Envoy to the Terror

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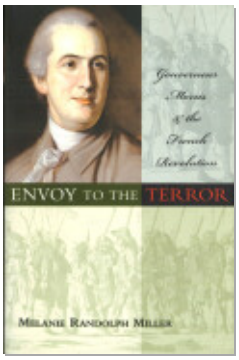

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Chapter Four

"I Had Better Leave This Alone, But"— Zeal Gets the Best of Morris

Morris's liaison with Adèle de Flahaut was the hook that drew him into the fabric of France. She recognized that his position as an American welcomed in the upper circles could be helpful in pursuing her own vision of France's political best interests, as well as the personal best interests of herself and her friends. Although she was associated with Talleyrand and other influential reformers of the Society of Thirty, she also had connections at court, including a friendship with Félix Vicq d'Azyr, Marie-Antoinette's personal physician and advisor. Morris came to know many of these people well. Yet Morris was not an instrument for Adèle, and acted on his own convictions, which on many occasions proved contrary to Adèle's ideas.

The first time Morris took an active role was in late July 1789. Adèle had told him that Louis was considering fleeing to Spain, and they both feared the impact on an already unstable France. He agreed to urge Lafayette, now the commander of the new National Guard, to reassure the king. Morris did not tell him (or Jefferson) about Louis's projected escape, because it was "a Secret entrusted to me," but suggested creating an association to protect Louis, and proposed a financial plan for France.[1] A few days later, en route to London, he wrote Washington about the escape plan, "known to very few in this Country." In fact, the Spanish escape did not materialize, perhaps for the same reasons Louis had rejected an earlier proposal: the fear (which Morris and Jefferson shared) that it would provoke civil war, or that the unscrupulous and ambitious duc d'Orléans would try to take the throne. Louis would later regret his decision to stay.[2]

Many critical events took place in the National Assembly during Morris's six weeks in London: the voluntary renunciation of feudal privileges (including personal servitude, venality of office, seigneurial dues, the tithe, and ecclesiastical privileges), adoption of the Declaration of the Rights of Man, and the decrees establishing the fundamentals of the new constitution. The Declaration of the Rights of Man—a "liberal but hardly

democratic document"[3]—provided for imprescribable rights of "liberty, property, security, and freedom from oppression," and stated that sovereignty resided in the nation, not the monarch, who was subject to the law.

On his way back in to Paris, Morris observed men taking advantage of the termination of hunting restrictions, killing partridge right and left. "[T]he Postilion turns around to me: 'C'est un beau Privilége que les français se sont acquis Monsieur.'—'Oui Monsieur, mais il me paroit que ce Privilége ne vaudra pas autant l'année prochaine.'" ["It's a great privilege which the French have acquired, Monsieur." "Yes, Monsieur, but it seems to me that this privilege will not be worth as much a year from now."][4]

Before Morris left for London, he had received a request—via Adèle—to confer with the constitutional committee of the National Assembly. He provided a memorandum, very likely a document published by Sparks entitled "Observations on Government" (in retranslation it lacks Morris's usual polish).[5] If so, it cannot have been welcome to the committee, for it stated bluntly that France was not ready for a free government, and urged retention of the orders, on much the same basis as he had urged a hereditary Senate in America. The notion of equality was no obstacle: in destroying orders, he queried the committee, "do you destroy the natural inequality of man, or the artificial inequality of society? In attacking one effect, do you remove the general cause?" Titles and nobility gratify human vanity, he suggested, as he had in the American convention, and since the only means to preserve good government was to ensure it served the self-interests of its most powerful citizens, the use of noble titles was an excellent tool.

Jefferson had refused a similar request to give advice on the new constitution, ostensibly for reasons of propriety. However, Lafayette asked Jefferson to host a dinner in late August at which critical constitutional issues were to be resolved by the chief spokesmen of the competing positions. The "Patriots" now consisted of two groups, the *monarchiens* or, as Jefferson described them, the "moderate royalists who wanted a constitution nearly similar to that of England," and the "republicans" (Jefferson's term), who wanted a single chamber and to give the king a temporary legislative veto.

Some thirty years later, Jefferson claimed that he had agreed to the dinner with reluctance, and was merely a "silent witness" to the discussion, for he "knew too well the duties I owed to the king, to the nation, and to my own country to take any part in councils concerning their internal government."[6] However, on August 26—the very night the dinner was held—Major Haskell wrote to William Constable that Jefferson was "to this revolution what a key and main Spring are to a watch. He winds them up

& puts them into motion." The British ambassador reported something similar to London: "Mr. Jefferson . . . has been a great deal consulted by the principal leaders of the Tiers État; and I have great reason to think it is owing to his advice that the order called itself L'Assemblée Nationale." Since Jefferson had helped draft a version of the Declaration of the Rights of Man, it defies credulity to think that he sat silently in this critical debate which "decided the fate of the constitution."[7]

The majority of the guests that night agreed on the veto and on a single-body legislature chosen by the people.[8] Morris flatly disagreed with these decisions, for the temporary nature of the veto would further weaken the king, and he had little faith in the National Assembly, which he had observed in session and of which he told Robert "it is impossible to imagine a more disorderly" body. Before his departure to London, he had dined with the president of the Assembly, and told him

> frankly that it was simply impossible for such a Mob to govern this Country—they have unhinged every Thing—the executive Authority is reduced to a Name. Everything almost is elective and consequently Nobody obeys. It is an Anarchy beyond Conception and they will be obliged to take back their Chains for some Time to come at least.

He reported the conversation to Robert, adding,

> And so much for that licentious Spirit which they dignify with the Name of Love for Liberty. Their Literati whose Heads are turned by romantic Notions picked up in Books and who are too lofty to look down upon that Kind of Man which really exists, and too wise to heed the Dictates of common Sense and Experience, have turned the Heads of their Countrymen and they have run amuck at such a Don quixote Constitution as you are blessed with in Pensilvania.

"You will judge the Effects of such a Constitution upon a People supremely depraved," he added. "They are devilish wicked—"[9] He was not alone in his alarm. Many of the "Patriots" were now having second thoughts, including his friend Mme de Tessé (Lafayette's cousin, whom he met through Jefferson), who told him humbly that she no longer considered him "*trop aristocrate.*"[10]

The price of bread was again rising in Paris, raising fears of civil war. Morris discussed the shortages with Lafayette, who, although he professed

anxiety about the lack of bread, would not engage in any specific projects. "This Man is very much below the Business he has undertaken," Morris complained in his diary, "and if the Sea runs high he will be unable to hold the Helm." Morris had regularly talked to Necker about supplying Paris with flour, also without results, for he "treats the Idea of Responsibility of the Nation for such Use of public Money with Contempt." Morris persisted, however, working with de Corny and the American businessman James Swan. He held back one of Robert's vessels so that he could include orders for flour, but grew so impatient with Lafayette that by September 30 he told the marquis he would drop the affair if nothing was done. He also told Lafayette that he must reestablish control of his troops, and "the serious Truth, that if the People of this Metropolis want, they will send their Leaders to the Devil at once and ask again their Bread and their Chains.[11]

Morris's warnings proved valid. Although Lafayette was popular, he was not in control of his soldiers, and the weakness was ominous; nor had he—or anyone else in the government—come to grips with the bread crisis. A few days after their discussion came the October Days. Louis's refusal to sanction the August decrees had helped foment rumors of a royalist plot to undo the new reforms and the National Assembly, and Lafayette's National Guard was eager to return to Versailles to "guard" the king from the royalist "conspirators" who surrounded him. They were led by legions of angry women demanding bread. Lafayette resisted the Guard's demands at first, but fear for the king finally sent him down the road. "Lafayette has marched by Compulsion, guarded by his own Troops who suspect and threaten him," wrote Morris, shaken by the news. The next day he learned of the king's agreement to sanction the Rights of Man and abolition of feudalism, and of the royal family's forced return to Paris, escorted by Lafayette:

> What an unfortunate Prince! The Victim of his Weakness, and in the Hands of those who are not to be relied on even for Pity. What a dreadful Lesson it is for Man that an absolute Prince cannot with Safety be indulgent. The Troubles of this Country are begun, but as to the End it is not easy to foresee it.

A high wind and chill rain were lashing Paris that day, and Morris saw in it the reflection of the political storm, which stirred him to make one of his infrequent but feeling references to religion:

> Man, turbulent like the Elements, disorders the moral World but it is Action which supports Life. It is thine alone, Almighty Parent, to direct the Storm, to bring Order from Confusion, and render the Inconsistency of Man subservient to the Regularity of thy Laws.[12]

While the October Days exposed Lafayette's inability to command his troops, it also placed him in the undisputed role of power broker for the monarchy. Morris talked to Lafayette several times about the need for a new ministry, telling him "he must have Men of Talents and Firmness," and suggesting names.[13] In a conversation that may have begun as facetious but became serious, he and Adèle put together a proposed ministry of men they believed could do France the most good. It included Talleyrand, who was toying with the thought of replacing Necker.[14]

Morris was aware that his counsel was not welcome. As he told Lafayette on October 16:

> I know the folly of offering opinions, which bear the appearance of advice, but a regard for you and the sincerest wishes for the prosperity of this kingdom pushed me beyond the line, which caution would have drawn for one of less ardent temper.[15]

Morris did not add the other compelling motive, his perception that Lafayette had poor judgment and Jefferson, who had been a key advisor, had left France for America on September 28. He was not alone in his belief that the monarchy was in desperate need of strong and talented administrators with "Principles favorable to Liberty. That without Talents the Opportunity of regaining executive Authority will be lost."[16]

Lafayette had his own ideas, however. He calmly acknowledged to Morris that two of his own nominees lacked ability. A third, the talented but corrupt comte de Mirabeau,[17] lacked morals, but that, said Lafayette, could be addressed. Morris objected. The conversation was probably unpleasant, and Lafayette was "very desirous to get rid of me and I take my Leave," Morris wrote that night. " I am vexed to find that by Littleness the Little are to be placed where Greatness alone can fill the Seat."[18] He told himself that he would not "again trouble" Lafayette with advice "unless he asks it, and perhaps not then."

However, it was foreign to Morris's nature to remain silent in the face of actions with which he profoundly disagreed. Before long, Morris succumbed to pleas from friends of Lafayette, and sent him a letter on the state

of affairs in France.[19] The letter again asserted that the constitution as drafted would fail because it made the executive fatally weak, with all significant powers subject to the review of the legislature. The king could not propose laws, and the veto could only block legislation for a maximum of two years. His ministerial appointments could be impeached by the Assembly. Because such a constitution could not function, able ministers were all the more essential. "I consider the present time as critical," Morris told Lafayette accurately, "and that if neglected many inseparable mischiefs must pursue."

Morris never varied from these views, but it is an indication of how little Lafayette was listening that not long after he told Morris that "notwithstanding my Criticisms . . . I must acknowledge that their Constitution is better than that of England." Morris was astounded, and told Lafayette bluntly that he was "much mistaken if he imagines that to be my Opinion."[20] As events proved, the Constitution of 1791, as it would be called, proved unworkable and was eventually universally rejected.

The American's forthright remarks were undoubtedly an unwelcome contrast to the flattering subservience of others. On October 19, Mirabeau staged a demonstration at the National Assembly, passing a unanimous vote of thanks to Lafayette, moving him to tears. Morris believed him gulled, commenting that "La Fayette has committed a great Blunder in opening himself to the unscrupulous Mirabeau. If he employs him it will be disgraceful, and if he neglects him it will be dangerous."[21] At about this time, Lafayette was offered a position by Montmorin on behalf of the royal party, in the hopes of ensuring his loyalty. He declined, but mentioned it to Morris, who noted that Lafayette "shews clearly in his Countenance that it is the Wish of his Heart" to obtain such a position, a "Kind of Dictatorship such as Generalissimo." Morris called this

> vaulting Ambition which o'erleaps itself. The Man's Mind is so elated by Power, already too great for the Measure of his Abilities, that he looks in to the Clouds and grasps at the Supreme. From this Moment every Step in his Ascent will I think accelerate his Fall.[22]

Morris's judgment seems harsh, but it correctly anticipated Lafayette's spectacular fall from public grace less than three years later. He was not the only one to criticize Lafayette. The astringent Major Haskell wrote that Lafayette and his aide considered themselves "Atlases bearing the world," but that instead of the real world "they have each got an imaginary one in their heads."[23] Mme de Staël's husband said that Lafayette's status had "carried

him beyond his stature" and "those who praise him govern him." Mirabeau, who utilized just this strategy to manipulate Lafayette, remarked

> The multitude is totally ignorant of the dictatorship which La Fayette exercises so maladroitly . . . and if it knew the sort of ministry without responsibility he wished to arrogate to himself, his public credit would be ruined. [24]

In view of his increasing disdain for Lafayette, Morris's willingness to use their acquaintance to push for an appointment for Talleyrand is troubling. While Morris respected Talleyrand's abilities (yet his respect was beginning to erode), it is likely that he really did so because Adèle asked it. The bishop, as Morris noted, was "not a little out at elbows" and could sorely use the money to be gained from a ministerial position—just as Mirabeau, also in grave financial difficulties, was badgering Lafayette for an appointment. In fact, Mirabeau and Talleyrand, both known to posterity for their venality, had been associates for many years. Morris therefore had reason when he told Lafayette that with Talleyrand in the ministry he would get Mirabeau's support into the bargain. Before long, however, Talleyrand lost his taste for the ministry, and Morris ceased to recommend anyone to Lafayette.[25]

Unlike Lafayette, the comte de Montmorin valued Morris's advice, and welcomed his visits. The king's loyal minister admitted that he himself lacked the energy to supply the leadership needed, and told Morris that "as to great Measures the King is incapable of them and therefore he has no other Method of acquiring Power but to gain the Love of his Subjects, to which he is entitled by his Goodness of Heart," an admirable but hopeless approach.

For the first time Morris was asked—informally—whether *he* would be interested in a position in the French government. He told the comte de Clermont-Tonnere, who had also served in America and was a friend of Lafayette, that he had abandoned public life, but that "if any Thing could prompt a Wish for a Return it would be the Pleasure of restoring Order to this Country." However, when his friend Mme de Chastellux said the next day that she would "make her *Don patriotique*" (patriotic contribution) by presenting Morris to the king to be a minister, "I laugh at the Jest," Morris recorded, and there the matter rested until the summer of 1791.[26]

The food crisis continued into late October. Two days after Mirabeau's demonstration for Lafayette, a man wearing a National Guard uniform

beheaded a baker accused of hoarding bread and a crowd paraded the head through the streets. Morris was appalled. "Surely it is not in the usual Order of divine Providence to leave such Abominations unpunished." he wrote. "The Pressure of incumbent Despotism is removed, every bad Passion exerts its peculiar Energy."[27]

On Christmas Day 1789, Morris made his usual round of social calls, and ate supper at Mme de Guibert's (a friend of Adèle). The principal topic of discussion, for once, was not the Revolution, but poisonings in court history. He left early. "It has been a very fine Day but Paris on this great Festival of the Nativity shews how much she is fallen by the Revolution," he commented on the view from his carriage window. "Her Gayness and her Gilt are all besmirched. It is to her indeed a Revolution."[28]

Two days later, Lafayette called Morris and William Short (now American chargé d'affaires after Jefferson's departure) into his private office to explain the arrest of the marquis de Favras for plotting to abduct Louis XVI and, supposedly, to assassinate Lafayette and Bailly, the mayor of Paris. Although it was known that the king's brother, "Monsieur" (the future Louis XVIII), was behind the plot, Favras was made the scapegoat and hanged, while Monsieur was sent to England. Before Monsieur left, he made a self-exonerating speech to the Assembly, which Adèle told Morris the ever-useful Talleyrand had helped to write.[29]

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Morris, as a businessman, was keenly interested in France's financial difficulties, not just her political struggle. In late November 1789, he made one of his infrequent visits to the Assembly to watch Necker present a new fiscal program, one that Morris predicted would be "fatal to their Finances and completely derange them for some Time to come." The discourse gave him a "violent Headache," and he annoyed Mme de Staël, who resented any criticism of her father, with his frank remarks.[30]

Morris later summarized Necker's attempts to salvage French finances in a letter to Washington:

> Hitherto he has been supported by borrowing from the Caisse D'escompte, which . . . has lent him a Sum in their Paper exceeding the Totality of their Capital, by about four Millions Sterling. Last autumn he came forward to the *Assemblée* with a dreadful Tale of Woe, at the Fag End of which was a Tax upon every Member of the

> Community of a fourth of his Revenue, and this he declared to be needful for saving the State.[31]

This was the *don patriotique:*

> By this, every Man is to declare, if he pleases, what he pleases to estimate his annual Income, and to pay one fourth of it in three Years. You will easily suppose that this fund was unproductive.

Next came the decision to issue paper *assignats* secured by nationalized royal and church lands. Morris, despite initial interest in the concept, soon condemned it, certain that lack of confidence in title to the land would drive their value down. He put his objection succinctly in a letter to Short:

> The dreadful primordial Curse is repeated upon them all: Paper thou art and unto Paper thou shalt return—adieu my dear sir, I deeply bemoan these things for I love France sincerely—

Morris's belief in the destructive folly of the *assignats* would be borne out by their staggering loss of value over the next few years.[32]

By now, the financial crisis was reaching into the uppermost levels of French society, and fears were starting to run high. During the first week of January 1790, the National Assembly stopped payments to pensioners of the Crown. Morris forcefully denounced the act as a "Violation of the Rights of Property," which would further alienate the elite and increase their opposition to needed reforms. He began to receive visits from would-be émigrés, seeking advice on purchasing American land.[33]

The capital, like the provinces, was growing restive. In mid-January, there was a riot in the city, and the rioters included members of the militia. On February 4, 1790, Louis declared himself to be the head of the Revolution, in an attempt to regain his authority. The decision was supported by Lafayette and Montmorin but, to Lafayette's surprise, Morris strongly disapproved, and, via Vicq d'Azyr, sent a memoire to Marie-Antoinette urging against it, and asserting that the king had so far gathered "but bitter fruits from his intercourse with the Assembly."[34] Morris was right: the surge in the king's popularity was brief. Over the next nine months, while Morris was away from Paris, the king would be forced to accede to a number of radical Assembly actions.

Before turning to the assignment that sent Morris out of France at such an interesting juncture, it is time to devote some attention to what was in fact the principal occupation of his days during his first year in Paris: business. Nearly every entry of his diary begins with "This Morning write," and what he wrote pertained to commercial ventures. It was a "refrain," as the editor of his Paris diaries put it, which "is the real key" to Gouverneur Morris.[35]

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Gouverneur Morris's business dealings in Europe are recorded in the volumes of his commercial correspondence, page after page of neatly written and concise proposals for contracts, land surveys, calculations of costs and profits, arrangements for meetings, and discussions of business matters. A few hours spent reviewing these documents gives an inkling of the amount of time Morris spent writing them, particularly as he refused to hire a clerk.[36] They may seem as dry as dust, at least to the reader who is not eager to acquire an intimacy with the daily grind of late eighteenth-century business transactions.

Yet these papers contain the outlines of issues that were politically charged for both the United States and France, and that were the basis of differences between Jefferson and Morris from the time of his arrival in Europe until his appointment as Jefferson's successor, when he largely bowed out of business. The tensions existed not merely because one was a diplomat and the other was a businessman, but because their beliefs about what was best for French-American ties (much as they both supported those ties) were radically different. There were two business undertakings that were Morris's primary concern in his first years in Europe and that ranged him against Jefferson: the American debt to France and Robert's tobacco contract with the French tobacco monopoly (the Farmers-General).

The tobacco contract assignment was a troublesome mission, and one that was to a significant extent the result of adversarial efforts by Jefferson. Jefferson, a tobacco planter, had considered it one of his principal objects as minister to France to work for the end of the Farmers-General. He was certain that extinguishing the monopoly would permit exports of tobacco to France from the United States to increase significantly, strengthening the bonds of commerce between the two countries.

Although Jefferson's opinions are better known, it is Morris's judgments, not Jefferson's, that have been affirmed by the most comprehensive

and authoritative study of the French-American tobacco trade, written by Jacob Price.[37] Price cites and concurs with Morris who, while he did not admire the Farmers-General, and shared Jefferson's hopes for an increase in French-American commerce, entirely disagreed regarding the impact of the monopoly and Robert's contract on *American* interests. He considered Jefferson well-intentioned but misguided, and did not believe that tobacco could form a substantial part of an increased commerce with France. In the end, the French government's actions, largely instigated by Jefferson (and applauded by tobacco planters), led to trade barriers to American tobacco shipments and an increase in French culture of tobacco, all to the great detriment of the American-French tobacco trade and to the benefit of the British, both of which results Morris predicted.[38] Robert's contract, which, contrary to popular belief, was never very profitable, was impaired and eventually abandoned by both sides.

Morris's other principal assignment, obtaining the American debt to France, concerns a fascinating but little-understood aspect of American-French relations of the period. Its complexities require that it be merely summarized here.[39] American payments on the 35 million *livres tournois* owed to the French were suspended after 1785 and did not resume until 1790. In 1789, shortly after assuming his position as treasury secretary, Alexander Hamilton suggested that while Congress would approve raising Dutch loans to pay off the French debt, it would be appreciated if France would put off receiving principal payments for a few years. This suggestion was unacceptable to Necker, struggling to cope with France's financial crisis, and that autumn he began negotiating with speculators who offered to buy the full American debt and provide immediate relief.

These proposals were made by some of the most experienced financial men of the time, including Morris. As Morris saw it, it was a means to provide France with immediate assistance at a time when the new American fiscal system was still in the works.[40] There was a profit involved for the speculators, of course—either by paying France less than it was owed, and then later collecting full value from the United States, or by taking advantage of the fall of the French *livre*, a fall which had already begun when Morris arrived in France.

Another group of speculators was represented by the Frenchman Brissot de Warville, later to play a key role in the Girondin period of the Revolution. Brissot had published French pamphlets for Jefferson and Short advocating an end to the tobacco monopoly, and had traveled in America in 1788, acting as agent for the Swiss banker and entrepreneur

Étienne Clavière, with whom he co-authored a book advocating stronger French-American ties. Clavière, whose venality has been established by historians, would be appointed the Girondist finance minister and, like Brissot, became a bitter enemy of Morris.[41] The Brisset group was headed by William Duer (Assistant Secretary of the Treasury). For a time, the Brissot group included Daniel Parker, a businessman who had failed in Boston and went to Europe to sell American domestic securities. Parker would later join up with Morris and prove to be a troublesome associate, but he must have had considerable personal charm, for Gouverneur would bail him out of difficulties repeatedly over the next few years. (John Adams called Parker "the great Speculator in American Paper, who, though I love him very well, is too ingenious for me.")[42]

Morris apparently did not discuss his proposals with Jefferson, although Jefferson was friendly with many of the principals in the different groups and undoubtedly knew about Morris's involvement. Morris did urge Jefferson to ask Congress for powers to raise sufficient Dutch loans to pay off the debt; even though it would have meant the end of the speculators' hopes, Morris believed it would benefit both countries. Jefferson did not act on this, however, and Morris suspected it was because he was eager to return home and did not want to go to Amsterdam.[43]

During the fall of 1789, Necker came close to accepting Morris's proposition to buy the debt, and Morris agreed to work with the Dutch bankers in the deal. However, when the Dutch houses realized that they might lose out on the substantial commissions involved in raising loans for the United States to cover the debt itself, they instead issued an unauthorized three million florin loan on behalf of the United States. Hamilton chose to endorse the Dutch loan, and for the time being the debt schemes were put on hold. Morris was outraged with the Dutch, because the loan violated their agreement, and also because he was certain that Hamilton would put the money to other purposes than paying the debt, thereby hurting France with more delay.[44] He was right; Hamilton decided that only half of the new Dutch loan should actually go to the French. This decision was further modified in August 1790 by Jefferson, who instructed Short to pay the French *none* of it until he could extract concessions regarding American trade with the French West Indies.[45]

For the majority of 1790, Morris's attention was on other matters, specifically, his mission for Washington to London, discussed in the next chapter, and he removed himself from any involvement in debt proposals. In early March 1791, he received a letter from Jefferson advising him to proceed no further with the British mission, ending his self-imposed

disqualification from debt speculation projects.[46] In early April, therefore, when he was approached by associates of James Swan concerning a new debt purchase scheme, he was interested.

The associates, Paris bankers Schweizer and Jeanneret, claimed to represent Genoese capitalists with substantial assets. Morris was convinced that the bankers had the necessary resources and influence, and agreed to a one-quarter share. He recommended the proposal to Short, apparently without mentioning his own involvement, but noting in his diary that it was his "sincere belief" that it was a good plan for the United States. His secrecy—he did not even mention the plan to Robert—can be explained by a letter he wrote at the end of May to Washington, which cannot be viewed as anything but a bald attempt to influence the president to approve the proposal at the same time that it hid Morris's involvement.[47]

There was another aspect to Morris's secrecy besides simply trying to appear objective. While he was not ashamed of being a businessman, something Short and others vilified him for, Morris knew his business activities would hurt his chances for a diplomatic position. As Swan wrote to his friend, Secretary of War Henry Knox, Morris was unhappy that he was being talked of as a speculator because it constituted "an objection against his being a diplomatique man."[48]

Regardless, the venture failed: both Jefferson and Hamilton opposed it, for different reasons. Hamilton objected to the required delay on American principal payments, which could entail loss of the exchange advantage, but instructed Short that other proposals might be acceptable. Jefferson objected to the entire notion of private speculation, but not out of concern for France. Rather, he disliked the idea of a mass of U.S. obligations in private hands, a possibility that did not worry experienced American businessmen such as Morris. Europeans already held a huge quantity of American domestic securities.[49]

Some historians continue to view the speculators' proposals as "dishonorable" to the United States. Yet France needed money immediately and the speculators were ready and able to provide it, but the United States could not. The resulting impasse and delay was arguably most "dishonorable" to America. Regardless, in the end, Jefferson's reservations against speculators did not prevail. Although the bulk of the French debt was paid through Dutch loans by 1794, the remainder was snapped up by the persistent Swan. In 1796 the U.S. Treasury agreed with Swan, who was acting as a purchasing agent for the embattled French government, to convert the loan into U.S. domestic bonds. Swan took the bonds, assumed the debt, and paid it to France in the form of supplies.[50]