The Revolutionary Careers of Barnard and Michael Gratz

By William Weisberger

Left, Barnard Gratz, portrait by Charles Ponce Polk; right, Michael Gratz, portrait by Thomas Sully. Both from The Colonial American Jew 1492 – 1776
Barnard and Michael Gratz are not well known to Pittsburghers today, but they were important to this area and places west in the 18th century. In many ways, the brothers represent an American rags-to-riches story. These young Jewish immigrants, besides having a profitable business trade along the Atlantic coast, in the Caribbean, and in Europe, realized the lucrative opportunities in the western trade. By the late 1760s, they were firmly established in Pittsburgh, and continued to develop their huge commercial empire during the American Revolution.

We will see who the Gratizes were and what individuals in the Pittsburgh region helped them to establish this expansive empire in the wilderness. We also will see why the Gratizes backed the capitalistic and republican ideas of the American Revolution, and suggest why they later regarded Jewish citizenship rights as significant to their lives in the newly established nation.

Barnard was born in 1738, and Michael in 1740 in Langendorf, Upper Silesia, Prussia; they were the youngest of six children. Solomon Gratz, a widower, did his best to raise the family while operating a dry goods store. Upon his untimely death in 1748, the two orphaned boys remained in Langendorf with their oldest brother Hayim and his wife. The boys attended grammar school but received religious training at home, and they frequently visited their brother's store, which sold hides and woolen goods.  

Relatives provided help and direction to the young Gratz brothers and enabled them to embark upon careers in business. For a brief time, they worked in London for their cousin Solomon Henry. Barnard had gone to the thriving city in 1750; disciplined and serious-minded, he kept the business records and paid the bills of Henry's successful import and export business. Moreover, he marketed such items as textiles, food, and lumber products.

In 1756, after working for merchants in Berlin and Amsterdam, Michael also accepted his cousin's offer to come to London. He learned quite a bit about the business world there, and with funds provided by his cousin, Michael took a lengthy trip to India and the East Indies in 1757. There, he established new contacts and markets for Henry's business. Developing the traits of an effective merchandiser and a risk taker, Michael returned to London in late 1758. In April of the next year, he left for America.  

During the middle and late 1750s, the Gratz brothers settled in Philadelphia, working for David Franks, a client of Solomon Henry. Barnard was hired by Franks in 1754 and became greatly involved in maintaining the books of this wholesale house. He devoted much of his time to the colonial coastal trade, selling food products, clothes, and other staples to merchants in Newport, New York, and Charleston. Michael, who joined his brother in May 1759, worked for Franks for about three months. The younger Gratz continued to exhibit his skills as an aggressive marketer. He purchased sugar and related products from merchants in the West Indies for markets in Philadelphia. He also exported such items as sheep shears, calf skins, fish, and silverware to British and European merchants.  

With confidence, credit, and contacts, the two brothers started the Philadelphia firm of B. & M. Gratz in late July 1759. At first located on Water Street, near the Queen's Head Tavern, the firm
primarily functioned as a wholesale house and as an import and export house; however, it also did some retail business. Barnard, who married Richea Myers of New York City the year after the business was established, maintained the firm’s books and did most of its operational work.4

Michael naturally conducted much of the firm’s marketing activities, but as the firm expanded, he greatly relied upon Barnard’s assistance in this important realm. During the last three years of the French and Indian War (1760 – 1763), the Gratzes created a large business network. With the help of Solomon Henry, they exported fish, meats, apples, and lumber products to London merchants; in turn, the Gratzes imported glassware, jewelry, and textiles for distribution in Philadelphia. Through their agents, Isaac De Lyon and Isaac Martin, they purchased sugar, chocolate, and rum from the West Indies.

The Gratz firm also engaged in coastal business activities; the two brothers traded a wide assortment of goods with Judah and Michael Hays of New York and with Isaac DaCosta of Charleston. With assistance from David Franks, they also were able to sell merchandise in eastern Pennsylvania to Richard Hockley of Easton and to Myer Josephson of Reading.5

In late 1763, however, the profits of the Gratz firm began declining. As a result of the passage of the Stamp Act in 1764, the Gratz brothers, along with other Philadelphia merchants, signed the Nonimportation Resolutions in October 1765 to protest this stern British measure. But the decline of the Gratz business only increased.

In trying to revive their business, the Gratzes became especially involved in the western trade. They knew that there was considerable risk connected with business ventures in and beyond the Allegheny Mountains, so in the late 1760s, the Gratzes wisely opted to participate in the western business consortium headed by Joseph Simon and by David Franks. The 1769 marriage of Michael to Miriam Simon further strengthened business and personal connections between the two families.6

The success of the Gratzes as “western men” was also due to their selection of agents; for the most part, they chose capable men to promote and to protect their interests. The Gratz brothers developed strong business connections with George Croghan, Aeneas Mackay, Robert Campbell, and other agents at Fort Pitt and in regions beyond Western Pennsylvania.7

Captain George Croghan was especially significant to the western designs of the Gratzes and their business partners. He’d served as Deputy Secretary of Indian Affairs under Sir William Johnson during the mid-1750s, and he knew six Indian languages. Croghan, a skilled trader and aggressive businessman, had also operated trading posts on Lake Erie and the Ohio River, and was quite familiar with Western Pennsylvania.8 In 1765, the members of the Philadelphia and Lancaster syndicate hired Croghan as their Western Pennsylvania agent.9 The letters of Croghan to the Gratzes and their associates suggest he had a very large warehouse at Fort Pitt and constantly needed more merchandise. In a lengthy letter written from Fort Pitt on March 23, 1765, Croghan described the wide assortment of goods in stock, consisting of more than 200 different products such as match coats, scarlet cloth, calico, linens, different colored shirts, tin kettles, and looking glasses. Croghan further stated that he would soon ship furs to both Lancaster and Philadelphia.10

Former colonial army officer William Murray, who aspired to make a fortune from the western trade, primarily served as the Illinois agent for the Gratz firm. On his way west in early 1768, he stopped for a short time at Fort Pitt.11 After his arrival at the Kaskaskia settlement in Illinois, Murray sent a letter to Barnard Gratz on June 10, 1768, explaining that the merchandise brought from Fort Pitt to Illinois sold quickly. Murray also stated that he had a wide collection of furs and skins to send to Gratz and to other Pennsylvania merchants interested in buying them. Barnard was pleased to receive this detailed letter, and he purchased

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One of 365 pages in the Fort Pitt day book of Baynton, Wharton, and Morgan, a business rival of the Gratz brothers. The volume records sales and barter at the Fort Pitt provisions store between March 1765 and November 1767. When that firm went bankrupt in 1771, the Gratzes purchased its merchandise.
bear skins, raccoons, silver foxes, and deerskins from Murray. About three months later, Murray paid another visit to Fort Pitt and wrote to Barnard and Michael asking if they’d received the merchandise from Kaskaskia. Murray, who consistently informed the Gratzes about economic and political conditions on the frontier, also stated that business appeared to be brisk at Fort Pitt and that it could be expanded west.12

Murray’s assessment about business in 1769 at Fort Pitt and in other western places was, to a great extent, correct. However, between 1769 and 1772, the Gratzes had a difficult time purchasing merchandise for their western posts. As protests against Britain’s Townshend Acts continued in 1769, colonial merchants felt the pinch from a severe downturn in the economy. Michael Gratz wrote to Aeneas Mackay at Fort Pitt on August 16, 1769, informing him that business in eastern cities was slowing. He also told his agent at Fort Pitt that he was glad that there was demand for shoes, pants, linens, and other staples in Western Pennsylvania.13

As the boycott against Britain continued in the early 1770s, the Gratzes tried other ways to secure goods for Fort Pitt. In a letter of July 6, 1770, Michael suggested to Barnard that “small cargoes of canvas goods, rugs, and linens” could be sent from Baltimore to Mr. Croghan at Fort Pitt.14 Michael further informed his brother that a few merchants in Newport, R.I., still had not been closed by the boycott against England, and that these merchants were willing
to chance sending merchandise to Fort Pitt. On Christmas Eve that year, William Murray, who was suffering from gout, wrote to Michael Gratz from Fort Pitt. Murray told him that some goods had been received from Baltimore and Newport, but that more could be used. Then their former business rival in the western country — the firm of Baynton, Wharton, and Morgan — went bankrupt, allowing the Gratzes in October 1771 to obtain their merchandise at bargain prices.

The Gratzes also became directly involved with matters concerning western lands. The Vandalia Company, set up in 1769, was led by the English banker Thomas Walpole. Between 1770 and 1772, this company was empowered to sell lands in present-day southwest Pennsylvania, West Virginia, and eastern Kentucky. Walpole sold this company’s lands primarily to English investors; however, George Croghan and other colonists acquired large tracts of its lands. Croghan acquired thousands of acres of the company’s land just south and west of Fort Pitt. Despite the colonial boycott against the English and the administrative problems between the Crown and the company’s investors between 1770 and 1772, a charter for the Vandalia settlement was drafted.

In August of 1772, Croghan and Aeneas Mackay, anticipating prosperity from this settlement, wrote to the Gratzes stating that more staples were needed at Fort Pitt, and that furs from Pittsburgh would be sent to Philadelphia. However, by the following year, George Croghan’s fortunes were suffering greatly, for Britain did not approve the Vandalia charter, and the value of Vandalia properties quickly declined. As a result of this misfortune, the Gratzes extended large loans to Croghan for many of his lands owned in this company. The two Philadelphia merchants, moreover, purchased some of his properties in Western Pennsylvania.

In 1773, the Gratzes also helped promote other western land companies with ties to Fort Pitt. They realized that the 1773 British Tea Tax had hurt trade along the Atlantic coast, so to increase their business, they backed a proposal for western settlements. The Gratzes further believed that Fort Pitt could serve as the basis for settlements along the lower Ohio River valley and in the Illinois country. William Murray, while in Pittsburgh visiting Croghan, wrote to them on May 15, 1773, that the proposed Illinois Company had 22 backers and that the new western colony could be established as early as that summer.
Along with Joseph Simon and others from the Philadelphia and Lancaster syndicate, the Gratzes purchased shares in the new Illinois colony in July 1773; moreover, they shipped merchandise from Fort Pitt to Murray and other agents in Kaskaskia and at Fort Chartres. For the next seven years, the Gratzes encouraged the development of the Illinois settlement. After the Illinois and Wabash Company was established in 1775, the Philadelphia merchants also sent a small amount of goods to merchants in Vincennes and other posts along the Wabash River.22

Four years later, the United Illinois and Wabash Land Company was established, with Barnard Gratz as its secretary.23 With extensive land holdings in this company, the Gratzes, with some success, sent a few settlers from Fort Pitt to Louisville, Ky. In another effort to promote commercial activities in the western country, they later operated a freight company, with boats starting at Fort Pitt and stopping at settlements along the Ohio River.24

Events relating to Lord Dunmore's War, which started in 1774, produced confusion at Fort Pitt, and perhaps weakened the western interests of the Gratzes. John Murray, the Earl of Dunmore and governor of Virginia, sent troops from that colony into southwestern Pennsylvania in early 1774 which seized Fort Pitt and occupied surrounding lands. After the establishment of the Virginia colony of West Augusta, Pennsylvania leaders were forced to retreat to Westmoreland County and
establish their seat of government in Hanna's Town, Virginia troops, meanwhile, conducted a war against the Mingo and Shawnee Indians.  

Joseph Simon and George Croghan backed the Virginians; these two associates of the Gratze evidently felt that business at Fort Pitt would prosper more under Virginia than under Pennsylvania. Aeneas Mackay, who was arrested and then quickly released by Virginia leaders, was loyal to the cause of Pennsylvania.  

To this day, the position of the Gratze concerning this Pennsylvania/Virginia dispute is uncertain. The Gratze had close business ties to Simon, Croghan, and numerous Virginia merchants, but the brothers, who had business interests in Philadelphia and Pittsburgh, did not speak against Pennsylvania leadership in the western part of the state. During the American Revolution, leaders from Pennsylvania and Virginia negotiated a settlement concerning this border war. In 1780, both sides agreed to use the Mason and Dixon Line as the basis of their boundary settlement.  

Barnard and Michael Gratze embraced the cause of the patriots, and there probably were some convincing reasons why they did. The Gratze, whose family had suffered from economic restrictions in Silesia, had, in a fairly short time, developed a business empire from the Atlantic Ocean to the Mississippi River. Moreover, the stern taxes of the British against the colonies, and the ineptness of the Crown's leaders to resolve matters concerning western trade and the Indians, annoyed the Gratze. These brothers, as well, who came from a very small minority group, supported religious toleration, freedom of religion, and other natural liberties associated with a republican government.  

The Gratze did their best to assist the cause of the American Revolution from Fort Pitt. Two months after the Second Continental Congress began to meet, Robert Campbell, the firm's agent in Pittsburgh, wrote to the Gratze. In his letter of July 6, 1775, he wrote that he was frightened about military attacks from Indians who backed the British. Campbell also expressed concern about securing merchandise for the western store of the Gratze. He asked the two Philadelphia merchants to send to him pants, socks, shoes, food, and tea because "the ladies of Pittsburgh" were in dire need of it. Campbell ultimately received some of the merchandise which he requested.  

The next spring, Barnard paid a lengthy visit to Pittsburgh to make sure the firm was being properly managed, and to see how much merchandise was in stock. Michael sent a letter to him soon after, in early May 1776, stating that needed merchandise sold at "four and five-hundred percent higher than usual" and that it was "very scarce." Despite soaring inflation and a scarcity of goods, Michael succeeded in sending food, blankets, shoes, and military clothing by July.  

After Barnard's return to Philadelphia in late 1776, the western firm of the Gratze experienced problems. Between 1777 and 1779, business fell due to severe inflation, a shortage of merchandise, and problems with the Indians. When Robert Campbell, their Fort Pitt agent, did receive shipments, he had few problems finding buyers; for example, a delivery of blankets, military apparel, and rifles was recorded in late 1779.  

By 1780, however, business was again improving due to French military and commercial assistance, a result of the diplomatic efforts of Benjamin Franklin two years earlier. During the last years of the war, the Gratze interests at Fort Pitt received new leadership; in September 1780, they appointed Colonel John Gibson as manager and chief agent of their firm at Fort Pitt. Business in Western Pennsylvania during the next eight months evidently increased significantly, for on May 21, 1781, the Gratze established a partnership with him.  

The Gratze displayed considerable trust in their business partner; the agreement of the Gratze and Gibson firm stipulated that the three partners would be "equally concerned in the buying and selling of all goods and wares at Pittsburgh and down the said River Ohio." In June 1781, Gibson received a large supply of food, clothes, and military equipment from the Gratze.
He quickly sold this merchandise in the Pittsburgh vicinity.

That summer, the Gratzes and their partner also became involved in an important project of the American Revolution - the expedition of General George Rogers Clark to Detroit. There was a good reason to back the military endeavor of this Virginia leader; between 1778 and 1779, Clark had led an expedition to the western country, and succeeded in defeating the British and their Indian allies at Kaskaskia and at Vincennes. Clark had reopened the western country for the patriots.\footnote{Clark's army left Fort Pitt in early August, but his expedition unfortunately did not result in the taking of Fort Detroit.}

Two years later, he expected to achieve similar results in the west. Clark, with support from revolutionary leaders in Virginia, arrived with his army at Fort Pitt in late July 1781. Clark was not well received by Colonel Daniel Brodhead or other Pennsylvanians who remembered Dunmore's War; however, this Virginia general managed to secure from the Gratzes and their Pittsburgh partner military clothing and supplies in the amount of about £1,425.\footnote{After the failure of the Clark expedition, the Gratzes' Pittsburgh firm again experienced problems. Between 1781 and 1783, they sent several petitions to the Virginia assembly asking for repayment for their military aid to Clark's expedition, but received only partial repayment. Likewise, the Clark expedition led to the financial destruction of John Gibson, for by March 1784, he was in debtor's prison in Lancaster.}

The Gratz brothers also had to deal with matters concerning the Western Pennsylvania lands of George Croghan. In 1780, Croghan, who was unable to pay his many debts, went to Philadelphia to spend his last years. He lived in a small room in Passyunk, where he died on August 31, 1782.\footnote{By the terms of his will, the Gratzes}
became the executors of his estate. Barnard and Michael either assumed possession of or ultimately sold off some of Croghan's prime lands around Pittsburgh. Among other things, the Gratzes were granted Croghan's lands in Robinson Township, on the Ohio River near Chartier's Creek, and on the Monongahela River near Turtle Creek. Consequently, Croghan's properties would later occupy the attention of the Gratz heirs.

The business world of Barnard and Michael had noticeably changed: the weak economy in Western Pennsylvania following the Revolution forced them to close their Pittsburgh operation in 1786. However, the Gratz brothers, along with the next generation of family members, continued developing prime properties in Pittsburgh, Lexington, and Louisville. In the early 1790s, Barnard and Michael began training Michael's sons, Simon and Hyman Gratz, to take over the enterprises. In 1798, Simon and Hyman assumed leadership of the firm; the next year, they dissolved the well-known firm and started a business of their own.

Barnard Gratz died on April 20, 1801, his brother Michael on September 8, 1811.41

The brothers' careers demonstrated much about the achievements of merchant capitalism in colonial and revolutionary America. Because of its dominant position in the Atlantic and coastal trade, their Philadelphia firm emerged as the locus of their eastern commercial empire; their Fort Pitt store likewise became the center of their western business empire.

The activities of their Fort Pitt firm especially revealed their commitment to western expansionism and American revolutionary activities. The Gratzes, moreover, succeeded in assimilating into 18th century American society and business life; however, they developed Jewish friendships and maintained their religious heritage. The Gratzes as well favored the passage of the American Federal Constitution, for this republican document extended civic and political equality to Jews on the national level. The Gratz brothers are also remembered for supporting the passage of the 1790 Pennsylvania Constitution, because it allowed Jews to hold legal and political offices in this state. Barnard and Michael Gratz, in many different ways, contributed to the development of 18th century Pittsburgh, Philadelphia, and America.  

William Weisberger is a Professor of History at Butler County Community College and a Visiting Scholar in the Department of History at the University of Pittsburgh. His "Freemasonry as a Source of Jewish Civic Rights in Late Eighteenth-Century Vienna and Philadelphia: A Study in Atlantic History" appears in the January 2001 edition of the East European Quarterly.

1 Sidney M. Fish, Barnard and Michael Gratz: Their Lives and Times (Univ. Press of America, 1994), 1 – 4.
3 Fish, Barnard and Michael Gratz, 26 – 29; and Weisberger, "Barnard and Michael Gratz," ANB, IX, 430.
4 Fish, Barnard and Michael Gratz, 37 – 38. Richea was a friend of Rosa Bunn, who married the prominent Jewish businessman Joseph Simon of Lancaster. After the death of Richea in 1763, the Gratzes were to cultivate both business and personal ties to Joseph Simon.
5 Ibid., 29 – 37.
7 Weisberger, "Barnard and Michael Gratz," ANB, IX, 430.
9 Marcus, Colonial American Jew, II, 742.
11 Marcus, Colonial American Jew, II, 742.