

Independence

Within hours of receiving the news that the Revolutionary War had been won, the United States ordered its first coin to be struck.



PHOTOS: PCGS COINFACTS (NOVA CONSTELLATIO) & GETTY IMAGES/DUNCAN1890

ON SUNDAY, MARCH 23, 1783, a French naval cutter made its way up the Delaware River, dropping anchor south of Independence Hall in Philadelphia. The aptly named *Le Triomphe* had set sail from Cadiz 36 days earlier, carrying news that Great Britain recognized the sovereignty of the United States. American independence had become a reality.

Reports that the war was over soon found their way to Superintendent of Finance Robert Morris, the nation's chief executive and undoubtedly the most powerful man in Confederation-era North America. That evening, the financier was dining with John Barker Church, a successful merchant and brother-in-law to Alexander Hamilton. Church dashed off a letter to a business associate, recording that the news was first delivered to Morris at 6:20 p.m., writing, "Ten minutes since the Captn. Of the Hyder Ally came to Morris's...with the News that a General Peace was signed on the 20th of this Month." Morris and his friends proceeded to "Get Drunk as will many Christians who has [sic] this day been

▲ **THE 1783 PLAIN OBVERSE NOVA CONSTELLATIO**—the coin that Robert Morris described as "the first that has been struck as an American Coin"—was integral in establishing the system of money that we use to this day.
Not Actual Size

Morris's aptitude with numbers and creativity were matched by his *sense of honor*. It was only natural that he found himself drawn into public life, and eventually, politics.

Piously Devoted.” The following morning, a jubilant Morris recorded in his diary, “Yesterday we received the glorious News that a general Peace was concluded at Paris January 20th, 1783.”

Over the next few hours, United States Secretary of Foreign Affairs Robert Livingston, General Horatio Gates and other luminaries visited Morris's office to discuss the day's events. Morris then attended to “Various Applications for Money, Notes, Advice, Opinions &ca. &ca.”

The final item in Morris's diary on March 24—the first day that the U.S. government operated with the knowledge that the Revolutionary War had been won—may be our nation's first sovereign act. Before leaving his office to attend one of the celebrations held that evening, the superintendent of finance recorded that he had “Issued a Warrant on Mr. Swanwick in favor of B. Dudley £3.0.0.”

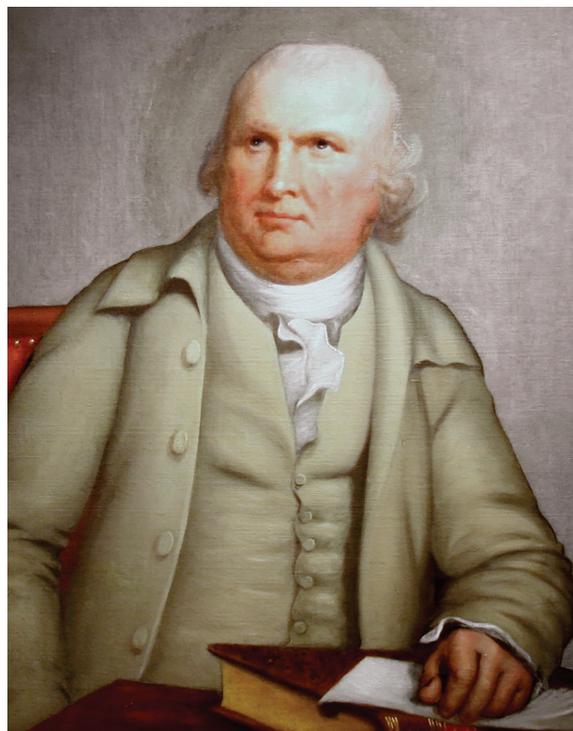
“B. Dudley” refers to Benjamin Dudley, a mechanic who had been hired by the United States to construct a mint for the new government, and the modest sum of £3 (the equivalent of eight Spanish silver dollars) was the final payment made to him before he delivered what Morris described in his diary as “the first that has been struck as an American Coin.”

Put simply, within 24 hours of learning that Great Britain recognized America's independence, the man running the United States apparently ordered a government employee to strike the first U.S. coin.

A Forgotten Founding Father

The collective memory has not been kind to Robert Morris—few people know his name, and those who do rarely understand much about his role in history. While books have been written about him—most recently, Charles Rappleye's biography *Robert Morris: Financier of the American Revolution*—the scope of his power as the nation's first true executive and his influence on the formation of our country have largely been forgotten.

Morris was born in Liverpool, England, in 1734, and when he was 13 years old, his father brought him to the colonies. The family settled in Maryland, where Morris's father started a business trading tobacco and soon apprenticed his son to the Willing family, successful Philadelphia merchants who specialized in the import/export trade. He quickly became a trusted employee, and by the time his father died in 1750, Morris



PAINTING: WIKIMEDIA COMMONS

▲ **ROBERT MORRIS** was a successful merchant before beginning his political career. His essential contributions to our nation's history have largely been forgotten.

had secured a place with the firm, sailing as their cargo-master in the West Indies.

At the age of 21, Morris was named a junior partner of Willing & Company. He grew close with Thomas Willing, the scion of the business, who was a few years his senior. Before long, Willing & Company became Willing & Morris, and Robert Morris was well on his way to becoming one of the great men of Pennsylvania.

Morris's aptitude with numbers and creativity were matched by his sense of honor. In the years leading up to the Revolutionary War, it was only natural that he found himself drawn into public life, and eventually, politics. He was instrumental in the Pennsylvanian opposition to the Stamp Act in 1764. Ten years later, when the First Continental Congress assembled in Philadelphia to formulate a coherent response to grievances with Great Britain, Morris began developing relationships with leaders from colonies other than Pennsylvania. The most important of these new friendships was with George Washington, then a delegate from Virginia.

The First Continental Congress concluded in October 1774, after resolving to boycott British goods if Parliament did not rescind the so-called Intolerable Acts implemented after the Boston Tea Party. Britain ignored the threat of boycott, and tensions rose on both sides of the Atlantic. Violence erupted early in the morning on April 19, 1775, in Lexington, Massachusetts, when 700 British soldiers clashed with 77 members of the colonial militia. After more clashes at Concord, Lexington, Menotomy and Cambridge, the Revolutionary War had begun in earnest.

The Second Continental Congress convened within a month, this time with Morris as a member. Soon, his skills as a merchant were put to the test, as he oversaw the acquisition of gunpowder and other war materiel for both Pennsylvania and the newly formed Continental Army. He was appointed to the Secret Committee of Trade and the Marine Committee, and by 1776 he had established himself as an indispensable member of both. He also became a member of the Secret Committee of Correspondence, coordinating communications between Continental Congress and diplomats in Europe.

Despite his revolutionary activities, Morris was a vocal proponent of reconciliation with

Great Britain. By the beginning of July 1776, the Continental Congress had begun debating a resolution to declare independence. One delegation after another committed their support to independence, until Pennsylvania's narrowly divided delegation was the only one left to oppose the resolution.

Seeing that their votes stood in the way of the will of the majority, on July 2, Robert Morris and John Dickinson abstained from voting, and with Pennsylvania's support, the Continental Congress resolved that the 13 colonies were "free and independent States." In a letter to future general Horatio Gates, Morris explained that "I am not one of those politicians that run testy when my own plans are not adopted. I think it is the duty of a good citizen to follow when he cannot lead."

Following the Declaration of Independence, Morris's importance within the government steadily grew as he oversaw the effort to secure arms and ammunition, outfitted privateers, and helped to manage the government's finances. His efforts did not meet with unanimous approval, and some radical members of Congress accused him of profiteering. By 1778, frustrated with these accusations and the government's inability to prioritize their finances, Morris resolved to leave Congress and concentrate on his personal business.

A Government in Crisis & the Birth of the Executive Branch

In Morris's absence, the government's finances rapidly deteriorated. From its inception, the Continental Congress lacked the authority to levy taxes and had to rely on the states to fund the Confederation. Politics being what they are, the states tended to prioritize spending at home over funding things like the Continental Army, leaving Congress to beg and borrow money wherever it could.

Apart from loans and support from foreign powers, Congress had relied heavily on the issuance of paper money known as Continental Currency to fund its initiatives. Unfortunately, overissuance, British counterfeiting and the government's uncertain future caused the value of Continental Currency to plummet.

By January 1781, the wheels had begun to fall off the cart—Congress could no longer afford to pay or properly equip the army, and following a New Year's celebration, 10 regiments of soldiers from Pennsylvania mutinied. The Supreme Executive Council of the Commonwealth of Pennsylvania sent their president, Joseph Reed, to negotiate with the disgruntled soldiers, but not before the British sent an emissary of their own who offered a bounty to the mutineers if they repudiated the revolutionary cause.

The soldiers refused the British bounty and

▼ **THE FIRST CONTINENTAL CONGRESS** assembled in Philadelphia in 1774. The city operated as our nation's capital between 1778 and 1783.

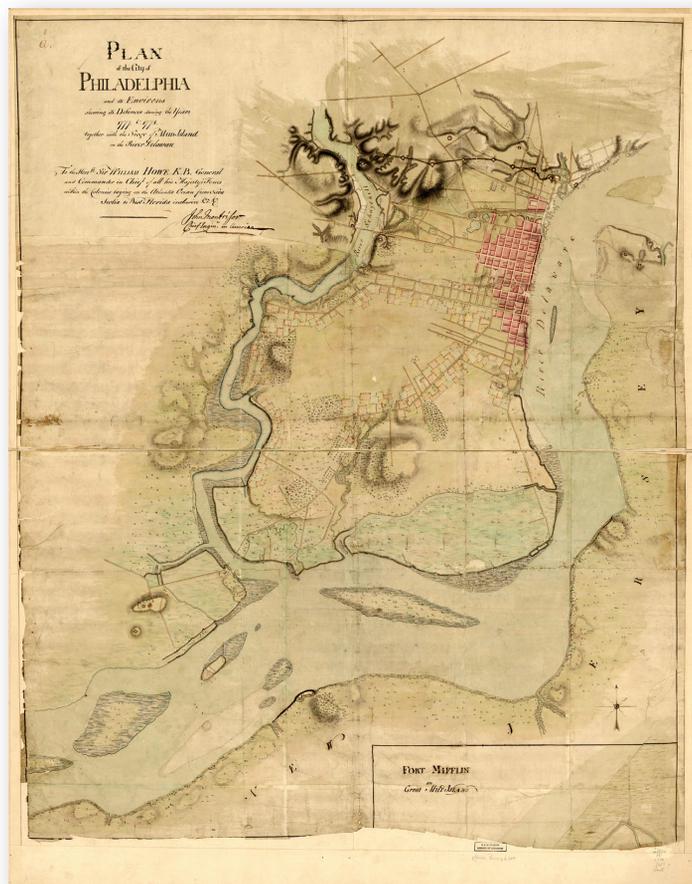
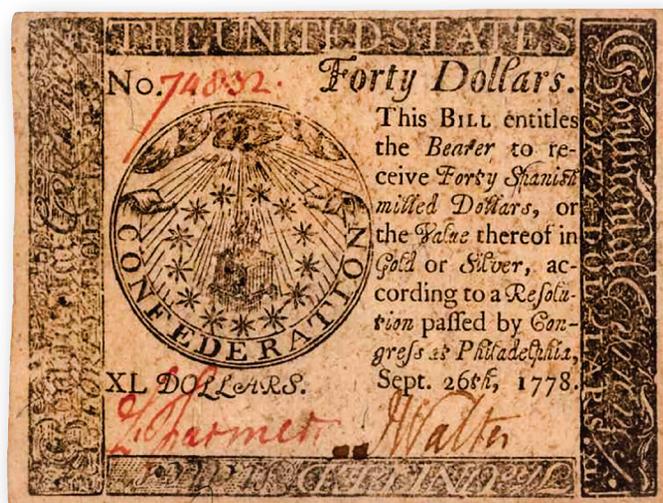


PHOTO: LIBRARY OF CONGRESS



▲ **UNABLE TO ENACT TAXES** to fund its initiatives, the Continental Congress instead issued Continental Currency, such as this \$40 note, designed by Francis Hopkinson, who is believed to have designed the *Nova Constellatio* patterns.

Not Actual Size

instead arrested the British officer and his guide. The mutineers successfully negotiated for a discharge from the army and were given the opportunity to re-enlist without penalty. However, the affair underscored the precarious situation facing the Continental Congress and convinced most delegates that if the government was not reformed, the revolution would be lost.

Up until this point, executive decisions within the United States had been made by committees with congressional oversight. The philosophical underpinnings of this modus operandi were more concerned with anti-monarchical sentiment than efficiency or pragmatism, and the disastrous results showed it—the Continental Army was in tatters, the government was on the brink of collapse, and the war was all but lost.

Writing to Robert Livingston, then the chancellor of New York, Washington lamented,

To trace these evils to their sources, is by no means difficult—and errors once discovered are more than half corrected—This I hope is our case at present—But there can be no radical cure, till Congress is vested by the several States with full and ample Powers to enact Laws for general purposes—and till the Executive business is placed in the hands of able men, & responsible [sic] characters.

Within a month, Congress resolved to place the Treasury, War, Marine and Foreign Affairs Departments under individual executives. The first—and most important—of these positions was that of superintendent of finance, the executive who would oversee all the domestic business of the government of the United States.

The scope and responsibility of this position was unprecedented at a time when no individual had ever been granted the authority to act unilaterally on behalf of the government. It soon became apparent that only one man was capable of carrying out the duties that we associate today with the office of the presidency—Robert Morris.

Nationalism & the Attempt to Establish a Stable Government

On February 20, 1781, Morris was unanimously elected superintendent of finance of the United States of America; however, he wasn't entirely certain he wanted the job. His prior experience in government had exacted a toll on his business and personal life, and, as he recorded in his diary, "The appointment was unsought, unsolicited, and dangerous to accept." Despite his misgivings, Morris also saw the position as an opportunity—like many men who had served the government during the 1770s, the financier realized that if the war were ever to be won, a strong central government would be necessary to the survival of the states.

The Continental Congress had convened as a loose coalition of colonies struggling to find a way forward in the face of what many saw as rapacious, overreaching interventionism at the hands of King George III and Parliament. Antipathy to anything resembling British rule had been baked into the cake when the revolutionary government was formed, and it was only after the continual failures of a weak federal government became appealing to many Americans. By 1781 George Washington, Alexander Hamilton, James Madison, Robert Livingston, Robert Morris and others began to work toward uniting the 13 states—each of which saw itself as separate and independent—into a single, unified nation. Nationalism, as it is now known, wasn't an organized movement as much as it was a shared realization that in the absence of a unifying force, the United States was bound to fail.

Morris must have been aware that his refusal of the appointment as superintendent of finance would spell disaster for those who shared his vision of a unified America. After several weeks of deliberation, he agreed to accept the post on two conditions: first, he had to be able to maintain his personal businesses while in office, and second, he had to have the full authority to fire "all persons whatever that are concerned with the official Expenditure of Public Monies" and any employees who he thought were unnecessary to the successful operation of the government. Despite his seemingly impossible demands, Congress acquiesced, and Morris officially accepted Congress's appointment on May 14, 1781.

Morris's Plan & the Victory at Yorktown

Morris understood better than anyone that money was the nation's central issue, and he hoped "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." To this end, he developed a plan to change American finance on three fronts: first, he wanted to establish a national bank to create and manage credit; second, he hoped to amend the Articles of Confederation to give Congress the authority to levy taxes, thereby creating revenue for the government; and third, he planned to establish a mint to unify the 13 states with a single, simple monetary system.

Within a week of taking office, Morris presented Congress with his plan for the Bank of North America. As a private institution, the bank would raise revenue by selling \$400 shares to investors who would elect the bank's board and receive a yearly dividend for their investment. The institution would use its capital to create a domestic credit market and issue bank notes for circulation that the government would honor for the payment of taxes. Congress chartered the Bank of North America on May 26, 1781, and Morris began the work of selling subscriptions to investors.

Meanwhile, the war had reached a frustrating stalemate, with the British headquartered securely in New York and prosecuting a campaign through the Carolinas and into Virginia, where the British commander Charles Cornwallis faced off with forces under the command of America's French ally, the Marquis de Lafayette. Washington planned to attack the British in Manhattan until learning that the French navy would sail to

Virginia in support of Lafayette, effectively dashing the general's hopes of retaking New York. Faced with the realization that the only way forward was a costly march south, Washington turned to Morris, desperate for money.

Congress was effectively bankrupt and bereft of credit, and the market for bills of exchange in Philadelphia was weak. Morris was left with no choice but to leverage his personal credit with the French to fund the army's expedition to Virginia, unaware that its culmination at the Battle of Yorktown would end with the surrender of the British army.

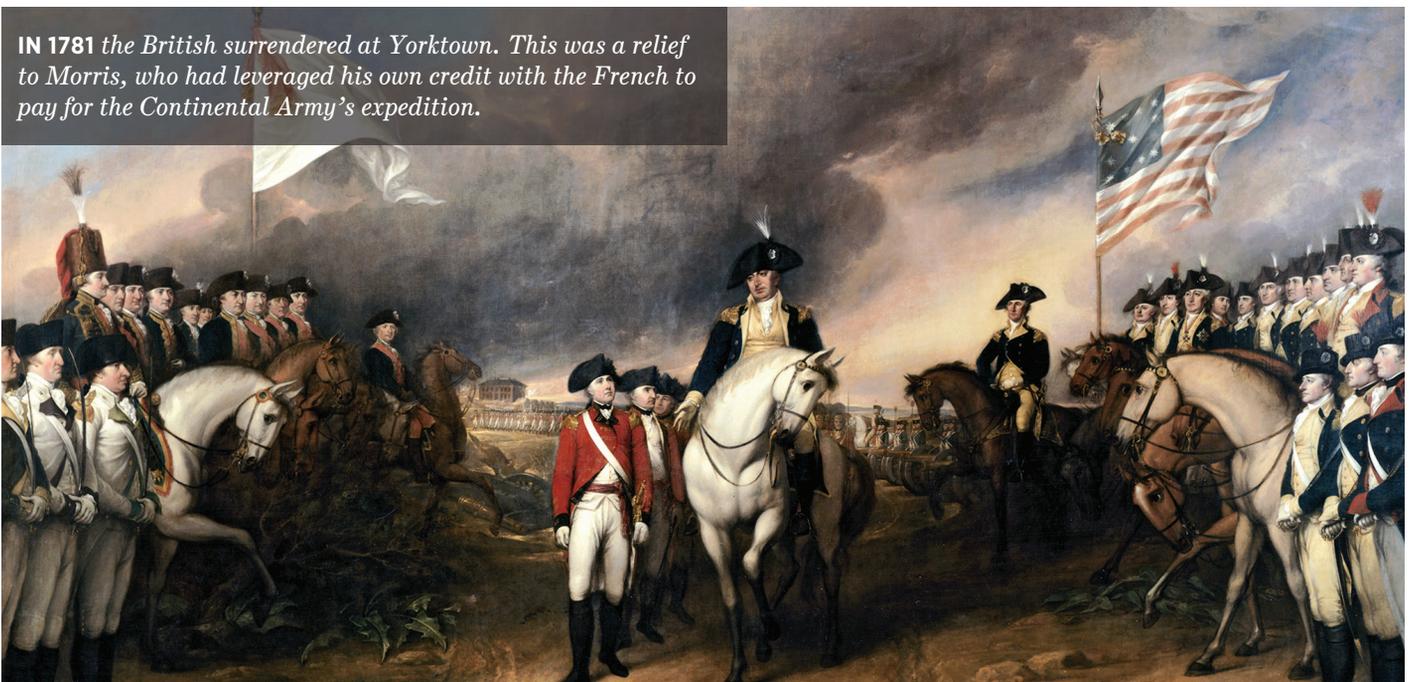
In the wake of this most unlikely victory, Morris moved to amend the Articles of Confederation, authorizing Congress to charge a tariff on imports and to tax slave owners. The measure required the consent of all 13 states and tested Morris's powers of persuasion to their limit.

Morris, Dudley & the Mint

In the meantime, Congress instructed the financier to "prepare and report a Table of Rates at which the different Species of foreign Coins most likely to circulate within the United States shall be received at the Treasury." Instead, Morris decided that it was time for the government to consider establishing a mint. He responded, "I have been induced again to turn my Attention to an Object which has employed my Thoughts very frequently and which would have been long since submitted to Congress had I not been prevented by other Business and much delayed by those Things relating to this Business which depended upon others."

In fact, Morris and members of Congress had been working on a plan for a mint since the summer of 1781, when a Continental agent named John Bradford wrote to Samuel Huntington, president of the Continental Congress. Bradford

IN 1781 the British surrendered at Yorktown. This was a relief to Morris, who had leveraged his own credit with the French to pay for the Continental Army's expedition.



Morris believed that a shared system of money would be instrumental in the creation of a **national identity** for the United States.

THE PLAIN OBVERSE NOVA CONSTELLATIO

The Plain Obverse quint is among the most eloquent U.S. coin designs—its simplicity is matched only by the success with which it communicates the nationalist agenda of 1783.

The obverse depicts the Eye of Providence representing the central government that the Nationalists hoped to establish, surrounded by a glory of rays and a constellation of 13 stars, depicting the 13 original states.

The reverse symbolizes victory using a laurel wreath surrounding U.S and the denomination 500. It is encircled by the date 1783 and the legend LIBERTAS JUSTITIA.

“Libertas” is clearly a reference to freedom, but “Justitia” is a fascinating choice, given the political issues facing the country in 1783. “Justice” was nationalist shorthand for paying the national debt.

It is generally accepted that the Nova Constellatio was designed by Philadelphia jurist, artist, musician, writer and signer of the Declaration of Independence, Francis Hopkinson; its obverse resembles the \$40 Continental Currency note that Hopkinson designed in 1778, and his proposed designs for the Great Seal of the United States included “a radiant constellation of thirteen stars.”

Hopkinson also sat on the Marine Committee of the Continental Congress, where he was responsible for the design of the United States flag. Interestingly, the earliest description of the Hopkinson flag, found in the Congressional Resolution of June 14, 1777, calls for 13 stripes, alternate red and white; that the union be 13 stars, white in a blue field, representing a new constellation. (Nova Constellatio is, of course, Latin for “New Constellation.”)

reported that he had met a man named Benjamin Dudley, who had experience as a mechanic at a European mint, and suggested that Dudley could be instrumental in establishing a coining facility for the United States. Huntington immediately forwarded the letter to Morris, who set about hiring Dudley and began plans to establish a new coinage for the fledgling nation.

Morris believed that a shared system of money would be instrumental in the creation of a national identity for the United States. With the help of an assistant, the financier devised a system intended to simplify an unimaginably complicated set of monetary circumstances.

English law forbade the colonies from striking gold and silver coins, and the mercantile system operated such that British coins were scarce anywhere but the mother country. Consequently, a hodgepodge of Spanish, French, British and Portuguese coins circulated in the New World. Each specimen was struck under different standards of weight and fineness, and the existing European monetary systems relied on complicated fractional math that had been in use since the Roman Empire. Furthermore, the former colonies each had their own separate money of account, meaning that a pound in New York was different from a pound in Pennsylvania or South Carolina.

The Office of Finance determined that the highest common divisor among the money commonly encountered throughout the former colonies was a quarter grain of silver. Morris established this as his basic unit and, in a stroke of genius, abandoned fractions altogether, proposing the first monetary system based on decimal reckoning not only in North America, but in Western Europe, as well.

This system used three silver denominations: a 1,000-unit mark, a 500-unit quint and a 100-unit bit. In addition, two copper pieces, an 8 unit and a 5 unit, allowed for the exact exchange of any foreign coin (or state money of account) for the new U.S. money. The men reasoned that this plan would prove so easy to use that most foreign pieces would be brought to the mint for recoinage, and the problem of locating specie would be solved through expedience.

In early 1782, Morris presented his plan to Congress, where it was referred to a committee. After consulting the financier on February 16, the committee voted unanimously to recommend the



PHOTOS: PCGS COINFACETS (NOVA CONSTELLATIO) & GETTY IMAGES/DUNCANIB90

creation of a mint, and on February 21, the following resolution was adopted: “That Congress approve of the establishment of a mint; and, that the superintendent of finance be, and hereby is directed to prepare and report to Congress a plan for establishing and conducting the same.”

Morris immediately put Dudley to work designing machinery and scouting locations for the new mint, and the mechanic drew up machinery blueprints within a week. Morris directed Dudley to show the plans to David Rittenhouse, a Philadelphia clockmaker who eventually served as the first director of the mint in 1792, and Francis Hopkinson, a lawyer and artist whose earlier designs for Continental Currency and the U.S. flag bear striking similarities to those eventually used on the coins Dudley struck.

That summer, a blacksmith named Samuel Wheeler began making parts for the machinery. However, the government’s financial struggles threatened any nonessential expenditures and slowed progress on the mint to a crawl. In November 1782, Morris recorded in his diary that he was “very uneasy that the Mint is not going on.”

Financial Setbacks

As Dudley worked to assemble a mint, Morris struggled to pay for it. The Treasury Department was broke, and Morris was forced once more to use his personal credit to keep the country afloat.

In late 1782, his attempt to create a revenue stream for the government began to crumble. The amendment to empower Congress to levy taxes required the unanimous support of all 13 states, and Rhode Island, the smallest of the former colonies, refused to support the measure. As the

year came to an end, Morris realized that his dream of a stable government was in peril.

By January, the Bank of North America had finally opened, but Morris could see no way for the government to pay its bills. Payments from the states had ground to a halt, and Morris’s attempts to collect the money necessary to run the government were unsuccessful. In the absence



▲ FRANCIS HOPKINSON designed the United States flag (below), \$40 and \$50 Continental Currency notes, as well as the *Nova Constellatio* patterns.



PHOTOS: HERITAGE AUCTIONS (FLAG) & WIKIMEDIA COMMONS

of any revenue, Morris was even forced to suspend the army's pay. Fearing that his reputation would be ruined if Congress was unable to pay its debts, and with Congress unwilling to take the necessary steps to raise revenue, Morris delivered his resignation on January 24, writing,

To encrease [sic] our Debts while the Prospect of paying them diminishes, does not consist with my Ideas of Integrity... If effectual Measures are not taken by [May 31st], to make permanent Provision for the public Debts, of every Kind, Congress will be pleased to appoint some other Man to be the Superintendent of their Finances... I will never be the Minister of Injustice.

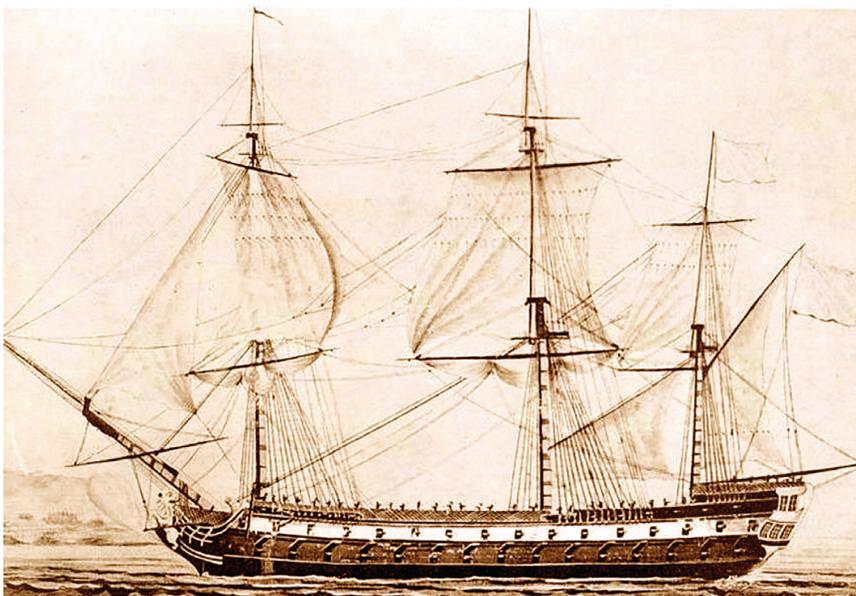
Congress begged Morris to reconsider and hoped to keep his resignation a secret.

Meanwhile, tensions were running high within the Continental Army. The government's inability to pay the men who had risked their lives for the revolutionary cause had sparked unrest among the soldiers. By late February, rumors that the Army would refuse to disband began to circulate in Philadelphia, upsetting many citizens who feared the prospect of a standing army. George Washington managed to quell any uprising, but by March 20, Congress was scrambling to appease the troops.

The News

The arrival of *Le Triomphe* in Philadelphia could not have come at a better time, and the news of victory and peace seems to have inspired Morris. Despite the failure of the tax amendment, the Bank of North America had opened, and after a year of preparation, the mint was nearly operational.

▼ **LE TRIOMPHE'S ARRIVAL** in Philadelphia with news of British surrender came as the government was struggling to pay off its debts.

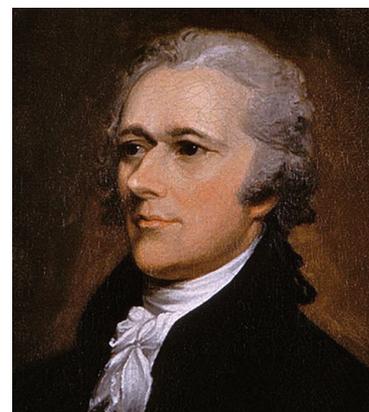


Morris's payment to Dudley was issued during a period when the latter's only business with the government was the preparation of the mint. A week later, Morris recorded in his diary, "I sent for Mr. Dudley who delivered me a Piece of Silver Coin being the first that has been struck as an American Coin."

The coin in question temporarily vanished from the historical record after Alexander Hamilton viewed it on April 9. It did not reappear until 1870, when it was discovered in the possession of a young man in New York, presumably a descendant of either Hamilton or Morris.

Despite its disappearance, this coin went on to have a lasting impact on the world. In the weeks following his meeting with Hamilton, Morris ordered Dudley to strike a set of coins to deliver to Congress. Although the government was unable to fund Morris's mint, the coin set, later referred to as the Nova Constellatio patterns, was sent to Thomas Jefferson when he took up the problem of coinage a year later.

While Jefferson failed to fully comprehend Morris's coinage plan, he did appreciate the idea of a decimal coinage. The letter he sent back enclosing those coins outlined a new system of money, based in no small part upon Morris's decimal system. Rather than Morris's basic unit and its multiples—the bit, quint and mark—the basic denomination would be the dollar, divided into halves, quarters and dimes, a system that prevails to this day.



▲ **ALEXANDER HAMILTON** was the last person to see the *Nova Constellatio* before it vanished. It reappeared in New York in 1870.

Conclusion

Throughout history, one of any new sovereign nation's first acts is, inevitably, to coin money. The Articles of Confederation reserved "the sole and exclusive right and power of regulating the alloy and value of coin struck by their own authority" for the United States, a right that Robert Morris seems to have executed in the hours following the news that the colonists had won the Revolutionary War. The humble silver piece that Morris described as "the first that has been struck as an American Coin" may very well represent the first consciously sovereign act of American independence. ■