



JOHN NICHOLSON AND THE ATTEMPT TO PROMOTE PENNSYLVANIA INDUSTRY IN THE 1790s

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JOHN Nicholson, a leading Philadelphia merchant and entrepreneur as well as comptroller general of Pennsylvania in the 1790s, like others of his time, attempted to bring to fruition many of the recommendations made by Secretary of the Treasury Alexander Hamilton in his "Report on Manufacturing" submitted to Congress in December, 1791.¹ In the report Hamilton called for a balanced economy through the promotion of industry in an attempt to make the United States more self-sufficient. Nicholson was a major exponent of this concept in Pennsylvania and became a member of the Pennsylvania Society for the Encouragement of Manufactures and Useful Arts when it was created in 1787 under the presidency of Nicholson's friend and future governor of the state, Thomas Mifflin.² The society established a cotton factory in Philadelphia. On March 24, 1790, however, a fire burned down the building which housed the machinery and in the process almost destroyed the organization.³ But Nicholson continued his interest. When Alexander Hamilton, Tench Coxe, Nicholas Low, and others founded the New Jersey Society for Establishing Useful Manufactures on November 22, 1791, for the purpose of setting up a manufacturing center to serve as a model for the nation, Nicholson became a member by purchasing ten shares in the society.⁴

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¹Alexander Hamilton, "Report on Manufacturing," *American State Papers, Finance* (Washington, D.C., 1832), I, 123-44.

²"Plan of Society," *The American Museum*, II, (1787), 167-69. For the election of officers see *Pennsylvania Gazette*, September 12, 1787.

³Harold Hutcheson, *Tench Coxe: A Study in American Economic Development* (Baltimore, 1938), 156; William Bagnall, *The Textile Industries of the United States* (Cambridge, Mass., 1893), 78-79.

⁴Joseph S. Davis, *Essays in the Earlier History of American Corporations* (Cambridge, Mass., 1917), I, 349-58, 381, 473-74; John C. Miller, *Alexander Hamilton and the Growth of the New Nation* (New York, 1959), 300-01; *Philadelphia General Advertiser*, August 15, 1791; *Gazette of the United States*, September 10, 1791.

The Society for Establishing Useful Manufactures (S.U.M.) tried to make a manufacturing complex, established at the site of the present city of Paterson, New Jersey, a success. Work proceeded slowly, and the project was almost ruined when many of its backers went bankrupt in the Duer panic of 1792.⁵ Hamilton had not intended to take direct command of the operations of the S.U.M., but the panic forced him to assume this role in order to try to save the experiment from failure.

The project suffered from the inexperience of American supervisors and workers in operating power-driven machinery for cotton production. Therefore, Hamilton, on November 9, 1792, made an agreement with John Campbell, a Scottish stocking weaver who had supervised cotton manufactures in England and Scotland, to bring back from the British Isles stocking frames, tools, and other machinery as well as twelve skilled workers to operate the machines.⁶ It was further agreed that Hamilton, Nicholas Low, and Abijah Hammond would be advanced \$3,000 by the S.U.M. to establish "a Manufactory of Stockings under the management of the said John Campbell at such place within the United States as they shall think proper" Campbell agreed to supervise the factory for seven years in exchange for one-third of the profits.⁷ He brought his machinery and men to Paterson in 1793, and the S.U.M. agreed to build the factory.⁸

The project was doomed to failure, even with these new additions, for a number of reasons. Traveler Henry Wansey, a cotton manufacturer in his native England, gave some of the causes when he quoted Dr. Joseph Priestley's reasons for not establishing a cotton factory of his own after viewing Paterson. Priestley wrote that Paterson

had been brought forward at a very heavy expense, is badly conducted, and will become a heavy loss to the first un-

⁵William Duer was a major stockholder in the S.U.M., and his failure caused widespread disillusionment. He was governor of the S.U.M. in 1791. *Gazette of the United States*, December 3, 1791; Davis, *Earlier History of American Corporations*, I, 303-08, 399-401; Victor S. Clark, *History of Manufactures in the United States, 1607-1860* (Washington, D.C., 1921), I, 404.

⁶No mention of Campbell is made in any of the histories of this project including Miller, Davis, Clark, Hutcheson, and the rest. The writer came upon his name in examining the Nicholson manuscripts and received queries about him from the editors of the Hamilton papers, i.e., Harold Syrett and Jacob Cooke. Nicholson's connection with Campbell will be discussed later.

⁷"Agreement with John Campbell," November 9, 1792, Harold C. Syrett and Jacob Cooke, eds., *The Papers of Alexander Hamilton* (New York, 1961-69), XIII, 31-32.

⁸Hamilton to Nicholas Low, June 14, 1793, *ibid.*, XIV, 546. Low was elected governor of the society on October 12, 1792. *Gazette of the United States*, October 20, 1792.

dertakers; . . . such undertakings will continue to decline till the country is so full of inhabitants, as not to employ themselves on the land, which at present commands a great preference.⁹

Wansey added that textiles could be produced much more cheaply in England because the wages paid to British workers were lower.¹⁰ Another visitor to the project, St. Mery, recorded that "the shares have already lost much in value, which demonstrates the impossibility of profiting from a business venture when wages and labor are too high."¹¹

Other reasons for the failure were that the project had to operate without the government bounties that Hamilton had said in his "Report on Manufacturing" were needed for infant enterprises to be successful. In addition, women and children constituted the bulk of the labor force, and they were not skilled. There was also a greater demand than ever before for America's agricultural products in the 1790s due to the European wars, thus resources and capital stayed in agriculture and in shipping. The invention of the cotton gin in 1793 made agriculture even more profitable, again thwarting heavy concentrations in manufacturing. Finally too much of the capital of the S.U.M. was sunk in machinery, land, and buildings and too little remained for operating expenses.¹² So by 1795 Paterson had become an agricultural village.¹³ When Duc Francois de La Rochefoucault-Liancourt visited the site in 1797, all that remained was "a variety of machinery, but all in a state of decay."¹⁴

Most of the machinery was saved, however, because it had been sold to an individual who still had faith in the dream of industrial development and the profits that could be obtained by a manufacturing entrepreneur. This individual was the eternal optimist, John Nicholson. Some historians have maintained that the

great urban merchants were the key men in the early American economy . . . Merchants, farmers, and ar-

⁹Henry Wansey, *The Journal of an Excursion to the United States of North America in the Summer of 1794* (Salisbury, 1796), 76. Priestley, the discoverer of oxygen, was now a resident of Northumberland, Pennsylvania.

¹⁰*Ibid.*, 69-70.

¹¹Kenneth and Anna Roberts, eds. and trans., *Moreau de St. Mery's American Journey, 1793-1798* (Garden City, New York, 1947), 113-14.

¹²Miller, *Alexander Hamilton*, 309-10; Edward Kirkland, *A History of American Economic Life* (New York, 1969), 215; Bagnall, *Textile Industries*, 181-83.

¹³Miller, *Alexander Hamilton*, 310, 545-47; Davis, *Early History of American Corporations*, I, 492-97.

¹⁴Duc Francois de La Rochefoucault-Liancourt, *Travels Through the United States of North America* (London, 1800), IV, 192.

tisans in the back country looked to the urban merchant capitalists for leadership; they were the wealthiest, best informed, and most powerful segment of early American society.¹⁵

Nicholson was one of these merchant capitalistic leaders. He acquired capital by making personal use of his office as comptroller general of Pennsylvania, from his returns as a major flour merchant in Philadelphia, and with credit, using his land speculation companies as collateral. With this capital Nicholson attempted to excel Hamilton's proposed manufacturing complex at Paterson with one of his own at the Falls of the Schuylkill near Philadelphia. In the 1790s industrial development most often rested on state initiative rather than on the national government, and John Nicholson was the foremost Pennsylvanian, in the area of investments, to promote such growth in the Keystone State.

Late in 1793 John Campbell, the man whom Hamilton had hired to save the Paterson project, was introduced to Nicholson by a mutual friend, William Pollard. The latter was an Englishman who had obtained an American patent for a water frame to spin cotton in 1791. He was in the process of perfecting it and was being financed by Nicholson.¹⁶ Campbell, sensing the failure at Paterson, offered to move the machinery and men from Paterson to Nicholson's proposed complex at the Falls of the Schuylkill. Nicholson wanted Campbell to keep their negotiations a secret, probably because Nicholson was also a member of the S.U.M. Campbell informed Nicholson through Pollard:

Mr. [Nicholas] Low questioned me concerning the plan upon which I intended to carry on the business. I told him that I had formed a Connection at Philadelphia & intended moving off Directly but agreeable to your request mentioned no names; he wishes very much to know the persons concerned—at the same time it appears to me that he was Sorry that the Machinery & C [company] should leave Paterson, that he expected that I would carry on the business there¹⁷

The agreement between Nicholson and Campbell required the Philadelphian to pay to Nicholas Low and the society \$1440 for the

¹⁵Glenn Porter and Harold C. Livesay, *Merchants and Manufacturers* (Baltimore, 1971), 6.

¹⁶Nicholson to William Pollard, April 25, May 14, 1793, John Nicholson Letterbooks, 1779-1793, John Nicholson Collection, MG 96, Division of History and Archives, Pennsylvania Historical and Museum Commission (PHMC).

¹⁷John Campbell to William Pollard, January 30, 1794, John Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

"whole stock of the Paterson manufactory" on February 5, 1794. On February 6, after the money was sent, Campbell informed Pollard that he was beginning to ship the machines from Paterson to Philadelphia.¹⁸ Campbell also informed the Philadelphian that Low and his associates wanted Nicholson, who they now knew was the purchaser, to sign an agreement freeing them of any future claims Campbell might make against them. The agreement also was to cover Campbell's workers whom he took with him. Campbell concluded "that Mr. Nicholson can support a Manufactory equal to Mr. Low or his party & in Justice to him I deem it necessary to retain the men."¹⁹ On February 8, 1794, Nicholson signed an agreement with Low, Alexander Hamilton, and Abijah Hammond certifying that Campbell had dissolved his contract with the S.U.M. and was now working for Nicholson and that Nicholson would assume all future claims of Campbell and his men.²⁰

When the Paterson project was under attack in the newspapers of Philadelphia, a rebuttal was published in defense of the S.U.M. entitled "Observations on the Letters of a 'Farmer', addressed to Yeomanry of the United States (by George Logan)." The supporters of the Paterson project defended their enterprise and suggested that the "Farmer" promote a similar manufacturing complex in Pennsylvania on the Susquehanna. They said this would draw capital to develop American industries like they were doing in New Jersey and help to eliminate foreign competition.²¹ The primary author of this piece was Tench Coxe, an avid supporter of the S.U.M., who in 1787 and again in 1793 had suggested that a manufacturing complex be established along the Susquehanna near the forks of the east and west branches.²²

Nicholson was the man who was attempting this feat in Pennsylvania. By 1793 he asked such people as Dr. Thomas Cooper and Dr. Joseph Priestley about the English cotton industry while he was negotiating land sales with them. Interestingly enough, Nicholson owned land at the forks of the Susquehanna.²³ Coxe, for his part, offered his 90,000 acres in the Wyoming Valley to Nicholson.²⁴

¹⁸Campbell to Pollard, January 30, February 6, 1794, *ibid.*

¹⁹*Ibid.*, February 6, 1794.

²⁰The agreement was found in the Nicholson Collection, MG 96, PHMC. It will be published in a future volume of the Hamilton Papers.

²¹*Gazette of the United States*, September 22, 1792.

²²Tench Coxe, *A View of the United States of America* (Philadelphia, 1794), 52, 385; Hutcheson, *Tench Coxe*, 118-19.

²³Thomas Cooper and Joseph Priestley, Jr., to Nicholson, January 15, 1794, and Dr. Enoch Edwards to Nicholson, August 15, 16, 1793, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

²⁴Joseph Wharton to Nicholson, June 18, 1794, *ibid.*

Nicholson instructed his European agent and friend, Dr. Enoch Edwards, to procure "artists and manufactories" for use in his proposed factory. The Philadelphian added,

my present ideas are to employ my factory principally on the articles of Hosiery and low price cottons—without going generally into the trade until some little experience of the success of the enterprise is obtained²⁵

William Pollard, who was enthusiastic about the prospects of the project, wrote to Nicholson, "I cannot doubt but it will gain you the merited esteem of your Country at large for being the first promoter (to an extent) of this kind of manufactures."²⁶ Nicholson then commissioned Pollard to build machines using 1,000 spindles and look for possible sites for the factory.²⁷ By May 31, 1793, the factory was under construction at the Falls of the Schuylkill, located about four miles west of Philadelphia and today a part of the city.²⁸ Pollard was also hiring workers brought from England and Holland and keeping them from going to the Paterson complex.²⁹

It was at this stage that the contacts with John Campbell were made, the agreement with him consummated, and the shift of the Paterson machinery and workers made to Philadelphia. It was ironic that even Governor William Paterson of New Jersey helped move the looms.³⁰ While the Falls factory was being completed, Campbell established his men and machines at Nicholson's building at 541 North Front Street in Philadelphia and converted it into the Fleecy Hosiery Manufactory.³¹ Campbell also helped with the construction of the Falls Mill as well as two others, the Kensington Mill in Philadelphia and the Globe Mill near Reading.³² By October, 1794, Pollard informed Nicholson that "we shall be ready to Card & prepare our Cotton for Spinning at the Globe Mill by next week"³³

²⁵Nicholson to Edwards, May 8, 1793, Nicholson Letterbooks, 1779-1793, *ibid.*

²⁶Pollard to Nicholson, April 27, 1793, *ibid.*

²⁷*Ibid.*, April 30, 1793.

²⁸*Ibid.*, May 31, 1793. Pollard was supervising its construction. He was to receive one-fourth of the profits from the first year of operation. See Pollard to Nicholson, October 14, 16, 1794, *ibid.* The Falls of the Schuylkill are not visible today because the erection of Fairmont Dam, three miles below the Falls, has eliminated them except for a few rocks protruding from the river. J. Bennett Nolan, *The Schuylkill* (New Brunswick, New Jersey, 1951), 165-66, 172-76.

²⁹Pollard to Nicholson, September 26, 1793, September 29, 1794, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

³⁰William Budden to Nicholson, September 29, 1794, *ibid.*

³¹John Campbell to Nicholson, November 4, 1797, *ibid.*

³²William Pollard to Nicholson, March 28, August 4, 1794; John Campbell to Nicholson, November 4, 1797, *ibid.*

³³Pollard to Nicholson, October 1, 1794, *ibid.*

While these mills were being constructed, Nicholson also made contracts with others who had experience in textiles in England. Charles Taylor, who built the Albion Mills in England, and John Bowler, "who invented a new machine which Cards, rolls & Spins the finest thread at the same time & . . . with which . . . one person . . . can do the work of 15 men in a day," were hired by Nicholson to work for him. Taylor was to build steam engines while Bowler was to make cotton machinery.³⁴ Taylor knew how to build the Watt engine, and it was predicted that with the additions of himself and Bowler "a clear profit of 10,000 pds. a year would accrue after deducting 3,000 pds. for workers, wages & ordinary expenses."³⁵ Taylor was to supervise a steam engine factory at the Falls and the iron foundry that was also being constructed there.³⁶

Another Englishman who went to work for Nicholson was John Lithgow, who had operated stocking factories in England and Scotland. Nicholson asked his advice as to the best possible location for a cotton factory, and Lithgow advised against any seaport town. Although materials and machines could be obtained easily in them, he said it was almost impossible to get competent workers at reasonable rates in Philadelphia or any other port. They wanted one dollar a day, and England would undersell American hosiery at these rates. He advised Nicholson to move his hosiery works from Philadelphia to an inland site near villages where boys could be used. Lithgow agreed to come to his complex under construction at the Falls of the Schuylkill for one year on a trial basis to try to help make it a success, but he preferred a location farther inland.³⁷ Lithgow also insisted that his friend, William England, another expert in hosiery manufacturing, come with him to the Falls and supervise the workers. Nicholson agreed.³⁸

One of the reasons for the failure of the Paterson project was S.U.M.'s concentration on cotton instead of diversifying and manufacturing other products.³⁹ Nicholson tried not to duplicate this mistake. He wanted to promote a variety of manufacturing enterprises, all of which would be concentrated at the Falls. These included a glassworks, button works, iron foundry, stone quarry, dye house, and a supply store in addition to the cloth and steam engine factories al-

³⁴James Trenchard to Nicholson, November 14, 1794, *ibid.*

³⁵*Ibid.*, February 11, May 5, 1795.

³⁶*Ibid.*, July 15, 1795.

³⁷John Lithgow to Nicholson, October 12, 24, November 7, 17, 1794, *ibid.*

³⁸*Ibid.*, April 10, 20, 1795.

³⁹Miller, *Alexander Hamilton*, 309; St. Mery, *Journey*, 113-14.

ready mentioned. The glass works and button factory had been started in Philadelphia, but in 1795-1796 these were moved to the Falls.⁴⁰

A traveler, Henry Wansey, described the Falls of the Schuylkill as "nothing but an obstruction of the rapid stream from several large rocks having fallen into it from the neighboring heights. Skilful [sic] pilots know how to pass them in loaded boats, without danger."⁴¹ Liancourt visited Nicholson's manufacturing center in 1795 and described it as follows:

above the falls, a Mr. Nicholson possesses large iron works, a button manufactory and a glass house. But none of these works are completed. The buildings, however, which appear to be well constructed, are nearly all finished. A particular building is assigned to every different branch of labour; and the largest is designed for the habitation of the workmen, of whom Mr. Nicholson will be obliged to keep at least a hundred The situation of this settlement is extremely well chosen; for, on the very spot where the navigation of the river is intercepted, all the materials necessary can be procured The sand required for the glass-house is brought from the banks of the Delaware; the cast-iron from the higher parts of the Schuylkill, and the pit-coal . . . from Virginia Everything promises success to his undertaking.⁴²

In short, the promoter was constructing one of the first company towns in America. In addition to the factories, he built workers' quarters and a store to supply their needs. Nicholson in 1796 instructed the manager of his store, Thomas Joubert, to have the workers take their wages out in produce at the store.⁴³ He had different supervisors for each enterprise: William Eichbaum, the glass-works; Nathaniel Mix, the button works; William Pollard, John Campbell, James Lithgow, William England, and Charles Taylor, the stocking factory, dye house, and steam engine works; Thomas Bourne and Thomas Flood, the iron foundry; Henry Elouis, the stone quarry; and Thomas Joubert, the store. The entrepreneur even

⁴⁰Nicholson to Nathaniel Mix, January 8, 1796, John Nicholson Letterbook, III, The Historical Society of Pennsylvania (HSP).

⁴¹Wansey, *Journal*, 157; see also Liancourt, *Travels*, I, 7.

⁴²Liancourt, *Travels*, I, 8-9.

⁴³Nicholson to Joubert, April 11, 1796, Nicholson Letterbook, IV, HSP. There were earlier iron complexes in Pennsylvania, such as Hopewell, but none combined all of the factories found at Nicholson's center. See Arthur C. Bining, *Pennsylvania Iron Manufacture in the Eighteenth Century* (Harrisburg, 1938), 132-39, 188-89, *passim*.

brought a German family to America to run a farm at the Falls to supply the workers and supervisors with food.⁴⁴

Nicholson had ambitions of expanding this complex and bought all of the surrounding estates from such notables as Governor Mifflin, Alexander J. Dallas, William Rawle, Dr. William Smith, and John Dickinson.⁴⁵ In fact, Nicholson explained his ultimate goal later when he was forced to abandon most of these projects. He intended to establish a great manufacturing center here connected to Philadelphia by a canal cut between the Schuylkill and Delaware rivers.⁴⁶

The Philadelphia venture remained a noble dream as financial problems plagued all of his enterprises at the Falls. Nicholson went into the glass business because there was a demand for window glass and bottles in the 1780s and the 1790s. He had the necessary raw materials, pot and pearl ashes, from places like his land-speculative enterprise at Asylum, Pennsylvania, which were used as flux for common and white glass respectively; manganese, which again helped produce transparent glass obtained from suppliers in Philadelphia like William Davy and Company; charcoal obtained from the surrounding forests with the help of John Jacobs; sand and clay from the river bottoms; blast furnace grates supplied by Nicholson's foundry, and competent glass blowers from Westphalia like the Eichbaum family, who supervised the work.⁴⁷

Nicholson began glass production in 1793 upon receiving advice from Thomas Bedwell and Thomas Town, who had operated a glass business in England. They advised that since the workers only spent nine months of the year at the glass furnace, the other three should be spent in preparing the furnace for the next blast.⁴⁸ Not only did Nicholson insist on this, but he told Eichbaum, when the workers

⁴⁴Frederick Stumme to Nicholson, September 4, 1795; George Stumme to Nicholson, March 11, 19, October 26, November 15, 1796, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁴⁵Charles Jervis to Nicholson, March 11, 1795, *ibid.*; Nicholson to D. Benezet, October 22, 1796, Nicholson Letterbook, IV, HSP; Nicholson to A. J. Dallas, September 17, 1795, *ibid.*, III.

⁴⁶Nicholson to George Slackpool, July 24, 1797, *ibid.*, VII.

⁴⁷Robert A. East, *Business Enterprise in the American Revolutionary Era* (New York, 1938), 313; *Gazette of the United States*, July 25, 1789; Joseph Leacock to Nicholson, December 23, 1794, October 14, 1795; William Davy and Company to Nicholson, April 16, 1795; John Jacobs to Nicholson, April 1, 1795; Jane Eichbaum to Nicholson, July 19, 1797; William Eichbaum to Nicholson, November 1, 1794, May 17, June 5, July 9, 1795, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; William Eichbaum to Nicholson, October 12, 1796, William Moulder, Jr., Correspondence, 1794-1800, *ibid.*

⁴⁸Thomas Bedwell to Nicholson, July 3, 1793, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

complained that they had not been paid, that he had paid them for twelve months when the factory was being built and that they now owed him money.⁴⁹

The factory produced all sorts of glassware. In addition to window glass, some of which was shipped to Federal City (Washington, D.C.) for use in Nicholson's buildings there, the factory produced snuff bottles, claret wine bottles, quart and pint bottles, mustard bottles, and glass tubes and apothecial glasses for doctors.⁵⁰ One of the more unusual demands came from Charles Willson Peale who ordered glass eyes for some of his statues.⁵¹

But the glassworks suffered like the others from Nicholson's lack of financial resources. Sales were not sufficient to help the Philadelphian as the profits for 1796-1797 were only \$77.⁵² Eichbaum constantly complained about the need for money to buy the necessary supplies. The situation became chronic by 1797 when there was no coal available to keep the furnaces going.⁵³ The workers, some of whom were drunkards, went unpaid, and many left to find employment elsewhere.⁵⁴ In the end the glassworks, like the others, was attached by the sheriff and sold at public auction.⁵⁵

The button works also began production in 1793. Nicholson was influenced in the business by the Mix family of New Haven, Connecticut. This family's button factory by 1789 produced nearly two thousand gross of metal and metal-rimmed buttons a year. The Mix family designed their own machines and made their own plate metal.⁵⁶ Nicholson contacted them about the details of their

⁴⁹William Eichbaum to Nicholson, July 9, 1795, *ibid.*; Nicholson to M. Kepple, December 14, 1795, Nicholson Letterbook, III, HSP.

⁵⁰For examples of orders for these see Johnson and King Company to Nicholson, July 4, 1796; Goldthwaithe and Moore Company to Nicholson, December 24, 1795; Thomas Joubert to Nicholson, April 2, 22, 1796, Nicholson General Correspondence, 1778-1800, Nicholson Collection MG 96, PHMC; Nicholson to William Eichbaum, June 25, 1795, Nicholson Letterbook, II, HSP.

⁵¹Nicholson to Charles W. Peale, June 20, 1796, Nicholson Letterbook, IV, HSP.

⁵²Glass Works Accounts, August, 1796-February, 1797, Individual Business Accounts, 1787-1800, Nicholson Collection, MG 96, PHMC.

⁵³William Eichbaum to Nicholson, November 25, 1795, May 29, 1796; Thomas Joubert to Nicholson, April 5, 1797, Nicholson General Correspondence, 1778-1800, *ibid.*; Nicholson to William Eichbaum, February 2, 1796, Nicholson Letterbook, III, HSP.

⁵⁴Henry Elouis to Nicholson, February 13, 1796; William Eichbaum to Nicholson, April 9, 1796; Thomas Joubert to Nicholson, June 2, 1797, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Nicholson to William Eichbaum, March 4, 1797, Nicholson Letterbook, V, HSP.

⁵⁵Thomas Joubert to Nicholson, May 25, February 20, 1797; William Moulder to Nicholson, May 25, 1797, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC. Eichbaum later went to work in Pittsburgh and made the first crystal chandelier in the United States. Works Progress Association, *Pennsylvania: A Guide to the Keystone State* (New York, 1940), 78.

⁵⁶Clark, *History of Manufactories*, 524.

operation, and John and Jonathan Mix sent him a sketch of a button factory.⁵⁷ Nathaniel F. Mix later agreed to come to Philadelphia and run an operation similar to theirs in Connecticut for Nicholson.⁵⁸ By 1795 Nicholson's Philadelphia works was producing one hundred gross per day; a gross of buttons costing \$1.50.⁵⁹ In 1795 he shifted this operation, like the others, to the Falls complex with Nathaniel Mix and Thomas Bourne running the operation there. At the same time he started a button factory in New Haven, Connecticut, under the direction of Jonathan Mix because the Mix family said buttons were cheaper to make there.⁶⁰ The entrepreneur supplied his Federal City stores with buttons produced at his factories and even had customers in Kentucky.⁶¹ Nicholson also made military buttons and sold these to the United States government and the government of the French Republic.⁶²

By 1797 this enterprise, like the others, was in serious financial trouble. Nicholson could not furnish enough raw materials like lead and copper to keep production going, workers were not being paid, and they started to leave the Falls factory.⁶³ In Connecticut Jonathan Mix wrote that Nicholson had not financed the factory as he promised and pleaded for money. In 1798 he told Nicholson that he paid \$3,000 out of his own pocket to keep production going and deprived his ten children in the process. He asked Nicholson for relief;⁶⁴ Nicholson could offer none, and the button factories were also eventually sold at sheriffs' sales.⁶⁵

⁵⁷John and Jonathan Mix to Nicholson, November 10, n.d., Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁵⁸*Ibid.*, July 17, 1795; Nathaniel Mix to Nicholson, April 18, 1795, *ibid.*

⁵⁹Nicholson to Mix, May 29, 1795; Nicholson to Lewis Deblois, May 30, 1795; Nicholson to General Walter Stewart, May 23, 1795, Nicholson Letterbook, I, HSP; Button Works Accounts, 1794-1797, Nicholson Collection, MG 96, PHMC.

⁶⁰Jonathan Mix to Nicholson, July 17, 1795; February 20, 1796, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁶¹Nicholson to Lewis Deblois, July 3, 1795, Nicholson Letterbook, II, HSP; Lauman and West to Nicholson, July 3, 1795, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁶²Thomas Bourne to Nicholson, July 6, August 17, 1796; Thomas Billington to Nicholson, March 16, 1797, *ibid.*; Nicholson to Bourne, March 22, 1796; March 19, 1797, Nicholson Letterbooks, III, VI; Button Works Accounts, Receipt Book, 1795-1796, Nicholson Collection, MG 96, PHMC.

⁶³Thomas Bourne to Nicholson, January 20, 1797, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Nicholson to Doris Higgins, Samuel Dunnison and Ashbill Baker, May 23, 1797, Nicholson Letterbook, VII, HSP; Button Works Accounts, Day Book, 1794-1797, Nicholson Collection, MG 96, PHMC.

⁶⁴Jonathan Mix to Nicholson, February 20, 1796, April 26, 1798, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁶⁵Thomas Joubert to Nicholson, May 25, 29, 1797, *ibid.*

The same kind of difficulty beset the hosiery factory and dye house. John Campbell failed to solve Nicholson's problems, just as he had failed at Paterson. Nicholson accused Campbell of misusing funds he had given him. Campbell pleaded his innocence and wrote,

Had I been a person who had bad intentions, I could when I went to Scotland staid and kept from the late Secretary of the Treasury [Hamilton] . . . three Hundred guineas, the government of that Country would a made me a presant [sic] for doing so in Ninty four, you intrusted me with a considerable sum of money, which might have been an object for a bad man to go of [sic] with . . . I hope you will look upon me as an honest man, altho [although] poor.⁶⁶

However, Nicholson did not accept this defense. In fact, he had to bail Campbell out of jail when the latter was apprehended for smuggling out of Scotland three textile workers who had broken a contract in their homeland.⁶⁷ Campbell did not even pay his workers with funds Nicholson had set aside for that purpose, and the workers came to the Philadelphian with their complaints.⁶⁸ In the end Nicholson instituted a law suit against Campbell to force him to account for the money he had appropriated.⁶⁹

Nicholson had no better luck with William Pollard, John Bowler, Charles Taylor, or the others who attempted to make the hosiery factory a success. Pollard's plea for money was typical when he wrote,

it is painful to me to be troubling you so often but I have not a Dollar to go to Market with for my own Family, or to give to some poor Widows who board some of my people. I have given several of my People who had no Shoes, order on my Shoemaker, who has had faith & God knows my own Bill for Shoes is of long Standing . . .⁷⁰

Nicholson could not pay the workers in this factory either. As a result, they began to leave. He tried to use his note endorsed by his friend and partner in land speculation, Robert Morris, for this purpose but Pollard wrote, "I can not do anything with it."⁷¹

John Bowler caused Nicholson far more trouble than even John

⁶⁶John Campbell to Nicholson, April 10, 1795, *ibid.*

⁶⁷*Ibid.*

⁶⁸Campbell to Nicholson, March 7, April 6, June 6, 1795; Jacob Servoss to Nicholson, April 14, 1795, *ibid.*; Nicholson to Jacob Servoss, April 14, 1795, Nicholson Letterbook, I, HSP.

⁶⁹Nicholson to James Gibson, July 10, 29, 1795, Nicholson Letterbook, II, HSP; John Lithgow to Nicholson, July 15, 1795, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁷⁰Pollard to Nicholson, July 14, 1795, *ibid.*; see also letters of March 7, June 5, July 18, 1795, *ibid.*

⁷¹*Ibid.*, August 29, September 15, 1795.

Campbell. Bowler was brought from England at Nicholson's expense and was advanced \$10,000. One fine morning in September, 1795, he absconded with the money and sailed for Cork, Ireland. Not only did he flee, but he had also been building machines for others while supposedly working for Nicholson. This breach of contract carried a penalty of 1,000 pounds in this era. The Philadelphian wrote to his friend and agent, Samuel Bayard, who was also the American claims officer in London, to apprehend Bowler and charge him with damages of \$13,000.⁷² There was no evidence that Nicholson ever received his money.

Charles Taylor was hired by Nicholson to build steam engines for his hosiery factory and also for steamboats in which Nicholson took an interest. Taylor complained about the same lack of funds as the others, and Nicholson typically answered that Taylor was misusing the money that had been appropriated.⁷³ In addition, the promoter had visions of using Taylor's talents to devise an engine that could be used to pump water for the cities of Philadelphia and Washington, D.C. This, too, would take capital. Nicholson promised Taylor in 1796 that he would devote his full attention to this project as soon as his affairs in the Federal City were unsnarled, but this was never accomplished.⁷⁴ By 1797 the sheriff was at the Falls complex attaching Taylor's engines. Taylor informed Nicholson that he lacked money even to feed his own family.⁷⁵

Unfortunately for Nicholson, the same fate as befell his glass, button, and hosiery factories was suffered by his store, ironworks, and quarry at the Falls. He used the ironworks, managed for him by Thomas Flood, to supply materials for his glasshouse and hosiery factory as well as his buildings in the Federal City. He even had a working agreement with one of the famous ironmaster families of Pennsylvania, the Potts family. The Potts furnace, which was located north of Nicholson's complex along the Schuylkill River at

⁷²Nicholson to Bayard, September 14, 1795, Nicholson Letterbook, III, HSP. See also Nicholson to Pollard, September 7, 11, 1795, *ibid.*, II.

⁷³Nicholson to Taylor, September 18, 1795, *ibid.*, III; Taylor to Nicholson, November 2, 14, 1796; April 6, 1797, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁷⁴Taylor to Nicholson, May 30, 1796, *ibid.*; Nicholson to Taylor, November 4, 1796, Nicholson Letterbook, IV, HSP.

⁷⁵Taylor to Nicholson, May 1, 25, 1797, Nicholson Letterbook, I, HSP; Thomas Flood to Nicholson, June 19, 1795, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Thomas Flood Account Book, 1795, *ibid.*

Pottsgrove in Montgomery County, supplied his foundry at the Falls with gray pigs.⁷⁶

Nicholson's stone quarry supplied stone for the Lancaster Turnpike and for the canals that were under construction in the Philadelphia area.⁷⁷ Eventually, the quarry supervised by Henry Elouis, would become part of the Philadelphian's Pennsylvania Land Company and ultimately be sold at a sheriffs' sale.⁷⁸ Nicholson expected his store at the Falls to be a major center of supplies for the Washington, D.C., project and for his numerous other stores in Pennsylvania such as the ones at Philadelphia Asylum, Wilkes-Barre, George Town, Shippensburg, and Fayette County.⁷⁹ Everything from glassware to hosiery filtered through the Falls' store operated by Thomas Joubert.⁸⁰ The goods were disseminated by Nicholson in part through the use of his own fleet of boats which plied the Schuylkill from the Falls to Philadelphia.⁸¹ His plans for the store, like the others, went awry.

While Nicholson was attempting to promote this industrial complex at the Falls, he was also trying to develop mines in eastern Pennsylvania. Successful mining operations could enhance the value of his land and help supply raw materials for the industrial complex at the Falls. He was an organizer and part owner of the Lehigh Coal Mine Company which was located about thirty miles from Bethlehem on the Lehigh River. He formed a partnership in this concern in 1792 with Colonel Jacob Weiss and Robert Morris.⁸²

⁷⁶Nicholson to Thomas Potts, March 31, 1795, Nicholson Letterbook, I, HSP; Thomas Flood to Nicholson, June 19, 1795, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Thomas Flood Account Book, 1795, *ibid.* For an account of the Potts's operations see Bining, *Pennsylvania Iron Manufacture*, 132-39, 188-89.

⁷⁷For supplies shipped to the road and canals see various entries, Henry Elouis Account Book, 1794-1797, Nicholson Collection, MG 96, PHMC.

⁷⁸Henry Elouis to Nicholson, February 5, March 25, September 7, October 15, 1795; James Haffey to Nicholson, April 7, 1796; Patrick McFall to Nicholson, January 26, 1798, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Nicholson to George Cutwalt, July 31, 1796, Nicholson Letterbook, IV, HSP.

⁷⁹Nicholson to William Eichbaum, October 7, 1795; Nicholson to William Lovering, February 20, 1797, Nicholson Letterbooks, III, V, HSP.

⁸⁰Nicholson to Thomas Joubert, December 22, 1795, November 11, 1796, *ibid.*, III, IV; William Lovering to Nicholson, February 17, March 9, 1797, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁸¹Nicholson to General Walter Stewart, July 10, 1795; Nicholson to Josiah Gordon, September 29, 1795, Nicholson Letterbooks, II, III, HSP.

⁸²Rayner Kelsey, ed., *Cazenove Journal, 1794* (Haverford, Pa., 1922), 86; Nathaniel Burt, *The Perennial Philadelphians* (Boston, 1963), 199-200; Nicholson to Michael Hillegas, July 25, 30, August 6, 1793, Nicholson Letterbooks, 1779-93, Nicholson Collection, MG 96, PHMC.

Nicholson became the president of the company in 1792 and took an interest in improving navigation on the Lehigh River to enhance the company's prospects, but this company met the fate of all the others.⁸³ Nicholson could not pay the assessments on his stock that had to be made to keep the company in operation and on March 6, 1798, had to forfeit them.⁸⁴

The promoter also had a partnership with General James Chambers in the Loudon Forge and Furnace at Chambersburg in Franklin County, but this venture proved to be as unsuccessful as the Lehigh operation. By 1796 Chambers was writing, "my Expectation has fallen short but hope soon to be able to realize our most Sanguine Expectations."⁸⁵ By 1797 Nicholson was pleading with the general to send him his share of the profits for "surely the profits by this [time] must have amounted at least to something or it is a wretched Concern indeed."⁸⁶ This was a "wretched concern" and so were his other efforts to promote mining in Pennsylvania.

Nicholson had an interest in lead, silver, and copper mines. Lead was used in Nicholson's engraving business which he had established in Philadelphia. Nicholson had three lead mines near Reading and Philadelphia and had copper and silver mines in Northampton and York counties, Pennsylvania.⁸⁷ Eventually, these mines were either sold to pay Nicholson's creditors or attached to satisfy liens.⁸⁸

By 1796 Nicholson began to realize that his effort to promote industrial growth was consuming too much of his time and money,

⁸³William Henry to Nicholson, September 28, 1794, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Nicholson to Michael Hillegas, June 12, 1795, Nicholson Letterbook, II, HSP.

⁸⁴Henry Spering to Nicholson, February 27, 1798; John Waddington to Nicholson, March 6, 1798, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC. Nicholson's efforts helped to lay the foundation for the Lehigh Coal and Navigation Company founded in 1822. See Fred Brenckman, *History of Carbon County* (Harrisburg, 1913), 79.

⁸⁵General Chambers to Nicholson, October 25, 1796, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Bining, *Pennsylvania Iron Manufacture*, 60, 190.

⁸⁶Nicholson to General James Chambers, April 21, 1797, Nicholson Letterbook, VI, HSP.

⁸⁷Thomas Bedwell to Nicholson, August 19, 1796; Joseph Parnell to Nicholson, February 8, 1796, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC; Nicholson to David Jaynes, May 28, 1795; Nicholson to M. Bacon, June 2, 1796, Nicholson Letterbooks, I, IV, HSP.

⁸⁸For examples, see Joshua Percival to Nicholson, March 1, 1797; John Evans to Nicholson, August 25, 1797, Nicholson General Correspondence, 1778-1800, Nicholson Collection, MG 96, PHMC.

⁸⁹Nicholson to Garder and Towell, November 16, 1796, Nicholson Letterbook, IV, HSP.

neither of which he could afford. None of his manufacturing and mining activities were providing enough profit to cover the costs of operation. When two budding promoters contacted him about starting another manufacturing enterprise in 1796, he rejected their overture with:

If you could ensure me half the profits you State I would go into it but estimates are not always realized especially in manufactures with me they have seldom been so⁸⁹

Liancourt, describing Nicholson's Falls complex, aptly summarized some of the reasons for the promoter's failure when he wrote,

All these natural advantages must vanish if ever there should arise a want of money, large and prompt supplies of which are required to give activity to the whole; as well as judgment, industry and economy. There is in America a scarcity of persons capable of conducting a business of this kind. There are also but few good workmen, who are with difficulty obtained, and whose wages are exorbitant
Mr. Nicholson's situation does not afford the most flattering prospects of success, if his returns be not rapid, as well as large.⁹⁰

Nicholson's returns were neither rapid nor large, but he did construct one of the first factory towns in the United States. Nicholson's efforts to promote industrial development proved premature, but he helped to prepare the way for other later projects such as Josiah White's wire factory and the industrial town of Manayunk on the Schuylkill in southeastern Pennsylvania.⁹¹

John Nicholson died an insolvent debtor in Prune Street Prison in Philadelphia on December 5, 1800, leaving an army of creditors and debts estimated at \$12 million.⁹² But he, and others like him, helped to prepare the American mind for the transformation to the Industrial Age and showed, by example, what could and could not be done in these fields in the new nation.

⁸⁹Liancourt, *Travels*, I, 9-10.

⁹¹Eleanor Morton, *Josiah White* (New York, 1946), 92-93.

⁹²*Poulson's American Daily Advertiser*, December 8, 1800; J. B. Anthony, "Report of the Investigation of the Claims of the Commonwealth against the Estate of John Nicholson and Peter Baynton," *The Journal of Law*, I (1830), 1-4.

