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The Papers of Robert Morris, 1781-1784, Volume I: February 7-July 31, 1781 by Robert Morris; E. James Ferguson

Review by: R. A. Ryerson

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cies because the theories are seldom made explicit, nor are they confronted with relevant empirical evidence. The alleged link between political pressure and economic conditions is merely a contention.

The book would have been better without Chapter 1, which is an unfortunate and considerable distraction from what follows. It is primarily a critical evaluation of previous studies of colonial monetary history and of applications of the quantity theory of money to that period. But much of this discussion is quite beside the point with respect to the issues raised in the remainder of the book. Moreover, the criticisms are hardly profound. For instance, we are warned of the futility of trying to correlate paper money, prices, and exchange rates during the colonial period. However, Ernst's criticisms of attempts to correlate money and prices is little more than the observation that velocity is unstable and empirically difficult (or impossible in this case) to measure and that money typically has been defined too narrowly. Explanations of exchange rate movements, as he rightly points out, require an analysis of the overall balance of payments, including capital flows, British military expenditures in the colonies, and the like, but this too, is elementary to anyone familiar with economic theory. In later sections where Ernst attempts to support his explanations of exchange rate movements, he fails to muster any hard evidence and simply offers miscellaneous contemporary statements on trade and credit conditions. Ironically, much of the criticism he levies in Chapter 1 on earlier works, ultimately applies to his own study.

In spite of the amateurish economic analysis, the qualitative evidence on business activity, trade, and credit conditions may prove useful to some, and there is a welcome addition to the historical record given in Appendix II. There Ernst gives several time series of exchange rates between sterling and various colonial currencies for a number of years.

Overall, the findings lend support to the view that British bungling and indecisiveness hardened the stance for independence in the colonies. Clearly political factors were important, but unfortunately we still do not know to what extent political activity was motivated by economic forces.

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**THE PAPERS OF ROBERT MORRIS, 1781-1784, Volume I: February 7-July 31, 1781. Edited by E. James Ferguson. Pittsburgh, University of Pittsburgh Press, 1973. Pp. xlix + 437. \$17.50.**

Reviewed by R. A. Ryerson  
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The popular tradition that Robert Morris financed the American Revolution with his private fortune, remarks Professor E. James Ferguson in his lucid introduction to the financier's papers, fails to convey "his contribution to American development, which was of a higher level of significance. . . . Nor does it suggest the authority he exercised in the country's affairs during the closing years of the Revolution, when his influence was probably greater than that of any other man except Washington" (xvii).

This first of a projected sixteen volumes of the projects, instructions, and correspondence of America's first Superintendent of Finance con-

firms this argument in an especially effective way. The papers of Washington, Jefferson, and John Adams flesh out several already very detailed portraits of their subjects. Robert Morris has yet to receive so full a consideration. Moreover, while neither the scholar nor the layman considers war, party politics, or diplomacy in the Revolutionary era beyond his understanding, the intricacies of credit and debit, specie and paper, bills of exchange, taxes, requisitions in kind, foreign and domestic loans, and a national bank are more trying. To understand each is a challenge in itself; to comprehend their relationship to the statesmanship of nation building, one must have access to a very full collection of the plans and acts of America's first financial architects, and the services of a knowledgeable guide.

The publication of the papers of Robert Morris during his tenure as Superintendent of Finance must, then, prove gratifying to students of early American business, banking, military finance and supply, civil-military relations, diplomacy and, not least, national politics and statesmanship. The editors present every item by, to, or from Morris of a more than purely private significance, including many letters never before printed. This comprehensive, well-organized collection affords the non-specialist, for the first time, a full sense of Morris's reasons for accepting the post of Superintendent, the conditions under which he took office, and his goals and methods in financing the future of an independent America and in uniting that America through finance.

Congress appointed Robert Morris Superintendent because, having overextended its credit and exhausted every source of voluntary loans, it needed a miracle worker. With his great fortune, vast financial knowledge, international business contacts, and ardent patriotism, Morris was the logical choice. Nor did he disappoint Congress: by funding all prior debts, persuading Pennsylvania to repeal its laws which discouraged the circulation of specie, reforming the use of supplies in kind from the states, instituting a rigid economy in every department, and combining the meager specie resources of a few private citizens with those of the government, given by France, to establish the Bank of North America, he drew forth enough hard coin and generated enough good paper to keep the army in the field and the government solvent.

But Morris dreamt of grander things, and at the height of the fiscal crisis he acted to realize his dreams. His papers reveal him to have been, at one time or another, a supremely confident "great man" (xxv and 273), a businessman who saw America's business as business (note his calm acceptance of the likelihood that a few men would monopolize his Bank of North America and thereby control all the hard currency in the nation (356); and at once a chauvinistic patriot and an arrogant elitist ("the pride, insolence, and tyranny of the British heroes are too insufferable to be borne, even by the peasantry of America" [113]). Yet always his bold vision comes through: in his daring attempt to secure a massive specie loan from Spain for his Bank of North America and other public projects; in the goals he set for the Bank, "to unite the several States more closely together in one general Money Connection, and indissolubly to attach many powerful Individuals to the Cause of our Country, by the strong Principle of Self Love, and the immediate Sense of private Interest"

(287); and in his repeated exhortation to the states to pay their full share of the cost of the war so that America might at once "rise into Power, Consequence, and Grandeur" (381). Morris did not realize his grand political object in his brief tenure as public financier. But his papers establish beyond all doubt that "Hamiltonian" political economy was a coherent body of thought and an active policy with America's first financial czar in the spring and summer of 1781.

Professor Ferguson and his assistants develop each of these grand themes, a host of minor ones, and a wealth of detail in the best tradition of editorial scholarship. Organizing this exhaustive collection around Morris's entries in his official diary, they make the interrelationships of day to day concerns, major plans, and developing ideas clear even to the casual reader. The introduction, focusing upon the central objects of Morris's public career, is both informative and concise. A fuller summary of Morris's private business activities, however, especially before 1776, would have been welcome. The notes are very helpful. Nearly every person, no matter how obscure, is identified and related to the Superintendent's primary concerns. And even the general reader will find the intricacies of early state and national regulation of finance, currency, and the economy unraveled to his satisfaction.

This splendid volume and its sequels must afford indispensable aid in any further inquiry into America's economic and political foundations as a nation. And a fuller consideration of Robert Morris's achievement ought, in turn, to generate a renewed interest in the thought and action of those men who impelled the nation to "rise into Power, Consequence, and Grandeur."

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**INDEPENDENCE ON TRIAL: FOREIGN AFFAIRS AND THE MAKING OF THE CONSTITUTION.** By *Frederick W. Marks, III*. *Baton Rouge, Louisiana State University Press, 1973. Pp. xvi + 256. \$10.00.*

Reviewed by Gary L. Browne  
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This is an important book, though it will probably not be thought so by specialists in American business and economic history. Marks addresses a major topic in American historiography: what motivated American leaders during the 1780s to alter the Articles of Confederation, and did the resulting Constitution satisfy those conditions that the Articles did not? But his thesis, that the problems of national security worried American leaders during the 1780s perhaps more than any other issue, departs from the now traditional socio-economic approach to the "Critical Period" and questions the assumptions and methodology of the entire school of the "new history," ranging from Charles Beard through Jackson Turner Main, and particularly one offshoot of this school, the quantifiers. As Marks states: "What Americans thought of themselves and of the world around them is often more important than actual reality in trying to explain why they acted as they did" (xvi). What we have, then, is a study of the 1780s in Gordon Wood's manner: more insightful than