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BARNARD AND MICHAEL GRATZ,  
PHILADELPHIA MERCHANTS AND WESTERN LAND SPECULATORS,  
1754-1774

by

FRANK STERN

Thesis submitted in partial fulfillment  
of the requirements for the Degree of  
Master of Arts in Hebrew Letters and  
Ordination

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Referee, Professor Stanley F. Chyet

## DIGEST

Barnard Gratz arrived in America in 1754, and Michael followed several years later in 1759. Both men began their careers in the counting-house of David Franks, where they came into contact with the established merchants of Philadelphia and Lancaster. The opportunities to advance were manifold, and the Gratz brothers (at first independently and then, after 1768, in joint partnership) were quickly involved in trade with England, Europe, the West Indies, Canada, the other mainland colonies and the west. English colonial trade was completely dominated by British mercantilist policy. To enforce this policy, a series of Parliamentary Acts were inaugurated (the Navigation Acts, Sugar Act, Stamp Act, Currency Act and Townshend Acts), which antagonized colonial interests and against which they rebelled. Trade in the Atlantic slackened, and money grew scarce in the colonies. The burgeoning western trade provided a much-needed market for the Gratz brothers and their Pennsylvania associates. Western trade was further encouraged by the continuous influx of new immigrants into the interior, where land at a reasonable price was available to them. More and more investors began to speculate in western land sales and development. The movement westward was stimulated also by the Treaty of Paris, by which Canada and all of the lands east of the Mississippi were ceded to the British crown. Following Pontiac's insurrection, twenty-three western traders (including many of the associates of Barnard and Michael Gratz) petitioned the king to grant them western lands as compensation for their losses. They were opposed in this venture by the Ohio Company of Virginia, which was also petitioning for land in the interior. These conflicting interests were ultimately merged in

## II

London as the Grand Ohio Company. In 1768, the Fort Stanwix Treaty ceded to "the suffering traders of 1763" a large area of land along the Ohio - though the crown refused to honor the grant until 1772. A second company of western traders was formed to recoup the losses sustained in the French and Indian War; and, in 1773, they were given another large tract of land in Illinois. With such large land holdings and with the elimination of Baynton, Wharton and Morgan as a source of competition in the western trade, at the outbreak of the Revolutionary War the Gratz brothers and their associates emerged as the key figures in the drama of our nation's expansion westward.



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## PREFACE

A word should be said about the sources consulted in the writing of this paper. Of significant importance were two collections of papers, manuscripts and articles concerning the Gratz brothers, their families and their associates in colonial society. Both collections were compiled and edited by William Vincent Byars. The Gratz Papers, 1750-1850 (not published, but available on microfilm from the Missouri Historical Society at St. Louis) were compiled in the years 1913-1915 from several manuscript sources, the most significant of which were the Etting Papers of the Historical Society of Pennsylvania, which included an extensive manuscript collection of the letters and papers of Michael Gratz, the grandfather of Colonel Frank M. Etting; the manuscripts of the McAllister Collection of the Library Company of Philadelphia (at the Ridgeway Library); and the manuscripts of the New York Public Library, the Library of Congress, the Carnegie Library, and other such public or semi-private institutions. The following year (1916), Byars compiled, edited and published the book B. and M. Gratz, Merchants in Philadelphia, 1754-1798 (Jefferson City, Mo.: The Hugh Stephens Printing Co.). "The letters and papers included in this volume were selected solely because of their possible interest for the now numerous descendants of the [Gratz] brothers." (p. 5). The greatest part of his material came from sources already consulted for The Gratz Papers, but more extensive use was made of public or semi-private historical organizations. The collection of Judge Mayer Sulzberger of Philadelphia was the only significant new manuscript collection consulted for B. and M. Gratz.

Since it was my concern not only to discuss the activities of

Barnard and Michael Gratz but to place them in their historical context, secondary sources dealing with the political and economic background of eighteenth century Europe and the American colonies were consulted. The emphasis throughout this paper has been on the economic and political factors influencing colonial society, and little attention has been given to the social or religious activities of Barnard and Michael Gratz and their contemporaries.

This paper is really a cooperative venture. It could not have been completed without the unfailing assistance of my referee, Dr. Stanley F. Chyet, whose quick response to my every inquiry gave substance and quality to this work, nor without the devoted loyalty of my wife, Cookie, whose unending patience and encouragement gave me a sure foundation upon which to labor. To these two "collaborators," I fondly dedicate this paper.

Frank Stern  
Cincinnati

## CHAPTER ONE

### INTRODUCTION

England is a small island, with relatively few natural resources and an extremely dense population, that became, in the course of a few centuries, master of the seven seas, ruler of the world's commerce and possessor of the greatest empire ever known in history. In great measure, all three are the results of changes wrought by the Industrial Revolution. In need of money to strengthen their position at home and their prestige abroad, the Tudor monarchs encouraged industry within their realms and granted trading monopolies to groups of adventurers willing to risk their fortunes in foreign commerce. There was little money to be had in landed estates, and the new merchant and trading class was encouraged at the expense of the old nobility. Though Catholicism frowned on interest-taking and excessive profit-making, the capitalist system of enterprise was vigorously supported by the newly emerging Protestantism.

As a condition to their hazardous adventures, the promoters of the new companies demanded and secured royal charters from the English government which conferred upon them a monopoly of trade with the areas which they proposed to open. Large initial expenditures were necessary, and profits were slow in coming; hence they wanted the guarantee that outsiders would be excluded from the harvest which the promoters had taken such pains to sow. As exporters using their own vessels, the English merchants desired to obtain return cargoes. Therefore, they opposed the foreign merchants who had previously held the lion's share of the nation's import trade. After a century of conflict with their alien rivals, the English merchants succeeded in dislodging them during the reign of Elizabeth.

Thus was inaugurated a series of struggles for colonial possessions and commercial power in which maritime supremacy passed from Portugal to Spain, then to Holland, then to England and France. England and France engaged in seven great wars, extending from 1689 to the overthrow of Napoleon, which left Great Britain as the supreme maritime and colonial power. Settlements in the thirteen colonies were encouraged to check the northward advance of the Spanish and the southward and eastward pressure of the French. The fourcornered struggle for empire between Spain, France, Holland and England during the sixteenth and seventeenth centuries hastened the occupation of America.

Between 1530 and 1635 there was acute unemployment in England. The nascent industries of the country could not absorb all of the workers who had been thrown off the land by the enclosure movement. Most informed men thought England to be seriously over-populated. In places a third of the population lived on poor relief. Vagabonds roved throughout the countryside - bands of "idle persons, which, having no means of labor to relieve their misery, do likewise swarm in lewd and naughty practices, . . . pestering the land with pestilence and penury, and infecting one another with vice and villainy worse than the plague itself."<sup>1</sup> Enormous numbers of persons, deprived of their customary occupations, became highwaymen, thieves, beggars or public charges. The colonies would provide a natural outlet for this surplus, unwanted population.

With the courts and prisons crowded with paupers, vagrants, debtors and petty criminals, it seemed the most humanitarian as well as the most practical policy to ship them over to the colonies. In this way, England was relieved of a burden and America supplied with much-needed labor.<sup>2</sup>

The desire to escape the economic restrictions of governmental guild regulations, the hope of bettering his fortunes on a new soil where land might be acquired easily and the fruits of labor saved from a feudal lord, appealed to the poor but ambitious countryman. Younger sons of the nobility and impoverished gentlemen saw a chance in the New World to found a fortune and commence life anew. Traders of small capital who were hard pressed in competition with the merchant princes and monopolistic corporations might earn larger profits and more quickly in the undeveloped markets of the colonies. The paupers, vagabonds and criminals might find freedom, escape disgrace and get a new start in life. Unemployed artisans and farm hands might secure work with a prospect of independence in the near future. The small landowners who sold out in England could secure larger estates in America and, at the same time, cast off the crushing burden of English taxes. To men of these types the colonies held out hope, and those in authority in England were in no wise loath to part with them.

These general tendencies toward migration to the colonies were intensified by a severe economic depression which swept over England between 1620 and 1635. Having its origin in the closing of England's markets on the continent during the Thirty Years' War, it reached its height in 1629, paralyzing in particular the southeastern and central regions of England, the Chief centers of the cloth industry. "Overflowing multitudes" could not find work. Bad crops between 1629 and 1633 added to the distress. Food prices soared beyond the reach of most of the population.

After 1665, the theory that England was over-populated gave way to the contrary view that the nation was in danger of losing its manpower.



The effects of the emigration of thousands of able-bodied workers prior to 1640 were now severely felt. The Civil War had taken its destructive toll, while a decimating plague, originating in London in 1665, swept through the country, creating the greatest calamity of its kind since the Black Death of the fourteenth century. At the same time, England's industrial and commercial expansion produced an increased demand at home for workers. Where the colonies formerly had been prized as an outlet for the unemployed, they now became a source of alarm. English officials increasingly discouraged the emigration of efficient workers and seamen and encouraged the dispersal of certain undesirable classes - criminals, paupers and debtors. In 1765, Parliament forbade the emigration of skilled industrial operatives - a measure which also intended to prevent the dissemination of England's industrial secrets abroad. Similarly, the Board of Trade tried to check the desertion of seamen and fishermen from English vessels at Newfoundland and their subsequent reemployment in New England, where, lured by higher wages and better working conditions, they strengthened the colonial fisheries and merchant marine to the detriment of their English competitors. England continued to use the colonies as a dumping ground for criminal population. Parliamentary statutes of 1662 and 1717 authorized judges to sentence convicts to servitude in America for seven-year terms in the case of lesser offenses and for fourteen-year terms in cases of crimes punishable by death. All told, about 50,000 convicts were shipped to America.

With the shrinking of emigration from England, the promoters of the colonies began to solicit settlers in continental Europe. Immigrants from Holland, Germany, Sweden, Finland, and France, as well as Ireland and

Wales, began to make their appearance in the colonies. It was just at this juncture that the Royal African Company announced its intention of supplying colonial employers with Negro slaves rather than English servants.

From the Rhine country (the Palatinate, Wurttemberg and Baden) thousands of peasants fled from the wars that had intermittently devastated their fertile lands - the Thirty Years' War, the campaigns of Louis XIV against the Dutch, the War of the League of Augsburg, and finally the War of Spanish Succession. Other causes of discontent were added to the ravages of war. In the Palatinate the peasants who had become radical Protestants or Pietists (Mennonites, Moravians, Socinians, Schwenkfelders, Dunkers, Amish, Quakers) were ruled by Catholic princes bent on enforcing religious conformity. These rulers did not hesitate to confiscate property, seize churches and expel the most refractory Protestants. Moreover, the German princes, enamoured of the court of the Sun King, strove to imitate its splendors, drawing from the peasantry the wherewithal necessary to conspicuous consumption. Since the great majority of German peasants could not afford the costs of emigration to America, they came as indentured servants.

Quite different forces drove the emigrants from France to English America. In 1685, Louis XIV revoked the edict of Nantes, which had given the Huguenots something of the status of a state within a state. New royal decrees now forbade Protestants to leave the country, to worship in churches or to hold services in private homes. Royal troops, employed to break up Huguenot assemblies, perpetrated several massacres; soldiers were quartered in Huguenot homes and given every license; the faithful



who tried to escape were thrust into underground prisons or consigned as slaves to the galleys; and other dissenters were sold as servants to Catholic planters in the French West Indies. Whippings, denial of burial and indignities inflicted upon the bodies of the dead were additional horrors which the Huguenots were forced to withstand. Confronted by the absolute power of the state and unable to muster sufficient resistance, the Huguenots had to choose between submission and flight. Many chose to flee.

Due to a variety of causes New England did not attract the new immigrants. The poor farming of the region, the occupation of the most accessible areas during the seventeenth century, the presence of hostile Indians on the frontiers, and the unfriendly attitudes of the Puritan inhabitants toward foreigners all had a deterring effect on immigration. Similarly, apart from the sizable migration of Swiss and French to South Carolina, the southern colonies as a whole did not serve as ports of entry for many of the newcomers from Europe. By 1700, much of the land in the tidewater area had been occupied, and the planters there were relying mainly on the slave trade for their labor supply. On the other hand, the excellent port of Philadelphia, the large areas of fertile lands in the Delaware, Schuylkill and Susquehanna valleys, the absence of a tax-supported state church, the affinity between the Quakers and the German Pietists, the freedom of the western frontiers from Indian wars, and the existence of a well-to-do employing class on the eastern seaboard all were factors which attracted immigrants to Pennsylvania after 1710. It was to Philadelphia that the main stream of immigration

flowed, and from there it fed the settlements of interior Pennsylvania and the piedmont and mountainous regions of Maryland, Virginia and Carolina - a population trend which raised Pennsylvania and the back country of the South to a position of influence equal to that previously held by New England and the southern tidewater area. Philadelphia emerged from a minor status among colonial towns to rank as the largest and most prosperous commercial center in North America.

During the seventeenth century between ninety and ninety-five percent of the settlers in America were engaged in agriculture, though the colonial farmer was also a hunter, builder, artisan and, in places, a fisherman and lumberman. The New England and middle colonies developed a diversified, nearly self-sufficient economy, centering in grains, livestock and household manufactures. The exports of the middle colonies (i.e., their surplus) consisted chiefly of wheat, flour, beef and pork, while New England, which was less adapted to farming and produced little or no surplus in foodstuffs, exported fish, ships, shipping services, earthenware, woodenware, leather goods, woolen cloth and ironware. Both areas were also sources of fur and timber. Even with the unscientific and wasteful methods of the time, a rude abundance was easily obtained in the middle colonies. For the English, Dutch, Swedish and German immigrants to this area, it was a veritable land of promise.

The settlers of Virginia found that the same amount of time and labor would yield six times as much tobacco as grain per acre, and, at times, tobacco sold as high as \$12.00 a pound (measured in today's currency). By 1617, even the marketplace and the streets of Jamestown were planted with it. Tobacco production completely supplanted the

growth of grains and vegetables and took the place occupied by the manufactures and fish of New England and the wheat of the middle colonies as the chief export of the area. Whereas in 1615 England was exporting 200,000 pounds in specie to buy foreign tobacco, principally from Spain, Virginia tobacco could now be paid for with English goods and handled by English merchants. England's stock of specie would be preserved; the markets for her wares enlarged; and her merchants would reap the fiscal benefits. Because of the high prices prevailing in England, the settlers could make five or six times more from tobacco than from any other crop. By 1627, Virginia was exporting 500,000 pounds of tobacco annually. In the 1630's Maryland became a producer, and North Carolina followed suit in the 1660's, so that "king tobacco" guided the social, political and economic life of at least three of the American colonies.

The demand for tobacco in Europe seemed unlimited, since, by 1620, smoking had become something of a social craze. Southern farmers could concentrate on tobacco and develop large tobacco plantations. At this point the tobacco grower encountered several significant problems. It was found that tobacco quickly exhausted the richest soil and necessitated the continual use of fresh land. The age of a tobacco field, under the most favorable circumstances, was usually no more than three years, after which it was turned over to other crops. Large farms also meant a large labor force - at a reasonable cost. The abundance of open land in America constantly drew workers away from employers to the frontier with its promise of land ownership and independence. A rela-

tively large number of landowners, all bidding against each other for a limited supply of laborers, sent wages skyrocketing. Wage-earners were getting higher pay in the colonies than in England itself. The solution to this dilemma was found in the acquisition of indentured servants and Negro slaves, and the latter work force ultimately became the dominant source of cheap labor.

The slave trade was a monopoly of the Royal African Company of England until 1698, when the traffic was thrown open. Slaves were usually landed in the West Indies where they were seasoned before they were sold to the mainland colonies. This required about three years, during which time the novices were placed in the company of experienced hands and cared for by an old slave skilled in the art of nursing. About half the Negroes died within three or four years after their removal from Africa. It is estimated that there were 78,000 slaves in the American mainland colonies in 1727. By 1754, the number had increased to 263,000. By 1790, they numbered 697,000 and formed two-fifths of the total southern population.

The policy pursued by the English merchants and the crown with respect to colonial tobacco was typical of England's general mercantilist policy in which the colonies were subservient to the political and economic welfare of the home country. England had become interested in colonies largely because she had manufactured goods to sell. Had she had only raw materials (wool, hides, tin and the like) for export, she could have traded with the advanced industrial nations, but hardly with the backward people of Asia, Africa and America. On the whole, the colonies naturally fitted into this mercantilist scheme, since they were, in fact, normally producers of raw or semi-finished products.

When installed in power, the Puritans were determined to recapture the trade of the English colonies and to deprive the Dutch of the gains they had made during the Civil War. Accordingly, in 1650, the Puritan Parliament, now a mouthpiece of the London merchants, passed a Navigation Act which prohibited the vessels of any foreign nation from trading with England's American colonies. A second Navigation Act in 1651 insisted that goods from America, Asia and Africa could enter England, Ireland and the colonies only if carried in English, Irish or colonial ships and that goods from Europe could enter England, Ireland and the colonies only if brought in English ships or ships of the foreign country "of which the said goods are the growth, production or manufacture." This act virtually eliminated the Dutch from trade with England and its colonies and precipitated the First Anglo-Dutch War, after which the Dutch were forced to accede to the Navigation Acts in the peace concluded in 1654.

Having pacified England, Scotland and Ireland and having concluded a defensive alliance between England and the Netherlands, Cromwell decided, in 1654, to take the offensive against Spain. A task force was directed to capture Hispaniola in the Spanish West Indies. The force failed to conquer its objective, but succeeded in taking the island of Jamaica.

The return of Charles II to England represented a compromise between the contending parties in Britain's government. The restoration of the Stuart monarchy and the reestablishment of the Church of England and the House of Lords appeased the royalist and aristocratic forces, while Charles II consented to a commercial policy which gratified the London merchants. This mercantilist policy became embodied in the famous



Acts of Trade and Navigation which were the foundation stones of England's colonial system until after the American Revolution and one of the significant reasons for the Revolution's outbreak.

The first act of importance was the Navigation Act of 1660, reenacted in 1661. It contained three momentous provisions with respect to the colonies:

- 1) All trade of the colonies had to be carried in English ships (i.e., vessels that were English built and owned, commanded by an English captain, and manned by a crew three-fourths of whom were English sailors);
- 2) All foreign merchants were excluded from commerce with the English colonies; and
- 3) Certain enumerated articles produced in the colonies (i.e., sugar, tobacco, cotton-wool, indigo, ginger, and such dyewoods as fustic, logwood and barziletto) were required to be exported only to England, Ireland, Wales and Berwick-on-Tweed.

This list of enumerated articles was expanded in 1706 to include naval stores - tar, pitch, turpentine, hemp, masts and yards; rice was added in 1706-1730; copper ore, beaver and other furs in 1722; molasses in 1733; whale fins, hides, iron, lumber, raw silk and pearl ashes in 1764. Until 1766, fish, grain and rum could be exported anywhere. After that date, the exporting of these products was confined to nations south of Cape Finisterre. This latter provision virtually excluded the colonies from direct export trade with any port of northern Europe except England. The Staple Act of 1663 required that goods en route from Europe to America should be shipped to England, Ireland, Wales or Berwick-on-Tweed first and

there landed before reshipment to the colonies. Direct exports to the colonies were permitted only in three instances - servants, horses and provisions from Scotland; wine from Madeira and the Azores; and salt for the North American fisheries.

The colonial shipbuilding industry made steady progress throughout the eighteenth century - a trend explained by the fact that American vessels could be constructed at costs twenty to fifty percent below those prevailing in England. New England remained the center of the shipbuilding industry. In 1772, she produced sixty-eight percent of all colonial-built vessels as against ten percent constructed in Pennsylvania, eight percent in New York and fourteen percent in the southern colonies. By 1760, New England builders were turning out three to four hundred commercial boats annually. Thirty percent of all the vessels sailing under the English flag were of American construction, and seventy-five percent of the commerce of the colonies was served by colonial ships.

As a counterpart to the growth of manufacturing in England came the appreciation of the colonies as markets for the finished products of the looms and workshops of the home country. Despite the diversity and extent of their manufactures, the colonies were unable to produce all the articles they needed to uphold a European standard of living and to sustain a growing system of production. Of necessity, they had to import a wide range of capital goods, including mill machinery, ship iron, canvas, cordage, Indian trading goods, hardware, bricks, nails, bellows, paint and instruments of navigation. The colonial farmer and artisan generally worked with tools of European manufacture - spades, shovels, axes, saws, knives, chisels,

grindstones, planes, hammers, cant hooks, trowels and the iron parts of plows and other implements. Throughout the seventeenth century, colonial soldiers fought with imported cannon, powder, shot and firearms. To the colonial housewife came a variety of kitchen utensils. As a seamstress, she probably used English buttons, thread, needles, thimbles, pins, tape, ribbons and filleting. Wealthier families imported textiles - woolens, crepe, damask, flannel, lace, calico, gauze, cambric, gingham, cottons and linsey-woolsey. Such families also purchased various foreign luxuries like wine, brandy, spices, sugar, books and paper, as well as some of their furniture - looking glasses, candlesticks, snuffers, curtain rings, chests, chairs and cradles. One need only to observe how large a proportion of its possessions were of European manufacture to determine the wealth of a colonial family, and no family was so poor as to be without at least a few imported articles. After the coming of the Europeans to America, even the Indians could not get along without the goods which the white trader brought from the Old World.

This import trade was the fundamental fact around which revolved the economic development of the colonies, and from it sprang their value to England. The central feature of colonial trade was the exchange of American products for European wares. The central economic problem which the colonies faced was that of finding the means to pay for their imported supplies, since the value of the products imported was far in excess of the value of the products exported. As an example, in the eighteen years from 1698 to 1717, New England and New York purchased annually from England goods of an average value of 103,500 pounds sterling and sent in return



products having a yearly average value of only 37,400 pounds sterling, thereby incurring an unfavorable balance of trade whose debt amounted to 66,100 pounds annually. In addition, the value of colonial export goods as estimated at their port of embarkation was further decreased by numerous hidden charges which colonial producers had to pay. Chief among these charges were freight payments to English shipowners, the profits and commissions earned by English merchants, the insurance premiums on cargoes carried, and various import duties and port expenses. It was the English merchant capitalists who garnered the lion's share of these hidden charges.

These hidden charges and the continuously fluctuating price of tobacco in England particularly upset the balance of payments of the southern planters. They would constantly bewail the scarcity of European goods in their colonies and lament that such goods were commonly sold at two or three times their English prices. Whatever coin money came into these tobacco colonies was quickly exported to cover the unfavorable balance of trade. An acute shortage of specie resulted which forced the planters to become more and more seriously involved in debt. A Maryland act of 1714 recited how the planters "are become vastly indebted, and no prospect as yet appearing of any means whereby they may extricate themselves out of their miserable and deplorable circumstances." Interest on loans extended to the planters by the English merchants added to their already handsome incomes from profits, commissions, freights and insurance. Such loans provided a lucrative field for the investment of surplus funds and were protected by mortgages which were safeguarded by the English government. The indebtedness of the southern planters also had the effect of strengthening the merchant's control of the tobacco trade by forcing the planter to market his future crops through his creditor in order to pay his past debts.

The reforms sought by the planters - crop restrictions, changes in the marketing system, lower import duties, reduction of debts, development of colonial specie and curtailment of the slave trade - were unalterably opposed by the English mercantilists, who had the support of the imperial government. Southern planters, therefore, were forced to look elsewhere for enduring relief. The most successful of them found two ways out of their distress. First, they became land speculators, acquiring huge tracts of land in the newer parts of their colonies which they leased to tenants or sold to small farmers. Second, the most efficient of them began to develop newer plantations with a diversified crop production, so that the southern economy became increasingly self-sufficient.

Invisible items did not figure as largely in the balance of payments between England and the northern mainland. Boston, Philadelphia and New York each contained merchants who traded in their own vessels. The freights, profits and commissions earned by the English merchants as exporters to the northern colonies were nearly equalized by similar earnings of the northern merchants as exporters of colonial goods to England. Moreover, the northern towns did not consume all the European goods they imported, rather they functioned as the distributor of these goods to surrounding communities. In addition, they were obliged to engage in a complex trade with the southern colonies, the West Indies, Africa, the Wine Islands, southern Europe, Newfoundland, Canada, Nova Scotia and the interior fur trading areas in order to dispose of their surplus products. In each case, the exports from the northern colonies were exchanged for commodities which could be used as remittances to England - coined money,

bullion, sugar, indigo, dyewoods, ginger, cotton-wool, rice, tobacco, naval stores, furs, wine and bills of exchange.

The political victory of the English merchant capitalists in 1689, which had led to the war with France, had also resulted in the tightening of imperial control over the colonies, with the object of restraining rival merchants in Scotland and the colonies. The Massachusetts charter, issued in 1691, provided that the governor of the province be appointed by the crown. Massachusetts, Plymouth and Maine were united under this charter, and the governor of Massachusetts was appointed to serve as governor of New Hampshire as well. The crown also took into its hands the government of Maryland in 1691, of Pennsylvania in 1693, and of New Jersey in 1702, in each case assuming control of the executive agencies of the province. However, Penn's political rights were restored to him in 1694, Lord Baltimore's in 1716, while New Jersey remained a royal province. In the meantime, England labored to bring the other colonies (Connecticut, Rhode Island and the Carolinas) under royal control and opposed the establishment of new colonies in which governors and councillors were not appointed by the king.

In order to appease the demands of the merchants that Parliament directly control colonial administration and yet to maintain his royal prerogatives, William III on May 15, 1696, created the Lords Commissioners of Trade and Plantations - commonly known as the Board of Trade. Composed of eight working members who represented the merchant class (although high dignitaries of state were nominal members and occasionally attended

its meetings), the Board of Trade immediately undertook to subordinate the economic activities and governments of the colonies to England's mercantile interests. Though not authorized to make and enforce decisions regarding colonial policy, it was empowered to investigate all matters pertaining to the colonies and trade and to prepare recommendations for Parliament and the executive departments of the crown. Its influence was soon felt, since its members quickly became the best informed officials in England on matters of colonial administration and trade.

In 1696, Parliament passed a supplementary Navigation Act to strengthen the existing colonial system in which all future colonial governors (whether elected, as in Rhode Island, or appointed by the proprietors, as in Carolina) were to serve only with the approval of the king and were required to take an oath to enforce the Navigation Acts under pain of dismissal if they did not. The act also gave colonial officials further control over colonial shipping, including the right of unwarranted search. In 1697, the king's Privy Council authorized the colonial governors to establish vice-admiralty courts to try and punish violators of the Navigation Acts and to appoint the necessary judges, advocates, registrars and marshalls. Eventually, twelve such courts were erected in the colonies - all subject to a ruling of the king's Attorney General in 1702 which forbade them to allow the accused a trial by jury.

British mercantilist policy also attempted to control the few manufacturing enterprises in the colonies. Colonial governors were instructed "to discourage all manufactures and to give accurate accounts

of any indications of the same" to prevent colonial manufacturing from coming into competition with home industries. These restrictions upon colonial manufacturing may not have seriously impeded American economic development, but the fact that England was so quick to protect the interests of her citizens at home to the detriment of those in the colonies did not go unnoticed. "A colonist cannot make a button, a horse shoe, nor a hobnail," complained a Boston newspaper in 1765, "but some sooty ironmonger or respectable buttonmaker of Britain shall bawl and squall that his honor's worship is most egregiously maltreated, injured, cheated, and robbed by the rascally American Republicans."<sup>3</sup>

It appears that up until 1763 the colonists did not suffer severely from the colonial domination of England. In fact, they had grown rapidly in population and wealth. In spite of the determination of England's merchant capitalists to enforce the various restrictions and prohibitions on colonial trade and manufacturing, these laws were constantly evaded by the colonial merchants, who would often ship such enumerated articles as sugar and tobacco directly to European ports without first taking them to England, under the pretense that the commodities were destined for another colony. In an effort to curb this deception, Parliament enacted a law in 1673 (reaffirmed in 1696) levying a tax on enumerated articles shipped from one colony to another equal in amount to the import taxes levied on the articles in England. This law was also evaded. It is estimated that in 1700 one-half of the trade in Boston was in violation of the various acts of Parliament. The colonies which produced commodities competing with those of Great Britain discovered other markets, particularly



in the West Indies and southern Europe. By the opening of the eighteenth century, the West Indies had been turned largely into sugar and tobacco plantations unable to support themselves without the importing of cheap food for slaves and lumber for homes and for casks in which to transport the sugar, molasses and tobacco - and it was exactly these staples of the New England and middle colonies (fish, grain, and foodstuffs) which were kept out of England by high tariffs. The growth of the slave traffic further intensified the importance of the Caribbean in the commercial activities of the northern colonies. It soon became the principal outlet for their surplus capital and produce, and, as British commercial restrictions increased and as the French island colonies grew more prosperous than the British, the French West Indies - Guadeloupe, Martinique and Santo Domingo - became an increasingly important market for the goods of the mainland colonies. Another source of income for the colonies which did violence to the principles established by the British merchant capitalists was that gained from pirates and privateers. Their booty and treasure had to be disposed of, and they were often smuggled into the colonies and sold cheaply. Prominent colonial merchants and even government officials connived at the practice. Sober estimates suggest that New York alone for many years secured an average of 100,000 pounds sterling in treasure annually this way.

The first permanent French settlement on the mainland was established at Quebec in 1608. By the end of the seventeenth century, French posts extended from New Orleans at the mouth of the Mississippi (founded in 1718) to Fort Radisson near the western end of Lake Superior, and east

to Nova Scotia. The economic backbone of New France was the fur trade. The French seemed to care little for colonization - the harsh and stubborn soil of the St. Lawrence Valley did not appeal to them - while the persecuted Protestants, who might have formed a valuable source of immigration and settlement, were forbidden to come. While nine-tenths of the 1,300,000 inhabitants of the English colonies were engaged in agriculture in 1754, the French had only 80,000 settlers total, the great majority of whom were fur traders scattered along the rivers and Great Lakes from the Mississippi to Nova Scotia. The wealthy nobles and bourgeoisie of Europe were willing to pay high prices for luxurious furs which proclaimed the superior affluence and social status of their possessors. Such furs could be obtained in North America in exchange for such cheap articles as hoes, axes, knives, beads, trinkets, brightly colored cloth, guns, ammunition and strong drink, particularly rum. Unscrupulous traders often resorted to using false weights and measures or to supplying the Indians with rum, then driving hard bargains while they were intoxicated. William Penn reported that profits in the fur trade often ran as high as one hundred percent. With the exception of Penn's colonies, where treatment of the Indians according to the Golden Rule kept the settlers relatively free of molestation, friction with the red man was the norm. The French fur trader was far more adaptable than his British brother-in-arms and tended to antagonize the Indians far less. He would often affect the manners and dress of the Indians, lead them on the warpath, live with them and intermarry. As a result, the French won the greatest bulk of the North American fur trade and the friendship of practically all of the

Indian tribes, with the exception of the Iroquois.

A state of depression and unemployment beclouded the early years of Louis XIV. Foreign commerce was languishing, and, with the exception of her trade with the Levant, France was forced to depend upon the shipping of the Dutch. Her imports generally exceeded her exports. Louis XIV and Colbert, his chief minister, were determined to extricate the kingdom from its financial plight. Colbert concluded that the way to salvation lay in the development of an overseas trade. Colbert envisioned an integrated empire of four supplementary parts. France, as the center and heart of the system, was to supply manufactured goods, capital, merchant services and shipping. Hence, he first endeavored to foster home industries and, in order to accomplish this, established a high protective tariff in 1665 to exclude competing foreign goods from the French market. In order to procure capital, he organized great trading companies in which the king, his officials and the merchants made large investments. Colbert further insisted that all foreign traders and vessels be excluded from the commerce of the French colonies. The colonies of St. Christopher, Santo Domingo, Martinique and Guadeloupe in the French West Indies composed the second element in Colbert's scheme. They served a three-fold function. They supplied articles for consumption in France, thereby decreasing the payments to foreign nations for the same commodities; they provided raw materials for French industries; and they afforded articles that might be sold in the export trade. In turn, they were to buy French manufactured goods and employ French capital, shipping and merchant services. As the third link in the imperial chain, Colbert favored the



erection of slave trading stations in Africa, where slaves might be purchased with French manufactures and shipped to the planters of the West Indies. Finally, the settlements in Canada were to play their part as buyers of French goods and as producers of the foodstuffs, work animals and lumber needed on the West Indian plantations.

Before Colbert's death in 1683, France had driven the Dutch from the trade of the French West Indies, which they had virtually monopolized in 1660. French industries and shipping had been greatly strengthened and extended; the colonies had made substantial progress; and modest success had been achieved in the slave trade. Only Canada had failed in its role as producer of provisions, lumber and work animals for the West Indies. New England and New York proved better suited to that purpose, and they constantly encroached upon the role assigned to Canada. Since Colbert's system aimed to exclude all foreigners from trade in the colonies, it became imperative that the French West Indies obtain these supplies from French sources. Canada having failed in this connection, the French aspired to acquire New England and New York. In short, under the guidance of Colbert, France embraced the very policies that had been adopted by England and chose to operate in the same colonial spheres - hence the bitter and prolonged struggle between the two.

Besides the ambition of France to acquire England's northern colonies as a feeding ground for the French West Indies, she was also determined to monopolize the American fur trade. By 1660, the Indians of North America had become utterly dependent upon the traffic in furs. They had become accustomed to the European's tools and implements. To

obtain these desired commodities, they hunted, trapped and then traded the fur of the animals they caught. The fur trade, in turn, led to a rapid destruction of fur-bearing animals, since skins and peltries had to be obtained far in excess of the Indians' personal needs. As furs became more scarce (and therefore more valuable), the tribes were forced to struggle against each other for control of the available supply. In the resulting Indian wars, as well as in the actual hunting and trapping, European firearms played a decisive role - and the procuring of firearms became a primary concern. The Indians had become involved in a vicious circle of trade and strife that ultimately carried them to their destruction.

The fur-producing area which the French and the English sought to dominate was the vast region adjacent to the Great Lakes. This region was controlled by the great Iroquois nation, and the relationships of the French and the English to this tribal federation largely determined the politics of the region and the course of the fur trade. The unfortunate act of Champlain in 1609 in aiding the Canadian Indians against the Iroquois, the subsequent mistakes of the French governors, and, on the other hand, the skillful diplomacy of men like Governor Dongan of New York (1684) won for the English the friendship of the Iroquois and access through the Mohawk Valley to the West and its furs. The penetration of the French into the Illinois territory, south of Lake Michigan, heightened their conflict with the Iroquois, who had long regarded this region as their principal source of furs. The threatened domination of the Illinois country by France also aroused the fears of the Albany traders. Very soon threats and accusations were speeding between New France and New York.

France and England contended over another strategic mercantile center - the Newfoundland fishing industry. In 1662, France strengthened her fishery by establishing a fort and settlement at Placentia on the southern coast of Newfoundland, which soon outstripped its English competitors as a supply center for the vessels which came from Europe.

Still intent upon conquering the Spanish Netherlands, Louis XIV had provoked William of Orange to form an alliance with Spain, Austria and many of the German states to resist the aggression of France. In fact, the primary object of the Dutch Stadtholder in accepting the English crown may have been to bring England into the war which had begun in Europe the previous year. The English merchants lent their full support to the effort to destroy France's growing commercial power. Both New France and New England embarked upon programs designed to conquer the other's province, and both failed in their ambitions. The treaty of peace concluded at Ryswick in 1697 provided for a return to the status quo ante bellum. In November, 1700, the King of Spain, Charles II, died, leaving a will which named as his successor to the Spanish throne and its vast possessions Philip of Anjou, the grandson of Louis XIV. Hastily accepting this inheritance for his grandson, Louis established him at Madrid as King Philip V of Spain - a move which meant the domination of the Spanish Netherlands and the Spanish colonies by France. The succession was disputed by the Archduke Charles of Austria. William III, still defender of Holland and guardian of England's commercial interests, again assumed command of the anti-French forces and organized another Grand Alliance which supported the claims of the Austrian pretender. The armies took to the field in

1702. By the Peace of Utrecht (1713), France ceded to Britain the Hudson Bay region and Acadia, excepting Cape Breton Island, and acknowledged the suzerainty of Britain over the Iroquois. Britain also obtained complete title to Newfoundland and its adjacent islands. In return for recognizing Philip as King of Spain, Britain received a thirty-year monopoly of the slave trade of the Spanish Indies. By and large the Peace of Utrecht favored the English, though the power of France was not seriously curtailed in Canada or Louisiana and greatly extended through its control of the Spanish crown.

By 1700, the tidewater settlements along the Atlantic coast were fully in the hands of the European immigrants, and most of the Indians had been pushed out of the coastal plain into the Piedmont region between the coastal plain and the Appalachian highlands. The Act of 1699 prohibiting the export of Irish wool from Ulster, the enforced payment of tithes to the Anglican Church, and the fact that between 1714 and 1718 many of the leases granted to the original settlers expired all contributed to bring about a great migration of Scotch-Irish to America. So rapid was the influx into New England that the authorities shipped the newcomers to the frontier, where they settled. Pennsylvania's reputation as a home for persecuted sects under Penn's magnanimous rule brought to her shores as permanent settlers, between 1700-1776, at least 100,000 Germans from the Palatinate and surrounding regions. About 100,000 more were scattered along the frontiers of the other colonies from the headwaters of the Mohawk River to Georgia. Pennsylvania's frontier was also the center of the great Scotch-Irish immigration. Between 1730 and 1770 close to a

half million Scotch-Irish immigrants streamed to these shores. At the time of the Revolution, about one-third of Pennsylvania's population was composed of Germans from the Rhineland and another third of immigrants from northern Ireland. As the coastlands became crowded, land prices rose, and the immigrants were forced to move westward to find cheap land. These new colonists pushed into the Piedmont region to take up lands between the fall line and the Alleghenies - and eventually through the Alleghenies to plant their outposts in the Cumberland, Juniata and Susquehanna Valleys.

In 1702, the numerous and weakly organized proprietors of New Jersey surrendered to the crown their rights to govern the province. However, they retained possession of the soil and called upon the English government to enforce their claim as landlords. They parceled the province among themselves, each laying claim to large tracts and carrying on an individual land office business. From their vantage point, the lands they had received were an opportunity to make money, and they used their control of the governor's council and the courts to promote their own profit. The settlers who occupied the hilly parts of New Jersey west of Newark took up unsurveyed land for their own use, justifying themselves on the frontier philosophy that the land belonged to him who would use it. They ignored the proprietors by buying their titles from the Indians, by refusing to pay quit-rents and by cutting timber on lands which the proprietors had reserved for themselves. In 1745, a certain Samuel Baldwin was arrested for cutting trees on a proprietary tract. His neighbors rallied to his defense and forcibly removed him from jail, whereupon some of the rioters were arrested. They too were soon freed by mob violence,



the frontier settlers now being well organized under their chosen leaders. The proprietors appealed to England for protection, and the Board of Trade favored the use of British troops to quell the revolt. However, the French and Indian War intervened and turned the attention of both the proprietors and the farmers against a common enemy.

After 1725, Massachusetts, Connecticut and New Hampshire, instead of granting townships to bona fide settlers, sold them to speculative promoters. In 1737, Connecticut sold six townships at public auction, each purchaser being allowed to buy one of about fifty proprietary rights in a township. Massachusetts went even farther in 1762 when she disposed of ten large tracts and allowed a single purchaser to acquire an entire township. After such purchases had been made (usually on the partial payment installment plan), the speculators operated land offices in eastern towns, like Boston, whence they sent their agents on sales missions. These agents did not restrict themselves to the New England area alone. They were often to be found in other colonies and even in England. Many of their customers were non-pioneering investors who bought titles with the hope of a profitable resale.

Both Britain and France indulged in frenzied financial schemes inspired by the American dream. France had its Mississippi Company, fathered by John Law in 1717. Given, at first, a monopoly of the trade of Louisiana and the beaver trade of Canada, it expanded so rapidly that it absorbed most of its competitors and virtually monopolized the commerce of France. Acting in harmony with Law's companion national bank, which issued France's paper currency, the Mississippi Company took charge of the mint and the collection of the nation's taxes. Britain had its South Sea

Company, now holding the asiento and, as rumor had it, about to fall heir to the silver mines of Peru. In 1720, Parliament gave this company official sanction by authorizing it to manage the national debt. Both companies promised such fabulous dividends to stockholders that a speculative craze drove the price of shares to ten times their par value. Then, in 1721, both bubbles burst. Stock prices declined to almost nothing, and thousands of investors were ruined. The crash brought Walpole to power in England, while Law was forced to leave France. Still the dream of colonial exploitation remained uppermost in the public mind.

While land speculation and settlement were becoming increasingly more attractive enterprises for colonial investors, the fur trade still retained its lucrative rewards. After 1713, the French had resumed their advance into the Great Lakes country, re-occupying strategic sites previously abandoned and constructing new forts and trading posts. Two routes led from Montreal, the metropolis of the fur trade, to the great west. One traversed the Ottawa River and Georgian Bay to the northern end of Lake Huron. There it divided, one branch leading to Sault St. Marie and Lake Superior, the other to Michilimackinac and Lake Michigan. The second and more important route led from Montreal by way of the St. Lawrence River and Lake Ontario to the western end of Lake Erie. The Maumee River, flowing into the western end of Lake Erie, opened the way into the Ohio Valley.

Usually a favored company held the exclusive right to buy all furs exported from Canada - a privilege which enabled the company to keep prices low. This monopoly, in addition to the government licenses which the bourgeois were required to buy at substantially high prices, meant the

interior traders could not pay high prices to the Indians for their furs, thereby creating an opportunity for English interlopers to cut into the fur trade by overbidding the French concessionaires. There were four routes leading through the Appalachian barrier. The most northerly and the best, that by way of the Hudson and Mohawk Rivers to the Lakes, was closed to the early settlers by the Iroquois. A second route led from the headwaters of the Mohawk to the upper Allegheny. A third led across southern Pennsylvania to the Monongahela River and from thence to the Ohio. The southernmost route led through the great Appalachian Valley and out via the Cumberland Gap into the Tennessee Valley. Albany, New York, became the center of the northern fur trade; Lancaster, Pennsylvania, the center for the middle colonies; and Charleston, South Carolina, of the southern fur trade. It is estimated that the value of the furs exported from the British mainland colonies at the end of the colonial period was well over 200,000 pounds sterling annually.

After 1713, the New York fur trade divided into three branches. The Iroquois continued to bring furs to Albany, encouraged to do so by acts of the New York Assembly (1714-1717), yet this source of supply steadily decreased until by 1725 only seventeen percent of the furs reaching Albany were brought there by the Indians. The aggressive advance of the French into the Ohio and Mississippi Valleys convinced the more enterprising of the Albany traders that they too must go directly to the west. The Iroquois began to lose their earlier status as middlemen for the English as Albany magnates bought more and more western land from the Six Nations and promoted settlement in the Mohawk Valley. The numerous frauds in such deals further



estranged the Iroquois from the British cause. In 1744, Governor Colden of New York lamented that the "Indians...will on no occasion trust an Albany man." By 1725, sixty-eight percent of the furs arriving at Albany were brought in by the western traders themselves. Albany also obtained furs through trade with Montreal, made possible by the low cost of English dry goods - particularly a coarse woolen blanketing called "strouds." This latter route was opposed by the New York Assembly, but the Privy Council in 1729 overrode the assembly's restraining acts.

Pennsylvania traders had penetrated beyond the mountains in the 1720's; the Virginians followed in the 1730's. New York's preoccupation with her Oswego trade and South Carolina's concentration on trade in the far south left the Ohio Valley region open to the Pennsylvanians and Virginians, between whom a heated contest for supremacy ensued. Though Pennsylvania had a shorter route to the Ohio, the provincial assembly, anxious to avoid any conflicts with the Indians, gave inadequate backing to the promoters of western expansion in its midst. In Virginia, on the other hand, land speculation had become a primary concern which the colonial government pursued with vigor. At a conference held at Lancaster, Pa., in 1744 the Iroquois ceded to Virginia all their lands within that province (lands which they claimed as overlords of weaker tribes, such as the Delaware and the Shawnee). In addition, a group of Virginians, among whom were Thomas Lee, Thomas Nelson, George Fairfax, Lawrence and Augustine Washington and, later, George Mason and Governor Robert Dinwiddie (one of the original promoters was John Hanbury, a London merchant, indicating that English capitalists were also looking to the Ohio Valley as a field

for investment), organized the Ohio Company of Virginia and, in 1749, obtained from the crown a grant of 200,000 acres on both sides of the Ohio River between the Monongahela and the Great Kanawha Rivers, together with the promise of an additional 300,000 acres if a hundred families were settled on the first tract within seven years. The company immediately dispatched Christopher Gist to search out the sections best suited for settlement. The company also erected a trading post on the Potomac River opposite the mouth of Will's Creek (now the site of Cumberland, Maryland) and, in 1752, negotiated an Indian treaty which authorized construction of a fort at the forks of the Ohio.

For more than a decade the British traders had been strengthening their influence among the Ohio Valley Indians by virtue of their ability to overbid the French in the fur trade. In 1741, France adopted a new commercial policy. All traders' licenses were revoked, and thereafter the interior posts were leased by the government to individuals on a monopoly basis. The merchant princes of Montreal purchased the leases, but at rates so high as to oblige them to charge exorbitant prices for the goods which they supplied the natives. The British traders were still able to outbid them. When the dissatisfaction of the Indians had become critical, the governors of Canada prepared to protect the monopolists by force. First, in 1749, an expedition under Celeron de Blainville was sent from Canada to assert France's claim to the upper Ohio. De Blainville's party deposited a lead plate with the French claim at the mouth of each important river. Next, in 1752, the French destroyed an English fort, Fort Pickawillany; then, in 1753, the newly arrived governor of Canada,

the marquis Duquesne de Menneville, dispatched a second expedition which erected several French forts and captured Venango, a British trading post at the junction of French Creek and the Allegheny River.

When the news of this advance reached Governor Dinwiddie, he sent young George Washington to demand that the French withdraw. (Washington as yet did not belong to the inner circle of the Virginia aristocracy, but he was already one of its most trustworthy agents.) The French rejected his demands. Dinwiddie immediately retaliated by sending Capt. William Trent with a small force to erect a fort at the forks of the Ohio. No sooner was the work under way than a French force expelled the Virginians and completed the fort - which they called Fort Duquesne. Dinwiddie called for volunteers and again dispatched Washington with a small body of troops with orders to drive out the French. Washington defeated the French force and hurriedly erected Fort Necessity. In July, 1754, the French retaliated and captured Fort Necessity. Virginia and Canada were now at war.

Upon learning of Washington's defeat at Fort Necessity, British officials ceased their efforts to effect a colonial union and dispatched a force of two regiments to Virginia under the command of Edward Braddock. On July 9, 1755, a force of nine hundred French and Indians decisively defeated Braddock in a day's fighting. Braddock perished, and the British survivors fled until they reached Fort Cumberland in Maryland. All supplies were lost, so that the whole campaign had to be abandoned. The Indians, having now chosen France as the stronger party, ravaged the frontiers of Virginia and Pennsylvania far and wide.

This colonial rivalry eventually grew into a general European conflict when the Seven Years' War was officially declared in May, 1756. The European source of the conflict is to be found, in the main, in Austria's hatred of Prussia - a legacy of Prussia's seizure of Silesia during the preceding war. In the spring of 1756 the French Bourbons and the Austrian Hapsburgs united in a Diplomatic Revolution against Prussia and Britain. Still, the war was essentially one of colonial supremacy, and England and France fought their most dramatic battles on the high seas and in the colonies. Until 1758, the fortunes of war frowned on the British. The French destroyed Fort Oswego in 1756, repulsed a large expedition sent against Louisbourg in July, 1757, captured Fort William Henry on Lake George the following August, and maintained their prestige among the upper Ohio Valley Indians, particularly the Delaware and Shawnee, whose raids upon the Virginia-Pennsylvania frontier drove the British settlers back beyond the Allegheny Mountains. These reverses brought into power the resolute and energetic William Pitt, who, as Secretary of State for the Southern Department (1757-1761), directed Britain's successful campaigns for the conquest of Canada. He concentrated on America as the decisive theater of the war, at the same time subsidizing Prussia to keep France occupied in Europe. Success greeted his first efforts when, in 1758, British forces conquered Louisbourg, Fort Duquesne (renamed Fort Pitt) and Fort Frontenac, thereby opening the way to Canada. By 1759, Britain had shattered the French navy. Montreal fell in September, and all of Canada lay prostrate before Britain's armed advance.

Britain's relation to the war underwent a decisive change as a result



of the accession of George III in 1760. He was determined to break the power of the great Whig families and to assert his own right to rule. Pitt was now the chief symbol of Whig influence, and, since his prestige stemmed mainly from the war, George III was determined to restore peace - both as a means of ousting Pitt and of gaining sovereign power. The Achilles' heel of Pitt's policy was the expensive and unpopular practice of subsidizing Prussia. In opposition to this policy, George III built up a peace party which ultimately forced the great war minister to resign. Pitt was determined to push the war against Spain, who, in 1761, had just renewed a defensive alliance with France against England, but George III was able to thwart his efforts. Pitt resigned in October, 1761, rather than remain in office without power. Britain was forced to declare war against Spain nevertheless and to prolong the conflict another year, during which time she conquered the French sugar island of Martinique and occupied Havana and Manila, thereby gaining control of Cuba and the Philippine Islands.

The Treaty of Paris of 1763 awarded Canada to Britain, as well as the territory west to the Mississippi. Spain ceded Florida to Britain as the price for the restoration of Cuba and the Philippines, while France compensated Spain for the loss of Florida by giving her that part of Louisiana west of the Mississippi and a small strip of land east of the river. Britain and Spain were now the premier colonial powers of the world.

Having expelled France from North America, Britain no longer needed to make political concessions to the colonies in order to secure their assistance against the French. She was now free to enforce those parts of



her colonial system which had previously been neglected. Furthermore, the acquisition of Canada and the Ohio Valley imposed upon her the task of governing the whole interior. Her western policy was now shaped by two goals - to exploit the newly won territories for her own profit and to resolve many of the deep-seated conflicts between her and the colonies which had been exposed by the war. In attempting to enforce policies designed only for the benefit of the home country, she merely heightened the animosity and mistrust which already existed in the colonies.

When, at the outbreak of the war, Britain prohibited all commerce between her subjects and the French, the mainland colonies engaged in an indirect trade wherein they used the Spanish and Dutch islands as depots for the goods which they sold to or received from Guadeloupe, Santo Domingo and Martinique. In this way, neutral vessels made the direct exchanges with the French. In order to stamp out this traffic, Parliament, in 1757, prohibited the exporting of all provisions (excepting fish, roots and rice) from a British colony to any place except Britain, Ireland or another British colony. With the same object in mind, an English admiralty court promulgated the Rule of 1756 which declared that neutrals could not carry on in time of war a trade which was legally closed to them in time of peace. France, of course, regularly excluded the Dutch and Spaniards from peacetime trade with her colonies. The merchants of the thirteen colonies were forced to exhibit great boldness and ingenuity in evading British anti-French statutes and decrees. Some merchants obtained licenses from colonial governors which authorized their vessels to proceed under a "flag

of truce" to the French islands in order to effect an exchange of prisoners of war - such vessels being permitted to bring with them a certain quantity of goods to trade. Other merchants sought out of the way trading stations. Particularly important in this regard was the trade which the colonists conducted in Monte Cristi, a Spanish port on the northern shore of Haiti near French Santo Domingo. In 1760, more than four hundred French vessels unloaded their cargoes of sugar there, though the little town had had no commercial importance at all before the war.

The great commodity of the colonial trade in the eighteenth century was sugar. By the 1760's, British investments in Jamaica, Barbados and the other sugar islands amounted to the enormous sum of 60,000,000 pounds sterling, six times the amount of British investments in the mainland colonies. Seventy "sugar lords" sat in the British Parliament to protect these interests. Meanwhile, absentee ownership, worn-out soil, inefficient management and a high export duty at the island ports had put the British growers at a distinct disadvantage in comparison with those in the French islands. Colonial importers were buying their sugar and molasses at twenty-five to fifty percent less from the French, and the British islands were supplying only one-eighth of the needs of the mainland colonists. Angered that this trade between the mainland colonies and the French islands continued even during the French and Indian War (to the great advantage of the French), Pitt ordered the navy to stamp out smuggling in the foreign West Indies trade. In the same year (1761), colonial courts were ordered to issue writs of assistance (i.e., general search warrants) to aid in the apprehending of smugglers.

By 1750-1760, several tendencies had become apparent in the

colonial economy. Tobacco production, due to soil exhaustion, the burden of debt, heavy fixed labor costs and the restraints of the British Acts of Trade, had reached the limits of expansion. The demands for currency inflation in Virginia as a means of reducing debt and the complaints of the planters against the British colonial system revealed that the investment of British and colonial capital in tobacco production had ceased to be attractive. After 1763, George Washington, one of the most efficient of the Virginia planters, shifted his principal economic pursuits from tobacco to wheat, flour, plantation manufactures and investments in western lands. The acquisition of Ohio Valley lands served two purposes. It was excellent wheat country, and it could provide handsome profits through land speculation and settlement. Similarly, by 1760, the commerce of the northern colonies and the economy on which it rested had reached a point where its expansion threatened Britain's mercantilist program. Clearly the commercial opportunities within the empire were not sufficient to support both the British mercants and their colonial rivals. Because the colonies had copied the English methods of business enterprise, they rapidly duplicated the merchant capitalism of the mother country - with the result that American merchant activities clashed violently with the goals of the British merchant capitalists. L. M. Hacker is probably correct when he terms this mercantilist clash as "the first American Revolution."<sup>4</sup>

The land policy which Britain pursued also reflected the purpose of British mercantilism. The crown did not seek to obtain a revenue for itself through land sales and quit-rents, rather the object was to increase

British trade. This was to be accomplished by opening the land to bona fide settlers who would enlarge the demand for supplies and manufactured goods from which British merchants made their profits. After 1760, several new factors gave a new slant to Britain's attitude toward the west. First, now that France and Spain had been expelled from the territory east of the Mississippi, Britain no longer needed to encourage settlement as a defense measure. Second, the region into which colonial pioneers were now penetrating lay west of the mountains, and there was the fear that these settlers would be beyond the reach of British commerce. Third, migration to the west constituted a threat to the established seaboard area, particularly to those industries, such as tobacco, in which British merchants had made substantial investments. Fourth, now that the North American fur trade was exclusively in British hands, the British merchants proposed to exploit it fully and opposed further settlement which would drive the Indians away and destroy the fur-bearing animals. Finally, the new land policy might be made to protect Britain's established hegemony over the colonies. The French and Indian War had shown that the Acts of Trade and Navigation were but poorly enforced, largely because British officials were paid by the colonial legislatures and, consequently, were not dependent upon the English crown. If the king's lands in America could be made to yield more revenue through sales and quit-rents, a fund might be established which would make colonial officials independent of legislative appropriations and more attentive to the demands of their new paymaster - the crown.

In October, the British government issued the Proclamation of 1763 -- a highly important state paper drafted by the Earl of Shelburne when he

was president of the Board of Trade. It provided that, for the time being, colonial settlement was not to extend westward beyond a line running through the sources of the rivers flowing into the Atlantic Ocean. Colonial governors were not to authorize surveys nor issue patents for any land west of this line - nor for any land to which the Indian title had not been extinguished. In 1767, Shelburne, now Secretary of State for the Southern Department, proposed that the western country be opened to settlement and that three new colonies be established - one at Detroit, one on the Ohio and one in the Illinois country. Hillsborough, who now occupied the newly created post of Secretary of State for the Colonies, rejected Shelburne's proposals and advised instead that no new colonies should be established and that the flow of settlement westward should be carefully regulated - lest the interior drain the eastern seaboard of its population. In conformity with Hillsborough's program, Britain, in 1768, adopted the idea of an Indiana boundary line to be located periodically with the consent of the Indian tribes concerned. In 1770, the line was located as follows: "Beginning at Lake Ontario, it bent westward so that it opened for settlement the upper waters of the Ohio as far as the mouth of the Great Kanawha; thence it turned south and east, closing for settlement the back country of the southern colonies."<sup>5</sup>

The landed interests in the colonies received another shock from Britain in 1774 when the crown promulgated new regulations for the disposal of ungranted lands in Virginia, New York, North Carolina, South Carolina, New Hampshire, Georgia, Florida and throughout the west. The king ordered that all future grants must be surveyed in regular lots (minimum, one



hundred acres; maximum, a thousand acres), that the quit-rents exacted for such lands should amount to four shillings twopence a hundred acres (double the prevailing rate), that governors were not to make further gifts of lands, and that all tracts should be sold at public auction to the highest bidder - at a price not less than sixpence an acre. In addition, it was in 1774 that the Quebec Act was passed. With the object of reserving the lands between the Ohio River and the Great Lakes, west of Pennsylvania to the Mississippi, as an Indian country, this act annexed this territory to the province of Quebec and placed it under its governing power. In this way, the crown hoped to quell the divergent claims of Virginia, New York, Connecticut, Massachusetts and Pennsylvania to this region and to remove it from the influence of the settlers and speculators of these colonies. It also served to divert the movement of furs from New York and Pennsylvania to Montreal. All traders were to be regulated by the governor of the province of Quebec. The merchants of the thirteen colonies were to be excluded from the northern fur trade in precisely the same manner that colonial promoters were to be denied the profits to be found in western land speculation.

Those who felt these regulations most severely were the southern plantation owners. Many of them were finding it increasingly difficult to operate profitably under the restrictions of mercantilist regulations, and many were sinking deeper and deeper into debt to British investors. The situation in Virginia was particularly desperate. Excluded from the country north of the Ohio by the Quebec Act and on the point of being excluded from West Virginia and Kentucky by the Vandalia project and the Indian boundary line, the Virginians were forced to act quickly and aggressively in defense

of their western claims. In 1774, Lord Dunmore, governor of Virginia and himself a speculator who hoped to make his fortune from western lands, instigated a war against the Shawnee in which he defeated them and wrung from them the right of Virginia pioneers to hunt in Kentucky. The Shawnee were isolated and could not call on their overlords, the Iroquois, for assistance, since the Six Nations had already granted to Britain the lands occupied by the Shawnee south of the Ohio and west to the Tennessee River (Treaty of Fort Stanwix, 1768).

The restrictive land policy applied to the colonies by the British government did not mean, however, that British investors and speculators were being ignored. After 1763, the crown conferred numerous large tracts upon merchants, army officers and wealthy landowners (all residents of Britain) - such tracts being located in Canada, Nova Scotia, Florida and Prince Edward Island, regions accessible to British trade and not likely to produce commodities that would compete with the products of industries in which British investors had a large stake.

Pontiac's uprising had demonstrated to British officials the urgent necessity of protecting the frontiers, and, since the colonies could not be counted on to support a large army or the act together in harmony, the British ministry, headed by George Grenville, in 1763 decided to station an imperial force of 10,000 men in North America. But Britain was in no mood to pay in full the estimated 350,000 pounds in expenses annually - by now she had accumulated a national debt of 130,000,000 pounds, which cost the public 5,500,000 pounds per year in interest, and she staggered under oppressive taxation. Arguing that the colonists should bear part of

the cost of their own defense, Grenville induced Parliament to enact two momentous statutes. The first measure instituted by the new regime was the Sugar Act of 1764. It cut in half (from 6d. to 3d. a pound) the duties of the Molasses Act of 1733, while, at the same time, making provisions for the more efficient collection of the new tax. British naval officers were to collect the custom duties, and cases arising from indictment for smuggling were to be tried in British admiralty courts. Duties were laid on sugar, indigo, coffee, wines, silks and calicoes, and the number of enumerated articles was increased. The Sugar Act was supplemented in 1765 by the Stamp Act, which provided that stamps varying in cost from a halfpenny to ten pounds be affixed to licenses, contracts, deeds, wills, newspapers, pamphlets, almanacs and other papers, playing cards and dice. The Stamp Act added to the enumerated articles a new group of products desired by British manufacturers - whale fins, hides, skins, raw silk, potash, pearl ashes, coffee, pimiento and cocoanuts. These measures tended to center colonial trade in England, thereby assuring that the freights, commissions, profits and interest charges involved would go to British firms. With like intent, the Sugar Act required that non-enumerated articles bound for parts of Europe north of Cape Finisterre should first pass through a British port. Another clause of the Sugar Act, designed to protect British merchants in the colonial wine trade, raised the duty on wine imported from Madeira, the Canaries and the Azores (i.e., the famous Wine Islands) to the colonies from ten shillings a tun to seven pounds a tun.

The Stamp Act, following so closely on the heels of the Sugar Act,

created an excitement unparalleled in the colonies. England's policy had now become a real grievance and one which seemed to signal the ruin of colonial commercial interests. Their opposition was immediate and strenuous, and, when petitions and remonstrances failed, the colonists inaugurated a boycott on British manufactured goods, wherein colonial merchants bound themselves to import no British goods until the act was repealed. English merchants and manufacturers were so adversely affected by the boycott that the Stamp Act was repealed in 1766, and the Sugar Act was revised downward.

Hand in hand with these duties and trade restrictions came a series of measures for the strict enforcement of all British regulations, old and new. The Grenville ministry ordered that absentee officials should take themselves to the colonies and perform their duties in person, rather than through low-paid and inefficient deputies. It authorized anew the use of writs of assistance, and it put British naval vessels in American waters with the task of enforcing the Acts of Trade. In 1764, Parliament decreed that custom officials who made seizures and arrests with good cause could not be sued for damages by colonists who were not proved guilty as charged. The burden of proof as to whether duties had been paid or whether goods were of foreign origin was placed upon the accused, and an act of 1764 authorized the establishment of a general vice-admiralty court for all the colonies, thereby removing trials for smuggling from the home neighborhood of the defendant. In 1767, the Townshend Acts were established, one of which imposed duties on glass, paper, painters' colors, red and white lead, and tea. Though not high, these tariffs fell on

articles of general consumption and raised the cost of living appreciably. More dangerous than the duties were other features of the Townshend Acts which called for a reorganization of the customs service, strengthened the vice-admiralty courts, and provided that the money raised in cases involving smuggling be used to pay the expenses of the civil government. The Townshend Acts also reaffirmed the legality of the writs of assistance. The king immediately appointed an American Board of Commissioners of the Customs whose authority extended over all of British North America and whose sole task was to vigorously enforce the Acts of Trade.

Immediately following the passage of the Townshend Acts, the colonies again resorted to their policy of non-intercourse. The boycott of 1768-1769 was more than a voluntary movement. It was backed and encouraged by the colonial assemblies, and it was more thorough and universal than the non-importation movements following the Stamp Act. The value of English goods imported into New England and the middle colonies dropped from 1,363,000 pounds sterling in 1768 to 504,000 pounds sterling in 1769. The economic unrest which developed in both England and the colonies as a result of the boycott caused a partial repeal of the Townshend Acts in 1770. Non-intercourse arrangements broke down, and trade was resumed. Imports immediately jumped from 504,000 pounds to 4,200,000 pounds sterling in 1771.

Since 1763, an army had been maintained in America to provide for colonial defense, especially along the wilderness frontiers. Its support was drawn partly from taxes on the colonists. In 1765, the British government passed the Quartering Act, declaring that the colonists should also provide for the light, lodging and fuel of garrisons to be placed in



specified districts. When the colonists rebelled against the restrictions of the Sugar Act, the Townshend duties and the custom agents of the crown, the army was transferred from the west to the east to be used against the colonial merchant revolutionaries if necessary. A special act suspended the New York Assembly, because it had refused to comply with the law of 1765 calling for the adequate quartering of soldiers.

The majority of the disaffected merchants and planters in the colonies desired to retain the advantages of the empire and, at the same time, to free themselves from its shackles of restraint. When it became apparent to them that such advantages could be had only at the cost of British taxes and trade restrictions, many decided that the restraints outweighed the advantages. Interested primarily in the growth of their own influence and fortunes through the continued expansion of colonial trade, such members of the upper class were forced to recognize that American economic development could be maintained only with the elimination of British mercantilist control.

In the end, it was the British government which ended all possibilities of reconciliation. The climax came in an effort to save the East India Company from bankruptcy - a bankruptcy which would drag down with it a horde of influential British politicians and capitalists. The company had 17,000,000 pounds of surplus tea stored in its warehouses. The Tea Act of 1773 granted to the East India Company the right to sell directly to the colonies and remitted the customary shilling-a-pound tax on all tea transhipped to America. This would help the company find a market for its tea and, at the same time, provide the colonies with cheaper tea than they had ever enjoyed before. In the process, however, profits were taken away

from two middlemen - the English shipping agent and the American importer. Furthermore, the decrease in costs would lead to a virtual monopoly of the tea market in the colonies. If a monopoly could be conferred on the East India Company, a similar monopoly on other commodities might be granted to any company.

When the tea arrived in American ports, vigilance committees usually destroyed it or refused to allow it to be landed. The Boston Tea Party was a direct challenge to British authority, and Parliament responded by four disciplinary measures. Known as the "Intolerable Acts," these proscriptions closed the port of Boston until the tea could be paid for, revised the Massachusetts charter so as to remove from it some of its liberal features, provided for trial in England of colonial agents accused of violence in executing their duties, and revived the Quartering Act of 1765 for the purpose of stationing soldiers in Massachusetts. Immediately, a third boycott was organized, encouraged by the separate colonial assemblies and by the Continental Congress on December 1, 1774. Though colonial merchants were hesitant to renew their economic losses, the public was incensed and carried the merchants along with them. This third boycott was more strictly enforced than either of the previous two. English imports dropped from 2,590,000 pounds sterling in 1774 to 201,000 pounds sterling in 1775. In November, 1774, George III declared to Lord North that the New England colonies were "in a state of rebellion" and that "blows must decide whether they are to be subject to this country or independent." The die was cast, and there was no turning back from the ultimate struggle which would now ensue.

## CHAPTER TWO 1754-1763

Barnard Gratz was born in the village of Langendorf in the valley of the Oder River, between Ratibor and Breslau, in upper Silesia about the year 1738. Since the Peace of Westphalia (1648), the German empire had become a loose confederation of some three hundred independent principalities and free cities. Any of a half-dozen chief German states might have emerged into the lead; and it was not until 1700 that two states, built by the unusual skill and persistence of their rulers, definitely assumed significant power within the empire. The Austrian Hapsburgs had long enjoyed an eminent role in Germany. Formerly, their position had rested on their headship of the Holy Roman Empire and on their family connections with the more prosperous Hapsburgs of Spain. Even now they were able to make the difficult transition from the destruction of the old empire to the building of a new empire of their own. Through several conflicts with the Turks and as a result of the War of the Spanish Succession, much new territory was added to the realms governed by the Hapsburgs - the most significant of which was an area which included most of Hungary, together with Croatia and Transylvania. The Hapsburgs were determined to make their new empire unmistakably hereditary and Catholic. (They had understandably acquired a strong distaste for Protestantism and an elective monarchy.) The Jews in the Austrian empire formed a much-needed middle class between the landed nobility and the great masses of rural peasants. Stringent measures were taken to limit their rights and to keep down their number to that required for the efficient economic management of the nation.

In 1701, the Hapsburg Emperor was preparing to enter the War of the

Spanish Succession, and he desired the support of 8,000 of Brandenburg's crack troops. The Elector indicated his willingness and named as his price the recognition of himself, by the Emperor, as king in Prussia. The Emperor yielded, and an irreparable rent was made in the fabric of the old Empire. The less honorable king in Prussia soon became king of Prussia. In Prussia, classes were frozen by a system which prohibited the sale of all noble lands and manors to persons who were not nobles. More than anywhere else, the middle class deferred to the nobility, served the state and stood in awe of the army. For religious minorities, such as Catholics or Jews, there was no question of equality with members of the established church of the realm. Jewish affairs were under the control of the home ministry, which was also the department of the treasury. The Jews of the kingdom were either of the protected class (Schutzjuden) or merely tolerated (geduldete Juden). There were three types of protected Jews: those who had a general privilege covering all the members of the family and entitling them to unrestricted residence and trade; ordinary protected Jews with limited rights of residence and occupation, inheritable only by one or at the most two children; extraordinary protected Jews, like artists, physicians and other professionals, whose limited rights of residence did not pass on to their children. Even the most privileged Jews, however, were strictly limited in the number of children they were permitted to settle with them. "In order that in the future all fraud, cheating and secret and forbidden increase of the number of families may be more carefully avoided," stated the Charter of 1750, "no Jew shall be allowed to marry, nor will he receive permission to settle in further numbers, nor will he be believed, until a

careful investigation has been made by the War and Domains Offices."<sup>6</sup>

With the death of Charles VI in October, 1740, Maria Theresa, his daughter, became sole heir to the vast domains of the Hapsburg Empire; and, in the same year, Frederick II succeeded his father, Frederick William I of Prussia. With swift rapidity he pressed his legal claims to a portion of Austrian-controlled Silesia and stunned his southern neighbors (and the entire Western world) by marching his troops into Silesia to enforce his claims. Thus began a series of military conflicts in which Silesia was to see her fields continuously stained with the bloodshed of war. The Treaty of Breslau and Berlin ceded to Prussia upper and lower Silesia and the county of Glatz; and, though several more wars would be fought over this territory, Silesia remained a Prussian possession. From 1742 on, the Jews of Silesia were subject to the stringent interdicts and regulations which characterized the reign of Frederick the Great.

Byars suggests that the Gratz family was rather wealthy. They were probably among the second class of protected Jews who were well-established in business, but whose business rights could be transmitted only to one or two children in each family. This would account for the fact that so many Gratz family members were sent to England for their education and for a start in business. It was the common practice of Jewish families in Prussia to send their "surplus" sons to other lands where they might get a start in life.

Barnard Gratz was probably a very young teenager when he was sent to London to be placed under the watchful tutelage of his cousin, Solomon Henry, the recognized head of the English branch of the family. He was employed in Solomon Henry's counting-house where the opportunities to learn



the merchant trade were manifold. Solomon Henry's business ventures extended around the known world, including trade with India and Africa and a special "concession" from the British government for trade in the West Indies. He also had very close business connections with the nations of Europe. In fact, Solomon Henry's sister, Therese, married Jacob Praeger, one of the significant Jewish merchants of Amsterdam. The mercantilist system often depended on trust and confidence in one's confederates in business, since it was generally necessary to wait a long time until one saw the returns from his investment. A cargo had to travel long distances and pass through many "safe hands" before it was finally sold and the money returned to the original investors. Furthermore, mercantilism was structured upon an elaborate system of credit. Very little cash changed hands. A trader bought his goods on credit - the sum to be paid after the successful completion of his trading venture. And since the returns often took months (even years) to emerge, confidence in the trader's character was essential to the continued functioning of the system. The amount of risk was diminished and the sense of security enhanced when one was dealing with family. With respect to the Gratz family, there is a kind of international system of family inter-relationships that constantly reappears in their business dealings.<sup>7</sup>

After several years of apprenticeship in London, Barnard Gratz decided to venture out on his own. He chose not to remain in England but to sail to the American colonies, where the opportunities were plentiful for any young man with drive and ambition and where it did not take much money to get started. Solomon Henry probably staked him to his first venture; and, on February 1, 1754, Barnard Gratz arrived at Philadelphia with the remains of a small cargo of goods which he had brought over with

him from London. There was a job waiting for him in the counting-house of David Franks, where he would have an opportunity to apply the business methods and techniques he learned in London.<sup>8</sup> His goal now was to earn enough money to be able to go into business for himself. Before he could do this, however, he had to learn how the business community in America operated. He had to discover where the opportunities for profit lay. And he had to find trustworthy associates interested in working together with him in what were generally risky adventures. It was David Franks who provided him with these opportunities. He placed young Barnard in charge of certain accounts, sent him on errands of business interest, introduced him to his own partners and often gave him the opportunity to invest what small sums he could in their business ventures. As his grasp of the American business scene expanded, he quickly came into contact with a wider circle of business associates that was to prove of significant influence in his life, foremost among whom were William Trent, George Croghan, David Franks and Joseph Simon - all of whom were associated together in the western trade and the latter two of whom were the surviving partners of the firm of Levy and Franks.

Nathan Levy appears to have been active in Philadelphia as early as 1735, for on July first of that year he supplied his ship "Dispatch" with beer from a brewery in which Isaac Norris was a partner. He seems to have made yearly trips, and he appears again the following June to load Norris' beer aboard the "Abbot." Levy must have liked what he saw of Philadelphia, for some time in 1737 he settled there permanently with his family and his brother Isaac. Like other enterprising colonists, they

located as close to the waterfront as possible. Their first address was "Front Street, not far from Pemberton's Wharffe."

The Levy brothers worked hard at their business, and their four-year partnership brought them success. Involved with them was at least one other Jewish businessman, George Miranda, son of the first identifiable Jew in the colony. He had recently returned from an expedition in western Pennsylvania, where he traded with the Mingo and Shawnee Indians, to settle down to a quieter life as shopkeeper on Philadelphia's Second Street.<sup>9</sup>

In 1740, two other New York Jews arrived in Philadelphia - David and Moses Franks, whose mother was Nathan Levy's aunt. Like the Levys, they, too, were American-born, and they had been reared in the Sephardic congregation, Shearith Israel, by their father, Jacob Franks, who (again like the Levys) had come to America from Germany or lands farther to the east via London. However, Nathan Levy was David Franks' senior by seventeen years; and, since he was an already established merchant, he became the teacher and guide in mercantile affairs to the younger Franks brothers.

David and Moses Franks entered into partnership together, and, by the spring of 1741, they were conducting a lucrative business "at their store at the Widow Meredith's on Front Street." Their partnership was brief, however, and soon thereafter Nathan Levy and David Franks combined to form the first major Jewish company in Philadelphia - the firm of Levy and Franks. The shipping interests of the firm expanded rapidly, due to the excellent London connections of both partners.<sup>10</sup> Ships hired or registered in their names sailed regularly from Philadelphia to London and

back. Perhaps the most famous of their ships was the "Myrtilla," on which arrived the famous Liberty Bell which had been ordered for the State House on the occasion of the fiftieth anniversary of Penn's Charter of Liberties for Pennsylvania.

The young partners did not limit themselves to shipping and importing staple commodities, or to dealing with the usual cargoes of sugar and rum from the West Indies. Freight and passage to London could be arranged through them. Wholesale and retail goods could be bought at their warehouse. All sorts of English dry goods, hardware and luxury items could be obtained through their offices. Also available at either their store or their warehouse here "Advices" - that is, news and commodity and money quotations from all of the capitals of Europe, for their ships brought back European news as up-to-date as the winds and waves permitted.

Philadelphia alone was not sufficient to absorb the immense quantity of merchandise that poured in from all of the English ports of the eighteenth-century world. Competition was fierce, and many colonial merchants fell by the wayside because they could not regularly find an outlet for their wares. For this reason, the Bayntons, Whartons, Drinkers and Shippens began to develop trade with the western frontier, tapping in return that rich source of furs. Here again much depended upon the stability and industriousness of one's connections. The Shippens had relatives and stores in the Lancaster outpost, and Levy and Franks, quickly realizing the importance of the west, found the perfect representative in Joseph Simon.

When Evans mapped the middle colonies in 1749, Lancaster County was

placed at the edge of the western frontier. The "improved parts of Pennsylvania" lay to the east. To the west of Lancaster lay the perilous roads to distant Fort Duquesne and the heart of the Indian fur country. Lancaster became the way station connecting east and west, and from this point the first steps toward the western expansion of Pennsylvania began. The road between Lancaster and Philadelphia soon became deeply rutted by the coaches and wagons of the Shippens and Levy and Franks, and the Simon-Levy-Franks consortium quickly became one of the major factors in the western trade. Indian goods and furs began to fill more and more of their invoices.

By 1749, Joseph Simon and the fur-traders of Lancaster had pushed westward down the Ohio River as far as the Mississippi. In the same year, Gallisonierre, then governor of Canada, sent Louis Celeron with an expedition of soldiers to claim the Ohio River Valley for France. The Canadians were to place lead plates on which were enscribed France's rights to the region at the mouth of each significant river in the area. British settlers and fur-traders were warned to depart, and those that did not were attacked. Daniel and Alexander Lowrey, George Croghan and William Trent lost so heavily during the years 1749-1754 that they were virtually bankrupted. Most of the capital for their western ventures had been advanced by Joseph Simon, and much of their Indian goods were credited to them by Levy and Franks.

The French were also heavily occupied in repelling the advances of the Virginians into the West, for it was just at this juncture that the



Virginia government began to press its claims to the Ohio Valley on both sides of the river from the border of Pennsylvania. Its royal charter stated that all lands "five degrees from Delaware to the setting sun" were contained within its domain. In 1748, Thomas Lee, "one of his Majesty's Council in Virginia," organized the Ohio Company of Virginia. There were twelve other persons from Virginia and Maryland who were associated with him in the founding of this company, including Lawrence and Augustine Washington, Richard Lee, Presley Thornton, and Robert Carter.<sup>11</sup> Thomas Cresap was also a member of the company and kept its storehouse at Will's Creek. John Hanbury, a merchant in London, was a charter member of the company and represented its concerns in England. In fact, one of the first acts of the company was to order from Hanbury "two cargoes of goods suited to the Indian trade." The first shipment arrived in November, 1749, and the second in March, 1750.<sup>12</sup>

The company immediately appointed Christopher Gist agent and surveyor general and sent him to explore the western territory. During the years 1750-1751, he traversed the Allegheny Mountains and surveyed westward as far as the Falls of the Ohio (later to be called Louisville). The Lancaster fur traders were already in this region, as were the French. George Croghan had been appointed one of the justices for Cumberland County at the time of its establishment in 1749, and he served as chief deputy for Indian Affairs in this region. During the years 1750-1752, he travelled throughout this western region with his interpreter, Andrew Montour, in order to appease the Indians and bring them over to the British side. In addition, he sold Indian goods and bought furs both through his trading house at

Logstown and through the offices and agents of the Lancaster consortium. In fact, Croghan and his partner, William Trent, had been trading in the upper Ohio Valley since the early 1740's.

In February, 1751, Christopher Gist reached as far west as the Twigtrees (or Twigtuis) Indian territory, where he was eventually able to settle eleven families. This first British settlement on the Ohio was completed in 1752. It consisted of a small trading post on the Miami River and was within the area of the Twigtrees. The French demanded the surrender of the post and its settlers, but the Indians refused to hand them over. The French then attacked the trading-house, killing fourteen Indians and carrying away captive the traders and settlers.

In the meantime, the Ohio Company of Virginia requested that the Virginia government invite the Indians to enter into negotiations for lands west of the mountains. The governor was quick to comply, but the Indians refused to show up for the meeting scheduled to take place at Logstown. Both the French and the Lancaster traders were united in their efforts to thwart the company's attempts to reconcile their conflicts with the Indians and did all that they could to stir up the Indians against the negotiations. Nonetheless, a second meeting was scheduled for the coming year. This meeting proved to be more successful; and, on June 13, 1752, a treaty was signed at Logstown between the representatives of the company (Christopher Gist), the Virginia government (Colonel Fry and Commissioners Lomax and Patton) and the Indian tribes which reaffirmed the tenets of the Lancaster Treaty. However, the Indians were careful to clarify exactly what lands were in question and disclaimed any recognition of the English title to these lands.

You acquainted us yesterday with the King's right to all the lands in Virginia, as far as it is settled, and back from thence to the sun-setting, whenever he shall think fit to extend his settlements. You produced also a copy of his deed from the Onondaga Council, at the Treaty of Lancaster, and desired that your brethren of the Ohio might likewise confirm the deed. We are well acquainted that our Chief Council at the Treaty of Lancaster confirmed a deed to you for a quantity of land in Virginia, which you have a right to, but we never understood, before you told us yesterday, that the lands then sold were to extend farther to the sun-setting than the hill on the other side of the Allegheny Hill.<sup>12</sup>

Shortly after the ratification of this treaty, Christopher Gist was instructed to lay off a town and fort at Shurtees Creek, below the present site of Pittsburgh and east of the Ohio River. The company was anxious to begin its development of this western region as quickly as possible. In addition, William Trent was sent out as an agent of the company to conciliate the Indians and prepare them for the western expansion of English settlement which was to come. It was during this trip that he encountered fierce French resistance and learned of the lead plates laid by Celeron and his forces. Major George Washington was sent to the French fort at French Creek to register the vigorous protest of the Virginia government. St. Pierre, the commander of the fort, refused to yield and reasserted France's claim to the Ohio Valley. Governor Dinwiddie wrote to the Board of Trade in London to inform them of the continuous French encroachments along the Ohio River. He also requested support and assistance from the governors of New York and Pennsylvania; and, on the advice of his Council, he proceeded to enlist two companies of soldiers - one to be raised by Washington, the other by William Trent. Trent secured his troops from

the frontiersmen, and he and Edward Ward proceeded immediately to the Forks of the Ohio where they were to build a fort. On April 17, 1754, Ward was forced to surrender his still incomplete stockade to the French. Washington was more successful at first; but on July 4, 1754, he, too, was forced to surrender and to abandon Fort Necessity to the French.

Upon learning of Washington's defeat at Fort Necessity, British officials dispatched a force of two regiments to Virginia under the command of Edward Braddock. (Through the efforts of John Hanbury and the Ohio Company, Braddock's forces landed in Virginia instead of Pennsylvania, thereby necessitating an unduly long march through the wilderness to Fort Duquesne.) On July 9, 1755, a force of nine hundred French and Indians decisively defeated Braddock in a day's fighting. Braddock was mortally wounded and died three days later; Washington barely escaped with his life - four bullets were shot through his coat; and the British survivors fled in rout to Fort Cumberland in Maryland. All supplies were lost, so that the whole campaign had to be abandoned. The Indians, having now chosen France as the stronger party, ravaged the frontiers of Virginia and Pennsylvania. One ray of hope was kindled by the **victory** of the British forces under General William Johnson at Fort George. On September 8, 1755, Johnson successfully repelled a French attack and captured Baron Dieskau, the French commander-in-chief. As a result of this victory, Johnson received unparalleled prestige and influence in London with respect to Indian affairs and was elevated to the peerage as a baronet. Nonetheless, the French still controlled the Ohio and so dominated the region that relatively little business could be conducted in the West until after the French and Indian War.

In 1754, on their way to stop Washington, the French and Indians attacked a pack train of Daniel and Alexander Lowrey, which was returning east filled with pelts. John Kennedy and Andrew McBriar, the leaders of the pack train, were taken prisoner and carried into Canada. This latest incident resulted in a loss of 428 pounds sterling and brought the total value of goods the two brothers had lost to the Indians in the period 1749-1754 to 1,878 pounds sterling. In 1756, William Trent, George Croghan, Robert Callender and Michael Traffe "in company" filed claims for losses amounting to 2,496 pounds sterling, while Trent and Croghan petitioned for an additional 6,180 pounds - for a total loss of 8,676 pounds in goods stolen or destroyed by the Indians since 1749. By 1756, the Lowrey brothers were bankrupt, and Simon and Franks were forced to secure a mortgage against Daniel Lowrey's plantation in Donegal Township as security on a two-year moratorium on interest. George Croghan and William Trent suffered such heavy losses in Indian raids that they, too, were virtually bankrupted, and George Croghan was forced to flee from his creditors into the interior to remain in seclusion at Aughwick. On November 28, 1755, over a dozen of their creditors petitioned the Pennsylvania Assembly to declare them "free from any arrest, suit, trouble, or molestation whatsoever, for any sums of money which are now due, or contracted for and yet to become due," to the undersigned petitioner. David Franks signed the petition for Levy and Company.

It was into the midst of this struggle for the west that Barnard Gratz arrived in 1754. Without doubt, it was a constant topic of conversation at the counting house of David Franks. Not only was there concern to recoup



the losses sustained by fur traders whose ventures were financed by Franks and Simon, but there was the more positive need to tap the vast resources of the West as an outlet for manufactured goods and imports and as a source of furs. Even as General Braddock arrived at Big Crossing in 1755 on his way to meet the French at Fort Duquesne, he met one of Joseph Simon's pack trains in the charge of Daniel East. Evans, the map-maker, was correct when he extended "the geography of opportunity" to the Mississippi River in 1755; and Simon and Franks and their associates were anxious to realize this opportunity. Barnard was placed in charge of several accounts. One of them may well have concerned Franks dealings with Joseph Simon and the Lancaster fur traders. In any case, he was well aware of this account and often directly concerned in the correspondence which took place between Franks and Simon.<sup>14</sup>

The Pennsylvania and Virginia merchants were not the only elements in the colonies concerned with the western frontier. London looked on the west as a buffer to the French and the Spanish and as a possible market for its goods. Every colonial assembly was forced to deal with the continuous struggles between the frontier settlers and the Indians. And most colonial merchants, north and south, were beginning to perceive the opportunities for investment and profit which lay to the west. On July 11, 1754, the Commissioners of New York, New Hampshire, Massachusetts Bay, Connecticut, Rhode Island, Maryland and Pennsylvania in session at Albany adopted a series of resolutions designed to deal with the problems of the western frontier. They proposed that the management of Indian affairs should

be placed "under one general Administration directed to the general interest and supported at the general expense of the whole." They urged the immediate construction of forts in the northwest for the protection and control of the Iroquois nations, for the enhancement of trade, and for the control and development of the Great Lakes region. And they strongly encouraged the formulation of "a general plan of Union of the Colonies" which would provide for these services. The "Plan of Union" under consideration at this Albany conference was that proposed by Benjamin Franklin for the establishment of "new commonwealths" between the Appalachian Mountains and the Mississippi. As the west "on both sides of the Ohio" was claimed by Virginia under its charter and by France by right of exploration and settlement, this new Plan of Union proposed to dispossess them both and met with the vigorous opposition of the Virginia government.

While still working for David Franks, Barnard Gratz began his life as a merchant venturer. He began to invest the small amounts of money he could save in projects of his own interest - often at the advice of his employer. His Day-Book for the years 1755-1769 summarizes his activities during these early years. Most of the entries are dated for 1756-1757, and among his customers are included Mathias Bush, Myer Hart; Solomon Henry of London; Levy Isaacs, Mordecai Isaacs, Moses and Lazarus Jacobs, of London; Israel Joseph, Myer Josephson, Samson Lazarus and Company, Moses Mordecai, Michael Moses and Myer Myers, of New York; and Joseph Simon of Lancaster. Numerous entries deal with his relationship to David Franks. In 1755, he entered into partnership with Benjamin Moses Clava, formerly of New Jersey but recently settled in Philadelphia. The partnership ended

in 1759, though the final settlements were not completed for another decade. In 1758, after four years in the employ of David Franks, Barnard Gratz was ready to start out on his own; and, in August, 1759, he opened his first store on Water Street, where he hoped to dispose of a cargo of "every variety of dry goods, cutlery, hardware and other commodities" which he had just received from London.

In March, 1760, Captain Isaac Martin informed Barnard Gratz that the sloop "Esther," captained by Thomas Bruce, would be arriving soon from Savannah, Georgia with a shipment of rice and beaver skins. (The young merchant was beginning to expand the horizons of his mercantile activities.) In May of the same year, Captain Bruce wrote that another shipment of rice was en route to him from Beaufort. In his letter, he told of the uprising of the Creek Indians and the murder of three fur traders. "This will entirely stagnate the little commerce we had here," he lamented. The following month saw the arrival of a second cargo of goods from London and word that Isaac Martin was bound for Jamaica and Honduras in the hopes of developing new markets for the products of the mainland. Shortly thereafter, Jacob Henry, Barnard's cousin, left Lancaster to move to Newport, Rhode Island, where he entered into business relations with Naphtali and Isaac Hart. In July, 1760, Myer Levy, of Spotswood, New Jersey, a recent immigrant to America from Germany, ordered goods from Gratz and asked that he convey his regards to David Franks, whom he owed a balance. In September, Barnard received a shipment of four barrels of rice and four barrels of deer skin from Isaac Delyon in Savannah, Georgia, who requested that he

send foodstuffs by a return shipment. The following month, Captain Isaac Martin wrote from New York, telling how he was captured by pirates on the way to Jamaica and sent to Amsterdam for ransom. He returned to New York, where he dined with Samson Mears. While in New York, he offered to buy half a ship with Barnard - a rather expensive proposition for a young merchant. Nonetheless Barnard's tireless efforts were beginning to bear their fruit; and, on November 6, 1760, he moved from his store on Water Street to a larger establishment on Chestnut Street, near the wharf and close to the source of news regarding the sea trade. Perhaps the most significant indication of his growing affluence and maturity was his marriage to Richea Myers (or Mears), the daughter of Samson Mears, on December 10, 1760. Samson Mears was the uncle of Rosa Bunn, the wife of Joseph Simon. Gratz and Simon thus became first cousins by marriage. In fact, it was probably through Mrs. Joseph Simon that Barnard met Richea Mears. Shortly thereafter, Simon began to throw a larger proportion of his Philadelphia business in Barnard's direction.<sup>15</sup>

The entire problem of western trade was tremendously complicated by the fresh outbreak of war between England and France. In 1756, the war, which became known as the Seven Years' War in Europe and the French and Indian War in the mainland colonies, was formally declared, and Earl Loudoun was named commander-in-chief of the British forces in America. The French were commanded by General Montcalm, who took and destroyed Forts Oswego and George in 1756 and Fort William Henry in 1757. The garrison, whose retreat to Fort Edward had been assured by Montcalm, was massacred by his Indian allies. The strength of the English position was further weakened by the friction between Lord Loudoun and the Massachusetts general court

over the quartering of troops and between the governor and assembly of Virginia over various matters of taxation. In 1758, General Abercromby was defeated before Ticonderoga, but Amherst and Wolfe took Louisbourg, Bradstreet took Fort Frontenac, and Forbes took Fort Duquesne. Having gained entry to the St. Lawrence, the British moved upstream to Quebec; and, in 1759, a force under General Wolfe stealthily scaled the heights about the French stronghold and appeared by surprise on the Plains of Abraham outside the fortress, forcing the garrison to accept the challenge of battle. On September 18, 1759, Quebec surrendered to the British. Both Montcalm and Wolfe had lost their lives in the fighting. On September 8, 1760, Montreal capitulated, and all Canada passed into the hands of the British. In 1762, Rodney forced the surrender of Martinique, Grenada, St. Lucia, St. Vincent and the other French Indies.

The Treaty of Paris, ending seven years of bitter fighting, was ratified on February 10, 1763, between Great Britain, France, Spain and Portugal. France ceded to England all claim to Acadia, Canada, Cape Breton and all that part of Louisiana situated east of the Mississippi River, save the Island of Orleans. France retained certain fishing rights on the Newfoundland banks and was given the islands of St. Pierre and Miquelon. England restored to France the islands of Guadeloupe, St. Lucia, Martinique, Belle Isle and Maria Galante in the West Indies. Spain ceded Florida to Britain, and England restored Havana to Spain. France, by an earlier treaty, had ceded to Spain all the French territory west of the Mississippi and the Island of Orleans as compensation for the loss of Florida to the English.



Throughout the period of the war, there were constant attempts to establish normal trade relations in the west. As early as July, 1759, the administrators of Indian Affairs for the British urged the Indian tribes to quit the French and resume trade with the English "and leave them and us to fight our own battles." Present at this convention at Pittsburgh were representatives from the Indian tribes around Venango, George Croghan, Captain William Trent, Captain Thomas McKee and Captain Henry Mountour. In May of the following year, William Trent, Joseph Simon, David Franks and Levi Andrew Levy, Simon's son-in-law, formed a partnership for the expansion of their trade activities in the West. Fur traders tended to band together for protection and often shipped their goods in large pack trains, under the protection of British forces whenever possible. Nonetheless, the western fur trade was a very risky business. Many a fur trader not only lost his supplies and materials but his life as well. The new firm of Simon, Trent, Levy and Franks was to suffer several severe setbacks before peaceful trade in the west could be restored.

Throughout the course of the war, the search for new markets continued unabated. Trade in the west was hazardous; trade with the islands of the West Indies exceedingly difficult due to military blockades and privateering. Trade with London was very slow during these war years, and trade with the rest of Europe was prohibited. No matter in what direction he turned, young Barnard faced unparalleled business risks - yet he had to find outlets for his goods, or he was ruined. There was often no recourse but to neglect the rules of warfare and the laws of commerce and to trade even with one's enemies.

In January, 1761, Barnard filled the wagons of Joseph Simon with goods slated for the Indian trade and rendered account to him for the raccoon and beaver pelts he had received. In the following month, Preston Paine wrote from Quebec to report that he had sold the ninety gallons of Geneva and other goods which Barnard had sent to him. He stated that shoes and leather goods were the items most in demand in Quebec at this time and requested that Barnard obtain some for him. In March, Barnard received an order from Levi Andrew Levy in Lancaster requesting him to send goods to John Franks in Quebec to be sold on Joseph Simon's account. During that same month, Gratz received word that his cousin, Jacob Henry, had died. He had been sick for some time, and by January, 1761, he was practically an invalid. He had retired to New York during his illness, where he lived under the care of Samuel Hart. The records of April, 1761, show that Trent, Levy, Franks and Croghan were operating a store at Pittsburgh. They sold goods to the Indians on credit and successfully undersold the store opened at Pittsburgh by the Pennsylvania Commissioners of Indian Affairs. In May, Barnard issued an insurance policy on the goods transported by the sloop "Hester," captained by Thomas Bruce, from Philadelphia to the coast of Africa and back to Philadelphia. The policy was underwritten by Henry Harrison and Abraham Judah. In July, 1761, William McKee chartered a sloop and instructed Barnard to load it with tobacco, oats and Indian corn. He also ordered molasses and earthenware from Barnard. McKee's goal was to sail southward to the West Indies to sell his goods and to return by November to pay off his account. On August first, George Croghan went to Detroit to try to appease the Indians in the area who were preparing to attack Forts Detroit and Niagara. Several month later, in November, he appeared again at

Pittsburgh in conference with the Shawnee chiefs, who pledged their friendship to the English and rejected the French. On October 8, 1761, in order to assuage the Indians, who continually complained of being swindled by the English fur traders, Sir William Johnson established fixed prices on all goods traded with the Indians. All British traders were expected to adhere to them.

In 1762, with the capture of strategic points in the West Indies, the prospects for peace seemed optimistic. The British had occupied most of the French positions in Illinois and around the Great Lakes, and the French and the Indians were in a more conciliatory frame of mind. The English fur traders were quick to take advantage of the lull and pushed westward once again. In July, George Croghan, George Armstrong and Thomas Smallman became partners in an attempt to buy ten tracts of western land. Croghan's brother-in-law, Edward Ward, was now in charge of Indian Affairs at Pittsburgh. David Franks came there with John Reed to settle the "provisions account" (probably for the garrison troops). On August 7, 1762, Simon and Mitchell shipped to Barnard Gratz forty-two separate bundles of furs and peltries, including one hundred and seventy-two beaver skins. Later that month, Barnard received word from Joseph Simon that several more shipments of skins from Simon and Mitchell were on their way. One of Simon's wagoners, Shank by name, also had a shipment of skins which he was delivering to the rival firm of Baynton and Wharton. Mathias Bush also was to receive a consignment of fall skins to pay off appt of the bill Joseph Simon owed Jeremiah Warder. Barnard was asked to supply the goods for Simon's store in Lancaster. Late in

August, Simon sent furs on his own account through Barnard to David Franks, on Simon and Mitchell's account through Barnard to David Franks, on his own account to be sold by Barnard, and on Simon and Mitchell's account through Barnard to Baynton and Wharton. In addition, Simon ordered more goods from Mr. Derham through Barnard. In the midst of this booming mercantile activity tragedy struck the Gratz household. Some time at the beginning of the autumn season, Barnard's oldest daughter, Frances, died.

On November 20, 1758, Barnard Gratz wrote to his cousin, Solomon Henry, in London as follows:

I likewise heard my brother Michael is coming back from the East Indies, which I am very sorry for, and I should be glad to know his reason for returning. I don't know what advice to give him that would be for the best of his interest, as I do not know his disposition. If he could content himself with living in the /American back/ country, or else with living here /in Philadelphia/ at Mr. David Franks's in my place, /he might do well, / as I intend to leave him next spring...I believe I could soon get him my place, where he could learn the business of this country by staying with him two or three years, and might do a little business for himself as he has some money of his own.

This place requires honesty, industry, and good nature, and no pride, for he must do everything pertaining to the business. So if you and he think he is capable of the last - I have no doubt of his honesty - and he has a mind not to be stubborn but to take advice after his arrival, I would advise him to come by the first vessel in the spring. I would assist him as far as is in my power as a brother...But if he thinks himself wise enough and refuses to take advice of Cousin Jacob [Henry] and myself, then let him do what he pleases; I would not advise him to come here, as it would give me much pain and uneasiness.<sup>16</sup>

Clearly delineated in this letter is the spirit of Michael's personality. He was somewhat of a ne'er-do-well, who continually squandered his money on frivolities and who devoted little of his attention to the pressing concerns of the business world. He had failed in Berlin and Amsterdam, and he had obviously disappointed his brother by his early return from the East Indies. Solomon Henry, who had hired Michael when Barnard left for the colonies, was getting tired of his shenanigans. It was up to Barnard, his older brother, to assume the burden of his training now. Barnard, somewhat reluctantly, accepted.<sup>17</sup>

Barnard Gratz approached David Franks and made arrangements with him for his brother to take his place when he left. That same day (November 20, 1758), he wrote to his brother in London to advise him of the arrangements that had been made with Franks, and he suggested to him that he bring with him to Philadelphia a cargo of watches, watchchains, women's shoes and mittens, and other assorted articles which were somewhat scarce there. He was prepared to introduce his brother to the many contacts he had made in the past four years, so that Michael might be able to establish himself very quickly.

When his family in Silesia heard the news that Michael was planning to join Barnard in America, they forbade it. Hayim and Jonathan Gratz wrote to Michael early in 1759 demanding that he (and Barnard) return to Langendorf to help out the family fortunes. Michael replied that his mind was made up. He was leaving for Philadelphia. He hesitated to return to Silesia, because "it is now a time of war." With fervent



idealism, he rationalized that "I must learn the ways of the world and learn something of how things are done in the world."<sup>18</sup> Unfortunately, that is exactly what he had failed in accomplishing at London, the very center of world trade. Michael Gratz made out his last will and testament, establishing Solomon Henry as its executor, and set sail for America on April 2, 1759. He was able to bequeath a total of 114 pounds sterling - enough to give him a good head start in the New World.

Sometime during the summer of 1759, Michael Gratz arrived at Philadelphia, after a brief stay in New York. He immediately set to work to establish himself in America. He took advantage of the experienced tutelage of both his employer and his brother and soon began to invest small amounts of capital in some of their business ventures. Like his brother, he became caught up in the movement westward and in the opportunities for trade and investment attendant upon that movement. His early economic opportunities lay elsewhere, however, since the western frontier had become the battleground for contending nations. He had too little knowledge of American business life and too little capital surplus to take the tremendous risks then involved in trade with the west. He began to tap the more normal and stable trade markets - other mainland colonies, England and the West Indies.

His first venture as an independent merchant started as soon as he arrived in the colonies. He had brought with him a cargo of goods from London (probably acquired on credit from his cousin, Solomon Henry), and he began to sell them from the moment he docked in New York harbor. He continued to sell this cargo even while he was working in Philadelphia

at David Franks' counting-house. The record of his Sales B Account (1759) indicates that these goods included muslins, calicoes, castor hats, worsted hose, razors, silver watches, watchchains, jewelry and looking glasses. His early customers were to be found in Halifax, New York, Virginia and Georgia; and they included among them David Franks, Meyer Josephson, Hyam David, Elias Hart, Thratorius Corbin and William McKee. His range of trade began to expand, and he began to deal with the islands of the West Indies. Guadeloupe, St. Helena and St. Christopher soon became outlets for his goods. By February, 1760, Michael had already requested of Solomon Henry that he ship him another cargo of goods from England. Within three years of his arrival in America, Michael had succeeded in business to so great an extent that he was able to send money to his sisters in Silesia.

That same month (February, 1760), Michael travelled to Georgia to purchase goods on his own account. Helping him was Captain Isaac Martin, the same seaman who had worked so closely with Barnard in his early years. Several months later (in October), Michael received word that Captain Martin had been captured by a Spanish privateer off the coast of St. Martin's and ransomed. In August, 1760, Michael shipped a cargo of goods to London; and, in November of the same year, he received a shipment of goods from Solomon Henry. The following May, Michael again shipped goods to Guadeloupe Island in the West Indies; and, in August, he sent a second cargo of goods to Solomon Henry in London. According to his records, in March and September of 1761, Michael also became involved in several adventures to New York.

He continued his trading activities throughout the following year as well. In January, and again in December, 1762, Michael shipped goods to Guadeloupe; and, in August of the same year, he sent a cargo of goods to St. Christopher. In April and June, he was involved in trade with Halifax; and, in September, he embarked on a third New York venture. One brief setback came in November when Solomon Henry refused to send Michael any more goods, "having determined to a fixed resolution not to involve myself in any business beyond the seas." Henry was probably under pressure from the home government for dealing with the colonies, especially with those merchants still trading with the enemy.<sup>19</sup>

By November 3, 1762, the preliminaries to peace had been concluded. The French abandoned their claim to the West between Fort Pitt and the Mississippi River. The fur traders, the investors and speculators, and the settlers began to pour into the area once again. And it was just about this time that Michael started his "Beaver Account." On December 13, 1762, Michael assigned 190 pounds to this account - his first entry into what was to consume the greatest part of his business life from that time forward.

It was shortly after this time that Michael Gratz severed his connections with David Franks as an employee in his counting-house and opened a counting-house of his own and a warehouse. He had travelled the same path as his older brother. He had been able to secure guidance in the ways of the colonial business world, introductions to key merchants and outlets, a certain modicum of capital surplus, and several opportunities to invest that surplus in the ventures of more experienced entrepreneurs. Now he

was ready to stike out on his own. He was no longer dependent upon Franks and his brother, and he could begin to solicit his own business ventures.

Among his earlier contacts were the Adolphus brothers of New York and Hays and Pollock of Newport, Rhode Island. Isaac Adolphus, the leading merchant of the family, specialized in the West Indies trade, exporting flour, provisions and foodstuffs for muscavado sugar, molasses, rum, coffee and spices. His primary contact was his brother, Moses Adolphus, in Jamaica, though his associations took in the entire West Indies chain. Michael became more and more concerned with Adolphus. The West Indies provided a much needed outlet for his colonial and English products, and the opening of the west gave both Gratz and Adolphus a new market for imported West India products. Eventually, through his connections with the Adolphus brothers, he formed a partnership with Elias and Isaac Rodriquez Miranda, whose headquarters were in Curacao and whose trade relations encompassed all of the West Indies. The new firm took the name of "Miranda and Gratz."

Though Barnard and Michael worked as independent merchants at this time, they were often associated in business together. Both Barnard and Isaac Adolphus took an active part in the adventures of Miranda and Gratz, and Michael was often involved in Barnard's trading enterprises along the coast and into the west. On January 3, 1763, Barnard and William McKee chartered the sloop "Ranger" from its owner, John Adams of Philadelphia, for a period of six months. "Messrs. Gratz and McKee were authorized to send the Ranger on such voyages as they thought proper, provided, however, that such voyages do not extend further East than Boston or further South

than Charleston in South Carolina."<sup>20</sup> McKee sailed as far south as Newbern, North Carolina, when trouble began to plague the voyage. Michael, who was in Norfolk, Virginia, on business for David Franks, was instructed to proceed to Newbern to clear up the situation. When he arrived, he discovered that McKee had died. There were no relatives to claim the body, and no further arrangements had been made concerning the "Ranger" and its cargo. Michael paid for his burial and hired John Pindar, Jr., to pilot the Ranger back to Philadelphia.

On February 10, 1763, the Treaty of Paris formally closed the Seven Years' War. The French evacuated their forts and installations in the huge western territory they had ceded to Great Britain, leaving the vast Ohio River Valley to the exploitative abilities of the English. They did not move far - merely across the Mississippi River; nor did they cease to trade with the Indians in this Illinois area - they merely did it illegally and as far from the prying eyes of the British as possible. Nonetheless, the opportunities were enormous for the speculative merchant and fur trader alike, and the British were quick to try to exploit them. As early as March, 1763, the canoes of Joseph Simon and his partners were plying their trade on the Ohio River as far as Muskingum. At Will's Town, they were to deliver ten to twelve bushels of corn, and they were to receive furs in return from Will Ives and Thomas Smallman. In New York, in April of the same year, there appeared an advertisement to raise money for a new colony on the Ohio. The proponents of this colony hoped to raise enough money to petition the crown for 400,000 acres of land. While the effort was sporadic and the initiators of the program were not among those normally



involved in the westward push, the program did indicate a growing awareness on all parts of the colonies of the speculative opportunities available in the West. Throughout the year, Joseph Simon continued shipping his furs to Barnard, in return for which he ordered staple items and dry goods for his stores in Lancaster and Pittsburgh.

In the summer of 1763, twenty-three traders journeyed as far west as the Mississippi River. Fearful of further encroachments upon the Indian's territory by the English, enraged by the constant deceit of the English fur traders and stirred to rebellion by the French, the Ottowan Chief Pontiac was able to incite the northern and western Indians to attack the frontier settlements in an effort to drive them back beyond the mountains. The entire western frontier from Detroit and Mackinac to the eastern seaboard was caught up in this struggle. B.B. Thatcher (1832) quotes the following newspaper reports of the panic which ensued:<sup>21</sup>

(Fort Pitt, May 31, 1763) There is mostly melancholy news here. The Indians have broken out in diverse places and have murdered Col. C. and his family. An Indian has brought a war belt to Tusquerora, who says Detroit was invested and St. Dusky cut off. All Levy's goods are stopped at Tusquerora by the Indians, and last night eight or ten men were killed at Beaver Creek. We hear of scalping every hour....

(Fort Pitt, June 16th) We have destroyed the upper and lower Shawnee Towns, and by tomorrow night shall be in a good posture of defense. Every morning, an hour before day, the whole garrison are at their alarm-posts. Ten days ago, they killed one Patrick Dunn and a man of Major Smallman's; also two other men. Capt. Callender's people are all killed, and the goods taken. There is no account of Mr. Welch, etc. Mr. Crawford is made a prisoner, and his people are all murdered. Our small posts, I am afraid, are gone...

(Philadelphia, June 23rd) By express just now from Fort Pitt we learn that the Indians are continually about the place; that out of one hundred and twenty traders but two or three escaped...

(Philadelphia, July 27th) ...Shippensburg and Carlisle are now become our frontiers, none living at their plantations but such as have their houses stockaded. Upwards of two hundred women and children are now living in Fort Loudoun, a spot not more than one hundred feet square. I saw a letter from Col. S., late of the Virginia Regiment, to Col. A. wherein he mentions that Great-Brier and Jackson's River are depopulated - upwards of three hundred persons killed or taken prisoner; that for one hundred miles in breadth and three hundred in length not one family is to be found in their plantations; by which means there are near twenty thousand people left destitute of their habitations. The seven hundred men voted by the assembly recruit but very slowly...

As reported, all of Levy's goods were confiscated by the Indians at Tusquerora. Twenty-five horse loads of skins, belonging to Cray and Allison, were seized. Major Smallman and Captain Callender lost both goods and men. In all, twenty-four traders suffered severe losses during Pontiac's brief insurrection. The total value of the goods lost amounted to 80,862 pounds sterling, of which one-third represented the losses sustained by Franks, Trent, Simon and Company. They were the heaviest losers by far, though Baynton, Wharton and Morgan, their rival firm in Philadelphia, also lost a considerable sum of goods. Many of these traders were destitute and were most anxious to recoup their losses. Their hopes were thwarted, however, by a Royal Proclamation, issued on October 7, 1763, which forbade the colonization of British America beyond the headwaters of those rivers which flowed into the Atlantic Ocean and closed the west to further settlement.

### CHAPTER THREE

1763-1768

The losses sustained by the western fur traders and their merchant backers during the Pontiac insurrection of 1763 brought a score of them into sympathy as claimants for redress. A meeting was held at the Indian Queen Tavern<sup>22</sup> at which time "the Suffering Traders of 1763" decided to push forward their claims. George Croghan was commissioned to go to England to place their case before the Crown, while William Trent was to coordinate their efforts in the colonies.<sup>23</sup> With the cooperation of Moses Franks, Croghan was able to gain the ear of the British authorities; yet, though he pleaded his case well, his pleas were in vain. Within a year Croghan returned to the colonies thoroughly disgusted with the reception his ideas had received. In spite of the recent Royal Proclamation against further westward expansion, he organized the claimants of 1763 into the Indiana Company to continue to press for compensation (in the form of land grants) for the losses they had sustained in the Indian uprising. Shares in the company were issued in proportion to the losses, and William Trent was empowered to represent the company as its attorney. In February, 1765, Trent presented the petition of these men to Sir William Johnson, with the suggestion that he obtain from the Six Nations a grant of land to pay for the spoilation. Croghan also pressed Johnson to implement this suggestion and spent the greater part of 1765 meeting with Indian tribes throughout the western region in order to gain their support for the proposal. Late in April, 1765, after the success of Broadstreet and Bouquest, Sir William Johnson was able to convene representatives of the various nations of the Western

Indians at German Flats to conclude a definite peace. At this conference, the Indians agreed to the proposal that they should grant a tract of land as compensation for the losses sustained by the fur traders in 1763. However, shortly after the Treaty of German Flats was completed, settlers crossed the Alleghenies and took possession of lands in Western Virginia and along the Monongahela River - without paying the Indians for it. General Gage issued orders for the removal of these settlers, but they defied his command and his power and remained where they were. Once again the spectre of border warfare cast its shadow over the west.

In June, 1763, a group of forty entrepreneurs, including some of the most prestigious figures of the aristocracy of Virginia and Maryland (the Lees, the Washingtons, Presly Thornton, the Fitzhughs), formed the Mississippi Company "with a view to explore and settle some tracts of land upon the Mississippi and its waters." The members of the company were to be drawn primarily from the residents of Virginia and Maryland, "though a few shall be from England and other colonies," and its initial goal was to establish a colony at the mouth of the Ohio River. At a second meeting, held at Belleview on September 9, 1763, the members of the company drafted a Memorial to the British monarch in which they asserted their undying loyalty to the crown and outlined their proposals for new settlements in the west. On April 2, 1764, the articles of the company were formally endorsed and sent to the Earl of Chatham in London for the king's approval.

These latter petitions for land grants in the colonies further

complicated an already confusing situation in London. As early as 1754, Governor Dinwiddie had proclaimed certain western lands as compensation for the soldiers who had fought so valiantly under Washington at Fort Necessity, and representatives of the recipients of these lands were in London attempting to gain recognition from the Crown of their claims. In 1760, John Mercer, secretary to the Board of the Ohio Company of Virginia, drew up a statement of the company's case and forwarded it to Mr. Charlton Palmer, a solicitor in London, who was to apply to the crown for instructions on how the company might carry out its original grant. The petition was delayed by the ministry for three years, when the company finally empowered Col. George Mercer to go to London to settle the case. Mercer remained in London for six years without making any apparent progress in the object of his mission. His task was all the more complex, since lands contained within the Ohio Company's grant were also claimed under the Proclamation of Governor Dinwiddie. Benjamin Franklin, who was in England at this time and who was vitally interested in western expansion, attempted to draw the conflicting colonial claimants together to develop a plan for the coordination of all western interests for a combined movement westward. On December 12, 1765, George Croghan wrote to Franklin, urging him to lend his support to the proposal that grants of land be obtained from the Indians as a way to express "their sensibility and sorrow" for the wrongs of the Pontiac War of 1763.

The whole question of western settlement in the mainland colonies caused considerable discussion throughout England, and the colonial proponents of the program often met with encouragement and support. In 1763,



immediately after the peace had been completed, there appeared in London a widely circulated pamphlet, entitled "The Advantages of a Settlement upon the Ohio in North America," which supported the position of the colonists. On the whole, however, the program met with general disapproval at the highest governmental levels. Britain was now in complete control of a vast territory of land from which her rivals - France and Spain - had been successfully eliminated. She no longer needed to encourage western settlement as a means of defense. Now the concern of the crown became one of control and exploitation, not protection and defense. The fur trade was exclusively in British hands; and British merchants opposed further settlement westward, which would drive away the Indians and destroy the fur-bearing animals. There was also the fear that these ultramontane settlers would be beyond the reach of British commerce. Finally, there was the possibility that the new lands could be made to yield more revenue for the crown by which it could more fully finance and control colonial administration. The Proclamation of 1763 provided that, for the time being, colonial settlement was not to extend westward beyond a line running through the headwaters of those rivers flowing into the Atlantic Ocean. This would allow the authorities time to assay the situation fully, so that they might develop a policy for the administration of this new territory. On July 10, 1764, the British Lords of Trade proposed a program for "one uniform and general system of administration" for the Indian trade. The proposal was signed by Hillsborough, George Rice, Bamber, Cascoyne and J. Dyson. Shortly thereafter, Sir William Johnson published a standard schedule of barter prices by which

Indian goods could be exchanged for furs and peltry. It was expected that all western fur traders would adhere to this schedule.

The Proclamation of 1763 did not deter colonial efforts to push westward. The representatives of the various suffering traders and soldiers continued to push for redress from the crown. The various western land companies continued to develop their plans for future expansion and settlement. The fur traders continued their western advance. By 1765, they were to be found throughout the Illinois territory and all along the Mississippi. St. Louis had been founded by the French a year earlier, and the first trail across the Mississippi River westward to the Pacific was begun at Boone's Lick Road near St. Louis in 1764. The pronouncements of the Board of Trade in London could not still the demand for land needed by the new immigrants to the Appalachian region. The hopes for colonial control on the part of the crown did not diminish the economic depression of the southern plantation owners, many of whom looked to the west for their salvation. In fact, the continued growth of urban settlement along the Atlantic coastal plain, the consequent rise in the cost of living, the increased pressure of British administrators for compliance with the demands of the home country, and the growing domination of life by mercantile elements tended to force the more impoverished, more independent frontiersmen away from the settled areas of population further into the western interior. Clashes between them and the authorities were common and generally involved their unprincipled dealings with the Indians. One incident of note among many was the massacre of the Conestoga Indians in Lancaster County by a group of unknown assassins who were called the "Faxton Boys." On December 29, 1763, Governor John

Penn wrote the following letter to Col. John Armstrong:

I am extremely surprised at the late very extraordinary insurrections among the people in some of the back counties. They have, in defiance of all laws and authority, assembled in arms, marched into the heart of Lancaster County, and barbarously murdered a number of Indians who have peaceably resided in the Conestoga Manor for many years. And notwithstanding my proclamation of the 22nd instant, another party of those rioters, consisting of upwards of 100 men, came into Lancaster on Tuesday last, forceably broke open the Work House and murdered the remainder of the Conestoga Indians who were lodged there as a place of safety.

It is absolutely necessary for the preservation of peace and good order in the government that an immediate stop be put to such riotous proceedings.

I do therefore hereby require you forthwith to use all the means in your power, both as a civil and military officer, to discover and apprehend the ringleaders of those riots and their accomplices, that they be brought to justice; and I further strictly enjoin you to be extremely active in discouraging and suppressing all such lawless insurrections among the people and to give me the earliest notice of their future notions and evil designs.

As it is supposed, not without great reason, that the chief part of the rioters live on the frontiers of Cumberland and Lancaster Counties, it cannot be doubted but, if you are diligent and strict in your enquiries, you will soon make a discovery of them, as they could not assemble and march in bodies through the country without being seen and known by a great number of people.<sup>24</sup>

The Paxton Boys were not apprehended, and the frontier rioting continued. On January 29, 1764, Governor Penn wrote to Captain William Murray, who was commanding the British troops at Carlisle, to return with his forces to Lancaster to secure the peace.<sup>25</sup>

Throughout this period of border tension and apprehension, the Gratz brothers continued to ply their trade up and down the Atlantic seaboard. Jonas Phillips of New York ordered butter from Michael Gratz late in October, 1763, while another New York merchant, Samson Mears, (Barnard's father-in-law) wrote to Michael the following month to tell him of his impending voyage to St. Eustatia. Mears hoped to sell the rings Michael had shipped to him. In the meantime, Barnard Gratz was busy developing his contacts in Virginia. On December 1, 1763, James Arbuckle, sometime member of the Virginia House of Delegates, wrote to Barnard concerning the McKee estate. No doubt Barnard hoped to recoup some of his losses from the estate of his erstwhile partner. Arbuckle thanked Barnard for his generous gift of tea and stated that he was looking for grain to buy for Barnard. Shortly thereafter, Arbuckle must have borrowed money from Barnard, for, in February of the following year, he transmitted to Barnard a testimonial from the governor of Virginia, witnessing to his good character, and he promised to pay back the money by May. In addition, he secured for Barnard the approval of the governor of Virginia for a business venture Barnard was developing in Virginia.

Michael Gratz left for New York on business during the early part of 1764; and, in April, he wrote several letters to his brother in Philadelphia. Michael echoed Jonas Phillips' earlier request and ordered thirty to forty additional kegs of butter. Though he had hoped to return to Philadelphia, he could not, since Captain Drummond had not yet arrived at New York. While in New York, Michael settled the cheese account with H. Cloppa and embarked on an attempt to sell molasses. He also ordered forty to fifty bushels of hemp seed from Barnard. His final request was

a most interesting one. He asked Barnard to send mine-stones to Mr. Myers for testing. It is possible that he or Barnard had invested in mining or were thinking of investing in mining. Mr. Myers (possibly Myer Myers) owned a mine in New England and could properly advise them on the sagacity of such an investment. In short, he and Barnard were willing to invest in any enterprise which promised the opportunity for profit.

On April 9, 1764, W. Bagge, Barnard's agent in the settling of McKee's estate, wrote from Accomac, Virginia, to tell him that James Arbuckle's pledges were unreliable. He was doing little to pay back the money he owed Barnard. On April twenty-eighth he wrote again to declare that he had paid off all the judgements against McKee. Anything that he collected now would accrue to Barnard. And he repeated again the difficulties he was having with Arbuckle. By this time, Michael had returned to Philadelphia, and on May 3, 1764, he finally settled his old account with David Franks (from February 12, 1760, to May 3, 1764).

Michael returned to New York the following spring. He was able to obtain three boxes of tea, which he shipped to Barnard via the Bordentown stage, and a cargo of salt, which Captain Davenport was shortly to deliver to Philadelphia. Michael instructed his brother to sell both the tea and salt before the next London vessel arrived. While in New York, he and his partner, Elias Miranda, met with Mr. Pinia to discuss their West Indies business. Pinia was soon to voyage to Curacao. By the end of April, Michael had left New York to return to Philadelphia. Elias Miranda seems to have returned with him, since, in his letter to Michael of April 29, 1765, Isaac Adolphus sends Miranda his compliments. He outlined for Michael the current New York market prices. Myer Pollock of Hays and Pollock in Newport,



Rhode Island, wrote to Michael in May, asking him to supply Captain Grinnell, whose ship was now sailing from Newport to Philadelphia, with flour equal to the value of the wines Pollock had previously sent to him. On June 22, 1765, L.S. Hayne wrote to Miranda and Gratz from Montreal for credit to support a distillery which he had just set up in that city. He promised to pay for the goods he received either in furs or ready cash.

It was in June, 1765, that Michael embarked on his longest voyage since arriving in America. He planned to sail to the West Indies to develop his business contacts at St. Eustatia, St. Christopher and Curacao. He assigned Barnard and Mathias Bush to be the executors of his will, dated June 15, 1765; and he designated over six hundred pounds sterling for distribution to his relatives in America and Silesia - a significant increase over the 114 pounds with which he started his American adventure. No doubt Michael purchased a small cargo of goods to take with him, and he was empowered, as the agent of Miranda and Gratz, to collect a debt owed to Willing and Morris by Harry Monroe of Curacao. Michael probably sailed soon after he signed his will, for he wrote to Barnard from St. Christopher in July, forwarding a bill for one hundred pounds payable to Francis Clayton. During that same month, Elias and Isaac Miranda arrived at Curacao. They were able to remit to Barnard 1,200 milled dollars to be credited to their account, and they ordered flour and shipsbread. Earlier that month, Elias Miranda and Thomas Sampson had received a shipment of goods at St. Eustatia from Miranda and Gratz. Affairs in the West Indies seemed to be progressing well, and nothing further was heard for several months. On

On October 13, 1765, David Franks wrote to Barnard indicating his grave concern over Michael's delay in returning to the mainland.<sup>26</sup> However, Michael seems to have returned shortly thereafter. What had detained him was shipwreck.

On October 25, 1765, Michael and Barnard Gratz joined with other Philadelphia merchants in indicating their opposition to the recent enactments of Parliament with respect to colonial administration and government. Pontiac's uprising and the continual border conflicts which followed it convinced the Grenville ministry that imperial action had to be taken to secure the area. A force of 10,000 soldiers was to be stationed in North America. But, argued Grenville, Britain could no longer bear the entire cost of the administration and defense of the colonies. They must be induced to share part of the cost. The ministry decided to enforce the Navigation Acts, tax the colonies directly and use the revenue obtained to maintain the army in America. The powers of the admiralty courts were enlarged; British naval officers were instructed to enforce the trade laws. The Sugar Act of 1764 increased the number of enumerated articles and laid duties on sugar, indigo, wines, coffee, silks and calicoes. The Currency Act prevented the colonies from paying their debts in England with depreciated currency and forbade the further issuance of unsound money. This meant that debts must be paid for in British sterling - but the Sugar Act had injured the colonial trade with the West Indies, which had previously supplied the needed specie. The result was a shortage of sterling in the colonies - and a shortage of money generally. Disregarding the protests raised by the colonists against these enactments, Parliament passed the

Stamp Act in 1765, providing for stamps on commercial and legal documents, pamphlets, newspapers, almanacs, playing cards and dice. It further increased the number of enumerated articles and tended to center colonial trade in England, where British firms would obtain the profits, freights, interest charges and commissions. England's policy had now become a real grievance to the colonists and one which seemed to signal the ruin of their commercial interests. On October 7, 1765, twenty-eight delegates from nine colonies convened in New York to protest the enactments of Parliament and to declare their rights and liberties. Several communities issued resolutions to boycott British goods until the Stamp Act was repealed. On October 25, 1765, the merchants of Philadelphia joined suit and passed a series on Non-Importation Resolutions "in hopes that their example will stimulate the good people of this province to be frugal in their use and consumption of all manufactures excepting those of America." Michael Gratz, Barnard Gratz, Mathias Bush, Abraham Mitchell, Moses Mordecai, Thomas Wharton, William Henry, Hyman Levy, Jr., David Franks, Robert Morris, Benjamin Levy, David Sproat, Samson Levy, James Tilghman, John Ross, and Baynton, Wharton and Morgan were among those who signed.

By signing the Non-Importation Resolutions, Barnard and Michael Gratz cut themselves off from their excellent London connections - and, through them, from opportunities in Amsterdam, France, Germany and Austria. There was still the West Indies trade, and there were opportunities for business all along the Atlantic seaboard from New Orleans and Mobile to Halifax and Quebec - but the essence of this trade had consisted in the exchange of manufactured articles and luxury items for raw materials, pro-

duce and furs. The only manufactured goods available now were those produced by the colonies themselves. The types of cargoes changed from imported luxury goods to colonial staples and products. Furthermore, British naval vessels closely guarded the trade lanes and strictly enforced the navigation and trade restrictions. Any form of sea trade was fraught with hazards and complications. To survive the decline in sea trade which now set in, Barnard and Michael began to invest more and more heavily in the western fur trade.

On March 23, 1765, George Croghan received from Simon, Levy and Company Indian goods valued at 2,037 pounds sterling to outfit his first expedition into Illinois - with the understanding that he would repay the advance by the following February. Edward Ward, Croghan's brother-in-law, had just returned from Carlisle and was able to give him a firsthand account of recent developments in the area. The French still continued to incite the Indians on the Ohio to oppose British settlement and trade. Colonial frontiersmen still continued to rebel against the rulings of the colonial magistrates and the Department of Indian Affairs. In fact, the twenty-second regiment (about three hundred men), under the command of Major Loftus, was ordered to capture Fort Chartres and bring peace to the region; and it was hoped that Croghan could accomplish a similar purpose through his amazing ability to deal with the Indians. Croghan embarked on his journey from Fort Pitt on May 15, 1765, having fully recovered from a severe fit of the gout; and, by the time of the signing of the Non-Importation Resolutions in Philadelphia, he had concluded several treaties with the Indians which permitted white traders and settlers into the area.

(The expedition of Major Loftus failed, and the regiment was forced to return to Mobile. In fact, Croghan's company also encountered some extraordinary hazards. He was captured by Indians in June, but ransomed his way out; and, on his return to Fort Pitt, his pack trains were attacked by white frontier settlers, "the lawless inhabitants of Cumberland County.") These treaties supplemented the basic treaty of peace secured by Captain William Murray, then in command of Fort Pitt, on May 11, 1765. On June 28, 1765, Alexander Lowrey received a license from Governor John Penn to trade with the western Indians. By December, Croghan had returned from his most successful mission; and it was in the glow of this achievement that he wrote to Benjamin Franklin in London, urging his support of the proposal that western lands be awarded as compensation for the losses suffered in the Indian raids of 1763. The Indians had agreed to this arrangement in principle in the Treaty of German Flats, and Sir William Johnson and William Murray would lend their backing to the program. Croghan then approached William Franklin, the Governor of New Jersey, with plans to organize an Illinois Company for the establishment of a new colony in that region. Governor Franklin approved of the proposal and sent a draft of the program to his father in London. By April, 1766, Ben Franklin indicated his approval of the plans and proceeded to secure their support in England. In June, Sir William Johnson joined Croghan and the Franklins in the company and tried to enlist General Gage in the venture. General Gage, however, declined to be concerned. The association grew to include twelve promoters, among whom were Benjamin



and William Franklin, the Wharton brothers of Philadelphia, John Baynton and his son-in-law, George Morgan, George Croghan, Sir William Johnson, and a number of William Franklin's close associates in the Burlington Company of New Jersey and the Loyal and Greenbrier Companies of Virginia. It was hoped that the new company would become a "Charter Company" with powers similar to those obtained by the original charter companies which founded the Atlantic seaboard colonies. The London ministry was divided in its opinions. Lord Hillsborough opposed the plan for a new colony; Shelburne was in favor of it; and others, like Lord Adam Gordon, still had to be convinced. Though Franklin pursued the scheme for more than a year, he failed to obtain the grant.

In the meantime, plans were proceeding to develop trade and settlement in the Illinois territory. George Croghan was beginning to organize his second expedition to Illinois. He had already paid back 1,066 pounds to David Franks (February 26, 1766) and was convinced that the remainder would be remitted shortly. In March, John Jennings and Major Thomas Smallman sailed down the Ohio to take up residence at Kaskaskia on the Mississippi. In June, George Croghan and George Morgan, representing the firm of Baynton, Wharton and Morgan, left Fort Pitt with a company of soldiers and their supplies and trade goods to establish trade centers throughout the Illinois area. In July, they were met at the Scioto River by two hundred Indians, anxious to speak with Croghan and to develop exchange relations with the white traders; and, by August, they had visited St. Genevieve, Kaskaskia, Fort Chartres, Cahokia and St. Louis. In all, their company consisted of thirteen bateaux - enough supplies to fill several trading stations for a few months. Samuel Wharton

was expected to arrive in the fall to inspect the progress being made and to decide the future interest of Baynton, Wharton and Morgan in that area. Unfortunately, business in the west did not go well for the company; and, in December, 1766, they were forced to ask for an extension of their loan of 3,000 pounds sterling from Richard Neave and Son of London. George Morgan was recalled to Philadelphia to explain the difficulties. In part, the failure of the Philadelphia firm may have been due to the aggressive competition of the "Lancaster consortium." As early as July, 1766, Ephraim Blaine was in business at Carlisle, and Levy, Trent and Company were operating a trading house at Detroit. Both were associates of the Gratz brothers, and Michael Gratz was a commissary to General Wilkens expedition to Kaskaskia in 1765.

Michael continued to keep a running tab on the New York market through Isaac Adolphus, who would send him the price quotations about once a month. The market was poor after the inauguration of the economic boycott on British goods, and Adolphus wrote on November 8, 1765, that there were "very troublesome things here concerning the stamps." Nonetheless, commerce continued between New York and Philadelphia; and, in December, Michael shipped a cargo of goods to Adolphus with the request for a return shipment. Michael also kept a close eye on the West Indies trade. The price of imported goods had declined in Curacao, and J. Cohen Henrig reported on the arrival of a competitive cargo on the brig "Catherine." Elias and Isaac Miranda took a more hopeful view of things. They credited Michael with one-third of the five percent commission on the cargo consigned to the Miranda brothers by Messrs. Bradford (about fifty pounds

sterling), and they recommended that he acquire a ship to further his trade in the Indies. In reality, however, conditions were growing worse in the islands. So many merchants in St. Christopher became delinquent in their debts that the governor was forced to take steps to control the matter; and, on July 6, 1766, Joseph Brown wrote from St. Eustatia concerning the difficulties he was having collecting the debts owed to Michael. Samson would continually put him off, so that he would probably have to sue him; and he did sue Halley and Hillegas - and still received no money from them. Even the coast trade was slow. On July 31, 1766, Cornelius Tucker wrote that there was no market in Mobile for the gin Barnard had shipped him. He recommended butter as a better commodity. Cornelius Bradford had left Mobile for New Orleans in the hopes of finding a better market there for Barnard's cargo. James Cunningham of Quebec also vowed to sell the cargo shipped to him, but conditions were equally difficult in this northern province. Barnard had attempted to resume trade with England under the restrictions of the boycott by shipping bar iron (an acceptable product under the resolutions), only to receive word in October that the market in American bar iron was very slow. The western trade, which was beginning to blossom, took on an even more significant meaning. Here was a means to economic prosperity and salvation, providing that land titles and trade concessions could be obtained from Whitehall and its colonial administrators.

A series of letters between Sir William Johnson and General Thomas Gage indicate how men on the highest levels of government were gravely concerned with this question of western expansion - some for it, and some against it. On January 2, 1767, Johnson wrote to Gage concerning the report he had just received from George Croghan, who had just re-

turned from the Illinois country. Croghan reported that only fifty men and three officers were still fit for duty in Illinois. The rest were ill. In fact, Croghan himself was so ill that he could not make the journey back along the Ohio River, but returned via New Orleans. While in New Orleans (on August 20, 1766), he met with representatives of eight Indian nations to discuss the further settlement of the area by colonial immigrants. The French had endeavored unsuccessfully to obstruct the meeting. Croghan (and Johnson) continued to push the proposal that western lands be given as compensation for losses due to Indian attacks and that new colonies be developed in the western frontier. On January 16, 1767, Johnson wrote to Gage again to say that Croghan had arrived in Philadelphia, but was very ill. He reported that the French traders along the Wabash and Miami Rivers were doing everything in their power to incite the Indians against the British and their traders. Croghan had either recuperated quickly or was summoned to New York nonetheless, since, on January nineteenth, he appeared before General Gage to report on his Illinois venture. He emphasized two areas of concern - the continued activities of the French in stirring up the Indians and the tremendous expense of shipping pelts by way of New Orleans. He suggested that a route on the Ohio River should be developed to facilitate trade with the northern provinces. Croghan also reported on his own expenses during the trip and hoped that General Gage would remit him the money at his earliest convenience. General Gage again wrote to Johnson on January 25, 1767, to state his conclusions in the matter:

From all I can pick up out of the many accounts received from all parts concerning the Illinois and

the Mississippi in general, very little benefit is likely to arise to Great Britain from the trade thereof.

Some British manufactures may possibly be disposed of, but as long as skins and furs bear a high price at New Orleans, they will never be brought to a British market. The Indian trade in general, from the observations which I have made, will always go with the stream; and the whole will either go down the St. Lawrence or Mississippi Rivers.<sup>27</sup>

No doubt General Gage was also concerned about the French and the continual conflicts between frontier settlers and the Indians, and he realized that these would increase if western settlement were encouraged. Until British posts were established in the region and the peace secured, "it is better to abandon it." After hearing General Gage's conclusions, Croghan returned to Philadelphia dejected and disconsolate. His entire work in the west had been discredited, and he tendered his resignation from the Department of Indian Affairs. Johnson was incensed; and, on January twenty-ninth, he wrote to General Gage that he had refused to accept Croghan's resignation. He urged General Gage to take immediate steps to build posts along the Ohio River to discourage the Indians from taking their furs down the river to New Orleans and to facilitate trade with British traders from the Atlantic colonies. Croghan remained in Johnson's employ, and Gage remained adamant in his opinion against the Illinois venture. As late as April third, Croghan had not yet been reimbursed for his expenses, and Sir William Johnson was forced to plead with General Gage to pay the poor man off. Finally, on April 24, 1767, Johnson received an order from Gage for 1,732 pounds sterling to cover Croghan's expenses in Illinois.



The money came just in time. Croghan had been forced to rely on his friends for support, and they and he were getting tired of the effort. Still, he was not able to pay off his debts; and, on May 10, 1767, Joseph Simon wrote to ask Barnard to dun Baynton, Wharton and Morgan for the money due on George Croghan's account. Simon asked Barnard to pay William West seventy pounds to be applied to his own account with Baynton, Wharton and Morgan. Joseph Simon was, by far, the outstanding leader of the "Lancaster syndicate" in its western ventures. He was the wealthiest and most influential merchant in Lancaster, and the traders who received their goods through his stores were among the most industrious and illustrious western traders in the west. He had long been associated with David Franks, the Gratz brothers, Baynton, Wharton and Morgan and other prominent Philadelphia merchantmen; and he was probably well acquainted with George Croghan and William Murray. His position and influence was all the more enhanced when, on July 22, 1767, he was introduced to Sir William Johnson by the prestigious Reverend Thomas Barton. One can be sure that the central topic of their conversations together was the opening of the west and the possibility of establishing new colonies there.

In London, Ben Franklin continued to pursue this theme with members of the Board of Trade and the ministry. In August, Franklin dined with Lord Shelburne and Mr. Conway and discussed his proposal for a new colony on the Mississippi. Both Shelburne and Conway approved of the plan. Shortly thereafter, Franklin left for Paris with Sir John Pringle for a much needed rest. On his return, he met with Shelburne

again; and, on October 5, 1767, Shelburne presented to the Board of Trade letters from Croghan, Johnson, General Gage and Sir Jeffery Amherst recommending "the establishment of new governments on the Mississippi, the Ohio and at Detroit." In November, Ben Franklin himself was called to appear before the Board. The issue was to be given a full hearing - news which caused great excitement and enthusiasm in the colonies. On November 25, 1767, Joseph Galloway, George Croghan and Samuel Wharton each wrote letters to Ben Franklin encouraging the establishment of a new western boundary. Franklin turned the letters over to Shelburne for his use. The issue was, by no means, uncontested. Franklin himself admitted that the London merchants were arrayed against the proposal.

In addition to the mercantile opposition to the program and the strident voices of other colonial claimants to land in the western regions, all of which tended to complicate the issue considerably, Ben Franklin's task was made even harder by the many reports of unscrupulous business practices of the western traders. The rumor that Baynton, Wharton and Morgan were selling furs to the French and Spanish at New Orleans was so persistent that Franklin was forced to ask his son about its veracity; and, on December 18, 1767, John Campbell, Joseph Spear, James Milligan, Daniel Elliot and Alexander Lowrey - all prominent fur traders - accused Colonel Thomas Cresap of opening a trading house at Redstone Creek wherein he traded with the Indians at one-half the rates agreed upon by the Department of Indian Affairs and the chiefs of the Indian tribes, and they suggested that Colonel Cresap was responsible for the murder of Captain John Peters, a Delaware chief. Nonetheless, about Christmas of 1767, Sir William

Johnson received orders to complete the proposed purchase of lands from the Six Nations. The orders were almost immediately rescinded, however, when a new administration came into power in London.

Despite the indecision and opposition which manifested itself in England, colonial agriculturalists and promoters carried forward their plans to open the west to exploitation and settlement. On September 21, 1767, George Washington wrote to his chief surveyor, William Crawford, as follows:

I then desired the favor of you, as I understood rights might now be had for the lands which have fallen within the Pennsylvania lines, to look me out a tract of about fifteen hundred, two thousand, or more acres somewhere in your neighborhood...It will be easy for for you to conceive that ordinary or even middling lands would never answer my purpose or expectation, so far from navigation and under such a load of expenses as these lands are encumbered with. No, a tract to please me must be rich, of which no person can be a better judge than yourself, and, if possible, level. Could such a piece of land be found, you would do me a singular favor in falling upon some method of securing it immediately from the attempts of others, as nothing is more certain than that the lands cannot remain long ungranted, when once it is known that rights are to be had....

I recommend that you keep this whole matter a secret, or trust it only to those in whom you can confide and who can assist you in bringing it to bear by their discoveries of land. This advice proceeds from several very good reasons, and, in the first place, because I might be censured for the opinion I have given in respect to the king's proclamation, and then, if the scheme I am now proposing to you were known, it might give the alarm to others and, by putting them upon a plan of the same nature before we could lay a proper foundation for success ourselves, set the different interests clashing and probably, in the end, overturn the whole.<sup>28</sup>

Washington was right when he asserted that his proposal would incur the disfavor of the crown, for, on March 7, 1768, the Board of Trade issued a

policy statement which resolved to confine the population of the colonies to the Atlantic coast and to oppose the development of new colonies in the west. "The great object of colonizing upon the continent of North America has been to improve and extend the commerce, navigation and manufactures of this kingdom, upon which its strength and security depend."<sup>29</sup> The mainland colonies were to be encouraged in the promotion of their fisheries, in the growth and development of the naval stores industry, in the production of raw materials which could be exchanged in England for manufactured goods, and in the procurement of lumber, provisions and other necessities for the support of English settlements in the West Indies. All of these might be accomplished entirely by the colonies along the Atlantic seaboard.

We admit as an undeniable principle of true policy that, with a view to prevent manufactures, it is necessary and proper to open an extent of territory for colonization proportioned to the increase of people, as a large number of inhabitants, cooped up in narrow limits without a sufficiency of land for produce, would be compelled to convert their attention and industry to manufactures; but we submit whether the encouragement given to the settlement upon the sea coast, and the effect which such encouragement has had, has not already effectually provided for this object, as well as for more easing the demand for and consumption of British manufactures; an advantage which, in our humble opinion, would not be promoted by these new colonies which [are] being proposed to be established at the distance of above fifteen hundred miles from the sea and in places which, upon the fullest evidence, are found to be utterly inaccessible to shipping.<sup>30</sup>

Shortly thereafter, Lord Hillsborough proposed that all English troops be recalled from the west to be stationed only in the Atlantic colonies. If they so desired, the settlers themselves could man the western forts.

The fight was far from over, however, and the proponents of the new colonies continued to push their program. Thomas Pownall presented to the

Duke of Cumberland Ben Franklin's "Plan for Settling the West" and received his interested support. Ben Franklin himself continued to exert his influence with the ministry to promote the western program. And, in the spring of 1768, Sir William Johnson again received orders from Whitehall to establish a new treaty with the Indians. Johnson went ahead immediately on plans for a congress of representatives from the crown, the colonial assemblies and the Indian nations, which he said would take place in October at Fort Stanwix.

It was about this time that the permanent partnership of "Barnard and Michael Gratz, Merchants in Philadelphia" was formed. Until this time, the two brothers worked as independent merchants, though they were often concerned together in adventures. One of their first ventures was to become concerned with William Murray at Kaskaskia and Fort Chartres in shipping goods to be used in outfitting Illinois as a new government in the west. The roads into Illinois had been opened by George Croghan in 1765, but it was the expedition of Colonel John Wilkens from Fort Pitt to Fort Chartres on the Mississippi (much of whose goods and supplies were conveyed through Michael Gratz, as one of the expedition's official commissaries) that brought the Gratz brothers into the Illinois trade in any full sense. Among the other firms engaged in the Illinois trade were Baynton, Wharton and Morgan of Philadelphia and the Lancaster syndicate of Simon, Trent, Levy and Company - with which David Franks and the Gratz brothers were actively concerned.

On March 1, 1768, John Baynton wrote to James Rumsey at Fort Chartres, congratulating him on the way he had managed to bring Negroes from Jamaica



to Kaskaskia. Probably these Negroes were to be sold to the settlers who were soon to pour into the region, since Baynton assured Rumsey that "a civil government will soon take place there." Such reassurances delighted neither the French nor the Indians, and the English were often hard pressed to maintain their positions along the Mississippi and the Ohio. Kaskaskia, Cahokia and Fort Chartres were under constant danger of Indian attack. On May 25, 1768, William Murray left Philadelphia to begin his journey into the Illinois territory. He gave Barnard Gratz power of attorney over all of his affairs, as well as power of attorney over the affairs of Messrs. Woodrow and Company of Virginia for which Murray had power of attorney. Barnard was to sell Murray's land in Shearman's Valley, pay off all of his debts and send him the remainder at Kaskaskia. On June eighth he wrote again, suggesting that Barnard send him a supply of shoes and stockings, which seemed to be much in demand in the frontier. He was on his way from Carlisle to Fort Pitt where he would begin his journey westward as part of the Wilken's expedition. The hazards of such a journey were clearly evident in his next letter to Barnard. The forty horse-loads of goods from Simon in Lancaster were late in arriving at Carlisle - and barely arrived in time at Fort Pitt; and the twelve bateau-men hired in Philadelphia never showed up ("are gone to h-ll!"), and new men had to be procured from among the frontiersmen available at the fort. Sometime in July, Murray was joined at Fort Pitt by Mrs. Murray; and the journey westward finally began.

John Jennings, George Morgan and James Rumsey had arrived at Kaskaskia on June 24, 1768. Jennings continued on to New Orleans and returned to

Philadelphia on October fourteenth, while Morgan and Rumsey remained in Illinois to set up their trading establishments. George Morgan wrote, on July eleventh, that he had worked out a plan with Rumsey to sell the remaining supplies, especially the beef. In this report to the home office, he recommended that Baynton, Wharton and Morgan apply for the contract to supply the army outposts with beef. He asserted that he had access to any supply of buffalo meat through the hunters in the Illinois territory. Morgan expressed his concern about competition from Lancaster and asked Baynton, Wharton and Morgan to raise the prices on the goods they sold to David Franks and his agents. In addition, he proposed that an entire year's provision of flour be sent to Illinois to cut down the price of flour grown in the area - and he requested that this be done before David Franks did the very same thing. He also reported that he had heard that three London gentlemen (one of whom was Moses Franks, David Franks' brother) were successfully bidding on the contract to supply the western troops with provisions and supplies. If they gained the contract (and they did), it would probably undermine Baynton, Wharton and Morgan's efforts in Illinois. In addition, Messrs. Blouin and Captain Campbell at Cahokia were determined to undersell him; and he was unaware of what Croghan's plans were at Kaskaskia. Morgan reported that the French traders in Illinois were bankrupt and that trade with them was extremely slow. Thus, most of Morgan's business had to take place with the frontier garrisons and the fur traders. Unfortunately, he had antagonized both Croghan and Campbell and was on the verge of alienating many of the fur traders in the area. Even his relations with his employee, James Rumsey, were tenuous, since Rumsey had yet to be paid

for any of his services. Morgan pleaded with his Philadelphia partners to pay Rumsey's bills - "he is still in our service." It is without wonder that Morgan opposed the departure of Samuel Wharton for a tour of the western provinces.

Things became even more strenuous for Morgan with the arrival of William Murray in the latter part of July, 1768. He had just received 1,200 pounds sterling worth of Indian goods from Campbell, which he expected to sell quickly as one of the sole suppliers of goods to the Indians in that territory. Murray's entry into the region created an unexpected competition. Furthermore, Simon Girty, one of Morgan's hunters, reported an Indian uprising along the Shawnee River, from which he alone escaped. At Kaskaskia, George Gibson and Henry Prather forced Morgan to pay for the goods they had given to Mr. Callender in skins and furs - and then they confessed that the goods really belonged to Joseph Simon and Barnard Gratz. When Morgan discovered this, he attacked Prather and was almost strangled to death in the process. All of these matters - competition from Gratz and Murray, the loss of the army contract to David Franks and his London associates, the overstocking of goods which could not be sold quickly enough to meet maturing obligations, and the alienation of the frontier leaders and the fur traders - caused the fortunes of Baynton, Wharton and Morgan to decline in Illinois after 1768.

Of course, the western trade was not the only area of concern for Barnard and Michael Gratz. Each had made contacts throughout the colonies, and they continued to develop business enterprises wherever they could. However, where the western trade was beginning to boom, the inter-colonial

trade was undergoing a period of great hardship in which money was scarce and goods difficult to obtain. Levi Andrew Levy, Joseph Simon's son-in-law and partner at Lancaster, reported in January, 1768, that Mr. See had just completed his surveys on "our land" near Bedford. Michael would do well to tell his brother to invest in these lands as well - even if he had to bribe the clerks to do it. Levy and Croghan were to go up to inspect the lands in March. Later in January, Isaac Adolphus wrote from New York to declare his inability to honor Michael's draft for \$300. He was completely without resources and had only twenty pounds to his name. In the next month, the same message was conveyed by Peter R. Livingston. Due to the money shortage in New York, Livingston was forced to draw on his account with Michael to pay Sampson Simson one hundred pounds in Philadelphia currency. In April, Levi Andrew Levy reported to Michael that plans for the Bedford lands were progressing satisfactorily, and he sent him an accounting of all the groceries sold through their Lancaster outlets. On May 17, 1768, Isaac Adolphus wrote an angry letter to Michael, rebuking him for drawing sixty pounds against Adolphus' account. Adolphus had no money at present, and he told Michael to suspend the shipment of all goods to him at New York. In July, Joseph Simon sent a shipment of pelts to Barnard. David Franks was to receive the invoice and insure the cargo. That same month, shortly before he left for Illinois, William Murray had written to Michael from Fort Pitt to recommend Aeneas Mackay. In August, Michael received four drafts from Mackay, drawn by Thomas Hutchins on New York and Philadelphia accounts. Three of the drafts were immediately acceptable, but the fourth, on McKay, had to wait until he returned. Both McKay and Croghan had gone up to see Sir William Johnson. Michael then



shipped more than three wagon loads of goods to Mackay at Fort Pitt. Wagons were beginning to replace pack trains in the shipment of goods to and from Fort Pitt (trade was growing so brisk that an established road was emerging), but the trade was still risky. Wagon drivers were hard to come by, and they had to be paid promptly upon the delivery of their goods. On September 23, 1768, Michael wrote to Mackay to tell him that vessels had arrived from London with Indian goods, but no goods would be purchased until the treaty with Indians was settled. A congress was scheduled to convene at Fort Stanwix on October first.

The conference was delayed slightly, and the first assembly did not convene until October 24, 1768, at which time representatives from New Jersey, Connecticut, Pennsylvania and Virginia, Sir William Johnson and his deputies, agents of the fur traders of 1763, and delegates from the six Iroquois nations, the Delaware Indians and the Shawnee Indians met to discuss the establishment of a new Indian boundary and the purchase of lands west of the Allegheny Mountains in the vicinity of the Ohio River.<sup>31</sup> William Trent and Samuel Wharton represented the fur traders who had suffered losses in 1763 (the Indiana Company), and they helped Johnson draft the text of the treaty. On November 4, 1768, a treaty was ratified which gave thousands of acres of land along the Ohio to William Trent, as attorney for the fur traders, for the price of five shillings cash and in compensation for goods and merchandise "unjustly seized and taken" by the Indians in 1763 in the value of 85,916 pounds in New York currency. The first major step in acquiring the Indiana territory had been completed; and, with this treaty in hand, Sir William Johnson, William Franklin and the other pro-



ponents of the Indiana Company hoped to force the crown to reconsider its pleasure in restricting settlement just to the Atlantic seaboard.

Now this indenture witnesseth, that we the said Abraham, Sennghels, Saquarisera, Chenaugheata, Tagaia, and Gaustarax,--Chiefs and Sachems of the said Six United Nations,--and being and effectually as aforesaid representing all the tribes of the Six United Nations,--for and in consideration of the sum of eighty-five thousand nine hundred and sixteen pounds, ten shillings and eight-pence, lawful money of the province of New York; the same being the amount of the goods and merchandise, which were unjustly seized and taken, as aforesaid, by the Shawanese, Delaware and Huron tribes of Indians aforesaid, from the said William Trent, Robert Callender, David Franks, Joseph Simon, Levy Andrew Levy, Philip Boyle, John Baynton, Samuel Wharton, George Morgan, Joseph Spear, Thomas Smallman, Samuel Wharton, administrator of John Welch, deceased; Edmund Moran, Evan Shelby, Samuel Postlethwaite, John Gibson, Richard Winston, Dennis Croghan, William Thompson, Abraham Mitchel, James Dundas Thomas Dundas and John Ormsby, in the aforesaid year of One thousand seven hundred and sixty-three, whereof just and fair accounts have, on oath and affirmation, been produced, interpreted, and explained to us; and which, at our desire, are now lodged and deposited with the said Sir William Johnson, Baronet; and for and in consideration of the sum of five shillings, lawful money aforesaid, to us in hand paid by the said William Trent, the receipt whereof we do hereby acknowledge, do give, grant, bargain, and sell unto his said Majesty, his heirs and successors, to and for the only use, benefit and behoof of the said William Trent, in his own right, and as attorney aforesaid, all that tract or parcel of land, beginning at the southerly side of the mouth of the little Kenhawa Creek, where it empties itself into the river Ohio, and running from thence south east to the Laurel Hill; thence along the Laurel Hill until it strikes the River Monongahela; thence down the stream of the said river Monongahela, according to the several courses thereof, to the southern boundary line of the Province of Pennsylvania; thence westerly, along the course of the said Province boundary line, as far as the same shall extend, and from thence by the same course to the river Ohio; thence down the said River Ohio, according to the several courses thereof, to the place of beginning, together with all and singular the trees, woods, underwoods, mines, minerals, ores, waters, water courses, fishings, fowlings, huntings, profits, commodities,

advantages, rights, liberties, privileges, hereditaments, and appurtenances whatsoever, to the said tract or parcel of land belonging, or in any way appertaining; or which now are, or formerly have been accepted, reputed, taken, known, used, occupied or enjoyed, to or with the same, or as part, parcel or member thereof, and the reversion and reversions, remainder and remainders, rents, issues, and profits, of all and singular the said premises above mentioned, and every part or parcel thereof, with the appurtenances; And also all the estate, right, title, interest, property, claim and demand whatsoever, whether native, legal or equitable, of us the said Indians, and each and every of us, and of all and every other person and persons whatsoever, of or belonging to the said nations, of, in, to and out of, all and singular of, every part and parcel thereof, with the appurtenances; to have and to hold, all and singular the said tract, parcel and parcels of land, given, granted, and bargained premises, with their appurtenances unto his said Majesty King George the Third, his heirs and successors, but to and for the only use, benefit and behoof of the said William Trent in his own right, and as attorney aforesaid, his heirs and assigns forever:

And the said Abraham, Sennghois, Saquarisers, Chenaugheata, Tagaia, and Gaustarax, for themselves, and for the Six United Nations, and all and every other nation and nations, tribes, tributaries and dependants of the said Six United Nations, and their, and every of their posterities, the said tract and parcel of land and premises, and every part thereof, against them the said Abraham, Sennghois, Saquarisera, Chenaugheata, Tagaia, and Gaustarax, and against the said Six United Nations, and their tributaries and dependants, and all and every of their posterities, to his said Majesty, his heirs and successors but to and for the only use, benefit, and behoof of the said William Trent in his own right, and as attorney aforesaid, his heirs and assigns, shall and will warrant and for every defend by these presents.

## CHAPTER FOUR

1768-1774

A significant objective of the Fort Stanwix Treaty was to be the establishment of a new western boundary, beyond which there were to be no unauthorized settlements. When the boundary was drawn up, the whole country south of the Allegheny and Ohio Rivers, to which the Six Nations laid claim by virtue of their suzerainty over the Delawares and the Shawnees, was transferred to the British. A deed for part of the territory was granted to William Trent on November 3, 1768, as compensation for the losses incurred by the fur traders of 1763. On November fifth, the remaining territory was deeded over to the king, and the price agreed upon was paid down. Two other deeds, for lands in the interior of Pennsylvania, may have been issued at this time - one to George Croghan and one to the proprietors of Pennsylvania. These deeds expressly voided the tenets of all previous treaties (i.e., those at Lancaster, Logstown, German Flats, etc.).

Many of the same fur traders had also sustained grave losses a decade earlier in the insurrections of 1754, and they decided to press their claims for compensation in much the same manner as they had done with respect to their losses of 1763. However, Sir William Johnson refused to bring pressure on the Indians to compensate for the losses of 1754, which he said were the result of French-inspired aggression in which the Six Nations had no part. Not in the least dismayed, the fur traders decided to appeal directly to the crown. A group of six prominent persons, including David Franks and Benjamin Levy, were appointed as "the legal representatives of the Indian traders who were the real sufferers in the

year 1754," and they immediately contacted Moses Franks, David Franks' brother, to be their advocate before the London authorities. A company was formed in which the shares were to be divided equally between the traders and the merchants (one half to the traders and one half to the merchants). Moses Franks was to receive one-ninth of the land granted to the merchants as his commission. His task was to petition the crown for a tract of land distinct from that granted to the traders of 1763 (since the merchants feared that the earlier claim would be disrupted by this later claim for compensation), but within the territory ceded by the Indians to the king. Captain William Trent and Samuel Wharton would leave for England soon to help Moses Franks press their claim. Moses Franks accepted the offer and immediately drafted a memorial on behalf of his clients, setting forth their claim to compensation.

In December, 1768, Arthur Lee, representing the promoters of the Mississippi Company, presented a petition to the king's Council for two and a half million acres of land west of the Alleghenies, between the thirty-eighth and the forty-second parallel north latitude (i.e., in what is now West Virginia). Thirty six of the fifty members of the company had signed the petition; and, on December 16, 1768, it was referred to a committee of the Council for study. On March ninth of the following year, it was read by the committee, discussed, and referred to the Board of Trade. Unfortunately, nothing more is heard of the petition. It was certainly not granted.

On December 28, 1768, a meeting of the members of the Susquehanna Company was held in Hartford, Connecticut, "for the purpose of beginning

to occupy the lands formerly purchased by the New England people and others ...on the Susquehanna, within the grant made to the Governor and the Colony of Connecticut." Pennsylvania disputed Connecticut's claim to these western lands along the Susquehanna, claiming them as her own. In addition, in spite of the border settlement of 1768, white settlers were pouring into the western frontier at an alarming rate - to the distress of the Indians. Foremost among these settlers were the Virginians. On the whole, they regarded the Stanwix Treaty as a temporary expedient to quiet the Indians and did not for one moment consider giving up fertile western lands, which they considered their own by right of both grant and possession. They began, man by man, after 1768, a movement which never ceased until the Pacific Ocean was reached. Virginia claimed the lands west of the Alleghenies by virtue of her original charter; Pennsylvania claimed the region by virtue of her Indian treaties, deeds and grants. Ultimately, the two colonies were to clash violently as each became more and more involved in the westward push.

Fur was still the priceless resource of the west, though colonization and settlement were becoming increasingly more important in the economic understructure of the movement westward. Throughout these years of exploration and debate, Joseph Simon continued to supply his Philadelphia compatriots with skins and peltry. Two hundred and twenty-two skins arrived at the Gratz establishment in January of 1769, and additional skins were on their way. Barnard was asked to confront George Croghan with the 150 pound debt for supplies which he owed Simon. The money from the furs and from Croghan were to be given to Levi Andrew Levy when he arrived in



Philadelphia. In addition, Simon ordered goods to be shipped with Captain Trent when he returned to Carlisle. While trade with the west continued to develop, trade between the established mainland colonies was quite slow. Solomon Marache wrote to Michael at the beginning of March to report that the market in New York was "very dull," and Isaac Hart sent his bills to Michael overland from Newport, Rhode Island, because it was too risky to send them by water conveyance. The trade restrictions and economic embargo particularly hurt those northern merchants that depended solely on trade with England and the Indies. The Harts, Hays and Pollock and the Livingstons were all associated in trade with the West Indies. They owned a fleet of trading ships - which were beginning to cost more to maintain than they were bringing in in trade. When Hays and Pollock were arrested for debt, it was decided that their share in the "Rising Sun" might provide the needed capital to cover their expenses. The "Rising Sun" was put up for sale; and Michael bought it, thereby acquiring part ownership in the first of several sailing vessels.

On April 3, 1769, William Trent borrowed 400 pounds from Joseph Morris of Philadelphia, who took as security on the loan some 30,000 acres of land that Trent had received as a result of the Fort Stanwix Treaty. During this same time, James Rumsey and George Morgan were acquiring land in Illinois for Baynton, Wharton and Morgan from the military land holdings commanded by Colonel John Wilkens "for range for cattle, and for tilling for grain, as well as for other uses." Wilken's was to receive one-sixth interest in the lands. In the meantime, William Murray had sold much of his original supply of goods; and, on April twenty-fourth, he requested more goods from Barnard and Michael Gratz. Murray insisted that no Indian

goods be included. The goods were to be used in trade with the white settlers in the area. Rumsey and Morgan were being ruined because they had overstocked on Indian goods, and the French traders at St. Genevieve and St. Louis were determined to keep the Indians away from the stores at Fort Chartres, Kaskaskia and Cahokia. Murray suggested that the goods be insured, just in case the rumors of an Indian uprising came to pass. The opening of the west to settlers seemed ever more imminent, and Murray also purchased a small plot of land to prepare for the day.

The anticipation grew even greater when, in May, 1769, Lord Hillsborough wrote from Whitehall that the king would accept the cessation of lands made by the Six Nations at Fort Stanwix, but specific action on the Indian grants to the traders was deferred to a later date. This announcement spurred the colonial petitioners in England to even greater efforts. Benjamin Franklin continued to use his persuasive influence to further the western cause; and William Trent, attorney for the 1763 traders, in whose name the Stanwix grant was given, arrived in London to add his voice to the cry for western land. In the colonies, the announcement gave the fur traders, merchants and land speculators new hope. George Croghan and his associates ordered a second survey of the region south of the Mohawk River, in order to purchase an additional 100,000 acres of land (the Otsego tract).

On June 20, 1769, Michael Gratz married Miriam Simon, the daughter of Joseph Simon of Lancaster. The Gratz and Simon families were now doubly cemented by marriage, and their relationships grew even more close.<sup>33</sup>

On June 28, 1769, William Murray wrote to Barnard to report on his first profits in Illinois. He sent a draft for 240 pounds and estimated

that about 500 pounds were still outstanding. In short, Murray was able to realize a hundred percent profit on his first venture in the Illinois trade, since he had started out with about 400 pounds worth of goods (which he had originally received on credit through Barnard's Philadelphia associates). He needed more goods, which he had already ordered from Barnard and Michael, and he was concerned that he had received no word from them. He wrote again the next day with further payments, and he reminded Barnard to send him the goods before he set sail for England. Murray's success in Illinois gave George Morgan good cause for concern; and, on July sixteenth, he wrote from New Orleans that he was on his way home from Kaskaskia to report on the conditions of the western trade. At the end of July, Michael replied to Garret Pendergrass that Barnard left for England unexpectedly, but he did sell his skins before he embarked on his journey. Michael paid off Pendergrass' debt to Jeremiah Warder and secured a caveat against William Elliot for 300 acres of land at Bullock Pens, which he sent to Pendergrass.

There is no clear statement of the purpose of Barnard's sudden voyage to London. There were probably several factors which contributed to his trip. Without doubt the resolutions against trade with Britain had hurt Barnard and Michael Gratz, as it had undermined the incomes of most colonial merchants. Perhaps there was a desire on the part of the Gratz brothers to work with their London connections and relatives to find some way out of this crippling dilemma. There had been one attempt in April to sell some British logwood which Solomon Henry had shipped to Barnard and Michael, but, as Michael said in his return letter, money was scarce in the colonies,

and it was difficult for Mathias Bush and David Franks to pay their debts to Henry. Certainly, both Michael and Barnard - and their associates in the western trade - were gravely concerned about the progress (or lack of progress) being made in London regarding their claims for western lands. It seems that Trent and Wharton, who were in London to represent the Indiana Company, had been working on their own behalf (on company time and expenses) to secure another tract of land on the Ohio River. Barnard was to find out exactly what was going on and to use his London connections to further the program of the claimants of 1763 and 1754. In addition, he might be able to secure much needed supplies and goods for trade in the Illinois region. There may even have been personal reasons for his voyage to London, having to do with his family in Silesia, since Michael included a gift of money for his family in his April letter to Solomon Henry - in spite of the fact that money was scarce in the colonies.

On August 9, 1769, Michael wrote to Barnard in London. "Business here at present is very bad," he reported, "and little has been done since you left home....There is not ten pounds worth of Indian goods to be had in this town."<sup>34</sup> Mr. Shipboy was in Philadelphia and would have paid 3,000-4,000 pounds sterling in cash for goods for Sir William Johnson - but none were to be had. No doubt, Croghan would want Indian goods when he returned to Philadelphia in September. And William Murray and Joseph Simon also needed goods for trade in the west. Michael was particularly concerned about the rumor that Baynton, Wharton and Company had been granted lands in the west. If this were true, there was even more urgency in obtaining

Indian goods as quickly as possible. Michael would be willing to borrow 300-400 pounds sterling from Simon to purchase the needed cargo of goods. Goods were so scarce in the colonies that Michael was able to ship only ten pieces of linen to Mackay at Pittsburgh - and he was reluctant even to do that, since prices were much higher in Philadelphia. The following week (August twenty-first), Michael received word from M.M. Hays that he was broke and had no funds with which to pay back his debt to Michael. Murray wrote again from Illinois to report that his goods were selling well and that he needed more supplies - in spite of the fact that conditions in the area were unsettled at the moment. There was some fear that the Seneca Indians might revolt, since they had not received their share of the purchase money from the Stanwix Treaty. In addition, Robert Callender was attacked by the Black Boys (frontier raiders) on the road to Fort Pitt near Bedford. He lost twenty-four horse loads of Indian goods - about 300 pounds worth of merchandise. Under the circumstances, Callender, Hart, and St. Clair and Limes were unable to pay their debts to the Gratz brothers. Michael stated two fervent hopes in his August twenty-first letter to Barnard in London - that he obtain Indian goods for the western trade and that the Acts be repealed soon.

On September 1, 1769, Michael wrote to William Murray that goods intended for him had arrived in Philadelphia on Sprout's boat, but David Franks demanded them and got them. As soon as more goods were available, they would be shipped to Murray in Illinois. The goods finally arrived at Kaskaskia sometime later that month; and, as might be expected, Murray reported that they were not enough. Teas was especially needed - and sugar,



wine and liquors. Murray was sending home a draft for 235 pounds with George Morgan, who was finally able to arrange passage on a northbound ship from New Orleans. Murray reported that among his customers were Robert Callender, Captain Thompson, Thomas Roker, Joseph Simon, Murphy, Burke, and David Franks. The western trade was by far the brightest outpost of the far-flung business universe of Michael and Barnard Gratz. In September, the firm received 120 pounds from Robert Callender in part payment on his back bills and a bill from Murray for 234 pounds against Levy and Franks to cover part of the debts he owed to the firm. Joseph Simon had continually given them close financial support, and George Croghan was to arrive soon to pay his bills. On the other hand, Michael was forced to confront his Atlantic coast customers face to face in order to get them to pay their bills - and he usually failed even at that. In spite of a trip to New York, he was unable to collect any money from Hays or Hart. Many of the merchants in the Atlantic colonies were beginning to chafe under the restrictions of the boycott; some were even beginning to sell goods acquired after the resolutions were passed. Jacob Pollock returned from London in September with a large cargo of dry goods, which he was able to land at Boston unmolested. Michael repeated his fervent hope that the Acts would be repealed soon.

Similar sentiments were conveyed to Barnard in a letter written to him by Mathius Bush on November 7, 1769. "Trade in America at present is very dull." Money was extremely scarce, and the exchange rates were only  $47\frac{1}{2}$  to 50 percent. Woolens were very much in demand - as were many other commodities being stored away because of the Non-Importation Resolutions.

John Ross, who had done business with Bush and the Gratz brothers, attempted to sneak in forty pipes of wine against the Acts. Someone informed on him, and the wine was confiscated. When the colonial sailors discovered the informer, they tarred and feathered him and paraded him through the streets of Philadelphia. James Thomson could give no account of 3,000 pounds he had borrowed, so the merchants had him arrested and placed in jail. In addition, James James was in jail for debt.

When the ship "Duchess of Gordon" arrived from London, it was clear that "things in England are in the greatest confusion." The London merchants were adversely affected by the embargo on all British goods, and they were equally eager to find a solution to the conflict. Finally, the king himself was forced to acknowledge the problem. He reported the following in a speech before both houses of Parliament on January 9, 1770:

It is needless for me to recommend to the serious consideration of my Parliament the state of my government in America. I have endeavored on my part, by every means, to bring back my subjects to their duty and to a due sense of lawful authority. It gives me much concern to inform you that the success of my endeavors has not answered my expectations and that, in some of my colonies, many persons have embarked in measures highly unwarrantable and calculated to destroy the commercial connection between them and the mother country.<sup>35</sup>

A significant element in Britain's mercantilist designs for the colonies was the exploitation of the western frontier - but, in such a manner that it did not detract from the trade with the Atlantic colonies and that British merchants received the profits from the fur trade and land speculation. In short, the same basic principle underlay her policies in the west as governed her dealings with the established colonies along

the eastern seaboard. And they were failing there for much the same reasons. Colonial settlers continued to pour into the regions beyond the Alleghenies; colonial fur traders continued to dominate the trade of the area; colonial merchants continued to invest in plans to purchase huge tracts of western land for speculation and profit; and colonial administrators, many of whom were sympathetic to these programs, found it impossible to fight the colonial merchants in addition to the French, the Indians and the rebellious frontiersmen. The pressure to accede to the demands of the colonial claimants to western land continued to grow in England. Even members of the Board of Trade and influential British merchants began to lend their support to the program. A significant obstacle to this program was removed on December 27, 1769, when the various colonial claimants met together at the Crown and Anchor Tavern in London and decided to merge their interests in a Grand Ohio Company. Samuel Wharton and William Trent were present to represent the interests of the Indiana Company, as was Thomas Walpole, the administrator for the promoters of the Vandalia Company. The interests of Barnard and Michael Gratz, David Franks and Joseph Simon were secured by the presence of Naphtali Franks of London. Benjamin Franklin chaired the meeting, and he and Walpole were eventually appointed the administrators of the program.

The plan of the company was to buy from the British government all of the land contained within the grant secured at Fort Stanwix from the Iroquois Indians. The Indian traders of Pennsylvania and George Croghan, who had received separate grants from the Six Nations, were to be given the same grants of land by the Grand Ohio Company. Therefore, they were

to release their claims to land in the region circumscribed by the Stanwix Treaty in favor of the Grand Ohio Company - which they consented to do. Not included in this program were the various Virginia interests who were also petitioning for land in the west and who, in some instances, claimed the very lands granted to the crown by the Stanwix Treaty. These interests included the Ohio Company of Virginia, the Mississippi Company and the representatives of the officers and soldiers of Virginia who had been promised land by Governor Dinwiddie for their participation in the French and Indian War. Colonel George Mercer, agent for the Ohio Company of Virginia, continued to push his claim independently of the newly formed Grand Ohio Company, but he could make no progress whatsoever. On May 15, 1770, Franklin Wharton, Pownall and Walpole signed a compromise agreement with Mercer which admitted the Ohio Company of Virginia into the Indiana-Vandalia combine. Early in the spring of 1769, Thomas Pownall wrote a most optimistic letter to Sir William Johnson from London in which he described the formation of the Grand Ohio Company and outlined its proposals for a new government in the west. He indicated that the company had received the backing of Lord Hillsborough and was about to petition the Council-Board for "a charter of government." Following the expected approval of the Council-Board, the company would approach the Lords of Trade. Pownall proposed to use the charter of the Massachusetts Bay Company as his model, and he recommended the inclusion of an Indian Department, which would regulate trade in the colony and cooperate with the military in the defense of the area.

On December 28, 1769, Michael was forced to deny Murray's request

for more goods - in spite of the fact that Murray was constantly returning a profit on their investment. There were just no goods to be had in Philadelphia. Murray's cause was aided by the unprincipled behavior of George Morgan, his chief competitor in Illinois. He had the marvelous knack of antagonizing the men upon whom he had to depend most. In January, 1770, conflict erupted once again over the issue of Campbell's debts. Colonel Wilken's approved the sale of Campbell's goods to pay his debts, but Morgan was furious at the idea and called the sale "unfair and illegal." He demanded that Rumsey protest Colonel Wilken's actions, thereby angering his most valuable business associate. He even lashed out against Dennis Croghan - a most dangerous venture, since Dennis Croghan was a favored nephew of George Croghan.

In the meantime, George Croghan was having his own troubles. Despite his magnetic personality and his tremendous success with the western Indians, he never seemed to be able to get out of debt. His creditors were hounding him for their payments, so that he was forced to sell the 9,050 acres of land he had acquired in the Mohawk Valley. On March 1, 1770, Croghan deeded over to Michael Gratz all title to these lands for which he received the sum of 1,800 pounds in New York currency. This was Michael's first large adventure in land; and, in the months ahead, he would devote himself to selling small tracts in order to realize a profit on his investment.

In April, David Franks made some goods available to Michael for the western trade; and Michael immediately wrote to Murray to tell him that goods worth 608 pounds in Philadelphia currency would be shipped to him by



the earliest spring bateaux. Michael reported that John Cameron died, leaving 10,000-12,000 pounds of debt outstanding. There was little likelihood that Murray would ever receive any money for the goods he sold Cameron. Michael had also refused to pay the claims of Callender and Thompson against Murray until they could prove their account in court. If nothing more, this would certainly give Murray time to collect enough money to pay off the debt. In addition, Michael was sending one Thomas McFee to Illinois to help Murray in his trading enterprises.

On April 16, 1770, Michael's first child, Solomon, was born. The Lopez and Rivera families of Newport, Rhode Island, both sent their congratulations and the assurance that a new cargo of candles would be shipped soon to Philadelphia.

By May, conditions in Illinois had reached their boiling point. James Rumsey severed his relations with George Morgan and became a partner of William Murray. The decision was so sudden that Rumsey had not taken the time to settle his accounts with Morgan before he joined Murray. Morgan was furious and complained to the authorities. His hue and cry was so disconcerting that Wilkens was forced to complain to Rumsey about all the trouble Morgan was making. Rumsey attempted several overtures of peace and asked Morgan for his continued assistance in furs or money. Though it is not recorded, one can well imagine Morgan's outraged invective against this suggestion.

On July sixth, Michael wrote to Barnard, who was still in London, regarding his activities in the colonies. Trade was very difficult, and money was growing scarce. Daniel Wister was determined to cheat his creditors

and not pay his bills - a course of action much to the detriment of Moses Franks in England and David Franks in Philadelphia. George Croghan also had not yet paid his debts, and Joseph Simon had gone up to see him at Fort Pitt. Clearly, he was no longer pauperized, since Michael had given him so much money for his Mohawk Valley lands. Michael had appointed Barnard and Moses Franks as his attorneys in London to sell the 9,050 acres in upper New York, and he reiterated again his enthusiasm for the project. The land was valuable land and should fetch a decent profit - some 2,900 pounds sterling. The most significant part of his letter dealt with the problems in trade created by the Non-Importation Resolutions. It was his fervent hope that the onerous Acts of Parliament would be repealed; but, in the event that they were not, Barnard was encouraged to bring home a cargo of canvas goods, linens and Indian goods - only he was not to ship the goods to Philadelphia. The merchants of both Philadelphia and New York were determined to enforce the boycott against trade with England. However, it might be possible to bring the goods into the colonies through Maryland, where enforcement of the regulations was somewhat lax.

I find this place is determined on not importing, and it is really dangerous to attempt any such thing. There was one Captain Spencer, from Scotland, who had goods for New York and this place which they would not suffer to be touched in either place, but they were reshipped to Scotland or England, which was done from New York and here. Though the persons that had the goods on hand, have made the attempt to bring them up in shallops from Lewistown and down the river, it was found out and they were very glad to deliver them up to the Committee. Else their houses, goods and their lives would have been in danger, on which they were obliged to make great acknowledgements to the Inhabitants and make themselves out liars.....to all of which there are names signed at the Coffee House now. So it is really dangerous that way. But to Baltimore,

Maryland, I will do as agreed on all the goods above mentioned, which is the Indian goods. So I hope you will not remain long in England if the Acts are not repealed and nothing advantageous offers there.<sup>36</sup>

On October 3, 1770, Barnard was still in London, having little success either with his efforts to promote the opening of western lands for settlement or with the more particular task of selling Croghan's Mohawk lands. He began to prepare for his return to America and appointed William Emerton of London as his London agent to sell the 9,050 acres in Albany County. Moses Franks, who also had power of attorney with Barnard, was to assist Emerton. Later that month, Barnard received farewell wishes from Andreas Henry of Exon, England, (probably a cousin of Solomon Henry) with the encouragement that the American colonies were "not to give up their freedom and become like the Irish." It was his hope, and the hope of a great many English merchants, that the mainland colonies would soon come to their senses and restore stability to the trade relations between the motherland and her dependents.<sup>37</sup>

In the meantime, George Washington had decided to take matters into his own hands. Dissatisfied with the progress being made in London and unsure of George Mercer's efforts on behalf of the Virginia interests, Washington began to organize his own push westward. As early as April 15, 1770, he had indicated his opposition to the Walpole Grant, claiming that the territory encompassed by the grant had been promised to the soldiers of the French and Indian War under the proclamation of Governor Dinwiddie. In a letter to Lord Boutetourt, Governor of Virginia, he wrote:

Being fully persuaded of your Excellency's inclination to render every just and reasonable service to the people you govern, or to any body or society of them, that shall ask it, and being encouraged in a more particular manner by a letter, which I have just received from Mr. Blair, clerk of the Council, to believe, that your Lordship is desirous of being fully informed how far the grant of land solicited by Mr. Walpole and others will affect the interest of this country in general, or individuals in particular. I shall take the liberty, as I am pretty intimately acquainted with the situation of the frontiers of this dominion, to inform your Lordship, that the bounds of that grant, if obtained upon the extensive plan proposed, will comprehend at least four fifths of the land, for the purchase and survey of which this government has lately voted two thousand five hundred pounds sterling. It must, therefore, destroy the well grounded hopes of those, if no reservation is made in their favor, who have had the strongest assurances, that the government could give, of enjoying a certain portion of the lands, which have cost this country so much blood and treasure to secure.<sup>38</sup>

And when he discovered that Mercer had sold out his Virginia patrons and delivered over to the Grand Ohio Company their claims for the western lands, he was furious. On October 8, 1770, he set out from Mount Vernon to tour the western reaches of the Ohio in order to establish support for his frontier ventures. His first stop was Fort Pitt, where he dined with George Croghan. Both men had much in common, and Croghan's early experiences with the Virginia planters probably created a certain sympathy for Washington's cause. Croghan and Washington decided to travel together down the Ohio, accompanied by Valentine Crawford, Lieut. James Hamilton and a Mr. "Magee" (who was probably William McKee). They journeyed together as far as Logstown, where Croghan and his company separated from Washington and Crawford to continue their trip into the Illinois territory. Washington returned

to Fort Pitt. On November twenty-second, he dined with Dr. John Connolly, a nephew of George Croghan, who was also interested in developing new settlements in the west. Five days later, Washington arrived at Old Town, where he had arranged a meeting with Colonel Thomas Cresap, who had just returned from London. Washington was able to discover the latest developments in the Walpole-Indiana program and to enlist Cresap's aid in the advancement of the Virginia cause. After nine weeks of travel, Washington returned to his Mount Vernon estate, secure in the knowledge that Pennsylvania interests would not acquire lands along the Ohio without a struggle. John Connolly may have set the theme for this struggle when he exclaimed that "the magistrates of Pennsylvania usurped a power of jurisdiction that was not only illegal but extremely prejudicial to the inhabitants" (i.e., the Virginia inhabitants of the western frontiers).<sup>39</sup>

Throughout the month of December, negotiations continued for a final settlement of Michael's share in the ship "Rising Sun," which was now returning from her long journey to Amsterdam, Teneriffe and the West Indies. The difficulties arose from the fact that Hays and Pollock were deeply in debt and unable to extricate themselves. Ultimately, their creditors were forced to have them arrested and jailed for the non-payment of their bills. Their plan was to impound the "Rising Sun" and its cargo to help defray the debts accumulated by the Newport firm, and they were understandably hesitant to recognize Michael's claim to half ownership in the vessel. When the boat finally arrived in New York harbor early in January, it was taken into custody, and its cargo was confiscated. However, Michael claimed first ownership (i.e., ownership of the first half of the vessel), and Robert C. Livingston was eventually forced to give him title to the ship and its cargo.



On January 26, 1771, James Rumsey wrote to Barnard and Michael from Fort Chartres to report to conditions in Illinois. (William Murray had returned to Fort Pitt in very ill health, and Rumsey was left in charge of their western ventures.) His report was most encouraging. He had already sold most of the goods which had been sent to Illinois with Thomas McFee, and he remitted 640 pounds towards his account. Rumsey was tending to two or three stores at this juncture and developing a most lucrative trade. George Morgan was still a source of some competition, but Rumsey bragged that he had reduced him ("our common enemy") beyond recovery. Baynton, Wharton and Morgan were losing in this struggle to capture the Illinois trade, and eventually they would have to disengage themselves completely. Rumsey did discuss one problem - Thomas McFee. Rumsey called him a "scoundrel" for his unscrupulous dealings with the Indians. Having been introduced to the area by Murray and Rumsey, McFee proceeded to sell to the Indians quantities of rum and sugar - but not one article from the stores of his benefactors. Rumsey quickly paid him off and sent him on his way, whereupon McFee threatened to sue Rumsey and vilified him unmercifully - "as only George Morgan could have done." Rumsey recommended that Barnard and Michael prosecute the man and put him away for good. Shortly thereafter, Rumsey was able to convey good news again to his Philadelphia partners. Colonel Wilkins, in command of the forces in Illinois, had contracted Murray and Rumsey to supply fresh meat to the troops stationed at Fort Chartres, Kaskaskia and Cahokia on a weekly basis.

George Washington was probably aware of the success of Murray and Rumsey's venture in Illinois through his conversations with George Croghan

and the Virginia frontiersmen, and he was no doubt concerned with the growing influence of the Pennsylvania interests in this region. He still vociferously opposed the Vandalia Grant, the efforts of the Grand Ohio Company and any tendencies on the part of the colonial administrators to concede to the claims of the middle and northern colonies for title to land west of the Alleghenies. By now his personal influence was great in Virginia, and he was supported in his endeavors by other Virginians of equal influence. Lord Dunmore, the Governor of Virginia, under pressure from these affluent and prestigious sources, wisely chose to join their struggle against the north and began to assign military land grants to the officers and soldiers of the Seven Years' War. These military grants, once made, took precedence over all other claims. In addition, Lord Dunmore's support gave a much needed impetus to the efforts of the Ohio, Greenbrier and Loyal Companies, all of whom began once again to plan their occupation of the fertile west. They were aided in their endeavors by the lawlessness of the Virginia frontier settlers, who refused to accede to any colonial injunction which might remove them from land which they claimed to be their own by right of settlement and Virginia law. William Crawford, Washington's western surveyor, wrote of this lawlessness with admiration when, on August 9, 1771, he reported the following in a letter to James Thilman:

I understand by Captain John Haden, the bearer of this, that there is an agreement entered into by a number of the inhabitants of Monongahela and Redstone, who have entered into a bond or article of an agreement that each man will join, to keep off all officers belonging to the law, and, under the penalty of fifty-four [1754], [their land is] to be forfeited by the party refusing to join against all officers whatsoever.<sup>40</sup>

Meanwhile, trade along the coast and with the West Indies was still undergoing great difficulties. Archibald Merced drew 200 pounds in Philadelphia currency against Michael in favor of Jacobus Lefferts; and he apologized, stating that the draft was due to the "hard times" he was facing. However, Merced was able to sell seven boxes of glass for Michael, which brought in a small profit. Mameel Josephson wrote to Michael from New York on July 1, 1771, to complain about one Levi Marks, who had just swindled him and absconded to Philadelphia with his goods. In July, Michael was able to make a sizeable commission by selling the sugar consigned to him by Samson and Solomon Simson of New York. The total account came to 746 pounds, from which he was forced to draw 150 pounds almost immediately to pay Messrs. Mercer and Burling. Michael had shipped a consignment of beef to Jamaica, and, in August, he received word from Moses Adolphus that the beef was sold. In return, Adolphus shipped him two small cargoes of pewter, copper and brass - one of which was worth only \$40. This, then, was the trend of coastal trade: goods were scarce, and one was willing to settle for a small cargo and a small profit - just to keep going. After all, many merchants were going bankrupt under the system!

In September, Joseph Simon wrote to Michael from Lancaster, telling him of several shipments of furs soon to be sent to Philadelphia. George Shank was to deliver two chests of furs which were to be kept in store for James Milligan. Michael was to sell the furs belonging to Simon, Milligan and McClure and to give Milligan the money when he came for the furs. Michael was also to sell the furs from Elliot and Callender, who had consigned them to Simon and expected his accounting of them within the month.

In October, Michael wrote to William Murray, who had since returned to Illinois, indicating his concern over Murray's purchase of the remaining stock in Baynton, Wharton and Morgan's trading stations in Illinois. The plan was to buy them out completely and thereby rid the region of Morgan's competition; but the price was too good, and Michael was worried that the goods were damaged and unable to be sold. Baynton, Wharton and Morgan's note came due next month; and, if they could not meet their obligation on it, they might well have been the ones eliminated from competition in the west. However, Michael did give his consent to the venture, and his concern was somewhat mollified by the fact that Rumsey reported a 5,000 pound return on their investment to date. David Franks had also seen Rumsey's report, and he was willing to invest even more heavily in the program. He ordered Michael to ship to Murray a cargo of rum, spirits, sugar, tea, coffee and other staple goods, which he was in the process of gathering together.

It was about this time that Barnard returned from England. It is not clear whether he returned with a cargo of goods or not, but one of the first letters he wrote after his arrival seems to have been a complaint to Jacob Barnett of London about the quality of the goods shipped through his counting house. In March, 1772, Captain Francis Murphy arrived in New Orleans with a cargo of British goods, which were consigned to him by Barnard and Michael Gratz, and it is quite possible that these were some of the goods brought over from London by Barnard. New Orleans was not bound by the Non-Importation Resolutions of the Atlantic colonies, and a colonial merchant could easily import forbidden cargo through its

port. Unfortunately, Captain Murphy was forced to report that the market for English goods was flooded ("all kinds of English goods are so plenty"), since five or six vessels had arrived in New Orleans with similar intentions just previous to the arrival of his ship. Furthermore, there was no produce available. A French vessel had just bought up the entire market, and the season was now over. Murphy decided to remain in New Orleans to find some way of disposing of the cargo.

On April twenty-seventh, Barnard and Michael sent an elated letter of congratulations to George Croghan "on the good news of the chartered government being settled." Unfortunately, the rumor was soon to be proved false. Barnard and Michael were unaware of events taking place even then in London, for just two weeks earlier (April 15, 1772) Lord Hillsborough had enunciated once again the opposition of the Board of Trade to the establishment of further colonies west of the Alleghenies. In his report to the king's Council, he recommended that the following policy be established with reference to western settlement:

Upon the whole, therefore, we cannot recommend to your lordships to advise his majesty to comply with the prayer of this memorial [e.g., the petition drawn up by Franklin, Walpole, Sargent and Wharton] either as to the erection of any parts of the lands into a separate government or the making of a grant of them to the memorialists. But, on the contrary, we are of the opinion that settlements in that distant part of the country should be as much discouraged as possible and that, in order thereto, it will be expedient, not only that the orders which have been given to the Governor of Virginia not to make any further grants beyond the line prescribed by the Proclamation of 1763 should be continued and enforced, but that another Proclamation should be issued, declaratory of his majesty's resolution not to allow for the present, any new settlement beyond that line and to forbid all persons from taking up or settling any lands in that part of the country.<sup>41</sup>



Lord Hillsborough's report was the strongest denunciation of the western movement yet published. If his recommendations went unchallenged, the colonial cause in the west would be decisively thwarted - if not completely destroyed. Benjamin Franklin rose to the occasion; and, on July 1, 1772, he issued a scathing analysis of the "principle of policy" that no western settlements should be permitted, which exposed its preposterous nature so clearly that Lord Hillsborough was not only overruled but publicly discredited.

In short, the Lords Commissioners admit upon their own Principles that it is a political and advantageous intercourse with this Kingdom when the settlements and settlers are confined to the Eastern side of the Allegheny Mountains. Shall then the expense of carriage even of the very coarsest and heaviest cloths or other articles from the Mountains to the Ohio, only about seventy miles, and which will not at most increase the price of carriage above a halfpenny a yard, convert the trade and connection with the settlers on the Ohio into a predicament, "that shall be" as the Lords Commissioners have said, "out of all advantageous intercourse with this Kingdom?"

....But even admitting that it might formerly have been a question of some propriety whether the country should be permitted to be settled, that cannot surely become a subject of inquiry now when it is an obvious and certain truth that at least thirty thousand British subjects are already settled there. Is it fit to leave such a body of people lawless and ungoverned? Will sound policy recommend this manner of colonizing and increasing the wealth, strength and commerce of the Empire? Or will it point out that it is the indispensable duty of the Government to render bad subjects useful subjects, and for that purpose, immediately to establish law and subordination among them and thereby early confirm their native attachment to the laws, traffic and customs of this Kingdom?

On the whole we presume that we have, both by facts and sound argument, shown that the opinion of the Lords Commissioners for Trade and Plantations on the object in

question is not well founded, and that if their Lordships' opinion should be adopted, it would be attended with the most mischievous and dangerous consequences to the Commerce, Peace and Safety of His Majesty's Colonies in America.<sup>42</sup>

While events were running their erratic course in England, things seemed to be moving much more smoothly for the Gratz brothers in the colonies. James Rumsey met with Captain Murphy in New Orleans in May on his way to Philadelphia to report on the progress being made in Illinois. Murphy gave him a full description of the sale of his goods in New Orleans and included a new order for leather goods, trunks, tin kettles, stag-handled knives and ammunition. August to March was the season for dry goods: "the rest of the year is very dull." Murphy also planned to meet with Colonel Wilkins, who had been relieved of his command in Illinois and was to travel to New York to answer charges being brought against him. His successor was to be Captain Lord (who did not arrive until 1773). The report which Rumsey conveyed to Barnard and Michael and to David Franks was extremely satisfying and indicated a considerable return on their investment. Rumsey was directed to return to Illinois, and four wagon-loads of goods were prepared for his return journey. In addition, several other wagon-loads of goods were being shipped directly to Carlisle with Morton's wagons. Accompanying Rumsey on his return would be a new clerk, a smith and a distiller, hired by David Franks for the western colony. Franks had sent 724 pounds worth of goods with Rumsey; and, in addition to their own allotment of goods, Barnard and Michael included 95 pounds worth of jewelry to be sold on the account of their children - Rachel, Solomon and Frances. The Baynton, Wharton and Morgan affair seemed to be progressing nicely,

and the entire case against them would be completed soon.

By July 20, 1772, conditions had come to a head in England. The Privy Council had overruled Lord Hillsborough's report and decided in favor of the petition of Franklin, Wharton, Walpole and Sargent, which decision they passed on to the king. William Hanna, who was in London at the time, described the popular reaction as follows: "This is looked upon here as a most extraordinary matter, and what no American ever accomplished before."<sup>43</sup> On August eleventh and, again, on August fourteenth, proclamations were issued through the Privy Council, by the king's consent, authorizing the establishment of "a separate government" within the tract of land ceded to the crown under the conditions of the Stanwix Treaty. The land was to be deeded to the associates of the Grand Ohio Company upon the payment of 10,460 pounds sterling, "being the whole of the money paid by government for all of the lands purchased of the Six Nations at Fort Stanwix." In addition, the administrators of the new government were to provide the crown with a quit-rent of two shillings for every two hundred acres of cultivatable land. The settlers already in the region were to retain their land; and the rights of these settlers, the Indian boundaries and all other safeguards were to be preserved. Lord Hillsborough resigned; and the Earl of Dartmouth, Deputy-Governor of Pennsylvania, was appointed to succeed him.

The following is a digest of the official report of the order of the king's Council of August 14, 1772, overruling Lord Hillsborough in favor of the establishment of a new colony on the Ohio. It is interesting to note that the Council made use of each of the points raised in Franklin's rebuttal of the policy recommended by Hillsborough and the Board of Trade.

The Lords of Committee, in obedience to the king's order of reference, reported:

First, that the lands in question have been for some time past and now are in an actual state of settling, numbers of families to a very considerable amount, removing thither continually from Your Majesty's other Colonies.

Second, that the lands in question do not lie beyond the reach of advantageous intercourse with this Kingdom, it appearing from diverse policies of insurance laid before this Committee that sundry commodities, the produce of those lands are exported from thence to a considerable amount and evidence having been likewise produced of a person being employed to collect and ship from hence a cargo of British merchandise for the use and consumption of the said settlers and the natives....

And lastly, the Lords of Committee are of opinion, to the end that the several persons actually settled or that may hereafter settle on the lands in question, may be more properly and quietly governed, that the said settlement and district should be erected into a separate government in such form and manner as to your Majesty's wisdom shall seem meet, and under such other restrictions and regulations as the Lords Commissioners for Trade and Plantations shall advise.

His Majesty, taking the said report into consideration, was pleased with the advice of his Privy Council to approve of what was therein proposed, and accordingly to give the necessary directions to the Lords Commissioners for Trade and Plantations for carrying the same into execution. And His Majesty is hereby pleased to order that the Right Honorable, the Earl of Dartmouth, one of His Majesty's principal Secretaries of State, do receive His Majesty's pleasure for directing His Majesty's Superintendent for Indian Affairs to apprise the chiefs of the Six Nations and their Confederates of His Majesty's intention to form a settlement upon the lands purchased of them by His Majesty in 1768.<sup>44</sup>

Late in July, Barnard and Michael received word from McKee and Ross at Fort Pitt that they were in such financial difficulties that they might have to close their store at the fort. They drew on Barnard and

Michael for 300 pounds in favor of John Ross to pay off their debt to Mr. Dunbar. In addition, they sent them their furs and asked for an accounting as quickly as possible, since they were sorely pressed for money. John Galorath reported that he had sold 1,000 pounds worth of goods at Carlisle - which should bring a tidy profit into the coffers of the Philadelphia combine. Aeneas Mackay wrote in August to register his complaints. The goods that he had received from Barnard and Michael were damaged and incomplete. He needed 200 pounds of good, hard soap and 200 pounds of loaf sugar, and he had just lost a sale of Madeira wine to M'sieur de Bernier. What he was really angry about was the loss of his Negro "wench." Mackay had left a Negress with Levi Andrew Levy in Lancaster to be forwarded to him at Fort Pitt. The woman did not arrive as scheduled, and he was accusing Levy of keeping the wench as collateral on payments long overdue to Joseph Simon. Barnard and Michael were asked to secure the woman and return her to Mackay, her rightful owner. Michael seems to have inquired into the question; and, in October, he received word from Simon that the Negress had married Mr. Barton's Negro. She refused to leave Lancaster; Bogall and Morton refused to take her; and Simon refused to coerce her. He included in his letter several bills, which he hoped that Michael would pay as soon as possible - William and Richard Butler's bond to Ross and McKee for 152 pounds, payable July 1, 1773; and Ross and McKee's bond to Simon and Company for 303 pounds, payable April 8, 1773. He also asked that Michael pay William Henry, Simon's partner, the twenty pounds that they owed him and that he render account for John Campbell's furs, so that Simon could pay him.



It was in September that the good news concerning the king's acceptance of the Franklin-Walpole plan for the establishment of a new colony in Indiana arrived from London. Barnard was in New York at the time and heard it directly, while Michael received the news in a letter from Governor William Franklin. Franklin had been negotiating with George Croghan concerning the land owned by the Burlington Company. Croghan wanted to buy the land and was willing to put his other properties up for sale. The total cost was to be 2,900 pounds, of which 1,000 pounds would come from the sale of his Philadelphia property and the remainder from the receipts of his Otsego tract. In addition, revenue from the Otsego tract would pay off the mortgage on that tract held by Thomas Wharton and his associates. Michael and Barnard were to act as his agents in the sale of both properties. William Franklin planned to arrive in Philadelphia early in October to discuss the settlement with the Gratz brothers and to see how the sale of Croghan's estates were progressing. Unfortunately, the property did not sell quickly. Money was scarce in both the colonies and England, and few merchants were willing to speculate in land during this period of crisis. Shortly after he returned from Carlisle, Barnard was forced to leave Philadelphia again to try to stimulate interest in Croghan's land - and this time it was in his own interest as well, since the Mohawk Valley tract was not selling either.

The following advertisement appeared in Albany, New York, on May 26, 1773:<sup>45</sup>

TO BE SOLD, The following lands, situate, lying  
and being on the south side of the Mohawk's River  
in the county of Tryon, viz:

One tract containing Nine Thousand, Four Hundred and Fifty Acres of very fine land, adjoining to the well known settlement of Cherry Valley, between the Adaquinctinga Creek, or Branch of the Susquehannah River, and the main stream thereof, being part of the township of Belvidere, through which a branch os Schennevesses Creek and that branch of the Susquehannah River commonly called Cherry Valley Creek, both run and make considerable quantities of low or interval lands. And also sundry other tracts of very fine lands, containing about Twenty-five Thousand Acres, adjoining Lake Otsego, - which is but eight miles from a large German settlement on the Mohaw River, - being part of a Tract of One Hundred Thousand Acres of Land granted to George Croghan, Esquire, and others. For Terms of Sale, apply to the Subscriber, who will attend at Kinderhook at the House of Mr. Joseph Simons from the first of June till the seventh; from the ninth till the fourteenth, at Mr. Tites in Johnstown, County of Tryon; from the fifteenth to the twenty-first, at Widow Vernon's in Albany; from the twenty-second to the twenty-ninth, at the House of Mr. Robert Clench in Schenectady, where Purchasers may treat with him for any quantity of said lands, for which an indisputable title will be given by the Subscriber.

Barnard Gratz

One month earlier, on April 3, 1773, the three-year partnership of David Franks, James Rumsey, Barnard and Michael Gratz, Alexander Ross and William Murray was dissolved, "all of the parties being desirous to have the same closed as soon as possible." William Murray was given power of attorney to settle all of the accounts of their business and to close their store in Illinois. This was not an unusual or unexpected occurrence, and it did not imply the removal of David Franks or the Gratz brothers from trade in Illinois or even from continued business relations with Murray and Rumsey. The partnership of David Franks and Company was established for a specific period of time - three years in this case - at which time the partnership arrangements would be reconsidered once again.

It is quite probable that Murray and Rumsey felt that it would be more profitable to run their business in Illinois on their own without the co-sponsorship of Franks and the Gratzes. Certainly they would continue to buy their products from their Philadelphia compatriots, but the relationship would be one of customer and creditor rather than equal partners. On May fifteenth, having completed his audit of their accounts, Rumsey admitted a debt of 10,634 livres, 14 sols, in French money to David Franks and Company, which he hoped to repay from the flour and other provisions supplied to the garrisons of the king's troops in Illinois.

On May 6, 1773, Lord Dartmouth, Soame Jennings, Bamber Gascoyne, W. Jolliffe and Lord Garlies signed a report in accordance with the king's Order of Council of August 4, 1772, concerning the grant to Franklin, Walpole and their associates, in which they recommend:

that the lands comprehended within the following boundaries be separated from the colony of Virginia and erected by letters patent under the great seal of Great Britain into a distinct colony under the name of Vandalia.<sup>46</sup>

The report went on to discuss a complete plan of government, with a governor and a council of twelve appointed by the crown, a House of Representatives elected by the freeholders, and other such features of what in England was considered a very liberal colonial government, including the provision that "the sacred rites and ceremonies of divine worship according to the liturgy of the Church established by the laws of England shall be deemed the fixed form of worship in this colony." Included in one of the last clauses of the report was the stipulation that the rights of the sufferers of the Pontiac uprising, as recorded in the grant made to them

at Fort Stanwix, should be confirmed to them, with the boundaries of "Indiana" defined as in the original grant at Fort Stanwix. The long struggle had ended in victory for the promoters of western expansion, and the "real sufferers" of 1754 and 1763 were able to continue their plans for the development and settlement of the interior. George Washington and his Virginia associates opposed the new colony with vigor and began to marshall their forces for an all-out attack on the program. As a first step, Washington journeyed with Lord Dunmore throughout the western frontier to provide him with a firsthand awareness of the potential resources of the west for Virginia.

On May fifteenth, William Murray wrote to Barnard and Michael from Fort Pitt to indicate that the details of the new colony were quickly working into shape. George Croghan reported that William Trent was to arrive at any moment and that the new governor would arrive within the month. Croghan was empowered by the proprietors to grant land, build houses, subdivide tracts and, in general, start the process of settlement on its way. The first tract was to be located about twelve and three-quarter miles outside the current Pennsylvania border. Croghan had received confirmation of the Indian titles from both Lord Camden and Lord York. In addition, Croghan indicated that the British considered the Illinois territory to be of strategic importance ("the master-key to Canada") and were planning to station a battalion of troops in the area. This would be most encouraging news to the new settlers who were well aware of the ever-present danger of an Indian uprising.

At the conclusion of his letter, Murray reported that Thomas Minshall,

Robert Callender, William Thompson and John Callender had joined with Murray and the Gratz brothers in a new "Land Affair." This brought the total number of persons jointly concerned in this venture to twenty-two shareholders. What was in the offing was the formation of an Illinois Company to purchase land within the new government for speculation and settlement. Among the original shareholders in this enterprise were David Franks; his son, Moses Franks; his brother and nephew respectively, Moses and Jacob Franks of London; William Hamilton, a close business associate of David Franks; Joseph Simon; Levi Andrew Levy; John Campbell, Simon's partner at Fort Pitt; Barnard and Michael Gratz; their Illinois compatriot, William Murray; and James Rumsey. In short, David Franks and Company was in operation again, under a new name and with respect to a new business venture. William Murray was appointed the western agent for the new concern and charged with the responsibility of negotiating a treaty for the land with the Illinois Indians.

Murray was consigned a huge load of supplies and Indian goods for his return to Illinois. Part of the goods were to be used for the normal trade in that region, but the great majority of them were to be used as barter to buy land from the Indians. Ten boatmen were hired in Philadelphia to transport the goods down the Ohio into Illinois - but only three appeared at Fort Pitt. This seems to have been the only significant obstacle to the venture (and it was quickly overcome by hiring additional boatmen from among the frontiersmen at the fort), for, by July 5, 1773, Murray had succeeded in his negotiations with the Indians. In exchange for five shillings cash and \$37,000 worth of Indian goods, Murray was able to purchase two huge tracts of land. The first grant included the lower triangle



of land between the Mississippi River and the mouth of the Ohio River; the second comprised an enormous wedge of land between the Mississippi River and the Illinois River, extending northward to Checagow (Chicago) or Garlick Creek. This treaty of July fifth provided William Murray and his associates with control of the portage from the Mississippi River to Lake Michigan, which was to become the most significant river highway between the Mississippi and the Great Lakes and Canada. In addition, their first grant under this treaty allowed them to dominate traffic on the lower Ohio River and in the Mississippi Valley. This was the very section of land that George Washington and the members of the Mississippi Company had tried to acquire in 1763.

During this period, Barnard received several significant letters from Michael which described the various other enterprises in which they were engaged. Barnard was advised to procure cocoa and cotton from Isaac Adolphus or the Simsons, since cotton prices were inordinately high in Philadelphia. Nonetheless, the western trade seemed to dominate their concern. John Henry was on his way to settle at Fort Detroit. If Barnard had not already sold the rifles of Simon and Henry, he was to deliver them over to John Henry for the Detroit market. In addition, Henry was to provide another source for trade and information in that northern region. Myer Hart shipped a cargo of peltry to Barnard, and he asked him to intercede on his behalf with William Henry, who was on his way to Easton to collect a debt Hart owed to Joseph Simon. Hart claimed that he was in difficult financial straits.

By August first, Barnard had returned to Philadelphia from his trip

to the north, and he was forced to report to George Croghan that no purchasers were found for his New York lands. The same report was conveyed by Barnard to William Franklin at their meeting in July. Franklin could wait no longer, and he sent Joseph Galloway and Richard Peters to demand the money from Croghan's Philadelphia agents. Unless the matter were settled immediately, Peters was to take out an execution to have the Otsego land sold by the sheriff. According to the by-laws of New York, this gave Croghan about six months to settle the affair. Thomas Wharton indicated that he was not particularly concerned about his mortgage and even suggested that his brother, Sam Wharton, might be inclined to help Croghan when he returned home from London; but the members of the Burlington Company were anxious to close the matter quickly. In fact, it might well have been their hope that Croghan could not raise the money. In that case, they could buy back the tract "for little or nothing" and still find Croghan indebted to them. Barnard would do the best he could under the circumstances - and he was prepared to parcel the land into 1,000 acre lots, so that Croghan might gain the greatest advantage should the land go up for sale by the sheriff. Croghan, the eternal optimist, replied on September eighth that he anticipated paying off his debts before Christmas. He instructed Barnard to pursue his suggestion that the land be surveyed into 1,000 acre lots; it would certainly help to sell the land. John Campbell was leaving for Fort Pitt shortly; and, if possible, Barnard was to report to him concerning his meetings with Peters and Governor Franklin.

John Campbell had just returned from the Falls of the Ohio, where he and Dr. John Connolly had spent the summer surveying that wilderness

site as the location of a significant new settlement in Kentucky. Daniel Boone had been quietly exploring the Kentucky interior since 1769, and now the promoters of the westward expansion were ready to open this region for settlement as well. Louisville was to be the first step in the development and occupation of this interior region. At the same time, actual settlement was taking place at Natchez on the Mississippi River. General Lyman, with the backing of his Connecticut compatriots and with the help of the Connecticut militia, arrived at Natchez in the summer of 1773, laid out twenty-three townships and settled one hundred families there. By August twelfth, the work was completed, and the militiamen returned to their homes. The reports from Philadelphia also indicated that some 3,500 Irish immigrants had arrived at that port within a two-week period - eager for new land and a new start in America.

The success of the western trade can be seen even more clearly in the brief report sent to Barnard and Michael from William Murray in September that he had received in full the amount due David Franks and Company from James Rumsey. According to the records (October 31, 1770 to April 2, 1773), William Murray had accumulated a total credit with Levy and Franks to the tune of 16,142 pounds. Investment in western trade was truly a lucrative enterprise!

It was about this time that Washington began to see the futility of opposing the Pennsylvania land grants. What was important was to get western land while the getting was good and before somebody else claimed it. On September 25, 1773, he instructed Crawford to survey the territory lying below the Scioto River - in the region between the Vandalia colony

and the Falls of the Ohio; and, on November second, he indicated to Lord Dunmore his acceptance of the decision of the king's Council concerning the establishment of a new government on the Ohio. Instead of refuting their claim to these western lands, Washington requested that Lord Dunmore, as agent for his majesty in Virginia, grant him land adjoining the new colony - that is, that tract just south of the Ohio River in what was still considered Virginia territory. There is no record of whether the grant was made, but, on December tenth, Lord Dunmore did confer upon Dr. John Connolly a military grant of 200,000 acres of land at the Falls of the Ohio. Another indication that such military grants were becoming more common was the petition submitted to the governor of Virginia and his council by the Loyal and Greenbrier Companies, asking that these military grants should not include lands previously granted to the two companies. On December 16, 1773, the council voted to accept the petition and so instructed the governor. The Loyal and Greenbrier Companies resumed their surveys of the lands granted to them, and these surveys were continued until the Revolution.

Developments in the west continued at a very rapid pace. In February, 1774, George Washington wrote to James Tilghman of Philadelphia with the suggestion that immigrants from the Palatinate be imported into Virginia through Holland as settlers on his western lands along the Ohio. Later that month, at the recommendation of Mr. Young, he contacted Henry Riddell with the proposition to import indentured Germans via Riddell's shipping company to serve the same purpose. On February eleventh, Colonel John Campbell and Dr. John Connolly founded the city of Louisville. They laid off their lots and developed their plan of settlement in the new community. At the same time, the program to establish a new government

in Vandalia continued to develop. By the end of February, the Pennsylvania and Virginia frontiersmen had encountered one another head on. Open conflict emerged over jurisdiction of the territory around Fort Pitt - and whoever controlled Fort Pitt controlled access to the Ohio River and the western interior.

John Connolly was commissioned by the Virginia interests to occupy Pittsburgh and its dependencies. He began making trouble as soon as he arrived in the area, and Arthur St. Clair had him arrested. Almost immediately eighty Virginians bearing arms appeared at the fort to demand his release. On February twenty-third Joseph Spear wrote to St. Clair to report that the Virginians were mustering their forces at the old Redstone Fort. Mr. Swearingen the Pennsylvania magistrate, was threatened and told that his jurisdiction no longer applied to that region. Spear concluded his letter with the following plea: "I therefore think it would be advisable to endeavor to have a stop put to those proceedings, if possible, as it creates the greatest disturbance and very much retards the execution of our civil process."<sup>47</sup> In this observation, he was more than correct. There was no civil government in western Pennsylvania; the area was in a state of civil rebellion and war. The magistrates of western Pennsylvania had called upon the Virginia militia to disperse, claiming Pittsburgh as a Pennsylvania settlement subject to Pennsylvania Law. The Virginians' reply was typical. The frontiersmen ignored the order to disperse, maintaining their right to remain by force of arms; and Lord Dunmore forwarded to the Earl of Dartmouth his remonstrance against the establishment of the new colony on the Ohio. George Croghan agreed with the Virginia assertion that Fort Pitt and its immediate environs were within the boundaries of Virginia.



In fact, he asserted that, while he obeyed the laws promulgated for that region by the Pennsylvania legislature, "I have always denied the jurisdiction by not paying the taxes."<sup>48</sup> Croghan's opinion, coming from one of key deputies in charge of Indian Affairs and the western frontier, carried a great deal of weight and gave a much needed boost to the Virginia cause. Towards the end of March, 1774, John Connolly received two communiques from Lord Dunmore, applauding his defiance of Pennsylvania and encouraging him to persevere in his attempts to gain control of the fort for Virginia. On March thirty-first, Connolly arrested the sheriff at Fort Pitt, assumed control of all civil and military authority and asserted the jurisdiction of Virginia law in all matters pertaining to the fort and its environs.

A considerable number of the inhabitants of these back parts of this country [are] ready to join him on any emergency, every artifice are being used to seduce the people, some being promoted to civil or military employments and others with the promises of grants of lands on easy terms; and the giddy headed mob are so infatuated as to suffer themselves to be carried away by these insinuating delusions, for instance of which, the two constables appointed to serve in this township...both deserted us and joined the doctor's party. It is most certain the doctor is determined to carry his point or lose his life in the attempt, and it's equally certain that he has all the encouragement and promises of support from Virginia that he can wish for, so that unless an effectual remedy will be speedily applied we know not what may be the consequence, for matters are carried to very dangerous lengths already and are likely to become more so every day.<sup>49</sup>

Aeneas Mackay's prediction was most accurate, for, on April sixth, Dr. Connolly appeared at Westmoreland Court at the head of a band of one hundred and eighty-two armed men. Connolly's party marched to the Court House, surrounded it and placed the Pennsylvania magistrates in custody. On the

eleventh of April, Aeneas Mackay, Devereaux Smith and Andrew McFarlane, all magistrates of Westmoreland County, were seen on their way to Virginia, where they were being taken under guard by a group of Connolly's men. Eventually, these magistrates were placed under arrest in the Augusta County jail.

There was no telling when or under what conditions this conflict would end. It was quite possible that Virginia would win the struggle and emerge in control of the roads to the Ohio River and the interior. From the point of view of the Philadelphia and Lancaster entrepreneurs, this would be an unwelcomed situation - but one which had to be coped with realistically if the new colony were not to be placed in jeopardy. On April 19, 1774, David Franks, John Campbell and William Murray, representing their associates in the Indiana combine, submitted a petition to Governor Dunmore of Virginia asking him to recognize their title to the lands encompassed under the plan for the development of a new government in Vandalia. Virginia now held the upper hand, and Lord Dunmore and his backers began to take charge of the program. On the twenty-fifth of April, he issued the following proclamation:

Whereas, I have Reason to apprehend that the Government of Pennsylvania, in Prosecution of their Claim to Pittsburgh and its Dependencies, will endeavour to obstruct his Majesty's Government thereof under my Administration, by illegal and unwarrantable Commitments of the Officers I have appointed for that Purpose, and that that Settlement is in some Danger of Annoyance from the Indians also, and it being necessary to support the Dignity of his Majesty's Government, and protect his Subjects in the quiet and peaceable Enjoyment of their Rights; I have therefore thought proper by and with the Consent and Advice of his Majesty's Council, by this Proclamation, in his Majesty's Name, to order and require the Officers of the Militia in that District to embody a sufficient Number of Men to repel any

Insult whatever; and all his Majesty's liege Subjects within this Colony are hereby strictly required to be aiding and assisting therein, as they shall answer the contrary at their Peril. And I do farther enjoin and require the several Inhabitants of the Territory aforesaid to pay his Majestys Quitrents, and all public Dues, to such Officers as are or shall be appointed to collect the same within this Dominion, until his Majesty's Pleasure therein shall be known.<sup>50</sup>

In addition, he ordered the release of the three Pennsylvania magistrates, and he assumed full responsibility for their arrest and incarceration. The conflict had been clear-cut and pretty much confined to just those parties directly concerned with this contest over jurisdiction. Unfortunately, it did not remain so confined. Having been given authority to repel their oppressors by force of arms, the frontiersmen began to use that same violent force to settle their disputes with the Indians and the fur traders. On May sixteenth, the shocking report arrived in Philadelphia that thirty-eight to forty-eight Indians had been killed by white colonists along the Ohio. The war quickly spread until the entire Ohio Valley was caught up in the conflict. General Gage was ordered to return to America to resume his command of the British forces. Panic had struck the western regions.

The Panic that has struck this County, threatening an entire Depopulation thereof, induced me a few days ago to make an Excursion to Pittsburgh to see if it could be removed and the Desertion prevented.

The only probable Remedy that offered was to afford the People the appearance of some Protection, accordingly Mr. Smith, Mr. Mackay, Mr. Butler, and some other of the Inhabitants of Pittsburgh, with Collonel Croghan and myself, entered into an Association for the immediate raising an hundred Men, to be employed as a ranging Company to cover the Inhabitants in case of Danger, to which Association several of the Magistrates and other Inhabitants have acceded, and in a very few days they will be on foot.

We have undertaken to maintain for one Month at the rate of one Shilling and six-pence a Man per Diem this we will cheerfully discharge, at the same time, We flatter ourselves that your Honour will approve the Measure, and that the Government will not only relieve private Persons from the Burthen, but take effectual Measures for safety of this Frontier, and this I am desired by the People in general to request of your Honor.<sup>51</sup>

I am just returned from the back country. I was up at the place where Courts are held for Westmoreland County; I found the people there in great Confusion and, Distress, many families Returning to this side the mountains, others are about Building of forts in order to make a Stand; But They are in Great want of Ammunition and Arms, and Cannot get a Sufficient Supply in those parts. I wish some method would be taken to Send a Supply from Philadelphia, and unless they are Speedily furnished with arms and ammunition they will be obliged to Desert the Country.<sup>52</sup>

The conditions of trade in the western frontier during this period of conflict between the Pennsylvania and Virginia interests were most unpredictable. Nonetheless, every effort was made to continue the progress in trade and settlement that had been made up to that point - despite the obvious risks and dangers. In March, Michael was able to report the settlement in western New York was progressing rapidly due to the immigration of many new German families into the area; and, on April seventh, John Connolly and John Campbell formally announced the establishment of their new settlement on the Falls of the Ohio. The initial flurry of interest in this new community was almost immediately quashed by the outbreak of war in the west. In the spring of 1774, Barnard undertook a second journey to New York to try to sell his and Croghans's lands in the Mohawk Valley. Small parcels of land were hard to sell, particularly since money was scarcest among the pioneer families who would desire to buy such land, but land speculators continued their investments throughout

the period. Levi Andrew Levy ordered more rum from Michael and reported that he had purchased 105 additional acres of land adjoining Simon's estate in Middle Creek. On May sixteenth, William Murray wrote to Barnard at John's Town Province in New York to report that Matthew Ridley and William Russell, both business partners in Baltimore, had replaced Jolt and Inglis respectively as proprietors of the land company. In all, Murray had been able to secure eight new investors from Maryland in the Illinois Company.

On May twenty-third, John Campbell left Philadelphia to return to Pittsburgh, though the conflict still raged along the western borders of Pennsylvania. He intimated that William Murray was also planning to leave soon for Illinois, and he had already shipped some of Murray's goods to Fort Pitt. Joseph Simon had gone up to the fort earlier and now was stuck there because of the Indian uprisings. Levi Andrew Levy, heading his Lancaster business in his absence, reported to Michael that Mathias Slough saw a letter from Samuel Wharton in London to his brother, Joseph Wharton, in which he stated that Lord Dartmouth had sent orders to Lord Dunmore not to grant a foot of lands to any person on the Ohio and to make null and void the patents he had already granted. The news of the Indian war had reached London and created quite a disturbance. Dartmouth seems to have concluded (probably with the help of Franklin, Wharton and others) that the Virginians were to blame for the uprisings, and he directed them to restore to the ante bellum conditions of the area. In short, Pittsburgh and its environs were part of Pennsylvania and under her jurisdiction.

Alexander Lowry reported that Alexander Ross had just received 1,000 pounds cash from William Smith and Purviance in Baltimore for 10,000 acres of land along the Raccoon Creek near the Ohio River (near the land which



Simon and Gratz had received from George Croghan). Therefore, Ross had money at hand and could pay the debts he owed to Joseph Simon and Simon and Henry. Michael was instructed to collect the money. In addition, Levy reiterated his order for more rum. On May thirtieth, Campbell wrote from Pittsburgh to report that the Indians were still extremely hostile. Three traders, David Duncan, John Anderson and Captain White Eyes, attempted to reach the Shawnee towns, but were attacked and forced to return to the fort. The militia had been sent as far west as Wheeling to watch the Indians and to oppose them "if they find them anywhere on the south side of the Ohio." Almost all the settlements west of the Monongahela River were deserted, and a great number of frontier families had fled to the eastern side of the Allegheny Mountains. Campbell ordered gunpowder and ammunition for the fort - and a union flag. The goods could be shipped up with Bogall or McFee, both of whom were expected there shortly. Campbell reported that Dr. Connolly was doing a good job in preparing the fort for defense. On the following day, William Wilson arrived at Fort Pitt from the Lower Shawnee towns, from which he barely escaped with his life. He left behind nearly fifty horse-loads of skins. One canoe of twenty horse-holds had arrived safely with him. Wilson had no news concerning his fellow traders - Gibson, Blaine, Richard Butler, George, Joseph Lindsay and Matthew Elliot - who were trading at Hockhocking when the report of the Indian uprising arrived.

On July 22, 1774, Miriam Gratz wrote to Michael (who was probably in Lancaster on business) to report that Barnard had successfully completed the sale of Croghan's New York lands. The three lots lying on Schoharic Creek and the 9,000 and 40,000 acre tracts near Cherry Valley were sold

for a total of 4,845 pounds; and Mrs. Gratz stated that she would pay off Peter's judgement against Croghan, Banyer's mortgage and all other debts. In addition, the 9,050 acres of land on the Tenendorah, which Croghan deeded to Michael, were now his free and clear. There were no mortgages or judgements against it.

With the successful sale of Croghan's Mohawk lands, another phase in the growing involvement of Barnard and Michael Gratz in the western movement comes to a close. Only another chapter has concluded; the great bulk of the book lies ahead. The peace which came in November, 1774, initiated another surge forward into the western interior - only to be curtailed by the outbreak of the Revolutionary War a year later. Extensive colonization was out of the question for the duration of the war. Following the war came the long period of colonial reorganization. Border disputes had to be settled once again, and the rights of those who received grants of land in the west had to be reestablished. Finally, the grandiose schemes for colonization along the Ohio River and in Kentucky had to be put into effect - a drama which evinced the great destiny of our nation as thousands upon thousands of pioneer families pushed westward to the Mississippi and, from thence, to the Pacific coast. Barnard and Michael Gratz, immigrants from Silesia and England, had been among the initiators of the drama and two of its most significant participants.

# FOOTNOTES

1. Curtis P. Nettels, The Roots of American Civilization (New York: F.S. Crofts and Company, 1938), p. 93.
2. Harold Underwood Faulkner, American Economic History (New York: Harper and Brothers Publishers, 1963), p. 71.
3. Ibid., p. 115.
4. Columbia University Quarterly, XXVII, September, 1935, quoted in Nettels, p. 600.
5. Nettels, p. 607.
6. Howard M. Sachar, The Course of Modern Jewish History (Cleveland: The World Publishing Company, 1958), p. 30.
7. The following persons appear frequently in the early business ventures of Barnard and Michael Gratz: Hyman Gratz of Silesia, their older brother; Solomon Henry of London, their cousin; Jacob Henry of London and America, Solomon Henry's brother; Jacob Praeger of Amsterdam, the husband of Solomon Henry's sister; Jonathan Henry of London, another brother of Solomon Henry who married Judith Gratz, the sister of Barnard and Michael Gratz. It is possible that the Harts, Polocks and Pollocks, with whom both Solomon Henry and the Gratz brothers are frequently associated, are also relatives, since Solomon and Jacob Henry are the sons of Mr. Tsebi of Silesia - which becomes Herschel or Hart in English. (William Vincent Byars, B. and M. Gratz, Merchants in Philadelphia, 1754-1798 (Jefferson City, Mo.: The Hugh Stephens Printing Co., 1916), pp. 8-10, 61).
8. The job was probably secured for him by Naphtali or Moses Franks, brothers David Franks, who had settled in England (all three brothers were born in America) and became successful merchant-adventurers and leaders of the Ashkenazic Jewish community in London. (Jacob Rader Marcus, Early American Jewry (Philadelphia: The Jewish Publication Society of America, 1955), II, pp. 10f.).
9. Miranda had obviously done well both as a western trader and as a shopkeeper for, at his death, his estate included two houses in Philadelphia, silver plate, furniture, a farm in Lancaster County and several thousand acres of land (ibid., II, p. 5).
10. Isaac Levy seems to have returned to London, for from the 1750's on he appeared several times to press his claims for property in Georgia. Moses Franks also returned to London, there to join his older brother, Naphtali, who was already established in business. (ibid., II, pp. 296-298).

11. Thomas Lee died soon after the founding of the company, and the management of its affairs fell mainly on the shoulders of Lawrence Washington. However, his leadership also was short-lived, as his rapidly declining health soon terminated in his demise. Several of the company's shares changed hands, and Governor Robert Dinwiddie and George Mason became proprietors. There were originally only twenty shares issued, however, and the company never consisted of more than that number of members (W. V. Byars, The Gratz Papers, 1750-1850 (1915), Sec. I., p. 85 (microfilm)).
12. Several other companies were formed at this time in Virginia to develop grants of land in the west, but none of them played as significant a role in western land policy as did the Ohio Company of Virginia. On June 12, 1749, the Virginia Council granted to a numerous company of adventurers the right to survey and purchase 800,000 acres of land west and north of the North Carolina border. This company established itself as the Loyal Company of Virginia, and, in 1753, it petitioned the Council for four more years in which to complete its surveys. The eruption of the Indian wars in 1754 disrupted its plans and drove off the early settlers. Similarly, on October 29, 1751, the Virginia Council issued another order to the Greenbrier Company to take up 100,00 acres of land lying on the Greenbrier River, northwest and west of Cow Pasture. The Indian wars also disrupted the surveys and settlements of this company (*ibid.*, sec. XII, p. 1).
13. *Ibid.*, sec. I, p. 84.
14. Another possible source of information on the involvement of Franks and Simon in the western trade was his cousin, Jacob Henry, who, in 1754, was employed as David Franks' agent at Pittsburgh (Byars, B. and M. Gratz, p. 31).
15. Even now one can point to the reemergence on American soil of that mercantilist tendency for persons related together by birth or marriage to do business one with another. The sister of Myer Myers' wife (Rebecca Mears or Myers) married Mathius Rush, a second sister married Barnard Gratz, her first cousin married Joseph Simon, and another cousin would marry Simon's daughter, Belle Simon (Malcolm H. Stern, Americans of Jewish Descent (Cincinnati: Hebrew Union College Press, 1960), p. 160).
16. Marcus, II, p. 15.
17. According to Stern (p. 64), Michael Gratz was born in Langendorf in 1740, which would make him about eighteen years of age at the time Barnard's letter to his cousin; and an eighteen year old lad was expected to be firmly settled in his business life.
18. Byars, The Gratz Papers, sec. III, p. 91.
19. Dr. Chyet suggests that Solomon Henry's hesitancy to involve himself in trade with the mainland colonies may have been really a question of over-

extended credit. Although the sources consulted for this thesis give no clear indication of Henry's financial activities during this period, I get the impression that he continued his trade with the West Indies and the Far East - though not with the American colonies. This is only an impression and would need much further study to substantiate it.

20. Byars, The Gratz Papers, sec. V, p. 26.
21. Ibid., sec. V, pp. 44-46.
22. Byars suggests that this tavern was probably located in Philadelphia and is not to be confused with the Indian Queen Tavern in Lancaster (ibid., sec. I, p. 32).
23. Wolf and Whiteman seem to suggest (taking their cue from Volwiler) that the "Suffering Traders of 1763" and the "Suffering Traders of 1754" worked together at first in pressing their claims for compensation. Later on, they disassociated their efforts, and William Trent was given power of attorney to advance the case of the 1763 claimants. I prefer Marcus' suggestion that the initial effort was made by the fur traders who suffered losses in 1763 and that, only when their efforts met with some success, did those who had lost goods in 1754 begin to press their claims (Edwin Wolf, 2nd, and Maxwell Whiteman, The History of the Jews of Philadelphia from Colonial Times to the Age of Jackson (Philadelphia: The Jewish Publication Society of America, 1957), p. 67; Albert T. Volwiler, George Croghan and the Westward Movement, 1741-1782 (Cleveland: The Arthur H. Clark Company, 1926), p. 169; and Marcus, II, pp. 24f.).
24. Byars, The Gratz Papers, sec. V, p. 73.
25. It may have been the massacre of the Conestoga Indians by the boys from Paxton County which first brought William Murray into contact with Barnard and Michael Gratz - through Joseph Simon and the Lancaster fur traders.
26. It is quite possible that David Franks was concerned with Michael in this West Indies venture. Barnard Gratz and Isaac Adolphus may also have invested in his program. It is even possible that Solomon Henry of London was involved - through the Gratz brothers and his connections in the West Indies.
27. Byars, The Gratz Papers, sec. VII, p. 65.
28. Ibid., sec. VII, pp. 95-97.
29. Ibid., sec. VIII, p. 14.
30. Ibid., sec. VIII, pp. 17f.



31. The Stanwix Treaty was signed by William Franklin, Governor of New Jersey; Frederick Smith, Chief-Justice of New Jersey; Thomas Walker, Commissioner for Virginia; Richard Peters, of the Council of Pennsylvania; John Skinner, Captain of the 70th Regiment; James Tilghman, of Pennsylvania; Joseph Chew, of Connecticut; John Weatherhead, of New York; John Walker, of Virginia; E. Fitch, of Connecticut; Abraham or Tyahanesera, chief of the Mohawks; William or Sennghois, chief of the Oneidas; Hendrick or Saquarisera, chief of the Tuscaroras; Bunt or Chenaugheata, chief of the Onondagoes; Tagaia, chief of the Cayugas; and Gaustarax, chief of the Senecas (ibid., sec. VII, p. 99).
32. Ibid., sec. VIII, pp. 97f.
33. Six of Joseph Simon's daughters were married, and the names of their husbands frequently appear in the Gratz papers. Miriam Simon married Michael Gratz; Susannah Simon married Levi Andrew Levy; Belle Simon married Solomon Myers(-Cohen); Shinah Simon married Dr. Nicholas Schwyler; Rachel Simon married Solomon Etting; and Leah Simon married Levi Phillips (Stern, p. 194).
34. Byars, The Gratz Papers, sec. IX, pp. 42f.
35. Ibid., sec. IX, p. 83.
36. Ibid., sec. X, pp. 51f.
37. Dr. Chyet has correctly observed that public opinion in both England and America was by no means unanimous on this issue. These Acts of Parliament (i.e., the Townshend Acts, the Declaratory Act and the earlier Stamp Act) were passed, in great measure, because of the pressures brought to bear upon the legislature by "the merchants and manufacturers of England." Yet, once the colonial policy of economic boycott became keenly felt in England, these very merchants and manufacturers petitioned for their repeal.

All the principal manufacturing towns have sent petitions for a repeal of the Stamp Act. A manufacturer from Leeds...said, since the stagnation of the American trade, he has been constrained to turn off 300 families out of the 600 he constantly employed...The country Members (of Parliament) are somewhat alarmed at so many people losing employment; if anything repeals the Act, it must be this.(p.115)

Henry Cruger, Jr., of Bristol, England, whose funds were deeply committed to the American trade, wanted nothing so much as to rid the trans-Atlantic trade of Parliamentary control, and he strongly encouraged the embargo of British goods in America. Yet his colonial compatriot, Aaron Lopez, evinced a very phlegmatic attitude toward Resolutions.

That year of 1765, the year of the Stamp Act crisis, found him...heavily involved in the trade with England, and a prolonged suspension of commercial relations with the mother country, even though it might have served him in disposing more easily of the goods he had on hand, threatened to undermine his business at the very moment he wished to expand it. (p. 129.)

Baxter suggests that John Hancock of Boston could regard "a stoppage of trade" as "exceedingly convenient," since

stocks that had been lying on the shelves for months could then be sold, and there would be no need to pay English creditors...a no-trade agreement would have its compensations; it would provide a welcome pause for retrenchment and a sound reason for not paying debts to England. (p. 135, note 252)

And, while the program to boycott British goods was more fully organized and more strictly enforced with respect to the Townshend Acts, one can well imagine that no singular motive or opinion prevailed even then in either Britain or the colonies and that many persons in each land refused to accede to the majority path (Stanley Franklin Chyet, "A Merchant of Eminence: The Story of Aaron Lopez" (unpublished Ph.D. dissertation, Hebrew Union College-Jewish Institute of Religion, 1960), chapters nine through eleven).

38. Byars, The Gratz Papers, sec. X, p. 41.
39. Ibid., sec. X, p. 72.
40. Ibid., sec. X, p. 115.
41. Ibid., sec. XI, p. 13.
42. Ibid., sec. XI, p. 28.
43. Ibid., sec. XI, p. 34.
44. Ibid., sec. XI, pp. 40f.
45. Byars, B. and M. Gratz, p. 131.
46. Byars, The Gratz Papers, sec. XI, p. 83.
47. Ibid., sec. XII, p. 8
48. Ibid. In this instance, he was joined by most of the Virginia frontiersmen, who also refused to pay the taxes required of them by the Pennsyl-

49. Ibid., sec. XII, p. 8.

50. Ibid., sec. XII, p. 22.

51. Ibid., sec. XII, p. 33.

52. Ibid. *The White Paper, 1945-1946*. St. Louis: 1945 (on microfilm).

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