REVIEW CHAPTER 2

Section 2

AMERICAN LIVES Haym Salomon
Financier of the Revolution

*"The kindness of [Haym Salomon] . . . will preserve me from extremities . . .
[but] he obstinately rejects all recompense."—James Madison (1782)*

Haym Salomon spent little over a decade in America, but he chose a crucial time and played a vital role. From 1778 until his death in 1785, he helped raise funds for the Continental Congress and made loans to many members of the army and government. He was owed large sums by the government he aided—sums never repaid.

Salomon was born around 1740 in Poland. He supported independence for that land, which suffered partition by other, stronger powers. In 1772 he left Poland for London and soon after arrived in New York. He joined in the agitation for American independence and in the fall of 1776 was arrested by British authorities as a spy. They soon released him, however, preferring to use him as an interpreter: because he knew German, he could communicate with Hessian mercenaries. Unknown to the British, Salomon acted as a double agent by persuading Hessians to desert. About this time, Salomon married.

In 1778 Salomon was arrested again, charged with joining a plot to burn the British fleet and warehouses. Condemned to death, he managed to escape by bribing his guard. He fled south, leaving his wife and an infant son behind. Reaching Philadelphia, Salomon sent a letter to the Continental Congress explaining his actions on behalf of the cause and requesting a job. None came, but with the help of local Jewish business people, he began a business in finance.

Over the next few years, Salomon—along with other Jewish merchants—helped Robert Morris finance the Revolution. He sold bonds issued by Congress, getting valuable Dutch and French money in return. By taking a small commission—only a quarter of one percent—he pleased Congress, which named him official broker of United States bonds. He was also named official paymaster for the French army in the United States and handled virtually all of the money that the Dutch gave the colonies' struggling cause.

Salomon also assisted a number of important actors in the revolutionary cause. His loans—often with no interest charged—to James Madison prompted the praise quoted above. He loaned money as well to Thomas Jefferson, James Wilson, and Edmund Randolph, all members of Congress. He also made loans to Baron Friedrich von Steuben, General Thaddeus Kosciuszko, and General Arthur St. Clair.

Salomon, though new to the colonies, tried to make the United States a welcome home for future Jewish immigration. In 1783 he joined with another Philadelphia Jew in asking the government of Pennsylvania to change a part of its constitution. The constitution required that new members of the state assembly "acknowledge the Scriptures of the Old and New Testament." Salomon and his colleague pointed out that this oath would exclude Jews, which they argued was unfair given the contribution that the Jewish community had made. While the request was denied at the time, a new state constitution was adopted six years later that cut the oath. In 1784, a financier in Philadelphia criticized Jewish moneylenders for charging high rates. Salomon wrote a defense of the Jewish contribution to the cause of independence.

Early the next year, though, Salomon died, though he was only in his mid-forties. His health may have suffered from his imprisonment by the British. When he died, he was bankrupt, suffering from the lack of repayment of private as well as public loans. His family later claimed that the United States owed him almost $660,000. The exact amount is not known, as Salomon did not keep good records. While a Congressional committee in 1864 acknowledged that the claim had "undeniable merit," it was never repaid.

Questions

1. What principles of the Revolution would appeal to Salomon and other Jewish people?
2. Describe Salomon's contribution to the revolutionary cause.
3. Why did Salomon feel the need to defend the contribution of Jews to the Revolution?