

**Thomas Jefferson to George Washington, June 6, 1793, from The Works of Thomas Jefferson in Twelve Volumes. Federal Edition. Collected and Edited by Paul Leicester Ford.**

**TO THE PRESIDENT OF THE UNITED STATES J. MSS.**

June 6, 1793.

Sir, —I cannot but think that, to decline the propositions of Mr. Genet on the subject of our debt, without assigning any reason at all would have a very dry and unpleasant aspect indeed. We are then to examine what are our good reasons for the refusal, which of them may be spoken out, & which may not. 1. Want of confidence in the continuance of the present form of government, and consequently that *advances* to them might commit us with their successors. This cannot be spoken out. 2. Since they propose to take the debt in produce, it would be better for us that it should be done in moderate masses yearly, than all in one year. This cannot be professed. 3. When M. de Calonne was minister of finance, a Dutch company proposed to buy up the whole of our debt, by dividing it into actions or shares, I think Mr. Claviere, now minister of finance, was their agent. It was observed to M. de Calonne that to create such a mass of American paper, divide it into shares, and let them deluge the market, would depreciate them, the rest of our paper, and our credit in general. That the credit of a nation was a delicate and important thing & should not be risked on such an operation, M. de Calonne, sensible of the injury of the operation to us, declined it. In May, 1791 there came, thro' Mr. Otto, a similar proposition from Schweizer, Jeanneret & co. We had a representation on the subject from Mr. Short, urging this same reason strongly. It was referred to the Secretary of the Treasury, who in

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a letter to yourself assigned the reasons against it, and these were communicated to Mr. Otto, who acquiesced in

them. This objection then having been sufficient to decline the proposition twice before, & having been urged to the two preceding forms of government (the antient & that of 1791) will not be considered by them as founded in objections to the present form. 4. The law allows the whole debt to be paid only on condition it can be done on terms *advantageous* to the U S. The minister foresees this objection & thinks he answers it by observing the *advantage* which the payment in *produce* will occasion. It would be easy to shew that this was not the sort of advantage the legislature meant, but a *lower rate of interest*. 5. I cannot but suppose that the Secretary of the Treasury much more familiar than I am with the money operations of the treasury would on examination be able to derive practical objections from them. We pay to France but 5. per cent. The people of this country would never subscribe their money for less than 6. If to remedy this, obligations at less than 5. per cent were offered & accepted by Mr. Genet, he must part with them immediately at a considerable discount to indemnify the loss of the 1. per cent: and at a still greater discount to bring them down to par with our present 6. per cent: so that the operation would be equally disgraceful to us & losing to them &c. &c. &c.

I think it very material myself to keep alive the friendly sentiments of that country as far as can be done without risking war, or double payment. If the instalments falling due this year can be advanced, without incurring those dangers, I should be for doing it. We now see by the declaration of the Prince of Saxe-Cobourg on the part of Austria & Prussia that the ultimate point they desire is to restore the constitution of 1791. Were this even to be

done before the pay-days of this year there is no doubt in my mind but that that government (as republican as the present except in the form of it's executive) would confirm an advance so moderate in sum & time. I am sure *the nation* of France would never suffer their government to go to war *with us* for such a *bagatelle*, & the more surely if that bagatelle shall have been granted by us so as to *please* and not to *displease the*

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*nation*; so as to keep their affections engaged on our side. So that I should have no fear in advancing the instalments of this year at epochs convenient to the treasury. But at any rate I should be for assigning reasons for not changing the form of the debt. These thoughts are very hastily thrown on paper, as will be but too evident.