

*The Founding Fathers and the  
Two Confederations*

The United States of America  
and the United Provinces  
of the Netherlands, 1783-89

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**T**HERE is a long-standing sense of kinship between the United States and the Netherlands rooted in a romantic tradition encapsulated in the preface of John Lothrop Motley's *Rise of the Dutch Republic*: "The maintenance of the right of the little provinces of Holland and Zeeland in the sixteenth, by Holland and England united in the seventeenth, and by the United States of America in the eighteenth centuries, forms but a single chapter in the great volume of human fate; for the so-called revolutions of Holland, England, and America are all links of one chain."<sup>1</sup> This common history and destiny became all the more meaningful when England was temporarily separated from that chain in the American Revolution. The Dutch then became co-belligerents of Americans in that conflict, served as bankers of the new nation after the war, and were perceived as fellow sufferers for the cause of republicanism and democracy throughout the Revolutionary era.

The Netherlands, therefore, loomed large in the minds of the founding fathers, particularly John Adams, minister to Great Britain and commissioner to the Netherlands, and Thomas Jefferson, minister to France, in the 1780's. Through their eyes such statesmen as John Jay, Secretary of Foreign Relations, and James Madison, leading Virginia critic of the Confederation, perceived events in the Low Countries. The role that the Dutch played both as symbol and as substance in

the fashioning of the federal union is worth examining for the example their experience with confederation offered to the founding fathers of the struggling transatlantic republic. The bicentennial year of the Netherlands' recognition of the independence of the United States and its signing of a treaty of amity and commerce is an appropriate occasion for a review of their connection.

It is often forgotten that next to France the financial support and fate of the Low Countries preoccupied Adams and Jefferson from their respective perches in London, Paris, and—at one point in 1788—jointly in Amsterdam. They knew better than their colleagues at home the significant position Dutch bankers were occupying in the life of the American Confederation in the 1780's. In Jefferson's case the success of his mission in Paris depended, he believed, upon the ability of the United States to pay interest on its debts to the powerful French patron, and this could be accomplished only through the assistance of Amsterdam bankers. Failure to secure new loans would damage the Republic's credit rating in the world, perhaps irreparably, and could even be a harbinger of the failure of the republican experiment itself. Consequently, they watched with painful fascination the upheaval in the Netherlands, the struggle between the Francophile and Americanophile Patriot Movement against the Anglophile stadtholderate which in so many ways seemed to be a proving ground for republicanism against monarchy in the eyes of friends and enemies of America.

Self-interest mingled with and perhaps predominated over the appreciation of the Dutch legacy to America when John Adams in his memorial to the States General of April 19, 1781, petitioning for their recognition of the United States, pointed out that "if there was ever among nations a natural alliance, one may be formed between two republics." Their origins "are so much alike, that . . . every Dutchman instructed in the subject, must pronounce the American revolution just and necessary, or pass a censure upon the greatest actions of his immortal ancestors."<sup>2</sup> Although the horizons of his expectations from this "natural alliance" may not have stretched beyond beneficial commercial relations with the Dutch West Indies and loans and advances on generous terms in a joint war effort, such practical considerations did not detract from the importance of the Netherlands to the future of the American republic.

However manipulative Adams' intentions may have been in linking the destiny of the two nations in 1781, guile seemed almost wholly absent a few years later when he sensed the dawning of a new age in the Dutch Patriots' challenge to the House of Orange. In 1786 his language sounded as hyperbolic as Jefferson's was to be over a similar stirring in France: "In no Instance, of ancient or modern history, have the People ever asserted more unequivocally their own inherent and

unalienable Sovereignty."<sup>3</sup> Just as for Jefferson in Paris at the beginning of the French Revolution, the achievement of the Dutch would reflect America's service to a new and better Old World.

When this brave new world was stifled at birth, Jefferson's and Adams' mourning for the Patriot cause was deeper than it would have been for a business partner or a military ally. Years later in his autobiography Jefferson recalled with bitterness and regret the fall of Holland, "by the treachery of her Chief, from her honorable independence, to become a province of England; and so also her Stadtholder, from the high position of the first citizen of a free Republic to be the servile Viceroy of a foreign Sovereign."<sup>4</sup> Jefferson's sentiments about the fate of his friends victimized in the Netherlands in the 1780's and in France in the 1790's were in character. Jefferson rarely could abandon a friend. These sentiments took on special significance when they appeared in the comments of the harsher John Adams. Repeatedly he expressed his pity by identifying the victory of the Prince of Orange with "rigorous persecutions and cruel punishments of the Patriots in Holland, which are held out in terror."<sup>5</sup> Abigail Adams shared her husband's sorrow. She wrote to their son John Quincy that "history does not furnish a more striking instance of abject submission and depression" than the conquest of the Netherlands "by a few Prussian troops, a nation that formerly withstood the whole power and force of Spain."<sup>6</sup>

Genuine as these moods were, veering from unbridled optimism to the most despairing gloom, they did not characterize the substance of either Jefferson's or Adams' concerns about Holland during their ministries in Europe in the 1780's. Understandably, the dominant theme and most insistent subject of Communications across the Atlantic was the state of America's debt to Dutch bankers and the continuing need to float loans in order to sustain the shaky fiscal structure of the Confederation. Given the critical nature of the problem, the attention of diplomats abroad had to center on coping with its implications. Adams had labored under enormous handicaps to initiate loans in the first place, in the face of the unwillingness of the Orangists to embarrass the British by supporting rebellious colonists as well as of cautious bankers concerned about the safety of their investments. Not until the States General had recognized the United States in 1782 were American sympathizers—and France's friends—in the financial community of Amsterdam able to respond to Adams' importunities. America's chief banker was the van Staphorst family, who also served as the agent of Versailles. Of the 10 million dollars in foreign debt, by 1788 almost half was owed to Dutch creditors.<sup>7</sup> In short, the credit of the United States abroad rested as much in Dutch hands as in those of America's original benefactors, France. The difficulties of a con-

federal government in New York unable to collect sufficient revenues to pay even the interest on its debts plagued its diplomats abroad throughout the life of the Articles of Confederation.

In this context philosophical speculation about the virtues of Dutch republicanism, or even gratitude for past favors, had to yield to the bleak reality of recommending that Dutch financiers be encouraged to purchase American debts to France on the assumption that defaulting to France would be more dangerous to America than defaulting to private bankers in Amsterdam. As Jefferson put it in 1786, "If there be a danger that our payments may not be punctual, it might be better that the discontents which would thence arise should be transferred from a court of whose good will we have so much need to the breasts of a private company."<sup>8</sup> At the same time Jefferson and Adams were uncomfortable in their knowledge that Dutch speculators had exploitive interests in the American economy. If they were able to buy up the domestic debt as well, they could control the direction of America's economic future. Congress, concerned about the risk of American credit in Holland, turned down the plan.<sup>9</sup>

The problem of excessive dependence was illustrated by the sluggishness of Dutch bankers in floating a new loan in 1786 and 1787 at a time when the Congress of the Confederation could not pay interest on earlier loans. Jefferson was left with the burden of finding ways of meeting unfulfilled payments to French veteran officers of the Revolution as well as the expenses of his own establishment in Paris. The solution suggested in Amsterdam was to seek payment of a year's interest on certificates of the American domestic debt held by Dutch speculations as a precondition for the completion of the current foreign loan.<sup>10</sup> These issues provoked a crisis in 1787 for the two American diplomats, and particularly for Jefferson, who felt intimidated by the intricacies of money questions and who was discomfited further by the prospect of Adams leaving him alone with them by returning to Massachusetts in the midst of the crisis. It appeared that the friends of America in Amsterdam—the Willink brothers and the van Staphorst brothers—had maneuvered the diplomats into a corner.

Adams did leave Europe in April 1788 but not before meeting his distraught colleague Jefferson in March at The Hague (where Adams intended to pay a farewell courtesy visit as American commissioner to the Netherlands) and at Amsterdam. There they managed to win a reprieve of three years for the United States in the form of a new loan to meet pressing obligations in Europe. Despite anger on Adams' part and anguish on Jefferson's there was little doubt about the outcome. The Amsterdam bankers had too much at stake to permit the destruction of American credit, as Adams recognized. Moreover, they were

well aware that a new government then coming into being in America would repay their investment at full value.

There was a happy ending to the problem of American credit in Holland, and certainly a satisfactory arrangement for those financiers who anticipated the redemption of debts by the new federal government. But they were not achieved before Jefferson, the first Secretary of State in the new government, became thoroughly troubled and not a little confused by financial machinations, American as well as Dutch, he witnessed around him. In New York in 1790 he claimed that he always had been of the opinion that "the purchase of our debt to France by private speculations would have been an operation extremely injurious to our credit; and that the consequence foreseen by our bankers, that the purchasers would have been obliged, in order to make good their payments, to deluge the market of Amsterdam with American paper and to sell it at any price, was a probable one."<sup>11</sup> The Secretary of State obviously had changed his mind since 1786, when he thought that such an arrangement was worth making. His education in the mysteries of high finance yielded some cynical insights by 1789. He reported to Jay that bankers would be able to borrow to fill subscriptions just enough to pay interest, "just that and no more or so much more as may pay our salaries and keep us quiet. . . . I think it possible they may chuse to support our credit to a certain point and let it go no further but at their will; to keep it so poised as that it may be at their mercy."<sup>12</sup> Small wonder that Jefferson had an animus against speculators and feared their influence on the economy. It is in this context that he cried out his belief that "the maxim of buying nothing without money in our pocket to pay for it, would make our country one of the happiest on earth."<sup>13</sup>

It was in keeping with his personality that Jefferson's difficulties would be articulated more in generalizations over the evils of speculation than in ad hominem diatribes against the Dutch as speculators. With a more lively paranoiac streak to push him, Adams would spell out what Jefferson would only touch lightly. To Adams the troubles over loans were "a mere pretence, and indeed the whole appears to be a concerted Fiction." He wanted to alert Jefferson against "the immeasurable avarice of Amsterdam."<sup>14</sup> Dutch behavior, he claimed, was a product of a national character; they were "a Nation of Idolators at the Shrine of Mammon," he had exclaimed in 1780 when he encountered resistance to his efforts to win Dutch recognition during the war.<sup>15</sup> These slurs were delivered in moments of frustration, but they suggest an unflattering national stereotype functioning in the American psyche. The stereotype appeared more benevolently in Benjamin Franklin's discussion about the facts behind paper money in 1767 when

he admonished innocent Americans to observe that "Holland, which understands the Value of Cash as well as any People in the World, would never part with Gold and Silver for Credit."<sup>16</sup> It was a short step from this pejorative appreciation to Franklin's assertion in 1781 that "Holland is no longer a *Nation* but a great *Shop*; and I begin to think it has no other Principle or Sentiments but those of a Shop-keeper."<sup>17</sup>

How much of this sentiment represented the essence of American feelings about the Dutch? How much did it reflect the mood of a crisis, the normal reaction of an impotent debtor to an apparently powerful manipulative creditor? There is no simple answer to these questions. It is worth noting, though, Adams' point that as heartless men of commerce they were even "worse than the English."<sup>18</sup> But the English after all presented more than a legacy of Mammon to Americans. So did the Dutch. In a quiet moment in 1783 Adams confessed that his vexations over loans were as much the product of "clashing interests—English, French, Stadholderian, Republican, and American"—as anything else.<sup>19</sup> And while merchants, bankers, and speculators sought their own advantages from the parlous condition of American finances, the *dramatis personae* contained Americans as well as Netherlanders. More significantly, there was none of the ideological malice and threat from the major Amsterdam creditors which would have been found among the British or the Orangists.

Similar ambivalent feelings may be found in American views of commercial relations with the United Provinces. Holland's role in the American Revolution as carriers of war supplies and as co-belligerents against Great Britain initially offered ground for optimism over the future of Dutch-American commercial ties. Jefferson had been excited over the prospects since 1776. And as he negotiated for a commercial treaty in The Hague, Adams seemed to share this optimism. He convinced himself at least that Pieter Johan Van Berckel, en route to the United States as first minister of the United Provinces, had concurred in his generalization that those West Indian islands would flourish most "which had the freest intercourse with us, and that this intercourse would be a natural means of attracting the American commerce to the metropolis."<sup>20</sup> Recognizing the inability of France to be flexible in its navigation laws, Adams believed that "we must make the most we can of the Dutch friendship, for luckily the merchants and regency of Amsterdam had too much wit to exclude us from their islands by treaty."<sup>21</sup>

Reality soon intruded to return Adams and his colleagues to their more normal skepticism. The Netherlands, it was obvious, was not different from any other European nation. If the most-favored-nation clause in the commercial treaty of 1782 had any meaning it was only

in the symbolic value granted by the fact of an agreement itself, not by a Dutch departure from the restrictive economic system of Europe.<sup>22</sup> Madison was convinced that the British example would dominate Europe. Given the weakness of Congress's power to regulate commerce under the Confederation, France and the Netherlands would do as the British had done: play off one state against another, thereby encouraging disunion as they freely discriminated against American shipping.<sup>23</sup> On occasion the Dutch even appeared more obdurate than their European rivals. Hamilton indulged in the conventional stereotype when he observed that the Netherlands' "pre-eminence in the knowledge of trade" has led them to adopt commercial regulations "more rigid and numerous, than those of any other country; and it is by a judicious and unremitting vigilance of government, that they have been able to extend their traffic to a degree so much beyond their natural and comparative [*sic*] advantages."<sup>24</sup> Jefferson seemed to agree with this judgment when he noted gloomily that "Holland is so immovable in her system of colony administration, that as propositions to her on that subject would be desperate, they had better not be made."<sup>25</sup> John Jay added that the Dutch fear of competition made it "look as if the Dutch regret our having found the Way to China, and that will doubtless be more or less the Case with every Nation with whose Commercial Views we may interfere."<sup>26</sup>

But these comments were hardly final judgments of American policy makers during the Confederation about the role of the Netherlands in America's future commercial relations. They were manifestations of unhappiness over the weakness of both the American confederation and its potential European partners which permitted Britain to exploit American trade without fear of retribution. To the end of this period Jefferson still nursed hopes that France or Holland would eventually replace Britain as America's chief trading partner, if only out of their self-interest. Hence, he deplored the actions of individual states in violating treaty agreements with the continental nations and deplored the provisions in the Articles of Confederation that permitted states to pass their own navigation acts;<sup>27</sup> they would provide excuses for Europeans to continue in their old ways. He continued to assume that British excesses and arrogance in its control of the American market would stimulate the Dutch or French to liberalize their trade policies with the United States. Although hoped-for lower freight rates and reduced tariffs from their European allies never materialized, the Americans persisted if only because increasing British hostility fostered the illusion of impending change.<sup>28</sup>

Unwilling or unable as it was to respond to American pleas, the United Provinces shared a community of economic interest with the United States, which was visible to Louis-Guillaume Otto, the astute



Kerste Gehoorgeeving aan den Afgezant VAN BERCKEL  
in America.

The reception of the first Dutch envoy by the Congress  
of the United States at Princeton, M. J.; engraving  
by Reinier Vinkeles.



secretary to the French minister to the United States from 1779 to 1784. "The Americans' connections with the United Provinces," he wrote, "will remain all the more firm, as they are based on a large conformity of political principles, on an equally strong passion for commerce without a great deal of rivalry, on a similarity of mores and customs, and perhaps also an equally strong hatred for England."<sup>29</sup> Otto envisaged a role for his nation in its benevolent interest in exploiting Dutch and American Anglophobia to link the two republics each to the other and both to France.

The French diplomat was correct in identifying continuing American antipathy toward the former mother country. He failed, however, to anticipate the inability of France to play its part as defender as well as exploiter of the two smaller countries. In 1785, when Otto was writing his memoir, France appeared to waver in its support of the Francophile Dutch Patriots as the Austrians threatened war with Holland over the firing on an imperial ship on the Scheldt. At that time a coalition between France and Prussia on behalf of the Dutch was in the making against Austria and Russia, with England as a neutral in this conflict. Unsuccessful French mediation left the Netherlands with a war penalty of 10 million florins. Two years later the partners in the diplomatic minuet shifted. Austria would play a small role in concert with France against a more powerful British-Prussian combination which was far more serious both to the Dutch and to the Americans.

In 1787 Prussia invaded Holland to avenge an insult to the Princess of Orange, the King's sister, by the Francophile Patriots. The Patriot party, a combination of aristocrats and democrats, intellectuals and businessmen, looked to America for inspiration and to France for sustenance. Once again France failed its Dutch friends; the French, intimidated by British influence with the Stadtholder and by the ineptness of the Patriot defense, repudiated their alliance. The aristocratic elements among the Patriots then deserted to the Orangists, and the pro-American republicans were sentenced to defeat and exile.

The impact of this event upon Jefferson and Adams was traumatic. It underscored the growing concern about the interference of the major powers in Dutch affairs which was the subject of so much of Jefferson's correspondence to America from 1785 to 1788. If the Netherlands' plight moved them it was not only because the victims were identified as friends of America and the oppressors as supporters of the Anglophile Stadtholder; it was also because the troubles of the Dutch confederation could become the troubles of the American confederation; civil war invited foreign intervention.

Jefferson initially displayed considerable sangfroid when the crises began in 1785. He regarded the kindling of the "lamp of war" in the Low Countries as a species of European power politics which would

be worrisome to Americans only because peace terms with England had not been fully executed. "That done," he felt, "their wars would do us little harm."<sup>30</sup> Even the Prussian occupation of Holland on behalf of the Stadtholder did not fully jar him; he recognized as much as any diplomat the distressing state of France's finances, and understood intellectually their reasons for conciliation.<sup>31</sup> As late as October 1787, after the Stadtholder had been reinstated and Britain was obviously triumphant, he still would write that it was "possible, and rather probable," that France would eventually go to war to restore the Patriots to power and humble England once again.<sup>32</sup>

But this was the last shred of wishful thinking. He was no longer above the scene in the summer of 1787 as he reflected on Holland's fate—"a British navy and Prussian army hanging over Holland on one side, a French navy and army hanging over it on the other."<sup>33</sup> No longer did he look upon a foreign war as outside America's concern. He recognized in the summer of 1787 that any war threatening to damage the position of the French ally would endanger the United States.<sup>34</sup> And when France formally announced to the British its intention not to fulfill its obligations to its Dutch ally, Jefferson's panic was complete. He was moved to note an "important lesson, that no circumstances of morality, honour, interest, or engagement are sufficient to authorize a secure reliance on any nation, at all times, and in all positions. A moment of difficulty, or a moment of error may render for ever useless the most friendly dispositions in the king, in the major part of his ministers, and in the whole of his nation."<sup>35</sup>

The experience of the Netherlands was a powerful argument to American witnesses of the evils of the balance of power and the inadequacies of alliances with great powers. Europe is a dangerous place, and its history a warning to America. While there may be temporary advantages in joining one side or another, or occasionally imperative reasons for it, it is always perilous and never to be sought after by the smaller power. "Wretched indeed is the nation in whose affairs foreign powers are once permitted to intermeddle!" Jefferson exclaimed in 1787.<sup>36</sup> Holland was that wretched nation, a "frog between the legs of two fighting bulls," as Adams saw it.<sup>37</sup> And but for the grace of God and the width of the Atlantic Ocean the fate of Holland could be America's as well.

Yet with all the empathy felt for the failed Patriots by Adams and Jefferson there was concomitantly a smugness, a sense of superiority that derived from the Dutch status as Europeans. If they failed, part of that failure was their own doing. Americans at home shared this conceit. The source of many of their impressions of the United Provinces in the 1780's were two diverse personalities: Charles W. F. Dumas, a diplomatic agent for both the French and the Americans and a

devoted client of the Patriot cause; and Gijsbert Karel van Hogendorp, a nephew of Minister van Berckel and advocate of the Stadtholder's position. Although the former was closer to Jefferson and Adams personally and professionally, the youthful van Hogendorp presented sufficient counterbalance to Dumas to stimulate American doubts about the anti-Orange forces.<sup>38</sup> There was division among the Patriots between aristocratic regents who wished only to reduce prerogatives of the House of Orange and the more democratic elements who wished to render magistrates more responsive to the popular will and to emulate the activities of the American Revolution, and this was well known to American observers. It was the ineptitude of the latter and the fickleness of the former that colored their judgments. Adams characterized the friends of America as "unskillful and unsuccessful as-asserters of a free government" who knew too little about history and less about government. "They have, therefore," mourned Adams, "been the dupes of foreign politics and their own indigested system."<sup>39</sup>

If it was not a case of "plague on both your houses," at least there was a distancing of Americans from even the best-intentioned of the Dutch allies. Distinctions between Orange and Patriot were blurred, for if their old friends the Patriots were to be pitied, "so are their deluded Persecutors."<sup>40</sup> Weighing van Hogendorp against Dumas, Jefferson claimed to be "disposed to wish well to either party only as I can see in their measures a tendency to bring on an amelioration of the condition of the people, an increase in the mass of happiness."<sup>41</sup>

These caveats, however, did not exclude the possibility of reclaiming and rehabilitating the "poor Patriots of Holland," as Washington called them.<sup>42</sup> It was just that their rescue would have to be accomplished by removing them to America and to freedom.<sup>43</sup>

Despite the Olympian tone adopted by the American diplomats, the fate of the United States in 1787 was hardly as secure as their language made it seem. Was the American confederation in better shape than the Dutch? Would the new constitution just then being framed be the solution for the Hls which beset the Congress of the Confederation? The statesmen on both sides of the Atlantic could not be certain of the outcome. While the United Provinces was an example to them as they went about creating a federal union, the example was susceptible to differing interpretations.

The initial lesson for Jefferson was the threat to liberty inherent in the elevation of a monarchical prince which made even a weak and divided federation a happier arrangement. The Prince of Orange was "a half king, who would be a whole one," as he wrote Abigail Adams, a villain in the sense that George III was to the American colonies.<sup>44</sup> Employing a bestial image he was to use frequently in the future, he warned against hereditary magistrates and wished "to besiege the

throne of heaven with eternal prayers to extirpate from creation this class of human lions, tygers, and mammoths called kings."<sup>45</sup> Benjamin Franklin shared Jefferson's fears, from his base as delegate to the Constitutional Convention in Philadelphia. To him "a single head," the projected federal President, may be sick or malevolent, or responsible for the destruction of a country, as in the case of Holland under the Stadtholder, the "Source of all the present Disorders in Holland." If the United States did need a strong executive, he should be, as the Stadtholder was not, subject to impeachment.<sup>46</sup> Jefferson's concern about the conditions for an American presidency was even stronger; he worried over the length of the executive's term and the danger of indefinite tenure. The behavior of the Stadtholder "would have sufficed to set me against a Chief magistrate eligible for a long duration, if I had ever been disposed towards one."<sup>47</sup>

Advocates of the Constitution conceded that the stadtholderate contained monarchical qualities but either dismissed them as inapplicable to the American executive on the grounds that the president was to be elected periodically or converted the model into an argument against confederation. Madison made a point in the Virginia convention of locating the evils of the Stadtholder in the structure of the Dutch confederation itself. Given its inherent weaknesses, he claimed that the Prince at least served to keep the faltering nation together.<sup>48</sup> In New York, Alexander Hamilton went further in ascribing merit to the Stadtholder; only he was in a position to give "energy to the operations of this government which is not to be found in ours."<sup>49</sup> So, unhappy as the experience of the Dutch may have been, at least its system contained a leader with authority lacking in any officer of the American confederation. The Constitution, according to this line of reasoning, would grant the new President those powers which had made the Stadtholder effective while withholding those which could make him a tyrant. Even Jefferson and Franklin ultimately accepted this judgment.

Consistency was not a dominant element in the roles which the United Provinces played for America at the time of its Constitutional Convention and the ensuing debates in state ratifying conventions. It served as a useful metaphor, mentioned, in fact, no fewer than thirty-seven times in 1787 and 1788, to be summoned, as were the Amphictyonic Council and the Germanic confederation, to serve debaters' points.<sup>50</sup> Whether the elaborate re-creation of Dutch history, as presented by both sides at the conventions, was accurate was immaterial. What counted was the usefulness of Dutch history—real, imagined, or just misinformed—as grist for argumentation. Nor did it matter if the precedent reflected favorably or unfavorably upon the Netherlands. At one time, Madison noted Holland's failure to make constitutional

changes after four attempts; at another, its success in getting its way with the other provinces through the corrupt influence of its wealth. In the former instance, Holland was the victim of the principle of unanimity; in the latter, the bully of the smaller members of the confederation.<sup>51</sup>

In the end the Dutch proved to be a more serviceable foil for the Federalists than for the anti-Federalists. Not that the enemies of the Constitution did not try to build up a Netherlands in their own image. One method, employed by William Grayson in the Virginia convention debates, was to claim that Dutch problems were not the consequence of misgovernment: "Holland, we are informed, is not happy, because she has not a constitution like this. This is but an unsupported assertion." Moreover, the Dutch had "a fellow-feeling" toward Americans, according to the Virginian, and were willing to continue to loan money to the United States because "they were in the same situation with ourselves." As proof he suggested that their willingness to allow American debts to pile up stemmed from the fact that they have not yet paid their debts to France dating back to the days of Henry IV.<sup>52</sup> Melancton Smith in the New York convention took a similar tack in claiming that the Netherlands, despite so many defects, "yet existed; she had, under her confederacy, made a principal figure among the nations of Europe, and he believed few countries had experienced a greater share of internal peace and prosperity."<sup>53</sup> These were vain gestures. The anti-Federalists' defense of the Dutch experiment was no more successful than their defense of their own Articles of Confederation. There was a consensus among most of the founding fathers that the Netherlands was a species of failed confederacies—Greek, German, Swiss—which the American confederation too closely resembled.<sup>54</sup>

But the Dutch republic was not simply a negative model which the founding fathers of the federal union sought to avoid. If they were ignorant of or indifferent to the inner workings of Dutch history and government, their knowledge of the events of their own time was full and accurate and important to them. Madison and Monroe, Washington and Jay, knew explicit details from Adams and Jefferson, and their responses were far more perceptive and compassionate than they would have been if the Netherlands were only another case study of an aristocratic republic. The words of the American diplomatists in Europe as well as those of their correspondents at home betrayed an anguish over the sufferings of a kindred people with kindred institutions.

These sentiments were reciprocated in full. Inevitably, considerable Dutch sympathy for the American cause in the Revolutionary War had been dictated by an opportunity to capture lost West Indian trade, by anticipated land speculation in the Ohio and Susquehanna valleys,

and by the expectation of profits from American securities. But there was additionally a political and ideological content to the economic gamble Amsterdam financiers and businessmen made in their American investment. It was not coincidental that the leading figures in these transactions, such as the financier Nicolas van Staphorst and the tobacco merchant Jan de Neufville, were participants in the Patriot Movement. They equated the victory of America over Great Britain with the defeat of the Anglophile Orange forces and regarded the emancipation of America from the British Empire as a replication of their own secession from the Spanish Empire in the sixteenth century. George Washington was William the Silent redivivus.<sup>55</sup>

There was probably greater sentimentality about the relationship on the Dutch side than there was on the American. The latter were frequently annoyed at the Dutch goals and methods, were convinced that their ambitions were beyond their capacities, and were skeptical of their ability to acquire the kind of self-government Americans possessed. Yet their annoyance appeared to mask fears that American behavior might have been the same in their situation, or even could be in future situations. Hence, the sufferings of Holland provided "a crowd of lessons," as Jefferson put it: "Never to have an hereditary officer of any sort: never to let a citizen ally himself with kings: never to call in foreign nations to settle domestic differences: never to suppose that any nation will exposé itself to war for us, etc."<sup>56</sup>

More than fear of a common fate inspired their reactions. The friendship with Patriot leaders evoked emotions greater than the sum total of American self-interest. Adams and Jefferson were deeply affected by the similarities in the direction the Dutch Patriots, or at least the Americanophile segment of them, were traveling. They wished them well even as they doubted their potential to succeed. And when they failed, their American friends beckoned them to be born again in the New World. There they could participate in a political and social order to which they could only aspire in the Old World.

#### NOTES

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- 2 Charles F. Adams, ed., *The Works of John Adams* (10 vols.; Boston, 1850-56), VII, 399-400.
- 3 Lyman H. Butterfield et al., eds., *Diary and Autobiography of John Adams* (4 vols.; Cambridge, Mass., 1961), III, 201.
- 4 Alexander A. Lipscomb and Albert E. Bergh, eds., *The Writings of Thomas Jefferson* (20 vols.; Washington, D.C., 1904), I, 115-16.
- 5 Adams to Jefferson, October 28, 1787, in Julian P. Boyd, ed., *The Papers*

- of *Thomas Jefferson* (Princeton, N.J., 1950), XII, 292; Adams to Jay, November 15, 1787, *Works of John Adams*, VIII, 460.
- 6 Abigail Adams to John Quincy Adams, October 12, 1787, in the Adams Papers, reel 370.
- 7 See Merrill Jensen, *The New Nation: A History of the United States during the Confederation, 1781-1789* (New York, 1950), p. 383.
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- 9 James C. Riley, "Foreign Credit and Fiscal Stability: Dutch Investment in the United States, 1781-1794," *Journal of American History*, LXV (December 1978), 672 ff.; Merrill D. Peterson, *Thomas Jefferson and the New Nation* (New York, 1970), pp. 362-63. *Journals of the Continental Congress*, XXIII, October 2, 1787, 590-93.
- 10 Willink and van Staphorst to Jefferson, January 31, 1788, in Boyd, *Papers*, XII, 542 ff.
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- 12 Jefferson to Jay, March 12, 1789, *ibid.*, XIV, 645.
- 13 Jefferson to Alexander Donald, July 28, 1787, *ibid.*, XI, 633.
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- 16 "Facts Concerning American Paper Money," 1767, in Albert H. Smyth, ed., *The Writings of Benjamin Franklin* (10 vols.; New York, 1907), V, 9.
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- 18 Adams to Warren, December 9, 1780, "Warren-Adams Letters," II, 154.
- 19 Adams to Robert Morris, May 21, 1783, *Works of John Adams*, VIII, 59.
- 20 Adams to Livingston, July 23, 1783, *ibid.*, VIII, 112.
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- 22 Madison to James Monroe, June 21, 1786, in William T. Hutchinson and William M. Rachal, eds., *The Papers of James Madison* (Chicago, 1962) IX, 82.
- 23 From *The North-American*, No. 2, October 8, 1783, *ibid.*, VII, 321.
- 24 From *The Continentalist*, No. V, April 18, 1782, in Harold C. Syrett and Jacob E. Cooke, eds., *The Papers of Alexander Hamilton* (26 vols.; New York, 1961) 111, 78.
- 25 Jefferson to Jay, October 11, 1785, in Boyd, *Papers*, VIII, 608.
- 26 Jay to Jefferson, July 14, 1786, *ibid.*, X, 135.
- 27 Jefferson to Adams, November 19, 1785, *ibid.*, IX, 43.
- 28 Jefferson to Monroe, December 9, 1785, *ibid.*, IX, 95.
- 29 Paul G. Sifton, ed., "Otto's *Mémoire* to Vergennes, 1785," *William and Mary Quarterly*, XXII (October 1965), 643.
- 30 Jefferson to Madison, November 11, 1784, in Boyd, *Papers*, VII, 506; Jefferson to Samuel Osgood, October 5, 1785, *ibid.*, VIII, 589.
- 31 Jefferson to Jay, June 21, 1787, *ibid.*, XI, 491; Jefferson to Edward Carrington, August 4, 1787, *ibid.*, XI, 679.
- 32 Jefferson to John Sullivan, October 5, 1787, *ibid.*, XII, 209.
- 33 Jefferson to Benjamin Vaughan, July 2, 1787, *ibid.*, XI, 533.
- 34 Jefferson to George Washington, August 14, 1787, *ibid.*, XII, 37-38.

- 35 Jefferson to Jay, November 3, 1787, *ibid.*, XII, 310.
- 36 Jefferson to Vaughan, July 2, 1787, *ibid.*, XI, 533.
- 37 Quoted in Edward Handler, *America and Europe in the Political Thought of John Adams* (Cambridge, Mass., 1964), p. 115.
- 38 See commentary in Boyd, *Papers*, XIII, xxxiii.
- 39 Quoted in Handler, *America and Europe in the Political Thought of John Adams*, p. 112.
- 40 Adams to Jefferson, November 10, 1787, in Boyd, *Papers*, XII, 335.
- 41 Jefferson to G. K. van Hogendorp, August 25, 1786, *ibid.*, X, 299.
- 42 Washington to Henry Knox, February 5, 1788, in J. C. Fitzpatrick, ed., *The Writings of George Washington* (19 vols.; Washington, D.C., 1931-44), XXIX, 401.
- 43 Washington to Reverend Francis Adrian Vanderkemp, May 28, 1788, *ibid.*, XXIX, 505; Adams to Jefferson, November 10, 1787, in Boyd, *Papers*, XII, 335.
- 44 Jefferson to Abigail Adams, July 1, 1787, *ibid.*, XII, 33.
- 45 Jefferson to David Humphreys, August 14, 1787, *ibid.*, XII, 33.
- 46 *Writings of Franklin*, June 30, 1787, IX, 603; Max Farrand, ed., *Records of the Federal Convention*, July 20, 1787 (4-vols.; New Haven, Conn., 1937), II, 68. This point is repeated in Patrick Henry's comments on June 9, 1788, during the debate on the Constitution at the Virginia state convention, in Jonathan Elliot, ed., *The Debates of the State Conventions* (5 vols.; Philadelphia, 1836-45) III, 160.
- 47 Jefferson to William Stephens Smith, November 13, 1787, in Boyd, *Papers*, XII, 356.
- 48 June 12, 1788, *The Papers of James Madison*, XI, 126.
- 49 June 17, 1788, Elliot, *Debates*, II, 234.
- 50 See William H. Riker, "Dutch and American Federalism," *Journal of the History of Ideas*, XVIII (October 1957), 495.
- 51 Farrand, *Records*, June 29, 1787, I, 478; *ibid.*, June 28, 1787, I, 457. Madison underscores Holland's special influence in the *Federalist*, No. 20.
- 52 Elliot, *Debates*, June 12, 1788, III, 290; *ibid.*, June 11, 1788, 275.
- 53 *Ibid.*, June 17, 1788, II, 224.
- 54 See J. W. Schulte Nordholt, "The Example of the Dutch Republic for American Federalism," *Bijdragen en Mededelingen Betreffende de Geschiedenis der Nederlanden*, XCIV (1979), 437-49.
- 55 See Simon Schama, *Patriots and Liberators: Revolution in the Netherlands, 1780-1813* (New York, 1977), p. 61; Robert R. Palmer, *The Age of the Democratic Revolution: The Challenge* (Princeton, N.J., 1959), pp. 325 ff.; J. W. Schulte Nordholt, "Gijsbert van Hogendorp in America, 1783-1784," *Acta Historiae Neerlandicae*, X (1978), 139, found van Hogendorp one of the few disappointed Americanophiles, preferring the Constitution to the Articles.
- 56 Jefferson to Adams, September 27, 1787, in Boyd, *Papers*, XII, 189.



# *Financial and Economic Ties*

## The First Century

JAMES C. RILEY

WHEN the foreign associations of the United States in the late eighteenth and the nineteenth century are considered, it is customary to think first of the close American association with Great Britain. This is natural, for the British and the American people shared much in background and outlook that encouraged and sustained close ties. Even in a period of occasional discord and strained relations, a period that began in conflict and was marked once again, in 1812, by open war, Britain provided the Americans with their closest diplomatic associate. In trade too American tastes continued to reflect habits and attitudes carried over from or acquired during the colonial era. Other states, not least the Dutch and the French, imagined that the War of the American Revolution signaled more than the political detachment of the thirteen colonies. But to a large extent they were wrong, as both the Dutch and the French realized during the 1780's.<sup>1</sup>

Nevertheless, the Anglo-American association can easily be given exaggerated weight. In the first place, of course, there were important points about which the two peoples differed. Even after the War of 1812 there were many in America who considered another conflict imminent, and inevitable.<sup>2</sup> Such feelings found expression again during the American Civil War, when influential Britons, including the editors of the London *Times*, sided with the Confederacy and threatened to carry their antagonism toward the federal government into open conflict. At the level of interpersonal relations the persistence of discord between the two countries might suggest all the more strongly the basic closeness of the relationship.

But there is another area in which this natural tendency to think of the closeness of the United States and Britain is misleading. Although willing to trade with the Americans, to the mutual benefit of both economies, and willing also to associate diplomatically with the Americans, although often as a superior rather than an equal partner,