For my part I considered this Subject [independence] early & fixed on principles the part I should take in the unhappy Contest. I sided with this Country because their claims are founded in Justice and I wish every Friend to the American Cause may act on the same principle.

—Robert Morris, 1776

The group of soldiers huddled around a small fire in front of their tent as darkness fell on the encampment of the Continental Army at Valley Forge, Pennsylvania. It was a cold December night in 1777, and the American army had been fighting the British for two years. The men were downhearted, having little food and thin, ragged uniforms. Some lacked boots or footwear of any kind. In addition, the prospects for the American cause seemed bleak after the military setbacks of the summer and fall. As the soldiers warmed themselves at the fire, one of them called his comrades’ attention to two men on horseback heading in their direction. As the riders drew closer, the men recognized one as their commander, General George Washington. The soldiers quickly snapped to attention and gave a salute as their tall, solemn leader passed. They did not recognize his companion. He was shorter than Washington, heavy-set, and lacked the aura of the great Virginian. He did not look like a leader of men. In fact, Robert Morris’s appearance gave little indication of the crucial role he was to play during the next few years in keeping this army alive—a role second in importance only to the man with whom he rode that night.

Background
Morris was born in Liverpool, England, in 1734. His father, a merchant, immigrated to Maryland and soon brought his son across the Atlantic to join him. Morris was sent to Philadelphia for an education, but his father was dissatisfied with his progress. He asked his son why he had learned so little from his tutor. “Sir,” the young Morris replied, “I have learned all that he can teach me.” When Morris was sixteen years old, his father was accidentally shot and killed. The boy then became an apprentice at the shipping and banking firm of Willing and Company. In 1757, at the age of twenty-three, Morris became a partner in the renamed firm of Willing, Morris, and Company.

Morris became a leading citizen in Philadelphia. He founded the London Coffee House, which was a predecessor of the Philadelphia Stock Exchange. The Coffee House was a center of trade and political discussion. His company traded in a variety of products, including tobacco, flour, rum, molasses, and wheat. Morris’s company also transported European indentured servants to America and, for a brief time, African slaves.

Resistance to British Rule
Morris took a leading role in opposing British policies in the 1760s. He believed that the new taxes imposed by Parliament during this decade violated the colonists’ rights as English citizens. In 1765, Morris served on a local committee formed to oppose the Stamp Act. The next year, in response to the Townshend duties, he led local merchants in a campaign to close the port of Philadelphia to imported goods from England. One result of this action was the end of the slave trade in Philadelphia.

Founders and the Constitution: In Their Own Words—Volume 1
After the bloodshed at Lexington and Concord in 1775, Morris again assumed a prominent role in the resistance to British oppression. He served on Pennsylvania’s Committee of Correspondence as well as its Council of Safety, and he was appointed warden of the port of Philadelphia. Morris also was elected a member of the Pennsylvania legislature and was chosen to represent the colony at the Continental Congress.

In Congress, Morris served on the Marine Committee. He took charge of building a sixteen-ship American navy, selling some of his own ships to Congress. Morris was also a member of the Secret Committee for the Procurement of Munitions. In this role, he obtained from Europe weapons and ammunition for American forces.

**Independence**

Until 1776, Morris hoped that America and Great Britain could reach a settlement and avoid war. Morris even initially voted against independence in the Continental Congress, but he changed his mind and signed the Declaration of Independence. Morris also signed the Articles of Confederation on behalf of Pennsylvania in 1778.

In that same year Morris became chairman of Congress’s Finance Committee. In this position, he persuaded reluctant states to contribute funds to the continental system and the army, and he obtained loans from wealthy businessmen. Morris also obtained war supplies, such as guns, powder, and blankets, from Europe, risking his own ships in bringing these supplies past the powerful British navy. The Continental Army would likely have disintegrated if not for Morris’s efforts.

Morris’ company was paid by the American government a commission of two percent on each shipment of supplies the company brought into the country. But Morris did not receive a salary for his work as chairman of the Finance Committee. Some people at the time criticized Morris for profiting at the expense of the country. There were even whispers that Morris had taken more money than he was entitled to. Congress appointed a committee to look into these charges. The committee found Morris innocent of any wrongdoing, concluding that he had “acted with fidelity and integrity and an honorable zeal for the happiness of his country.” John Adams, who was a member of the Continental Congress at the time, also defended Morris, saying that the Pennsylvanian was “an excellent Member of our Body.”

**Superintendent of Finance**

Morris left Congress in 1778. He served again in the Pennsylvania legislature until 1781. In that year, the Articles of Confederation went into effect. Morris accepted an appointment as superintendent of finance in the new government. This was the highest-ranking office under the Articles. Morris had broad powers, which he used to stabilize the nation’s financial system. He cut spending, streamlined accounting procedures, and cajoled the states into meeting their quotas of money and supplies. Morris risked his own money and credit to help keep the government afloat, putting up more than one million dollars of his own fortune to finance the decisive Battle of Yorktown that assured America’s victory in the war.

Morris believed it was essential that the United States be placed on firm financial footing. He knew that the government must honor its debts. To this end, he urged Congress to adopt an impost, a tax on imports that would serve to provide the government with funds. But the impost amendment failed to win the approval of all thirteen states as required by the Articles of Confederation.

*Robert Morris*
Morris next decided to try to pay the country’s debts by enticing the wealthy to invest in United States bonds. He promised investors a six percent return on their money, which was guaranteed by the government. To further this plan, Morris established the Bank of North America, which opened its doors in 1782. The bank handled the nation’s money as well as Morris’s own financial affairs. This unusual arrangement generated renewed criticism from his enemies. Some again leveled the charge of corruption. When in 1783 the states again failed to approve an impost, Morris’s frustration boiled over. “At the moment,” he complained, “I fill the most powerful position of the new government and I am trying to get rid of it.”

**The Constitutional Convention**

Morris resigned his position as superintendent of finance in 1783. Returning home, he was once more elected to the Pennsylvania legislature. Though he participated in state politics, he also remained concerned about national affairs. His disputes with the states had convinced him of the need for a stronger national government. Morris therefore supported the movement to revise the Articles of Confederation. He attended the Annapolis Convention of 1786 and the following year was elected to the Constitutional Convention.

No orator or student of political theory, Morris rarely spoke at the convention. “The science of law is entirely out of my line,” he commented. But Morris made no secret of his strong nationalist sentiments. He was pleased with the final document produced by the convention and eagerly affixed his name to the Constitution. Morris declined George Washington’s offer to be the first secretary of the treasury. Instead, he accepted his state’s offer of a senate seat in the first Congress of the United States.

**Later Years**

During his years as a senator, Morris got himself into financial trouble. He speculated in Western land, buying vast tracts of land cheaply in the hope of selling them later at a high price. This gamble and several other new business ventures failed. During the 1790s, Morris also invested an enormous amount of money into the construction of an extravagant mansion in Philadelphia. In 1797 he was bankrupt, and the following year he was arrested for failure to pay his debts. Morris was put into debtor’s prison. He was released in 1801 because of a new federal bankruptcy law. But by then his health had deteriorated, and he was unable to revive his businesses. The man who had once been called “the richest man in America” died in poverty in 1806 at the age of seventy-three.
Reading Comprehension Questions
1. What three important American documents did Morris sign?
2. What led Morris to favor a strong central government?
3. How did Morris end up in poverty at the end of his life?

Critical Thinking Questions
4. The introduction to this essay suggests that Morris’s role in the establishment of the United States may have been second in importance only to that of George Washington. How can this statement be supported?
5. Do you think it is proper for government officials to profit from public service as Morris did?
Excerpts from *Circular to the Governors of the States*

1. **Vocabulary:** Use context clues to determine the meaning or significance of each of these words and write their definitions:
   a. pernicious
   b. prevalent
   c. listless
   d. languor
   e. strenuous
   f. consequence
   g. magistrate
   h. extracted
   i. entreat
   j. assessing
   k. levying

2. **Context:** Answer the following questions.
   a. When was this document written?
   b. Where was this document written?
   c. Who wrote this document?
   d. What type of document is this?
   e. What was the purpose of this document?
   f. Who was the audience for this document?
Excerpts from Circular to the Governors of the States

Directions: Robert Morris wrote this letter from Philadelphia, soon after assuming the office of superintendent of finance under the Articles of Confederation. Underline/circle words and phrases that reveal Morris' attitude toward the governors.

Note: Capitalization, spelling, and punctuation have been modernized.

July 25, 1781

It gives me very great pain to learn that there is a pernicious idea prevalent among some of the States that their accounts are not to be adjusted with the Continent; such an idea cannot fail to spread a listless languor over all our operations. To suppose this expensive war can be carried on without joint and strenuous efforts is beneath the wisdom of those who are called to the high offices of legislation. . . . I shall never permit a doubt that the States will do what is right; neither will I ever believe that any one of them can expect to derive any advantage from doing what is wrong. It is by being just to individuals, to each other, to the Union, to all; by generous grants of solid revenue, and by adopting energetic measures to collect that revenue . . . that these States must expect to establish their independence and rise into power, consequence, and grandeur. . . .

I enclose you an account of the specific supplies demanded of your State as extracted from the Journals of Congress. . . . I am further to entreat Sir that I may be favored with copies of the several acts passed in your State since the 18th March 1780 for the collection of taxes and furnishing supplies or other aids to the United States. . . . I must also pray to be informed of so much of the internal police of your state as relates to the laying, assessing, levying and collecting of taxes. I beg leave to assure your Excellency that I am not prompted by an idle curiosity or by any wish to discover what prudence would dictate to conceal. It is necessary I should be informed of these things and I take the plain, open, candid method of acquiring information. . . .

I entreat your Excellency to undertake one more task which perhaps is far from being the least difficult. It is Sir that you write very fully as to the amount of the several paper currencies now circulating in your State. . . .

I know that I give you a great deal of trouble but I also know it will be pleasing to you because the time and the labour will be expended in the service of your country.


Robert Morris
Although the modern United States is the preeminent example of a nation dedicated to free enterprise and commercial activity, the relationship between republican government and commerce was one of the central problems that confronted the Founders in the late eighteenth century. In order to understand the Founders’ attitudes toward commerce, we need to understand both the role that commercial activity played in the American colonies in the century before the Revolution, as well as the important arguments about the legitimacy of commercial societies that animated English and European thinkers in the two centuries before the American Founding.

The American colonies originated in part as commercial enterprises. From the first settlements in the early seventeenth century until the eve of the Revolution, British and European settlers saw America as a place where they could come and make a better life for themselves. By the mid-eighteenth century, the British colonies in America were prosperous places heavily engaged in production and trade. Although the population was still overwhelmingly rural, colonial farmers were increasingly engaged in commercial agriculture. In all regions, they produced more than was needed for subsistence, trading their surplus with other colonies as well as engaging in a growing transatlantic trade with Britain and Europe. The Southern colonies produced valuable staple crops for export (tobacco, rice, indigo, wheat); farmers in the Middle colonies had a flourishing agricultural economy which was also involved in trade with the wider world; and, by the eighteenth century, the New England colonies were building ships, selling timber, and trading produce with the British Caribbean sugar islands. As a result of these extensive Atlantic trading networks, all of the colonial economies grew enormously in the eighteenth century. In addition, the main colonial port cities—Boston, New York, Philadelphia, and Charles Town (Charleston)—grew in size and importance. This burgeoning commercial society also had a large merchant class, with powerful and wealthy men like John Hancock in Boston involved in far-flung commercial ventures.

The pre-Revolutionary American colonies were also consumer societies that eagerly used their growing wealth to purchase goods from all over the world. And, as the Revolution approached, a growing number of white settlers not included in the political and economic elite were increasingly able to participate in this consumerism. Indeed, such was the widespread prosperity of these colonies that many modern historians have referred to them as the first middle class societies in the world. All of this commercial activity, however, had a dark side. The Atlantic trade that the colonists engaged in with such profit was founded in part on the movement of African slaves to the New World. Once there, these slaves were responsible for producing the lucrative staple crops that the colonies sold to England and Europe in exchange for manufactured goods. In addition, the ever-expanding agricultural economy of the colonies depended on the removal of the Native American population from their lands.

Several strands of thought provided intellectual justification for the increasingly commercial world of the eighteenth-century British Atlantic. The long tradition of English common law stressed the importance of property rights, which it saw as central to liberty, and which it protected from arbitrary seizure by preventing governments from taking property without the subject’s consent. By stressing the sanctity of person and property, the English common law provided a legal infrastructure which supported a commercial society.

Seventeenth-century English Puritanism also provided a justification of commercial activity. According to Puritanism, God wanted people to work hard and prosper. To do so was a sign that you were one of the “elect,” destined to be “saved”
and not “damned.” This Puritan work ethic remained a powerful force in American life well past the Revolution.

The political theory of the English writer John Locke (1632–1704), and in particular his ideas about a natural right to liberty and property, also provided justification for a commercial society. Like the common law, it placed a value on the liberty of the person, including the liberty to engage in production and trade. In addition, Locke offered an elaborate theoretical defense of an individual’s right to property. According to Locke, individuals were not given property rights by the state; rather, they generated a right to private property by their own labor. Locke defended commercial societies based on private property by arguing that they produced greater wealth for all than did those societies which eschewed private property and exchange. By making this case, Locke helped to legitimize commercial activity in the face of age-old denunciations that it was sinful. Building on these seventeenth-century ideas, English people on both sides of the Atlantic in the eighteenth century increasingly viewed themselves as free, Protestant, and deeply commercial.

By the time of the Revolution, the American Founders had also encountered the ideas of an influential group of eighteenth-century Enlightenment writers who offered a sophisticated defense of commercial societies. The French writer Montesquieu (1689–1755) argued that commerce “cures destructive prejudices” by fostering peaceful trade among peoples rather than war. Many Scottish writers in the eighteenth century made a similar defense of commerce. They argued that commercial societies constituted the highest stage of civilization and were the most conducive to human well-being, fostering political and religious liberty, peaceful relations among nations, higher standards of living, science, and the arts. The moral philosopher and economist Adam Smith (1723–1790), writing in the same year as the American Revolution, argued that self-interest was beneficent, and that those who sought private wealth were simultaneously benefiting society. All of these thinkers celebrated the modern commercial world in which they lived as superior to previous ages which, they argued, were characterized by feudal and aristocratic inequality, constant warfare, and religious fanaticism.

However, the ideas that influenced the Founders were not all supportive of commerce. Christianity, even in its Puritan form, could be used to denounce moneymaking. In New England in the seventeenth century, the merchant Robert Keayne was put on trial on charges of usury. In the years after independence, this Christian critique combined in the Founders’ thought with that of the republican thinkers of Greece and Rome who shared a similar skepticism about commerce. They argued that a society dedicated to commerce and self-interest would produce citizens overly concerned with private matters and insufficiently attentive to the public good. These classical republican thinkers were particularly concerned about the political effects of luxury, worrying that liberty would be lost if people were too focused on the pursuit of material gain. To the extent that republican thinkers defended property rights, they did so primarily as a means to the end of ensuring that there was an independent citizenry capable of acting for the public good. These classical ideas about the dangers of commerce to republican government influenced the Founders in the late eighteenth century. In particular, the ideas led some of them to be suspicious of the new institutions of commercial banking and public and private debt that supported the eighteenth-century commercial world.

The Revolution initially fostered these anticommercial sentiments in the colonial populace. In their attempts to harm the British economy, the colonies organized widespread nonimportation agreements in the 1760s and 1770s. Drawing on both the Christian and the classical republican critique of commerce, some colonists argued that this withdrawal from trade would also create a more virtuous citizenry, one less likely to succumb to luxury and self-interest. Writing his influential “Thoughts on Government” in 1776, a guide for lawmakers in the newly independent republican state governments, John Adams openly called for legal restrictions on consumption (called “sumptuary laws” in the eighteenth century), arguing that “the happiness of the people might be greatly promoted by them.”

Following the Revolution, the experience of both the new state governments and that of the Continental Congress operating under the Articles of Confederation brought these questions about
the relationship between republican governments and commercial activity to the fore. By ending the old British trading system, the Revolution also ushered in a debate about the commercial relations between the United States and the rest of the world.

The newly independent United States faced severe economic difficulties in the 1780s. The states found themselves with limited access to the lucrative British markets. They also owed money to those who had financed the war. But the Continental Congress lacked the legal power to compel the state governments to agree on a common commercial policy. It also lacked the authority to requisition the taxes necessary to pay off the Revolutionary War debt from the state governments. Robert Morris, who served as Congress’ superintendent of finance from 1781–1783, was reduced to pleading with the state governors to send money to the national government.

The war had also left the individual states with large debts to repay. In order to pay these debts off, many states raised taxes and issued paper money that rapidly depreciated. In addition, many of the states began to interfere with the free movements of goods within the United States.

The drafting of the new Constitution in Philadelphia in 1787 set out to address the economic problems of the 1780s by creating a national government that would have the authority to impose taxes, regulate foreign trade, and, most importantly, create a common commercial policy between the various state governments. In the Federalist Papers, James Madison and Alexander Hamilton, the most prominent defenders of the new Constitution, argued forcefully that the federal government needed these expanded powers in order to create a large free trading area within the continental United States. They, along with their coauthor John Jay, also argued for a vigorous commercial policy to open up markets for foreign trade.

In making these arguments, the framers were heavily influenced by the Enlightenment defense of commerce discussed above. The framers further argued that republican government, by allowing both political and economic freedom, would foster virtuous behavior in its citizens. Freed from the burden of supporting monarchs and aristocrats, ordinary people in a republic would have the incentive to be industrious and productive, secure in the knowledge that they would be able to reap the benefits of their labor.

Although the new Constitution laid the groundwork for an extended commercial republic, it did not end the debates among the Founders over the legitimacy of commerce. In the 1790s, the Federalists argued for a government-led program of commercial expansion, involving investments in infrastructure as well as the creation of a national banking system. However, the Democratic-Republican Party under Thomas Jefferson was much more divided on the merits of commercial republicanism. One strand of Jeffersonian thought was skeptical of extensive commercial activity, preferring instead a society of independent yeoman farmers whose landed status would give them a secure material base for republican citizenship. In making this argument, the Jeffersonians echoed the republican thinkers of antiquity who valued landed property over commercial property because it alone enabled the virtuous citizen to act in the public interest. This aspect of Jeffersonian thought was also skeptical of manufacturing and wage labor, fearing that a populace engaged in such pursuits would not be able to obtain the independence required of republican citizens. Finally, Jeffersonians were very concerned about the modern institutions of banking and public and private debt, fearing that they would enable powerful men to undermine republican government by setting up an aristocracy of money.

However, Jeffersonian thought also had a strong laissez-faire element, one that became increasingly important as the eighteenth century came to a close. Although still preferring commercial agriculture over manufacturing, Jeffersonians were ardently in favor of free labor, free trade, and free markets. On this view, commerce was a liberating, even equalizing force, allowing the common people to benefit from the fruits of their own labor. In addition, this Jeffersonian policy of laissez-faire was very skeptical of the Federalist plans for extensive state-directed commerce, preferring instead to let individuals make their own economic decisions. This element of the Jeffersonian attitude toward commerce expressed the powerful desire of the American populace for material improvement, a desire which had deep roots in the colonial past.
Jefferson’s election in 1800 did not end these debates about the propriety of commercial activity. Most Americans agreed that republican liberty included the right to own property and to enjoy the fruits of one’s labor. However, as Jefferson’s “empire of liberty” expanded west, this vision of free men and free labor clashed with the institution of slavery as it became an increasingly profitable form of commercial activity, and one that was sometimes defended as an expression of the American commitment to private property. Along with the relationship between slavery and free labor, the question of the place of manufacturing in a republican society, the role of banks, the issue of free trade, and the desirability of state intervention in the economy remained pressing questions in the increasingly commercial United States well into the nineteenth century.

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Suggestions for Further Reading