so fast, that the means of paying them must, I fear, be deficient. Take care, therefore, to draw as little and at as long sight as possible.

I am, Sir, your most obedient, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, May 26th, 1783.

Sir,

I have now before me your letters of the 14th and 23d of December, which are the last I have received. Enclosed you have a letter from me to the Minister of France, with his answer of the 14th of March, on the subject of the delay which happened in transmitting his despatches. You will see by these, that Lieutenant Barney was not to blame.

Your bills in favor of M. de Lauzun have not yet appeared, or they should have been duly honored. That gentleman has since left the country, and therefore it is possible that the bills may not come. [370]

The reflections you make, as well on the nature of public credit, as on the inattention of the several States, are just and unanswerable; but in what country of the world shall we find a nation willing to tax themselves. The language of panegyric has held forth the English as such a nation, but certainly if our Legislatures were subject to like influence with theirs, we might preserve the form, but we should already have lost the substance of freedom. Time, reason, argument, and above all, that kind of conviction, which arises from feeling, are necessary to the establishment of our revenues, and the consolidation of our union. Both of these appear to me essential to our public happiness; but our ideas, as you well know, are frequently the result rather of habit than reflection, so that numbers who might think justly upon these subjects, have been early estranged from the modes and means of considering them properly.

I am in the hourly wish and expectation of hearing from you, and sincerely hope it may be soon. Believe me, I pray, with esteem and respect, yours, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, May 26th, 1783.

Sir,

By the enclosed Acts of the 28th of April and 2d of May, with the copy of my letter to Congress of the 3d of May, you will perceive that I am to continue somewhat longer in the Superintendence of our Finances. Be assured, Sir, that nothing but a clear view of our distresses could have induced my consent. I must at the same time acknowledge, that the distresses we experience, arise from our own misconduct. If the resources of this country were drawn forth, they would be amply sufficient, but this is not the case. Congress have not authority equal to the object, and their influence is greatly lessened by their evident incapacity to do justice. [371]

This is but a melancholy introduction to the request contained in the Act of the 2d instant. But I shall not be guilty of falsehood, nor will I intentionally deceive you, or put you in the necessity of deceiving others. My official situation compels me to do things, which I would certainly avoid under any other circumstances. Nothing should induce me in my private character to make such applications for money as I am obliged to in my public character. I know and feel that you must be in a disagreeable situation on this subject. I can anticipate the answers to all your requests; and I know you may be asked for payment when you ask for loans. Yet, Sir, I must desire you to repeat your applications. My only hope arises from the belief, that as the King's expenses are much lessened, he may be able to comply with his gracious intentions towards America.

And the only inducement I can offer is the assurance that the taxes already called for, shall be appropriated as fast as other indispensable services will admit, to the replacing of what the Court may advance.

Our situation is shortly this. The army expect a payment, which will amount to about seven hundred thousand dollars. I am already above half a million dollars in advance of our resources, by paper anticipation. I must increase this anticipation immediately to pay moneys due on contracts for feeding our army; and I must make them the expected payment by notes to be discharged at a distant day. Now, Sir, if these notes are not satisfied when they become due, the little credit which remains to this country must fall, and the little authority dependent on it must fall too. Under such circumstances it is, that you are to ask aid for the United States. If it can be obtained, I shall consider the obligation as being in some degree personal to myself, and I shall certainly exert myself for the repayment. You will be so kind, Sir, as to ship on board the Washington eighteen hundred thousand livres, but if the loan be not obtained, I must entreat you will give me the earliest possible information of the refusal. [372]

I shall communicate this letter to the Minister of his Most Christian Majesty, and request him to write to the Count de Vergennes, on the subject of it. Believe me; I pray, with sincere and respectful esteem, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

Office of Finance, May 27th, 1783.

Sir,

I do myself the honor to enclose for your Excellency's perusal, the copy of a letter to Dr Franklin, which will go by the Washington packet, on Sunday next. I am to request, that your Excellency will write on the subject of it to the Count de Vergennes. You will observe, Sir, that I have made no mention whatever of the reasons, which might induce France to grant the aid requested. Every argument, which can apply to the interests of your Court, will come more properly, as well as more forcibly from your pen than from mine. I shall only ask, that you will give your own sentiments and views of our circumstances and situation. These will, I doubt not, be the most powerful reasons in support of the present application. [373]

I am, Sir, with perfect respect, &c.

ROBERT MORRIS.

TO GEORGE WASHINGTON.

Office of Finance, May 29th, 1783.

Dear Sir,

I am now to acknowledge the receipt of your Excellency's letter of the 8th instant. I have not answered it sooner, because until now it has not been in my power to answer it satisfactorily.

By some designing men my resignation of office (grounded on a clear conviction, that unless something was done to support public credit, very pernicious consequences would follow) was misconstrued. It was represented as a factious desire to raise civil commotions. It was said that the army were to be employed as the instruments to promote flagitious interested views. These found admittance to minds, which should forever have been shut against them. We now rest on the event, to determine whether a sincere regard to public justice and public interest, or a sinister respect to my own private emolument were the influential motives of my conduct. I am a very mistaken man, if time and experience shall not demonstrate, that the interests of the army and of the public creditors are given up. But I mention these things only to you in confidence, for it shall not again be supposed that I am the leader of sedition. [374]

Having done what was in my power to establish those plans, which appeared necessary for doing justice to all, and affording relief to our army in particular, I have acquitted what was the first and greatest duty. When it appeared that other modes were to be pursued, I would gladly have departed in peace, but it has been thought that my further agency was necessary, to procure for the army that species of relief, which they seemed to desire. The factious designing man, who was to have lighted up the flames of mutiny and sedition, has undertaken, a most arduous and perilous business to save this country from those convulsions, which her negligence had hazarded. This became a duty when the first duty to justice was performed, and this shall be performed also. It is now above a month since the committee conferred with me on that subject, and I then told them that no payment could be made to the army but by means of a paper anticipation, and unless our expenditures were immediately and considerably reduced, even that could not be done. Our expenditures have nevertheless been continued, and our revenue lessens, the States growing more and more remiss in their collections. The consequence is, that I cannot make payment in the manner first intended. The notes issued for this purpose would have been payable at two, four, and six months from the date, but at present they will all be at six months, and even that will soon become impracticable, unless our expenses be immediately curtailed.

I shall cause such notes to be issued for three months' pay to the army, and I must entreat, Sir, that every influence be used with the States to absorb them, together with my other engagements, by taxation. The present collections are most shameful, and afford but a sad prospect to all those who are dependent upon them. [375]

I hope, my Dear Sir, that the state of public affairs will soon permit you to lay down the cares of your painful office. I should in two days have been liberated from mine, if a desire to free you from your embarrassments, and procure some little relief to your army, had not induced a continuance of them. But it must always be remembered, that this continuance is distinct from any idea, which may be connected with the plans for funding our public debts. As I do not approve of, so I cannot be responsible for them. Neither will I involve myself in endless details, which must terminate in disappointment.

With great respect, I am, &c.

ROBERT MORRIS

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, June 5th, 1783.

Sir,

Congress having directed a very considerable part of the army to be sent home on furlough, I am pressed exceedingly to make a payment of three months' wages, and I am very desirous to accomplish it, but the want of money compels me to an anticipation on the taxes by making this payment in notes. To render this mode tolerably just or useful, the notes must be punctually discharged when they fall due, and my dependence must be on the money to be received of the several States, on the requisitions for the last and present year. I hope the urgency of the case will produce the desired exertions, and fully enable me to preserve the credit and honor of the federal government. [376]

I have the honor to be, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, July 11th, 1783.

Sir,

I do myself the honor to enclose to your Excellency, a state of the public accounts, balanced on the last day of June, 1783. A view of these accounts will render it unnecessary to make many observations.

On the States I am to rely for payment of the anticipations amounting, as you will see, to more than a million. And you will observe, that this great anticipation has been made for that service, which all affect to have so much at heart. A payment to the American army. If they had received no pay during the year 1783, I might perhaps have been spared the necessity of this application, because it is probable that the taxes even as they are now collected might have absorbed such anticipations as I should then have been obliged to make.

Much pains have been taken to inculcate the idea that we have funds in Europe. Those funds which we had there are exhausted, and the general apprehension that no proper funds here will be provided has cut off all hopes from that quarter.

The question has frequently and industriously been asked, what becomes of the moneys which are paid in taxes. I have furnished the means of judging, as to those which reach the public treasury, to every man employed in the administration of government in the several States, for my accounts have been regularly transmitted. And I would not have mentioned the insinuation had it not been for the purpose of observing, that it is incumbent on all those who are desirous of forwarding a collection of taxes to show a fair appropriation, and not suffer groundless clamors to disturb the public mind. [377]

It has been said that there is no necessity of urging the collection of taxes now, because the notes given to the army are not payable in less than six months. This again is an assertion whose mischievous operation is levelled at the very vitals of our credit. One month of that time is already expired with respect to all those notes which have been already issued. They are not the only notes in circulation. Notes are not the only modes of anticipation which have been adopted. And it is a serious fact, that unless more vigorous measures take place, the credit of all notes and of everything else must be destroyed. But this is not all. Supposing for a moment, that the notes given to our army were the only object whose credit was to be attended to. Can any reasonable man imagine, that they could be of any use if the payment were to depend on taxes which are not to be collected until the notes are due.

I have not been wanting on my part in pointing out from time to time, the mischiefs which must ensue from neglect. The applications have met with inattention, which personally I have disregarded, but which I could not but feel, from the consequences involved in it. Again, in compliance with the duty I owe to the United States, I call for that aid which they are entitled to. And on this occasion I take leave to observe, that the moment is very fast approaching which is to determine whether America is entitled to the appellation of just, or whether those who have constantly aspersed her character are to be believed. [378]

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

REPORT TO CONGRESS RELATIVE TO THE PAY OF THE ARMY.

Office of Finance, July 15th, 1783.

The Superintendent of Finance, to whom was referred, on the 11th instant, the extract of a report, with order to report thereon, and also to report what measures he has taken relative to the pay of the army, begs leave to report,

That the receivers in the several States have long since been instructed, to take all notes signed by the Superintendent of Finance in payment of the taxes, and also, take up all such notes whenever tendered, if they have public money in their hands.

That when it was in contemplation to make a payment to the army, the committee who conferred with the Superintendent on that subject were informed, that it could only be done in notes, and that in order to support the credit of such notes, it would not be sufficient that they should only be receivable in taxes in some particular State, but that the receivers throughout the States must receive and exchange them, in like manner with other notes issued from the Office of Finance.

That the instruction to the receivers is generally known to all those who are concerned in the business they relate to, and in consequence thereof the receivers are in the constant practice of receiving and exchanging notes signed by the Superintendent of Finance, which they duly remit to the treasury.

That whenever they shall find it difficult to obtain such notes for the purpose of making their remittances (which is not likely to be the case in any short period,) they will naturally advertise to obtain them. Wherefore, any general notification, such as is contained in the extract committed, will be unnecessary. [379]

That if such publication as is recommended were confined (as seems to have been the idea,) to those notes which have been issued for payment of the army, it would destroy what little credit is at present reposed in the public servants, and by bringing home immediately all other notes which have been issued, render it impracticable to discharge them; in which case the notes issued to the army could be of no use, because nobody would take them. The importance of preserving credit in this respect, will appear from the preamble to an Act of Congress of the 2d of May last.

That if (as is most probable) the publication were intended to relate alike to all notes, it is a thing which is already well known, and therefore the expense of printing may be spared.

With respect to the measures taken relative to paying the army, he begs leave to report, that upon an estimate from the War Office, he signed warrants for four months' pay of the present year, whereof one month's pay has been made to the noncommissioned officers and privates in specie, and to the officers in notes, and three months' pay to both officers and soldiers in notes. That the Paymaster has not yet received all the notes necessary for the purpose, but has in his hands as many as he wants for the present.

All which is humbly submitted.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

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Office of Finance, July 18th, 1783.

Sir,

I would sooner have replied to the Act of Congress of the 11th instant, if I had not been prevented by other business, which required immediate attention. The Act recites a representation to Congress, that certain parts of the army retired on furlough have not received the pay, &c. I will not contest the truth of this representation. But when I come to state such facts as are within my knowledge, I shall appeal to the candor of Congress how far that representation will warrant a censure against me.

I am directed to complete without delay the same payment to the officers and soldiers of the Massachusetts line which were ordered to be paid to the army at large. Congress will be pleased to observe, that they have passed no particular order to which the above resolution can refer. The general Acts which relate to paying our army from the *authority* on which the payment alluded to was made. Supposing, however, that by the resolution is meant three months' pay, in notes payable at six months from the date; I must take liberty to remind Congress, that completing the payment to any part of the army is not the business of my department, but of the Paymaster General. All which can depend on me, is to put those notes into his hands when called for, and this has been done as fast as was possible.

I am directed to report the reasons why the troops lately furloughed did not receive a part of their pay previous thereto. Not being able, Sir, to make so full report on this subject as I could wish, I have written a letter to the Paymaster General, of which the enclosure, number one, is a copy. The answer to this letter shall be transmitted as soon as received. The facts relating to that matter which are within my knowledge are the following.

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On the 9th day of April last, a committee of Congress did me the honor to call, for the purpose of consulting on certain propositions contained in a letter from the Commander in Chief to an honorable member from Virginia. One of these propositions was to make the army three months' pay previous to their disbandment. My reply was, an acknowledgement that the claim was very reasonable, a declaration that I doubted of the practicability, and a prayer to be indulged with time for consideration. On the 14th of April I wrote a letter to that committee, in which I had the honor to inform them, that three months' pay amounted, according to the estimates, to seven hundred and fifty thousand dollars. That to supply so large a sum was utterly impracticable, or indeed to obtain any considerable part. That the most which could be done was to risk a large paper anticipation. That to render the arrangements for that purpose effectual in an official point of view would be a work of time. That the period of my official existence was nearly arrived; that disbanding the army in a manner satisfactory to them and the country was doubtless desirable. That I believed it to be practicable, although extremely difficult, and that I should be ready at all times to give my advice and assistance to those who might be charged with that delicate and perilous undertaking.

On the 22d of April, Congress were pleased to appoint a committee to confer with me relative to my continuance in office. I told that honorable committee, that the late advices from Europe gave a new complexion to our affairs, and prayed some further time for the receipt of intelligence. On the 24th of April, I had the honor to inform the committee, that if Congress thought my assistance essential toward completing such payment to the army as might be agreed on, &c. I would consent to a further continuance in office for that purpose; but prayed to be excused from that service if Congress could otherwise accomplish their views.

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On the 28th of April, Congress were pleased to resolve, that the public service *required my continuance in office* till arrangements for the reduction of the army could be made, and the engagements taken in consequence, as well as those already taken, should be completed. On the 2d day of May Congress were pleased to pass some further resolutions on the same subject, which I shall shortly have occasion to mention. On the 3d of May I had the honor to entreat of your Excellency, that you would inform Congress that I entertained a proper sense of their assurance of firm support, and *in reliance on them* should continue my zealous exertions for the service of the United States.

On the 9th of May, having had a conference with the Minister of War, on the resolutions of the 7th and 28th of April and 2d of May, we took the liberty to request, that a committee might be appointed to confer with us on the subject of those resolutions. On the 15th of May, two gentlemen of that committee did us the honor of the conference requested. In which it was stated, *as impracticable to make any payment to the army, unless our expenditures were immediately and considerably reduced.* The committee, however, being desirous to have the situation of things stated to them in writing, I wrote them a letter on the same day, showing, that on the last day of April we were in advance of our resources, to the amount of six hundred thousand dollars; that our foreign resources were exhausted; that our domestic resources as far as they consisted in sales of public property, were considerably reduced; that as far as they consisted in the produce of taxes they were extremely slender and precarious; that the monthly consumption of the army was at least double the monthly produce of the taxes; that if they were kept longer in the field, they would consume every resource by which the payment could possibly be made or hazarded. And, therefore, that *unless the far greater part of our expenses was immediately curtailed, the object Congress had in view by their resolutions of the 2d of May could not possibly be accomplished.* This letter was accompanied with the necessary documents to establish the positions contained in it. [383]

On the 26th of May it was resolved, that the Commander in Chief should be instructed to grant furloughs, &c. And this resolution was communicated to me on the 27th. Thus, Sir, from the 9th day of April, when this matter was first proposed, until the 27th day of May, when the final determinations of Congress were made known, my conduct was of necessity suspended.

On the 29th of May I informed the Commander in Chief of my determination to issue notes payable in six months from the date, for three months pay, and explained to him the reasons why I could not make the payment in any other mode. In reply to this, I received on the 5th of June a letter from the General, dated the 3d, which was brought by express and urged the transmission of a part of those notes. I immediately wrote an answer, in which I informed him that on Saturday evening, the 31st of May, the paper arrived from the maker; that on Monday, the 2d of June, it was delivered to the printer; that he had agreed to send the first parcel of notes to me on Friday, the 6th of June; and that as soon as I could sign them they should be delivered to the Paymaster, to be sent forward. On the 7th of June the Paymaster received fifty thousand dollars, on the 9th fifty thousand dollars, and on the 13th one hundred thousand; so that in six days I signed six thousand notes, besides the other business of my office. That paper made on purpose for this business was necessary no man can doubt, or if it could have been doubted the recent attempt to counterfeit these notes is a sufficient proof. That the printing was to take place before the signing must be admitted. The only delay therefore with which I can be chargeable must be in the signing of them, and upon that subject I shall say nothing. If by any means a delay happened after the notes were delivered into the pay office, I presume that the Paymaster General will be able to account for it. I shall only add, that he has received half a million of these notes, as will appear by the enclosed note of the payments number two. [384]

I am also directed, Sir, to report the manner in which I expect to redeem the notes in question. Congress will be pleased to recollect, that the issuing of those notes arose from a proposition made by the General and warmly adopted by them. That although I was very desirous of gratifying the wishes of the army, I had great apprehensions as to the ability of doing it. And that from a view of the scantiness of our resources I felt extreme reluctance in giving my consent. As to the means of redeeming the notes, permit me to refer Congress to the letters which I had the honor of writing to your Excellency on the 17th of March and 1st of May; to my correspondence with the honorable committee of Congress on the 14th and 16th of April, copies whereof are enclosed in the paper number three; and to a circular letter to the States of the 12th of May, of which a copy is enclosed in the paper number four. [385]

Permit me also to refer to the various accounts which have been rendered to Congress of the state of my department; and to these let me add what appears on their own minutes. On the 2d of May they declared it to be their desire, when the reduction of the army should take place, to enable the officers and soldiers to return to their respective homes with convenience and satisfaction; *for which purpose it would be indispensable to advance them a part of their pay.* They declared further, that there were many other engagements for which the public faith was pledged, and *the punctual performance of which was essential to the credit of the United States.* And they further declared, that *neither of these important objects could be effected without the vigorous exertions of the several States in the collection of taxes.* From a conviction of these facts Congress were pleased to call upon the respective States in the most earnest manner, to forward the collection of taxes. As an additional means to accomplish the same end, they were pleased to apply for a further loan of three millions of livres to his Most Christian Majesty. And they resolved, that the Superintendent of Finance be directed to take the necessary arrangements for carrying the views of Congress into execution. And that he be assured of their firm support

toward fulfilling the engagements he has already taken, or may take, on the public account during his continuance in office.

Having already so fully stated the situation of my department, I have only to say in answer to the order I have received, that I rely on the firm support of Congress, solemnly pledged to me (for the purpose of inducing my continuance in office) to redeem those notes issued to the army, as well as to fulfil all other engagements which I have taken or may take on the public account. [386]

Before I close this letter, I beg leave to assign my reason for reducing my report to that form. It is because I had rather bear the censure contained in the acts of the 11th of July, however painful, than place on the minutes of Congress anything which may hold up the idea of precipitancy on their part.

With perfect respect, &c.

ROBERT MORRIS.

TO MR GRAND.

Office of Finance, July 25th, 1783.

Sir,

I have received your letter of the 15th of April, covering a statement of your accounts, by which it appears that my bills on you exceed the sum which you will have to receive from the Court on this year's subsidy. This circumstance gives me great pain, for it would be very hard if after supporting our credit in Europe during the war, it should be fatally ruined on the establishment of peace. You will have learned by my former letters, that I had taken measures to throw into your hands all the moneys, which I could by any means command for that purpose. I am still in hopes, that the Court will make a further effort in our favor, but at any rate if your payments should exceed your funds, I must replace your advances by remittances from hence. I hope that our affairs will soon take such a form, solidity and establishment, as to render all things perfectly easy, and the conclusion of the definitive treaty, which will enable us to reduce our expenditures, added to the advantages of a general and lucrative commerce, cannot fail of absorbing what few engagements may be at present unprovided for. On the whole, my Dear Sir, I have only to say my bills must be honored, and your zeal in favor of America must be rewarded. [387]

With sincere esteem, I am, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, July 28th, 1783.

Sir,

Conceiving it to be almost certain, that a definitive treaty of peace is concluded, I am bound to request the attention of Congress towards reducing the expenses. It is unnecessary to repeat, that our resources for absorbing the anticipations, depend on the produce of taxation. There is no hope of fulfilling the public engagements, but by a strict economy, for there is no evidence of that energy among the States, which the Act of Congress of the 2d of May was framed to inspire. Let me, therefore, repeat my request, *that the public expenses be greatly reduced*. The number of men which it may be necessary to keep in the field, I cannot presume to name, as it is a military question; but it would best consist with the present state of my department to disband the whole.

Your Excellency will easily conceive the situation to which I am driven when I am compelled to withhold assent to a moderate demand of the Secretary at War, for building magazines to preserve the public stores. It is certainly of importance, that arsenals should be erected in such proper places as to provide for the public defence, but reasons against advancing money are incontrovertible. Congress knew the extent of my engagements, for the discharging of which they have solemnly pledged themselves. Congress know also, that the States do not furnish means. They will perceive, therefore, that I should wantonly sacrifice their honor and dignity, should I form new engagements before the old are satisfied. [388]

I know, Sir, that many of the stores may be wasted and destroyed for the want of magazines, and that if they are sold it will be to a considerable loss. But much loss must be added to the mass of injuries America has already sustained by not complying with the requisitions of Congress. It is a loss, which in its consequences must fall upon the States themselves, who are the immediate authors of it; but if the engagements already taken are violated by applying money to other

purposes, then the honor of Congress will be sacrificed, together with the property of those who relied on it.

I should not, Sir, have dwelt so long on this small circumstance, if it did not serve to impress the true object of my letter, a *reduction of national expense*. And here let me notice what has often been mentioned, the expense of the civil list. If in this general term of civil list are comprehended the public servants abroad, I freely acknowledge my opinion, that it might be curtailed. But the foreign affairs not being within my line, this sentiment is expressed with all possible deference.

Our domestic civil list consists of two parts. First, that which is engaged in settling and adjusting old accounts; and secondly, that which is employed in present objects. The first is rendered necessary by the confusions which arose before regular systems were established; but it is of a temporary nature, and can never again take place, unless our affairs are suffered to relapse into that irregularity from which they are beginning to emerge. The second, I believe, consists of as few as were ever appointed to perform the business of a nation. For what relates to the expense of both, I must observe, that those who labor for the public are at least to be subsisted; and the proof that their salaries do not amount to more than a decent subsistence, is the difficulty with which men qualified to fill the several offices can be prevailed on to accept them. Shortly after my appointment, a special order was passed to defray the expenses of the civil list; but should Congress think proper to repeal that order, I will suspend the payment, and apply the money to take up my notes. But whether the gentlemen of the civil list will continue their services after they know that their salaries are to be withheld, is a question which I shall not agitate.

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I have the honor to be, &c.

ROBERT MORRIS.

CIRCULAR TO THE GOVERNORS OF THE STATES.

Office of Finance, July 28th, 1783.

Sir,

Having already transmitted the public accounts from the commencement of my administration to the first day of this month, I shall not trouble your Excellency with a repetition of them. But I must pray your indulgence while I make a few observations. Perhaps this letter may contain too much of egotism, but your candor will excuse me when the motive is known. If I have rendered any services to the United States, they have been derived from the generous confidence of my countrymen. This confidence must not be abused, and if it be lost my utility is at an end.

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The accounts will show to any informed and reflecting mind, that the public moneys were economically applied; and if farther proof were necessary I could appeal to the honorable Delegates in Congress, who have every opportunity of investigation. I might also appeal to the clamors against me for opposing claims I could not properly comply with. Long have I been the object of enmities derived from that origin. I have, therefore, the right to consider such clamors and such enmities as the confession and the evidence of my care and attention.

But, Sir, from the same accounts it will appear, that on the 30th day of June last, my payments had exceeded the amount of my receipts by more than a million of dollars. How, indeed, could it be otherwise, when all the taxes brought into the treasury since 1781 did not amount to seven hundred and fifty thousand dollars? I have been impelled to this heavy anticipation by an earnest desire to relieve our army, by the General's warm representations on the subject, and above all, by the directions of Congress and their assurance of support. The enclosed letter to them will show my desire to reduce our expenses. But while I urge the reduction of expense it is equally my duty to urge an increase of revenue. If I have been a faithful steward of what was intrusted to me, if more became necessary than I ever received, and if urged by that necessity I have anticipated the receipts, surely I am in the strictest line of propriety when I loudly call for relief. Every one must know, that the paper I have circulated will lose its value, unless punctually redeemed. The several receivers are indeed instructed to exchange it; but what can that instruction avail, if specie be not placed in their hands for the purpose? And how can that be effected but by a vigorous collection of taxes?

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I know that my solicitude on this subject will be charged to improper motives. When I urge a reduction of expense it will be said, that I wish to impair the strength and lessen the respectability of our country. Far other wishes swell my bosom. But I have been driven into a conviction, that the necessity of strength, and the advantage of reputation, are not yet sufficiently felt and understood by all the members of our federal Union.

My present call for taxes has also been anticipated by a slanderous report, that I have speculated on this very paper which I urge the redemption of. Most solemnly I declare, that I have never been concerned, directly or indirectly in any such speculation. If there be a man in the world who knows any instance to disprove what I say, let him step forth with the accusation. No, Sir, the object is in nowise a personal one to me; I only advocate the interest and reputation of America. If, with a view to injure me, the attempt is made to violate my engagements, the malice will be

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defeated; but at the same time let it be remembered, that the country, which will not support faithful servants, can never be faithfully served. Guilt and desperation will ever pant for scenes of tumult and disorder, office will ever excite envy, and malevolence delight in slanderous tales. Is it then to be wondered at if my foes are numerous? Believe me, Sir, if their attempts had only affected me and mine, they should have been received in the same silence, which has buried many other wrongs. But on the present occasion, it becomes my duty to delineate their baneful influence.

Pains are taken to cover with infamy all those who discount the public paper. The natural effect of this measure is to prevent those men from meddling with it, who, from a regard to their own reputation, would do the business on moderate terms. Hence it follows, that the holders cannot obtain so much for their paper as they otherwise might. Hence again an additional clamor and of course an additional loss to the possessors. On the basis of the depreciation is founded an argument to prevent the redemption. By these means the public credit is totally ruined, and the government becomes chargeable with flagrant injustice. No future anticipations can be made to supply the most urgent wants; and in the whole proceeding, they are made the victims, who confided in the faith of government. The attempt, therefore, by this slander to injure me is an injury to those, who have received my paper; and in every instance where they have joined in propagating the report, they have joined their enemies to plunder themselves.

Let me no longer intrude on your Excellency's patience, than to declare my conviction, that the States might easily fulfil far more extensive engagements than those which I have made on their account. Notwithstanding every insinuation I will continue my efforts for the purpose, and though base minds should reiterate their charges, I will persist in my duty and defy their malice. [393]

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

REPORT TO CONGRESS RESPECTING TRANSFERABLE CERTIFICATES.

Office of Finance, July 31st, 1783.

The debts which have been found due to persons by settlements at the Treasury Office, have not been evidenced by transferable certificates for the following reasons.

1st. All such certificates have by experience been found to be only another kind of paper money, continually depreciating both by increase of quantity and defect of funds.

2dly. The consequence thereof is, that the same is daily brought into fewer hands and for less value, by which one of two things must happen, either that those few become very rich by their speculations, or, that being defrauded they become clamorous against the government.

3dly. If the certificates are transferable in the manner proposed by the motion, they are evidence of the debt as due to the bearer, and therefore whether obtained by accident, force, or fraud, vest him with a right, to the prejudice of the injured or unfortunate party. [394]

4thly. Being, therefore, a precarious property, they become less valuable from that circumstance.

5thly. When the original proprietors become divested of them, some of the reasons in favor of revenues to redeem them lose their force, and the advocates for just measures being lessened, the probability of carrying them through is decreased.

6thly. While the evidence of such debts is in the treasury books and the stock transferable there, the public debt becomes a property, the object of purchase, instead of being as in the other case the means of making purchases as money.

But if there be powerful reasons in favor of the motion, which have escaped the Superintendent of Finance, he shall very readily comply with such order as to the wisdom of Congress may seem meet.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, August 1st, 1783.

Sir,

I do myself the honor to enclose an account of payments, made by the States to the receivers, until the 1st day of July last, and with it I take the liberty also to enclose a note, containing nearly [395]

the proportions, in which the States have paid their quotas of the requisitions for 1782.^[17]

I take the liberty further to mention, that the State of South Carolina has (by means of the supplies to the troops serving there) paid the full amount of her quota for 1782, as I am informed by the Receiver, whose accounts and vouchers (though momentarily expected) are not yet come forward. The State of Georgia has I believe contributed something in the same way, but if not, the great ravages which she has endured will account for the defect, without supposing any defect of inclination. As for the other States, I pray leave to avoid any comments on the balances of their accounts.

I have the honor to be, &c.

ROBERT MORRIS.

TO MESSRS WILLINK & CO.

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Office of Finance, August 6th, 1783.

Gentlemen,

I beg leave to acknowledge your favor of the 12th of April last, which came to hand two days ago. From the letters I had already written, and which I presume you will have received before this, you will easily see how much pleasure I derive from the prospect that your loan may speedily fill. Be assured, Gentlemen, that your endeavors on this occasion shall not be forgotten; and rely on it that you cannot render more acceptable service to the United States.

My former letters contained the disposition of your funds so far as to satisfy any demands which Mr Grand might have. These I suppose have been complied with, and I expect, that not only the sums which Mr Grand could possibly want must have come to your hands before this letter can arrive, but that you will still have a considerable balance.

Under these circumstances, the exchange on your city being now high, and the disbandment of our army having increased my need of money to make them a considerable payment, I have concluded to draw on you to the amount of two hundred thousand florins, as occasion may offer; and if exchange should not fall, nor any advices arrive to prevent the measure, I may perhaps extend my drafts on you to five hundred thousand florins. But as it might happen, notwithstanding my opinions, that you should not be considerably in cash beyond Mr Grand's demands, I have determined on these two points; first, that I will not precipitate my sales here, but only dispose of bills as occasion may require; and secondly, that I will draw at ninety days' sight, because the demand for bills is such, that a difference in the sight will make none in the price. By these means it will happen, Gentlemen, that even if you are not in cash when the bills arrive, you can have no difficulty as to the acceptance, because the natural progress of the loan must put you in possession of money before they can fall due. And this is the more to be expected, as some of the tobacco will doubtless have arrived, which cannot but give a weight and solidity to your negotiations. If however these things should not so happen, you will, I expect, pay the bills at any rate, and for any excess beyond your immediate funds you will charge an interest to the United States. On the other hand, if it should happen according to my expectations, that you have unappropriated money in your hands when the bills are presented, I am then to request that you will pay them at sight, if agreeable to the parties, deducting the usual discount for prompt payment, which you will be so kind as to credit to the United States.

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With every wish for your success and prosperity, I have the honor to be, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

Head Quarters, August 6th, 1783.

Sir,

I thank you for the communication, which you have been pleased to make to me under the 11th of July. It was handed to me on my return last evening from a tour — have been making to the northward and westward, as far as Crown Point and Fort Schuyler, to view the posts and country in that part of the United States' territory.

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The anticipations you have been obliged to make are indeed great, and your circular letter to the States on the occasion appears to me sufficient, if anything of the kind can be so, to arouse their attention to the necessity of your circumstances. I most sincerely wish it may have the desired effect.

In consequence of my tour to the northward, the Quarter Master General, will have my orders to prepare batteaux and other means of transportation to the upper posts, of the cannon, stores and provisions, which will be absolutely necessary for possessing and maintaining them. To effect this money will be necessary, and I give you this information, that a demand will probably be made on you for the purpose.

The State of New York, which is deeply interested in the security of these posts, and effecting this business, may perhaps be prevailed on to furnish the necessary sums to be placed to general accounts. This will probably exert itself in this case preferably to any other. I give you this hint, and leave its improvement to you.

Knowing your situation, I am pained when necessity obliges me to make any application for money. But this purpose is of so great importance to the interests of the United States, and of so urgent necessity, that if the sums required cannot be obtained in the way I have hinted, I must entreat you to give every assistance to Colonel Pickering that shall be necessary.

I am, &c.

GEORGE WASHINGTON.

TO GEORGE WASHINGTON.

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Office of Finance, August 12th, 1783.

Sir,

I have received your Excellency's favor of the 6th instant. I am always happy to hear from you, although I confess that every new demand for money makes me shudder. Your recommendations will always meet my utmost attention, because I am persuaded that you have equally with me the desire to husband and enlarge our resources. Your perfect knowledge of our political and military situation must decide on the measures to be pursued, and I am persuaded, that your advice to Congress on these subjects will be equally directed to the safety, the honor, and the interests of the United States.

With very sincere esteem, I have the honor to be, &c.

ROBERT MORRIS.

TO THE PAY MASTER GENERAL.

Office of Finance, August 12th, 1783.

Sir,

I am to acknowledge the receipt of your favor of the 6th instant, containing two questions. To the first of these I answer, that my anticipations amount to a very large sum, that it will employ all my resources to honor engagements already taken; that of consequence I cannot see my way clear to form new ones, and that if I did, the groundless and injurious clamors, which have been raised on this subject, would prevent me. It becomes impossible to serve a people who convert everything into a ground for calumny. The existence of the republic, since the conclusion of a peace, no longer depends upon extraordinary sacrifices and exertions. My desire to relieve the army has been greatly cooled, from the information, that many of them have joined in the reproaches I have incurred for their benefit. And the necessity I feel of quitting (at the earliest possible moment) an office of incessant labor and anxiety, whose only reward is obloquy, will not permit me even to think of any farther anticipations.

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The second question in your letter is foreign to my department; a question, which you have as many materials to judge upon as I have, and which you are particularly authorised to decide.

I am, Sir, &c.

ROBERT MORRIS.

TO ELBRIDGE GERRY.

Office of Finance, August 26th, 1783.

Sir,

In compliance with your request, I shall not only give the information which appears to have been the object of Mr Clarke's letter, but recapitulate also the observations which I had the honor to make on what you mentioned as the object of the committee. And first, for the information desired, I can answer only in general terms, that I believe the various engagements entered into previous to the end of 1781, were under the faith of requisitions then existing. Since that period, I know of only two requisitions for current service, both of them founded on estimates. The first was of eight millions for the service of 1782, and the second was of two millions, for part of the service of 1783. All the engagements of my administration are on the faith of these latter requisitions.

The first object you mentioned was to alter the mode of settling accounts, so far as the requisitions previous to 1781 are concerned, and only to calculate the actual payments, or advances by the States, with the interest, so that the whole, being formed into one sum, may be afterwards apportioned among the States. To which plan, among other objections, I look the liberty to state the following. First, there is no evident necessity for taking this step, and therefore it will be prudent to omit it; because in such cases government risk every unforeseen danger that may result, and always render their affairs more complicated. Secondly, the measure may be misunderstood, and occasion clamors, which will indispose some to adopt the other measures recommended by Congress; which objection though it ought not to weigh in competition with what is evidently *proper and right*, must nevertheless be attended to in things of more doubtful complexion. Thirdly, there would arise from it a degree of *irregularity*; for the particular accounts being now all opened in the treasury books, by the authority of the late Board of the Treasury, it appears most natural to continue them in their present form, until the final settlements. Fourthly, all the information necessary to enable Congress to decide on the accounts when settled will then be in their power; for the accounts will contain, on one side, the compliances of the State with the requisitions, together with all other advances which they have made for the public service, and on the other side will be the amount of the various requisitions. Whenever therefore Congress on such full view of the subject, shall think proper to remit the whole, or any part of the requisitions, entries will be made in the treasury books accordingly. Fifthly, it would be rather premature to make the decision proposed before (by a settlement of accounts) all the proper materials are brought into view; and until the States have adopted the proposed measures for funding the public debts. Because, sixthly, it is conceived that the various requisitions were adequate to the necessary service; and that although it may perhaps be wise eventually to convert the whole expenditure of the war into the form of a debt, in order thereby to prevent the disputes which might arise on the apportionments, still it must be remembered, that this step cannot be taken until funds are obtained. Until that period, therefore, it is perhaps as well to leave the requisitions; if it be only to show the States why they are called on for revenues now, viz. because they would not or could not furnish supplies before. But, lastly, it might prove dangerous under present circumstances to take any step whatever with these requisitions. Only partial compliances have been made. Some States therefore adhere to some requisitions, and some to others, according to the real or supposed situation of their accounts. To go no farther, it would hardly be prudent to hazard a dispute with Massachusetts, by relinquishing the requisitions of March, 1780, or with some other States by a useless attempt to enforce them. [401]

The other object, Sir, which you appeared to have in view, is to relinquish so much of the requisitions since 1781, as might leave only the sum necessary for fulfilling present engagements. Now although the resolution, which seems to have been in contemplation, would not have had this effect, because the requisition for the service of 1782 was made on estimates, yet I shall assign a few objections to the plan. The reason urged in favor of it is, that the demand was so much beyond the abilities of the States, and the necessities of the service, that it must excite a despair of compliance, and a diffidence in the prudence of those by whom it was made. To which it may well be replied, that the ability of the States is not so hastily to be decided on, because it has never been put to the proof by prudent and vigorous taxation, because other countries not so wealthy bear much heavier taxes without inconvenience, and because these very States have borne it, though under another name; for the depreciation of the paper money, which wiped away not less than twelve millions annually, was in effect a tax to that amount. [402]

But further, even admitting the supposed inability, still the requisition, if not excessive as to its object, ought of necessity to have been made. Because the States could by no other mode of reasoning be convinced of the necessity of establishing that credit, which can alone prevent such great efforts. And because if such requisitions had not been made, some branch of service must have been left unprovided for by Congress, on the very face of their own measures, which would have been a palpable absurdity. [403]

And this leads to the second point, viz. that the demand was beyond the necessities of the service. Before this position is assumed it must be considered, not only what expense was actually paid, but also what was probable when the demand was made, and what of the expense incurred still remains due. And first, as to what was paid; we shall find that the military collections in the Southern States went to a considerable sum, which is not yet brought into the public accounts, as there was no money to defray it, owing to the noncompliance of the States. Secondly, the probable expense was far beyond the actual, because of the misfortunes of our allies, which rendered it necessary lay aside the proposed offensive measures, and which could not, if not laid aside, have been carried into effect, by reason of the lamentable deficiencies of the [404]

public revenue. And thirdly, a very considerable part of the expense of 1782 is necessarily paid in 1783, and a far more considerable part remains unpaid. For instance, almost the whole amount of the pay of the army; an army by no means so numerous as that which the General had called for, and Congress resolved on. And it would have been indeed very strange, if Congress had asked only five millions from the States, including therein every other article, but the pay of the army on whose exertions everything depended.

Having said thus much on what has been assumed with respect to these estimates, and which I can defend the more hardily, as by accident they did not pass through my office, I proceed now to state the objections against remitting them. And first, let it always be kept in view, that the States not having granted the funds necessary for securing to our army the interest of their dues, that army has a just right to insist that the requisition for the principal be not relinquished, until such grants be made. Secondly, it must be remembered, that Congress have not yet any standard for making a final apportionment, and therefore it must be very useless now, to touch requisitions which must speedily be retouched again. Thirdly, the States which have complied more fully than others, would undoubtedly, in such cases, relax from, and perhaps totally withhold their efforts; from the conviction that deficient States would always be able to obtain from Congress a vote favorable to themselves, and consequently unfavorable to others; which idea, grounded too much on past experience, is one great cause of that inattention which led us to the brink of ruin. Fourthly, this mischief would not only arise among the States, but it would exist also amidst and within them, for a relaxation of the whole quota would naturally render new interior apportionments necessary. Not to mention the delays and disputes thereby occasioned, the remainder of what would then be to pay would be thrown of course upon remote counties, where the powers of government are weak, the collections languid, and the revenue in every respect feeble and unproductive. Great deficiencies would arise from these causes, both in the periods and the amount of payments, and either would be sufficient to cause another national bankruptcy. But, fifthly, there can be no reason for the measure proposed; because it is much more simple to leave the present demands for ten millions of dollars upon their present footing, until the apportionment of that whole sum can be made *finally* to pay (from whatever is brought in) the amount of all existing engagements, to go on (should collections be sufficient) and pay off a part of our debts, and finally to make no new requisitions, until these be completely complied with. By that period Congress will be able to deride with accuracy on the sums necessary for annual service; they will be able to apportion their demands accordingly, and, what is of infinite importance, they will have set an example of persisting regularly in a measure, until a full and final compliance.

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I am, Sir, respectfully, &c.

ROBERT MORRIS.

GEORGE WASHINGTON TO ROBERT MORRIS.

[406]

Rocky Hill, August 30th, 1783.

Sir,

I take the earliest opportunity of informing you, that Baron Steuben has returned from Canada, without being able to accomplish any part of the business he had in charge. In consequence of which, and of the late season of the year, I have judged it impossible to take possession of the western posts this fall, and have ordered a stop to be put to the movement of troops and stores, and to the preparations which were making for that purpose; of which I have given notice to the Quarter Master General, and to the contractors, and have taken every other precaution in my power to prevent the accumulation of unnecessary expenses.

I am, &c.

GEORGE WASHINGTON.

TO GEORGE WASHINGTON.

Office of Finance, September 2d, 1783.

Sir,

I received your Excellency's favor of the 25th and 30th of last month. The latter was by far the more agreeable, for I confess to you, Sir, that I beheld the attempt to garrison the western posts with pain, and went into so much of it as concerns my department with infinite reluctance. I persuade myself that the only effectual means of getting a good American establishment of any kind is, to be so long without it that a sense of the want shall stimulate the States into the means

of forming it. At present all we can do is, to close the past scene, if possible, with reputation.

I am, very sincerely, &c.

ROBERT MORRIS.

CIRCULAR TO THE COMMISSIONERS OF ACCOUNTS.

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Office of Finance, September 4th, 1783.

Sir,

As the Commissioners, both on the Accounts of the Departments and on those of the States, are now almost all appointed, and in the execution of their respective offices, I shall take the liberty of adding a little to their important employment. And this I do with a view to the future service of the Union, under whatever hands the administration may fall.

In the course of the business committed to your care, you will have occasion to travel into different places, and therefore you will have an opportunity to render an accurate account of many particulars, which it is important to know. A well regulated system of finance requires, that money be raised with ease to the people, and expended with economy to the public. An intimate acquaintance with the state and the resources of a country, is alike essential to both of these objects.

The state of the country is either *geographical, moral, political, or commercial*. The geographical state comprehends,

1st. The general extent, divisions, and subdivisions.

2dly. The mountains, rivers and roads, with their respective courses and distances.

3dly. The kind and quality of the soil; and

4thly. The natural advantages or disadvantages for husbandry, manufactures, or commerce, including therein, mines, minerals, quarries, salines, and the like.

The moral state of the country comprehends,

1st. The population, whether numerous or, not, and whether by natives or emigrants.

2dly. The manners; which include the mode of life and occupation of the people, from those who live by hunting or grazing, to the husbandman, and so on to the most perfect mechanics.

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3dly. The husbandry; by which is meant the particular kinds which may be practised, and the degree of improvement in each. The various climates and productions of the States, as well as their different periods of settlement and relative population, have rendered this article extremely various.

4thly. The arts; by which is not so much intended the fine, as the useful arts. It may, however, be not amiss to mention any peculiar or remarkable excellence in the former. The useful, or mechanic arts, being in some places considerably advanced, and in others hardly established, and the wealth of the country depending much upon them, it will be well to know the subject intimately.

5thly. The buildings; these may be either public or private. The former may be noticed, but of the latter an accurate information will be necessary, seeing that in general much information as to the abilities of a people may be derived from a knowledge of the houses they have built; whether these be of logs, for shelter of the new and indigent cultivator; or of stone, for the accommodation of the established and wealthy husbandman. So also, whether the windows be glazed or not, the state of the several outhouses, &c. And,

6thly. The improvements; which will comprehend, of land, from the first clearing of a forest, to the watering and dyking of meadows and swamps; and of buildings, from a common saw mill, to all the various furnaces, forges, mills, and machines, which may be met with in the progress of your inquiries.

The political state of the country comprehends,

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1st. The constitution of government; which is not merely the paper form, but the practice under it; and that will depend much upon the tendency of the people towards aristocratical or democratical dispositions. The former may be expected, where large tracts of territory are in the hands of a few, and the latter where a considerable equality of fortunes is found in cities. But neither of these circumstances, though forcible, is conclusive, and therefore it is, that the knowledge collected on the spot by conversation and observation, becomes useful.

2dly. The magistracy; by which is meant not only the mode of appointment, the names, the powers, and the jurisdictions, but what is far more important, the authority, which materially depending upon the respect paid to the magistracy, must be much influenced by the personal

character of the magistrates; and by that character is not so much intended the reputation of a few individuals, as of the whole corps, and for a considerable space of time.

3dly. The interior police; which is intimately connected with, and mutually acted upon by the former. This differs widely in the different States, and is the more necessary to be known, as various branches of it may either facilitate or oppose the public measures.

4thly. The revenue; and under this head is particularly to be noted the modes of laying, levying, and collecting taxes, the time and the expense which are employed, and the delays and the frauds which happen. To these will be added, the amount brought into the treasury, and, as far as may be, the quantum appropriated to public uses; and,

5thly. The credit, both public and private; the former of which has a close connexion with the revenue. [410]

The commercial state of the country, comprehends,

1st. The produce; under which term is included not only the raw material, but the ruder manufactures; such for instance, as flour from wheat, iron from ore, and the like.

2dly. The roads and navigation to the several ports; on the facility whereof must greatly depend the prices of things, and even the practicability of obtaining them.

3dly. The imports and exports, with the places to and from which the same are made; the former as precisely as possible, and the latter in such general terms as may convey a tolerably just idea of the principal branches and connexions of foreign commerce.

4thly. The value of lands; which though a result from various heads already mentioned, has a more intimate connexion with commerce; and,

5thly. The value of money; by which is not so much meant the coins, as the rates of interest actually paid, and the facility of obtaining money on interest.

The resources of a State are twofold, being either those which exist and may be drawn forth and applied in peace, for the various purposes which may then occur to meliorate or beautify the country, such as the opening of interior navigation, mending of roads, and erecting of buildings; or those, which can be exerted for the purposes of war, either offensive or defensive. The resources in peace will appear from due reflection on the information already asked; as will indeed, in a great degree, those for war, particularly offensive war. But still there remain some particulars worthy of notice; such as,

1st. The number of men which may be brought into the public service; being either seamen or soldiers; and consequently the number of each should be distinguished. [411]

2dly. The quantity of provisions and the kinds.

3dly. The forage of different kinds; and,

4thly. The various means of transportation, such as horses, wagons, boats, &c.

Having thus, Sir, pointed out the principal objects on which I wish for information, I must now request, that you will endeavor to collect it as speedily and as perfectly as your means and opportunities may permit, and that you will transmit it as fast as it is obtained, but always in letters which contain no other matter, and arranged regularly under the several titles which have been mentioned; but as it is impossible to foresee the various matters which may arise, and the occurrences which will impress themselves on an intelligent and inquisitive mind, you will be pleased under the head of *Miscellaneous Observations*, to transmit any such things as you may think useful or important to be known.

I am, Sir, &c.

ROBERT MORRIS.

TO JOHN ADAMS.

Office of Finance, September 20th, 1783.

Sir,

I have been duly honored with your Excellency's favors of the 5th, 10th, and 11th of July. I have taken the liberty to make some extracts from the two latter, which are transmitted in a letter to the Governor of Massachusetts, a copy whereof is enclosed. Permit me, Sir, to give my feeble approbation and applause for those sentiments of wisdom and integrity, which are as happily expressed as they are forcibly conceived. The necessity of strengthening our confederation, providing for our debts, and forming some federal constitution, begins to be most seriously felt. But unfortunately for America, the narrow and illiberal prejudices of some have taken such deep root, that it must be difficult and may prove impracticable to remove them. [412]

I agree with you, Sir, in opinion, that the late peace was not, all circumstances considered, a bad one for England. It is undoubtedly a peace equally glorious to, and necessary for, America. All ranks of men in this country feel, as well as perceive, the benefits of it, and the fault finders (for such men there always will be) are borne down by the general torrent of applause.

I was happy to learn by the Washington packet, that you intended a short trip to Amsterdam for the purpose of urging on the loan. I hope you may have met with the success due to your zeal and abilities; I shall ask no greater.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

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Office of Finance, September 30th, 1783.

Sir,

I am to acknowledge the receipt of your favors of the 7th of March and 27th of July. For both of them, accept my thanks. You express an apprehension lest the union between France and America should be diminished by accounts from your side of the water. This apprehension does you equal honor as a statesman and as a man. Every principle, which ought to actuate the councils of a nation, requires from us an affectionate conduct towards France, and I very sincerely lament those misapprehensions, which have indisposed some worthy men towards that nation, whose treasure and blood have been so freely expended for us.

I believe the truth, with respect to some, to be this. A warm attachment to America has prevented them from making due allowances in those cases where their country was concerned. Under certain prepossessions it was natural for them to think, that the French Ministry might do more for us, and it was quite as natural for the Ministers to think, that we ought to have done more for ourselves. The moment of treaty with England was of course the moment of profession with English Ministers. I fear that the impressions made by these were for a little while rather more deep than was quite necessary. But the same love of America, which had raised such strong irritability where her interests were concerned, will of course stimulate it to an equal degree when those interests are assailed from another quarter. I think I may venture to assure you, that the esteem of this country for France is not diminished, and that the late representations have not been so unfavorable as you fear.

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Our commerce is flowing very fast towards Great Britain, and that from causes which must forever influence the commercial part of society. Some articles are furnished by Britain cheaper, many as cheap, and all on a long credit. Her merchants are attentive and punctual. In her ports our vessels meet with despatch. I say nothing of language and manners, because I do not think their influence so strong on commerce as many people suppose, but what is of no little importance is, that the English having formed our taste, are more in a capacity to gratify that taste by the nature and fashion of their manufactures. There is another circumstance, also, which must not be forgotten. The great demand for French manufactures during the war increased the price of many, and some time will be required before it can, by a fair competition, be discovered, which of the two countries, France or England, can supply us cheapest. The delays in the public bills is a further circumstance which militates (a momentary obstacle) against the trade with France.

I must, therefore, mention to you, also, a matter which is of great effect. Until we can navigate the Mediterranean in safety, we cannot trade in our own bottoms with the ports of France or Spain, which are on that sea. And we certainly will not trade there in foreign bottoms, because we do not find the same conveniences and advantage in so doing, as in our own vessels; unless, indeed, it be on board of English ships. This may be a disagreeable fact, but it is not the less a fact.

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I believe that informations are transmitted hence to the Court, which they ought not to rely on. Their servants doubtless do their duty in transmitting such information, but I am persuaded that they are themselves not well informed. Indeed it is quite natural, that men should mistake when they examine and treat of a subject with which they are unacquainted. And it cannot well be supposed, that political characters are competent to decide on the advantages and disadvantages of allowing to, or withholding from us, a share in the carrying trade. On this subject I will make a further observation, and you may rely on it, that I speak to you with candor and sincerity, not with a view to making any impressions on the Court. You may communicate or withhold what I say, and they may or may not, apply it to their own purposes. If anything will totally ruin the commerce of England with this country, it is her blind attachment to her navigation act. This act which never was the real foundation of her naval superiority, may and perhaps will be the cause of its destruction. If France possesses commercial wisdom, she will take care not to imitate the conduct of her rival.

The West India Islands can be supplied twenty per cent cheaper in American than in French or

British bottoms. I will not trouble you with the reasons, but you may rely on the fact. The price of the produce of any country must materially depend on the cheapness of subsistence. The price at which that produce can be vended abroad must depend on the facility of conveyance. Now admitting for a moment (which by the by is not true) that France might, by something like a British navigation act, increase her ships and her seamen; these things would necessarily follow. 1st. Her Islands would be less wealthy, and therefore less able to consume and pay for her manufactures. 2dly. The produce of those Islands would be less cheap, and therefore less able to sustain the weight of duties, and support a competition in foreign markets. 3dly. The commerce with this country would be greatly lessened, because that every American ship, which finds herself in a French, English, or other port, will naturally seek a freight there, rather than go elsewhere to look for it; because in many commodities the difference of price in different parts will not compensate the time and cost of going from place to place to look after them. To these principal reasons might be added many others of less weight, though not of little influence, such as the probable increase of commercial intercourse, by increasing the connexions and acquaintances of individuals. To this and to everything else which can be said on the subject by an American, I know there is one short answer always ready, viz. that we seek to increase our own wealth. So far from denying that this is among my motives, I place it as the foremost, and setting aside that gratitude which I feel for France, I do not scruple to declare, that a regard to the interests of America is, with respect to all nations of the world, my political compass. But the different nations of Europe should consider, that in proportion to the wealth of this country will be her ability to pay for those commodities, which all of them are pressing us to buy.

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Our people still continue as remiss as ever in the payment of taxes. Much of this, as you justly observe, arises from the difficulties of collection. But those difficulties are much owing to an ignorance of proper modes, and an unwillingness to adopt them. In short, though all are content to acknowledge, that there is a certain burden of taxation which ought to be borne, yet each is desirous of shifting it from his own shoulders to those of his neighbors. Time will, I hope, produce a remedy to the evils under which we labor, but it may also increase them.

Your applications to the Court for aid are certainly well calculated to obtain it; but I am not much surprised at your ill success. Indeed I should have been much surprised if you had been more fortunate. Of all men I was placed in the situation to take the deepest concern in the event, but I cannot disapprove of the refusal, for we certainly ought to do more for ourselves before we ask the aid of others. Copies of your letters to the Court were laid before Congress, and also the copy of the new contract. I will enclose with this a further copy of the ratification of the old, if I can obtain it in season from Princeton, where the Congress now are.

I have written also on the subject of the debt due to the Farmers-General, and should Congress give me any orders about it, I shall attend carefully to the execution. The conduct they have maintained with regard to us has been generous, and will demand a return of gratitude as well as of justice. This I hope my countrymen will always be disposed to pay. I shall take some proper opportunity of writing to the Farmers-General, but will wait a while to know what may be the determination of Congress on their affairs.

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It gives me much pleasure to find, that by the proposed establishment of packets, we shall shortly be in a condition to maintain more regular and connected correspondence; for although I shall not myself be much longer in public office, I feel for those who are or will be charged with the affairs of our country, both at home and abroad. It will naturally occur, however, that a good cypher must be made use of not unfrequently, when despatches are trusted to foreigners. They have no regard either to propriety or even decency where letters are concerned.

With very sincere esteem and respect, &c.

ROBERT MORRIS.

TO ARTHUR LEE.

Office of Finance, October 4th, 1783.

Sir,

I have received your letter of the 26th of last month, desiring information as to the reality of a contract with, and instructions to Mr Deane. Enclosed you have a copy of the contract mentioned. The instructions to Mr Deane are, I presume, in the Office of Foreign Affairs.

The facts under this contract are generally as follows, so far as my knowledge extends. Money was advanced to me, which I expended in shipment of cargoes from the Delaware and Chesapeake, and have long since accounted for. Money was also advanced to Messrs Lewis, Livingston and Alsop, and, I believe, expended by some or one of them in shipments from New York and Connecticut, but the accounts are not yet closed; which is one among many reasons why a commissioner should be appointed or authorised to settle the accounts of the secret and commercial committees.

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Of the several shipments made, some arrived, some were taken, some were detained by the

enemy's naval power. The risks becoming great, it was thought most advisable to abandon the farther prosecution of the plan; which the parties to the contract, then in this country, cheerfully consented to, and it was determined that the proceeds of those shipments, which might have arrived, should be carried into the general public accounts. Mr Deane went to Europe under this contract; and being unable, from the remittances sent, to complete the intentions of his voyage, has, I believe, carried the amount of those remittances into his general accounts with the United States. These accounts are among those which Mr Barclay is appointed to settle, and I presume that no allowance will be made, such as claimed by Mr Deane, until he shall have produced the contract and instructions to which he refers for support of his claim; nor then, unless very completely supported or specially allowed by Congress.

I believe Mr Barclay is now employed in making that adjustment, and I suppose, that after he shall have gone through Mr Deane's accounts, admitted such charges as ought clearly to be admitted, and rejected such as ought clearly to be rejected, there will remain some articles on which he will apply to Congress for their special decision; in which case he will naturally transmit all the evidence which Mr Deane may have exhibited.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO M. DE LA LUZERNE.

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Office of Finance, October 15th, 1783.

Sir,

I had the honor to receive your Excellency's letter of the 11th instant. If a settlement of the accounts which arose before the commencement of my administration had depended on me, neither M. Holker nor any other person should have had cause of complaint. The perplexed situation of those accounts rendered it necessary for Congress to submit them to the investigation of special commissioners, who have but lately commenced their operations. I shall immediately transmit a copy of your Excellency's letter to the gentleman who may be charged with those accounts in which M. Holker is concerned, and request his attention to the subject.

That any person should suppose the apprehension of being taxed with favor to an individual, would induce me to delay the justice due alike to all, is so extraordinary, that your Excellency must permit me to express my surprise at meeting the idea in a letter from the King's Minister.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO MESSRS WILLINK & CO.

Office of Finance, October 23d, 1783.

Gentlemen,

Upon taking a view of my various engagements for the public service, and considering the great anticipations, which have been made at the period when our brave army quitted the field, it has appeared to me, that the sum of about three hundred thousand dollars would be necessary for me over and above the probable produce of our taxes, to clear off all those engagements, and enable me to lay down the burdens of official life in a consistent and proper manner, should the situation of public affairs then admit of it. This circumstance, however nearly it interests my personal feelings, is still more interesting to my country; because a regular and punctual performance of engagements, while it establishes confidence, ensures the means of future punctuality.

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Revolving much on this subject in my own mind, I have been led to consider also, that the present rate of exchange, which is very favorable, may not continue when tobacco, rice, indigo, and the other produce of the southern States shall be freely exported in remittances to Europe. And if the exchange should lower, there will be a loss on the bills of the United States, which I would always wish to prevent. Besides this there is another important circumstance, which is, that if the drafts are suspended until notice of the success of your loan, so as to lodge the money, the public will be paying interest, both here and in Europe for the same sum; which ought, you know, as much as possible to be avoided.

Under these different impressions, the natural conduct would have been, to vend my bills very boldly, and trust to the success of those exertions, which you will undoubtedly make. But here it was proper to consider, that if unforeseen circumstances should in any manner have put a check

upon your operations, the consequence might have been a very great inconvenience, and perhaps injury to you, which I would always wish to avoid, together with a loss of credit, coupled with the payment of heavy damages to the United States.

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I have therefore adopted a middle line of conduct, which will combine the advantages and avoid the inconveniences, both of delay and of precipitation. I have drawn three sets of exchange, all dated on the 21st instant, (the time when they were drawn) and each for two hundred and fifty thousand current guilders, payable at one hundred and fifty days' sight. These bills are numbered one hundred and ninetyone, one hundred and ninetytwo, and one hundred and ninetythree; the first in favor of John Ross, the second in favor of Peter Whiteside & Co., and the third in favor of Isaac Hazelhurst. All these are solid houses, upon whose fidelity and punctuality I can place equal dependence. I have taken from them proper stipulations to pay at the end of one hundred and twenty days, each one hundred thousand dollars; by which means I have secured the immediate vent of that sum at the very highest exchange. And it is further agreed between us, that in case of protest, (which God forbid should happen) the public shall not be charged with damages; the necessary consequence of which is, that the bills will not be negotiated further than to place the amount in the hands of their friends, which is indeed fully understood between us. You will see also, that in this mode I shall bring to the public use here (allowing about two months for the bills to be presented) the sum of three hundred thousand dollars, near three months before it is paid by you.

From this explanation, which I have entered into in order to show you the full grounds of my procedure, because I knew how much more satisfactorily business is conducted when all circumstances are known, you will perceive that my bills already advised of, are first to meet due honor, and consequently funds set apart for their absolvment. These three new bills then come in their course, and I must entreat you, Gentlemen, to honor them also, even if you have not the funds, provided a view of fair prospects can render it at all consistent with that prudence, which must doubtlessly influence you in such important concerns. I must also request, that you will give me, by various conveyances, the most immediate notice of your acceptance, because I shall from that moment be able, by discount, to bring the securities given by those gentlemen into operation.

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I am, Sir, with perfect respect, &c.

ROBERT MORRIS.

TO THE FARMERS-GENERAL OF FRANCE.

Office of Finance, November 4th, 1783.

Gentlemen,

The Honorable Minister Plenipotentiary of the United States of America to the Court of Versailles, having done me the honor to transmit a copy of your letter to him of the 17th of July last, I took the earliest opportunity after the receipt of it, to submit that business to the consideration of Congress; who by their Act of the 1st instant, whereof a copy is enclosed, have instructed me to inform you, that Congress are sensible of your generous attention to the circumstances of the war, in which these United States have been so long engaged, and which, interrupting their commerce, deprived them of the means of seasonable remittances to satisfy the balance so justly due on the loan made by you.

I am further instructed, Gentlemen, to assure you that the United States in Congress assembled, in providing for the national debt, by their Act of the 18th day of April, 1783, were not unmindful of your demands, and that when the system thereby adopted for the relief of public creditors shall have taken effect, the interest accruing on the balance due to you, will be punctually remitted.

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If, Gentlemen, this arrangement shall not prove satisfactory to you, I am further instructed to assure you, in the name of the United States, that all the means in their power shall be employed to discharge the principal sum due to you, as soon as the condition of the public finances will admit.

I have the honor to enclose a copy of the above mentioned Act of the 18th of April for your better information on this subject, and take the liberty to add, Gentlemen, to the assurances just given on the part of my sovereign, that every effort in my power shall be made to comply with such ulterior orders as may be issued, as well as to render you any acceptable services in my power.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

REPORT TO CONGRESS ON AN EXTRACT FROM THE JOURNALS OF THE GENERAL ASSEMBLY OF PENNSYLVANIA.

The Superintendent of Finance, to whom was referred an Extract from the Journals of the General Assembly of Pennsylvania, begs leave to report;

That the said extract consists of two parts; the former whereof contains certain matters reported by a committee of that honorable House, in consequence of a conference held with the commissioner for settling the accounts of the said State, the which matters are reported by the committee, and appear to have been considered by the House as facts. The latter part contains reasonings upon the former, and resolutions in consequence thereof. Pursuing therefore the same line, the Superintendent of Finance must take leave to observe, that the former part of the said extract implies an inattention on his part to the orders of the United States in Congress, and an assumption of powers not delegated. He humbly prays to submit both of these charges to the wisdom and equity of Congress, who have long since had before them all the instructions given to the commissioners for settling accounts, together with a report on the reference mentioned in the extract; wherefore it is to be presumed, that if undue negligence or the arrogating of power had appeared, it would not have passed unnoticed. [425]

It is further to be observed, that the doubts stated by the said commissioner and the difficulties under which he is supposed to labor, must have chiefly originated in circumstances peculiar to himself, because that such doubts and difficulties have not occurred to the commissioners employed in other States, and because they would easily have been obviated by a careful consideration of the Acts and instructions in his possession; excepting only in one point, viz., "Whether charges for buildings, fences, wood, &c. damaged or destroyed by continental troops, or militia, are to be allowed?" This question (which can only be resolved by special Act of Congress) is not to be found among twelve questions proposed by the commissioner to Congress; but among nine proposed to the Superintendent of Finance.

It is stated in the said extract, "that by the instructions from the Office of Finance to the said commissioner, he is enjoined a strict attention to the resolve of Congress of the 23d of August, 1780, *touching all certificates generally*; that this resolve introduces an entire new method of granting certificates; that to require those new forms in certificates, granted before they were instituted, is requiring an impossibility, or (in other words) is *a refusal to liquidate any certificate given before the 23d of August, 1780.*" Were this the case, doubtless there would be sufficient cause of complaint and sharp animadversion; but the Acts and instructions, all which are in possession of Congress, will show the state of facts to be as follows. The Act of Congress of the 20th of February, 1782, speaking of the commissioner contains the following words; "That he be also fully empowered and directed, to liquidate and settle, in specie value, all certificates given for supplies by public officers to individuals, and other claims against the United States, by individuals for supplies furnished the army, the transportation thereof, and contingent expenses thereon, within the said State, according to the principles of equity and good conscience, *in all cases which are not or shall not be provided for by Congress.*" Under this Act of Congress, the Controller of the Treasury issued certain instructions, which were approved of by the Superintendent of Finance, thereby directing each of the several commissioners "to open an account with the principal of each department, for the time being, and with every person who is properly accountable for articles purchased by or delivered to him. In which *they must be changed respectively with all such articles, and for which they are to account with the commissioners appointed, or to be appointed to adjust the accounts of these departments respectively.*" [426]

The Superintendent of Finance, in a letter to the commissioners of the 7th September, 1782, after referring to the Controller's instructions, calls their attention to two particulars, the former whereof is not material to the present point, and the latter is as follows; "In settling the accounts with individuals, you will consider *that artful men have frequently taken advantage of the public*, and that, in many instances, *public officers have taken advantage of the weak and unprotected.* You will therefore always remember that *it is your duty to do justice.*" The two commissioners who were first appointed after considering the Acts of Congress and the several instructions given to them, proposed, among others, the following question, "Whether certificates given to individuals are to be taken as they stand, and new ones given for their amount; or whether they are to be re-examined and new prices affixed to the articles *when they have been over or under charged?*" The Superintendent and Controller entered into a consultation together, and the following answer was returned. "Certificates given by quarter masters or commissioners to individuals, must be re-examined, the articles shown, and their value determined, *that the receiver of them may be charged and made accountable to the commissioners appointed for the respective departments.*" See resolutions of Congress of the 23d of August, 1780, relating to them, which must be strictly attended to." [427]

This question and answer is regularly transmitted by the Controller to all the commissioners appointed to adjust the accounts between the individual States and the Union. The commissioner for the State of Pennsylvania, had therefore the matters above recited in his possession when he proposed to Congress the following questions. "Are certificates or receipts given by quarter masters, commissaries, their deputies, assistants, agents, or other public officers for supplies furnished, before the 15th of September, 1780, to be taken as they stand, and new ones given for their amount, estimated in specie? Are certificates issued agreeable to the mode prescribed by resolution of Congress, 23d of August, to be taken up and new ones given?" These questions [428]

were, among others, referred to the Superintendent of Finance; who thereupon informed the commissioner, that the answer thereto was in the Act of Congress, the letter from the Superintendent, and the question and answer above quoted. Surely there is nothing in either which *requires the forms prescribed by the Act of the 23d of August, 1780, in certificates granted before they were instituted*. The commissioner is indeed referred to that Act, and directed to pay attention to it; but the evident construction of this order, limits it to certificates issued under the Act. And even if that were not the case, yet when the whole of the instructions (or rather the answers) which are complained of, is taken together, there cannot be the shadow of a doubt. For among the commissioner's questions to the Superintendent is the following; "How are claims for supplies furnished, or services performed by an individual, who is destitute of a certificate or any kind of voucher, having only a bare charge against the United States for the same, to be settled? Will the oath or affirmation of the claimant make the charge good?" And he shortly after asked Congress, "How are claims for supplies furnished for public use by an individual, who is destitute of a proper voucher, to be authenticated?" To both these queries the answer given by the Superintendent, (and which forms part of the instructions complained of) is as follows. "They relate to the same point, viz. *What evidence shall establish claims?* It appears, that the article passed in favor of the claimant must charge some other person, and that public notice is to be given of the times and places of settlement, that both parties may attend. Under these circumstances, if the demand is grounded on *principles of equity*, and the evidence produced satisfies the *conscience* of the commissioner, he is bound to pass it, *by the Act of Congress*." Now it must be remembered, that the commissioner is (by the Act under which he was appointed) empowered and directed to liquidate, &c. *according to the principles of equity and good conscience, in all cases which are not or shall not be provided for by Congress*. The answers therefore given by the Superintendent to his questions, are no more than applications of the Act, to the doubts which he had suggested. It is more than probable that if the honorable Assembly of Pennsylvania, had communicated with the Superintendent on this subject, they would not have assumed the same ground of reasoning which they appear to have done.

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It is alleged in the said extract, "that certificates given for personal services, wages or hire, are rejected;" in answer to which it can only be said, that if the claimants are officers or persons acting in any of the departments, the certificates ought to be rejected by the commissioner for the State, because such accounts are to be liquidated by the commissioners of the departments respectively; but if other claims have been rejected by the commissioner, he must have been under the influence of some misapprehension.

As the honorable Assembly have, through their delegates, proposed certain resolutions, it will be proper to examine the reasoning which led to that proposition. And first, it alleged, that "if an exact account is *really* wanted of the specific articles for which any certificate was given, it may be found in the receipts given by the party, at the time of getting his certificate, and that these receipts are in the power of the public, being lodged with the heads of the different departments." Surely such an assertion is somewhat hazarded. Congress have before them full evidence, that many persons, late officers in the civil departments, refuse to account at all. If, therefore, such persons should even possess the supposed receipts, still those receipts are not *in the power of the public*, nor will they be so until all the States have passed laws similar to those of the State of Pennsylvania. But further, it will on inquiry appear, that when individuals received certificates from public officers, the receipts they gave did not always contain a list of the articles, or account of the services which had been rendered. Certainly, where any fraud was designed, a specification of articles was of course avoided; and in many cases it has been neglected, even where nothing wrong was intended. The idea therefore that the specific articles are contained in the receipts, is as unfounded as that those receipts are in the power of the public.

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But supposing the facts were such as they are assumed to be, will it follow, that the officers have in no instance, been guilty of collusion with individuals, and given more than they were worth both for articles and services? And will it not appear, that an exact account of the specific articles is *really* wanted, and indeed absolutely necessary, for the detection of such abuses? Or if it be supposed that all the inhabitants of Pennsylvania were so honest and so disinterested, as neither to partake in fraud, nor take advantage of negligence, must it also be presumed that the public officers, acting within that State, have in no cases whatever seized the property of individuals and given certificates for less than the value? Or if it be imagined, that the officers and the individuals have been all alike innocent, and that the clamors raised on these subjects are totally groundless as to Pennsylvania, will it follow that such things have not happened in any other State? Or will it be proper to establish different rules for the settlement of public accounts, under the idea of honesty in one State and the want of it in another?

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It is however assumed, as a position, that "any frauds which have been committed cannot be detected in any other place, so well as by the commissioners who settle the general accounts, at the heads of departments." But surely it is necessary, not only to the detection of frauds, but even to the settlement of accounts at all, that the commissioners acting in the several States, obtain accounts of the articles before they pass the sums. If, for instance, the public officer should by collusion with the party, make a charge of double the sum actually due for any article, can a deduction be made after the sum has been passed to the individual by the state commissioner? If the officer should omit to charge himself with articles purchased, can this be proved, when only the money certificate is produced against him? If the officer paid, by a certificate, the nominal sum for articles purchased, a year before, will this appear in such manner as to prevent him from taking all the benefit of the depreciation? If, for instance, he purchased to the amount of two

hundred thousand dollars, when money was at two for one, paid in certificates when it was at four for one, and carried the articles to account at a reasonable specie value, viz. one hundred thousand dollars, and if the certificates be now liquidated at their value, viz. fifty thousand dollars, would he not be gainer of the like sum of fifty thousand dollars merely by the depreciation? It is also asserted, "That the holders of certificates are subjected to many inconveniencies from this delay, and that after *coming from the remote parts of the State*, and having a liquidation of their certificates refused, they depart with murmurs and discontent." If holders of certificates came from *remote parts of the State*, and the Act of Congress of the 20th of February, 1782, intended to afford relief, becomes thereby a source of distress, it must arise either from the ignorance of the people themselves, or from a want of attention in the commissioner; for by the Act it is ordained, "that the commissioners respectively give public and early notice of the *times and places* of their settling, and the *districts within which* they settle accounts, that as well the public officers as private individuals, may have an opportunity to attend." From the whole scope and tenor of the Act, as well as from the express words of this particular part, it appears clearly to have been the intention of Congress, that the commissioner should mark out convenient districts in the State, take some proper position in each district, and then give such early *public notice* of the *place* and the *district*, as that claims arising from transactions *within that district* might be brought in and adjusted, and both the public officer and the private individual concerned in the transaction, have an opportunity of attending.

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As the honorable Assembly have marked out a different mode of settlement from that which has been adopted, it may be proper to take a general view of the present and of the proposed plan, so as to discover the inconveniencies resulting from each, and thence determine which ought to be preferred. Under the present plan, the first step of the commissioner is to mark out some particular spot, with a convenient surrounding district, within which the parties may attend, without the waste of time and the expense of long journeys. The next is to give *early public* notice thereof. Supposing then the time to have arrived, which he had specified in his advertisement, and a claimant to appear, the first question to be solved is, whether that claimant be one of those whose demands are to be adjusted by him, or whether it is the business of a commissioner of one of the departments. Supposing the former, the next object of inquiry would be, whether any and what services or supplies were rendered by the claimant to the United States, and if any were rendered, then what was the real value at the *time and place* of rendering them. Every kind of evidence exhibited in support of each point is then to be examined, the officer who is said to have received the articles is to be heard, if he contest the claim, and, finally, the commissioner being in the vicinity of the place, with opportunity to learn both the acts done and the characters of the agents, must decide *according to equity and good conscience*, where no express provision is made by an Act of Congress. If this decision be in favor of the claimant, the business of the commissioner is to give a certificate for the full value of the articles and services, and then to charge the proper officer and department, not with so much money, but with the specific articles and services, for the due application whereof account is to be rendered to the commissioner of the department.

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A duty of the State commissioner, in the course of this business, will be to discover and detect as much as possible the frauds which have been committed, and transmit proper evidence, as it may arise, to the commissioner of the department. In cases, however, where the decision is against the claimant, it will be proper still to return to the commissioner of the department a statement of the claim, that if it should be found to be credited to the public, in the accounts of such department, the party may meet with redress at a future period. The inconveniencies attending this mode are, that possibly some just claims may be finally rejected from the want of sufficient proof, and that some honest claimants may be put to trouble and difficulty in supporting their claims.

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The proposed plan appears to be shortly this, *that the commissioner shall liquidate every certificate which may be tendered to him in specie value*. If, however, the restriction implied in the Extract, by the words "that no delay be given to any certificate granted by an officer who has settled his public accounts," &c. be made, viz. that the liquidation of such certificates be suspended until the accounts of the officer who gave them be settled, it is humbly conceived that such liquidation can never take place; because, as the public have assumed the debts of their officers, it is impossible to settle the accounts of those officers, until the amount of their debts be known; those debts forming a charge against the officers in the same manner as the moneys advanced to them from the public treasury. The settlement of the officers' accounts must, therefore, ultimately depend on the settlements made with individuals, and therefore this restriction must be rejected or the whole plan prove abortive.

The proposition of the honorable Assembly may then be examined and considered as of the effect which is just now stated. And if that proposition be adopted, the commissioner sitting in one corner of the State and examining claims and certificates brought from two or three hundred miles distance, without the slightest attention to the value of articles for which money is claimed, will be exposed to every kind of imposition. Certificates will be counterfeited, pretended depositions will be produced, fabricated accounts will be delivered, vast sums will of course be acknowledged as due to whoever may please to demand them. The officers will (and very justly too) refuse to account for such sums, the frauds which they will detect in claims allowed by the State commissioners will cast a cloud even upon the just claims, and the commissioners for the departments will for that reason be unable to insist on any. Thus the officers will be empowered in their turn to render such accounts as they think proper. So that on the whole, the public debts will be greatly and unnecessarily accumulated, and a precedent will be established to sanctify

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every improper act which may hereafter be committed in times of confusion.

These are public inconveniencies, and from a comparison of the two plans one important question arises, shall the public property be given away, and the country be taxed for the purpose of paying moneys not justly due; or shall individuals who have claims on the United States be obliged to validate such claims by sufficient evidence? Surely the honorable Assembly of Pennsylvania will not, cannot hesitate, in deciding this question. All which is humbly submitted.

ROBERT MORRIS.

Office of Finance, November 5th, 1783.

TO JOHN ADAMS.

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Office of Finance, November 5th, 1783.

Sir,

I am honored with your Excellency's favor of the 28th of July from Amsterdam, for which I pray you to accept my acknowledgements. I am perfectly in sentiment with you, that it is best to avoid government interference in the affair of our loan. If there were no other reason I should not like the demand of grateful acknowledgement, which would be erected on that foundation. We hear enough already of our national obligations, and I most heartily wish for my own part, that we could at once acquit them all, even to the uttermost farthing, for I seriously believe, that both nations and individuals generally prove better friends when no obligations can be charged nor acknowledgements and retributions claimed on either side.

I am also very strongly in opinion with you, that remittances from this country would greatly uphold our credit in Europe, for in mercantile life nothing vivifies credit like punctuality and plenteousness of remittance. The plan you propose to obtain them, might also be attended with some good consequences, but there are impediments in the way of its success, which it would be tedious to detail, and which indeed you could not be so perfectly master of without being on the spot. I shall not, therefore, go into that matter at present, and the more especially as we have now good hopes, that the plan of Congress will be adopted by the States. Last evening I received advice, that Massachusetts had acceded, and I have a double pleasure in announcing this to you, as they certainly would not have come in but for the sentiments contained in your letters.

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Let me then, my Dear Sir, most heartily congratulate you on those virtuous emotions, which must swell your bosom at the reflection, that you have been the able, the useful, and what is above all other things, the honest servant of a Republic, indebted to you in a great degree for her first efforts towards an independent existence. That you may long live to enjoy those pleasing reflections, which flow from the memory of an active and beneficial exercise of time and talents, is the sincere wish of your most obedient and humble servant,

ROBERT MORRIS.

TO MESSRS WILLINK & CO.

Office of Finance, December 31st, 1783.

Gentlemen,

Upon the 21st of October I valued on you to the amount of seven hundred and fifty thousand guilders as expressed in my letter of the 23d of that month, and in the beginning of this month having received your letter of the 4th of August, and concluding as well from the contents of that letter as from the actual state of things here, that you would be successful in the succeeding months, I gave notice to the gentlemen to whom I had sold the bills mentioned in my said letter of the 23d of October, that I should discount their notes, which has been done accordingly. Thus the United States are become liable to pay any damages, which those gentlemen may sustain, if, in consequence of delay their bills may meet with, those drawn by them in consequence of a reliance on your funds should return protested. The United States will also be liable to the damages, which might arise on my further bill drawn in favor of Mr Haym Solomons for one hundred thousand guilders on the 12th instant, and mentioned in my letter of that date.

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Under these circumstances, Gentlemen, and unable to judge what delays the loan may have met with from the causes you have mentioned, or from any other, being also uncertain how far it may have been or may be accelerated from other causes, I must request that in any case whatever all my aforesaid bills may be accepted. You will see from the enclosed copies of letters to the receivers of Virginia and South Carolina, that I am taking measures to put you in cash for any advance which such acceptances may render necessary. These measures are intended with the

double view of providing for the interest of your loan or of reimbursing your advance. In the former case you will be in cash before the interest falls due, but at any rate you shall be secured. The disbandment of our army having brought our expenses within the revenue, there remains an excess, which cannot fail to reimburse you even if the loan should totally fail. For I cannot suppose, that you will be much more than half a million in advance, and I am certain that the excess of taxes for current services would easily pay this sum in four or five months, and I am equally certain that I could by anticipation bring that excess forward to your relief at an earlier period if necessary.

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My request to you, therefore, Gentlemen, is this, that you accept my bills at any rate, whether you have funds or not, and whether you have or have not the probability of receiving them. If the payments fall due before you find relief, take such measures to obtain money as shall under a view of all circumstances produce that effect with the least loss to the United States. Of these measures I leave to you the entire disposition, and I promise you on the part of the United States to reimburse all losses, interests, costs, and charges, which may accrue thereupon. You will be pleased, Gentlemen, to give me very early notice of your situation, and to point out very particularly the sums which may be needful, and also the articles of this country, which will probably form the best remittance, and on my part I promise to take the earliest measures for making you such remittances. I shall confidently rely on your efforts, and remain with perfect respect, Gentlemen, your most obedient servant,

ROBERT MORRIS.

TO MESSRS WILLINK & CO.

Office of Finance, December 31st, 1783.

Gentlemen,

Your advices of the 26th of September, that the success of our loan with you had been greatly impeded by reports, propagated on the part of Great Britain, did not a little surprise me. In my letter of the 12th of this month, I have given you some slight sketch of the mutiny of a few troops near this city, and this perhaps may be among the circumstances, which have militated and been magnified to our disadvantage. But as I did not then, so I do not now think it worth while to mispend time by the history of a trifling thing, which has no importance in itself, and which might derive some by treating of it seriously. It has always been the common trick of the British and their adherents to assert, that America had neither government, armies, nor resources. To all which, I answer, that America has established her independence. Far be it from me to attempt an injury to the credit of any other nation; on the contrary, let those who would rather trust England than America, make the experiment, and if it prove beneficial, let them rejoice; if it prove otherwise, I shall pity the sufferers.

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I should not, indeed, be greatly surprised, that our credit were impaired in any of the absolute monarchies of Europe, because that such governments have no proper ideas of the sacred regard, which is due to pecuniary engagements taken by the public, and because the people have no conception that the government should be unable to command all the wealth of its subjects. But in your country, it is an every day's experience, that determinations of the States-General should meet with obstacles in the different Provinces, and this has been precisely our case in the business of finance. No State has insinuated, that our public debts ought not to be paid; nor indeed does any individual dare to hold up that idea. But differences have arisen about the mode of making provision for them, and such differences of opinion necessarily cause delay. It is, however, with much satisfaction, I inform you, that the different States are coming in one after the other, and I have strong expectations that all of them will soon accede to the plan of Congress, which I formerly transmitted. The government of this country has been vigorous enough to carry us through the war, and it would be strange indeed, if it should all at once become weak in that moment of peace, when other governments usually acquire strength.

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For my own part, I cannot believe that such ideas will take place among sensible men; but on this occasion, I will show to his Excellency, M. Van Berckel, the letter I am now writing, and desire him to write candidly to you and to others his sentiments as to the state of this country, whether the people are in peace, obedient to the laws and the government in due force, or whether we are a prey to discord, and our country the theatre of tumult and confusion.

I am, Gentlemen, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Sir,

The Secretary of Congress has transmitted to me the petition of John Cowper, with an order to report thereon. I must, on this occasion, pray leave to observe, that this, with a variety of other similar transactions, depends on the adjustment of the accounts of the Secret and Commercial Committees of Congress. In a letter of the 12th of August last, I had the honor to observe, that those accounts "were far from being inconsiderable, either as to their nature or magnitude; that they were involved with others, and had extended themselves to different parts of the United States, and to Europe, and the West Indies; that they were more connected with the Marine Accounts than with any others; and that the settlement of them was highly necessary." I took the liberty, also, then, to suggest the propriety of submitting the investigation of those accounts to the commissioner for settling the Marine Accounts, or of appointing a special commissioner for that express purpose. [442]

Since writing that letter, the Commissioner on the Marine Accounts, having been obliged in the course of his business, to look at the Commercial and Secret Committee Accounts, has not only discovered some balances due to the United States, but has reported other matters, which show in a strange point of light, the necessity of examining and settling those accounts. I think they could be more easily, speedily, and effectually settled by that gentleman, than by any other, and therefore the submitting of them to him, might be eligible in an economical point of view.

I come now, Sir, to observe, which I am sorry to do, that my report on Mr Cowper's case must necessarily be suspended, until after a reference to the commissioner appointed to adjust the accounts of the Secret and Commercial Committees, I shall be possessed of such a state of facts, as will enable me to report with propriety.

Before I close this letter, I must also observe, that as the accounts in question originated with, and were under the superintendence of members of Congress, it is a kind of duty, which Congress in their political capacity owe to themselves, to trace the applications of money through those channels with the same attention, which has very properly been applied to other public expenditures. [443]

With perfect respect and esteem, &c.

ROBERT MORRIS.

TO MESSRS LE COUTEULX & CO.

Office of Finance, January 13th, 1784.

Gentlemen,

I some time since drew a bill for two hundred and fifty thousand livres, on Messrs Wilhelm and Jan Willink Nicolas, and Jacob Van Staphorst, De la Lande and Finje, merchants at Amsterdam, in favor of Mr John Ross. This bill was drawn on the credit of the loan opened under the direction of those gentlemen, and in consequence of flattering accounts of its success, which I had just then received. I find that Mr Ross has remitted this bill to you, and is actually drawing on the credit of it. Some late advices from Amsterdam give me reason to apprehend the possibility of a nonpayment of this bill, and therefore I am now about to make to you the request of a favor on the part of the United States. It is, Gentlemen, that you would place this sum to the credit of Mr Ross at the day when the bill falls due, whether it be paid or not, and whether in the whole or only in part, taking the bill up for the honor of the United States. You will then immediately give me notice of the sum, which, by this means, your credit is advanced for, and I will take care to make you remittances for amount of the principal and interest of that sum, nor will I quit my office until you are fully repaid. At the same time you will probably also find some relief from the further produce of the loan; as the causes which impeded its progress during the months of August and September, have long since been removed. And indeed I still expect, that the success of it will enable the punctual payment of Mr Ross's bill, and only write this letter out of prudence and for the greater caution. [444]

You will observe, Gentlemen, that I have two objects in making this request, one is to save the credit of the public, which might materially suffer by the coming back of this bill, and the other is to prevent the payment of twenty per cent damages, which would be the eventual consequence, over and above the private injury, which Mr Ross would sustain in his personal credit. If, Gentlemen, you have a sufficient confidence in me and in my country, you will comply with this request, provided your own convenience will in anywise permit. If you have not that confidence, I must lament it as a misfortune.

I am, Gentlemen, yours, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, January 16th, 1784.

Sir,

I do myself the honor to transmit to your Excellency the copy of a letter from David Sproat; I should not trouble Congress with it if the supplies mentioned had been advanced to persons taken in the service of the United States. As it is I should suppose an express appropriation of money to this purpose to be necessary; Congress can best judge whether that be proper, but if I were to express an opinion, it would be, that the payment of such debts is the most effectual mode of providing for those disastrous accidents, which the citizens of America are liable to in common with the rest of mankind.

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I am, Sir, respectfully, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, January 21st, 1784.

Sir,

I do myself the honor to enclose the extract of a letter of the 10th instant, from the Quarter Master General. The latter part of it, referring to a matter which he has long since brought before Congress, I shall not take the liberty of meddling with.

In the former part, he alludes to a letter of the 27th of October last, in which he had stated to me the claims of individuals for damages done by the army. Instances are mentioned peculiarly distressing, and of a nature to require compassion while justice demands for them somewhat more. I did not on the receipt of this letter address Congress on the subject of it, because the making any particular provision for the cases of individuals, is laboring to very little purpose, and by stilling the cries of one only raises the clamors of hundreds. This indeed was the remote cause of the Quarter Master's letter, for the resolution passed in the case of Stephen Moore, had given activity to the complaints of all those who knew of that resolution, and labored under similar grievances. But a stronger reason for not troubling Congress on the subject, was that I had already brought it before them in a letter of the 12th of August last. The following is an extract from that letter.

"There is, however, among the commissioner's questions to me, one which Congress alone can answer in the affirmative; viz. *are charges for buildings, fences, wood, &c. damaged or destroyed by Continental troops or militia, to be allowed?* Considering the extent and magnitude of this object on the one hand, and on the other, what serious injuries have been sustained by some individuals, the question is equally intricate and important. No answer has yet been given, although not unfrequently agitated, as the journals will testify. Whether Congress will leave it on the present footing, or order such damages to be allowed, or (making a distinction between wanton devastations and necessary impresse) leave the officer to account in one case and the public in another, or finally whether they will take a course between all these and order the accounts to be liquidated and reported, but the balances not to be finally allowed and certificates given, until their further order, are questions which it is in their wisdom to determine by that extensive view of things which they possess."

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I shall take the liberty to observe to your Excellency, that claims of this kind become daily more urgent. The people recovering by degrees from their despondency as to the settlement of their old accounts and beginning to feel some hope of eventual payment, and of consequence a firmer reliance on and belief in the justice of the United States, naturally look forward from the measures already taken to those which prudence and equity may still further dictate. Some provision ought certainly to be made; but I must repeat that the object is not only great as to the pecuniary amount; but extensive as to place, persons, claims and circumstances. The caution hitherto preserved was therefore wise, but it can no longer be adhered to, because the idea held up to every applicant, was that after a termination of the war, and not before, provision should be made.

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I take leave also, further to observe to your Excellency, that there is a material distinction to be made, even among such of these claims as are otherwise similar, according to the times in which the respective causes of them may have originated, as whether they were previous or subsequent to the commencement of the year 1782; claims for supplies obtained during the latter period, ought certainly to be considered as within the appropriations of money demanded for the current service, the quotas of which yet remain unsatisfied. In order then that this matter may come before the United States in Congress in such regular form, as that some decision may be made, I

shall submit to their wise consideration the following Act.

Whereas, the late wasteful and expensive war, is now by the blessing of divine Providence finally terminated, and whereas, divers citizens of these States have during the course thereof sustained various injuries and damages, as well by the armies of the United States as otherwise, by the operations and effects of the war. And whereas, no provision can as yet be made for the just relief of the sufferers, neither can it be determined to whom such relief may be due. And whereas, it is the indispensable duty of every Government, in all things to the utmost of their power, to do what to right and justice may appertain. Be it therefore ordained by the United States in Congress assembled, and it is hereby ordained by authority of the same, that each and every of the commissioners who are or may be appointed in pursuance of the resolutions of Congress of the 20th day of February last, be and they hereby are authorised and directed to receive within the States, to and for which they are or may be appointed respectively, all claims and demands made by individuals for damages done to or sustained by them within such State, during the late hostilities and by reason thereof; whether the same have been committed and done by officers or soldiers, acting under the authority of Congress, or by the enemy. And be it further ordained by the authority aforesaid, that the said commissioners do require and receive such evidence with respect to each and every such claim as they shall judge fitting and proper according to the nature and circumstances of the case respectively, and where due evidence is produced in support of such claims, that they do liquidate and adjust the same according to equity and good conscience. Provided always, that the said commissioners shall not give to the claimants any certificates or other evidence of such adjustment. And be it further ordained by the authority aforesaid, that the said commissioners respectively do from time to time make return to the Superintendent of our finances, of the amount of each and every such claim, and the time when the same arose, whether previous to the 1st day of January, 1782, or subsequent to the last day of December, 1781; specifying clearly in the said return the nature of every claim in such full and ample manner, as that when the same shall be laid before the United States in Congress, for their investigation, they may be thereby enabled to make such further order in the premises as to right and justice may appertain.

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Before I close this letter, I will trouble your Excellency one moment longer to assign my reasons for extending this provision to the case of damage done by the enemy. The investigation does by no means imply any recompense from the United States. But if there should be cases where such recompense is proper, the materials on which to judge will by this means be prepared. The object however is to ascertain the damages done by the enemy, which will in this way come forward, so as that an account thereof can be made out with exactness to answer any purposes, which future negotiations with Great Britain may render necessary. To this I would add, that the expense of the business will be so trivial as not to be worthy of consideration, when compared with the advantages to result from it.

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I have the honor to be, with perfect esteem, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, January 24th, 1784.

Sir,

The re-establishment of peace having at length given room for the proper investigations, it becomes in me a duty of public justice to mention to Congress the situation of those persons in Canada, or out of it, who are creditors to the United States for property furnished or services rendered in that country. To these may perhaps be added those who have claims for damages sustained. Persuaded, as I am, that unless some general arrangements be taken on this subject, it will occasion a great expense of time and money, together with the loss of reputation, I think economy as well as justice calls for a due attention to the subject in the present moment.

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I submit then the following ideas, not as being a perfect plan, but merely as hints to be perfected by the wise care of the United States. And first, it might be proper, that a commissioner were appointed *to go into Canada* for the purpose of examining into the several claims above mentioned, with power to liquidate the same, and to give certificates of the amount. If it be a desirable thing that justice be done, it is a necessary thing that the inquiries be made on the spot. There and there alone, can the due investigations take place, so as to prevent either the public or individuals from being defrauded. Besides it will not cost more to maintain a commissioner there than it will here, and many who have been both distressed and oppressed are confined to that spot by their circumstances. It may also appear to be of some importance, that by doing justice to these people unsolicited we secure their affections; which will prevent Great Britain from using them hereafter against us. Neither will it escape the attention of Congress, that such a commissioner may transmit useful intelligence. But this being rather in the Department of Foreign Affairs, I shall not enlarge on it.

A natural question will probably arise, as to the means of payment. This may be answered by

applying a like question to the case of other public debts. But I conceived that another, if not a better answer may be given. If a new State were set off about Detroit, and the lands sold to all inclining to purchase, with permission to pay in certified Canadian debts, not only as specie, but even at a premium of five per cent, the lands would pay the debts, and the United States would gain more than the amount of the payment by the very act of making it. For an equal if not greater number of persons than the creditors in Canada, would become settlers from that country, and bring with them property beyond their purchase money. Nor is that all; such State would become a barrier of infinite importance. It would secure eternal peace with the Indians, and it would secure the Indian trade. For it would soon place the principal traders at that spot in the character of American citizens.

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With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, February 2d, 1784.

Sir,

I have delayed answering your Excellency's favor of the 4th of last month, in the hope that I might have been able to announce to you the having sent off the duplicate of the definitive treaty. Hitherto no opportunity has offered. But as Colonel Harmar has sailed, and probably Lieutenant Colonel Franks, I am not so anxious on that subject as I have been.

With sincere esteem, I am, &c.

ROBERT MORRIS.

TO MESSRS LE COUTEULX & CO.

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Office of Finance, February 12th, 1784.

Gentlemen,

Previously to my letter of the 13th of January, I had received yours of the 10th of September and 18th of October. In one of my said letters I requested you to come under acceptance for Mr Ross's bills, although my public bill in his favor should not be accepted. But Mr Ross assures me that he has not yet drawn, and promises that he will not draw on the credit of that bill until my advices from Europe shall warrant it. So that my precaution in this respect was unnecessary. Neither is that bill to be protested if not paid when it falls due, but it is to be held by you for Mr Ross's future orders. Those advices which I have lately received, are far from being agreeable, and it is probable that my letters written to Dr Franklin in consequence of them may induce him to apply for your friendly aid to prolong the time of payment of some bills, which I had drawn on the credit of that loan, and which to my great surprise the negotiators of it were not in cash to answer. Should he make any such application, Gentlemen, I am to request that you will come in with your extensive credit, to support that of the United States; and you may rely that I will take care, by proper and speedy remittances, finally to absolve your engagements.

I have this day given to the house of Peter Whitesides & Co. my bill on you, (number ninetyseven) payable at ninety days' sight, and for three hundred thousand livres. I am to desire your acceptance of that bill, which I have drawn, to prevent, if possible, the protest of bills drawn by that House in consequence of one of my said bills on Amsterdam; to put you in cash for that sum, I have purchased already seven hundred hogsheads of tobacco, now lying ready for shipment at Alexandria in Virginia, and directed farther purchases, as also the chartering of vessels to carry it to Europe. I shall make you a shipment of from seven to eight hundred hogsheads as soon as the weather will permit, for at present all our navigation is shut up by the ice. This tobacco shall be shipped to your order at L'Orient, and I think, that with every allowance for delay, it must leave the Chesapeake by the 1st of April at farthest, and will arrive within two months after the bill shall have been presented. The sales of it will therefore put you in cash to answer the bill. But to render the matter as safe as possible, you shall have early advices, so as to make the insurance, which will answer the bill should the tobacco fail. After all, Gentlemen, it is possible that you may be in advance for a short time. But I make not the least doubt, that you will cheerfully go into the proposed operation, at present necessary to the United States, and which (that necessity out of the question) is in itself among the best kinds of commercial transactions. In order, also, to place you more perfectly at your ease, I agree to make good any expense, which may be incurred, by negotiations to prolong the payment, should it be inconvenient for you to make the actual advance, and should such advance become necessary by accidents of the sea or other unforeseen

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circumstances. But at all events my said bills must be honored.

With esteem and respect, &c.

ROBERT MORRIS.

TO MR GRAND.

Office of Finance, February 12th, 1784.

Sir,

The last letter which I have received from you is of the 12th of September, and in that you have left a blank for the amount of funds received from Amsterdam, and inform me, that you expect again to apply for more, as Mr Barclay could not tell what sum he should be able to pay you nor when. My letters from Messrs Wilhelm and Jan Willink, Nicolas and Jacob Van Staphorst, De la Lande and Finje, announce to me a sum remitted to you beyond the idea which I had formed of your wants; and the consequence of it is, that bills I had drawn on them remained unprovided for. Not having received letters from you in so long a time, it is impossible for me to guess at the exact state of your accounts; but if Mr Barclay has placed in your hands the sums which I expected he would have done, it appears to me that the United States must have been considerably in advance to you, at the very moment when my bills were in the critical situation above mentioned. I shall not, however, draw any conclusions on this subject before I receive those advices from you, which I am in the hourly expectation of. As I do not know whether any effectual measures have yet been taken to provide for the bills, which I had drawn, and which the Houses in Amsterdam were not in cash to answer, owing to a sudden failure of the loan intrusted to their management, I have written to Dr Franklin on that subject, and am now to request your aid in the business, so that time may be given for the arrival of those remittances, which I am making to provide for the consequences, should the loan continue unproductive. On this occasion I confidently rely on your efforts, and I persuade myself, that the credit of the United States, so long preserved in Europe, through doubtful and dangerous events, will not now be suffered to expire for the want of a very little timely aid and attention.

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I am, Sir, &c.

ROBERT MORRIS.

TO MESSRS WILLINK & CO.

Office of Finance, February 12th, 1784.

Gentlemen,

On the evening of the 9th instant I received your letters of the 20th of November and 1st of December. The intelligence contained in these letters, so far as concerns the loan under your direction, and the bills which I had drawn upon the credit thereof, is very far from being agreeable.

The tenor of your last letter, renders it necessary for me to obviate the constructions put on my conduct in drawing to that extent. And this is easily done, for it appears by your letters now before me, that the total of those bills for a million, did not exceed the funds actually in your possession, by above six hundred thousand guilders, and if the second expedition of tobacco be deducted, that excess cannot be considered as going beyond five hundred thousand. Now, Gentlemen, I have already told you, that Mr Grand's drafts exceeded my expectation; but we will put this out of the question for the present, as I shall write on that subject to him; but you will observe, that your letters announcing the decline of the loan did not reach me until the close of the last year; and therefore I could not have calculated on so great an alteration. The occurrences in this country, which occasioned it have never appeared of any consequence to us who are on the spot, although, by exaggeration, they have staggered the minds of people in Europe. You will observe also, Gentlemen, that when my letter of the 1st of October was written, I had not received any letter from you of later date than the 11th of June. The intelligence mentioned in my letters as having come through an indirect channel, was contained in a letter from Mr Adams himself, and your letters written in the months of July and August confirmed that intelligence. All this will appear if you compare our correspondences, and place yourselves in the situation, which the long passage of your letters of the 4th, 11th and 26th of September placed me. The two first of these did not come to hand until a very few days ago, as you will observe that they are not acknowledged until the 9th instant. It has therefore been alike impossible for me to conjecture the hard fate of my bills, or to provide against it by seasonable remittances.

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But as I have already mentioned, the sum total of the advance, which those bills could have

occasioned would not exceed five hundred thousand guilders, payable in all the month of March, supposing that the loan should produce nothing in the whole winter. By a circuitous negotiation this payment might have been prolonged without difficulty, and you will see that the measures I am taking, even at this late period, would have produced the necessary funds in season. I have not indeed any right to expect, that you would risk so heavy a sum in reliance on me, but if you had done it I should have felt the obligation, and I think my conduct would have been such as to convince you that the confidence was not misplaced.

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Under the present very disagreeable circumstances, and not knowing whether Dr Franklin has complied with your proposals, I cannot take such decisive steps as I otherwise might. I enclose, however, a copy of the letter which I have written to him, and I shall proceed to make remittances, as soon as the weather, which now shuts up our navigation, will permit. The advices which I shall receive from Europe, while ships are lading, and which I daily expect, must govern me in the consignments; which is the reason that I can say nothing positive on that subject.

If Dr Franklin has complied with your proposals, you will of course have accepted my bills to the extent of the million guilders. If he has not, it is possible that my letters to him may still arrive in season to prevent the protests for nonpayment. If however this should not be the case, I wish you to call on those who held the bills, and tender payment, on return of the bills, or on giving an indemnity against them; in which case you will also pay the costs of protest, interest which may have accrued, and the like. If they will not do this, you will then be pleased to transmit notarial certificates of your tender of such principal, interest and costs; and if your payments are accepted, to transmit immediate accounts thereof.

With respect to the three bills, numbered one hundred and ninetyone, one hundred and ninetytwo, and one hundred and ninetythree, dated the 21st of October, for two hundred and fifty thousand guilders each, I have agreed with the Houses to whom I sold them, that they shall still lay to be accepted or not, as may hereafter be determined, and in the meantime the United States are to pay the interest of their advances to me until they can reimburse themselves, or are repaid by me, whichever shall eventually happen. The bill number one hundred and ninetyfour, dated the 12th of December last, for one hundred thousand current guilders, I purchased and remitted on my own private account, and have given orders that it be not returned to this country; so that on that subject you may also be at ease. I shall receive on my private account the interest of the forty thousand dollars paid for this bill, on the same principles with which I have settled for the other bills just mentioned. And by the way, you will see how great was my confidence in the success of your operations, when I have involved my own private fortune in the purchase, not only of that bill, but also of four hundred thousand guilders out of the million. All which was done because the demand for exchange on London being greater than on your city, I bought those bills, remitted them, and drew on my private account to replace my funds, merely with a view to facilitate the public service. In addition to the bills just mentioned, there is one which I request may meet due honor; it is number one hundred and ninetyfive, dated the 2d instant, payable at six months' sight, and for fourteen thousand three hundred and nineteen current guilders. This bill was drawn to replace bills drawn above two years ago at six months' sight on the American Minister at Madrid and protested for certain circumstances attending the negotiation of them; wherefore I was under the necessity of replacing them with twenty per cent damages, by a bill of equal dignity.

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I am, Gentlemen, &c.

ROBERT MORRIS.

TO MESSRS WILLINK & CO.

Office of Finance, February 12th, 1784.

Gentlemen,

I am to acknowledge the receipt of your favor of the 14th of October. My letter to you and the other Houses, will convey sufficiently my sentiments as to the disagreeable consequences occasioned by the ill success of our loan. I shall not here dilate upon that subject, which, for the present, I can only lament; for I agree, Gentlemen, with you, that urgency on your part would rather damp the spirits of monied men than increase their exertions.

I see clearly, that if it were possible to convey an adequate idea of the wealth, extent, and power of this country, it would do a great deal towards exciting the favorable attention of mankind. But this is a very difficult thing, for the British Ministers, and even their Generals *in the country*, with all the pains they could take, and all the intelligence they could procure, were extremely ignorant of our resources. This is among the reasons why they pursued the conquest of America full three years after every sensible man in it saw that the thing was impossible.

However, as you desire an account of our products, I will refer you to a very unexceptionable testimony, that of the British Ministers themselves, in a pamphlet lately published under the eye of the Court, by Lord Sheffield; in which the writer attempts to prove that we must trade with them whether they treat us well or ill. To show this, he gives certain facts, which, at least, prove

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that the British are our worst customers, so far as the sale and consumption of our produce is concerned. He proves, also, that if they have any advantage over others, it is what your countrymen may have in an eminent degree over them; I mean the securing a great part of our trade by giving credit to our solid mercantile houses.

But to return from that digression to the principal object of this letter, viz. the actual and probable resources of America. Let it be remembered, that a century ago the place from which this letter was written was an unlimited forest; that the whole State of Pennsylvania did not produce enough to support five hundred men after the European manner, and that every other part of America was, a little earlier or a little later, in the same situation. But now this very city is worth more than all the public and private debts put together, which we owe to Europe.

M. Van Berckel has convinced me, Gentlemen, of your good will, and zealous endeavors to promote the interests of America. And I flatter myself that not only his representations, but my own conduct, will convince you of the just sense I entertain of those endeavors.

With esteem and respect, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

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Office of Finance, February 12th, 1784.

Dear Sir,

Three days ago I received, in a letter of the 1st of December from Messrs Wilhelm and Jan Willink, Nicolas and Jacob Van Staphorst, De La Lande and Finje at Amsterdam, a copy of their letter to you of the 30th of November. Enclosed you have a copy of my answer of this date. I flatter myself that you will not have suffered the public credit to be ruined for want of an engagement to the amount of so small a sum as might be necessary to avoid the danger to which it was exposed, and I wait in the anxious expectation of hearing from you, what arrangements have been taken on this subject, as I wish to conform my measures to them. If, contrary to my expectations, some unforeseen causes should have induced you to decline so necessary an engagement, I hope this letter may arrive in season, and induce you to do it.

You will observe that a copy of this letter is transmitted to the Houses in Amsterdam, but I have not sent a copy of the enclosed letters to Mr Grand and Mr Barclay, which are left open for your perusal. I have not time now to go particularly into the estimation of their accounts, but I am almost persuaded that there is, between them, and ought to be in the hands of the former before this time, about half a million of livres belonging to the United States. But in the present exigency, I shall not reckon on this sum, nor on the second expedition of five hundred hogsheads of tobacco, which are, I presume, before this hour arrived at Amsterdam. I shall calculate on a deficiency of five hundred thousand guilders, and prepare remittances as fast as proper articles can be purchased to that amount; because the surplus may be well disposed of to answer the interest of the Dutch loan, which falls due in June next.

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If, therefore, you can adopt any measures by which, in circuitous negotiations, the time of payment can be prolonged, you may rely on the arrival of such remittances in the months of June and July at farthest, as shall fully answer the sums which may then fall due, and as I have told the gentlemen in Amsterdam, the advices which I may receive will govern the direction of those remittances. I shall give immediate orders for the purchase of one thousand hogsheads of tobacco, and as that amount is completed, I shall extend it according as circumstances may require.

The season has been so intemperate, that the navigation of the Chesapeake is to this hour shut up by the ice, but that cannot last much longer, and therefore I have good hopes that some capital shipments may depart before the 1st of April; and should the urgency of the case require it, I can draw at long sight on the consignees, and transmit the bills, which will enable a farther negotiation, if necessary. The means of making remittances are now, thank God, in my power; for the amount of taxes exceeds that of the expenditures, which last are reduced almost to nothing; and as the revival of commerce must increase the means of paying taxes, I have no other solicitude for the event than what arises from the want of time to make due arrangements. This want, I persuade myself you will remedy, if you have not already provided against it. And you may rely, that any engagements you may think it necessary to take, shall be most punctually complied with by me.

With unfeigned esteem and respect, I have the honor to be, yours, &c.

ROBERT MORRIS.

P. S. Since writing the above, it occurs to me, that there is (particularly on the present occasion) a propriety in transmitting to you the best account in my power of the situation of things, as to the funding of our public debt. I say the best in *my power*, for I know not what is done southward of Virginia, no mail having come from thence in upwards of six weeks, by reason of the

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inclemency of the weather, which greatly impedes our intelligence from every quarter. New Hampshire, Massachusetts, New Jersey, Pennsylvania, Delaware, Maryland and Virginia, have adopted the plan recommended by Congress. I am assured that New York and Connecticut will adopt it very speedily, and I am told, on good authority, that Rhode Island will come in as soon as the example of the other States is communicated. It is in consequence of my conviction that the plan will soon be agreed to by all, that I have published an advertisement of the 9th instant, a copy whereof is enclosed.

R. M.

TO B. FRANKLIN.

Office of Finance, February 13th, 1784.

Dear Sir,

I have written to you, under yesterday's date, on a very interesting subject; and I will now add something farther, which I did not choose to place in that letter, as a copy of it is transmitted to the Houses in Holland. And, first, I will give you an account of my situation, as accurately as possible, in order that (seeing the whole state of my engagements, and the means of fulfilling them) you may rest at ease under the operation I have requested, and which I must now most strongly urge and entreat you to engage in.

My present actual engagements are threefold, viz., first, general engagements for the public service not yet satisfied, including therein the notes issued by me, which remain in circulation; secondly, my bills of exchange unpaid; and, thirdly, my debts to the national bank. [464]

The first of these it is difficult to ascertain with exactness, for I take into the account all payments to be made for past services and the like, and I set against it sundry sums to be received, and the public goods which are yet to arrive. It cannot be expected, therefore, that any great precision will take place in this estimate, but from the clearest insight I have, the amount is rather under than over one hundred thousand dollars.

The second stands thus. I drew for a million of guilders, of which, calculating the extent, not more than one half remains unprovided for, as I have observed in my letter of yesterday. This half may be considered as of the value of two hundred thousand dollars. Besides this sum, I have drawn three bills of two hundred and fifty thousand guilders each, and one of one hundred thousand guilders, for which I have received three hundred and forty thousand dollars; but as I have agreed that those bills shall not be protested, they are not to be carried to the account of bills of exchange.

My debt to the national bank is the above sum of three hundred and forty thousand dollars, obtained from them by discounting notes received for the bills of exchange, and which notes they will continue on interest, until taken up by my payments here, or by my moneys raised on the drafts of the parties who gave them, should my bills be eventually paid in Europe.

In this calculation you will perceive, that I make no mention of any moneys which I suppose to be in the hands of Mr Grand, because, for the greater certainty, I will on the present occasion consider them as equal to answer for contingencies only. And on the other hand, I will not calculate the interest to arise on moneys borrowed in Europe, because although that object may be stated as of the value of from one hundred and fifty to two hundred thousand dollars, yet to answer it, I place first, the general system of funding the public debts, and secondly, whatever small sums may arise on the Dutch loan, supposing it to have no success worth counting on for other purposes. [465]

Hence, therefore, we will state the account as of the first of the present month thus,

Balance due for past services,	\$100,000
Due for bills of exchange drawn,	200,000
Due to the national bank,	340,000

	640,000
Add for contingencies,	10,000

	\$650,000

We come now to the means of making payment; after rejecting all hope of any material aid from the Dutch loan. And they are as follows. The taxes for the last four months, ending the 31st of January, amounted to somewhat more than two hundred thousand dollars. Towards these taxes, the States of Delaware, North Carolina and Georgia, have as yet paid nothing. Neither is there anything paid by the State of South Carolina within the account of those months. The States of New Hampshire, Connecticut, New York, Maryland and Virginia have paid very little, in proportion, to their present ability, and the other four States will all, by the extension of peace and commerce, be in better circumstances for revenue than they were before. [466]

From the States of New York, Maryland, Virginia and South Carolina, I expect to derive very considerable relief; particularly from the first, by a proposed sale of confiscated lands. However, I shall (after deducting from the probable increase of the revenue so much as may pay the current expenditures) calculate the surplus and the proposed sales of lands, as amounting to no more than two hundred and fifty thousand dollars, by the end of next September. This then will place the sum unprovided for at the amount of four hundred thousand dollars, and the fund to pay it at fifty thousand dollars per month. That fund will discharge the first article above mentioned, by the end of March; and the next thing to be provided for, is the two hundred, to answer bills of exchange drawn.

The intended provision for that object is as follows; I shall borrow immediately one hundred thousand dollars of the bank, and direct purchases of tobacco and rice, partly with cash, partly on credit, and partly by bills drawn on me. By this means, I can with that one hundred thousand dollars have the purchases made in all March and April, so that the shipments to the required amount of two hundred thousand dollars will take place, some in March, some in April, and all of them I hope by the end of May. The taxes during April and May, will pay the purchases on credit, and the bills drawn on me; and the taxes in June and July will pay the hundred thousand dollars due to the bank. By the end of September, therefore, I may calculate on a full discharge of all these debts.

If the loan should meet with success, my relief will be more speedy; but you will see, Sir, from this detail, what is most important to you, viz; that the funds will be placed in Europe during the months of June and July, to pay the half million of guilders, which I desire you to provide for. I suppose the mode of circuitous negotiations to be very familiar with your bankers, but I would hint at the following as practicable. Suppose the Houses in Amsterdam to draw in the month of March on Mr Grand, at sixty days' sight; Mr Grand might in May draw, on a good House in London for his full reimbursement, and the House in London might, in like manner, reimburse on Messrs Le Couteux & Co. by which time the remittances would arrive. Or the time might be still farther extended, if the House in London should reimburse on Messrs Wilhelm and Jan Willink, and they on Messrs Le Couteux. Or the last bills might perhaps be drawn on Mr Grand instead of Messrs Le Couteux. However, supposing that the credit of those gentlemen might be useful, I have requested them to aid your operations, should you think proper to ask their aid. [467]

And now, my Dear Sir, let me before I close this letter, entreat of you most earnestly, that the public credit just beginning to revive be not totally lost for a want of an effort, which is but nothing in comparison with what we have already experienced, and passed through with success.

With very sincere esteem, yours, &c.

ROBERT MORRIS.

TO THOMAS JEFFERSON.

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Office of Finance, February 25th, 1784.

Sir,

Your letter of the first instant reached me but a few days since, and I seize the earliest moment in my power of replying to it. I shall reply also in this letter to that with which I was favored from Mr Williamson, and pray both him and the committee that they will excuse it; assuring them that it proceeds from a desire of collecting all I have to say on the subject under one point of view.

It was and is my opinion, and has frequently been expressed, that the calls of Congress should be confined to the arrears of former requisitions, so long as it can be possible out of such means to defray the current expenditures. And although it has been necessary to comprise a part of the expenditures of 1782 and 1783 within that debt, for the interest whereof permanent funds have been required, I thought it my duty to oppose any relinquishment of the existing requisitions. I will not repeat the reasons, because the grand committee appear to be of the same opinion. It was evident, that if those requisitions should produce more than the current expenditure, the surplus would easily be applied towards discharging a part of the debt, which arose during the years 1782 and 1783.

Enclosed, Sir, you will find the required amount of taxes received to the end of last year. But since that period, there have been farther receipts, and I must observe, that among these are some small sums collected in New Jersey and Pennsylvania on the requisitions for 1783. But these are nevertheless carried, in the treasury books, to account of the unsatisfied requisitions of 1782.

Confining myself to round numbers, because I presume the committee would rather receive information materially right in season, than wait for greater accuracy at the expense of moments, every one of which must be precious, I take leave to mention, that the arrearages on the requisitions of 1782 and 1783 exceed eight millions, and that one of those eight millions would pay the unfunded expenditures from the end of 1781 to the commencement of the current year; by which term of *unfunded expenditures* used for want of a better, I mean such part of the public [469]

debt as arose in that year, and which not having been carried to the account of the public debt, but remaining due on my official engagements and anticipations, must still be provided for out of the requisitions. There will remain, therefore, at least seven millions for the service of this year, and payment of a part of the former debt, should the collections be so rapid as to pay off the required million beyond the immediate expenses, which I confess there is but little reason to expect. It will, however, be useful, that pressing application be made to the States, to complete their quotas, under those requisitions; for if only one hundred thousand dollars were employed in payment of our funded debt, before January next, in addition to the provision for paying the interest, we might then consider the independence of our country as firmly established. I shall dwell no longer on this subject, which will, I am sure, be better matured by the committee, than by any of my reflections. But I am bound to mention, Sir, that, from the slowness and smallness of the collections, our finances are in a more critical situation than you can easily conceive; such that I dare not leave this place, although I am very desirous of paying my respects to Congress at Annapolis.

As to the vote of September, 1782, requiring one million two hundred thousand dollars for payment of interest on Loan Office certificates, &c. I have no official information of what has been done by the States; some among them have, I believe, directed the issue of certain other kind of certificates for payment of that interest; but as the acts do not conform to the resolution of Congress, I cannot know what conduct the Loan officers have pursued. It is much to be lamented, that the States individually are not sensible how necessary it is to conform to general regulations; on every occasion, some local convenience is consulted, and a deviation made, which appears to be of little consequence to the general system, and which is nevertheless important, and becomes injurious to the very State by which it was made. The idea of an officer dependent only on Congress, amenable only to them, and consequently obedient only to orders derived from their authority, is disagreeable to each State, and carries with it the air of restraint. Every such officer, therefore, finds the weight of public opinion to contend with. But how in a continent so extensive, can that simplicity of administration, which is essential to order and economy, be introduced, unless such officers are not only tolerated, but aided by the legislative and executive authorities? I will pursue these ideas no further for the present, because I think the opportunity will arrive in which the subject must be considered with more attention. [470]

Enclosed, Sir, I have the honor to transmit an account of the civil establishment of the United States, together with an account of contingent expenses of the several offices. Neither of these is as complete as could be wished, though as perfect as they can at present be made. You will doubtless observe, that all the offices are not completely filled, and that all the contingent expenses are not brought into the account. Among the latter omissions is the contingent expense of our foreign ministers, which will, I am persuaded, be far from inconsiderable. I have thought it proper, also, to transmit to the committee an estimate of the sum at which our civil establishment might be fixed; and on this estimate I make the following general observations. 1st. That the articles of contingencies therein mentioned, are carried out on conjecture, and therefore the sum total may be somewhat more or less, according to circumstances. 2dly. That the numbers, titles, and salaries of the several officers being entirely in the disposition of Congress, they will add to or diminish from them as they may think proper, wherefore the totals will doubtless be different from what I have stated; and 3dly, that a very considerable part of this expense being occasioned by the old accounts, will cease of itself when those accounts are settled. [471]

I proceed then to observe more particularly on the expenses of the President's household. 1st. That the present mode is certainly objectionable, as I have frequently had occasion to observe, and which I now repeat with the more freedom, as nothing which can be said will bear the least personal application. My reasons are, 1st. No person not accountable to the United States should be invested with the right of drawing at will on the public treasury. 2dly. Every expenditure ought, as far as the reason and nature of things will permit, to be ascertained with precision. 3dly. A fixed salary being annexed to the office of President of Congress, he will be more effectually master of his own household, and in consequence a greater order and economy may reasonably be expected.

On the expenses of the office of Secretary of Congress, I shall say nothing. The expenses, the duties, and the cares are so immediately under the eye of Congress themselves, that it would be presumption. But I would observe, that to the account of the contingencies of this office, ought to be carried the expense not only of office rent, stationary, &c. but also fuel for Congress, printing of the journals, expresses sent by Congress, and the like. [472]

The chaplains of Congress receive, at present, at the rate of four hundred dollars each. If the office be necessary, it ought to be so supported as that the officers may be entirely attached to Congress, and accompany them in their changes, or fix at their permanent place of residence; whichever of these modes shall eventually be adopted, I have ventured to state their salaries at one thousand dollars each; perhaps I am still under the proper sum.

On the expense of the court of appeals I can say nothing, because I know not whether the continuance of it be necessary. But I should suppose, that if three gentlemen, well versed in the law of nations, were, from the tenure of their offices to be always with Congress (so as to be consulted and employed when the public service might require it) such an establishment would be continued, if the expense did not exceed the utility.

When all our accounts shall be settled, our debts either paid or properly funded, and things reduced to a peace establishment, the expenses of the Office of Finance may perhaps be reduced

about two thousand dollars, by taking away the salaries of the assistant and one clerk, and adding somewhat to that of the secretary; under the present circumstances I do not think the number of the officers can be lessened. The salary of the Superintendent has often been mentioned as very high. This is a subject on which I can speak with great plainness, and but for the disagreeable situation of things above mentioned, I should speak also without any personal reference. I humbly conceive, that the object of Congress is what it certainly ought to be, an enlightened economy. On the powers of the office I will say nothing here, because it would be misplaced. The expenses of it are and ought to be great. Until we can create new beings we must take mankind as they are; and not only so, but we must take them as they are in our own country. Now it is evident, that a certain degree of splendor is necessary to those who are clothed with the higher offices of the United States. I will venture to say, that without it, those officers do not perform one of the duties, which they owe to their masters; and I can say, also, from experience that a salary of six thousand dollars does not exceed the expense of that officer. I speak for my successor, or rather for my country. Neither the powers nor emoluments of the office have sufficient charms to keep me in it one hour after I can quit it, and I did hope that period would have arrived during the next month. Perhaps it may. If a man of fortune chooses to run the career of vanity or ambition, he will naturally wish the salaries of office to be low, because it must reduce the number of honest competitors. I say honest competitors, because those who would make a property of public trusts will always be indifferent as to the amount of salary, seeing that with such men it forms the smallest pecuniary consideration. When a liberal salary enables a man, not rich, to live in a style of splendor without impairing his private fortune, the show he makes and the respect attached to him really belong to the country he serves, and are among the necessary trappings of her dignity. Now it has always appeared to me that true economy consists in putting proper men in proper places; to which purpose proper salaries are a previous requisite. Here I shall pause, because the reflection occurs to my mind, that perhaps this, with many other propositions equally true, will never be duly felt until an opposite conduct shall lead to disagreeable conviction. If indeed it were my object to enforce this point, I should go no further than the past experience of Congress, and perhaps there might be room for some argument on the actual state of the Office of Foreign Affairs. The expenses of that office, as well as of the War Office, require only a reference to what has been just mentioned. The expenses of the Treasury Office cannot be curtailed, for before the present business can be lessened, that of our debt must come forward, and there must be some persons to manage it, although the great machinery at present employed will be unnecessary.

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For reasons of evident propriety, I say nothing on the establishment of our foreign servants, only recommending, that as little as possible be left to the article of contingencies. Because, if, on the one hand, it be just to compensate extraordinary and unexpected expenses for the public service, it is proper, on the other hand, to reduce within the closest limits of certainty, which the nature of things can permit, the amount of those burdens which the people must bear. And it ought to be remembered, that contingencies are generally speaking a kind of expenses, which though justified by necessity are unprovided for by express appropriation, and which therefore ought as much as possible to be avoided.

The last article is, expenses on collection of the revenue; and it is much to be lamented, that this is so heavy; not indeed the sum proposed in the estimate, which is trifling, but it will be found on examination, that the expense of collecting taxes in this country is greater than in almost any other; a serious misfortune, and which would certainly be provided against if the officers of the collection were nominated by authority of the United States; because then those principles of suspicion, which have already done so much and spoken so loudly, would soon fix upon a grievance, at present overlooked, because it forms part of the system favorable to withholding instead of collecting taxes. It has already been observed, that officers of the nature of receivers are necessary in the several States; it is here repeated, and experience will prove it. At the same time the committee will please to take notice, that the Loan officers are not included in the estimate; the reason of which is, that they can answer no purpose but the expense of the appointment, and the complicating of a system which ought to be simplified. An officer whose duty it is to urge collections, may do good if he performs that duty, but when it is a question of paying, means may be adopted, which will be more effectual, less expensive, and infinitely less liable to fraud. Not to mention that these means may be such as to avoid long and intricate accounts. In fact (and I hope, Sir, you will excuse the observation) there seems to have existed a solicitude how to spend money conveniently and easily, but little care how to obtain it speedily and effectually. The sums I have proposed as fixed salaries for these officers, may at first sight appear large, but if the office is to be at all useful it must be in the hands of a good man who can devote to it his whole time and attention, and who will neither by his private distresses nor by the scantiness of his stipend, be prompted to betray his trust, or abuse the confidence reposed in him.

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Before I close this letter, I will take the liberty further to mention to the committee, as a principal means of avoiding many disagreeable discussions relative to the present object, that the establishment of a mint, and due regulations of the post office, would soon supply the funds necessary to defray the expenses of our civil establishment. The former of these is entirely in the power of Congress, and I should suppose, that the States could have no reasonable objection to leave the revenue, which might arise from the second to the disposition of Congress for that purpose.

I pray you to excuse me, Sir, for troubling you with so long a letter, which I will not add to by making an apology; but assure you of the respect, with which I have the honor to be, &c.

PROPOSED EXPENSES OF THE CIVIL LIST.

<i>President of Congress</i> , his household,	\$10,000		
His private Secretary,	500		
	----		\$10,500
<i>Secretary of Congress</i> ,	3,000		
Two Clerks,	1,000		
Messenger,	300		
	----	4,300	
Contingencies; fuel, stationary, rent. &c.		750	
		----	5,050
<i>Chaplains of Congress</i> ,			2,000
<i>Three Judges of Appeals</i> , at 2250 dollars each,	6,750		
Contingencies during their sittings,	150		
	---		6,900

			24,450
<i>Superintendent of Finance</i> ,	\$6,000		
Assistant,	1,850		
Secretary,	1,000		
Clerks, three,	1,500		
Messenger,	300		
	----	\$10,650	
Contingencies,		750	
		----	11,400
<i>Minister of War</i> ,	6,000		
Two Clerks,	1,000		
Messenger,	300		
	----	7,300	
Contingencies,		500	
		----	7,800
<i>Minister of Foreign Affairs</i> ,	6,000		
Two Secretaries,	2,000		
Messenger,	300		
	----	8,300	
Contingencies,		500	
		----	8,800
<i>Controller of the Treasury</i> ,	1,850		
Auditor,	1,000		
Six Clerks,	3,000		
	----	5,850	
Register,	1,200		
Four Clerks,	2,000		
	----	3,200	
Treasurer,	1,500		
Clerk,	500		
	----	2,000	
Messenger,		300	

		11,350	
Contingencies,		1,000	
		----	12,350

			64,800
<i>Two Foreign Ministers</i> , at \$10,000 each,	20,000		
<i>Five Residents</i> , with Consular Powers, at 6,000,	30,000		
Contingencies,	10,000		
	----		60,000

Permanent expense,			124,800

Temporary Expense.

A Commissioner of accounts here, salary	1,500		
A Commissioner for settling old accounts in Europe, his clerks, contingent expenses, &c. suppose		\$10,000	
Two Clerks,	1,000		

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Contingencies,	250			

	2,750			
Multiply by	18			
	-----	49,500		
		-----	59,500	
			-----	\$184,300

TO THE PRESIDENT OF CONGRESS.

Office of Finance, March 17th, 1784.

Sir,

Permit me, through your Excellency, to call the attention of the United States to the situation of my department. During the last year, engagements were made to a very considerable amount for payment of the army. This payment was effected by notes which fell due the end of last year, and the commencement of this. The funds at my disposal were unequal to the discharge of them. I was, therefore, under the necessity of drawing bills on the credit of the loan in Holland. The information I had received from the gentlemen who had the management of it, gave me hopes that funds sufficient to discharge those bills were in their hands; for in the months of April, May, June and July, they had received and distributed obligations for one million one hundred and thirtysix thousand florins. But from causes, which will readily suggest themselves to Congress, that loan, which had taken a rapid start at the peace, began to decline in August and stood still during all November. It has happened, therefore, that bills to the amount of one million three hundred and twentyfive thousand florins, equal at the current exchange to five hundred and thirty thousand dollars, are protested for non-acceptance. Should they come back protested for non-payment, the consequences will be easily imagined. [479]

For about a month past I have been in the expectation, that this disagreeable event would happen, and whether it will or not is yet undetermined. My last advices from the gentlemen who have the management of the loan are in a letter of the 22d of December; by which they tell me, "we are sorry to be obliged to repeat, that since our last till the present moment, our prospects are not very much increased; however, we are not quite without hopes, and have determined, if we cannot do otherwise, to sacrifice some more premium to the undertakers, which if we do, we will charge to the account of the United States. We think ourselves fully authorised to do this by the circumstances; since without the bills going back, it is certain that, besides the disappointment and the discredit it would give to the government bills, the expenses attending the returns will be much more burdensome. We have almost no prospect of getting the money without such a sacrifice, and only hope it will answer your views." Enclosed you have the account current with those gentlemen, as sketched out by the register for information; by which it appears, that they had in their hands a balance of three hundred and fortyseven thousand seven hundred and seventy current guilders on the 31st of October last, and by the subordinate account, number five, it will appear, that my bills exceed that balance by one million five hundred and thirteen thousand two hundred and twentynine florins; but from this a deduction is to be made for some tobacco shipped to them, the account of sales whereof is not yet come to hand. They have, however, accepted of my bills beyond the amount of their funds, and still there are to the value of one million three hundred and twentyfive thousand florins protested for non-acceptance. In order, however, that Congress may possess as full a view of things as possible, I will suppose, for the present, that by making a sacrifice of premium the funds for discharging these bills may be obtained. I must also mention here, to obviate what might be suggested, that the remittances to Messrs Le Couteulx and Mr Grand will be found accounted for in their accounts, but time will not permit going into all those details at present. [480]

Supposing then the funds to be obtained for payment of these bills, the interest falling due the beginning of June next, will amount to two hundred thousand florins, equal at the current exchange to	\$80,000
By the enclosed state of payments just received from Mr Grand it will appear, that on the 5th of November, there is payable at his House the sum of one million six hundred thousand livres, equal at the current exchange to	320,000

	\$400,000

Thus you will find, that on the best supposition which can be made, there is to be paid in Europe during this year four hundred thousand dollars, over and above the salaries of foreign Ministers [481]

and their contingent expenses. There is also to be paid the further sum of one hundred thousand dollars, due in this country on engagements taken for the public service during the last and present year, besides notes in circulation, which may probably be absorbed by the taxes, between this and the 1st of May next. Thus there is a deficiency of half a million to be provided for by the taxes from the 1st of May, to which must be added sundry debts of the last year not yet adjusted, and which cannot therefore be estimated, but which may amount to between one and two hundred thousand dollars more. And to all this must be added the current expenses, which Congress will best be able to ascertain.

This, Sir, is a view of things upon the fairest side, but if the bills noted for non-acceptance come back, a scene will then be opened, which it is better for you to conceive than for me to describe. The delay of the States in passing the laws for granting revenue to fund our debts has left the above mentioned sum of four hundred thousand dollars totally unprovided for; and I cannot see the least probability that this general concurrence will be obtained in season to make that provision. I beg leave, therefore, to suggest the expedient that the produce of the requisitions for 1782 and 1783 be partly appropriated to that payment, and that the money be replaced from the proper funds when obtained. But whatever mode may be adopted, Congress will doubtless be struck with this truth, that unless the States can be stimulated into exertion, and that speedily, everything must fall into confusion. I will not pretend to anticipate the evil consequences. Having stated the facts I have done my duty.

I must, however, pray a moment's indulgence to mention, that the accounts of the last year would have been rendered by this time, but as I have not relinquished the hope of being able to quit this office soon, I have rather desired to be able to complete all the accounts of my administration. It will give me infinite pleasure, if, when I have the honor of presenting to Congress these accounts with my commission, I shall find them in circumstances as prosperous as those under which I accepted it were adverse.

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I am, Sir, &c.

ROBERT MORRIS.

TO JACOB READ, MEMBER OF A COMMITTEE OF CONGRESS.

Office of Finance, March 30th, 1784.

Sir,

I am to acknowledge the receipt of your favor of the 14th instant; which should have been done sooner, but that I have been much engaged, and indeed the accounts you ask for, and which are enclosed, required time to be completed. I shall expect the papers which relate to Mr Gillon by the first good opportunity.

With respect to the report of the committee, I cannot presume to say anything about it, unless it should be officially referred to me, which indeed would seem to be the regular mode of proceeding in matters of that sort, but I am far from desirous of such reference, and therefore if Congress are prepared to decide, I am perfectly content. So long as I am in their service I shall endeavor to carry their measures into effect.

I am perfectly in opinion with the committee, that the arrears should be demanded before new requisitions are made; and if I were to hint anything like advice, it should be that Congress state clearly the evils which arise from their inability to enforce the payments.

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The desire that Loan officers may issue certificates I have long known, and I know also, that it originates in a desire to elude actual by making nominal payments. However, it occurs to me that a mode might be fallen upon to conciliate this object with the public interest. I consider the Loan offices as a very unnecessary burden on the community, and I think they ought to be got rid of, for I am sure that the whole business might be better done at one tenth of the expense, besides the advantage of leaving no unsettled accounts behind. If the States will act with rigor and honesty on the present occasion, there would be no difficulty, I should suppose, in negotiating with the several banks to make actual effective payment. But you may be sure they will not undertake anything unless they have a solid reliance on the revenues. Now this is precisely what Congress ought to desire, for if they are prevailed on to cause the issue of paper money by their officers, the States may as heretofore neglect the means of redeeming it, and then all the blame falls upon Congress. Indeed they would well deserve it. For why need they attempt to accommodate the States in the manner proposed? Think you the Legislatures will be more solicitous to save the public faith than to quiet the clamors of their own citizens? For my part I am persuaded that they will not, and I cannot but think that an address to the public creditors, charging the fault where it is justly chargeable, would be more useful than mere temporary palliations of their distress. On the whole I think it best for Congress to adhere as much as possible to great outlines, and to avoid details. Those should be left to the Minister of Finance. If he is an able and honest man he will do well, and if the thing be well done all is right. If he be unequal to his duties, the blame of wrong measures will fall upon him. But if Congress do his work, then unless their work be more than humanly perfect, they will undoubtedly compromise

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themselves. I say these things to you in a conviction of the truth of what I say, and with a perfect indifference as to any personal considerations. If I can get out of office I will, and if I cannot I will never ask Congress for a confidence they do not wish to repose.

I am very much obliged, my Dear Sir, by your kind and confidential communication, and reply to it, as you see, with full confidence. If I were in a situation to converse with you on the state of our affairs, I should be glad to do it, but the limits of a letter will not permit the saying what is necessary on so extensive a subject. I find that Congress are in the habit of passing resolutions, which relate to my department, without a reference; I am sorry for it, because some of them are inconvenient to me, and others will I fear be found dangerous. However, they are the best judges of what is for the public interest, and therefore I shall avoid as much as possible all remonstrance.

I am, very sincerely, your most obedient, &c.

ROBERT MORRIS.

TO THOMAS JEFFERSON.

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Office of Finance, April 8th, 1784.

Sir,

I have received the letter which you did me the honor to write on the 30th of last month, for which I pray you to accept my thanks. The circular letter, a copy of which you enclosed, has my entire approbation, and I pray leave to assure the committee, that while I am favored with the firm support of Congress, I shall not shrink from the difficulties, however great, with which we are threatened.

The idea of applying to the banks for aid, is in itself a good one, but the present moment is unfavorable. The establishment of so many banks instead of aiding credit, and facilitating operations, will for some time to come have a contrary effect, and it is not without great difficulty, that they will each collect a capital sufficient to support its own operations. The struggle to get such capital, places these institutions in a degree of opposition to each other, injurious to them all. Without going more minutely into that part of the subject, I take the liberty to observe further, that as we had no mint established when the treaty of peace took place, and consequently no proper regulation of our coin, a great part of it was immediately exported, and the country being now laden with foreign goods, and having but little means of payment with produce, still farther exportations of coin will take place, especially if by the return of the public bills so great an additional remittance becomes necessary.

I shall leave all observations upon this matter to the good sense of the committee, and proceed to mention further, that if the abilities of the several banks were ever so great, we cannot rely much on their inclinations, unless their respective directors could clearly see a prospect of speedy reimbursement from the taxes. It is, therefore, a matter of much delicacy, to make any proposals to them on the part of government; for which and for other evident reasons, I pray leave to suggest the propriety of leaving all such negotiations to the Superintendent of Finance. That officer has already sufficient powers to do everything, except granting premiums for the loans proposed, and with respect to them, I am clearly of opinion, that none ought to be given; but if in the last necessity that step should be unavoidable, he may then apply for authority. This I conceive to be better than vesting him beforehand with such extensive power; for the committee will be pleased to observe, that as the laws of the several States have fixed the rate of interest, premiums on loans, which in their effect raise the rate of interest, would be exceptionable as well as odious. It is true, that the situation of affairs is very disagreeable, but it is better to bear up and struggle hard against present difficulties than lay the foundation of future evils.

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With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, April 29th, 1784.

Sir,

I do myself the honor to enclose for the consideration of Congress the extract of a letter from the commissioner for settling the accounts of Connecticut, together with the copy of a receipt which was enclosed in it, and the original of which is returned to the commissioner. Before I make any observations on this extract I take the present opportunity of explaining a part of my conduct,

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which has I know given some offence.

Previous to the acceptance of my office I was naturally led to examine the ground on which I should be brought to act. I clearly saw that great confusion had been introduced into the public affairs, not merely from defects in former plans, but from a great negligence in those to whom the execution had been committed. For although the general arrangements were in some respects defective, as is the case with all human institutions, yet those who were in any degree culpable had taken care to charge the fault on such deficiencies by way of excusing themselves. Congress will perceive at a single glance, that where boards or committees, perpetually changing, and whose members are not accountable, are charged with the superintendence of a general system, and the subordinate agents rendered accountable to them, it is vain to expect that steady, severe, and attentive administration, which can alone secure the public welfare. Experience had shown, that this radical evil produced shameful negligences in the executive departments, the mischiefs of which are felt at the present hour. Affairs were so complicated that it was hardly possible to say who was in fault; and while every individual officer took care to excuse himself the blame was placed on Congress; from whom of all others, if the future interests of America be consulted, it ought to be removed. The expense which attends the settlement of the old accounts is the least mischief which has resulted. [488]

This view of our situation rendered it necessary for me to stipulate, that I should be invested with ample powers, and induced, also, the determination to avoid as much as possible the employing of persons who had public accounts unsettled. My subsequent experience has shown, that if this determination had been universally adhered to, it would have tended much to the establishment of that regularity, which has constantly been kept in view. From frequent information I was convinced, that many of the loan officers had not conducted their business according to the modes prescribed, and had indeed neglected even to make those returns, which had been from the beginning required. This was an additional reason for placing the receipt of the continental taxes in other hands. And when it was considered, that these gentlemen would be constantly pressed for the payment of interest, that which was necessary in the case with some became proper with respect to all. This conduct, as has been already mentioned, gave offence to some, but as no regular accusation has ever been brought I shall go no farther into a defence of the measure; my object being as well to point at future operations as to explain the past.

I will not go into a detail of the modes formerly prescribed for keeping the Loan Office accounts. Suffice it to say, that very few of the officers have conformed to them. The instructions for settling the accounts are before Congress, and the enclosed extract shows that they cannot be effectually adhered to; and consequently that a principal object in the settlement of the accounts will not be effected. I pray leave, therefore, again to bring to the attention of Congress a report made on the 3d of September from the Office of Finance. Not that it is desired that the United States should adopt the resolution there proposed, but merely that it may serve as a groundwork on which to establish some Act which may prove effectual. [489]

It is perhaps a favorite object to keep up the establishment of the Loan offices, but I must on this occasion repeat what I have so often declared, that it is an expensive and a pernicious establishment, without being attended with a single good effect to compensate the mischiefs. I shall not, however, trouble Congress with my reasons on that subject, because I think it my duty to bear witness against them. I know the progress of all reformatations to be slow, and that experience is the most certain teacher.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, May 6th, 1784.

Sir,

In consequence of the resolutions of the 28th of April, and 2d of May, 1783, I have made the various engagements then in contemplation, and any late letters to Congress will show that some of those engagements to the amount of three hundred thousand dollars still remain to be fulfilled. Congress will be pleased also to observe that their late arrangements with respect to foreign officers, form an object of about fifty thousand dollars, including the grant of ten thousand to Baron Steuben. Notwithstanding this and the constant demands for current service, I am not without hopes that if all the bills on Holland be paid, I shall in the course of the summer be able to quit my station. Having been informed (though not officially) that Congress intend to adjourn in the beginning of next month, I am humbly to request that they would in such case be pleased to take eventual arrangements for administering their finances. And I am the more solicitous on this subject, lest through the want of such arrangements, some injury should happen to the public service when I retire. [490]

I hope Congress will indulge me also in mentioning, that no committee has been appointed to inspect into the conduct of my department. It would give me particular pleasure that measures

were taken on that subject also.

With respect, I have the honor to be, &c.

ROBERT MORRIS.

TO THE MARQUIS DE LAFAYETTE.

Office of Finance, May 19th, 1784.

Dear Sir,

By the opportunity which your friend, Mr Constable, offers, I now acknowledge the receipt of your several favors of the 26th of December, 10th of January, and 9th of March last. Accept, I pray you, of my sincere thanks for them all. I also enclose for your perusal the copies of my letters to Congress, of the 16th of April and of this date. To these I add their resolutions of the 3d instant, which will I hope prove agreeable to you. If I have not transmitted the copies of or extracts from your letters to Congress so soon as they were received, you must attribute it to circumstances which I, on the spot, could best judge of, and which is not worth while to mention. [491]

In pursuance of what I have just now said to Congress, I shall proceed to request your exertions for establishing a free port at the Isle of France or Bourbon. You will easily obtain sufficient information in Europe to direct your applications on this subject, and Mr Constable will, I think, be able to give you some useful information as to the consequences of it upon this country. I confess, that it appears to me to be the probable means of establishing at that port, the most extensive and useful commerce with India, that has ever yet existed. To France and to America it will be most particularly useful, because we shall trade freely and without risk to such port, and you will undoubtedly furnish us with all those articles of India goods, which we should otherwise go in search of to India, or procure from other nations. This will form an object of near twenty millions of livres annually, or calculating both the export and import cargoes, it will amount to about thirty millions, and consequently cannot be less than five millions clear advantage to France; and if it be considered, that this is so much taken from her commercial rival, we may estimate it as being an object of ten millions annually. Such being the importance of it with respect to America, what may we not calculate on for the other countries, who may incline to trade thither? But besides this great commercial consideration, there are others of a political nature; such as the increase of your seamen; the advantage of a place of arms, marine arsenal, &c. in that critical position. These I shall not dwell upon, because I do not wish to go out of my depth.

Returning then to a commercial view of the subject, I consider it as almost certain, that America would find it more advantageous to trade with that port than to go on to India; and hence I draw one very strong inference, that we should not only be by that means brought into a closer political connexion with France, but that France would hold a much larger share of all our other commerce, than she would without such an establishment. I will not trouble you with my reasons, because I think they will not escape you. But before I close my letter I must observe, that although this commerce may and undoubtedly will yield you a revenue, yet there is danger in beginning with revenue too soon. Let the port be first made free to all the world, and let good and intelligent commissioners or intendants be appointed to transmit information of the commerce carried on. If there be no duties, there will be no false entries; and thus in two or three years the Court will be able to act with their eyes open; and in the meantime the enriching of your own subjects is always of sufficient consequence, even if revenue be put entirely out of the question. If on the other hand you only free the port by halves, and leave it subject to duties and restrictions, the commerce may never take its course that way; and always remember, that the commission received by your merchants from such a commerce is alone of vast importance. [492]

I am, Sir, &c.

ROBERT MORRIS.

TO THE GOVERNOR OF RHODE ISLAND.

Office of Finance, June 21st, 1784.

Sir,

That my official existence has been prolonged to the present moment arises from the dilatoriness of the States in providing means to discharge those engagements, which I had taken for their benefit at the pressing instance of Congress. I hope your Excellency will believe me when I seriously assure you, that the greatest advocates for a change cannot more earnestly desire my dismissal than I myself do. I hope that their sincerity and mine will speedily be put to the trial. [493]

They, by granting money, and I by resigning, can best evince that our professions are founded in truth. Thus, Sir, it has happened, that the reasons for granting money to the Union have acquired an additional weight from considerations personal to me, and perhaps in the only way in which I could have given to them any efficacy.

Whatever sinister causes may have been suggested to invalidate my former applications, I humbly hope, that at this period my earnest entreaty to comply with the requisitions of Congress for funding the public debt will be considered as flowing from a conviction, that it is a measure necessary to the peace and happiness of our country. To me it can produce neither honor, nor power nor profit. The advantage I may derive will be common with all my fellow citizens, and I shall share, also, the burden in common with them. But the numerous class of sufferers in whose particular favor that burden is to be sustained, will, I hope, meet with an advocate in every bosom. Justice, policy, humanity, press the measure upon our feelings and reflection; and if it be objectionable, let it be considered how seldom any human plans are formed, to which objections may not be made. Our union, necessary as it is to our existence, is still liable to objections. And government, without which we cannot participate in the benefits of society, will always in something or other give room for clamor and discontent.

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I hope, Sir, this application from me will be at least excused. It is the last. It is the general result of what I feel to be my duty. Those who come after me will, I hope, have that influence, which I have not; and succeed where I have failed. But whether they succeed or whether they fail, they cannot more earnestly desire the good of America than I do.

I am, &c.

ROBERT MORRIS.

TO M. DE MARBOIS, CHARGÉ D'AFFAIRES FROM FRANCE.

Office of Finance, August 17th, 1784.

Sir,

I had yesterday the honor to receive your letter of the 15th, by which I perceive that you misunderstood me a little in the conversation alluded to. On that occasion, Sir, I expressed my intention to take arrangements for the payment of four hundred thousand livres, being the interest due in November next, upon the loan of ten million livres, guarantied by his Most Christian Majesty; but I could not have told you that they were actually taken, because that is not the fact. Indeed I did expect, that certain attachments which have been laid upon the property of the United States in France would have been taken off; and that in consequence of orders formerly given, Mr Grand would have received through Mr Barclay the necessary funds. Should this be the case he will pay that interest of course, having already done so last year, in pursuance of a general authority to that effect. If, however, the suspense occasioned by those attachments should cause any delay, the King's Ministers who were long ago informed of them, will doubtless excuse the inconveniences which may result from it. The arrangements now to be formed must be in a double sense eventual, and depend not only upon the fate of the attachments, but also upon the state of those funds, which may be in Europe at the disposition of the United States.

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I should be happy, Sir, in the opportunity of satisfying your desire, to be informed of the measures taken with respect to those sums, which the King was pleased to lend, and which (with the interest accruing thereon) are payable at the several epochas specified for the purpose in the conventions made on that subject, between our respective Ministers; but not having received the orders of the United States in Congress, I cannot presume to anticipate what they may think proper to say. I will immediately do myself the honor of transmitting to his Excellency, the President, a copy of your letter; and as I cannot doubt, that both those measures which they have already taken, and those which they may hereafter adopt, must be perfectly consistent with their honor, I shall indulge the hope, that they will meet the approbation of their august ally.

[496]

I have the honor to be, &c.

ROBERT MORRIS

TO THE PRESIDENT OF CONGRESS.

Office of Finance, September 30th, 1784.

Sir,

I had the honor of mentioning to Congress, upon the 4th of May, the advices then just received from Holland, and to pray their sentiments upon the loan, which Mr Adams had (upon a view of

all circumstances) found it necessary to open. I was the more anxious on this subject, as I saw a probability of the speedy completion of this loan for two millions of guilders, and therefore if not approved of, no time should have been lost in stopping the further progress.

Since writing that letter, I have received the scheme of the loan, and the copy of the obligation, both of which are here enclosed for the inspection and consideration of the United States in Congress. It is probable, that not only this loan, but also the former loan of five millions will both be filled before any determinations of Congress can arrive in Europe; for the concurrence of many States to the measures proposed by Congress, and the resolutions of several legislative bodies expressing their sense of the necessity of enabling the United States punctually and honorably to discharge their engagements have reanimated that credit, which for evident reasons had languished and died away.

The public accounts will sufficiently explain the situation of money matters, and the gentleman charged with the department of the finances will of course furnish such information as may from time to time be required; I shall not therefore go any further into the details of this business, but must express to Congress my opinion of the loan generally; and certainly, if we consider the very untoward circumstances in which it was undertaken, very great praise is due to the persons concerned in proposing, adopting, and pursuing it. This sentiment, which I have constantly felt has not been declared until the present moment, because no suspicion can now arise, that what I say, is dictated by a view to influence their future exertions, seeing that my political existence must be at an end before the contents of this letter can possibly be transmitted. [497]

I have invariably in my official correspondence, (as indeed upon every other occasion, both public and private) expressed the conviction which I feel, that however the several States may, from a difference in local circumstances, differ in their opinions about the mode of providing for public debts, all of them will concur in the just sentiment, that these debts ought to be most punctually discharged. There cannot, therefore, be any doubt, that the proper provisions will be made, and I am grounded in the assertion that when made, the public credit of America will be the best of any in the world, that it will cost less to maintain it by us, than by any other nation, and that considering the infant state of our cultivation in general, and the frontiers in particular, it is of more importance to us than it can be to any other country. It is also a commercial problem, which admits of absolute demonstration, that the punctual payment of interest on our debts will produce a clear annual gain of more than such interest can possibly amount to. So that the eternal and immutable principles of truth and justice, being for a moment out of the question, and stifling those sentiments of humanity, which arise from a view of what the public creditors must suffer, should their dues be withheld, (if indeed it be possible to stifle such sentiments,) still it will indisputably appear to be the interest of the merchant, as well as of the husbandman and mechanic, to pay their just proportions towards discharging the public engagements. For this plain and simple system of common honesty, while it invigorates the springs of our credit, strengthens also the bands of our union, proceeding with equal motion towards the public weal and private prosperity. [498]

That the labors of our great and glorious revolution may thus be crowned by the impartial hand of justice, and the last stone be thus placed in the arch of our extensive empire, is the ardent wish of your Excellency's most obedient, &c.

ROBERT MORRIS.

TO B. FRANKLIN.

Office of Finance, September 30th, 1784.

Dear Sir,

This is rather a late day to acknowledge your favors of the 25th of December and 15th of June last, but I have always intended in my acknowledgement of them to close our public correspondence, and I have always been disappointed in my expectation of being able speedily to quit this office. That period, however, so ardently desired, is at length nearly arrived, and while I look back on cares and dangers past, I feel an increased emotion of joy in the prospect of future hopes and expectations. But I cannot review the past scene without strong feelings of gratitude and respect for the able and active efforts, which you have made to support the finances of this country. I would to God that your just sentiments on property and taxation were as fully felt as they must be clearly understood in America; but time is as necessary to mellow the judgment of a country as of a man. Happy indeed shall we be if it produce that effect among us. [499]

I am much obliged by your explanation of M. Chaumont's accounts, which are lodged at the treasury. If any insinuations have been made injurious to you upon your connexion with M. Chaumont, they have not reached me, and I am persuaded that none such can make any impressions which ought to give you pain.

I have not remitted bills for the salaries of foreign ministers, because the resolutions of Congress having varied, and Mr Grand having informed me that he should pay them, I have left it as an account unsettled to be arranged by Mr Barclay. And as I cannot doubt that the attachments will

have been taken off, and as I have given Mr Grand a credit on the commissioners of the loan in Holland for four hundred thousand livres, and directed Messrs Le Couteux to pay over to him a balance in their hands, I have no doubt that he will be in cash for the purpose. I agree with you that a fund ought to be set apart for contingencies, and had I continued, and been supported in my administration, such a fund should certainly have been provided. I am at the same time an enemy to contingent accounts, and therefore I should have urged the ascertainment of every allowance as far as possible, thereby curtailing the account of contingencies. But after all, it cannot be annihilated. Congress have hitherto made no determination on this subject. Indeed it is very difficult, and even almost disreputable for them to make arrangements of expenditure, while the means of expenditure are so shamefully withheld by their constituents. These things, however, will mend, at least I hope so.

[500]

I have already said that I expected the attachments laid on the public goods would be discharged. Your letter to the Count de Vergennes on that subject is perfect, and if that minister did not immediately obtain a compliance with your request, I presume it must have been occasioned by some circumstances purely domestic, which we in this country cannot guess at, for certainly nothing can be more astonishing than to find a subject countenanced in arresting the property of a sovereign power in this enlightened age, and in the country, which of all others has been most eminent for a sacred regard to the rights of nations.

From your last letters to your friends, I find that your return to this country is somewhat doubtful; I am therefore disappointed in one of the greatest pleasures, which I had promised myself. But, Sir, in whatever country you may be, and whether in public or in private life, be assured of my warmest and most respectful esteem, and that my best wishes for your happiness shall be clothed with the utmost efforts in my power to promote it on every proper occasion.

I am, Sir, with perfect respect, &c.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

[501]

Office of Finance, September 30th, 1784.

Sir,

I do myself the honor to enclose for the inspection of Congress a copy of a letter of the 14th of last month from the Marquis de Lafayette; and with it I send the originals, which were delivered by him to me. The unexampled attention to every American interest, which this gentleman has exhibited, cannot fail to excite the strongest emotions in his favor, and we must at the same time admire the judgment which he has shown in the manner of his applications, as well as the industry in selecting proper materials. There can be little doubt, but that his interest at his own Court must always prove beneficial to this country, while the same cordiality shall continue which now subsists between him and the Venerable Plenipotentiary now resident at Passy.

I shall not hazard opinions upon the matters which have employed the attention of M. de Lafayette, as a negotiator from this country to that which gave him birth. It would be intruding sentiments which will suggest themselves. But while I feel the delicacy and perhaps the danger of asking from France the moderation or abolition of particular duties, thereby establishing a precedent for similar requests on her part, I hope Congress will pardon a wish prompted by the general interests of commerce, that the statement of all those duties might be translated and published, for the government of those who may form expeditions to those different ports now opened to us.

I have the honor to be, &c.

ROBERT MORRIS.

ADVERTISEMENT.

[502]

Philadelphia, October 11th, 1784.

The subscriber having taken measures to provide for the payment of his various engagements on behalf of the United States, and particularly for such of his notes as may be in circulation, gives this public notice to all who may be concerned therein, that although he be no longer in office, yet those notes will all be duly paid at maturity; and for such payment he hereby pledges himself personally to the holders, and therefore requests that if any attempt should be made to obtain them by any suggestions at less than the specified value, such attempts may be defeated.

ROBERT MORRIS.

TO THE PRESIDENT OF CONGRESS.

Office of Finance, November 1st, 1784.

Sir,

I have the honor of enclosing to your Excellency, and pray you will deliver to the United States in Congress, the commission by which I was appointed Superintendent of their Finances. It gives me great pleasure to reflect that the situation of public affairs is more prosperous than when that commission issued. The sovereignty and independence of America are acknowledged. May they be firmly established, and effectually secured. This can only be done by a just and vigorous government. That these States, therefore, may be soon and long united under such a government, is my ardent wish, and constant prayer.

With perfect respect, I have the honor to be, &c.

ROBERT MORRIS.

END OF THE TWELFTH VOLUME.

FOOTNOTES:

- [1] *November 3d.* This day, on the invitation of the Minister of France, I attended at the Romish Church at a *Te Deum*, sung on account of the capture of Lord Cornwallis and his army. Soon after arrived the colors taken by General Washington with that array, which were brought by Colonel Humphreys to Chester, there met by Colonel Tilghman, and thence conducted hither by those two Aid-de-Camps of the General. The city troop of light horse went out to meet them, and became the standard bearers, and twentyfour gentlemen, privates in that corps, carried each of them one of the colors displayed. The American and French flags preceding the captured trophies, which were conducted down Market street to the Coffee House, thence down Front to Chestnut street, and up that street to the State House, where they were presented to Congress, who were sitting; and many of the members tell me, that instead of viewing this transaction as a mere matter of joyful ceremony, which they expected to do, they instantly felt themselves impressed with ideas of the most solemn nature. It brought to their minds the distresses our country has been exposed to, the calamities we have repeatedly suffered, the perilous situation, which our affairs have almost always been in; and they could not but recollect the threats of Lord North, that he would bring America to his feet on unconditional terms of submission. *Diary.*
- [2] *January 7th.* This day the National Bank of North America opens to transact business. This institution I am persuaded will flourish under the management of honest men and honest measures. The present directors are such men, and the present system of measures are founded in principles of justice and equity. Therefore, I shall most cheerfully assist all in my power, to establish and support this Bank. And as a beginning, I have this day issued my warrant on the treasury for two hundred thousand dollars in part of the shares, which I have subscribed, on behalf of the public. *Diary.*
- [3] *January 26th.* In consequence of the information received from Mr Thomas Paine, of the intentions of some officers to promote a general application by way of memorial to General Washington, respecting their pay, I sent for him and had a long conversation on various matters of a public nature. He observed, that his services to the public had rather been neglected. I told him I could wish his pen to be wielded in aid of such measures, as I might be able to convince him were clearly calculated for the service of the United States; that I had no views or plans but what were meant for the public good, and that I should ask no man's assistance on any other ground; that it was true I had nothing in my power at present to offer, as a compensation for his services, but that something might turn up, and that I should have him in my mind.—*Diary.*

The following record is also contained among Mr Morris's papers, in his own hand writing, dated February, 1782.

"Having lately had several meetings with Mr Thomas Paine, the writer of a pamphlet, styled *Common Sense*, and of many other well known political pieces, which, in the opinion of many respectable characters have been of service to the cause of America, I thought this gentleman might become far more serviceable to the United States by being engaged to write in the public newspapers in support of the measures of Congress and their Ministers. My assistant, Mr Gouverneur Morris, is clearly of the same opinion, and in all our conferences with him, we have pointedly declared, that we sought the aid of his pen only in support of upright measures and a faithful administration in the service of our country. We disclaim private or partial views, selfish schemes or plans of any and every kind. We wish to draw the resources and powers of the country into action. We wish to bring into the field an army equal to the object for which we are at war. We wish to feed, clothe, move, and pay that army as they ought to be done, but we wish also to effect these on such terms as may be least burdensome to the people, at the same time that the operations shall be every way effective.

"Having these for our objects we want the aid of an able pen to urge the Legislatures of the several States to grant sufficient taxes; to grant those taxes separate and distinct from those levied for State purposes; to put such taxes, or rather the money arising from them, in the power of Congress, from the moment of collection;

"To grant permanent revenues for discharging the interest on debts already contracted, or that may be contracted;

"To extend by a new confederation the powers of Congress, so that they may be competent to the government of the United States and the management of their affairs;

"To prepare the minds of the people for such restraints and such taxes and imposts, as are absolutely necessary for their own welfare;

"To comment from time to time on military transactions, so as to place in a proper point of view the bravery, good conduct, and soldiership of our officers and troops, when they deserve applause, and to do the same on such conduct of such civil officers or citizens, as act conspicuously for the service of their country.

"Finding Mr Paine well disposed to the undertaking, and observing that General Washington had twice in my company expressed his wishes, that some provision could be made for that gentleman, I took an opportunity to explain my design to the General, who agreed entirely in the plan. I then communicated the same to Mr Robert R. Livingston, Secretary of Foreign Affairs, and proposed that he should join me in this business, by furnishing from his department such intelligence, as might be necessary from time to time to answer such useful purposes for which Mr Paine is to write; and in order to reward this gentleman for his labors, and enable him to devote his time to the service of the United States, it was agreed to allow him eight hundred dollars a year, to be paid quarterly. But it was also agreed, that this allowance should not be known to any other persons than those already mentioned, lest the publications might lose their force if it were known that the author is paid for them by government."

- [4] *March 27th.* Having determined to draw bills on Mr Grand at Paris, for five hundred thousand livres, under such limitations and conditions as must secure the payment, the Minister of France being absent, I consulted M. de Marbois, *Chargé d'Affaires*, read to him my letter to Dr Franklin, explained my plan, and finally had his approbation, so far as he is authorised. This gentleman also communicated to me the Minister's letters to the Court, so far as they related to our finances, and I found them to breathe the true spirit of attachment and friendship to America. *Diary.*
- [5] *May 13th.* This day the Chevalier de la Luzerne had a public audience of Congress, when he announced the birth of the Dauphin of France. I attended at the ceremony, being admitted into the Congress hall within the bar, and I took my place next to the members of Congress, the left of the President, the Minister of Foreign Affairs and the Minister of War next to me. We stood during the whole ceremony, as well also the President and Council of the State of Pennsylvania. When the ceremony was ended, Mr Livingston, General Lincoln, Mr Gouverneur Morris and myself, went to his Excellency, the Minister of France, to pay our compliments. Afterwards we repaired to the City Tavern to an entertainment ordered by Congress, thence to an exhibition of fireworks at the State House, and then to an entertainment given by the Secretary of Foreign Affairs. *Diary.*
- [6] *May 20th.* This evening I met Mr Madison, Governor Rutledge, Mr Clymer, Mr Lovell, and Mr Root, the Committee of Congress appointed to confer with me on the subject of my letter to Congress of the 17th instant, enclosing an intended circular letter to the States. I laid before these gentlemen a true picture of our present situation, but after much conversation, they appeared to be disinclined to sending the circular letter, and I proposed sending suitable persons to the several States, to make proper representations to the Executives and Legislatures, which they seemed to prefer, and on which they are to consult and report tomorrow morning. *Diary.*
- [7] There appears to be an error in adding up this sum, viz. 74,000 and 72,000, amount to 146,000.
- [8] Receiver of the Continental taxes for the State of New York.
- [9] *August 1st.* This day many people expected that my engagements to supply the Paymaster General with money to discharge the notes, which, under that engagement he had issued to the officers of the army on account of their pay, would be broken, and, consequently, that my public credit would be lost, and a train of evils, easy to be conceived, ensue to the United States. But having warranted Mr Pierce, the Paymaster General, to give his notes in February last to all the officers of our army, viz. to all subalterns for the amount of three months' pay, that is, for January, February, and March, 1782, I have for some time past been providing for the performance of this engagement, and to accomplish it, have been distressed in a variety of channels. When this engagement was taken, it was at the pressing instance of the Commander in Chief, and to enable the officers to clothe themselves, which they could not have done without that seasonable aid. At the time this engagement was made, I had a right to expect that four millions of dollars would be paid into the treasury of the United States; as, agreeable to the requisitions of Congress, two millions were to be paid on the 1st day of April, and two millions on the 1st day of July. Instead of receiving those sums, I have not to this hour received fifty thousand dollars on account thereof, and have, therefore, been compelled to raise this money by selling bills of exchange on France. Upon sending for Mr Pierce's return of the notes I issued, I find they amount to one hundred and forty thousand two hundred and sixtysix dollars; of which Mr Sands is possessed of thirtynine thousand, which he has delivered up on my paying part of the amount now, and part to be paid a short time hence, which leaves to be provided for about eightyfive thousand nine hundred and fortysix dollars; and as this debt will be punctually paid, it leaves only

an unprovided balance of fifteen thousand three hundred and twenty dollars, which I think will be ready before payment is demanded; so that the hopes and expectations of the malicious and disaffected will in this instance be disappointed. *Diary*.

[10] *August 29th.* Mr Duane, Arthur Lee, Abraham Clark, and Samuel Osgood, a Committee of Inquiry, came this morning and proceeded in their business. They desired me to make out an account of all the moneys that have come into my hands, and those which I have paid. They asked the reasons for employing Mr Swanwick, and proceeded in other parts of their inquiry until the hour for going to Congress arrived. They inquired into the reasons for appointing Receivers of Continental taxes in each State, and Mr Clark expressed doubts of my authority to make those appointments. I therefore produced the Acts of Congress of the 3d of November, 1781, which satisfied him on that point. I informed the Committee, that my reasons for making new appointments, in preference to employing the Loan officers, were first, the Loan officers have not settled their accounts with the United States, and some of them have long accounts depending; secondly, although some of them may be fit, all are not; thirdly, had the money paid by the States, for the current expenses of the year, been put into the hands of the Loan officers, the people entitled to the interest on Loan Office certificates, issued by these gentlemen, would have been very clamorous for payment. They would not have entered into, or admitted the distinction of moneys granted for revenue or for current expenses of the year. *Diary*.

[11] *September 3d.* This day I requested a Committee of Congress for a conference. Mr Rutledge, Mr Osgood, and Mr Madison, were appointed, and I proposed to them to present the seventyfour gun ship, America, to his Most Christian Majesty; who has lately lost *Le Magnifique*, a seventyfour gun ship, in the harbor of Boston. The Committee were unanimously of opinion with me, that this unfortunate incident afforded Congress an opportunity of showing a mark of the sincerity of their attachment to their ally, by enabling his Minister to continue the force of his fleet at a time when it could not otherwise be done. Besides the propriety which there is in showing this mark of attachment and gratitude to his Most Christian Majesty, I have several other strong and pointed reasons, which induced me to propose and always to support this measure. The want of money in our treasury to fit, equip, and man this ship, is amongst the number. *Diary*.

[12] See this contract in the *Secret Journal of Congress*, Vol. III. p. 273.

[13] *March 12th.* This morning arrived the ship Washington, Captain Barney, with despatches from our Ministers in Paris, and with six hundred thousand livres in cash, on account of the United States, in consequence of my order in October last;—and this day also appeared a virulent attack on my public and private character, signed *Lucius*, in the Freeman's Journal, replete with falsehoods.—*Diary*.

[14] *April 29th.* This morning when I received the book from the office of the Secretary of Congress, in which the Acts of Congress that respect this department are entered every day, I perceived that the committee who had conferred with me respecting my continuance in office after the last day of next month had not reported the whole of the conversation which passed, and that the report as entered on the Journals of Congress, mistakes the sense of what passed on my part. I, therefore, wrote a note to Mr Osgood, informing the committee that they had misconstrued my sentiments. He soon called, and upon my repeating some material parts of the conversation, he acknowledged they had been omitted. I requested him to call the committee together again, but he said they had made their report, and are dissolved, but he would immediately return to Congress, have my note to him read, and move to have the report of the committee expunged from the Journals. *Diary*.

[15] Requesting Mr Morris's continuance in office.

[16] *May 13th.* Mr Gorham and Mr Hamilton, two members of a committee of Congress for conferring with the Secretary of War, the Secretary of Foreign Affairs, and myself, relative to disbanding the army, met this morning. I opened the business, and stated very fully the necessity of disbanding the army, in order to get clear of an expense, which our resources are unequal to, and which cannot be supported many months at any rate, but which, if continued any longer, will consume the only means now left for making a payment to the army when disbanded. The gentlemen of the committee seemed perfectly satisfied of the necessity of disbanding the army on principles of economy, but opposed to it on principles of policy, in which the Secretary of Foreign Affairs joins with them. The Secretary at War said little, and I related an observation which he had made to me a few days before in favor of disbanding the army directly, viz.; that they would not continue in the field under their present enlistments, if the war were to break out again; but that in such a case we must begin entirely anew. The conclusion of the conference is, that I am to state the reasons resulting from the situation of our finances, which induce an immediate disbanding of the army, in writing to the committee. *Diary*.

[17] The proportions are as follows:

South Carolina	1-1
Rhode Island nearly	1-4
Pennsylvania above	1-5
Connecticut and }	
New Jersey } each about	1-7
Massachusetts, about	1-8
Virginia about	1-12
New York and }	
Maryland } each about	1-20
New Hampshire, about	1-121

North Carolina, }
Delaware and } nothing at all.
Georgia }

Transcriber's note:

Variations in spelling, punctuation and hyphenation have been retained except in obvious cases of typographical error.

The cover for the eBook version of this book was created by the transcriber and is placed in the public domain.

Omitted words, shown as blank spaces in the original, have been transcribed as dashes (—) in the following cases:

Page 59: As I am not positively instructed that this loan has succeeded, I do not venture to draw bills on you; but in case you shall be in cash for the United States, which I expect will happen, you will pay to Messrs — & Co., for account of John Ross, the sum of two hundred thousand livres; to Messrs Le Couteulx & Co., for account of William Bingham, one hundred thousand livres, and to John Holker, for account of John Holker fils, the sum of one hundred thousand. From each of these persons you will take quadruplicate receipts, in the form following; "Received of —, banker, by order of the Superintendent of the Finances of the United States of North America, on behalf of — the sum of — being so much paid by the said States to him, the said — for which I have signed four receipts, all of this tenor and date. Done in Paris this — day of — 178 —." You will be pleased, Sir, to forward to me three of the copies by different opportunities.

Page 62: in my letter of the — last

Page 62: the invoice sent in my letter of the — last

Page 63: the — last, because I feel a conviction

Page 66: 1782 is — dollars, payable

Page 258: by the time Mr — reaches the Havana

Page 259: that Mr —'s bills be protested

Page 397: from a tour — have been making

"... the subject of paying all balances ..."

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