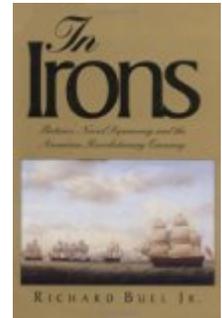


Richard Jr.. Buel. *In Irons: Britain's Naval Supremacy and the American Revolutionary Economy.* New Haven and London: Yale University Press, 1998. xi + 397 pp. \$35.00, cloth, ISBN 978-0-300-07388-1.



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Published on H-SHEAR (October, 1999)

In 1985, John J. McCusker and Russell R. Menard's *The Economy of British America, 1607-1789: Needs and Opportunities for Study* [1] summarized the state of research in early American economic history, described the Revolutionary War period as "among the least studied," and suggested an agenda for scholarship. Among the reasons they assigned for the neglect was a deficiency in evidence caused by war-induced disruption of record keeping. Fourteen years elapsed between the first edition of their book and Richard Buel, Jr.'s fine discussion of the economic consequences of the war years. His creativity and persistence have enabled him to assemble and consider a broad range of the extant data on the American economy--merchant and shipping records, contemporary writings and current scholarship--which he views through the interpretive lens of British naval activity in American waters. Buel's book is more a history of the impact of British naval operations on the America economy than of the operations themselves. Those who expect to find in it a companion piece to David Syrett's *The Royal Navy in European Waters during the American Revolutionary War* (Columbia:

University of South Carolina Press, 1998) will be disappointed.

Buel's book bears testimony to the perspicuity of William Wildman, Viscount Barrington's observation that the rebellious colonists should be "thoroughly punish'd and be made to smart," but that it was doubtful "whether either can be done *by land*, without an endless and ruinous expence now and hereafter: whereas their destruction by sea is certain and easy." [2] Buel argues convincingly that it was the naval war on commerce that sent the economy into a contraction from which it did not recover easily. This, he believes, explains why the contest was so long and the margin of American victory so narrow. He develops his thesis in the space of 256 pages--a prologue, nine chapters, an epilogue, and an appendix that explains how he used two sets of merchant accounts. These are followed by 114 pages of notes that testify to the depth of his research and open paths of inquiry for scholars courageous enough to follow in his footsteps.

Buel first looks at American grain production before and during the war: what was grown

where, what considerations prompted farmers to plant or not to plant, and what surpluses they produced beyond the needs of the domestic market. Prewar harvests, he finds, yielded an annual exportable surplus of flour sufficient to feed 240,000 people, surely enough to insure that America could sustain its own and foreign armies without straining its productive capacity. This was not the case, however. The Valley Forge winter of 1777-1778 was only the first and not the worst of four winters of hardship the American army would endure. By the next year soldiers and segments of the urban population not able to grow their own food were experiencing severe shortages of grain, meat, and forage.

Historians have generally blamed the privation suffered by the American army on military operations on land--troop movements and operations, reallocation of manpower and resources--and on inexperience, administrative inefficiency and corruption in the Quartermaster Department. [3] Buel does not disregard these factors but he does not accord them priority of place, because harvest records indicate that agricultural output rose when recruitment was at its height and fell when the size of the Continental army diminished. Production contracted, he believes, not primarily because agricultural workers were lost to military service or because agricultural resources had been destroyed, but because British naval power closed off distant markets that returned cash or imported goods to the farmers, the incentives that motivated them to produce a surplus.

The opportunity to provision the American army did not persuade farmers to go to the expense and effort of planting crops for which they would be paid in Continental currency or other forms of debt certificates that depreciated ever more rapidly as the war dragged on. Foreign forces, which routinely outbid American commissaries and paid in cash, offered a more attractive prospect, but Buel notes drawbacks here as well. Military movements could not be easily predicted,

and planting decisions frequently had to be made long before such information became available. Regions visited by foreign forces were not always able to expand production or marshal their economic assets quickly enough to be able to take full advantage of their presence.

Careful study of the sale of bills of exchange in livres and the impact of specie importation enables him to demonstrate that French military expenditures were a valuable but erratic stimulant to the economy. Military spending, he concludes, provided occasional, lucrative opportunities, but it did not compensate farmers for the prized markets they had lost to British naval dominance. American soldiers and lower class urban workers suffered the consequences. When farmers anticipated an opportunity to sell flour in the Caribbean, as they did in 1780, or when imported goods became available for them to purchase, they responded by increasing their production or selling grain they had withheld from the market.

There is general agreement that the "driving force" of the colonies' prewar economy was the foreign sector, and that the war drastically curtailed exports. McCusker and Menard focus on export dynamism, talk about the "excess of imports over exports," and blame increased freight charges and decreased availability of tonnage to carry bulky American commodities abroad for the imbalance.[4] Buel, however, argues that imports were the magnetic force which drew goods from the countryside to market, and that the shortages that arose were a powerful disincentive to production. While he admits that privateering supplied some of the demand for foreign wares, he does not consider it a general remedy for the lack of regular commerce.

Buel provides substance and detail for the factors that inhibited the export trade as well. He spells out how the threat of capture elevated costs and distorted prices at every step as goods moved from primary producers to distribution centers to whatever markets they could find. Scarcity of fod-

der, coastal raids, and privateering disrupted the early stages of the journey. Goods destined for foreign markets were most likely to pass safely through British blockade if convoyed. When available, however, and they rarely were, convoys delayed departures and slowed passage. Merchants were forced to replace slow moving "clumps," vessels designed to maximize cargo space, with smaller, sleeker, faster sailors that stood a better chance of slipping by British cruisers. Insurance became progressively more expensive when it could be obtained. High prices discouraged sales and increased the need for extended credit. Foreigners willing to accept the risk of shipping and the challenge of new and unfamiliar markets experienced difficulty in finding return cargoes because the British navy controlled or disrupted the interactions of major "gateway" ports (Boston, New York, Philadelphia, and Charleston) with their hinterlands.

Buel next explains how Britain's naval depredations compelled Congress and the states to defend their coasts and commerce. He provides a brief history of the establishment of the Continental and state navies and of coastal warfare, but he spends little time chronicling the naval operations which gave Britain supremacy in American waters. Early successes by Washington's makeshift navy, achieved before the British navy had a credible presence in American waters and while it concentrated on supporting troop operations, encouraged both Congress and the states to expend scarce resources in costly naval construction and defense. Despite their best efforts, however, the American navies were hobbled by manpower and equipment problems and never managed to mount a successful challenge to concentrated British naval power. This leads Buel inexorably to question whether the return justified the investment. A clear "No" is not forthcoming. After describing the Continental Navy's lackluster performance on the watch of Esek Hopkins, he remarks that "any challenge to British naval power, no matter how minimal, benefited the American

cause" (p. 85). In the end, however, he admits that the navies' "marginality. . . compromised the political will to maintain them" (p.95).

Buel also considers how the British navy exerted a powerful negative influence on the new nation's efforts to establish a viable currency and revenue system. He explains the complexities of the monetary expedients to which the new governments resorted when the contraction of the economy increasingly destroyed the value of the currencies they issued. The French alliance, he argues, forced Congress to choose between raising and supporting an American force capable of cooperating with the French army or controlling its currency emissions. Congress issued Continentals virtually without restraint. The result was galloping depreciation, momentarily arrested by rare bits of good news, then followed by crises of confidence and feckless speculation to which French merchants desperately searching for suitable means of investing their proceeds were especially prey. The disasters that they suffered derailed the already troubled efforts to develop a viable trade between the new allies. Popular pressure forced state governments to experiment with price controls and tender laws that Buel condemns with as much fervor as their contemporary critics did for disrupting debtor-creditor relationships, destroying the new nation's political and moral fiber, and for bringing Philadelphia to the brink of anarchy. Military setbacks in the South, frontier and partisan violence elsewhere, mutiny in the Continental army, loyalist privateering, and the French navy's failure to neutralize the British intensified the currency crisis to the point where it could no longer be ignored. On March 18, 1780, Congress faced reality, devalued the old Continental currency, and established an unworkable system for replacing it with "new emission."

Despite its flaws and the disasters that it inflicted on French entrepreneurs and investors, Buel considers the Act of March 18, 1780 a turning point that opened the door to a restoration of pub-

lic and private credit. It was followed by gradual abandonment of tender laws and repeal of state embargoes which contributed, however weakly, to the long frustrated effort to establish a national market and provide it with a stable national currency. Congress moved further in this direction, Buel finds, when it appointed Robert Morris Superintendent of Finance in 1781. Morris was a strong believer in the "superior efficiency" of market over coercion and command economies (p. 199). Firm and dextrous management enabled him to control expenditures and eliminate waste. His most important tools were the substitution of private credit (principally his own) for public, establishment of the Bank of North America as the first step towards creation of a paper currency that would serve as a specie equivalent and circulate nationally, and a contract system for supplying the army in areas where states complied to some degree with Continental requisitions.

Buel chronicles the momentary improvements of fortune that favored Morris's efforts: an influx of specie from the Havana trade, a resurgence of trade with Europe and the West Indies, French military expenditures in the Chesapeake, a unique arrangement that gave him control over a new emission of Pennsylvania currency (and responsibility for satisfying the state's quota for specific supplies), and financial support from the French, with whom he nevertheless had to compete to provision the American army and to raise funds by the sale of bills of exchange. These, coupled with substantial French naval presence in the Chesapeake, were enough to turn the economy in a more positive direction, but neither they nor the war lasted long enough to offset regional jealousies or to convince the states that only a centralized, specie-based revenue system would distribute the debt fairly and responsibly and establish the government on a sound financial basis.

Peace, Buel finds, did not stanch the economic bleeding. Its uncertain arrival depressed trade, because merchants were unwilling to risk having

shipments of goods caught between wartime and peacetime price structures. Peace also brought the reimposition of restrictions on trade with the West Indies, detrimental imbalances in trade with Europe, and conflicts over how to allocate and pay the public debt-- important obstacles to American economic development that the Confederation Congress was impotent to cope with. Rescue came only with ratification of the Constitution and the onset of the French Revolution, which redefined trade roles and drew European investment into the American economy.

Buel wrestles with the organization of his book, not always with complete success. He develops his argument both topically and chronologically, and this approach necessarily entails some overlap. Each chapter begins with a short, suggestive introduction that stimulates interest in what is to follow. The introductions and the captions that introduce internal topical subdivisions do not, however, always serve as a guiding beacon through the difficult and unfamiliar ground he so often traverses. End-of-chapter summaries might have made the wealth of information and insight he presents more accessible to readers who are not on familiar terms with the eighteenth-century economic world.

There are few errors and ambiguities to complain about. The meaning of Buel's statement that "Congressional nonexportation in 1775 also discouraged rice production" (p. 26) is not clear, inasmuch as the Continental Association specifically exempted rice from its nonexportation provisions. His use of "letters of marque" to mean both commissions authorizing the seizure of enemy shipping and vessels engaged both in commerce and in attacks on enemy shipping is confusing. Finally, the concluding date for the Confederation period is omitted on p. 124.

Although he considers his essential mission accomplished when the royal navy left its American post, Buel concludes his book with a chapter on the traumatic transition to peace and econom-

ic recovery. He left this reader hoping that he will in future provide us with a sequel that treats the turbulent economy in the final years of the Confederation and the first days of the early republic in as much detail as he has the war years. Among the things that make Buel's book so valuable are the connections he establishes that others have overlooked or underplayed, principally those which relate to the nearly decisive pressure the British navy brought to bear, not just on the economy, but on the political and moral integrity of the American people. The end result is a superb introduction to the inner workings of the wartime economy. No picture of the American Revolution, however nuanced, can be complete unless it includes an understanding of the economic forces that shaped the lives of those involved, the debates over policy, and the end result. There is no better place to begin to acquire this understanding than Buel's book, which is a "must read" for every serious scholar of the founding of the New World's first republic.

NOTES

[1]. John J. McCusker and Russell R. Menard, *The Economy of British America, 1607-1789* (Chapel Hill and London: University of North Carolina Press, 1985), 351-377.

[2]. Quoted in John Shy, "Confronting Rebellion: Private Correspondence of Lord Barrington with General Gage, 1765- 1775," in Howard H. Peckham, ed., *Sources of American Independence: Selected Manuscripts from the Collections of the William L. Clements Library*, 2 vols. (Chicago and London: University of Chicago Press, 1978), I:121.

[3]. McCusker and Menard, *Economy of British America*, 362; and E. Wayne Carp, *To Starve the Army at Pleasure: Continental Army Administration and American Political Culture, 1775-1783* (Chapel Hill and London: University of North Carolina Press, 1984).

[4]. See John J. McCusker, "Measuring Colonial Gross Domestic Product: An Introduction," *William and Mary Quarterly*, 3d ser., 56 (January

1999), 5; McCusker and Menard, *Economy of British America*, 351-362.

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Citation: Mary Gallagher. Review of Buel, Richard Jr.. *In Irons: Britain's Naval Supremacy and the American Revolutionary Economy*. H-SHEAR, H-Net Reviews. October, 1999.

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