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REED AND FORDE: MERCHANT ADVENTURERS OF PHILADELPHIA

*Their Trade with Spanish New Orleans*

IN THE long chapter of revolutionary history extending from the establishment of our own independence through the French Revolution, the Napoleonic Era, and the emancipation of Spanish and Portuguese America, one of the least spectacular but most significant changes was the dislocation of Spanish American commerce.<sup>1</sup> As Peuchet pointed out in 1821 in his continuation of Raynal,

<sup>1</sup> With some slight alterations, this paper is printed as it was read at a meeting of The Historical Society of Pennsylvania on March 8, 1937. It is based mainly upon that Society's manuscript collection, "Reed and Forde, Business Correspondence, 1763-1823." In the following notes, documents in this collection will be cited merely by the title of the volume or box in which they are to be found, such as "Correspondence, 1800-1803," "Letter Book, 1787." As stated in the text, this article does not pretend to give a comprehensive account of the business activities of Reed and Forde; and even for the particular subject treated here, their voluminous papers doubtless contain pertinent documents that I have not examined. Though its scope is limited, I hope that it may possess some significance in itself and that it may also suggest certain possibilities of research to which historical students have so far given little attention, namely, the study of the beginnings of United States commerce with Latin America as revealed in the business correspondence of the period. In Philadelphia alone there are several important manuscript collections of this kind that have hardly been touched—at any rate, for this purpose. Data obtained from such sources should of course be checked and supplemented by data obtained from Spanish and Spanish American sources, as I have tried to do in this paper. In this way, important contributions could be made to the diplomatic and political as well as the economic history of the period.

this dislocation was a matter of great consequence not only because of the volume of Spanish American commerce, but also because of its special character: Spanish America was then the world's chief source of supply of gold and silver.<sup>2</sup>

Peuchet also pointed out that Raynal, whose book was first published in 1770, was unable to foresee the great changes that were soon to take place in America. We may add that, even at the close of the American Revolution, no one could have been expected to foresee the great changes that were soon to take place in the commerce of Spanish America. Practically all of it was monopolized by Spain and most of it was concentrated in the single port of Cadiz. Though smuggling was still widespread, Spain was then at the height of its "Bourbon renaissance" and the court seemed to be making considerable progress in its efforts to adjust its regulations to the needs of colonial commerce, stamp out smuggling, and prepare Spanish industry and shipping to meet the needs of the colonies. At no time for more than a century past had Spain's prospects of rendering effective its ostensible monopoly appeared more flattering than in 1783. Yet within a quarter of a century these prospects had been utterly destroyed and the commerce of Spanish America had fallen into the hands of foreigners—the English, the French, the Dutch, and the Americans. The loss of Spain's commercial control over her colonies was soon followed by loss of political control as well. By 1825 all of continental Spanish America had achieved its independence. It is interesting to compare the commercial sequel of independence in the former Spanish colonies with that in the former English colonies; for while the bulk of the commerce of the United States reverted to England very shortly after the close of the American Revolution, Spain never regained in independent Spanish America the commercial preponderance that she had enjoyed during the colonial period.

In the United States, Philadelphia was one of the main centers of interest in Spanish America throughout this revolutionary era. Many books and pamphlets about Spain and Spanish America were published and many Spanish American revolutionary agents and sympathizers lived or visited in Philadelphia; and its merchants and sailors took a leading part in opening up the forbidden trade with

<sup>2</sup> M. Peuchet, *État des colonies et du commerce des Européens dans les deux Indes, depuis 1783 jusqu'en 1821, pour faire suite à l'histoire philosophique et politique . . . de Raynal* (2 vols., Paris, 1821), I. 8, 272.

Spanish America and thus in initiating the commercial revolution that preceded and contributed to the political emancipation of that region.

Conspicuous among these Philadelphia merchants were John Reed and Standish Forde of the firm of Reed and Forde. To be sure, their trade with Spanish America was confined for the most part to a single port, New Orleans, during a comparatively brief period (about 1787-1803), and New Orleans is not often thought of as a Spanish American port, since it, together with the rest of Louisiana, was annexed to the United States as long ago as 1803. But from the American Revolution to the Louisiana Purchase, New Orleans was a Spanish port; it possessed more importance for the United States than almost any other port in Spanish America, and our annexation of Louisiana was due at least in part to the trade which American merchants built up with New Orleans while it was still under the dominion of Spain. The following pages contain an account of the part that Reed and Forde of Philadelphia played in opening up trade with one corner of Spanish America and in promoting the territorial as well as the commercial expansion of the United States in the first generation after independence.

There was nothing petty or parochial or humdrum about Reed and Forde's business. Their far-flung correspondence, though yellowed by time, still conveys the yeasty flavor of the age of innovation and expansion in which they lived; and it shows how profoundly economic activities were influenced by the political upheavals and the wars of the period. Their correspondence extended from Boston to Savannah, from New Orleans to Malabar and from Cap François and Jamaica to Marseilles, Lisbon, Bordeaux, and London. It contains a host of names familiar in the history of American business, politics, and diplomacy: George Washington, Edmund Randolph, Alexander Hamilton, Andrew Jackson, Clement Biddle, Robert Morris, and Diego de Gardoqui; Governors Mifflin of Pennsylvania and Miró and Gayoso of Louisiana; Tench Coxe of Philadelphia, and his brother Daniel; Moses Austin, lead miner of Virginia and Missouri, and later colonizer of Texas; Daniel Clark, Jr., merchant and consular agent of the United States at New Orleans; and the adventurer Philip Nolan and his more notorious associate, James Wilkinson, soldier, merchant, politician and arch-conspirator.

Reed and Forde not only engaged in foreign commerce both on their own account and on commission, and owned and operated their own ships, captained by members of their own families, but also engaged in many kinds of financial operations and bought and sold western lands, for which they procured settlers and on which they operated flour mills. They lent money to Edmund Randolph and Robert Morris, and sold bank stock to George Washington.<sup>3</sup> In 1787 they complained that Alexander Hamilton was neglecting the interests of one of their clients in New York and they were reluctant to excuse Hamilton even on the ground that he was preoccupied with his work in the Federal Convention.<sup>4</sup> When the new federal government was established, they were among the merchants—excoriated by the Anti-Federalists—who sought to turn an honest penny by buying up depreciated paper currency of the old Congress and the several states, in the hope that the Hamiltonian financial system would be adopted and this currency redeemed at par.<sup>5</sup> In the course of these various enterprises, they were constantly taking risks that appalled their more conservative creditors—for, though they lent money, they themselves were deep in debt throughout most of this period, and that fact doubtless goes far to explain their conduct. It is characteristic of them that, in writing about a projected venture of theirs in the Mississippi trade, they said that this “speculation” would “not be

<sup>3</sup> Randolph: Correspondence, 1800-03, I. Heron to Reed and Forde, Aug. 25, 1801, enclosing Randolph's bill in payment of the loan. Morris: Letter Book, 1796-88, Reed and Forde to Robert Morris, June 6, 1797; same to same, Aug. 3, 1797. The Reed and Forde Papers contain many other letters about their business dealings with Morris and John Nicholson. Washington: *ibid.*, Reed and Forde to Walter Smith, March 24, 1797; to George Washington, June 5, 1797. Reed and Forde were prominent enough in their day to achieve mention in Abraham Ritter's *Philadelphia and her Merchants* (Philadelphia, 1860), p. 57, 169; but Ritter did not regard them as important enough to merit extended discussion—or perhaps he did not have access to their papers. On p. 57 he mentions them, with other merchants, as “giving life to the plot [a plot on Water St.] sixty years ago”; on p. 169 he gives their business address as No. 91, Front Street. According to *The New Trade Directory for Philadelphia, Anno 1800* (Philadelphia, 1799), Reed and Forde's place of business was then at 61 Water Street (p. 116); Standish Forde's residence was at 27 Vine Street (p. 105) and John Reed's at 143 Chestnut Street (p. 115). In the *Directory*, Reed is spelled “Read,” and in Ritter, Forde appears as “Ford.” In this paper I have followed the spelling that Reed and Forde themselves used.

<sup>4</sup> Letter Book, 1787, Reed and Forde to Peter Anspach, Sept. 15, 1787.

<sup>5</sup> This is mentioned in several of Reed and Forde's letters of 1789; among others, in Standish Forde's letter to John Reed (then on his way to New Orleans), Jan. 7, 1790 (erroneously dated 1789): Letter Book, 1789-90.

hazardous.”<sup>6</sup> In their energy, in the multiplicity of their interests, and in their readiness to try their fortune in new fields, Reed and Forde seemed to be animated by the spirit of those merchant adventurers who had extended English trade to the White Sea, the Levant, and the East Indies in the 16th and 17th centuries—and also by the spirit of the American frontier. Thus they were fitted by temperament for the undertaking that engaged most of their time and attention between the end of the American Revolution and the Louisiana Purchase, namely, the development of trade with the Ohio Valley. To this even their trade with New Orleans was subsidiary at the outset, though ultimately it became independent.

Even before the close of the American Revolution, Philadelphia merchants were developing an interest in the trade through the Ohio Valley with New Orleans. According to the report of a Spanish agent at Philadelphia who wrote in February, 1783, the Atlantic coast was then infested with so many British warships that these merchants were unwilling to risk maritime shipments and sought compensation by sending their goods across the mountains to the Fort Pitt (Pittsburgh) region and the Illinois country, exchanging them for flour and furs and shipping the flour in flat boats down to the New Orleans market where it commanded an even higher price than usual because the war between Spain and England had made it difficult to obtain supplies from the normal source, Vera Cruz.<sup>7</sup> Thus in this war, as in so many others during the eighteenth century, the war-time embarrassments of Spain and its colonies promoted the economic penetration of Spanish America by foreigners; for during war-time the Spanish commercial monopoly had to be relaxed, and when peace was restored, neither foreigners nor colonists were willing to surrender the mutually advantageous trade that the war had opened up.

With the end of the American Revolution, the reopening of trade with England, and the flush times that followed, the attention of these Philadelphia merchants was diverted from the Ohio Valley and New Orleans—but only for a brief period. It soon developed that in their

<sup>6</sup> Letter Book, 1788-90, Reed and Forde to Thomas Mullett, Oct. 13, 1789.

<sup>7</sup> Archivo General de Indias, Seville, Audiencia de Santo Domingo, 146-3-11, Francisco Rendón to José de Gálvez, Philadelphia, Feb. 28, 1783, No. 72 duplicate. I am unable to say how extensive an interest Reed and Forde had in this trade in 1783; but that they did have an interest in it then is shown by the fact that on Sept. 2, 1783, they sold one James Elliot some goods which were sent to Pittsburgh (Shipping and Miscellaneous Accounts, 1783-94, undated and unsigned memorandum of this transaction).

optimism they had imported far more English goods than could be sold in the East; and so some of them sought to dispose of the surplus in the rapidly growing settlements of the Ohio Valley. Reed and Forde doubtless shared this interest; and they also owned thousands of acres of land in the Ohio Valley which they wished to enhance in value by promoting the settlement of the West.<sup>8</sup> Unless, however, the western people could find an outlet for their produce, they would be unable to purchase eastern goods, and western lands would be unlikely to rise in value. The only practicable outlet for western produce was by way of the Mississippi River, and both banks of that river in its lower course were in the possession of Spain. At that time the Spanish court forbade the Americans and all other foreigners to trade with New Orleans or even to navigate the Mississippi.<sup>9</sup> It was, therefore, to the interest of our Philadelphia merchants as well as the western people to find some means of breaking Spain's monopoly of the Mississippi.

The general business depression that followed close on the heels of the American Revolution<sup>10</sup> had a decisive influence in determining Reed and Forde to try to open up the Mississippi trade. The wide-

<sup>8</sup> In a letter of Nov. 20, 1787, Reed and Forde explained their difficulties partly by "the purchase of real property" that they had made; but they defended the purchase on the ground that it had enabled them to dispose of "some [otherwise] unsaleable goods" (Letter Book, 1787, Reed and Forde to Messrs. Cruger and Mullett, Nov. 20, 1787). One tract of their western lands (34,180 acres on the little Kanawha River in western Virginia) was obtained under patents from Governor Patrick Henry of Virginia dated Aug. 4, 1785, and was part of a 300,000 acre tract surveyed by George Tudor and John Vanderen on the joint account of Josiah Willard, William Gibbs, and Reed and Forde, and another unidentified person (Letter Book, 1788-90, p. 242, copy of quit claim). According to their own statement, they owned at least 90,000 acres of western lands in 1787, 40,000 in (Monongalia and Harrison counties) the present West Virginia and 50,000 in Kentucky (Letter Book, 1787, Reed and Forde to Jno. Cleves Sims [*sic*], Aug. 24, 1787). Many other documents bearing on this subject are contained in a box labeled "Western Lands."

<sup>9</sup> Arthur P. Whitaker, *The Spanish American Frontier, 1783-95* (Boston, 1927), 28-30, 68, and *The Mississippi Question, 1795-1803* (New York, 1934), 80. For detailed information regarding commercial regulations in Spanish Louisiana, see the same writer's *Documents Relating to the Commercial Policy of Spain in the Floridas . . . [and] Louisiana* (Deland, 1931), especially the Historical Introduction and Docs. IV, XXIII, and XXV; and for a more general discussion, see his article, "The Commerce of Louisiana and the Floridas at the End of the Eighteenth Century," *Hispanic American Historical Review*, VIII, 190.

<sup>10</sup> Edward Channing, *A History of the United States*, III, 408-27.

spread political discontent which resulted from that depression made it possible for them—and other like-minded persons—to succeed in doing so. Reed and Forde were hard hit by the depression; their debts were large and their creditors, Cruger, Ledyard and Mullett, of New York and London, were clamoring for payment.<sup>11</sup> So they were ready to try any expedient, no matter how novel or hazardous it might be, if only it promised to bring in some ready cash. Their existing interest in western trade and land speculation pointed clearly to the Mississippi trade. Here the political discontent of the period came to their aid. This discontent was particularly keen in the West, where, by a happy coincidence, it produced the "Spanish conspiracy" just when such a development was most needed by Reed and Forde. The Spanish conspiracy was an intrigue in which James Wilkinson and other frontiersmen concerted with the Spanish officials of Louisiana a plan ostensibly designed to separate the trans-Allegheny West from the United States. Whether or not the western conspirators really intended to promote the secession of the West, they certainly intended to promote its trade by inducing Spain to open the Mississippi River to them.<sup>12</sup>

In the latter effort they met with a considerable measure of success. The first important move in the conspiracy was James Wilkinson's descent down the Ohio and the Mississippi to New Orleans in 1787. He contrived somehow to get past the intervening river ports to the creole capital.<sup>13</sup> Then, by playing alternately on the Spaniard's fear that the West might attack Louisiana, and their hope that it might secede from the Union, he induced first the local officials and then the court itself to permit the westerners to export their produce down the Mississippi to New Orleans.<sup>14</sup> This privilege, formally granted by a royal order of 1788, continued in force until 1795, when by the

<sup>11</sup> Correspondence, 1786-90, Cruger, Ledyard and Mullett to Reed and Forde, Feb. 1, 1786 and same to same, July 5, 1787; Letter Book, 1787, Reed and Forde to Cruger and Mullett, Nov. 20, 1787.

<sup>12</sup> Whitaker *Spanish American Frontier*, 96-97; Temple Bodley, *Littell's Political Transactions* (Louisville, 1926: Filson Club Publications, No. 31), xl, xli (somewhat inaccurate, but shrewd).

<sup>13</sup> Arthur P. Whitaker, "James Wilkinson's First Descent to New Orleans in 1787," *Hispanic Am. Hist. Rev.*, VIII. 82-97.

<sup>14</sup> William R. Shepherd, "Wilkinson and the Beginnings of the Spanish Conspiracy," *Am. Hist. Rev.*, IX. 490.

treaty of San Lorenzo, Spain granted the citizens of the United States the free navigation of the Mississippi throughout its course and the privilege of transshipping their cargoes at New Orleans.<sup>15</sup>

Wilkinson's descent to New Orleans in 1787 thus opened one side of the great circular trade that was soon to link Philadelphia with the Ohio Valley and New Orleans. The other side of it—which required access to New Orleans by way of the Gulf of Mexico and the lower Mississippi—was never formally opened by the Spanish court; but even before Wilkinson's first arrival at New Orleans, means had been found of evading Spanish prohibitions and selling Philadelphia merchandise in New Orleans. This was made possible by the permission to trade with French St. Domingue which the Spanish court had granted Louisiana in 1782; for the Americans too had the privilege of trading with St. Domingue and their cargoes were transshipped there and sent to New Orleans thinly but adequately disguised as French property. Even in their despatches to the court, the Spanish officials of Louisiana admitted that the volume of imports received from Philadelphia by this route was considerable.<sup>16</sup> New Orleans—and other Spanish American ports as well—paid for American goods partly in specie. To the Americans, that was one of the chief attractions of the trade; for, as we have already noted, Spanish America was then the world's chief source of supply of gold and silver, commodities that were scarce and in great demand in the United States. Though the exportation of specie from the Spanish colonies was prohibited under severe penalties, it was relatively easy to smuggle it out. Phineas Bond, the British consul at Philadelphia, reported to his government that in 1787 five hundred thousand dollars worth of

<sup>15</sup> Samuel Flagg Bemis, *Pinckney's Treaty* (Baltimore, 1926), ch. XII, and Whitaker, *Spanish American Frontier*, ch. XIV.

<sup>16</sup> Whitaker, *Mississippi Question*, 82, notes 2 and 3. Additional information is contained in Archivo General de Indias Audiencia, Seville, de Santo Domingo, 86-6-8, Miró and Navarro to Valdés, April 1, 1788, No. 56. This despatch states that the New Orleans officials decided to return 63,300 pesos held in the royal treasury in connection with the trial of several leading merchants of New Orleans for trading with Philadelphia; the reason for this act of grace being the fire that had recently destroyed a large part of New Orleans and the necessity of animating the merchants to supply the city and build it up again. In 1793 another very destructive fire at New Orleans again furnished the local officials with an excuse for openly permitting the trade with the United States that, as is shown in this article, was all the while prosecuted clandestinely but actively.



specie was brought from Spanish America to that port alone.<sup>17</sup> Some of this—just how much we cannot say—came from New Orleans; for hundreds of thousands of dollars worth of specie was smuggled out of the province every year, most of it going to St. Domingue.<sup>18</sup> Some of this, we may safely assume, went from St. Domingue to Philadelphia. Thus the merchants of Philadelphia had still another reason for sharing with Wilkinson and his fellow westerners their desire to promote trade between the United States and New Orleans.

Indeed, it is possible that some Philadelphia merchant or merchants had a hand in Wilkinson's first expedition to New Orleans and so in the beginning of this important phase of the Spanish conspiracy, for it was a trading venture with Philadelphia backing that took him to Kentucky at the end of the Revolution;<sup>19</sup> but it will require further research to substantiate this conjecture. At any rate, if any Philadelphia merchants were responsible for his going to New Orleans, it was almost certainly not Reed and Forde. This is rather surprising, since he and they had similar interests and were connected with each other in a roundabout way. Wilkinson's wife was Ann Biddle, a sister of Clement Biddle who backed Wilkinson's Kentucky venture in 1784; and we know that when Clement Biddle failed in 1785, Reed and Forde were among his creditors.<sup>20</sup> So one might be ready to believe

<sup>17</sup> "Letters of Phineas Bond," in American Historical Association, *Report*, 1896, I. 542.

<sup>18</sup> Whitaker, *Mississippi Question*, 82, 133-34. Martín Navarro, former intendant of Louisiana, said in 1789 that French St. Domingue was the main channel by which specie from Spanish America passed into the hands of foreigners, and that for this reason the French boasted that St. Domingue was worth more to them than the whole of Mexico (Archivo General de Indias, Audiencia de Santo Domingo, 87-3-19, Navarro to Valdés, Jan. 15, 1789, No. 2, copy). Of course, France as well as other European countries obtained a great deal of Spanish American gold and silver through trade with Spain itself. Peuchet, *État des Colonies*, 208 (apparently speaking of the period about 1780-90) says that France obtained about 50,000,000 francs worth of gold and silver a year in this way.

<sup>19</sup> Thomas Robson Hay, "Some Letters of Mrs. Ann Biddle Wilkinson from Kentucky, 1788-89," PENNSYLVANIA MAGAZINE OF HISTORY AND BIOGRAPHY, LVI. 34-35, 53-55, discusses this question.

<sup>20</sup> Correspondence, April 1782-85, Timothy Pickering to John Lawrance, Philadelphia, Feb. 28, 1785. After introducing Reed and Forde and mentioning another Philadelphia firm, Lamb and Checkly, Pickering wrote: "Colo. Clement Biddle has this day shut up. The gentlemen above named [*i.e.*, Reed and Forde, and Lamb and Checkly] are his creditors, merely by indorsing his bills or notes. They have therefore the best claims to securities for their dues. Colo. Biddle has a farm or tract of land, at Katskill, and other lands elsewhere, which they wish to attach." Pickering then requested Lawrance

that Wilkinson and his schemes were one of the more or less doubtful Biddle assets acquired by Reed and Forde in 1785, and that they were thus involved in Wilkinson's New Orleans venture two years later. This problem is all the more curious because we know that Reed and Forde did send an agent of their own to New Orleans in 1787 and that he returned to the United States about the same time as Wilkinson and with news equally encouraging to American merchants.<sup>21</sup> Nevertheless, it is virtually certain that this unidentified agent was not Wilkinson, and that the latter's connection with them was first formed early in 1788 after his return from New Orleans, and that the connection was formed through John Lewis, of Fredericksburg, Virginia. Lewis kept a store at Fredericksburg, which was supplied by Reed and Forde, and when Wilkinson approached Lewis early in 1788 about a credit for a venture to the Ohio and New Orleans, the latter naturally sought to interest them in the venture.<sup>22</sup> Thus it appears that Reed and Forde had developed an interest in the Mississippi venture simultaneously with Wilkinson but independently of him, and that the two were brought together by their common association with Lewis.

In 1788 and again in 1789 Reed and Forde were concerned with Lewis and Wilkinson in expeditions from the Ohio Valley to New Orleans.<sup>23</sup> Both of these expeditions turned out badly, and Reed and Forde had little to show for their pains but a sheaf of Wilkinson's notes amounting to the tidy sum of £2300 Pennsylvania currency—

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to do all he could for them, assured him that they would honorably pay any expenses he might incur, and added, "as they are strangers to you, I pledge myself for such payment."

<sup>21</sup> Letter Book, 1788-90, Standish Forde to John Lewis, March 10, 1788: "The gentleman is now in town [Philadelphia] that I informed you had been to New Orleans on our business. I shall detain him a few days longer till I hear your determination as I think he will be very necessary for your plan." This letter refers to an earlier letter (Feb. 6) to Lewis on this same subject; but the latter does not identify the "gentleman." Together with other letters that passed between Lewis and Forde during this year, it shows that the "plan" was a venture down the Ohio and Mississippi. The "gentleman" who was in Philadelphia on March 10 could not have been Wilkinson himself, since he had already returned to Lexington, Ky., arriving there on Feb. 24. (Thomas Robson Hay, *Life of James Wilkinson*, 122. This work, still in manuscript, is soon to be published. I am greatly indebted to Mr. Hay for permitting me to examine the chapters IV-VII dealing with the period 1783-91.)

<sup>22</sup> Hay, *Wilkinson*, 121-22.

<sup>23</sup> The Reed and Forde Papers contain documents too numerous to cite relating to these two ventures. They are contained in Letter Book, 1788-90, and correspondence, 1786-90.

about \$7,000.<sup>24</sup> They had made their preparations carefully, had obtained passports from the Spanish envoy in the United States, Diego de Gardoqui, and Standish Forde himself had accompanied the expedition of 1789 to New Orleans; but one important element of success they still lacked: a permit from the Spanish officials at New Orleans.<sup>25</sup>

This they obtained from a Philadelphia capitalist, Joseph Ball. Ball in turn had obtained it from Oliver Pollock,<sup>26</sup> whose services at New Orleans during the American Revolution had given him some influence there. Reed and Forde now formed with Ball an association that is important in the history of the New Orleans trade, for a large part of that trade was carried on under it during the next five years, and it soon involved two other men, Daniel Clark, Jr., and Daniel W. Coxe, who were destined to expand the trade greatly and give it political significance. Ball, as well as Reed and Forde, had already made a venture in the Mississippi trade and had burnt his fingers in

<sup>24</sup> Letter Book, 1788-90, p. 323, itemized list. Wilkinson was jointly indebted with Samuel Blackburn for the greater part of this sum. Blackburn had been associated with him in an adventure in 1789. In 1803 Reed and Forde were still trying vainly to collect this debt from Wilkinson (Correspondence, 1800-03, James Graisbury to Reed and Forde, Jan. 3, 1803).

<sup>25</sup> Letter Book, 1788-90, Reed and Forde to Thomas Mullett, Philadelphia, Sept. 27, 1789. Speaking of the Ohio-New Orleans expedition from which Forde had just returned, they wrote that it had "turn'd out profitable altho we were subject to many disadvantages from the want of permits."

<sup>26</sup> Hollingsworth Papers (Historical Society of Pennsylvania), Levi Hollingsworth to John Cannon, Nov. 21, 1788. Hollingsworth had expected that he and Cannon would be asked by Pollock to do business for him under this permit; but, he said, Ball had been empowered by Pollock to do it, and would probably be associated with "Hair" (Andrew Hare, of Kentucky) in the enterprise. (I am indebted for this note to Mr. Victor L. Johnson, a graduate student at the University of Pennsylvania.) The New Orleans fire of 1788 furnished the local officials with a pretext for issuing this permit. Early in 1789, Gov. Miró forwarded to the court with his endorsement Pollock's petition for permission to import a large quantity of flour from Philadelphia and flour and tobacco from Kentucky, with the privilege of exporting duty-free the specie received in payment. The main argument with which Miró supported this extraordinary proposal was that it would enable Pollock to pay his debts at New Orleans, where he owed 74,087 pesos to the government, and 59,442 pesos to private persons. (Archivo General de Indias, Seville, Audiencia de Santo Domingo, 86-6-17, Miró to Valdés, Feb. 12, 1789, no. 164, duplicate.) I am unable to say whether the court granted the petition, but think it did not, since that would have been contrary to policy. Permits of the kind mentioned by Hollingsworth were granted by the local officials on the pretext that an emergency of some kind or other existed. For information about Oliver Pollock, see the sketch by James Alton James in the *Dictionary of American Biography* and Roy F. Nichols, "Trade Relations and the Establishment of the United States Consulates in Spanish America, 1799-1809," in *Hispanic Am. Hist. Rev.*, XIII, 290-91.

it; but though both parties had failed separately they believed that they would succeed by joining forces. This they now did. Ball provided not only the New Orleans permit, but also the capital,<sup>27</sup> while Reed and Forde contributed their first-hand knowledge of trade on the Ohio and the Mississippi and their mercantile establishment and general experience. Wilkinson was excluded from direct participation in the enterprise, but he was still expected to furnish letters of introduction to the Spanish officials of Louisiana.<sup>28</sup>

The financial backing that Reed and Forde received from Ball was a godsend to them. Cruger, Ledyard, and Mullett were angrily demanding payment and charged that Reed and Forde were responsible for "the distresses of those to whom we are in debt through your default of payment—some languishing in jail and others on the brink of ruin." Reed and Forde protested that they were indeed sensible to the distresses of others; they only wanted their creditors, in their own interest, to "wait the issue of an adventure for a much larger sum" than those already made. "The speculation we propose," they wrote with irrepressible optimism, "will not be hazardous." Cruger, Ledyard, and Mullet waited—and not for the last time.<sup>29</sup>

This speculation that was not hazardous was, of course, another venture down the Ohio and Mississippi to New Orleans, with Reed in charge this time. In the autumn of 1789 preparations for his journey were pressed actively. With a due regard for the amenities, and to make smooth Reed's path in New Orleans, Forde despatched in a ship

<sup>27</sup> Letter Book, 1788-90, John Reed to Standish Forde, June 11 and July 6, 1789 (two letters), stating that (Joseph) Ball was determined not to accept any more of Andrew Hare's drafts, and was disposed to enter into the business proposed by Forde (who was then in New Orleans). *Ibid.*, Joseph Ball to Oliver Pollock, April 9, 1789 (copy), introducing Standish Forde. Correspondence, 1791-94, Reed and Forde to Henry Cruger, March 3 (1793), draft stating that the payments they had recently made him (£450 on June 30, \$2,000 on Nov. 5, and the \$1,229.10 "paid to Mr. Frazier") had represented profits on operations which they had been enabled to undertake by the establishment of a certain credit. This credit was probably established for them by Ball, and the operations were certainly their Ohio Valley-New Orleans ventures. These letters do not speak explicitly of the agreement between Ball and Reed and Forde, and I have not found the articles of agreement in the correspondence of the latter; but the tenor of their correspondence for the period seems to show clearly that the facts were as stated in the text.

<sup>28</sup> Letter Book, 1788-90, Standish Forde to John Reed, undated letter (c. Nov. 16, 1789); same to James Wilkinson, Nov. 3, 1789.

<sup>29</sup> *Ibid.*, Reed and Forde to Thomas Mullett, Sept. 23, Sept. 27, and Oct. 7, 1789. Correspondence, 1786-90, Thomas Mullett to Reed and Forde, Sept. 18, 24 and 28, 1789.

to that port various tokens of his esteem for the Spanish officials whom he had met on his own recent visit there: to the governor's secretary, Andrés López de Armesto, three barrels of "our Pippin apples," one for Governor Miró and the other two for Armesto himself; also a beaver hat for Armesto (an important personage, the governor's secretary); and another beaver hat for Gilberto Leonard, the intendant's secretary. Forde also sent Armesto, for himself, a "box of segars," since he was "fond of smoaking," and, for his wife, a canister of Hyson tea and six loaves of sugar<sup>30</sup>—several years were still to elapse before Etienne Boré succeeded in making sugar from Louisiana cane.

Lest these polite attentions should make Armesto forget that business is business, Forde followed up his oblation of the Hyson tea and beaver hats and loaves of sugar with a quick reminder of their recent conversations about trade, and then wrote, "If you will be so good as to procure and send forward by the first conveyance a register for a sloop or schooner that will enable me to send a vessel to your port it will be much to my interest, and I shall take care to record it among the many civility [*sic*], I received from you and other friends in New Orleans."<sup>31</sup> "Civility" was certainly not too strong a word for a service that involved a flagrant violation of Spanish law. Nor is it to be assumed that such civilities on the part of the Spanish officials at New Orleans were rewarded only with literal loaves of sugar. Though the discreet correspondence of Reed and Forde does not speak openly of such matters, the uninhibited Wilkinson soon afterwards wrote to an agent who was about to take a cargo of tobacco down to New Orleans that of course the Spanish officials would expect to get their cut; and he authorized his agent to offer Gilberto Leonard four thousand dollars to get the tobacco accepted for the king's stores.<sup>32</sup>

Forde's experience on his own recent trip to New Orleans was useful on this occasion. He gave Reed a letter of introduction to "Mr. Noland," the well-known Philip Nolan, and told him to apply to Wilkinson, who was then in Kentucky, for other letters, especially to the Spanish governor of Natchez (Manuel Gayoso de Lemos). Wil-

<sup>30</sup> Letter Book, 1788-90, Reed and Forde to David Hodge, undated (c. Oct. 9, 1789), same to "Don Senior Andre," Oct. 9, 1789, Standish Forde to "Don Senior Andre," undated (c. Nov. 25, 1789), and to "Gilberto Esquire," about same date.

<sup>31</sup> Letter of Reed and Forde to "Don Senior Andre" of Oct. 9, 1789, cited in preceding note.

<sup>32</sup> Whitaker, *Mississippi Question*, 142; Mary Verhoeff, *The Kentucky River Navigation* (Louisville, 1917: Filson Club Publications, no. 28), 226-28.

kinson was to be asked to pay his debt in flour and tobacco, which could be sold on the way down the river, that is, at such Spanish posts as Natchez and Baton Rouge, as well as at New Orleans. Reed was also advised to take all the tin he could obtain, which could be sold to the hunters at "Lancela Grass" (L'Anse à la Graisse) and at Natchez. Furs and skins should be taken in exchange, for they were in great demand at Philadelphia. Forde announced with pleasure that Governor Miró had not, as rumored, been removed from the governorship of Louisiana, so that "everything [remains] as we could wish." Finally, he urged Reed to let him have a description of his boats and cargo, so that insurance might be taken on them at Philadelphia.<sup>33</sup>

Reed made the trip to New Orleans in 1790, and the results were favorable enough to confirm him and his partner in their determination to pursue the trade.<sup>34</sup> It was apparently at this time that they established one of their principal agencies in the West, a store at Natchez, where they sold the neighboring planters flour from the Ohio Valley and general merchandise from Philadelphia and received indigo, tobacco, and peltry in payment.<sup>35</sup> These were sent down to New Orleans where they were sold or else, together with the returns for shipments made by sea to New Orleans, exported to Philadelphia by way of French St. Domingue.

For the next three years the trade continued on this footing, with results that were more satisfactory to Reed and Forde than to their principal creditors, Cruger, Ledyard, and Mullett. The latter alternately threatened and plead with their elusive debtors, who protested that any considerable payment on the debt would deprive them of the capital necessary for the continuance of their Mississippi trade,

<sup>33</sup> Letter Book, 1788-90, Standish Forde to John Reed, undated (c. Nov. 16, 1789), and Nov. 25, 1789.

<sup>34</sup> John Lewis was not so well pleased. He confessed himself disappointed with the results of Reed's trip, and said he had hoped to get at least the amount of Wilkinson's bill on (Philip) Nolan: Correspondence, 1786-90, Lewis to Reed and Forde, Aug. 24, 1790. See below, note 56.

<sup>35</sup> Correspondence, 1786-90, David Ferguson to John Reed, Natchez, June 10, 1790; same to Reed and Forde, July 4, 1790; same to same, Nov. 20, 1790. In this last letter, Ferguson said there was about \$13,000 due Reed and Forde for goods sold at Natchez, and that he had sold some goods to Kentuckians to be paid for in tobacco delivered at New Orleans the following spring. Letter Book, 1788-90, Standish Forde to David Hodge (New Orleans merchant), Nov. 25, 1789.

which, they asserted in 1792, was their "main resource."<sup>36</sup> Mullett, on the other hand, declared that this trade had been "the source of three successive years of disappointment," and declared that he and his partners would "apply to the Federal Court" unless they received a considerable payment at once. By authorizing Henry Cruger to draw on them for \$2000 at sixty days and promising another payment to the same amount within four months—the time it would require their ship, the *Gayoso* to make the trip to New Orleans and return—Reed and Forde succeeded in averting the threatened suit.<sup>37</sup>

The custom-house records of Philadelphia<sup>38</sup> show how important a part they played in the growing trade with New Orleans and also how important that trade was to them. According to the list of entries at Philadelphia for 1791 (which may be taken as typical of the period 1789-93), nine ships arrived there from New Orleans in that year. Of these nine, five brought cargoes that were consigned wholly or in large part to Reed and Forde. Moreover, a ship arrived from Cap François (St. Domingue) with a cargo of tobacco consigned to John O'Bannon, who was Reed and Forde's principal agent in the Ohio Valley; and since this tobacco was admitted duty free as produce of the United States, we may assume that it was Kentucky tobacco which had been shipped through New Orleans and that Reed and Forde were interested in it. One of these nine arrivals was their own ship, the *Gayoso*, which was regularly engaged in the New Orleans trade and which they had tactfully named for Manuel Gayoso de Lemos, at this time Governor of Natchez and later of all Louisiana and West Florida.

The cargoes consigned to Reed and Forde from New Orleans consisted for the most part of tobacco and peltry, which came sometimes

<sup>36</sup> Correspondence, 1791-94, Reed and Forde to Henry Cruger, Aug. 28, 1792 (draft): "At present our main resource is from the Missisipe [;] by the last advise we had monys in our agents hands but there is no chance of recovering it until our Brig Gayoso returns which will be some time in October."

<sup>37</sup> *Ibid.*, Thomas Mullett to Reed and Forde, No. 31, Dowgate Hill, London, July 8, 1792; Henry Cruger to Reed and Forde, New York, Nov. 2, 1792; John Cruger to Reed and Forde, New York, Nov. 8, 1792; Henry Cruger to Reed and Forde, Feb. 27, 1793; Reed and Forde to Henry Cruger, March 3 (1793), draft.

<sup>38</sup> Port of Philadelphia, Arrivals of Ships, 1791 (bound vol., MS., Custom House, Philadelphia). John Leamy was the only other Philadelphia merchant who received a number of consignments from New Orleans comparable with that received by Reed and Forde.

from Louisiana and sometimes from Kentucky or some other part of the Ohio Valley. Twice there were consignments of logwood, which had probably been brought to New Orleans from Campeche and twice Reed and Forde received a box of "segars"—possibly a retort courteous from Secretary Armesto. It is interesting to note that in these same ships came consignments for John Vaughan, who had introduced Reed and Forde to the Spanish envoy, Gardoqui, in 1788, and for William E. Hulings, who later moved to New Orleans and at one time, towards the close of the Spanish régime, acted as United States consul there.

The Philadelphia port records also indicate that in 1791 Reed and Forde were confining their attention almost exclusively to New Orleans; at any rate, they very seldom received a consignment from any other port. The reason may have been that the safer and more profitable commerce with Europe and the West Indies was in the hands of such merchant princes as Stephen Girard, Thomas Fitzsimmons, and Willing, Morris, and Swanwick, whose names are prominent in the port records for this year and with whom Reed and Forde, still suffering from their losses in the depression of 1785-87, did not have the resources to compete.

In 1793, first Great Britain and then Spain went to war with France. This conflict brought about some important changes in Reed and Forde's New Orleans trade. At first they expected it to be highly beneficial to them, since their ships would have a great advantage over ships under the flags of the belligerents<sup>39</sup> and it was likely that their Ohio Valley flour would command fancy prices in New Orleans and the West Indies. More than this, they counted upon gaining admission to even richer markets in other parts of Spanish America, from which foreigners were normally excluded but which would probably be opened in the stress and confusion of war-time. It was partly this latter consideration and partly the wish to put an end to an expensive competition that led two of their New Orleans agents, Daniel Clark, Jr., and Daniel W. Coxe, who had hitherto done business independently of each other, to form a partnership as soon as they received news that war had begun. Informing Reed and Forde of the formation of their partnership, they said that they were confident the war would stimulate trade between the United States and New Orleans, and added: "The secret avenues also by which

<sup>39</sup> Letter Book, 1793-94, Reed and Forde to Daniel Clark, Jr., April 10, 1793.



considerable quantities of goods are introduced from this place into the other Spanish dominions, are additional reasons for supposing that this trade must daily become of more importance, and as the articles generally imported are of a necessary nature, Government will doubtless continue to wink at the mode in which the business is carried."<sup>40</sup>

During the next few years, government had to spend most of its time winking, for the outbreak of war between Spain and France had, by putting an end to trade between New Orleans and French St. Domingue, destroyed the only device that had ever given even a semblance of legality to the forbidden but active trade between New Orleans and the United States. Henceforth, American ships had to carry two sets of papers, posing as Spanish while they were in the Mississippi and promptly throwing off the mask as soon as they sailed out of the mouth of the river, so that they might enjoy the rights and immunities of neutrals. Moreover, if these ships sought to break the long voyage from Philadelphia to New Orleans by stopping—as they had usually done in peace-time—at one of the West Indies, whether British, French, or Spanish, they laid themselves open to capture by the privateers that infested that focal point of American commerce. The war increased the hazards as well as the profits of the New Orleans trade.<sup>41</sup>

Far from being daunted by these hazards, Reed and Forde showed more enthusiasm than ever for the trade. In June, Forde wrote his partner who had already gone to Kentucky, "You will do well to ship all the Flour Beef Pork Butter and lard that you can possibly purchase and casks of Whisky for [if] ever it answered to send down

<sup>40</sup> Correspondence, 1791-94, Daniel W. Coxe and Daniel Clark, Jr., to Reed and Forde, New Orleans, March 6, 1793; Daniel Clark, Jr., to Reed and Forde, March 16, 1793. Coxe and Clark's statement is especially interesting in view of the fact that a heated debate had raged in Spain over the relation of New Orleans to contraband trade with other parts of Spanish America and the influence of this contraband trade on the decline of legitimate Spanish trade with America. For this subject, see Arthur P. Whitaker, *Documents Relating to Spanish Commercial Policy in the Floridas . . .* [and] *Louisiana* (Deland, 1931), Historical Introduction, xli-xliii and Doc. No. IX; and "Spanish Commercial Policy in Louisiana and Florida at the End of the Eighteenth Century," *Hispanic Am. Hist. Rev.*, VIII. 190-203.

<sup>41</sup> Letter Book, 1791-94, Reed and Forde to Coxe and Clark, May 26, 1793; same to Capt. Thomas Morgan, Dec. 16, 1794. See also the letter cited in note 39, above. For a general description of the commerce of Louisiana from 1793 to 1803, see Whitaker, *Mississippi Question*, Chs. V and VIII.

the Ohio it must be this and the ensuing season."<sup>42</sup> For a time all went well. Operations were facilitated by a passport from the Spanish chargé permitting a ship of theirs to go to Havana and New Orleans;<sup>43</sup> and the latter port was temporarily thrown open to American trade without disguise because of a fire that had destroyed half the city.<sup>44</sup> The *Gayoso* was captured off the Delaware capes by the *Little Democrat*, one of Genêt's privateers; but when brought into port as a prize it was promptly released.<sup>45</sup>

Luck seemed to be on the side of Reed and Forde. Together with their original backer in the New Orleans enterprise, Joseph Ball, and their newer associate, Daniel W. Coxe, they decided to expand their operations and import goods from France for sale to the French creoles of Louisiana. The latter province was still under the dominion of Spain, and Spain and France were still at war with each other; but goods brought from Bordeaux could be made United States property by breaking the voyage at Philadelphia. So an agreement was made whereby Coxe was to take the ship *Tristram* to Bordeaux, sell its cargo and 100 shares of stock in the Delaware and Schuylkill Canal, and either sell or mortgage 50,000 acres of Reed and Forde's lands in western Virginia. With the proceeds, he was to buy French goods, such as brandy, wine, laces, silk hose, and black ostrich feathers, and ship them to Philadelphia in the *Tristram* or some other ship or ships. The reason for sending the ship to Bordeaux rather than Marseilles, with which Reed and Forde sometimes did business, was probably the increasing activity of the Barbary corsairs. "No captains or sailors," wrote Reed and Forde in 1793, "will venture to the Mediterranean in the summer season in American Bottoms unless security is given for their Ransom in case of capture by the Algerines."<sup>46</sup>

<sup>42</sup> Letter Book, 1793-94, Forde to Reed, June 19, 1793.

<sup>43</sup> *Ibid.*, Reed and Forde to Dr. Joseph de Jáudenes, "Minister for His Catholic Majesty," Sept. 5, 1793. Actually Jáudenes was not a minister but only a chargé d'affaires (*encargado de negocios*).

<sup>44</sup> *Ibid.*, Standish Forde to John Reed, June 19, 1793. Reed had again gone to the Ohio Valley on business.

<sup>45</sup> Letter Book, 1793-94, Reed and Forde to Daniel Clark, Jr., Aug. 23, 1793; same to "Mr. Genet, Minister for the French Republic," undated (c. end of December, 1793); same to Edmund Randolph, Secretary of State, Feb. 28, 1794.

<sup>46</sup> Letter Book, 1793-94, Joseph Ball and Reed and Forde to Daniel W. Coxe, Jan. 4, 1794; Reed and Forde to Coxe, Dec. 28, 1793 and Jan. 6, 1794; Reed and Forde to Testart and Gerin, undated, c. May 14-26, 1793 (Algerines).

Coxe sold the *Tristram's* cargo in Bordeaux at good prices, established a credit of 320,000 livres with the house of Corbeaux Père et Fils of that port, and despatched three ships to Philadelphia with cargoes worth 304,000 livres. Coxe himself sailed in one of these vessels, the barque *John* which carried a cargo worth 124,000 livres. The ship had an easy crossing until it came within sight of the Delaware capes; but there it was captured by the British privateer *Experiment*, taken to St. Georges, Bermuda, and condemned as a lawful prize. "Thus has a voyage been frustrated," wailed Coxe, "that would have netted us at least 40,000 dollars."<sup>47</sup>

Though the *Tristram* arrived safe, sales in Philadelphia itself were dull, contrary to all expectations, and by this time Reed and Forde had suspended shipments to New Orleans owing to the confusion caused by George Rogers Clark's projected invasion of Louisiana under the aegis of Citizen Genêt.<sup>48</sup> Then the Whiskey Rebellion in the western counties of Pennsylvania unhinged the trade not only in the Ohio Valley, but also at Philadelphia; for besides reducing sharply the exportations of western produce, it also prevented Reed and Forde from making a shipment of Philadelphia shoes to New Orleans. "The shoemakers with whom we have contracted," they wrote Daniel Clark, Jr., "have all been on the campaign against the Western Insurgents. We inclose their apologies for not complying with the Contract."<sup>49</sup> They also lost another of their ships, the *Betsy*, which, like the *John*, was captured by the privateer *Experiment* within sight of land, taken to Bermuda, and condemned. A third ship, the *Betsy and Hannah*, was seized by the British in the West Indies and also suffered condemnation, partly because its captain was bribed by the British to betray Reed and Forde's interests—or so they charged—and a fourth ship, the *Molly*, was caught by the embargo when it touched at New York on its way from New Orleans to London.<sup>50</sup>

<sup>47</sup> Correspondence, 1791-94, Daniel W. Coxe to Reed and Forde, St. Georges, Bermuda, Aug. 27, 1794; Letter Book, 1793-94, Reed and Forde to Edmund Randolph, Secretary of State, Sept. 23, 1794.

<sup>48</sup> Letter Book, 1793-94, Reed and Forde to Peter Davis, March 4, 1794 (Clarke); Correspondence, 1791-94, same to H. Cruger, Esq., Aug. 28, 1794, draft (*Tristram*).

<sup>49</sup> *Ibid.*, Reed and Forde to Daniel Clark, Jr., Oct. 5 and Dec. 16, 1794.

<sup>50</sup> (1) *Betsy*: Letter Book, 1793-94, Reed and Forde to James and William Perot, Aug. 18, 1794; same to Bridger Goodrich, Dec. 12, 1794. (2) *Betsy and Hannah*: *ibid.*,

As if all this were not misfortune enough, in November, 1794, they suffered what they described as one of the worst disappointments of their commercial career when the brig *Swallow* from New Orleans brought them, instead of the rich returns in produce and specie that they had expected, letters from Daniel Clark, Jr., informing them that he had practically nothing to send them. They held Clark responsible for their disappointment and wrote him reproachfully: "When we recollect that in consequence of advice from Mr. Coxe we wrote you that he would go from this to New Orleans with a property of at least 30,000 Dollars we are surprised to find that you have made no exertions to aid both him and us."<sup>51</sup>

Throughout the following year, they continued their complaints until at last in February, 1796, Clark let himself go in a letter in which he countered charge with charge. They had paid no attention to his advice, he complained, and had sent goods that, even when they arrived in proper condition, were unsalable, such as port, sherry, and sheepskin shoes, for which there was no demand in New Orleans; or if they sent the right articles, they delayed doing so until the market was glutted. Moreover, they had had the effrontery to divert to their own uses a shipment that Clark had intended for a London creditor. It is quite evident, however, that the main cause of Clark's irritation was the fact that he had been excluded from the Bordeaux venture in the *Tristram*, had not even been adequately informed about it, and yet had been expected to look after the important New Orleans end of it—for the benefit of Ball, Coxe, and Reed and Forde. He was not ready to break with them, however, for he said that he expected to visit Philadelphia soon and hoped to "settle all matters between us on such a footing as to leave no room for future difficulties."

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same to James Blair, April 16, 1794; same to Johnston McClenachan (the captain in question), April 16, 1794; same to same, May 8, 1794. McClenachan defended himself in an undated letter which will be found in a box labeled "Correspondence, 1806-29. Undated Letters." (3) *Molly: ibid.*, same to Alexander Hamilton, Esq., April 15, 1794; same to Captain Thomas Morgan, April 20, 1794; same to Leffingwell and Pierpoint (of New York), April 22, 1794; same to Messrs. Morgan and Strother (of London) April 30, 1794. Reed and Forde also complained that General Montbrun had seized the cargo of the *Betsy* at "Jacomell" and had paid for it in second quality flour worth only one-third the value of the cargo seized: *ibid.*, Reed and Forde to "Mr. Fauchett" (the French Minister), Dec. 6, 1794; same to Edmund Randolph, Esq., Dec. 6, 1794, with text of letter drawn up by Reed and Forde for Randolph's signature.

<sup>51</sup> Letter Book, 1793-94, Reed and Forde to Daniel Clark, Jr., Nov. 10, 1794.

He wrote in conclusion: "I must beg leave to remark that I think the present difficulties might have been avoided had you been more communicative and less sanguine in your expectations from me. . . ."<sup>52</sup>

Despite this plain speaking, Reed and Forde continued to be sanguine in their expectations of the New Orleans trade, which they counted upon to extricate them from their increasingly trying situation; but it continued to disappoint them. In December, 1796, they confessed to one of their correspondents: "We have been in expectation for a large sum of money from New Orleans which would have enabled us without inconvenience to have discharged the amount obtained [by us] from the Bank of Columbia, but the season is so far advanced that we cannot now expect it."<sup>53</sup> Indeed, the general depression of 1796-97 dealt them such a severe blow that it is a wonder that in their already weakened condition they were able to survive it. They were deeply involved in the affairs of John Nicholson and Robert Morris, who failed at this time and whose failure nearly ruined them too.<sup>54</sup> Their embarrassments were further increased by the threat of war between the United States and Spain, which caused a rise of ten per cent in insurance rates to New Orleans,<sup>55</sup> and

<sup>52</sup> Correspondence, 1796, Daniel Clark, Jr., to Reed and Forde, Feb. 12, 1796.

<sup>53</sup> Letter Book, 1796-98, Reed and Forde to James M. Lingan, Dec. 7, 1796.

<sup>54</sup> *Ibid.*, formal note in the third person from Standish Forde to John Nicholson, June 6, 1796, requesting an interview to arrange for the payment of \$10,000, part of Reed and Forde's claim against him; a similar note of the same date to Robert Morris (amount not mentioned); Reed and Forde to Robert Morris, Aug. 3, 1797, asking for the immediate payment of \$5,000 in cash on Morris's account. In this last letter, they said that Morris's notes were to expire on Aug. 11, that they could not renew them even at 2½ per cent per month, and that "Our distresses for funds, independent of the engagements for you are more than we can get thro." They also spoke with evident bitterness of "the few friends we have left" and reproached Morris with deeming "the sacrifice of R. and F. of little consequence."

<sup>55</sup> Letter Book, 1796-98, Reed and Forde to Robert Cochran (of New Orleans), Nov. 26, 1796: "They now demand ten per cent for the insurance owing to the expected Spanish war." Reed and Forde evidently meant insurance rates for American property in American ships between Philadelphia and New Orleans. In August, 1793, they stated that the insurance rate for such shipments was 3½ per cent; whereas it was then under 20 per cent for Spanish property in American ships and not less than 25 to 30 per cent for Spanish property in Spanish ships (Letter Book, 1793-94, Reed and Forde to Daniel Clark, Jr., Aug. 9, 1793). As early as Oct. 1, 1796, Reed and Forde had said in a letter to Daniel Clark, Jr., "There appears to be a general apprehension of a War with Spain" (Letter Book, 1796-98). This fact is interesting because Spain's failure to execute the treaty of 1795, which was later advanced as a pretext for war by the Federalist war-hawks, was not yet an issue.

by the stagnation of the market for western lands, of which Reed and Forde seem to have accumulated some 400,000 acres.<sup>56</sup>

In order to tide themselves over the crisis, they sold seventy shares of Columbia Bank stock to George Washington, who later complained that they had charged him too much;<sup>57</sup> bought some of bankrupt Robert Morris's property at a sheriff's sale;<sup>58</sup> and urged Clark and their other agents "to use the greatest exertion in collecting" the debts due them.<sup>59</sup> Moreover, since one of the causes of their difficulties was the refusal of the Bank of Columbia to extend their credit, they began a campaign for proxies for the next election of directors of the Bank of the United States.<sup>60</sup>

What with one resource and another, they succeeded in staving off disaster during this crisis. Through appeals to the British Court of Admiralty and representations to the joint commission established under Jay's Treaty, they obtained compensation for the seizure of the *John* and other losses of the same kind.<sup>61</sup> In other cases they collected insurance on their losses, for they had been among the earliest clients of the recently established Insurance Company of North America.<sup>62</sup> Already in the summer of 1796 they had made a

<sup>56</sup> *Ibid.*, Reed and Forde to Heber Chase, Aug. 22, 1796, stating that they owned 340,000 acres of land in Monongalia, Harrison, and Randolph counties, and 57,236 acres in Ohio county. Besides this, they seem to have owned many thousands of acres of land in Kentucky. In a letter of Oct. 24-28, 1796, to John Lewis (*ibid.*), Forde asked Lewis to pay his debt to Reed and Forde, and observed, "lands are so unsaleable that they would answer us no good purpose."

<sup>57</sup> *Ibid.*, Reed and Forde to Walter Smith, March 24, 1797; same to George Washington, June 5, 1797, countering with the assertion that they themselves would lose by the transaction since the notes they had received in payment for Washington's 70 shares, as well as for 300 additional shares, had become of very doubtful value.

<sup>58</sup> There are several allusions to this transaction in both their correspondence and letter books for 1797 and 1798.

<sup>59</sup> Letter Book, 1796-98, Reed and Forde to John Davis, Jan. 30, 1797; same to Daniel Clark, Jr., Feb. 24, 1797; same to David Ferguson, May 4, 1797.

<sup>60</sup> Letter Book, 1796-98, Reed and Forde to James M. Langan, Nov. 25, 1796. Accompanying this letter is a list of shareholders of the Bank of the United States in the Southern States, with the number of shares owned by each. *Ibid.*, Reed and Forde to James M. Langan, Dec. 14, 1796.

<sup>61</sup> *Ibid.*, Reed and Forde to Samuel Bayard (London), Dec. 5, 1797, stating that in consequence of his letter of July 24 they had drawn upon him for £1300 sterling and were impatiently awaiting advice of further sums recovered on their account.

<sup>62</sup> Letter Book, 1793-94, Reed and Forde to the "President and Directors of the Insurance Co. [of] N[orth] A[merica]," Dec. 14, 1794, asking for \$8,000 down payment on the full amount (\$10,000) of their insurance on half the cargo of the barque

conditional sale of most of their western lands, although at a much lower price than they had counted on.<sup>63</sup> Despite the general stagnation of trade they were able occasionally to make a modest sale. Early in 1797, when the United States government was preparing to take possession of Natchez, in conformity with the treaty of 1795 with Spain, the Treasury Department bought from Reed and Forde, through their New Orleans agent, Robert Cochran, some \$2,200 worth of goods for the new post.<sup>64</sup>

The near-disaster of 1797 forced Reed and Forde to curtail their operations, particularly in the West; and henceforth the Mississippi trade was less important to them and they played a less prominent part in it than at any other time since they first entered it some ten years earlier. They had already ordered the closing of their store at Natchez<sup>65</sup> and now they sent out an agent to liquidate their business in the Ohio Valley.<sup>66</sup> They even cooled towards the New Orleans trade, which, while it had not yielded the profits they expected, had at any rate been their "main resource" for a considerable time and had provided the most frequent employment for their ships ever since 1789. In a letter to a New Orleans correspondent they said, "There has been no vessels from this for New Orleans for several months. Every person here has got tired out with the trade."<sup>67</sup> As a matter of fact, Philadelphia, which, through the activities of Reed and Forde and other merchants, had taken the lead in opening up trade with

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*John.* The Reed and Forde Papers contain many other documents relating to insurance taken out by them on their ships; and they tried—whether successfully I cannot say—to insure the flatboats that they sent down the Mississippi.

<sup>63</sup> Letter Book, 1796-98, Reed and Forde to Heber Chase, Aug. 22, 1796.

<sup>64</sup> *Ibid.*, Standish Forde to Robert Cochran, Oct. 8, 1797.

<sup>65</sup> Letter Book, 1793-94, Reed and Forde to David Ferguson, June 2, 1794. Their decision to close the Natchez store was probably due to the moratorium on debts in that district proclaimed by the Spanish governor Gayoso in favor of the planters. For several years after 1794 Reed and Forde were engaged in correspondence with Ferguson and others about the collection of debts contracted at their store. See for example Correspondence, 1800-03, James Graisbury to Reed and Forde, July 18, 1802, and Lyman Harding to Reed and Forde, Oct. 6, 1803. Harding, who wrote from Natchez, said that not \$100 had been collected from the whole mass of their claims, but that this was not surprising since the claims were so old that the debtors who had not left the country or gone bankrupt had almost forgotten their existence.

<sup>66</sup> Letter Book, 1796-98, Reed and Forde to George Wilson, Nov. 24, 1797; same to Col. Richard C. Anderson, same date. John O'Bannon was their agent in this affair.

<sup>67</sup> *Ibid.*, Reed and Forde to Robert Cochran, Feb. 24, 1797.

New Orleans, did fall behind New York in the development of that trade during the next few years.<sup>68</sup> Reed and Forde did not, however, abandon it completely. Until the end of the Spanish régime, they continued to send their ships and cargoes to the creole capital, consigning them to various firms, such as Cochran and Rhea, and Chew and Relf. They also continued to do business with Daniel W. Coxe and with Daniel Clark, Jr. And despite the resolution they had made in 1797 to liquidate their affairs in the Ohio Valley, they still owned more than 20,000 acres of land there as late as 1802. It was not easy to sever the connections and break the habits of a decade.<sup>69</sup>

The foregoing account of the activities of Reed and Forde, does not pretend to be either complete or well-rounded, for they were in business both before 1783 and after 1803 and in that period they had many other interests besides the Mississippi trade. Nevertheless, it focusses attention on the aspect of their business that was, on the whole, the most important to them and that seems to possess the greatest historical interest. Their activities in the Mississippi trade are significant because they provide another illustration of the influence

<sup>68</sup> Whitaker, *Mississippi Question*, 136-37. As the table on p. 137 shows, trade between Philadelphia and New Orleans picked up again in the years 1800-02. The statement on p. 136 that in 1787 no ship cleared from New Orleans for the United States does not mean that no ships sailed between those ports. As stated in the present article, prior to 1793 the trade was carried on by way of French St. Domingue.

<sup>69</sup> (1) Western lands: Correspondence, 1800-03, W. Croghan to Reed and Forde, Sept. 13, 1802. (2) New Orleans: *ibid.*, Chew and Relf to Reed and Forde, May 20, July 12, Aug. 8, 1802, and Jan. 21, Feb. 21 and June 10, 1803; James Graisbury to Reed and Forde, July 18, 1802, and Jan. 3, 1803. These letters relate to transactions that were typical of Reed and Forde's New Orleans business at this period. Early in 1802, their ship, the *Fame*, Capt. Graisbury, arrived at New Orleans with a cargo consisting mainly of cordage. This was sold for them by Chew and Relf. With part of the proceeds, Graisbury bought provisions which he took in the *Fame* to Cap François (St. Domingue—Haiti), returning thence to New Orleans. With the rest of the proceeds, Chew and Relf bought cotton which they shipped to Reed and Forde at Philadelphia. Some of the cotton arrived in poor condition, but Chew and Relf refused to admit that they were responsible since it was in good condition when they shipped it, and they had given Reed and Forde advance notice so that the cotton might be insured. (3) Clark: In their letter of May 20, 1802, cited above, Chew and Relf spoke of "Mr. [Daniel] Clark" as being in Philadelphia at that time and in touch with Reed and Forde. In their letter of June 10, 1803, Chew and Relf mentioned "Mr. Coxe" (presumably Daniel W. Coxe) but not as associated with Reed and Forde in that venture. Three of the above letters were written from New Orleans during the closure of the American deposit, but not one of them mentions it. Graisbury's letter of Jan. 3, 1803, merely said that business at New Orleans was dull, probably because of the "sudden changes."



of eastern capital on the development of frontier settlements and show how deeply, even in those times, the welfare of the people in the Mississippi Valley was affected by events in the eastern United States and Western Europe. Their greatest significance however, lies in the contribution that Reed and Forde made to the opening up of trade with Latin America and to the territorial expansion of the United States.

Reed and Forde were pioneers in the development of trade between the United States and Spanish America. They were not the very first to enter this field but they were in the vanguard; and the importance of their achievement is not diminished by the fact that New Orleans was soon annexed to the United States. When they began to trade with it, it was a Spanish port, and like all the other Spanish ports in America it was closed by law to the commerce of the United States. The pattern of their behavior was the same as that of their fellow-countrymen who both then and subsequently invaded the wider Latin American field: in both cases, it was bribery, chicanery, the low prices of their goods and the war-time necessities of Spain that enabled them to penetrate the barrier and break the monopoly set up by Spain; and in both cases the lures were the same—to find employment for ships and markets for goods, and to obtain Spanish gold and silver and products not obtainable in the United States or Europe. Quite appropriately, John Reed's son, Midshipman Reed, first saw real service in warships sent to protect United States commerce with Latin America during the Spanish American wars of independence—once with the *Congress* in the Caribbean in 1817, and again with the *Macedonian* off the coast of Chile in 1819.<sup>70</sup>

<sup>70</sup> Correspondence, 1806-29, John Reed, Jr., to his father, U.S. Frigate *Congress*, Lynhaven Bay, Sept. 24, 1817; same to same, U.S.S. *Macedonian*, "Valparaso" (i.e., Valparaiso, Chile), Oct. 15, 1819; same to same, U.S.S. *Macedonian*, Boston Harbour, June 21, 1821. These letters, together with other documents in the same box, show that John Reed, Jr., was born in Philadelphia Oct. 8, 1794, and that his warrant as midshipman in the United States Navy was dated Nov. 30, 1814; that his cruise in the *Congress* took him to the mouth of the Mississippi (December 1816-May 1817), thence to Haiti to visit President Pétiou and "His Black Majesty Christophe," thence *via* the island of Margarita to Cumaná and La Guaira (Venezuela), and thence back to the United States (September, 1817); that his second trip to South America, in the *Macedonian*, took him to Valparaiso, where the ship had arrived by mid-October, 1819; and that the *Macedonian* left Valparaiso on March 18, 1821, returning *via* Rio de Janeiro and arriving at Boston on June 20, 1821. Though Midshipman Reed was a man of action, not of words, his letters contain some information about the martial activities of Morillo and Bolívar in Venezuela and Lord Cochrane on the coast of Chile, and also about the wretched

Reed and Forde contributed to the territorial expansion of the United States through the acquisition of Louisiana, for they and their associates paved the way for this acquisition by promoting the commerce of the United States on the Mississippi. Even when their own direct interest in it declined, as it did after 1797, their associates and other Americans carried on, and, with the aid of the rights of navigation and deposit conceded by Spain in the treaty of 1795, gave the trade a greater extension than it had ever had before. Foremost among these Americans was Daniel Clark, Jr.,<sup>71</sup> who, but for the business that Reed and Forde threw his way, would probably not have been able to survive the reverses that he suffered in the early 1790's and remain in business at New Orleans.

Historians have often overlooked or misunderstood the influence of the Mississippi trade upon the acquisition of Louisiana. For instance, Charles A. Beard recently published a book in which he says that in our history there have been two types of territorial expansion—the agrarian, which seeks land for farmers, and the capitalist, which seeks commercial advantages, markets for manufactured goods, and fields for the investment of surplus capital; and Beard says that Louisiana belongs to the agrarian type of acquisition.<sup>72</sup> The facts do not support this classification, for Jefferson's main purpose in the negotiation that led to the Louisiana Purchase was not to obtain land for farmers, but to protect and foster American commerce on the Mississippi. Nor do the facts support the common belief that the Mississippi trade was solely, or at least preponderantly, a western concern. What has been said above shows that this commerce was of interest to eastern merchants and shipowners as well as to western farmers; that the former were more directly interested in the trade than were the latter; and that prominent among the eastern capitalist-commercial groups responsible for the development of the Mississippi trade, and consequently for our acquisition of Louisiana, were those adventurous merchants, Reed and Forde of Philadelphia.

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condition of the people in both countries. The correspondence in this box also shows how the personal influence of the elder Reed with the Navy Department procured preferential treatment for Midshipman Reed.

<sup>71</sup> For further information about Clark's activities at New Orleans prior to the Louisiana Purchase, see the sketch by I. J. Cox in the *Dictionary of American Biography*, and Whitaker, *Mississippi Question*, 93-95, 243-51, and notes.

<sup>72</sup> Charles A. Beard, *The Idea of National Interest* (New York, 1934) Ch. 3.