BY 1780 the financial situation of Pennsylvania, like that of most of the States, was becoming desperate. The paper money of 1775–6–7 having rapidly depreciated, the folly of a paper money policy prevented further issues until, early in 1780, an emission of one hundred thousand pounds funded on public land of the State—the so-called “island money”—was voted. Almost simultaneously with the new notes came the Forty-for-One Act of the Continental Congress, March 18, 1780, providing for the issue of new Continental notes and the redemption of the earlier bills at a ratio of forty for one. Although the general belief was that Congress had acted wisely, everywhere there was an element, its small degree of faith in the government shaken, grumbling at the redemption of the Continental notes at so depreciated a rate and carrying their hostility over to the State notes as well. Paper money suffered, in Pennsylvania as elsewhere, a marked unpopularity; farmers, with the bitter experience of the Continental money in mind, were loath to accept the new State issues. The wealthier among them, it was reported to Joseph Reed, President of the Supreme Executive Council, were quietly moving their cattle over the mountains to prevent seizure and payment in State paper. Even had the legislature been inclined, it seemed useless to attempt to meet financial needs with new issues of paper.

To meet the obligations of the State by taxation was equally impossible. Tax laws, fairly low in Pennsylvania, were systematically avoided. “A most unhappy Delinquency in the collection of publick Taxes has prevailed,” wrote President Reed, 1 counselling the commissioners of the counties to make an effort to establish a more efficient system of sending their returns to the State treasury. “The Treasury has been for some time in a most disgraceful Situation,”

1 Pennsylvania Archives, Series 1, VII. 217.
he wrote to the commissioners of Chester County. \(^2\) "The People of
the Country inform that they have made considerable payments.
We request you to make diligent Inquiry where the Monies stop and
if the Collectors or any other Persons interested are found turning
the publack Monies to private Profit, let such unworthy Characters
be known. However, we hope this is rather surmise than Fact, and
that on Inquiry it will be found the Delinquency to have proceeded
rather from Indolence than Design or Fraud." To Washington,
however, he admitted that the real cause of Pennsylvania's empty
treasury lay not with the dilatory methods of the tax collectors but
with the unwillingness of many of the people to be taxed. "The long
disuse of taxes and their natural unpalatableness have embarrassed
the business exceedingly," he wrote, \(^3\) "and Tories, grumbling
Whigs, and party have all thrown their aid to increase the discon-
tent." He was unpleasantly aware that some people, if pressed too
hard to pay taxes, would refuse to support the State at all.

Money from the sale of confiscated Tory property, later a lucra-
tive source of income, was not yet a substantial part of the State's
revenue. The embargo on provisions, to keep them in the colony,
cut off the West Indian trade in wheat and flour and the hard money
which might otherwise have been coming in. How the government
was to get funds was an increasingly serious problem.

Demands on the State were unceasing. From the western counties
came insistent pleas for men and equipment to protect the frontier
from threatening Indian ravages; from the Continental Congress
one call after another for money and supplies. On May 19, 1780,
Congress asked for $1,796,950 to be paid by June 15. Washington's
frequent letters to Reed contained piteous demands for help. Con-
ditions in the army grew steadily worse, officers and men unpaid,
the supply of food constantly more meagre, until the soldiers went
for days without meat and desertions became numerous—"not less
than forty-seven from my Brigade last month," wrote General
Irvine to Reed on May 2. \(^4\)

The legislature, trying to meet the crisis, took as drastic action as
it dared. A limited tariff was laid on imports; martial law was

\(^2\) Pennsylvania Archives, Series 2, III. 394.
\(^3\) Reed, Life of Joseph Reed, II. 210.
\(^4\) Pennsylvania Archives, Series 1, VII. 225.
declared and a process of seizure of provisions temporarily authorized to meet the most immediate demands of the hungry soldiers. There were many supplies, however—"Cloathing, Ammunition, Arms, Artillery, for the Defense of the City and other Military Stores," wrote Reed to Robert Morris—which must come from outside the State. To purchase them, hard money was essential, and hard money could be procured only by borrowing. May 29, 1780, the legislature passed a resolution declaring that, since it was "highly reasonable that Posterity should bear a proportion of the expenses which have already accumulated upon us with considerable inconvenience," it was advisable to borrow money for the present needs of the State. Authority was vested in the president and vice president in council, together with the speaker of the house, to borrow two hundred thousand pounds in specie at a rate of interest of not more than five per cent, payable after ten years.

Early in July the council acted. "The Hon'ble James Searle, Esq'r, one of the delegates of this State in the Hon'be the Continental Congress of the United States of North America, late Chairman of the Commercial Committee of the said Congress, one of the Trustees of the University of the said State, and Lieutenant Colonel of the Militia thereof was directed to leave immediately for Europe, to visit "such countries or states as you shall judge most likely to favour your views and negotiate with any public bodies, private companies or individuals" for a loan of two hundred thousand pounds sterling. A long list followed of supplies which were to be bought from the fund—blankets, hose, boots, material for overcoats and uniforms, buttons, thread, muskets, horse pistols, powder, writing paper, razors, knives and forks, cannon, oil flints, beaver hats for officers, and regimental felts for the men. A portion of the money was to be sent directly to the State, another portion to be invested in goods "profitable and useful" such as linens, woolens, tea, to be sold for the State. Searle was to consider also the advisability of chartering vessels for the despatch of the articles he purchased.

Only a portion of Searle's correspondence on his European mis-

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*Ibid., IX. 311.*  
*Ibid., VIII. 276.*  
*Pennsylvania Archives, Series 4, III. 768.*  
*Ibid., 770.*
sion remains, but from the letters which have been preserved it is comparatively simple to reconstruct his attempts to secure money and supplies in Europe. He sailed without delay, choosing with care a large and well equipped vessel, the *Jay*, a "Letter of Marque, carrying 18 Nines and Six Carronades," which seemed to him—and justifiably, as the results show—a much safer vessel than that on which Henry Laurens was preparing to sail for the Netherlands. September 1, 1780, found Searle safely arrived at Brest, having been "entirely free from sickness the whole passage," he wrote happily to Joseph Reed. His first action was to go to Paris to confer with Franklin about the possibility of help from France.

As a radical in the Continental Congress and a member of the recently active committee of thirteen to investigate the conduct of the commissioners abroad, Searle had been led to entertain suspicions of Franklin and his relationship to Silas Deane and the other hangers-on of the American embassy at Paris. As soon as he was among them, he examined Franklin's associates with a careful eye, finding much to arouse his suspicions, and he warned Franklin to beware. Franklin, who liked Searle and was accustomed from his long association with the Lees and Izard to such admonitions, received the rebuke patiently. "I hope your fears that there may be Arnolds at Paris are groundless," he wrote Searle. "But in such times, one cannot be too much on one's guard and I am obliged to you for the caution."

But although he treated Searle in friendly fashion, Franklin, disapproving of State loans as handicaps to the attempts of the Continental Congress to borrow in Europe, made it apparent that there was little to be gained by lingering in Paris. Searle proceeded to Amsterdam, carrying an introduction from Franklin to Dumas, the

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10 *The Pennsylvania Magazine of History and Biography*, XIX. 399.

11 *Pennsylvania Archives*, Series 1, VIII. 514.

American propagandist agent in Holland, requesting that he treat Pennsylvania's envoy cordially and present him to the Portuguese ambassador. From Joseph Reed, Searle had also brought a note of introduction to John Adams, then in residence at Amsterdam for the purpose of borrowing money for the Continental Congress. The first meetings with Adams were discouraging. Adams, having tried without success for several months to carry out his mission, had become convinced that the United States did not have as many friends in Holland as some had been led to assume. In November, shortly after Searle's arrival, Adams wrote that he had "neither procured any money or obtained the least hope of obtaining any. I have hitherto entertained hopes of obtaining something, but these hopes are all at an end."\textsuperscript{13} Professions of friendship to America turned out to be "nothing more than little adulations to procure a share in our trade . . . Americans find here the politeness of the table and a readiness to enter into their trade . . . but the public finds no disposition to offer any assistance."\textsuperscript{14} Fear of England, on the one hand, and the lack of decisive victories by the United States, on the other, paralyzed the public friendliness of the Dutch republic.

Searle, with less experience in European rebuffs, was more sanguine. Securing letters of introduction wherever he could, he made a determined attempt to borrow money from the Dutch bankers. John de Neufville and Son, most favorable of all Amsterdam houses to American interests, took up his cause, making inquiries for him, introducing him to various concerns. The results were no more encouraging than Adams had predicted. The Dutch were afraid of England, afraid of the expression her wrath might take if they became involved in the revolt of America. From de Neufville and Son Searle could secure all the supplies he needed, if he could borrow the money to make the purchases—but the money could not be found.

Still hopeful that a short time would produce a change in the Dutch attitude, Searle retraced his steps to Paris where he found Franklin no more willing to aid him than he had earlier been. His suspicions fully aroused, he wrote to Joseph Reed in February of

\textsuperscript{13} Adams, John, \textit{Works}, VII. 328.
\textsuperscript{14} \textit{Ibid.}, 342.
1781 a long and bitter account of the conduct of American affairs at the court of France:15

... the baneful influence that the conversation of the disappointed, mortified, and schemeing G. has upon the minds of many people here ... This man has the countenance and protection of C to a very great degree by which means he is attended to and he is doing the greatest injury to Sixteen in every company he can get admittance to.

There are others also who make no scruple to treat the councils of Sixteen with every possible insult and misrepresentation, I mean a certain Doctor Bancroft who does it openly at the public table of C. Mr. Cha-m-t the great patron of O has also become outrageous and open mouthed against the measures of AZ which he represents and calls wicked and vilanous and has even threatened to expose as he terms it their base conduct to the world. All this is done in the most open manner at the place of residence of C. I find Mr. C the declared Enemy of private state loans and have therefore not been able to get any assistance or the offer of any thro that Channel, and the two Persons above mentioned, I mean G and Bancroft, are using every means in their power to counteract the public as well as private loans which loans if effected thro any other than a particular channel would interfere with their connection in the Publick supply of our Army, etc. Alas, sir, there are I fear Arnolds in France natives of America.

Only one ray of hope appeared—Congress, dissatisfied with Franklin's recent failure to secure money, was sending John Laurens as a special envoy. There “never was a moment in my opinion,” Searle declared,16 “when the interests of America so much required a faithful, honest, firm and well informed Servant in France as the present.”

Determined to leave no stone unturned to secure aid, even without the sanction of Franklin, he entered into negotiations with the Farmers General who had earlier made contracts with the Continental Congress. Their attitude towards dealing with a State he found to be one of “doubt and disconfidence.” The American form of government was incomprehensible to them. The Continental Congress declared itself the agent of the united colonies, yet the colonies as individuals, without support or cooperation from Congress, seemed able to transact public business. So long as the Continental Congress remained the authority recognized by the court of France, the Farmers General found it impossible to deal through

15 This letter, printed in Reed, Life of Joseph Reed, II. 455, is in the Joseph Reed Papers. The names in code apparently are: C—Franklin; G—Deane; Sixteen—the United States; AZ—Congress.
16 Ibid.
any other agency. They would lend money, to be secured through shipments of tobacco, but only if the agent of the Congress underwrote the contract.

With the Fournisseurs Generaux, the Company of Lyons, which outfitted the King's armies, Searle found the same difficulty. The Company of Lyons was willing to do business with him—and on better terms than the Farmers General had offered—but, again, only if the contracts had been endorsed by an agent of the Continental Congress. "We only know the Congress," he was formally told. He wrote to Reed, asking that Pennsylvania get authorization from Congress for its loan and that Franklin be ordered to back his contracts, but no action was taken.

By late March of 1781, Searle despaired. His health was suffering; he had had heavy personal losses while his partners attended to his mercantile affairs; his mission seemed hopeless. He made another journey into Holland, however, to study the Dutch situation. He found Adams still pessimistic, certain that it would be at least twelve months before Holland recognized American independence and that no loans would be made prior to public recognition. Searle delayed in Amsterdam until August of 1781. Confident by then that Pennsylvania could get no aid in Europe, he left by boat to return to France where he planned to take ship for America. For six weeks his boat beat about the North Sea, finally landing in Spain. From there he proceeded to L'Orient where news reached him in November that Pennsylvania, relying on his earlier letters that foreign aid was practically impossible for a State, had decided upon his recall.

Searle's failure to secure the loan he desired was no reflection upon himself, nor upon Franklin and Adams who he felt had been less eager to help him than they might have been. Neither France nor Holland, the only two countries which were showing any considerable evidences of friendship to the Americans, would, in 1780, deal with the envoy of a State. Neither, in fact, was at that time particularly willing to lend money to the Continental Congress. It was 1782 before Adams secured his loan in Holland; the reluctance of France to lend further funds was, partially, at least, the reason for John Laurens' special mission to Paris in 1781. In the confused state of American affairs prior to August, 1781, when Searle ceased
asking for aid, there was still too little hope of American success to make the lending of money a profitable investment for European bankers. The attempts on the part of the States to borrow only complicated the general difficulty of Congress. Virginia, Maryland, Connecticut, and South Carolina, as well as Pennsylvania, tried to float loans in European countries, but prior to 1782 and news of the victory at Yorktown, only Virginia had attained any degree of success. Searle was doomed to failure before he left Philadelphia. Thomas Barclay, in Amsterdam a year later sounding out possibilities of a loan, wrote home that “Mr. Searle happened to be here at a time when the negotiation of a loan was absolutely impracticable.”

The mission to Europe was not only an unpleasant episode in Searle’s life, but the turning point as well in his mercantile career. One of the most prosperous of Philadelphia business men prior to the Revolution, part owner of several ships, agent for his brother’s firm, John Searle and Co. of Madeira, as well as the promoter of many ventures on his own behalf, he had thrown himself into the revolutionary movement with a speed unusual among the conservative business men of the middle colonies. As one of the Philadelphia radicals, he was prominent in city affairs, a manager of the United States lottery, officer in the Pennsylvania militia, and a generous subscriber to the Continental loans. A letter from Benjamin Rush to Searle reveals Searle’s Revolutionary motto: “He cannot be a good Whig unless he grows poor during the war.” Searle gave generously both of time and money, leaving his business affairs in the hands of his partners and agents in Madeira, London, and Philadelphia, while he worked for the Revolution. In November, 1778, he was elected to the Continental Congress where he remained, one of the most active of its members, until his appointment as Pennsylvania’s agent to Europe. Hardly had he reached Europe when disastrous reports of his partners’ business mistakes began coming to him. His letter of March 2, 1781, to Reed reveals that by an unfortunate transaction in India he had lost eighteen thousand pounds. The letter of January 4, 1782, discloses still further disasters in the

17 *Pennsylvania Archives*, Series i, IX. 564.
loss of considerable amounts of property at Pondicherry and St. Eustatia. To James Ritchie in Glasgow, brother of Searle's brother-in-law, Robert Ritchie, he was forced to admit, May, 1781, that any help which could be offered the fatherless children of Robert Ritchie in America would be welcome, for the heavy losses of the past few years made it impossible for him (Searle) to provide for them as he had hoped and planned.

Then the mails from America brought news that Mrs. Searle, to whom the tone in his letters was one of deepest devotion, had died during his absence. For a time he contemplated remaining in unhappy desolation at Bordeaux or Marseilles, gathering up the small remains of his fortune and accepting whatever commissions might be offered him from America. He conferred with his brother's house in Madeira, but John Searle and Company, too, was hard hit by the American war, the debts owed in America amounting to thousands of pounds. To add to Searle's embarrassment, Pennsylvania seemed reluctant to pay the expenses of his unsuccessful mission. Eight thousand dollars, Pennsylvania currency, was paid him March 11, 1782, for his services as delegate to Congress, but to secure a full accounting for his period as an envoy in Europe was more difficult.

He returned home to look after his interests, the future uncertain and unpleasant. With all his personal misfortunes, however, his patriotic interest in the American cause never lessened. "Oh, may we become truly sensible," he wrote to Elias Boudinot, "of the blessings we have received as a nation and a highly favored nation. A revolution so stupendous and so important effected in a little more than seven years and so firmly established exceeds all creditability and will fill with wonder the historic page of America." Nor did he feel that his difficulty in securing the remaining money due him from the State was evidence of its lack of appreciation of his services but rather the result of party spirit in the Assembly—"the ingratitude and inimical conduct of some designing and bad men had deprived me of that return which in justice would have been made to me." 

20 List of Balances, March, 1783; H. S. P.
21 Gratz Manuscripts; H. S. P.
22 Searle to Boudinot, Bordentown, March 25, 1783.
23 Idem.
For a time he thought of going to Madeira where he had lived in his youth for sixteen years—perhaps as American consul, should the United States think it advisable to station a representative there—but he was reluctant to leave until he had secured an accounting from Pennsylvania. In retirement at Long Branch, he settled down, where "with a small Farm, a good Garden, my Gun, and my books," he was poor, but reasonably content to wait for the recognition and repayment Pennsylvania owed him. A letter, November 16, 1784, to William Moore, recently elected to Pennsylvania Assembly, rehearses his activities:

I feel myself, my dear Sir, much hurt by the many fruitless attempts I made in the course of the past year to procure an investigation of the claims I have against the state of Pennsylvania. As you are one of those who are well acquainted with the disinterested zeal with which I have served that state, may I not hope, Sir, that you will do me the favour to endeavour to have the subject of my claims brought before the present Honorable House of Assembly. On the 22nd of November, 1783, a message was sent from the Honorable Council to the House respecting this business, but for want of a single vote in the house to move that a committee might be appointed on the business, nothing was done.

When it became evident that the group in power in Pennsylvania would block all his claims, he went back to commerce, executing such commissions as he could secure in New York and New Jersey, but with no return of his former prosperity. In 1787, an unfortunate transaction reduced him to a state where he expected bankruptcy and prison, but in the succeeding year his affairs at last took a turn for the better with his appointment as American agent to a Madeira firm which allowed him one thousand pounds per annum as well as additional opportunity to handle cargoes from India on commission. Back in residence in Philadelphia for the first time since he departed for Europe in 1780, he remained there until his death during a yellow fever epidemic in 1797.

He was a man, said James Lovell, who in the Continental Congress reckoned him as friend, of great knowledge—knowledge of American State affairs, knowledge of commerce, and knowledge of the science of mankind, gained through the extensive travels of his

24 Searle to Reed, Long Branch, N. J., July, 1783.
25 Searle to Moore, New York, November 16, 1784; H. S. P.
26 Searle to John Searle and Co., Bordentown, September 6, 1787; H. S. P.
youth. And, added Joseph Reed, a man of "unshaken Attachment to the Liberties of America and faithful Discharge of his Duty as a Delegate for this State in Congress." Those tributes remain, regardless of his failure as the envoy of the State of Pennsylvania to the countries of Europe.

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Pennsylvania Archives, Series 1, VIII. 399.