[XXXVth YEAR.] THE [No. 1708.]

MARYLAND GAZETTE.

FRIDAY, OCTOBER 1, 1779.

CIRCULAR LETTER *from the* CONGRESS *of the* UNITED STATES *of* AMERICA *to their* CONSTITUENTS.

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 not the 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, or by faction, treachery, or miſguided ambition from within. At this ſeaſon, therefore, we find ourſelves in a particular manner impreſſed with a diſcloſe of it, and can no longer forbear calling your attention to a ſubject much miſrepreſented, and miſconſtruing 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 to be had 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:

	Dollars.
Bills emitted and circulating,	159,948,880
Monies borrowed before the 1ſt of March 1778, the intereſt of which is payable in France,	7,345,196 67/90
Monies 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 monies ſupplied to congreſs by the people of America, amount to no more than 36,761,665 dollars and 7-90ths, 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 ſums emitted and in circulation amounted to 159,948,880 dollars, and the ſum of 40,051,120 dollars remained to compleat the two hundred millions 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 exigencies before adequate ſupplies could otherwiſe be obtained, relying for ſuch ſupplies on the exertions of the ſeveral ſtates."

Excluſive of the great and ordinary expences 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 exigencies 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 encreaſed; 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 five to one: 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 enquire how far reaſon will juſtify a diſtruſt in the *ability* of the United States.

The ability of the United States muſt depend on 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 their 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 from your hands? In ſhort, whoever conſiders that theſe ſtates are daily encreaſing 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 ſuplies; 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 by 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 reſource 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 million of dollars divided among three million 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 would then 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 inhabitans of this country encreaſed 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 encreaſed 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 in 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 can produce more people than it can ſubſiſt, and ſo