The Changing Structure of Philadelphia’s Trade With the British West Indies, 1750-1775

Despite the magnitude of Philadelphia’s trade with the British West Indies, scholarly literature has done little to probe beyond textbook generalizations about the commodities exchanged and the overall significance of this commerce for the Quaker Colony.¹ Thus, not much is known about the profitability of this trade. And important questions are unanswered. Which groups—Pennsylvanians, West Indians, or Englishmen—supplied the capital and made the decisions when to ship? Who assumed the risks or received most of the gains? As will be suggested below, there were important changes in the financing and control of Philadelphia’s trade with the British West Indies near the end of the colonial period. Before 1763 speculative voyages, which were financed and initiated by Philadelphians, characterized exchanges with the sugar islands. After that date such voyages declined in importance and new commercial relations, in which West Indians and Englishmen played a more forward role, became increasingly significant.

This article examines the nature and profitability of speculative ventures, with special emphasis on the 1750s, and analyzes the broad developments which transformed this commerce after 1763: first, the change in the shuttle or direct trade from speculative voyages to commission business; and second, the growth in the

¹ All manuscripts, unless otherwise indicated, are located in the Historical Society of Pennsylvania. The fullest treatment of the relations between the mainland colonies and the British Caribbean is Richard Pares, Yankees and Creoles: The Trade between North America and the West Indies before the American Revolution (London, 1956). Pares, however, gives no indication that commercial ties changed during the colonial period. For a similar, if briefer, discussion, see Arthur L. Jensen, The Maritime Commerce of Colonial Philadelphia (Madison, 1963), chapter 4.
late 1760s of a triangular trade involving England, Pennsylvania, and the British West Indies.

During the early 1750s, as during the first half of the century, Pennsylvania's exchanges with the West Indies were on a speculative basis: the Philadelphia merchant supplied the capital, assumed the risks, and garnered the profits. For the Quaker City exporter the outlay of funds began with the initial purchase of provisions. Merchants bought grain for cash. "We never barter for the country produce," Thomas Willing stated in 1755, "because the farmer and miller will have money on delivery, and frequently before they deliver their articles." Once purchased, the flour, bread, lumber, and meat were shipped to the Caribbean, typically in a small Philadelphia-owned vessel, whose voyages described a shuttle pattern between Pennsylvania and the islands. (Rarely did any vessel engage in that triangular trade which involved Pennsylvania, the islands, and England.) Often a ship's cargo was made up of parcels from several different merchants.

Provisions usually were directed to a specific island and to a resident factor. Voyages in which a captain visited several islands to dispose of his cargo were not unknown, but were uncommon. Also more the exception than the rule was the use of a supercargo, who accompanied the vessel and who managed the sale of commodities in the West Indies. Such agents were at a disadvantage compared to merchants resident in the islands. They lacked warehouse facilities; they generally could remain only a limited time in the West Indies (and often several weeks were needed to dispose of a cargo); and in some places, as Barbados, they were forced to pay a nonresident sales tax. Only in dealings with the poorer islands, such as the Leewards (Antigua, St. Christopher, Montserrat, and Nevis), where the native merchant class was less well established, was the use of supercargoes common.

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2 To Coddington Carrington, May 26, 1755, Willing Letter Book.
With respect to the ownership of the goods and the financing of trade, the resident factor was little more than the agent of the Philadelphia merchant. The cargoes of foodstuffs sent from Pennsylvania to the islands were delivered to the West Indian trader. He sold this produce directly to the planters or, in Jamaica and Barbados, to the "town agents," middlemen who helped manage and supply the estates. He generally allowed the purchaser several months' credit. The terms varied from island to island, with shorter periods prevailing on a wealthy island like Barbados and longer periods, ranging up to a year, customary in the less prosperous Leewards. The factor then collected produce and money from the planters and remitted payment to Philadelphia, retaining a commission for his services. Occasionally, the West Indian trader took a share in the venture, generally a third or less, rather than working on straight commission. 5 Like the shipments of foodstuffs sent to the West Indies, the return cargoes of sugar and rum were financed by northern mercantile capital. Because Pennsylvania had a favorable balance of trade with the English islands, the tropical produce shipped to Philadelphia most often arrived as partial payment for earlier debts. 6

Broadly viewed, the profitability of voyages "on the risk" of the northern merchant reflected the interaction of supply and demand. Caribbean demand depended more on weather than on any other single factor. With favorable rains, locally raised "ground pro-

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6 For example, see Birkett & Booth to John Reynell, Jan. 18, 1752, Reynell Papers. On the balance of trade between Philadelphia and the British islands consult the summaries of colonial port records in T 64/48/3, 11, 19 and CO 152/20/161-164, Public Record Office. Also see the new set of tonnage figures presented in Marc Egnal, "The Pennsylvania Economy, 1748-1762: An Analysis of Short-Run Fluctuations in the Context of Long-Run Changes in the Atlantic Trading Community" (doctoral dissertation, University of Wisconsin, 1974), appendix I.
visions" could "stagnate the sale of what is brought from the northern colonies." On the other hand, drought in the islands or the destruction wrought by a hurricane provided northern traders with the possibility of sizeable gains. The supply of provisions in West Indian markets also depended on several considerations, including the abundance of the harvest in the middle colonies, the decisions of numerous individual exporters, and the appearance in island markets of foodstuffs from Ireland or England.

A discussion of these general reasons for successful or unsuccessful ventures is only the first step in an examination of the profitability of Pennsylvania's West Indian trade. Economic historians long have assumed that speculative voyages provided northern merchants with important gains. But crucial questions—the size of these earnings, their precise source (e.g., returns on outward cargoes of foodstuffs or on inward cargoes of tropical produce), the nature of fluctuations in profits, and the degree to which traders could intelligently time the shipment of cargoes—have not been systematically or quantitatively treated. A statistical case study of mercantile profits in Philadelphia's trade with Antigua between 1751 and 1754 makes possible one set of answers to these questions. Antigua has been chosen for detailed analysis because of the extensive correspondence preserved in the Reynell papers. In-letters from the island allow the construction of price series for rum and flour, the two most important commodities exchanged with Philadelphia. These prices, along with invoices and Philadelphia quotations may be used to determine earnings.

Mercantile profits on a shipment of flour to Antigua or on one of rum to Philadelphia have been computed on the following bases. For each month, the difference between total receipts and total costs on a shipment of ten hogsheads of rum and a hundred barrels

7 Birkett & Booth to John Reynell, June 9, 1751, Reynell Papers.
9 Herbert C. Bell, "The West India Trade Before the American Revolution," American Historical Review, XXII (1917), 287; Jensen, Maritime Commerce, 56; Pares, Yankees and Creoles, 139-146.
10 Price data derived from the Reynell Papers are available at the HSP filed under the author's name in the Reynell Papers.
of flour was computed. The calculations required that balance sheets be struck. Fortunately, original invoices survive which itemize costs (such as wharfage, freight, etc.) involved in shipping flour and rum. The various expenses were standard in peacetime. Two invoices, showing all customary charges, are presented on the following pages. In these calculations, the purchase price and selling price were linked by an interval of three months—as is suggested by the correspondence. The difference between total receipts and total costs was converted into a more meaningful figure—annual profit on money invested. This calculation incorporates the time period over which the gains were realized. For example, if a £10 profit was made on a cargo costing (with charges) £100, and this gain was received after two years, then the annual profit was five percent. If the same amount was earned during six months, then the annual profit was twenty percent. The computation of annual profit is based on the assumption that returns came one year after the initial outlay. This period is suggested by mercantile records.11

PROFIT FROM SHIPPING 100 BARRELS OF FLOUR FROM PHILADELPHIA TO ANTIGUA

I. Costs in Philadelphia

   (figures are rounded off)

   A. 100 bbls. of flour at 12s. per cwt. (2 cwt. = 1 bbl.) £120
   B. Nailing and searching @ 10d. per bbl. 8
   C. Net costs 128
   D. Insurance on net costs, 2½% 3
   E. Total cost of cargo sent to Antigua £131

II. Income and Expenses in Antigua

   F. Receipts from sale of 100 bbls. at 20s. per cwt. £200
   G. Expenses
      1. Wharfage 3d. per bbl. 1
      2. Portage, cooperage, landing (this varies at times) 5

11 Reynell Papers, passim. For the computed monthly profits (based on the Reynell price data), see Egnal “Pennsylvania Economy,” 135.
3. Freight, Philadelphia to Antigua, @ £5 per ton (1 ton = 18 bbls. flour) 28
4. Commission on sales and storage, 7½% (based on gross receipts) 15

H. Total expenses 49
I. Remitted to Philadelphia £151

III. Net profit
Remittance (£151) less total costs (£131) £20

Source: Abstracted from invoices in Reynell Papers.

PROFIT FROM SHIPPING 10 HOGSHEADS OF RUM FROM ANTIGUA TO PHILADELPHIA

I. Costs in Antigua
A. 10 hhds. of rum @ 2s. per gallon (1 hhd. = 115 gals.) £115
B. 4½% Leeward Island duty (actually levied on only 80% of total cost of rum) 4
C. Hogsheads @ 28s. each
   Cooperage @ 3s. per hhd.
   Wharfage @ 6d. per hhd. 16
D. Miscellaneous expenses (hoops, portage, etc.) 3
E. Net cost £138
F. 5% commission on net cost 7 145
G. Insurance, 2½% 4
H. Total cost in Antigua £149

II. Income and Expenses in Philadelphia
I. Receipt from sale of 10 hhds. of rum @ 3s. per gallon £175
J. Expenses (freight at £1 per hhd.) 10
K. Net receipts £165

III. Net profits
Net receipts (£165) less total cost (£149) £16

Source: Abstracted from invoices in Reynell Papers.
These calculations of profits, which are based on eighteenth-century invoices, must be understood with certain qualifications. But the adjustments, even taken together, do not significantly distort the results presented below. The colonial merchant did not debit charges for the depreciation of capital goods, such as warehouses and stores. Nor did he deduct a salary for his time or that of his assistants. All these must be charged against profits. More importantly, these calculations assume that the merchant purchased two key services—shipping and insurance—from others. But many Philadelphia traders were engaged in these two businesses, and to the extent that shipping and insuring proved profitable our final results understate overall gains. The necessary correction is small. A 10% profit on freight and insurance boosts overall earnings by only about 1%.

This statistical examination of Philadelphia's trade with Antigua between 1751 and 1754 sheds light on the magnitude, the variations, and the precise source of earnings from speculative ventures. First, trade was characterized by sizeable and recurrent fluctuations in profits. For example, a cargo of flour purchased and shipped in March, 1752, would have netted 56% profit; one shipped in December, 1752, would have resulted in a loss of 25%. No long-run or cyclical trend is evident, however. Second, variations in profits usually were not sudden or wild; market conditions, favorable and unfavorable, tended to persist for several months. A Philadelphia merchant could, with justifiable hope, respond to the advice of his Antiguan correspondent even though a minimum of six weeks was needed to fill a reported demand. Third, if these years are typical, more profit was made on the out-bound cargoes of foodstuffs than on in-bound shipments of tropical produce. Generally, rum sales closed with a loss, and only in one month (February, 1754) was the net profit over 5%. But shipments of this spirit, even when marginally unprofitable, aided the Philadelphia merchant. They allowed him to secure remittances more quickly and thus better realize the gain on the outbound cargoes.

This case study of Antigua suggests that speculative voyages could well be a source of substantial earnings, but only for the trader careful to maximize his opportunities. A venture sent at

12 Ibid., 80-81, 129-130, 230, 248-249.
chance resulted in a loss as often as a profit. But with continuous, accurate communication from the islands, careful planning by the Philadelphia merchant, and diligent work by the factor speculative voyages held the possibility of handsome returns over the long run.

In sum, speculative dealings which were financed by Pennsylvania capital and which provided ample profits to the exporter characterized exchanges between Philadelphia and the British islands during the early 1750s, as they did throughout the years between 1700 and 1763. Moreover, almost all vessels moved in a direct or “shuttle” pattern between the West Indies and the mainland. Changes in the nature of this commerce would come only after the Seven Years’ War. During that conflict the basic structure of trade—ventures financed by Philadelphians—remained unaltered, despite a significant, if temporary, reorientation of trade. During the early years of the war, 1756, 1757, and 1758, many of the cargoes ventured to the English islands were reshipped by factors to the neutral or French islands. And, between 1759 and 1762 conquests increased the number of “British” islands and expanded the possibilities for legal trade. But only after 1763 did venturing decline in importance and new commercial relations emerge. The changes in Philadelphia’s West Indian trade during the last dozen years of the colonial era were twofold: one affected the shuttle or direct trade (which always remained the predominant pattern of commerce); the other involved the rise of a triangular trade, touching England, Philadelphia, and the British West Indies.

After 1763 direct trade with the British West Indies was altered significantly: ventures “on the risk” of the Philadelphia merchant grew relatively less important, and a commission trade, in which exchanges were financed and initiated by West Indians, became increasingly significant.

One reason for the decline of speculative voyages was the diminishing rate of growth in much of the British West Indies: less wealth in the islands meant that in the 1760s merchants could no longer expect those windfall gains which had brightened trade in earlier decades. By the end of the Seven Years’ War the decline of the planter class was an uncomfortable reality in many of the older island economies. Sugar and rum production in Barbados, the

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13 Wartime commerce with the British islands is examined at length in *ibid.*, chapter 5.
Leewards, and the southern half of Jamaica remained at levels reached by mid-century. All available acreage long had been cultivated, and the region’s rich soils gradually became less productive. Moreover, few steps were taken by the planters to enhance output. The increasing rate of landowner absenteeism exacerbated this state of affairs. The managers left on the estates had more interest in securing an annual return than in providing for future growth. According to an estimate made in 1775, half the wealth of the British West Indies was owned by persons resident in England.\textsuperscript{14}

The decline of the economies of the older islands, and their weakening or static demand for northern foodstuffs also were indicated by clearances from Philadelphia to the West Indies. While forty-six vessels left the Quaker City for Barbados in 1754, only thirty-six sailed for that island two decades later. Antigua’s trade showed no gain; over the same period, clearances from Philadelphia declined from twenty-seven to twenty-six. Total tonnage leaving Philadelphia for the Caribbean had risen steadily during the first half of the century, and had continued upward during the 1750s. After 1759 annual tonnage showed no further growth for a decade, despite short-run fluctuations. Only in the early 1770s was there a distinct upturn. Further, these overall figures include a small but increasing amount of trade destined for the foreign islands. Tonnage directed to the British West Indies showed even less of a positive trend than the aggregate figures suggest.\textsuperscript{15}

In addition to the physical decline of the older British islands, there was a second reason for the reduced profitability of venturing in the 1760s: because of European demand for American grain, the price of flour and bread soared and West Indians were less able to provide northern exporters with substantial profits on ventures. The increase in grain prices was significant both in absolute terms and


\textsuperscript{15} Jensen, \textit{Maritime Commerce}, 43–45; Egnal, "Pennsylvania Economy," appendix I.
also relative to the market value of tropical produce. From the 1720s to 1765, except for wartime, the ratio of sugar and flour prices had remained relatively constant: one hundredweight of sugar purchased three and a half hundredweight of flour. The constancy of this ratio was no coincidence; and it had been maintained despite the fact that both sugar and flour prices increased dramatically during the 1740s. Prior to 1765 West Indian demand was the most significant determinant of the value of flour and bread. When the planters received more money for their produce, these gains were soon passed on to the North Americans in the form of higher prices for lumber and foodstuffs. After 1765 Philadelphians increasingly marketed their flour in Europe, and continental prices pushed Pennsylvania quotations upward. Even though the sugar islands remained the single most important market, planters were now forced to pay the same high prices as the Lisbon and Cadiz houses. A hundredweight of sugar now commanded only three or fewer hundredweight of flour. The result was that the West Indians found the purchase of supplies more difficult. They were less likely to buy at unusually high prices, and bankruptcies in the islands—among both merchants and planters—apparently became more common.

Philadelphia's merchants soon testified to the lessened profitability of speculative ventures. "The trade I have for some time carried on," Thomas Clifford explained to a West Indian correspondent in 1765, "served rather for employment and to oblige some of my friends whom I inclined to serve, than to yield any profit. Indeed, since this time two years, [with] almost every adventure I have shipped, the accounts have been closed with a loss...." Thomas Riche concurred. "My friend and relation, Samuel Mifflin," he told a Lisbon merchant in 1770, "informs me he has at last crept into your trade, [and] address[ed himself] to your house where


17 To Roach & Niles, Apr. 5, 1765, Clifford Letter Book.
I have for some time past advised him to, and quit the West Indies, losing money [there] every year.\textsuperscript{18}

Those who continued shipping "on their own risk"—and such voyages persisted throughout the colonial period—found the standard charges increasingly oppressive. William Smith, factor at St. Kitts, dealt with such a complaint from Thomas Clifford. "I observe you think 10 per cent commission sufficient to transact business in this island," he told the Philadelphian in 1770, "and that your trade will not admit of more. The latter I believe is true, but the former is not by any means adequate to the trouble and expense of selling and collecting in this or any of the English islands." And in a subsequent letter, Smith stated: "Many times you'll say trade will not bear more, but it was a few years past 15 percent for sales and returns."\textsuperscript{19}

Not only did Philadelphians send fewer ventures, but also those that did ship "on their own risk" sought to hedge their bets by securing cargoes from other Philadelphians on a commission basis. Thus, as one writer noted, "if they should not meet an advantageous market so as to get something by their part of the adventure, yet the commission of ten percent on the other part makes them ample satisfaction."\textsuperscript{20}

The comments of two Philadelphia houses shed light on the decline of speculative voyages and the ways traders endeavoured to protect themselves. In 1766 James & Drinker explained to a Barbados factor why they would not venture a cargo. "Upon enquiry [we] could not find any encouragement," the firm observed. "It is true a number of vessels have been loaded lately for your island but chiefly either by the owners of such vessels or partly by them and partly by persons here who shipped in bottoms to engage the consignments of the other parts of the cargo and freights. This thou knows was out of our power to do..."\textsuperscript{21} In 1773 William Pollard presented a similar, if fuller, summary of the changes in Philadel-

\textsuperscript{18} To Parr & Bulkley, May 26, 1770, Riche Letter Book.

\textsuperscript{19} Nov. 4, 18, 1770, Clifford Correspondence. Smith was indeed correct that commissions at St. Kitts had been 15%. Thomas Wharton, Jr., to Thomas Wharton, Nov. 11, 1760, Wharton Correspondence. Why commissions on sales were so much higher there than on neighboring Antigua (only 7%) is not clear.

\textsuperscript{20} William Pollard to Brian Bentley, Mar. 9, 1773, Pollard Letter Book.

\textsuperscript{21} To John Bayly, Aug. 11, 1766, James & Drinker Letter Book.
phia's shuttle trade and underscored the decline of venturing. A Kingston merchant (and relative), Brian Bentley, had asked for assistance in enlarging his trade. "If I can induce any of my friends who ship anything to your place to give you their business," Pollard replied, "you may depend I shall not be unmindful of it. But I assure you my hopes are small." He explained why:

Our old settlers have got their old correspondents which they will not like to leave. And of late years the West India trade has been so indifferent that the owners of ships make a point of shipping as little as possible on their own account. And therefore he that will ship the largest quantity of goods on board the vessel will get the owner's part consigned to himself, if he is going, if not, to his friend in the island the vessel is going to.

Thus it was unlikely that any Philadelphian would direct a speculative venture to Bentley's house.22

There were, however, exceptions to these rules: not all of the British islands experienced declining productivity after 1763 nor, apparently, did venturing fall off in every case. The northern half of Jamaica, and the "Ceded Islands" gained from France in 1763—Dominica, Grenada, St. Vincent, and Tobago—increased their output. Philadelphia's trade with these regions, particularly with Montego Bay in Jamaica and with the isle of Dominica, increased. But commerce with northern Jamaica after 1763 conformed to the general trend away from speculative dealing.23 Information on the exact nature of Philadelphia's exchanges with Dominica is sparse. That island's commerce was affected by the creation of two free ports in 1766, and by the existence of licit and illicit trade with nearby French islands. The Quaker City's connections with Dominica were one possible exception to the decline of venturing to the Caribbean.24

Because of the reduced profitability of speculative voyages after 1763, Philadelphia's merchants involved in the shuttle trade turned

22 Mar. 9, 1773, Pollard Letter Book.
23 Philadelphia's dealings with northern Jamaica, which involved a triangular trade with England, are discussed below.
increasingly to another alternative: loading vessels on a commission basis, and shipping only in response to specific orders from the islands. Philadelphians were familiar with this method of marketing their bread and flour. The grain sent to New England was shipped in this manner.\(^25\) Moreover, commission business formed a minor part of the Quaker City's dealings with the Caribbean at least as early as the 1750s. For example, Bayly, Elsworthy & Bayly, who managed several Jamaican estates, endeavoured to arrange for regular shipments of lumber and foodstuffs. John Reynell, to whom this request was directed, advised the Kingston merchants not to make any long-term commitment with a Philadelphia firm (because such an arrangement might tempt the exporters into "shipping staves of an inferior quality"). Despite this admonition, Reynell in 1754 and 1755 loaded several vessels on commission for the Jamaican house.\(^26\)

Commission business grew rapidly in importance after the Seven Years' War. Unlike venturing, these exchanges were controlled by West Indians. The island merchant forwarded an order for foodstuffs to Philadelphia, and paid either in advance or upon receipt of the goods. The Philadelphian filled the request and kept a commission (generally 5%) for his services. The other half of the shuttle trade—the shipment of tropical produce to Pennsylvania—also was altered. Increasing amounts of rum and sugar were sent to Philadelphia for importers to sell on commission. The gradual shift from venturing to commission business was advantageous for both West Indians and Philadelphians. For Caribbean planters and merchants, the new dealings ended the possibility of exorbitant northern profits on foodstuffs (which they could ill afford to pay) and offered regular provisioning in a market where fewer ventures arrived. For those in the Quaker City, the change was an intelligent response to worsening conditions in the islands: an assured 5% of the total value shipped was better recompense than the average profit on a speculative voyage.\(^27\)


\(^{27}\) Reynell Letter Book, Clifford Letter Book, passim.
The letter books of various Philadelphia merchants make clear the growing importance of commission business with several of the British sugar islands. During the 1750s John Reynell's dealings with Antigua were limited to cargoes ventured "on his own account" or, occasionally, on joint account with a merchant in the island. By 1765 the Quaker merchant was receiving and filling regular orders from Antigua planters and was content to keep a set percentage of total cost.28 Philadelphia's trade with Barbados underwent comparable changes. Lengthy orders from that island had become an important aspect of James & Drinker's and Thomas Clifford's dealings by the mid-1760s. In addition, quantities of Barbadian rum were consigned to these Philadelphia merchants to be sold on a commission basis.29 In 1773 the role of the Barbados merchant was enhanced still further. In that year Alexander Sandiford & Sons established, according to their own claims, "the largest agency ever known in this island." Their assertion was probably valid, for in 1774 they engrossed most of the rum produced for the North American market by offering the town agents two shillings a gallon. The Sandifords also sent a large order to Philadelphia for which they paid in advance. They offered to buy a considerable quantity of staves and headings at the fixed price of £10 Barbados currency per thousand.30 The ascendancy of the Sandifords may be viewed as the aggressiveness of one house. But it was made possible by broad changes in the links between Philadelphia and the British islands: fewer northern merchants traded "on their own risk" and increasing numbers handled cargoes on a commission basis.

These changes in the shuttle trade—the growth of commission business and the decline of venturing—were the most important, but not the only developments affecting Philadelphia's dealings with the British West Indies after 1763. The Quaker City's com-


30 Alexander Sandiford & Sons to Pemberton & Edwards, Sept. 11, 13, Nov. 16, 1773, Mar. 6, June 5, 1774, John Hawksworth to Pemberton & Edwards, Mar. 6, 1774, Pemberton Papers.
merce also was altered by the growth of a triangular trade involving England and the sugar islands. This commerce must be distinguished from the voyages of those colonial vessels which occasionally transported quantities of tropical produce to English houses. The trade in question here was a most deliberate one, undertaken by English "commission agencies," and involving vessels set in a fixed course, carrying manufactures to the colonies, provisions to the islands, and sugar and rum back to England. The emergence of this three-sided commerce paralleled in some respects the growth of commission business. Both reflected the decreased importance and profitability of speculative ventures and the increased attractiveness of loading cargoes on a commission basis. But there were important differences. In the commission business, which altered the shuttle trade, the decision of what and how much to ship and the necessary funds were provided by West Indians. In the triangular trade both the initiative and the money came from English houses.

Any examination of the triangular trade must confront a body of literature which asserts that the path of vessels sailing between England, the northern ports, and the sugar islands was invariably defined by a series of shuttles, and that the only "triangular" movement was the flow of remittances or goods. Certainly the shuttle trade accounted for the lion's share of Philadelphia's commerce with the West Indies. But in the years before Independence a significant portion of Pennsylvania's provisions—probably more than 10%—was shipped to the British West Indies as one leg of a voyage commencing in Britain and financed by English capital. In dealings with certain areas, such as the northern half of Jamaica, these three-sided voyages most likely predominated. A recent quantitative investigation by Gary Walton labels the triangular trade between the colonies, the West Indies, and England as of "very little importance." But Walton's evidence is sparse and sheds no light on the triangular trade which developed at the initiative of the English merchants. This trade was established during the

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81 Philadelphia merchants frequently expressed interest in and occasionally were involved in the carrying trade from the Caribbean to England. Peter Hunter to John Reynell, July 7, 1749, David Fogo to John Reynell, Nov. 12, 1754, Reynell Papers; Charles Willing & Son to Capt. Heysam, Sept. 12, 1754, Willing Letter Book; Thomas & John R. Phillips to Thomas Wharton, Dec. 30, 1758, Wharton Correspondence.
decade before Independence, but Walton presents port records for only one year (1773) after 1764. Further, this triangular commerce involved the developing areas within the English West Indies—such as northern Jamaica and the “Ceded Islands”—rather than the older plantations. Walton’s statistics for 1773 pertain only to vessels trading at the older island of Barbados.\(^32\)

The development of triangular trade was the product of the needs and resources of a set of English mercantile houses called “commission agencies.” Independent merchants had dominated the trade between Britain and the West Indies in the seventeenth century. These merchants typically had bargained for the casks of sugar, rum, and molasses after each harvest and had sold finished wares to the islanders. The dealings of the commission agencies (whose rise dates from 1660 and who were in the ascendant in the eighteenth century) differed from those of the independent traders in two respects. First, the agencies were committed to the long-term financing of sugar production. They lent large sums to the planters. Second, the agency had a firm marketing arrangement with the plantations it served. All sugars raised by a given estate were assigned to the commission house. All English goods required were shipped by the agency. These mercantile houses naturally required a considerable capital. Typically, funds initially came from the West Indies themselves; absentees established trading houses with wealth garnered from the plantations.\(^33\)

Commission agents had several reasons for desiring to set their vessels in a route that went from England to the northern continental colonies to the West Indies and back to England. Direct trade between the mother country and the sugar islands was characterized by inefficient use of shipping. Vessels often were forced to sail for the Caribbean in ballast. Not only was the balance of trade, measured in pounds sterling, weighted heavily in favor of the West Indies, but also the sugar and rum transported home was far bulkier than the manufactures shipped to the plantations. One Bristol


commission agent, Michael Atkins, confessed in 1755: "I am distressed for an out freight from hence to Jamaica every year since the war." The northern continental colonies provided a seemingly ideal answer to the agent's need to keep his vessels profitably employed. The direct commerce between England and these provinces was consistently and overwhelmingly in the mother country's favor. Thus, the agent's ship could carry a full cargo of manufactures to the northern colonies, foodstuffs to the Caribbean, and tropical produce back home. And North America offered the English houses more than a better way to utilize shipping. Supplying provisions to the sugar plantations was a natural addition to the services provided by the agency. Regular, large purchases of lumber and foodstuffs suggested that the planter's costs could be reduced.

The route touching the northern colonies was doubly attractive because of the obstacles virtually negating another alternative: triangular trade embracing England, the coast of Africa, and the West Indies. Like the commerce with America, this three-sided route had much to recommend it, at least for those whose consciences were not troubled by human cargoes. Finished goods would be transported to the slave coast and traded for Negroes, who would be taken to the Caribbean. Finally, tropical produce would be brought back to England. According to modern scholarship, however, this trade never provided a means of transporting any significant portion of the West Indian sugar to England. As a rule, the slavers returned home from the islands in ballast. The "Guinea" vessels were ill-constructed for the safe transport of casks of rum and sugar, and so were shunned by the planters. Further, they rarely arrived at "crop time," as did those vessels sent out directly from England. Commission agents and planters alike agreed on the importance of getting the sugar harvest quickly to market. Slavers

34 To John Reynell, Jan. 15, 1755, Reynell Papers.
36 In 1789 one captain was asked by a House of Commons committee: "Do the ships in the African trade generally return from the West Indies fully laden with West India produce?" His answer: "They seldom or never bring any produce home." Cited in Richard B. Sheridan, "The Commercial and Financial Organization of the British Slave Trade, 1750-1807," Economic History Review, Second Series, XI (1958-59), 252.
apparently kept no regular schedule and so were undependable carriers.\(^7\)

Despite the allurements of a triangular trade involving the northern colonies, serious obstacles made the establishment of such links difficult. During the 1750s the efforts of commission agents to set their vessels in this pattern were unsuccessful. Only by the end of the following decade was a triangular trade involving the northern colonies securely established.

The fruitless efforts of Michael Atkins of Bristol illustrate the difficulties besetting any commission agent, during the 1750s, who experimented with the triangular trade. Atkins was only one of several English houses that made a trial of this three-sided trade.\(^8\)

The Bristol merchant's connections were with Jamaica; he marketed sugars for Bayly Ford, & Jewell (later Bayly, Elsworthy & Bayly), town agents in Kingston who managed several estates. Atkins' interest in the triangular trade dated from 1748, if not earlier. In that year he consigned John Reynell a cargo of salt, cordage, and pepper, and instructed the Philadelphian to reload the vessel with lumber for Jamaica. Reynell was paid a commission for his services.\(^9\)

Evidently this venture was profitable, because the following year Atkins suggested to Reynell that this trade be regularized. "My ships are wholly in the planters' service," the commission agent wrote in his rambling manner, "and to accommodate them with lumber is the notice of my sending to your country." Of first importance, he emphasized, was "to have all my ships at Jamaica by Christmas." This way the new crop of sugars could be brought to an early market and sold most advantageously.\(^10\)

Atkins' high hopes for the triangular trade faded in the face of serious problems. Although he persisted in his efforts for several years, his letters suggest only mounting despair. At the heart of his difficulties lay the near impossibility of securing a full cargo

\(^7\) Ibid., 252-257.
\(^8\) Lascelles & Maxwell was another commission house which tried unsuccessfully to commence such a trade. Pares, Yankees and Creoles, 7-8.
from Bristol to Philadelphia. "I shall be greatly obliged with an
information from you," he told Reynell in 1755, "how to establish
a ship for a constancy on the track to Philadelphia, and not to be
disappointed of placing her at Jamaica one day in January. There
is no dependence on freight goods from hence to your port, nor do
I know what to purchase of goods even to buy a cargo of lumber
there." The difficulty of securing goods for the northern colonies
was a particular problem for agencies in the outports (i.e., English
port cities except for London). In the 1750s and earlier, London far
outdistanced rival cities for control of England's trade to Boston,
New York, and Philadelphia. But the houses most interested in the
triangular commerce seem to be predominantly located in the out-
ports. London commission agencies were generally older and better
established than those in Bristol and Liverpool, and were less eager
to experiment with new patterns of trade.

Atkins' difficulties in finding freights for Pennsylvania forced him
to undertake lengthy, circuitous voyages to keep his ships employed.
One such trip, in 1754, involved sending lime and bricks to St.
Christopher, unloading the lime and sailing to Philadelphia (pos-
sibly with tropical produce), then freighting lumber and provisions
to Jamaica, where the lumber, provisions, and bricks were to be
delivered to the town agents. "Necessity puts me upon forcing
ships such around voyages to Jamaica," Atkins lamented, "being
sensible I do it at a greater expense than many who undertake it,
at unreasonable times also, and in other respects improperly...."

The Bristol agent was beset by another problem: profits on the
second leg of the voyage, that from Philadelphia to the islands,
were undercut by the numerous ventures of the colonists. The large
quantities of provisions shipped by Philadelphians "on their own
risk" meant that supplies often were plentiful and relatively cheap;
when island markets were glutted foodstuffs could be purchased at
cost or below. Further, the agent's ships were locked into a fairly
rigid timetable, while the colonists could respond more quickly to
changed conditions. The Bristol merchant stated the problem suc-

41 Jan. 15, 1755, Reynell Papers.
43 Michael Atkins to John Reynell, June 10, 1754, Reynell Papers.
44 To John Reynell, Jan. 15, 1754, ibid.
Traders of the northern colonies have all the West India business to themselves. Europeans can hope for no encouragement for mixing with them in the commodities of provisions and lumber. You time things better than we can and go to market cheaper.”

Finally, after persisting for over seven years, Michael Atkins gave up. “It is convincing to me,” he informed Reynell in October, 1755, “by the Prosper’s voyage, a ship of mine, in the manner she must be managed for the West Indies, can get nothing by going to Philadelphia in the way out. I shall no more attempt an experiment.”

The emergence of the triangular trade by the late 1760s was made possible by a series of related developments. In the period before the Seven Years’ War outport merchants, like Michael Atkins, had experienced considerable difficulty securing freights for the northern colonies. This problem was largely eliminated after 1765 by the rapid growth of trade between the northern colonies and the outports. Although the statistics for Philadelphia’s imports from England by port of origin are not readily available, we may rely on the evidence of New York City’s trade. New York’s imports from England resembled Pennsylvania’s in magnitude and fluctuation. The figures below show the growing importance of the outports and support the similar picture suggested by Philadelphia letter books.

NEW YORK’S IMPORTS FROM ENGLAND,
BY PORT OF ORIGIN

(Annual average, in thousands of pounds sterling)

<table>
<thead>
<tr>
<th>Year</th>
<th>From London</th>
<th>From Outports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1751-1755</td>
<td>£173</td>
<td>£ 26</td>
</tr>
<tr>
<td>1756-1760</td>
<td>381</td>
<td>33</td>
</tr>
<tr>
<td>1761-1765</td>
<td>273</td>
<td>38</td>
</tr>
<tr>
<td>1766-1770</td>
<td>278</td>
<td>78</td>
</tr>
<tr>
<td>1771-1774</td>
<td>308</td>
<td>123</td>
</tr>
</tbody>
</table>

A second development encouraging the establishment of a triangular trade in the 1760s was the decline in the number of Philadelphians who ventured foodstuffs to the West Indies “on their own

45 To John Reynell, July 5, 1751, *ibid.*
46 Oct. 8, 1755, *ibid.*
risk.” This phenomenon meant that gluts and low prices were less likely to occur in Caribbean markets. Thus, regular provisioning, based on cost plus commission, appeared more attractive to the planters. The triangular trade, with departures and arrivals determined by the need to reach the islands by “crop time,” could never wholly replace direct dealings between the West Indies and mainland. But at least the second leg of the voyage from England now became a profitable, intelligent venture for both planter and agent.

The arguments for a three-sided trade also became more persuasive as West Indian production expanded steadily after mid-century. The gap between the imports and exports in Britain’s trade with the sugar plantations widened. English merchants were increasingly confronted by the need to secure freight for the outward voyage. Expansion in the Caribbean was, of course, limited to certain areas. Northern Jamaica accounted for nearly half the increase in production from the 1740s to the early 1770s. After 1763 the “Ceded Islands” contributed significantly to the output of the British West Indies. These developing regions were the ones involved in the triangular trade. Planters on the older islands, and commission agents dealing with them, had well-established patterns of trade and were reluctant to try new ones. Philadelphia correspondence suggests that most ships loaded for English commission agents in the early 1770s were sent to the north side of Jamaica. Kingston, the major port on the south side, received little or no trade of this sort. “I have not done any business to Kingston for several years past, nor have I any prospect of doing any that way soon,” noted one Philadelphian involved in freighting ships to Jamaica for English houses.48

Although both London and outport merchants took part in the triangular trade, commission agencies in the outports seem to have been more important. These traders, when compared with the Londoners, were relative newcomers to the sugar trade, but they controlled an increasing portion of West Indian output after 1750. They offered better prices for tropical produce than the London competition, and thus formed strong ties with those areas of the English Caribbean which expanded during the third quarter of the century. For the planters, the benefits of the outports were un-

48 William Pollard to Brian Bentley, Mar. 9, 1773, Pollard Letter Book.
mistakable. "Mr. Barrett [of Jamaica] has once or twice mentioned to me," a Philadelphian noted in 1773, "the great difference it made to him to send his goods to London. And that if he had an equal opportunity of sending them to Liverpool or Bristol, it would be a saving to him of £300 sterling P. annum, or more." Outport merchants were in a good competitive position because of the excessive number of agencies in London. This concentration was the product, at least in part, of an earlier day when London merchants boasted a thriving re-export trade to the continent. By mid-century, however, virtually all the sugar and rum imported into England was consumed domestically (save a small portion re-exported to Ireland). Bristol and Liverpool were well situated for this domestic trade.

The correspondence of various Philadelphia merchants provides a fuller picture of the triangular trade during the early 1770s. William Pollard was actively involved freighting ships for English merchants. Since Pollard's only surviving letter book begins in 1772, it is uncertain just when he first took part in the three-sided trade. In 1772 he noted that he "had for several years past loaded two or three vessels a year for . . . friends in Liverpool to go to Jamaica." Pollard enthusiastically boosted this trade, and endeavoured to gain more business for himself. He offered his services to several English commission agencies and expounded to them the advantages of this three-sided commerce. The West Indian islands, he told Sericold & Jackson of London, "depend on us for provisions and lumber. And this some of them are endeavouring to get on more reasonable terms than they formerly did." Pollard described the nature of the trade in detail: "The gentlemen in Jamaica, a number of them, engage with their friend in England, who has vessels in the Jamaica trade, to call at Philadelphia and bring them out what they want, such as staves, heading . . . etc. This they agree to pay the first cost for and all charges of freight, commissions, and interest &c. In consequence, they obliged themselves to ship on board his vessels for England and consignment to him, so many

49 William Pollard to Peter Holme, Mar. 11, 1773, *ibid.*
hogsheads sugar and puncheons of rum.” This arrangement, Pollard concluded, “answers well the purposes of both parties.”

William Pollard’s correspondence sheds light on several aspects of the triangular trade. These dealings seemed to be highly profitable for those Philadelphians involved. The English vessels were large, often several hundred tons, and could carry provisions worth over £2,000 (Pennsylvania currency) to the islands. A commission of 5 or 6% was excellent recompense for loading the flour, bread, and lumber. Not surprisingly, Philadelphia factors, like Pollard, played an active role in stimulating trade. Pollard, as noted above, solicited new business from English commission agents. He also transmitted to his English correspondents the requests of planters who wanted to establish connections with a new agency. The triangular trade may have had a noticeable effect on transatlantic freight rates. The commission ships were an important addition to the tonnage crossing to the northern colonies. Pollard persuaded one Liverpool house to lower its freight rates to Philadelphia from fifty to thirty-five shillings a ton. “As this is only an oblique trip in the main voyage,” he reasoned, “I do not see you could incur any censure from the trading body, were you to advertize that you would take in goods on half freight.”

Thomas Clifford was another Philadelphian interested in the triangular commerce. His correspondence suggests that the trade was dominated by the same exigencies of crop and season that had so concerned Michael Atkins. Ships set in this pattern, Clifford informed Thomas Franks of Bristol in 1774, “sail from here in the fall and make a freight to the West Indies. And from there in the spring [the ships] go home with a load of sugars and so return here in the summer.” Like William Pollard, Clifford was an active proponent of the triangular trade. He explained to Franks the advantages of this commerce: “There are several [ships] employed in the Jamaica and London trade that way and where they have been successful in getting sugar freights they have done very well. . . . Should it lay with thee to get the interest of a house that could

52 To Sericold & Jackson, Dec. 18, 1772, ibid.
53 To Peter Holme & Co., Nov. 30, 1773, ibid.
54 William Pollard to Peter Holme, Mar. 11, 1773, ibid.
55 To Peter Holme, Nov. 11, 1772, to Shepherd, Langton & Birley, Apr. 10, 1773, ibid.
load her from the West Indies, should think it well worthy thy con-
sideration.” The financial arrangement, which Clifford proposed,
was not the usual one. Clifford, who was one of Philadelphia’s
wealthier Quaker merchants, offered to supply a portion of the
capital and receive a share of the profits rather than work on
straight commission.56

The triangular trade involving England, the northern colonies,
and the West Indies was important for several reasons. It accounted
for a significant, if minor, portion of Philadelphia’s total shipments
to the Caribbean. This trade may even have predominated in the
Quaker City’s dealings with one important area—northern Jamaica.
It was also one facet of the growing importance of shipments to the
islands on a commission basis.

The structure of Philadelphia’s trade with the British West
Indies changed significantly near the end of the colonial period.
During the 1750s, as during earlier decades, commerce was charac-
terized by speculative voyages initiated and financed by Philadel-
phians. Profits varied from venture to venture but appear to have
been ample over the long run. This traditional pattern was altered
after the Seven Years’ War. Returns from venturing declined, and
more and more of the goods exchanged in the shuttle trade were
handled by Philadelphians on a commission basis. Now both the
decisions and money came from the West Indies. Finally, in the
late 1760s a triangular trade, involving England, Philadelphia, and
the British sugar islands, emerged. In this commerce most of the
financing came from English commission agencies. But these ar-
rangements, which had been carefully established in the 1760s and
early 1770s, would not last long. The War for Independence and
the treaties secured by the new nation disrupted West Indian
commerce and brought an end to an important era in Philadelphia’s
commercial life.

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Marc Egnal

56 Sept. 16, 1774, Clifford Letter Book.