

**CIRCULAR-LETTER FROM CONGRESS TO THEIR CONSTITUENTS,
13 September 1779**

Friends and Fellow-Citizens:

In governments raised on the generous principles of equal liberty, where the rulers of the state are the servants of the people, and masters of those from whom they derive authority, it is their duty to inform their fellow-citizens of the state of their affairs, and by evincing the propriety of public measures lead them to unite the influence of inclination to the force of legal obligation in rendering them successful. This duty ceases not, even in times of the most perfect peace, order, and tranquillity, when the safety of the commonwealth is neither endangered by force or seduction from abroad, nor by faction, treachery, or misguided ambition from within. At this season, therefore, we find ourselves in a particular manner impressed with a sense of it, and can no longer forbear calling your attention to a subject much misrepresented, and respecting which dangerous as well as erroneous opinions have been held and propagated,— we mean your finances.

The ungrateful despotism and inordinate lust of domination which marked the unnatural designs of the British king and his venal Parliament to enslave the people of America, reduced you to the necessity of either asserting your rights by arms or ingloriously passing under the yoke. You nobly preferred war. Armies were then to be raised, paid, and supplied; money became necessary for these purposes. Of your own there was but little; and of no nation in the world could you then borrow. The little that was spread among you could be collected only by taxes, and to this end regular governments were essential; of these you were also destitute. So circumstanced, you had no other resource but the natural value and wealth of your fertile country. Bills were issued on the credit of this bank, and your faith was pledged for their redemption. After a considerable number of these had circulated, loans were solicited, and offices for the purpose established. Thus a national debt was unavoidably created, and the amount of it is as follows:

Bills emitted and circulating	\$159,948,880
Moneys borrowed before the 1st of March, 1778, the interest of which is payable in France	7,545,19667/90
Moneys borrowed since the 1st of March, 1778, the interest of which is payable here	26,188,909
Money due abroad, not exactly known, the balances not having been transmitted, supposed to be about	4,000,000

For your further satisfaction, we shall order a particular account of the several emissions, with the times limited for their redemption, and also of the several loans, the interest allowed on each, and the terms assigned for their payment, to be prepared and published.

The taxes have as yet brought into the treasury no more than \$3,027,560; so that all the moneys supplied to Congress by the people of America amount to more than 36,761,665 dollars and 67-90ths, that being the sum of the loans and taxes received. Judge then of the necessity of emissions, and learn from whom and from whence that necessity arose.

We are also to inform you that on the first day of September instant we resolved, "that we would on no account whatever emit more bills of credit than to make the whole amount of such bills two hundred millions of dollars"; and as the sum emitted and in circulation amounted to \$159,948,880, and the sum of \$40,051,120 remained to complete the two hundred million above mentioned, we on the third day of September instant further resolved, "that we would emit such part only of the said sum of 40,051,120 dollars as should be absolutely necessary for public exigences before adequate supplies could otherwise be obtained, relying for such supplies on the exertions of the several States."

Exclusive of the great and ordinary expenses incident to the war, the depreciation of the currency has so swelled the prices of every necessary article, and of consequence made such additions to the usual amount of expenditures, that very considerable supplies must be immediately provided by loans and taxes; and we unanimously declare it to be essential to the welfare of these States, that the taxes already called for be paid into the Continental treasury by the time recommended for that purpose. It is also highly proper that you should extend your views beyond that period, and prepare in season as well for bringing your respective quotas of troops into the field early the next campaign, as for providing the supplies necessary in the course of it. We shall take care to apprise you from time to time of the state of the treasury, and to recommend the proper measures for supplying it. To keep your battalions full, to encourage loans, and to assess your taxes with prudence, collect them with firmness, and pay them with punctuality, is all that will be requisite on your part. Further ways and means of providing for the public exigences are now under consideration, and will soon be laid before you.

Having thus given you a short and plain state of your debt, and pointed out the necessity of punctuality in furnishing the supplies already required, we shall proceed to make a few remarks on the depreciation of the currency, to which we entreat your attention.

The depreciation of bills of credit is always either natural, or artificial, or both. The latter is our case. The moment the sum in circulation exceeded what was necessary as a medium in commerce, it began and continued to depreciate in proportion as the amount of the surplus increased; and that proportion would hold good until the sum emitted should become so great as nearly to equal the value of the capital or stock on the credit of which the bills were issued. Supposing, therefore, that \$30,000,000 was necessary for a circulating medium, and that \$160,000,000 had issued, the natural depreciation is but little more than as 5 to 1; but the actual depreciation exceeds that proportion, and that excess is artificial. The natural depreciation is to be removed only by lessening the quantity of money in circulation. It will regain its primitive value whenever it shall be reduced to the sum necessary for a medium of commerce. This is only to be effected by loans and taxes.

The artificial depreciation is a more serious subject, and merits minute investigation. A distrust, however occasioned, entertained by the mass of the people, either in the ability or inclination of the United States, to redeem their bills, is the cause of it. Let us inquire how far reason will justify a distrust in the ability of the United States.

The ability of the United States must depend upon two things: first, the success of the present revolution; and, secondly, on the sufficiency of the natural wealth, value, and resources of the country.

That the time has been when honest men might, without being chargeable with timidity, have doubted the success of the present revolution, we admit; but that period is passed. The independence of America is now as fixed as fate, and the petulant efforts of Britain to break it down are as vain and fruitless as the raging of the waves which beat against her cliffs. Let those who are still afflicted with these doubts consider the character and condition of our enemies. Let them remember that we are contending against a kingdom crumbling into pieces; a nation without public virtue, and a people sold to and betrayed by their own representatives; against a prince governed by his passions, and a ministry without confidence or wisdom; against armies half paid and generals half trusted; against a government equal only to plans of plunder, conflagration, and murder—a government, by the most impious violations of the rights of religion, justice, humanity, and mankind, courting the vengeance of Heaven, and revolting from the protection of Providence. Against the fury of these enemies you made successful resistance, when single, alone, and friendless, in the days of weakness and infancy, before your hands had been taught to war or your fingers to fight. And can there be any reason to apprehend that the Divine Disposer of human events, after having separated us from the house of bondage, and led us safe through a sea of blood towards the land of liberty and promise, will leave the work of our political redemption unfinished, and either permit us to perish in a wilderness of difficulties, or suffer us to be carried back in chains to that country of oppression, from whose tyranny he hath mercifully delivered us with a stretched-out arm?

In close alliance with one of the most powerful nations in Europe, which has generously made our cause her own, in amity with many others, and enjoying the good-will of all, what danger have we to fear from Britain? Instead of acquiring accessions of territory by conquest, the limits of her empire daily contract; her fleets no longer rule the ocean, nor are her armies invincible by land. How many of her standards, wrested from the hands of her champions, are among your trophies, and have graced the triumphs of your troops? And how great is the number of those who, sent to bind you in fetters, have become your captives, and received their lives at your hands? In short, whoever considers that these States are daily increasing in power; that their armies have become veteran; that their governments, founded in freedom, are established; that their fertile country and their affectionate ally furnish them with ample supplies; that the Spanish monarch, well prepared for war, with fleets and armies ready for combat, and a treasury overflowing with wealth, has entered the lists against Britain; that the other European nations, often insulted by her pride, and alarmed at the strides of her ambition, have left her to her fate; that Ireland, wearied with her oppressions, is panting for liberty; and even Scotland displeased and uneasy at her edicts;—whoever considers these things, instead of

doubting the issue of the war, will rejoice in the glorious, the sure, and certain prospect of success. This point being established, the next question is, whether the natural wealth, value, and resources of the country will be equal to the payment of the debt.

Let us suppose, for the sake of argument, that, at the conclusion of the war, the emissions should amount to 200,000,000; that, exclusive of supplies from taxes, which will not be inconsiderable, the loans should amount to 100,000,000, then the whole national debt of the United States would be 300,000,000. There are at present 3,000,000 of inhabitants in the thirteen States; three hundred millions of dollars, divided among three millions of people, would give to each person one hundred dollars; and is there an individual in America unable, in the course of eighteen or twenty years, to pay it again? Suppose the whole debt assessed, as it ought to be, on the inhabitants in proportion to their respective estates, what then would be the share of the poorer people? Perhaps not ten dollars. Besides, as this debt will not be payable immediately, but probably twenty years allotted for it, the number of inhabitants by that time in America will be far more than double their present amount. It is well known that the inhabitants of this country increased almost in the ratio of compound interest. By natural population they doubled every twenty years; and how great may be the host of emigrants from other countries, cannot be ascertained. We have the highest reason to believe the number will be immense. Suppose that only ten thousand should arrive the first year after the war, what will those ten thousand, with their families, count in twenty years' time? Probably double the number. This observation applies with proportionable force to the emigrants of every successive year. Thus, you see, great part of your debt will be payable, not merely by the present number of inhabitants, but by that number swelled and increased by the natural population of the present inhabitants, by multitudes of emigrants daily arriving from other countries, and by the natural population of those successive emigrants, so that every person's share of the debt will be constantly diminishing by others coming to pay a proportion of it.

These are advantages which none but young countries enjoy. The number of inhabitants in every country in Europe remains nearly the same from one century to another. No country will produce more people than it can subsist; and every country, if free and cultivated, will produce as many as it can maintain. Hence we may form some idea of the future population of these States. Extensive wildernesses, now scarcely known or explored, remain yet to be cultivated, and vast lakes and rivers, whose waters have for ages rolled in silence and obscurity to the ocean, are yet to hear the din of industry, become subservient to commerce, and boast delightful villas, gilded spires, and spacious cities rising on their banks.

Thus much for the number of persons to pay the debt. The next point is their ability. They who inquire how many millions of acres are contained only in the settled part of North America, and how much each acre is worth, will acquire very enlarged, and yet very inadequate ideas of the value of this country. But those who will carry their inquiries further, and learn that we heretofore paid an annual tax to Britain of three millions sterling in the way of trade, and still grew rich; that our commerce was then confined to her; that we were obliged to carry our commodities to her market, and consequently sell them at her price; that we were compelled to purchase foreign commodities at her stores, and on her terms, and were forbid to establish

any manufactories incompatible with her views of gain; that in future the whole world will be open to us, and we shall be at liberty to purchase from those who will sell on the best terms, and to sell to those who will give the best prices; that as the country increases in number of inhabitants and cultivation, the production of the earth will be proportionably increased, and the riches of the whole proportionably greater;—whoever examines the force of these and similar observations, must smile at the ignorance of those who doubt the ability of the United States to redeem their bills.

Let it also be remembered that paper money is the only kind of money which cannot “make to itself wings and fly away.” It remains with us, it will not forsake us, it is always ready and at hand for the purpose of commerce or taxes, and every industrious man can find it. On the contrary, should Britain, like Nineveh (and for the same reason), yet find mercy, and escape the storm ready to burst upon her, she will find her national debt in a very different situation. Her territory diminished, her people wasted, her commerce ruined, her monopolies gone, she must provide for the discharge of her immense debt by taxes, to be paid in specie, in gold, or silver, perhaps now buried in the mines of Mexico or Peru, or still concealed in the brooks and rivulets of Africa or Hindostan.

Having shown that there is no reason to doubt the ability of the United States to pay their debt, let us next inquire whether as much can be said for their inclination. Under this head three things are to be attended to:

1st. Whether, and in what manner, the faith of the United States has been pledged for the redemption of their bills.

2d. Whether they have put themselves in a political capacity to redeem them; and

3d. Whether, admitting the two former propositions, there is any reason to apprehend a wanton violation of the public faith.

1st. It must be evident to every man who reads the journals of Congress, or looks at the face of one of their bills, that Congress have pledged the faith of their constituents for the redemption of them. And it must be equally evident, not only that they had authority to do so, but that their constituents have actually ratified their acts by receiving their bills, passing laws establishing their currency, and punishing those who counterfeit them. So that it may with truth be said that the people have pledged their faith for the redemption of them, not only collectively by their representatives, but individually.

2d. Whether the United States have put themselves in a political capacity to redeem their bills, is a question which calls for more full discussion.

Our enemies, as well foreign as domestic, have laboured to raise doubts on this head. They argue that the Confederation of the States remains yet to be perfected; that the Union may be dissolved, Congress be abolished, and each State, resuming its delegated powers, proceed in

future to hold and exercise all the rights of sovereignty appertaining to an independent state. In such an event, say they, the Continental bills of credit, created and supported by the Union, would die with it. This position being assumed, they next proceed to assert this event to be probable, and in proof of it urge our divisions, our parties, our separate interests, distinct manners, former prejudices, and many other arguments equally plausible and equally fallacious. Examine this matter.

For every purpose essential to the defence of these States in the progress of the present war, and necessary to the attainment of the objects of it, these States now are as fully, legally, and absolutely confederated as it is possible for them to be. Read the credentials of the different delegates who composed the Congress in 1774, 1775, and part of 1776. You will find that they establish a Union for the express purpose of opposing the oppressions of Britain, and obtaining redress of grievances. On the 4th of July, 1776, your representatives in Congress, perceiving that nothing less than unconditional submission would satisfy our enemies, did, in the name of the people of the Thirteen United Colonies, declare them to be free and independent States; and “for the support of that declaration, with a firm reliance on the protection of Divine Providence, did mutually pledge to each other their lives, their fortunes, and their sacred honour.” Was ever confederation more formal, more solemn, or explicit? It has been expressly assented to, and ratified by every State in the Union. Accordingly, for the direct support of this declaration, that is, for the support of the independence of these States, armies have been raised, and bills of credit emitted, and loans made to pay and supply them. The redemption, therefore, of these bills, the payment of these debts, and the settlement of the accounts of the several States, for expenditures or services for the common benefit, and in this common cause, are among the objects of this Confederation; and, consequently, while all or any of its objects remain unattained, it cannot, so far as it may respect such objects, be dissolved consistently with the laws of God or man.

But we are persuaded, and our enemies will find, that our Union is not to end here. They are mistaken when they suppose us kept together only by a sense of present danger. It is a fact, which they only will dispute, that the people of these States were never so cordially united as at this day. By having been obliged to mix with each other, former prejudices have worn off, and their several manners become blended. A sense of common permanent interest, mutual affection (having been brethren in affliction), the ties of consanguinity daily extending, constant reciprocity of good offices, similarity in language, in governments, and therefore in manners, the importance, weight, and splendour of the Union,—all conspire in forming a strong chain of connection, which must for ever bind us together. The United Provinces of the Netherlands, and the United Cantons of Switzerland, became free and independent under circumstances very like ours; their independence has been long established, and yet their confederacies continue in full vigour. What reason can be assigned why our Union should be less lasting? or why should the people of these States be supposed less wise than the inhabitants of those? You are not uninformed that a plan for the perpetual Confederation has been prepared, and that twelve of the thirteen States have already acceded to it. But enough has been said to show that for every purpose of the present war, and all things incident to it, there does at present exist a

perfect solemn confederation, and therefore, that the States now are, and always will be, in political capacity to redeem their bills, pay their debts, and settle their accounts.

3d. Whether, admitting the ability and political capacity of the United States to redeem their bills, there is any reason to apprehend a wanton violation of the public faith?

It is with great regret and reluctance that we can prevail upon ourselves to take the least notice of a question which involves in it a doubt so injurious to the honour and dignity of America.

The enemy, aware that the strength of America lay in the union of her citizens and the wisdom and integrity of those to whom they committed the direction of their affairs, have taken unwearied pains to disunite and alarm the people, to depreciate the abilities and virtue of their rulers, and to impair the confidence reposed in them by their constituents. To this end, repeated attempts have been made to draw an absurd and fanciful line of distinction between the Congress and the people, and to create an opinion and a belief that their interests and views were different and opposed. Hence the ridiculous tales, the invidious insinuations, and the whimsical suspicions that have been forged and propagated by disguised emissaries and traitors in the garb of patriots. Hence has proceeded the notable discovery, that as the Congress made the money they also can destroy it, and that it will exist no longer than they find it convenient to permit it. It is not surprising that in a free country, where the tongues and pens of such people are and must be licensed, such political heresies should be inculcated and diffused; but it is really astonishing that the mind of a single virtuous citizen in America should be influenced by them. It certainly cannot be necessary to remind you, that your representatives here are chosen from among yourselves; that you are, or ought to be, acquainted with their several characters; that they are sent here to speak your sentiments, and that it is constantly in your power to remove such as do not. You surely are convinced that it is no more in their power to annihilate your money than your independence, and that any act of theirs for either of those purposes would be null and void.

We should pay an ill compliment to the understanding and honour of every true American, were we to adduce many arguments to show the baseness or bad policy of violating our national faith, or omitting to pursue the measures necessary to preserve it. A bankrupt, faithless republic would be a novelty in the political world, and appear among reputable nations like a common prostitute among chaste and respectable matrons. The pride of America revolts from the idea; her citizens know for what purpose these emissions were made, and have repeatedly plighted their faith for the redemption of them; they are to be found in every man's possession, and every man is interested in their being redeemed; they must therefore entertain a high opinion of American credulity who suppose the people capable of believing, on due reflection, that all America will, against the faith, the honour, and the interest of all America, be ever prevailed upon to countenance, support, or permit so ruinous, so disgraceful a measure. We are convinced that the efforts and arts of our enemies will not be wanting to draw us into this humiliating and contemptible situation. Impelled by malice and the suggestions of chagrin and disappointment at not being able to bend our necks to their yoke, they will endeavour to force or seduce us to commit this unpardonable sin, in order to subject us to the punishment

due to it, and that we may henceforth be a reproach and a byword among the nations. Apprized of these consequences, knowing the value of national character, and impressed with a due sense of the immutable laws of justice and honour, it is impossible that America should think without horror of such an execrable deed.

If, then, neither our ability nor inclination to discharge the public debt is justly questionable, let our conduct correspond with this confidence, and let us rescue our credit from its present imputations. Had the attention of America to this object been unremitting, had taxes been seasonably imposed and collected, had proper loans been made, had laws been passed and executed for punishing those who maliciously endeavoured to injure the public credit,—had these and many other things equally necessary been done, and had our currency, notwithstanding all these efforts, declined to its present degree of depreciation, our case would indeed have been deplorable. But as these exertions have not been made, we may yet experience the good effects which naturally result from them. Our former negligences, therefore, should now animate us with hope, and teach us not to despair of removing, by vigilance and application, the evils which supineness and inattention have produced.

It has been already observed, that in order to prevent the further natural depreciation of our bills, we have resolved to stop the press, and to call upon you for supplies by loans and taxes. You are in capacity to afford them, and are bound by the strongest ties to do it. Leave us not, therefore, without supplies, nor let in that flood of evils which would follow from such a neglect. It would be an event most grateful to our enemies; and, depend upon it, they will redouble their artifices and industry to compass it. Be, therefore, upon your guard, and examine well the policy of every measure and the evidence of every report that may be proposed or mentioned to you before you adopt the one or believe the other. Recollect that it is the price of the liberty, the peace, and the safety of yourselves and posterity that now is required; that peace, liberty, and safety, for the attainment and security of which you have so often and so solemnly declared your readiness to sacrifice your lives and fortunes. The war, though drawing fast to a successful issue, still rages. Disdain to leave the whole business of your defence to your ally. Be mindful that the brightest prospects may be clouded, and that prudence bids us be prepared for every event. Provide, therefore, for continuing your armies in the field till victory and peace shall lead them home; and avoid the reproach of permitting the currency to depreciate in your hands when, by yielding a part to taxes and loans, the whole might have been appreciated and preserved. Humanity as well as justice makes this demand upon you. The complaints of ruined widows, and the cries of fatherless children, whose whole support has been placed in your hands and melted away, have doubtless reached you; take care that they ascend no higher. Rouse, therefore; strive who shall do most for his country; rekindle that flame of patriotism which, at the mention of disgrace and slavery, blazed throughout America and animated all her citizens. Determine to finish the contest as you began it, honestly and gloriously. Let it never be said, that America had no sooner become independent than she became insolvent, or that her infant glories and growing fame were obscured and tarnished by broken contracts and violated faith, in the very hour when all the nations of the earth were admiring and almost adoring the splendour of her rising.

By the unanimous consent of Congress,

John Jay, *President*.

Philadelphia, Sept. 13, 1779.

1. This letter was prepared by Mr. Jay, at the request of Congress, September 8, 1779, to accompany the resolutions of that body of the 1st and 3d inst., "for stopping the further emission of bills of credit."

The Correspondence and Public Papers of John Jay, ed. Henry P. Johnston, A.M. (New York: G.P. Putnam's Sons, 1890-93). Vol. 1 (1763-1781).