British mercantilism as practiced in the seventeenth and eighteenth centuries was designed to gain for the state a high degree of security. This was to be accomplished in part through the achievement of a position of self-sufficiency, particularly in the resources requisite to industrial development and the production of the sinews of war. Since the homeland afforded these essentials in only a limited degree, it was necessary to seek them elsewhere. Colonial possessions yielding raw materials were thus highly desirable, and the gradual English occupation of the American mainland and adjacent islands was a source of great satisfaction to the policy makers in London.

The southern, or plantation, colonies by virtue of their geographic position developed quickly as a source of the products so greatly desired at home; moreover, they provided an excellent market for finished goods manufactured in England. It was to be expected, therefore, that English laws would be framed to assure that trade with these dependencies would be conducted to the maximum advantage of the parent state. The resulting Navigation Acts of the
seventeenth century excluded foreign merchants from the colonial trade and confined the sale of southern colonial staples to markets in England. On the other hand, the middle and New England settlements did not fit as readily into the English scheme of things. Geography again was the decisive factor. Fish, meat, cereals, livestock, and lumber constituted the primary output of these areas—products ordinarily found in abundance in the homeland. The admission of these competitive commodities to the English market would not have afforded the protection to the mother country that adherence to the mercantile theory demanded. Accordingly, British policy encouraged the northern colonials to ship their products elsewhere. Theoretically, the proceeds from such sales would largely be spent in England for industrial goods. Since, on the whole, theory was confirmed by practice, the northern colonies were regarded as only slightly less valuable than their southern neighbors in supporting British mercantilism.

Within this framework of economic license, the northern merchants constructed a flourishing trade with Europe, Africa, the Wine Islands, and particularly with the Caribbean. Experience taught them that the island markets of the Caribbean afforded the best outlet for their lumber, horses, and provisions, which they exchanged for coin, bills of exchange, and marketable tropical products, principally molasses, sugar, and rum.

Prior to 1700, the contacts of the northern ports with the Caribbean region were confined chiefly to the insular possessions of Great Britain. However, as the productive resources of the continental colonies increased, it became clear that the British islands could not absorb all that was offered for sale. Similarly, the amount of sugar, molasses, and rum available for return voyages fell short of the increasing demand. Additional opportunities to buy and sell thus became a necessity. The merchants did not have far to seek for these; adjoining possessions of European nations, particularly those belonging to the French, provided them with what they needed.

The beneficial effects of this move enjoyed by the mainland merchants were not shared by the British sugar island planters. They were, in fact, quickly faced with the loss of a substantial part of their trade. Efficient production of competitive products, particularly in the French islands, enabled those planters to offer their goods from
twenty-five to thirty per cent cheaper than the British could afford. In no time, French sugars not only monopolized the colonial trade, but threatened to absorb the English market as well. In these circumstances, the British planters turned to Parliament for aid.

Although the planter class was well represented in the House of Commons, it was not without some difficulty that it secured legislative aid. North American interests proved to be formidable opponents. Success, however, finally came to the West Indian lobby in full measure, when by the Molasses Act of 1733 special import duties were imposed on all foreign molasses, sugar, and rum.

The levy under the Molasses Act was immediately attacked by mercantile interests in the northern colonies. It was asserted that the excise was more than the trade could bear, and that the resultant loss of the French island markets would be ruinous. Contemporary opinion, moreover, deplored an obvious contradiction in the Crown's policy. Since British mercantilism discouraged the development of colonial industries in competition with English manufacturing, provincials were expected to buy finished products in England. In the case of the northern colonies, the funds for such purchases were obtained principally by the sale of surplus staples in the French islands. The Molasses Act threatened to destroy this trade.

The issue raised by this situation did not reach a critical stage for some years. British practice, influenced by the logic of the colonial position, dictated a mild enforcement of the act. Notwithstanding this concession, the colonials angrily refused to abide by the regulation and resorted to smuggling as a means of evading it.¹

The opening skirmish of the French and Indian War in the remote forest of Pennsylvania in July, 1754, changed the character of the Caribbean trade. What had been illegal commerce now became trafficking with the enemy; what had been a question of harmonizing the economic interests of two parts of the Empire now involved the deliberate sacrificing of the interests of the one by the other. British authorities undoubtedly looked forward to the cessation of the contraband trade with the inauguration of hostilities with the

¹ The foregoing account was taken largely from Lawrence H. Gipson, The Coming of the Revolution, 1763-1775 (New York, 1954); Curtis P. Nettles, The Roots of American Civilization (New York, 1938); and Frank W. Pitman, The Development of the British West Indies, 1700-1763 (New Haven, Conn., 1917).
French. It was a logical expectation. By this time, however, smuggling had been consolidated by years of successful and profitable evasion of the laws. Returns from it in normal times had attracted a large following; wartime offered prospects of even greater rewards. This was immediately evident as the French became almost frantic in their efforts to secure provisions and offered their wares at virtually irresistible prices. Under the impact of these temptations, contacts with the enemy were not only continued but extended. Political loyalty was facing the practical test of economic gain.

There were a number of Philadelphia merchants who participated in this traffic. Early in the struggle, Commodore Keppel, commander of the British squadron on the American station, reported that Philadelphia tradesmen were constantly engaged in carrying stores and provisions to the French islands. Governor Morris of Pennsylvania added that he had certain knowledge that the Newfoundland trade was likewise being prostituted to the enemy's gain. According to him, cargoes ostensibly laden for Newfoundland were being regularly rerouted into Louisbourg, a French fortress on Cape Breton Island. This, he said, was accomplished with the assistance of conniving customs officials. He sadly admitted that much of the flour sold to the French at Louisbourg had originated in Pennsylvania. Equally distressing was mounting evidence that an overland clandestine trade in powder was flourishing between Philadelphia and Crown Point by way of Albany. In fact, Morris shared with Governor Dinwiddie of Virginia the belief that the French invasion of the Ohio in 1754 was made possible by foodstuffs and warlike stores supplied principally by Philadelphia and its Albany associate.

Some local efforts to stop the illicit trading were in progress before the imperial authorities were forced into action. British naval captains in American waters were alerted by the commander of the fleet to seize ships suspected of participating in the traffic. Several prov-

3 Gov. Morris to Gen. Edward Braddock, Mar. 12, 1755, ibid., VI, 335; A Message from the Governor to the Assembly, June 27, 1755, ibid., 439.
inces, notably Massachusetts Bay and New York, adopted temporary embargoes on supplies known to have military value to the French. It was not until the arrival of General Braddock in February, 1755, however, that these measures were extended and coordinated. He brought with him instructions to take whatever steps were necessary to stamp out the trade between the English colonies and the French.

Since General Braddock’s duties were associated primarily with the organization of a campaign against the French on the frontier, he had to depend upon the colonial governors to implement his instructions regarding smuggling. In co-operation with these officials, Governor Morris early in March imposed the first of the many regulations to which Philadelphia merchants were to be subjected. According to his orders, merchants shipping stores in excess of the needs of their crews were required to post bonds of £1,000 to assure the landing of their cargoes in British ports, or ports of friendly powers. Cancellation of these bonds was permitted anytime within eighteen months of the date of issue, provided proper certification of the fulfillment of the conditions required therein was presented. This action, ratified by the Assembly in April, was extended in June for an additional twelve months.

The ineffectiveness of these measures was quickly apparent. Late in June word arrived from Governor Shirley of Massachusetts Bay that provisions were continuing to flow into Cape Breton Island. He reported that his own assembly in a desperate effort to eradicate the evil had recently adopted a general embargo on all provisions except fish. He recommended that all the colonies impose a similar restriction for one month, or until such time as conditions warranted its

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8 Minutes of the Provincial Council, Apr. 5 and June 18, 1755, Colonial Records, VI, 356, 430; A Message to the Governor from the Assembly, Aug. 21, 1755, ibid., 587; Votes of Assembly, Pennsylvania Archives, Eighth Series, V, 3912; Pennsylvania Gazette, Apr. 10, 1755.
removal. Several months later Philadelphia was stirred by the arrest of several drunken sailors who confessed to having signed on a French sloop anchored below the city in which a local Quaker merchant, John Stamper, was interested. The investigation revealed that Stamper was engaged in trade with the neutral Spanish island of Hispaniola, notorious as a depot for the exchange of English and French colonial products. Corroborating evidence of continuing evasion of the law came at this time from Peter Razer, a local customs official, who stated that the "illicit trade is much increased and carried on in a most barefaced and Shamefull manner."

The arrogance of those trafficking with the enemy spurred Morris to renewed action. Patterning his plans after the recent move made by Governor Shirley in Massachusetts Bay, he recommended to the Assembly the enactment of a general embargo on provisions. His plea was not given a sympathetic hearing, and the legislators adjourned without approving the request. But the issue was not allowed to rest. News of the arrival of a French fleet at Louisbourg vested the problem with a new sense of urgency. Speedy action by provincial authorities was necessary to prevent this force from being supplied from English sources. In these circumstances, Morris decided to move without seeking support of the Assembly. On July 3 he clamped a ban on the exportation of all foodstuffs and military stores for one month, with provision for its extension should such action appear warranted. Since the success of this effort obviously depended upon similar action in all the Delaware River ports, Morris called upon Governor Belcher of New Jersey for his support.

9 Gov. Shirley to Gov. Morris, June 23, 1755, Colonial Records, VI, 439; A Message from the Governor to the Assembly, June 27, 1755, ibid.; Minutes of the Provincial Council, July 3, 1755, ibid., 450.
12 Gov. Shirley to Gov. Morris, June 23, 1755, Colonial Records, VI, 439; A Message from the Governor to the Assembly, June 27, 1755, ibid.; Minutes of the Provincial Council, July 3, 1755, ibid., 450.
Approximately one month later, Governor DeLancey of New York proposed to Morris that the embargo be extended for two months. His appeal was based upon the assumption that by that time the French at Louisbourg would be forced to abandon their stronghold for lack of provisions.\textsuperscript{15} Morris, impressed with this argument, once again turned to the Assembly for support, for Assembly acceptance of the plan would surely increase its effectiveness.\textsuperscript{16} The legislature, however, again exhibited no interest in modifying the position it had taken in June, which, the governor was pointedly reminded, would remain effective for at least ten more months.\textsuperscript{17} No doubt the intransigence of the Assembly stemmed in part from the bitter struggle currently taking place between the executive and the legislature over the taxation of lands in Pennsylvania belonging to the Penns. Since Morris, acting on instructions from the proprietors, refused to countenance money bills taxing these estates, hope for co-operation on other matters was virtually shattered.\textsuperscript{18} The nature of the schism between the two is revealed in the manner in which the Assembly addressed the governor upon adjourning in September: “We are now to take our Leave of the Governor; and indeed, since he hopes no Good from us, nor us from him ’tis Time we should be parted.”\textsuperscript{19}

Forced to act alone once again, Morris did not shirk his responsibility. On August 28 he notified the customs officials that the embargo of July 3 was to be continued indefinitely. The ban promised to be more effective than it had been, in spite of the Assembly’s unwillingness to support it; New Jersey, after some hesitation, had undertaken to bind its ports in the same fashion as Pennsylvania.\textsuperscript{20}

The levying of these embargoes was the source of considerable anguish among fair traders. No fewer than eleven petitions opposing

\begin{verbatim}
\textsuperscript{15} Gov. DeLancey to Gov. Morris, Aug. 7, 1755, \textit{ibid.}, 554; A Message from the Governor to the Assembly, Aug. 16, 1755, \textit{ibid.}, 555.
\textsuperscript{17} Votes of Assembly, \textit{ibid.}, Eighth Series, V, 4001; A Message to the Governor from the Assembly, Aug. 21, 1755, \textit{Colonial Records}, VI, 587.
\textsuperscript{19} Votes of Assembly, \textit{Pennsylvania Archives}, Eighth Series, V, 4039.
\textsuperscript{20} Minutes of the Provincial Council, Aug. 28, 1755, \textit{Colonial Records}, VI, 592.
\end{verbatim}
the policy were presented to Governor Morris the day following the July 3 action. And this was only the beginning. As the impact of the prohibition spread throughout the community, more and more appeals made their appearance upon the Council’s agenda. Almost immediately it adopted the practice of issuing clearances for patently legitimate voyages. With the approach of winter, and with the French still solidly entrenched in Louisbourg, Morris relaxed the embargo still further. Ships with cargoes consigned to neighboring colonies or to the British West Indies were cleared automatically. While this policy was of great help to the merchants, they were forced to act quickly, for ice closed most of the northern rivers from January until early March.

The year 1756 opened with extensive preparations by the British Ministry to eliminate the French threat in North America. War was officially declared on May 18, and Colonels Webb and Abercromby were dispatched to the colonies to take command of the troops in the field. These forces were augmented thereafter by regulars from the homeland, and Lord Loudoun was sent out with them as commander in chief.

In the midst of these activities it became clear that the measures against trading with the French had failed. Advices from the West Indies indicated that the neutral islands, particularly the Dutch holdings, were active as great entrepôts of trade through which English colonial foodstuffs and military stores flowed ultimately into the hands of the French. The Dutch island of St. Eustatius, a free trade area, had long been a busy center of commerce. In the early years of the war it outranked Hispaniola in this respect. Here French and English colonials exchanged their wares; the latter subsequently entering their goods in home ports under false clearances furnished by Dutch officials. With these certificates merchants were able to cancel bonds they had posted on outward voyages not to land their cargoes in forbidden ports. John Harper, an associate of the Philadelphia

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21 Minutes of the Provincial Council, July 4, 1755, ibid., 451.
merchant Thomas Clifford, wrote from Antigua in 1757 that many merchants had been shipping from four to five hundred barrels of provisions a week to that Dutch island.  

It was a well-known and accepted fact that these articles ultimately found their way into French Martinique and Guadeloupe.

More adventurous Philadelphia merchants, like Thomas Riche and Daniel Clark, risked direct contact with the enemy’s possessions. The French governors fostered this spirit by furnishing them with licenses permitting their vessels to sail unmolested into port. These authorizations, however, were not always proof against the avarice of French privateersmen and men-of-war on the lookout for English prey. Reports were not uncommon of colonial captains whose ships had been stripped and set adrift despite their French commissions. After the loss of one of his ships by this route, Daniel Clark reflected bitterly that “Such an unexpected treatment bafles all our Scheames and shews how little faith we can have in these little scrapes given by the Governor . . . as protection.”

Even the British-owned island of Jamaica was an important link in this trade. Vessels from the northern continental colonies entered their cargoes in Jamaican ports and with the connivance of port officials procured clearances certifying they carried products of the island for the return voyage. In point of fact, they left in ballast with well-filled money chests from the sale of their cargoes and pointed their prows toward the French islands. There they filled their holds with products for the home market.

The cupidity of certain mainland customs officials assisted the merchants in this nefarious practice. Officers at New London, New Haven, Norwalk, Newport, and Perth Amboy could usually be depended upon to issue fictitious papers for a fee. Such transactions


27 Beer, 88.

28 Daniel Clark to Thos. Dromgoole, Sept. 2, 1761, Daniel Clark Letter Book (1759-1763), HSP.

29 Pitman, 308; Gov. James Hamilton to Pitt, Nov. 1, 1760, Correspondence of William Pitt, II, 353.

30 Thomas Riche to Francis Lewis, Apr. 12, 1759, Thomas Riche Letter Book, I (1750-1764), HSP; Riche to Mr. Lewis and Company, May 21, 1759, ibid.; Riche to Capt. John Pearman, July 9, 1759, ibid.; Custom House Papers (Phila.), II, HSP.
were often channeled through Cannon and Pintard of Norwalk, agents retained by the merchants for this purpose.\textsuperscript{31} Equally obliging was Nicholas Lechmere, the port collector at Newport, Rhode Island. His activities are revealed in a letter of the Philadelphia firm of Orr, Dunlope and Glenholme to William Bayard: “This day settled your account with S. Moore allowing Mr. Letchmore [sic] two hundred dollars for his Clearance which I think anuff as he has not charged anyone here more than 150. I have had six myself.”\textsuperscript{32} Moreover, as a hedge against capture by roving British men-of-war, owners of vessels engaged in these practices paid the judges of the admiralty court in the Bahamas a retainer to release such ships brought before them for condemnation.\textsuperscript{33}

The Philadelphia merchants were not solely dependent upon outside help to land their shipments safely. They enjoyed the benefit of a home port ideally situated for the conduct of activities that would not bear close scrutiny. The numerous islands, creeks, and inlets in the bay and river afforded ample opportunity for those engaged in the evasion of the law. Moreover, customs officials were stationed only at the major ports of entry—Philadelphia, Newcastle, Lewes, Burlington, Salem, and Cohensy—and yet more than a hundred miles of coastline were within their jurisdiction. Often the officials themselves were not above reproach. Few there were who resisted the bribes offered by the merchants, especially in view of the inadequate salaries currently paid by the customs service.\textsuperscript{34} It is noteworthy, too, that vessels entering the estuary with illegal cargoes were never in want of expert pilotage. Pilots regularly plied the river on the lookout for opportunities to earn fat fees by covertly guiding vessels into little-used creeks and hidden coves. Reedy Island, in the Newcastle district, often served as a place of refuge, and Wilmington, on Christiana Creek, was notorious as a smugglers’ haven.\textsuperscript{35}

\textsuperscript{31} George Spencer to the Commissioners of His Majesty’s Customs, Mar. 27, 1765, \textit{ibid}, III.
\textsuperscript{32} Quoted in Harrington, 263.
\textsuperscript{33} Root, 123
\textsuperscript{34} John Swift to the Honorable Commissioners of His Majesty’s Customs in America, Aug. 23, 1769, Custom House Papers, X; Observations on the Trade and Revenue of North America with some hints for the Improvement of both and A Plan for the prevention of Smuggling, Livingston Papers, New-York Historical Society, a photostatic copy of which Dr. Lawrence H. Gipson graciously allowed the author to use.
\textsuperscript{35} Ports of North America, British Museum: Additional MSS., #15484; John Kidd to Rawlinson and Davison, Jan. 28, 1757, John Kidd Letter Book (1749–1763), HSP.
ever possible, the merchants left little to chance. Thomas Riche, Thomas Wharton, and others had working agreements with William Till, collector at Newcastle, and Robert Moulder of Marcus Hook, owner of a river shallop, for the secret landing and transportation of their goods to Philadelphia.  

These conditions were the cause of real alarm among Crown officials in the colonies as the war entered upon its official stage. Sir Charles Hardy, who had succeeded DeLancey as governor of New York, warned that the continuance of this traffic would undermine the efforts currently being made to dislodge the French in Canada. Lord Loudoun, commander in chief, vigorously supported this view. Both called for a united effort to stop it. Resorting again to the device of an embargo, Hardy prevailed upon his assembly in May to place an injunction on the exportation of all provisions and military stores for twenty-one days. A willingness to extend it to August 4 was indicated, provided New Jersey and Pennsylvania would co-operate fully. The New York authorities were particularly insistent that Pennsylvania join in this venture. Their feeling was that if Penn’s colony, the most productive of foodstuffs, would adopt the plan, others would undoubtedly follow its example.

Pennsylvania was the first of the Delaware River provinces to respond to New York’s plea. The proximity of the expiration of the law of June, 1755, and the patent ineffectiveness of that type of control influenced the Assembly in May to adopt a law patterned after that in force in New York. The legislators warned Governor Morris, however, that comparable action by Delaware and New Jersey was necessary to render the move effective. Accordingly, the act was to remain operative until June 7, and thereafter for as long a period as New Jersey and Delaware provided.  

37 A Letter to the Governor from Sir Charles Hardy, Apr. 16, 1756, Colonial Records, VII, 100; Message of Gov. Morris to the Assembly, June 29, 1756, Pennsylvania Archives, Eighth Series, V, 4250.
38 Gov. Hardy to Gov. Morris, May 5, 1756, Colonial Records, VII, 122; Hardy to Morris, May 9, 1756, ibid., 123; A Message to the Governor from the Assembly, July 20, 1756, ibid., 196.
extended to the province of Delaware, conveyed these sentiments to
the local lawmakers, who subsequently adopted an embargo to expire
on July 7. Meanwhile, New Jersey, following a similar procedure,
chose August first as its terminal date.

The adoption of these restrictions harvested the usual crop of
difficulties. A number of Philadelphia merchants—John Bell, John
Powell, Daniel Roberdeau, and others—had contracted to ship sup-
plies to garrisons in Newfoundland, Jamaica, and to various British
fleet units stationed in American waters. The ban on the exportation
of such commodities threatened to deprive them of the means of ful-
filling their commitments. The populations of Massachusetts Bay,
Rhode Island, and the Bermudas likewise felt the impact of the inter-
dict. Reports from these areas described the desperate plight of their
people for want of provisions normally imported from Philadelphia.
To meet these problems, the council was once again forced to modify
its position. Sufficient clearances were issued to permit the supply of
these groups.

Meanwhile, the question of the duration of the embargo precipi-
tated the thorniest problem of all. It will be remembered that Penn-
sylvania's course in this regard was contingent upon the action of
Delaware and New Jersey. Since these provinces had failed to syn-
chronize their dates of expiration, Philadelphians expected to be re-
leased from the burdensome restriction on July 7, the terminal date
of Delaware's injunction. Late in June, however, Morris called upon
the Assembly to continue the ban. This was the signal for some
rather sharp exchanges between the two. The legislators pointed out

40 A Message from the Governor to the Assembly, June 2, 1756, Colonial Records, VII, 142.
41 A Message to the Governor from the Assembly, July 20, 1756, ibid., 196.
42 John Bell to Isaac Norris, June 30, 1756, Pennsylvania Archives, Eighth Series, V, 4255; Minutes of the Provincial Council, July 10, 1756, Colonial Records, VII, 186.
that the law they had adopted in May would not have expired until August 4 had Delaware concurred in New York’s action. They were critical of Morris’ leadership in the neighboring province, and questioned strongly the effectiveness of a policy that was not uniformly imposed throughout the colonies. In this connection, it was observed that Maryland exported provisions free from any legislative restraints.\(^46\)

Pressed in this fashion, Morris appealed to the Delaware legislators to reconsider their action. The net result was a decision by the deputies to continue their embargo until July 20, or for as long as Pennsylvania maintained its policy.\(^47\) This placed the problem again directly in the hands of the Pennsylvania representatives. Since they had adjourned, Morris issued writs for a special meeting to consider extending the span of the colony’s embargo.\(^48\) The mood of the lawmakers upon receipt of the call was anything but co-operative. They grumbled and complained that the session would interfere with their harvest plans, and bitterly noted the shortage of laborers and servants resulting from the enlistment policy of the armed services. Feeling on the latter point was running high in Philadelphia; just a few months earlier, a recruiting sergeant had been murdered by an angry mob bent upon keeping him from performing his duties.\(^49\)

Given these circumstances, the deliberations of the assemblymen upon convening followed the now familiar pattern of deadlock after time-consuming debate. Finally tiring of the controversy, Morris brought it to a close by his own decision to continue the current policy indefinitely.\(^50\)

The uncertainties associated with the fluctuations of governmental policy were now threatening complete chaos in the affairs of the West

\(^{46}\) A Message to the Governor from the Assembly, July 8, 1756, Colonial Records, VII, 182; Richard Pares, *War and Trade in the West Indies, 1739–1763* (New York, 1936), 434.

\(^{47}\) A Message from Gov. Morris to the Assembly, July 20, 1756, Colonial Records, VII, 195.

\(^{48}\) Ibid.


Indian merchants. Under the impression that the embargo would terminate on July 7, no fewer than twenty-nine of them had freighted their vessels with the expectation of securing clearances on that date. The unexpected continuance of the prohibition spread consternation among their ranks. In desperation they signed a petition requesting that their ships be allowed to sail. Personal financial disaster, they said, was the alternative.\textsuperscript{51} Morris, however, refused to entertain their plea, arguing that he had forewarned them that in the event the Assembly did not act he would do so himself.\textsuperscript{52} The distress of the shippers was compounded by the prospect of the finest harvest they had ever experienced. Wagons heavily laden with wheat were entering the city each week by the hundreds; in one such period between seven and eight thousand bushels were counted.\textsuperscript{53} “Our Harvest,” Thomas Willing recorded, is “prodigiously great & well got in”; but, he noted apprehensively, “Our Embargoe is still continued & . . . great Quantities of Provisions are Spoilling for want of an Export.”\textsuperscript{54}

As the summer wore on, conditions worsened. A shockingly large amount of provisions was imperiled as the repeated applications of honest traders for permission to export fell upon deaf ears.\textsuperscript{55} Many merchants had been forced to unload their cargoes when word of the extension of the embargo had been made public, and their goods were deteriorating in the sun.\textsuperscript{56} Early in August some expressed the fear that the city’s trade was so distressed that there was reasonable doubt that it could ever be revived. It was noted that Maryland and Virginia, free from restrictions, were already falling heir to a goodly portion of it.\textsuperscript{57}

\textsuperscript{52} Gov. Morris to Gov. Hardy, July 5, 1756, Pennsylvania Archives, First Series, II, 689.
\textsuperscript{53} Thomas Willing to Messrs. Cornell and Moroney, May 24, 1756, Willing Letter Book (1754–1761); Richard Peters to Thomas Penn, Oct. 30, 1756, Penn Manuscripts, Official Correspondence, VIII (1756–1757), HSP.
\textsuperscript{55} Richard Peters to Thomas Penn, Oct. 30, 1756, Penn Manuscripts, Official Correspondence, VIII (1756–1757).
\textsuperscript{57} Thomas Willing to John Perks, Aug. 13, 1756, Willing Letter Book (1754–1761); Pennsylvania Gazette, July 15, 1756.
The lot of the fair trader was not made any easier by the knowledge that less scrupulous competitors were continuing to outsmart the officials and were exporting goods despite the restriction. Thomas Willing noted with what ease flour was put on board vessels drifting down the river. Richard Peters attested to the accuracy of this observation in a letter to the Penn family in England. In it he decried the "bad Men" who, despite the embargo, loaded their ships with provisions for "Statia" (St. Eustatius) and elsewhere. Tea merchant John Kidd, impelled by the situation to do some private sleuthing, found that the smuggling contagion was spreading into other lines of trade. He learned that during the first three years of the decade Philadelphia merchants imported an average of two hundred chests of tea each year; of these he believed it was safe to assume that twenty per cent was surreptitiously unloaded from Dutch ships engaged in transporting Palatines to Pennsylvania. During the next several years the ratio of legitimate imports to smuggled goods changed startlingly. Kidd's figures indicated that while the total tea intake continued at the rate of two hundred chests a year, sixty-five per cent now entered the city by routes clothed in secrecy. A mere seventy chests crossed the docks to be recorded in the official tally.

Governor Morris, enraged by these practices to the point where only physical action could assuage his feelings, undertook a personal crusade against the smuggler. Night after night in August, 1756, long after the city had quieted down, he roamed the waterfront area, often forcing windows and doors with his bare hands to gain access to suspected storage places. According to Thomas Wharton, if Morris had not been replaced as governor by William Denny late that month, few stores would have been spared this treatment. Undoubtedly many worried merchants echoed Wharton's sentiment on this occasion when he wrote, "as our New Governour is appointed we hope there will not be the Stir as if Morris had remained."

59 Richard Peters to Thomas Penn, Oct. 30, 1756, Penn Manuscripts, Official Correspondence, VIII (1756-1757).
61 Thomas Wharton to John Waddell, Aug. 23, 1756, ibid.
62 Ibid.
The failure of current efforts to dislodge the French made the situation even more unpalatable. Plans for the summer campaign had gone completely awry. The success of a New York cabal in obtaining the removal of Governor Shirley from command in the colonies was the first blow. When at length his successor, Lord Loudoun, arrived from England, it was decided to delay an attack pending the landing of reinforcements from the homeland. Finally, when everything was in readiness, the season was too far advanced to consider any further operations for the year.

The installation of William Denny as governor of Pennsylvania, August 20, 1756, brightened the prospects of the harried fair traders. One of his first official acts was to remove virtually all restrictions upon trade. Following his oath-taking, he issued an order permitting the export of provisions to all British ports and the resumption of trade with Lisbon, Madeira, and Fayal. That Denny's action had been taken without official sanction, however, was immediately clear. Lord Loudoun, when informed of the move, peremptorily ordered the restoration of the embargo.

Confronted with this disheartening shift in their fortunes, the merchants made a reckless but fruitless effort to gain release from their fear of slow economic strangulation. They drew up and signed a subscription promising to furnish Loudoun's forces with eighteen or twenty thousand barrels of flour in the spring of 1757 at a cost to the authorities of twelve shillings six pence a hundredweight. This was somewhat under the current selling price. They likewise offered to provide supplies of every description at reasonable rates. Such guarantees, the merchants trusted, would eliminate any fears the commander in chief might have about his own needs and induce him to abandon the hated embargo.

The subsequent rejection of this proposal came as a severe blow to the fair traders. But Denny was moving with calculated deliberation. Instead of restoring the embargo by executive action, he called upon

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the Assembly to frame a new bill. This procedure insured a pro-
tracted discussion of the issue. While it continued, the merchants
were free to trade.66

The expected benefits from Denny’s policy were to be only par-
tially realized. A long dry spell immediately preceding the lifting of
the embargo had forced local flour mills into temporary idleness.67
This delayed the procuring of flour at reasonable prices. Moreover,
when provision vessels began to clear for the West Indies, they found
the threat of French privateers more substantial than ever. These sea
raiders were becoming particularly active along the coast and in the
island area, lurking in numbers in the Windward Passage to Jamaica
and along other routes to the Leeward and Windward Islands. So
bold had they become that vessels were hardly safe even in British
harbors.68 Quaker merchants who observed the code of their society
were particularly vulnerable. Denied the privilege of arming their
vessels, they were forced to depend entirely upon the speed of their
ships to outrun their pursuers.69 This was precarious insurance
against capture. Vessels in considerable numbers were consequently
being forced into the nearest British port for safety. There they fre-
quently sold their merchandise at ruinous prices rather than risk
another attempt to reach their destination.70 The sense of outrage
which this situation aroused was intensified by the certainty that the
British authorities, who assumed colonial aid to be theirs to com-
mand, were themselves insensitive to the needs of the provincials.
One merchant put it bluntly when he noted that “Madam the
[British] Admiral very Secure at Port Royall; strange Management
[that] is for the preservation of Our Trade!”71

The year 1757 provided little relief for fair traders. Early in
January, in response to a direct order from the Lords of Trade,
Denny was forced to confine the export of provisions to British ports

68 Thomas Willing to “cousin” Thomas Willing, Dec. 9, 1756, and Mar. 30, 1757, ibid.;
Jonathan Cowpland to Thomas Clifford, Dec. 23, 1757, Clifford Correspondence, Pemberton
69 Minutes of the Monthly Meeting of the Friends of Philadelphia, May 28, 1762, Friends
Meeting House, Fourth and Arch streets, Phila.
70 Ibid.; Pares, Yankees and Creoles, 68 ff.
71 Thomas Willing to “cousin” Thomas Willing, Dec. 9, 1756, Willing Letter Book (1754–
1761).
in the colonies and plantations. Moreover, under the compulsion of imperial edict, he set out to enforce the government's policy with as much determination as he had exhibited in his efforts to avoid its directives some months earlier. This course embroiled him at once in a struggle with the Assembly. The yearly pattern of controversy, with some slight modifications, was once again to be repeated.

During the course of the subsequent exchanges, the Assembly reminded Denny that they had counted upon receipts from the trade with Portugal and the Wine Islands to help support bills of credit recently issued in response to the Crown's appeal for aid in carrying on the war. Salt from Portugal, they added, was essential to the preparation of victuals used domestically and by the military. Furthermore, it was contended that a literal interpretation of the orders from England to confine trade to British colonies and plantations eliminated the possibility of shipping provisions to the homeland or to Ireland. The fact that both countries were currently experiencing hardship because of unusually poor harvests gave particular point to this argument. With a final charge that interference with the neutral trade of the colony was unfair and threatened its financial well-being, the Assembly had staked out its position in opposition to Crown policy.

The argument was abruptly terminated by the announcement of an even more drastic policy. On March 4 Governor Denny received a general order from Lord Loudoun to embargo all shipping from Virginia northward, a move prompted by the commander in chief's need for transports in a newly contemplated attack upon Louisbourg.

British plans to subdue the French in North America had fallen upon evil days. Since the start of the conflict there had been little to cheer about. As has been noted, the efforts of the preceding year had yielded nothing, and the outlook was discouraging indeed. During the month of December, however, William Pitt had assumed the office of secretary of state. In the weeks that followed, he somehow

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72 A Letter from the Lords of Trade to Gov. Denny, Oct. 9, 1756, Colonial Records, VII, 386; A Message from the Governor to the Assembly, Jan. 13, 1757, ibid., 387; A Letter from the Governor to Abraham Taylor, Jan. 13, 1757, ibid., 388.

73 Minutes of the Provincial Council, Feb. 8 and 22, 1757, ibid., 409, 419 ff; A Message from the Assembly to the Governor, Feb. 18, 1757, ibid., 418; Gov. Denny to the Proprietaries, Apr. 9, 1757, Pennsylvania Archives, First Series, III, 107 ff; Earl of Holderness to Gov. Denny, May 2, 1757, ibid., 148.

managed to infuse new life into lagging British spirits and to effect needed reforms in army administration. Consequently, as the season for fighting approached in 1757, he had in readiness plans for a vigorous campaign. One of them called for the reduction of Louisbourg. Lord Loudoun's task in this move was to assemble at Halifax as many provincial and regular troops as could be spared from other duties, and colonial shipping was to be requisitioned for this purpose.

Governor Denny moved with alacrity upon receipt of Loudoun's order. After informing the port officials of their duties, he made the customary appeal to the Assembly for support. Undoubtedly he did this with little hope of a satisfactory response. The lack of any positive legislative action therefore came as no surprise.75

The ban on shipping and trade once again descended upon the traders with crushing force, although it was not immediately discernible. In fact, even though ships laden with perishables were ready to sail, and local millers and farmers had greater quantities than ever ready for export, there was little grumbling on the part of the exporters. Their confidence in the leadership of William Pitt and the belief that the policy would be of short duration led them to submit readily to the inconveniences involved.76 However, as the weeks merged into months without any sign of relief, merchants and farmers alike again faced grave losses, and in some cases total ruin. As one spokesman described it, "irreparable damage [has been done] to this Collony where has been the greatest plenty of Grain ever known & no export for it."77 These gloomy prospects were underscored by the knowledge that both Virginia and Maryland had again broken the concert of measures and were reaping the fruits of unrestrained trade.78

Indignant at the course of events, the Assembly in June drafted a strong remonstrance to the Governor. In it the deputies noted that a

76 The Remonstrance of the Representatives of the Freeman of the said Province, in General Assembly, June 15, 1757, *Colonial Records*, VII, 567.
considerable part of the cargoes of forty vessels idling in port had already perished and that the whole was in danger of spoiling. They reminded him that the people of Great Britain and Ireland and the West Indies were in want of the very goods rotting on Philadelphia’s wharves—rotting indeed, they added, because of an illegally imposed embargo. The direction of their thinking about these matters was reflected in their concluding statement: “Upon the whole, we apprehend a People cannot be said to be free, nor in the Possession of their Rights and Properties, when their Rulers shall by their sole Authority, even during the sitting of their Assemblies, stop the Circulation of their Commerce, discourage the Labour and Industry of the People, and reduce the Province to the greatest Distress.”

Little or nothing was gained by this outburst, for Lord Loudoun was convinced that it stemmed from the embargo’s effectiveness in curtailing illicit profits.

Meanwhile, Denny was receiving pressing applications for relief from other sources. Captain Samuel Mifflin, engaged in the transport of provisions from Philadelphia to British fishermen in Newfoundland, found himself trapped in port by Loudoun’s order. His petition for permission to embark noted that a thousand people plying a hundred and twenty fishing shallops depended upon him for their needs. The familiar pleas of those commissioned to supply naval units in the West Indies and along the Atlantic coast swelled the chorus. It reached a crescendo when the home authorities also found the restriction burdensome. Dependence upon colonial sources for foodstuffs had become a necessity as a result of the crop failure of the previous season. No interruption of this trade could long be endured. Accordingly, Whitehall and Loudoun, respectively, moved to exempt the homeland and certain of the military from the force of the restriction. As for the remaining petitioners, they too ultimately found relief. Loudoun’s fleet of transports sailed from New York for Louisbourg on June 20. The embargo was retained for one week

79 The Remonstrance of the Representatives of the Freeman of the said Province, in General Assembly, June 15, 1757, Colonial Records, VII, 567.
81 Minutes of the Provincial Council, June 16, 1757, Colonial Records, VII, 571; Gov. Denny to Lord Loudoun, June 18, 1757, ibid.
82 Gov. Denny to the Earl of Loudoun, Apr. 19, 1757, ibid., 482.
longer in an effort to keep the departure secret. By that time, Loudoun was expected to have made a junction at Halifax with a protective squadron under Admiral Holburne.\textsuperscript{84}

Philadelphia's docks were the scene of busy activity as soon as word was circularized that the ban upon shipping had been lifted. Within three days fifty-two vessels had cleared. The concentrated nature of the sailings is apparent when one notes that ordinarily fourteen departures a week were considered unusual.\textsuperscript{85} Since a goodly portion of the merchandise shipped survived the hazards of the voyage to the British West Indian markets, the inevitable result was forthcoming. Within three months the markets were surfeited with colonial commodities. Nor could the demands of the military and of the English and Irish markets absorb the remaining surplus. Two years of unprecedented harvests had outstripped even their combined needs.\textsuperscript{86}

By this time the imperial authorities had become the bête noire of the mercantile community, which tended to trace all its troubles to some regulation or other perpetrated by English officialdom. In the present crisis, the prohibition of commerce with Portugal and the Wine Islands was singled out for particular condemnation. It was asserted that this policy deprived the merchants of a market for at least one third of the area's total production.\textsuperscript{87}

As the disposition grew to hold the home authorities responsible for the troublous times, those who had chosen to evade the laws gained stature. Indeed, in the latter stages of the war their practices had virtually acquired the stamp of public approval. The most respected lawyers defended the trade. Even the vice-admiralty judge, a Crown appointee, refused to rule against victims of British naval patrols.\textsuperscript{88}

In such a favorable climate, Philadelphians became more and more heavily involved in clandestine trade. In fact, during the final


\textsuperscript{85} Bezansan, Gray, and Hussey, 38.

\textsuperscript{86} Willing and Morris to Lawrence Read, Oct. 3, 1757, Willing Letter Book (1754-1761); Willing and Morris to John and William Mayne, Jan. 31, 1758, \textit{ibid.}

\textsuperscript{87} Willing and Morris to Bowman and Franklin, July 1, 1758, \textit{ibid.}

\textsuperscript{88} Pitman, 328; Thomas Riche to Jacob Van Zandt, May 30, 1759, Thomas Riche Letter Book, I (1750-1764); Gov. Hamilton to Pitt, Nov. 1, 1760, \textit{Correspondence of William Pitt}, II, 352.
months of Governor Denny’s administration in 1759, trafficking with the enemy was carried on with little effort at concealment. The governor and his agent John Ross, the attorney-general of Delaware, contributed to this by the public sale of flags of truce. Flags of truce were commissions issued on the governor’s authority for the exchange of prisoners of war in the French islands. Vessels sailing with these credentials were ordinarily free from molestation since they were bound to limit their shipment of provisions to the needs of the crew and prisoners. The practice had developed quickly, however, of using the flags as a device to carry provisions to the enemy. Employing customary channels of evasion, merchants loaded their vessels secretly at prearranged places along the river and embarked without difficulty.89

The sale of the flags began in the spring of 1759. At the outset they brought as much as £500. Even at this price the rush for them was so great that Thomas Riche, a merchant of some substance, lamented that “our hopes of a Flagg here I am afraid is over. Therie is so many men of the first Rank pushing for it.”90 That Riche and others were subsequently able to obtain them is clear, however, for Denny ultimately offered the commissions for whatever they would bring.91 Indeed, so many flags were issued that James Hamilton, who succeeded Denny as governor in November, was under no pressure to provide any more for many months thereafter.92

Denny’s action appears to have been linked with the old problem of the taxation of proprietary lands. Like his predecessors, he had been instructed to resist any concessions on this score, a mandate he had long observed, although it had laid him open to salary reprisals and to censure by the legislature.93 In the current campaign, however, a financial contribution by Pennsylvania was desperately needed by the military. Accordingly, the Assembly appropriated £100,000, and provided that the sum be funded by a property tax,
including a levy on the Penn family's colonial estates. Denny at first refused to sign the measure, but yielding to the advice of Generals Amherst and Stanwix, he finally affixed his signature.94

It was widely believed that Denny's deviation from his instructions spelled his doom as governor of the province.95 No doubt the possibility was not lost upon Denny himself and may account for his extraordinary conduct in the use of the flags. Faced with the prospect of losing his position, financially embarrassed and embittered by his struggles with the Assembly, Denny may have been impelled to seek an expeditious way of recouping his fortunes. In any event, it was later reported that he had accumulated a sizable sum of money by his sale of flags of truce.96

By this time it was common knowledge that the profits from irregular contacts with the French were well worth the risk of capture by roving British men-of-war. An investment of ten shillings would ordinarily bring a return of from fifty shillings to three pounds. Such allurements, coupled with the respectable position the trade had achieved, account for the increasingly larger number of participants. Governor Hamilton reported that "a very great part of the principal merchants of this City" are engaged in it, and Thomas Penn complained that the Delaware River literally swarmed with shallops unloading illegal cargoes.97 Even the Society of Friends found it necessary to warn its fellowship against succumbing to the attractions of the moment.98 Some indication of the volume of the trade was publicized in 1760 with the seizure and condemnation in the islands of nearly thirty Philadelphia vessels. No less than £100,000 was invested in their cargoes.99

94 Ibid., 72; Votes of Assembly, Pennsylvania Archives, Eighth Series, VI, 4985.
95 Thayer, 73.
96 Pitman, 328. For a characterization of Denny and his relations with the Pennsylvania Assembly, see Nicholas B. Wainwright, "Governor William Denny in Pennsylvania," The Pennsylvania Magazine of History and Biography, LXXXI (1957), 170-198.
97 Gov. Hamilton to Pitt, Nov. 1, 1760, Correspondence of William Pitt, II, 352; Tho. Greene to Honoured Sir, June 6, 1760, Penn Manuscripts, Official Correspondence, VIII (1755-1757); see also Pitman, 328.
98 Minutes of the Monthly Meeting of the Friends of Philadelphia, July 3, 1759.
The announcement of the capture of so many vessels in the West Indies confirmed a suspicion that had been slowly taking shape for some time—the day of clandestine trading was drawing to a close. Repeated attempts by embargoes had been unsuccessful in stamping it out, but the military was to succeed where legislation had failed.

The tide of war had definitely set in favor of the British during the summer and fall of 1758. Louisbourg surrendered in June, and Fort Duquesne capitulated in November. The next two seasons sealed the fate of the French in North America. With the fall of Quebec in 1759 and of Montreal in 1760, their power vanished. Although the Spanish subsequently entered the struggle in support of the French, the die had already been cast. The English continued their victorious ways in a successful campaign against France's remaining possessions in the Caribbean. Resistance collapsed in 1762, and a final treaty of peace was signed in Paris on February 10, 1763.

As early as 1759 the British Navy had begun to enjoy marked success in its efforts to intercept vessels carrying stores to the French islands, and the subsequent shift in the center of fighting from the mainland to the islands permitted a more concentrated attack on this problem. As a consequence, an increasing number of seizures were made. In 1760 these occurred with such frequency as to discourage all but the most hardy adventurers, and illegal trading soon fell off to a mere trickle. Before the end of the war the British had it altogether under control.

Although the smuggling trade had all but vanished for the time being, the spirit behind it had by no means been quenched. The practice of placing profits before principle inevitably undermined respect for all artificial barriers to trade. This viewpoint was not found solely among those who had been party to the illegal activities; even the fair traders had been affected. For many of them the war years had been years of frustration. They had watched their rivals accumulating riches by evasion while their own position was weakened by the

100 Thomas Riche to Jacob Van Zandt, May 24, 1759, Thomas Riche Letter Book, I (1750-1764); Thomas Clifford to Jacob Goule, Feb. 8, 1760, Thomas Clifford Letter Book, XXVII (1759-1766); John Reynell to John Sherburne, Mar. 12, 1760, John Reynell Letter Book (1760-1762); Reynell to Sherburne, Apr. 17, 1760, ibid.; Tho. Greene to Honoured Sir, June 6, 1760, Penn Manuscripts, Official Correspondence, IX (1758-1764).

101 Pitman, 330.
unfair competition. And to add to their sense of injury, their efforts to support themselves were constantly hampered by what they regarded as futile and ill-considered attempts on the part of the authorities to eradicate existing irregularities. Such conditions threatened to destroy whatever public spirit they had possessed. Thus by the end of the war both the smuggler and the fair trader tended to regard imperial Britain with something less than filial pride. Political loyalty had suffered a damaging blow.\textsuperscript{102}

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