Summer 8-23-2019

Feeding the Empire: Grain, Warfare, and the Persistence of the British Atlantic Economy, 1765-1815

Patrick Callaway

University of Maine, patrick.callaway@maine.edu

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FEEDING THE EMPIRE: GRAIN, WARFARE, AND THE PERSISTENCE OF THE
BRITISH ATLANTIC ECONOMY, 1765-1815

By
Patrick Callaway
B.A. University of Montana-Western, 2004
B.S. University of Montana-Western, 2005
M.A. Montana State University, 2008

A DISSERTATION
Submitted in Partial Fulfillment of the
Requirements for the Degree of
Doctor of Philosophy
(in History)

The Graduate School
The University of Maine
August 2019

Advisory Committee:

Liam Riordan, Professor of History, Advisor
Jacques Ferland, Associate Professor of History
Stephen Hornsby, Professor of Geography and Canadian Studies
Stephen Miller, Professor of History
Scott See, Professor of History
The importance of staple agriculture in the development of the modern world can hardly be overstated. The connotations surrounding the word “bread” and the phrase “staff of life” bear witness to the close association between the availability of grain and the overall well-being of western societies. It is not a coincidence that bread is both an important religious symbol and a causal force in the maintenance or collapse of entire societies.

This dissertation aspires to provide a clearer understanding of the leading place of overseas trade in the American economy in the late eighteenth and early nineteenth centuries by showing how European war restored colonial trade relationships and reintegrated the US into trans-Atlantic and international economic exchanges led by grain exports. By challenging the assumption that the rupture of the American Revolution led naturally to economic separation, this project argues that material forces and long-standing cultural ties were more powerful than politics in shaping the contours of the British Atlantic world in the nineteenth century. Assessing the political economy of the grain trade deepens our understanding of the late colonial and early republican US.
Grain was also vital to the British Atlantic and British North American economy of this era. The inherent difficulties of overcoming national, imperial, and war-divided historiographies conceals grain from our easy gaze. Mistaken ideas of periodization and politically inspired limitations to historical assessments ultimately hide connections that were fundamental at the time. The availability of surplus grain, particularly from the mid-Atlantic colonies in what would become the United States, were essential to the viability of societies around the British Atlantic. Simply stated, without food society ceases to function. Ideology falls to the wayside, plantations cease production, populations collapse, and long-distance warfare becomes impossible. Examining the availability of food products, the laws enabling or limiting trade, and the extraordinary (and sometimes illegal) steps taken to ensure that the staff of life was available to fuel social development was crucial to the rise of Anglo-American power in a tumultuous Age of Atlantic Revolutions whose political drama should not completely eclipse its economic foundations.
ACKNOWLEDGEMENTS

A project of this size and length creates a number of debts for the author. First, I would like to thank my committee members for their work over the past several years. In particular, I would like to thank my adviser Dr. Liam Riordan. Without his keen insight this project would not have been possible.

I would also like to thank a number of supporters over the past several years. Particular thanks is owed to the Canadian American Centre at the University of Maine, the University of Maine History Department, the Program in Early American Economy and Society, the Library Company of Philadelphia, the David Library of the American Revolution, the Institute for Humane Studies, and the Graduate School of the University of Maine for supporting this research. I would also like to thank Fulbright Canada, and the History Department at Dalhousie University for their support in completing this project. In particular, I wish to thank Dr. Jerry Bannister for hosting me during my Fulbright award.

I also thank the Provincial Archives of Nova Scotia, the Library and Archives of Canada, the Library Company of Philadelphia, Historical Society of Pennsylvania, and the David Library of the American Revolution. Without the help of dedicated archivists, this project would not be possible.

At a personal level I also owe many debts from the past several years of this degree. Special thanks to Brittany and Chris Goetting for the friendship and support over the years. Thank you also to my colleagues in the University of Maine history program during this long journey.
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CHAPTER 1
INTRODUCTION

The importance of staple agriculture in the development of the modern world can hardly be overstated. The rise of the west and the expansion of Europe relied upon various grain products, among which corn, wheat, and rice relatively quickly became the staples that fed the majority of the world’s population. The connotations surrounding the word “bread” and the phrase “staff of life” bear witness to the close association between the availability of grain and the overall well-being of western societies. It is not a coincidence that bread is both an important religious symbol and a causal force in the maintenance or collapse of entire societies. Unlike other commodities, there is no substitute for grain. If adequate supplies are not or cannot be grown locally, surpluses from another region must be imported. Control of grain carries political consequences of the highest order. Despite the importance of subsistence as the foundation for all economic and political relationships, this is a relatively neglected subject of study. Few historians think of bread or grain as significant until there is a supply or distribution crisis that causes chaos. Understanding the trans-Atlantic and circum-Atlantic grain trade is vital to understanding how the early modern Atlantic world functioned.1

1Three quite different studies make plain the crucial place of subsistence agriculture for the rise of the west. See the condemnation of the origins of sedentary agriculture and early state formation in James C. Scott, Against the Grain: A Deep History of the Earliest States (New Haven: Yale University Press, 2017); the classic view of environmental historian Alfred W. Crosby’s Ecological Imperialism: The Biological Expansion of Europe, 900–1900 (Cambridge: Cambridge University Press, 2nd ed, 2004); and the outcome of North American colonization as foreordained by the disparities in the timing of the Neolithic Revolution in Camilla Townsend, Pocahontas and the Powhatan Dilemma (New York: Hill and Wang, 2004).
This dissertation examines the production and export of grain and related food commodities from the mainland British North American colonies (and subsequently the United States) throughout the Atlantic world in a period of sustained warfare from 1765 to 1815. It bridges the long-standing political periodization that separates the late colonial and early republican periods of US history as well as the American-Canadian divide to argue for the persistence and even expansion of late-colonial Anglo-American economic integration into the nineteenth century.

Three related investigations shape this project. First, it explores trade patterns before and after the American Revolution by analyzing merchant documents and government trade records about grain, a staple foodstuff. The contours of colonial trade for 1768-1772 are particularly well known due to the rich American Board of Customs records, however, a systemic examination of how the Revolutionary political transformation changed the grain trade remains elusive. This is particularly true of the key role that “American” grain played in supporting the northernmost British colonies that remained within the empire and later became Canada.2

Second, the dissertation examines the slow growth of grain production in and exports from British North America in the post-Revolutionary period, and the implications this had for US commerce. British North America possessed limited agricultural potential, primarily due to ecological factors, made dire when its population boomed due to the loyalist migration that outstripped the existing capacity of subsistence farming. Ironically, US independence linked British North America more firmly to the American economy than prior to the Revolution, a bond that persisted through the War of 1812 and beyond. Grain production shortages in British North America led British authorities to encourage economic reconciliation with the US to

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access essential grain, which caused a divergence between British political objectives and foreign policy, on the one hand, and the pragmatic needs and economic interests of British officials, the military, and settlers in North America, on the other. This key tension also shaped the emergent US political economy as Federalist and Democratic-Republican administrations struggled to navigate reintegration into the British Atlantic economy, which especially exposes how the Jeffersonian goal of political neutrality in its foreign policy was undermined by a desperate need for external markets to restart the war-ravaged economy. This critical tension informed key developments from the Peace Treaty of 1783, to the Embargo of 1807, the War of 1812, and its aftermath.

The third major theme examined here is the role played by US grain exports to Iberia to sustain the allied British forces in the Peninsular War from 1809 to 1813. While a North American continental focus helps to shift our understanding away from a strictly national view, this trans-Atlantic trade further highlights the profound integration of US grain producers and merchants, British capital, and the exigencies of provisioning the army and civilians in a period of large-scale military mobilization. The Iberian Peninsula had been an important destination for colonial period grain exports, and British military records indicate that US grain supplies were vital for the British army commissariat through the 1813 campaign.

This dissertation aspires to provide a clearer understanding of the leading place of overseas trade in the American economy in the late eighteenth and early nineteenth centuries by showing how European war restored colonial trade relationships and reintegrated the US into trans-Atlantic and international economic exchanges led by the expansion of grain exports. By challenging the assumption that the martial and political ruptures of the American Revolution led naturally to economic separation, this project argues that material forces and long-standing
cultural ties were more powerful than politics in shaping the contours of the British Atlantic world in the nineteenth century. Indeed, the power of Britain’s “informal empire,” based on trade rather than direct political control, was first operative in its former American settlement colonies over the many years of the Revolutionary and Napoleonic Wars.

Economic historians Ronald Robinson and John Gallagher’s influential examination of the intersection between imperialism and free trade in the British Empire usefully informs the analysis of the post-independence persistence of trade in the Anglo-American world. Their article “The Imperialism of Free Trade” considers the mid- and late-Victorian era, however, their conceptualization applies to earlier imperial developments, indeed, the US may have served as a model for later trade relations with the non-British world. According to Robinson and Gallagher’s theory, the official governing bonds of empire could be supplemented or replaced by informal bonds of commerce provided that the paramount position of British economic interest was not imperiled. Commercial ties could often be more effective, less risky, and certainly less costly to the British than formal annexation. After the Revolution, returning the former colonies to the empire was not a realistic possibility. Rather, trade networks between Britain—and by extension the British Empire—and independent countries like the US encouraged the growing power of local elites who depended on foreign trade for prosperity.

Robinson and Gallagher focus on the interests of mercantile elites. The unique nature of grain, however, expands the interest in international trade much more broadly to other social and economic groups. Markets for surplus grain was not just an elite concern. Economically, the “revolution of 1800” in the US with Jefferson’s presidential election changed nothing.

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4 Ibid, 10.
Jefferson’s beloved yeoman farmers depended on the West Indies and Iberia as a vent for their surplus production. Thus, they shared pro-trade commitments with the more Federalist-leanin

merchand class. The financial interest in reopening and sustaining trade cut across other social and political boundaries as well. Efforts to disengage from trade with Britain provoked a visceral response from a wide swath of American society. This outrage caused the failure of Jefferson’s embargo and subsequent trade restriction schemes under Madison, even those called for during wartime.

This dissertation contributes to new scholarly knowledge about the economic and political structures of an imperfectly divided first British Empire. The durability of transnational business relationships based on mutual self-interest—despite wars, international tensions, and domestic political rancor—is the essential terrain to be mapped by this project. This dissertation also challenges the politically-dominated chronology of late eighteenth and early nineteenth century US history, but risks being an historiographical orphan as it tries to break from that traditional periodization. Nonetheless, by doing so a richer understanding of transnational trade can be achieved with valuable implications for better understanding contemporary globalization and its dynamic flow of capital and goods.

The chronological divide between late colonial and early republican American history is a recognized problem among specialists. The October 2017 joint editions of the *William and Mary Quarterly* and the *Journal of the Early Republic* sought to illustrate integrative connections across the Revolutionary rupture. Chronologically, the issues attempted to explore if we have miscast the American Revolution by treating it either as the culmination of colonial history or as the foundation for the early republic. Does focusing on the coming revolution distort the colonial past to serve a teleology? Or do we a priori assume that the revolution was a watershed between a rather
somnolent colonial society and a modernizing republican order? What happens to our histories if instead we plant the revolution in the middle of a longer flow of change: does it appear more or less transformative?\(^5\)

This valuably questions the teleology of the Revolution and draws attention to the difficulties national histories impose on historians. Despite the stated goal, however, none of the articles in either journal provided a substantive response to this call for a more inclusive perspective. Rather, they tacitly delineate the connections and boundaries between the two journals. This dissertation, however, embraces the challenge set forward by Eliga Gould in *Among the Powers of the Earth*: what would happen if the Revolution were in the midst of the story rather than its organizing structure?\(^6\) By adopting an economic frame of reference centered on a particular set of commodities that transcend the Revolutionary divide, this dissertation provides an answer.

While the wheat trade became more complex due to post-war US independence, Anglo-American grain trading patterns continued and intensified even during the War of 1812.

Any study of international economy encounters multiple national perspectives, frameworks, and chronologies. The US was only one part of the early modern Atlantic grain exchange system. Unfortunately, pre-Confederation Canadian historiography often hinges on two events that dominate its chronology and conceptualization of British North America. The fall of New France in 1760 with the subsequent introduction of British rule and the arrival of loyalist refugees in 1783, which serves a parallel function to the American Revolution in US scholarship. Again, political events, actors, and perspectives are at the forefront of scholarship. While this dissertation post-dates the conquest of New France, 1783 is not an apt starting point

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for anglophone British North America’s relationship with the wheat economy. The date is significant, however, as the increasing population’s need for US provisions led to closer economic integration.

British Imperial history also provides limited insights. As the British historian Peter Marshall noted long ago, the loss of the thirteen colonies “seems so clearly to bring to an end one imperial system, and to be followed so slowly and reluctantly by the gradual accumulation of a second empire, that the importance of American independence as a line of demarcation has never been in doubt.” Yet Marshall questions this truism by seeing the Revolution as part of a continuity: “the first and second empires were divided by a war, but they were linked by long term and perhaps more fundamental trends than those which have been believed to divide them.” Marshall astutely questions the chronological divide but does so with a different rationale than is pursued here.

The core periodization of this study from 1765 to 1815 follows Marshall and focusses intensively on the commercial tenet of empire highlighted by David Armitage’s *Ideological Origins of the British Empire*, which proposes that the first empire was defined by its’ “Protestant, commercial, maritime, and free” nature. Imperial ideology did not automatically cease or transform in 1783 nor did Americans totally reject British values and norms. They, too, saw themselves as Protestant, commercial, maritime, and free, independence mostly meant that the colonies rejected and transcended their inferior position within the British Empire. The political context changed, but patterns of trade and its sweeping cultural and social implications

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were not fundamentally altered in either theory or practice. In the context of the wheat trade, the first empire persisted for both British and US actors. The wheat trade offers a revealing case study of a continuous development from the first empire to the second with hard work and intensive negotiations to reintegrate the US back into an important place as an agricultural exporter in the British-dominated Atlantic economy.

Despite the importance of grain for early modern political economy, the topic has been neglected with just a small handful of exceptions. These reflect a twentieth-century interest in American trade with Europe in the wake of World War I and World War II. Studies of US grain exports to Europe bloomed briefly in the 1920s, led by W. Freeman Galpin’s *The Grain Supply of England During the Napoleonic Era* and a couple of subsidiary articles.9 The 1960s also saw several publications on the political economy of the American grain trade to Europe. Mancur Olson’s *The Economics of the Wartime Shortage* stressed the continuity between the Napoleonic era, World War I, and World War II through an examination of trade barriers to US grain exports due to European wartime struggles.10 Galpin and Olson both focus on trade directly with Great Britain, which was actually one of the smaller markets for American grain in the period. Nevertheless, both persuasively demonstrated the significance of European warfare on neutral US trade.

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Emphasizing continuity rather than disjunction presents several theoretical challenges. Eschewing nationalistic narratives requires a different type of framework without an obvious alternative. Grain compounds that challenge. Unlike other agricultural staples, grain does not require a particular form of labor or social structure for production. The ubiquity of grain has dissuaded historians from serious inquiries into its trade as it does not fit into familiar categories of historical analysis. Grain farming occurred in feudal, semi-feudal, free, and slave-based labor systems. As a result, social historians examining the intersections of race, class, and gender have ignored grain as a category of analysis in favor of other staples such as sugar, cotton, tobacco, or fur that clearly demonstrate a link between forms of labor, the goods produced, and local social and economic development.\(^\text{11}\)

Cathy Matson’s essay “Thoughts on the Field of Economic History” provides a broad state of the field assessment and notes that economic history has had “an uneasy co-existence” with both history and economics because of modern disciplinary distinctions.\(^\text{12}\) A separation among economics, history, and politics, however, would not be recognizable in the eighteenth and early nineteenth centuries. In that era leading commentators such as Adam Smith, Thomas Malthus, David Ricardo fully fused these and other fields that would be sundered by later professional specialization.

The intersection of grain, economics, and politics is extensively examined in Adam Smith’s pioneering study of political economy *The Wealth of Nations* (1776). According to


Smith, a scarcity occasionally arose due to war or natural causes, however, “a famine has never arisen from any other cause but the violence of government attempting, by improper means, to remedy the inconveniences of a dearth.”\textsuperscript{13} Essentially, for Smith, government intervention into the marketplace causes greater distress in markets and for people. In his view, government interference, even to protect domestic peace by controlling grain prices, only made catastrophe more likely.\textsuperscript{14} In conclusion, governmental restrictions on the grain trade may everywhere be compared to the laws concerning religion. The people feel themselves so much interested in what relates either to the subsistence in this life, or their happiness in a life to come, that government must yield to their prejudices, and, in order to preserve the public tranquility, establish a system which they approve of.\textsuperscript{15}

Smith’s analysis of the volatile links among the people, the government, and subsistence was correct. In the most famous case of the eighteenth century, the women’s march on Versailles in 1789 started as a bread riot in Paris.

Smith’s primary focus was on internal British trade laws and domestic production. The multiple and conflicting interests of the crown, landowners, the public, and merchants combined to restrict the practical application of an unfettered supply and demand grain economy. Eliminating internal trade barriers drove Smith’s narrative with a main focus on Great Britain as a country rather than as an empire. Beyond Britain itself, a system of freer trade in grain already existed.

In his recent analysis of the early modern mercantile system historian Steve Pincus notes that there was a “profound and highly politicized debate between those who thought trade was in fact a zero-sum game based on landed wealth and those who felt substantial worldwide economic

\textsuperscript{14} Ibid, 117-120.
\textsuperscript{15} Ibid, 126.
growth created by human labor was possible and desirable.”16 Clearly, a mercantile system of controlled and regulated trade was not universally accepted or defined even among Britain officials. Thus, the more active trade management reforms of the post-Seven Years War period marked more than the end of a period of supposedly salutary neglect. For Pincus, it heralded the ascendance of a new policy with a significant coalition of British support.17

The mercantile roundtable in which Pincus’ article appeared provoked several strong responses. Cathy Matson argued that his ideological argument stressing partisan polarization was over simplified. Mercantilism was “neither a static nor a coherent system of interests and policies but rather an ever-changing approach to the economic development of the British Empire and always politically charged.”18 Susan Amussen’s critique acknowledged the unsatisfactory capaciousness of the term mercantilism, but defended it as a useful description for an “overall framework within which changing economic policies functioned, as both theory and practice were debated in coffeehouses and the pamphlet literature…. [but] rather than assuming that debates about economic ideas mean that some particular thing is happening, we need to ask whether and how they affected policy.”19

The grain trade fits awkwardly within these structural debates. Other commodities, sugar above all, were certainly politically charged. Organized groups such as the West Indies planters utilized mercantilistic arguments to exploit the political system to protect their economic interests. There was no organized grain advocacy group or agitation on behalf of grain producers outside of England itself. It rarely appears in any of the debates over imperial trade regulation.

17 Ibid, 31-34.
Colonial grain was the ideal trade commodity to support the mercantile system of the British empire precisely because it was allowed to be exported beyond the empire. The inherent imbalance between food production and food consumption in the Caribbean plantation complex could only be reconciled through trade with Great Britain or its mainland colonies. Thus, a key element of the extreme overcommitment to slave staple production in the Caribbean by all European empires were payments to Great Britain in exchange for food.

The definitive feature of mercantilism is not as a system to control trade; rather, it is a system of import controls on external products entering the empire. As efforts to enforce stronger central oversight of the British Atlantic economy in the 1760s demonstrates, it was not grain exports that created conflict between colonial traders and imperial officials. Rather, it was the content of the return cargos that provoked dispute. The colonial grain trade was the key commodity in the Atlantic World that made mercantilist theory viable in the real world of market-based trade driven by practical self-interest. Allowing free grain exports, in the end, served mercantile needs effectively even as it operated outside of imperial regulation and taxation.

Political economy is a key concept for this dissertation, and its definition by historian Drew McCoy in The Elusive Republic: Political Economy in Jeffersonian America offers a useful starting point. McCoy defined political economy in the era as

the necessary existence of a close relationship between government, or the polity, and the social and economic order. Thus to the revolutionaries in America, the notion of “political economy” reinforced the characteristically republican idea of a dynamic interdependence among polity, economy, and society.\textsuperscript{20}

Political economy, of course, is not exclusively characteristic of a republic nor the sole claim of Jeffersonians. Every government in the early modern Atlantic World was keenly aware of the political dimensions of trade. McCoy’s definition also does not highlight the importance of provision agriculture in the era’s political economy, a widespread shortcoming, as noted earlier. As the writings of Smith and Malthus persuasively demonstrate, political economy was understood in explicitly agricultural terms in the early modern world. Commerce based in agricultural products—especially grain products that form the basis for subsistence—were fundamental to political economy and to viable societies throughout the Atlantic world. Our understanding needs to be more fully grounded in this context.

Marxist interpretations of the early modern economy examine the effects of trading networks on labor, however, the focus is on the European working classes more than the system itself. Scholars such as Immanuel Wallenstein seek to explain the industrialization of a European core as the result of structural exploitation by European capital of the periphery. Class relations are significant, of course, but to only consider the connection between grain shortages and revolution fails to offer a holistic understanding of the central place of the economics of grain as the emergent Atlantic world was created and provided a foundation for later globalization. The intersection of the politics of grain and the economics of grain lie at the center of this dissertation.

The combination of politics and economy have yielded landmark studies of colonial societies. Harold Innis developed the staples thesis to explain the development of the Canadian economy, and the theory’s emphasis on the importance of the export economy is applicable to other societies in the early modern period. Underlying the theory is the assumption that the

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export sector “is the leading sector of the economy and set the pace for economic growth.”22 In his 1936 article “Some Aspects of a Pioneer Economy,” W.A. Mackintosh stipulated that it was only through the production and export of staples that a pioneer economy could gain the capital necessary for further economic development. Exports link immature frontier economies to developed economies, thereby encouraging further capital investments, settlement, and the development of subsidiary economic activities around staples production that allow for further development.23 While Mackintosh focused his research on the development of the Canadian west and the production of wheat for export markets in the late nineteenth century, the theoretical model that he followed also applies to earlier forms of staples production. In most ways, the US economy in the period under study remained a colonial-frontier economy.

According to historian Marc Egnal, the staples theory approach to colonial economic growth suffers from many limitations. The breadth of staples theory does not lend itself to quantifiable analysis, does not adequately account for non-staples driven growth, nor for cultural characteristics that influence social development, and it rests on a static conception of rates of economic growth. A critical shortcoming of staples theory in the case of grain is that there is not a discernable social or labor structure associated with grain. At its heart, the staples thesis is a theoretical explanation of how a single resource economy developed to support the production and sale of that commodity to distant markets. Wheat fits this model poorly, for, unlike the classic examples such as sugar or fur, there is no inherently necessary backwards or final demand linkages associated with its production or consumption. For grain, 75-80% of production was

consumed on the farm rather than for trade. Staples theory works well as a frame of analysis for luxury goods that yielded enormous profits via an overwhelming orientation toward exports, yet it does not permit an evaluation of the importance of grain.

Generally, this is a work of Atlantic history that uses the trans-Atlantic political and economic implications of the grain trade to emphasize persistent and durable trade connections despite political change. According to historian Alison Games, the Atlantic World concept centers on an effort by scholars to examine “the four continents that surround the Atlantic Ocean and the people contained therein.” This complex undertaking has been influentially organized into three core approaches by historian David Armitage: circum-Atlantic (focus on the Atlantic experience as a whole), trans-Atlantic (focus on a comparative approach), and cis-Atlantic (focus on a single place within an Atlantic context). An Atlantic World conceptualization valuably recognizes the complexities of a multi-century, multi-layered history within an interactive geographic space.

The trans-national quality of the Atlantic World concept is especially helpful to assess issues such as smuggling and illegal trade that fall outside the boundaries of nationalistic or empire-centric narratives. The British Atlantic economy depended on trans-Atlantic connections to provide Africans as slave camp laborers, North American lumber and provisions fueled slave subsistence, and European capital investments and markets were essential for colonial

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development. This complicates the traditional view of the “triangle trade” which connected the Americas to Europe and Africa. According to historian Bernard Bailyn, the triangle trade was, in fact, “an unstable, flexible, multilateral geometry of trade that shifted in unpredictable ways.” Its pan-oceanic trade networks were “interwoven, complex, and multitudinous- so complex, so numerous, that they can only be illustrated, not catalogued, enumerated, or fully summarized.”

Under this theory, the regions within the Atlantic system are important in and of themselves, however, the most valuable insights concern interconnections among them. The flexibility of the Atlantic World model encourages the examination of trading patterns that pursue the actual movement of commodities rather than the assertions and claims about trade by politicians.

Atlantic history continues to be a dynamic and productive approach to assess the early modern world. Writing in 2009 on the expanding literature in the field, Bailyn wrote “the main stimulus to the proliferation of studies in and references to Atlantic history has been the explanatory power and suggestive implications created by the vision of the Atlantic region as a coherent whole.” Trade has been an important beneficiary of this focus. By transcending an overly simplistic narrative of centralized control of economic development and trade.

The field of Atlantic history now threatens to become nearly as large as the Atlantic itself with many large multi-essay guides to the subject. A leading example by Oxford University Press posits that “over the course of the fifteenth, sixteenth, and seventeenth centuries, several Atlantic worlds, each with distinctive features but sharing much in common, were fashioned,” yet it was not until the eighteenth century that these were absorbed “into a larger unit of

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interdependency” so that “a single functioning Atlantic World….flourished through much of the eighteenth century.” However, the volume “emphatically rejects” viewing this history as “an extension of European history and teleological delineations of transitions from ‘colony to nation,’” thus distancing their conception of Atlantic history from an older and less inclusive tradition of imperial history.29 Despite these grandiose goals, and perhaps, in part, because of them, vital agricultural commodities are ignored entirely in this state of the field assessment that aspires to be comprehensive. Wheat, grain, food, and agriculture do not even appear in the index of this 37-chapter tome.

Historian David Hancock’s contribution on commodities and trade to the volume exemplifies the ways in which provision agriculture has been overlooked. His essay in this compilation reflects several similar themes to the Bailyn volume. Clarification on his points about networks and self-organization centered on the importance of the family firms and private partnerships in commerce. The role allotted to agriculture outside of the plantation complex by Hancock is limited. He suggests that management of agricultural trade by imperial structures was looser due to the labor intensive (rather than capital intensive) nature of the commodities.30

Hancock’s contributions to this dissertation are important, as family-based merchant firms, such as the Hollingsworths of Philadelphia, were crucial actors in the grain trade. American independence did not sever the self-organized and decentralized trading networks that linked the US and Great Britain. Temporary political conflict could not abolish the important ties of family, mutual economic interests, and shared culture created over decades of exchange.

As historians David Armitage and Michael Braddick wrote, “the British Atlantic might be an imprecise geographical expression, but it was a real social phenomenon. Over time, identifiable networks of trust, trade, and kinship grew up between British people moving in this larger Atlantic world.” The persistence of commerce after US political independence illustrates the ongoing power of these connections to maintain an English-speaking Atlantic World.

Informal and illegal trade is important as well, particularly in the context of the Caribbean. The food commodities trade between the mainland colonies and foreign colonial empires was long established by the 1770s. Focusing on illicit trade, however, is not the main part of the story. Grain does not fit neatly into the licit/illicit dichotomy associated with sugar and other better-studied products. Legal commerce across imperial boundaries was common in the grain trade. Spain and Portugal both relied on British colonial surpluses that were legally exchanged under the laws of both kingdoms as well as Great Britain. After US independence, need compelled British officials in the Caribbean and British North America to legalize trade that under the strict mandate of the mercantile system would have been illegal. It is a telling commentary that there were only three brief moments when the grain trade was outlawed after the American Revolution and all were unusual: the US embargos from 1807-1809, again by the US in early 1814, and by the British government in 1814 as part of its wartime blockade of the US

The Atlantic World was a coherent whole by the mid-eighteenth century and the place of trade in wheat and subsistence crops was a key element of this integrated world that needs further study. Scholarship on the economy of the Atlantic World has been novel and exciting, but it remains incomplete. An analysis of US exports prior to 1820 illustrates this shortcoming.

According to Robert Lipsey’s research, vegetable foods (including grain products) represented a plurality of US exports during the early republic. The expansion of cotton production and exports starting in the 1820s shifted this trade pattern to the more famous leading role of the slave-produced commodity. The grain trade played a crucial role in a volatile political era of change from the 1760s to the 1810s and helped to stabilize the Anglo-American Atlantic via dynamic and persistence commercial exchanges and relationships.

Persistent commercial ties stemmed from a lack of viable alternatives for both producers and consumers. Despite the lack of attention to the grain trade by historians, early modern observers were keenly aware of wheat as an essential product and trade commodity. The direct connection between social stability, grain prices, and the availability of bread was central to wide-ranging and frequent political debates. In Great Britain, the landowning class depended on agricultural profits and rents to sustain their economic and social status. Thus, an uneasy balance between profit and access shaped the grain trade. These social and political forces, however, did not exist for the rest of the empire. After the American Revolution the British would have preferred to prohibit American trade with the empire but efforts to find a non-US granary remained elusive for the next four decades. The consequences of this failure are significant as it created a dichotomy between political policy and economic necessity.

This dissertation has six substantive chapters. Each approaches the continued connections between the US and the British Empire through the grain trade over time. Chapter 2 explores the late colonial and early republic era trade patterns, especially in regard to two essential primary source collections. The Colonial Office 16 records (hereafter, CO 16) for

1768-1772 provide the most important quantitative assessment of colonial era trade. Second, Timothy Pitkin’s *A Statistical Analysis of American Trade* (1816) provides an important corroborating source. Unenumerated grain and grain products were not constrained by law to trade within the empire and could be exchanged directly with Iberian, Caribbean, and Mediterranean markets in both the late colonial and early republican periods. This legal difference from famed products like tobacco and sugar contributes to the obscurity of grain in the secondary literature. There are no grain-based counterparts to the Sugar Act or the Boston Tea Party that illustrate ruptures in trade to attract historians. Rather, grain underwrote quotidian continuity, rendering it a less emotive—but still vital—subject of inquiry.

John McCusker and Russell Menard’s groundbreaking study *The Economy of British North America* dedicates only thirteen pages to early American provision agriculture. Within this brief section, the connection of food production to external markets are not mentioned. The research in grain production is relatively strong as part of the “transition to capitalism” debates. Paul Clemens’ *From Tobacco to Grain* illustrates the transition to grain production for external markets on Maryland’s eastern shore. By the mid-1760s, the expansion of grain farming in Maryland and Virginia due to multiple factors was clear. Clemens argues that a growing demand for grain fused with the complementary nature of grain and tobacco agriculture encouraged a

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significant shift in regional production, but how this happened, why, and exactly when these strands combined remains unclear.35

The trade patterns outlined by these two landmark studies note a significant change in colonial grain exports by the 1730s as “Europe in general became less and less able to feed itself.”36 Integration with European markets, especially those of southern Europe, is an important continuity connecting the colonial and early republican eras. James Lydon’s *Fish and Flour for Gold* persuasively argues that the colonial grain trade with Iberia reached significant levels by the 1730s that persisted despite the temporary disruption of the American Revolution. However, “Iberia’s need for foodstuffs and lumber products worked to America’s advantage…and the European wars after 1790 saw this valuable trade firmly and profitably regenerated.”37

The American Revolution changed the political geography of the previously united empire. Andrew O’Shaughnessy offers a political interpretation of its impact on the British West Indies in *An Empire Divided*. The separation of the West Indies from their traditional sources of provisions caused starvation for thousands of enslaved people and poor whites on the islands of Nevis, St. Kitts, Montserrat, and Antigua during the war.38 Further research on the post-war US grain economy by Brooke Hunter confirms the importance of the Caribbean as an export market. Hunter argues that the 1780s were a profitable time for American grain exports despite the short-term disruption of the war. In theory, US trade was excluded from British Caribbean markets.

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However, “to declare a law and to enforce it were two different things.”

According to Gordon Bjork’s work, although the volume of legal trade in the 1780s declined, the actual value of trade remained constant since the price of grain increased. As Europe slid into disorder and then into war in the 1790s, the price for grain rose even more dramatically. Hunter’s 2001 dissertation “Rage for Grain: Flour Milling in the Mid-Atlantic, 1750-1815” advances our understanding of the flour production industry in the mid-Atlantic region. Hunter’s chronology is significant, however, her research focuses on technological evolution, environmental factors such as the Hessian fly, and labor requirements of production more than trade. Despite the call for more research on the grain trade, this has not occurred, as David Hancock noted in his 2006 article “Rethinking the Economy of British North America.” A thorough quantitative analysis of this trade, however, is impossible as a fire in the London Customs House in 1814 destroyed most of the Ledgers of Imports and Exports for 1780 and after.

Chapter 3 examines post-US independence grain farming in the British North American colonies as a potential alternative to traditional American sources that were now outside the empire. To establish a reliable grain surplus would require the British to accomplish a level of agricultural development in Quebec that the French had not achieved in 150 years and to do so for a suddenly enlarged population due to the loyalist migration. This chapter has two

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42 David Hancock, “Rethinking the Economy of British North America” in Cathy Matson, ed., *The Economy of Early America: Historical Perspectives and New Directions* (University Park: Pennsylvania State University Press, 2006), 86. Hancock does note that Hunter’s work will “will fill a gap in our understanding of the Brandywine grain trade and flour milling industry.” However, this localized focus represents a fundamentally different scope than this dissertation.
subsections: Quebec (Lower Canada post-1791) and the Maritime Provinces (New Brunswick, Cape Breton, and Nova Scotia). Politically the regions were linked by British rule, but a variety of factors create distinct historiographies for each in relationship to agricultural development. Despite important differences, in the face of conflict with the US, British North America functioned as a coherent unit. This is particularly true in the nineteenth century when economic regulations (and the defiance thereof) were increasingly cast in nationalist and imperialist terms rather than cross-border regionalist ones.

The grain economy was central to a post-Revolutionary debate about how (or if) the new United States would be reintegrated into the British Atlantic economy. A series of trans-Atlantic treatises on the political economy of trade ensued. Writing in 1783, Lord Sheffield’s tract *Observations on the Commerce of the United States* presented a traditional outline of mercantile theory combined with the hopeful assertion that British North America would soon replace the US as an imperial granary supporting the West Indies and export markets in Iberia. This provoked many responses on both sides of the Atlantic.44

The practical problems of replacing US production were clear almost immediately, especially with local production in the Maritimes. As Neil MacKinnon’s *This Unfriendly Soil* persuasively demonstrates, loyalist refugees in Nova Scotia faced a formidable environment, a lack of infrastructure, and near famine conditions.45 In response, the provincial government of

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Nova Scotia permitted food imports from the US on a “temporary” basis until establishing an adequate agricultural base to feed itself. This plan, if practicable as an abstract policy, did not account for how markets function. Graeme Wynn’s research on agriculture in the Bay of Fundy suggests that hopes for provincial self-sufficiency on foodstuffs did not make economic sense.46 By the early years of the nineteenth century, the temporary expedient of US grain imports into the Maritime Provinces was effectively permanent. Dreams of the Maritimes as an alternative granary to supply massive demand in the West Indies proved illusory.

Quebec (Lower Canada, after 1791) represented the most developed and heavily settled colony in British North America, and, thus, the most likely source of grain exports from British North America. Lydon’s *Fish and Flour for Gold* and the CO 16 ledgers record exports from Quebec to Iberia prior to the American Revolution. Assessing agriculture production, however, is difficult due to the lack of quantitative data. According to Robert Armstrong’s *Structure and Change: An Economic History of Quebec*, no agricultural census was made prior to 1827.47

Historical assessments of Lower Canadian agricultural development has produced a significant and emotive, yet somewhat misdirected, series of inquires between two contending schools of interpretation. In short, the conflict between Fernand Ouellet and the Laval School and their opponents in the Montreal School are based on clashing assessments of export data. Lacking any broad agricultural census data, both interpretations rely on export records and hotly

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46 Graeme Wynn, “Late Eighteenth-Century Agriculture on the Bay of Fundy Marshlands,” *Acadiensis*, Vol. 8, No. 2 (Spring 1979), 80-89, 89. For the physical limitations agriculture, see Cole Harris, *This Reluctant Land: Society, Space, and Environment in Canada before Confederation* (Vancouver: University of British Columbia Press, 2008).
47 Robert Armstrong, *Structure and Change: An Economic History of Quebec* (Ottawa: Gage Publishing Limited, 1984), 71. According to Armstrong, there is no time series data on agricultural production from 1760-1850, and no census reports on agricultural production from 1739-1827.
dispute whether or not it can be used as a proxy for production. The inability of Quebec grain production to serve as a replacement for US imports is agreed upon. Whether this was due to increasing domestic demand (as proposed by the Montreal School, thus indicating a productive but not export oriented agricultural economy) or as a sign of declining production (as proposed by the Laval School, thus indicating an agricultural society in crisis) need not be resolved for this dissertation. Agricultural exports in this long-standing historiographic dispute became a proxy argument for the overall state of French-Canadian society. What is central to this dissertation, however, is that both sides agree that there was a decline in grain exports from Quebec after 1802.

Beyond the contending schools of interpretation lies a material reality. When compared to the mid-Atlantic colonies, all of British North America faced difficulties in transportation, infrastructure, and the environmental conditions required to sustain a large-scale grain export economy. Time is another important factor. The colonial grain economy was built over the course of decades; recreating that economy overnight was simply not possible. In the case of Lower Canada, the potential development of other crops, such as peas and potatoes, diminished the overall importance of wheat to the local economy, and thus detracted from the ability to expand grain exports.

Chapter 4 examines the connections between the US and the Atlantic grain economy during the French Revolution through the end of Jefferson’s administration in 1809. With British North America unable to produce necessary grain surpluses to meet demand, British

48 For the essential Laval vs. Montreal School debates: Fernand Ouellet, Economic and Social History of Quebec, 1760-1850: Structures and Conjectures (Ottawa: Carleton University Press, 1980), Serge Courville and Normand Sequin, Rural Life in Nineteenth-Century Quebec (Ottawa: Canadian Historical Association, 1989), and Jean-Pierre Wallot and Gilles Paquet, Lower Canada at the Turn of the Nineteenth Century (Ottawa: Canadian Historical Association, 1988).
policy makers turned to the US. Political changes throughout the Atlantic World brought change to the US economy as well. Jay’s Treaty in 1794 reopened official connections between the US and the British Empire and legalized the pattern of exchange that already existed informally. Wartime conditions, familiarity, and neutral trade offered great potential for mutually beneficial exchanges.

The focus on exports and re-exports for the European markets as the vehicle for American prosperity has been dubbed the “Taylor-North” thesis. This explicitly explores the power dynamic between the United States and European powers (especially France and Great Britain), and its impact on the US export-based economy. The European war placed most trans-Atlantic trade into the hands of neutral powers and was particularly beneficial for the United States as a fragile new nation. According to historian Douglass North, the 1793-1808 time period brought “years of unparalleled prosperity” for the US led by the rapid expansion of exports in the overall economy, advantageous import prices, and the growth of domestic manufactures driven by export-sector profits.  

War in Europe meant opportunity for neutrals, as the US, in theory, could legally trade with any belligerent power. However, this became increasingly dangerous as the European war changed. According to historian Reginald Horsman, neutrality and the European conflict provided the United States both the opportunity to secure western expansion as well as the danger that those great powers might interfere with US shipping. One major beneficiary of these wartime conditions were grain farmers. In her analysis of the early republican political

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51 Ibid, 2. The exact rights of neutral traders under international law and what constituted a legal blockade was unclear, see Lance Davis and Stanley Engerman, *Naval Blockades in Peace and War: An Economic History since 1750* (Cambridge: Cambridge University Press, 2006), 8.
economy, historian Joyce Appleby wrote that “the new European demand for American
grains…. created an unusually favorable opportunity for ordinary men to produce for the Atlantic
trade world.”52

The 1790s exposed stark cleavages among US political leaders. Divisions over how the
US should respond to the French Revolution, taxation and economic policies, the power of the
federal government in relation to the states, and other issues sharply polarized politics. The
Federalist and Democratic-Republicans (or Jeffersonian Republicans) disagreed on many issues,
but the need for external markets to sell surplus US agricultural products was an important point
of agreement. The continuity of trade policy from Federalist regimes under Washington and
Adams through Jefferson’s first term reflects this consensus.

Thomas Jefferson’s presidency after 1800 brought a new examination of the young
republic’s political economy and its relationship with the rest of the Atlantic world. Studies of
Jeffersonian political economy, such as Drew McCoy’s *The Elusive Republic* and Doron Ben-
Atar’s *The Origins of Jeffersonian Commercial Policy and Diplomacy*, draw attention to the
philosophical debate among Jeffersonians over the appropriate relationship between the
economy, foreign trade, and the republic.53 According to McCoy, the political economy of
Thomas Jefferson’s yeoman republic depended on three factors: “a national government free
from any taint of corruption, an unobstructed access to an ample supply of open land, and a
relatively liberal international commercial order that would offer adequate foreign markets for
America’s flourishing agricultural surplus.”54 For the grain trade, the “revolution of 1800” did

53 McCoy, *The Elusive Republic*; Doron Ben-Atar, *The Origins of Jeffersonian Commercial Policy and Diplomacy*
54 McCoy, *The Elusive Republic*, 186
not lead to a new era of commercial liberalization. It was already liberated. Massive commercial changes were attempted between 1805 and 1807 as the new trade policies of Britain and France ensnared US commerce in the widening reach of European economic warfare.\textsuperscript{55}

The famed \textit{Leopard-Chesapeake} incident in summer 1807 sparked the most draconian trade regulation of the time—the Embargo Act of the United States. Beyond the economic consequences of the embargo, law enforcement posed an unanticipated difficulty for the Jefferson administration. Even the introduction of extraordinary measures, including the use of military force, had little effect.\textsuperscript{56}

The total embargo transformed an international political dispute about neutral trade regulations into a de facto referendum on Thomas Jefferson’s scheme of political economy and the strength of the federal government. Gautham Rao’s \textit{National Duties} persuasively argues that seaborne commerce was aided by a malleable customs enforcement structure that favored merchant interests rather than national policies restricting trade.\textsuperscript{57} Historian Joshua Smith’s work illustrates the link between flour and grain smuggling between US ports on Passamaquoddy Bay into adjacent New Brunswick that effectively evaded the embargo.\textsuperscript{58}

Moreover, H.N. Mueller and Alan Taylor persuasively argue that cross-border exchange by land


\textsuperscript{56} See Statutes of the United States, 10\textsuperscript{th} Congress, 2\textsuperscript{nd} Session, “An Act to Enforce and Make More Effectual an Act Laying an Embargo” (Washington, 1809); Jefferson, “Message From the President of the United States Communicating a Copy of His Proclamation Issued in Consequence of the Opposition in the Neighborhood of Lake Champlain to the Laws Laying an Embargo” (Washington: A. &W. Way, 1808); Harvey Sturm, “Smuggling in the War of 1812,” \textit{History Today}, Vol. 29, No. 6 (August 1979); Robert Coakley, \textit{The Role of Federal Military Forces in Domestic Disorders, 1789-1878} (Washington: Center of Military History, United States Army, 1988).


in the northern interior was virtually unchecked by the embargo. The efforts to compel obedience to the policy sparked derision from the local population, rendering future efforts to eliminate trade by edict ineffective. According to historian Reginald Horsman, the Embargo Act “shattered American trade and finances, created bitter internal opposition, and left no possibility of stepping up the pressure on Great Britain by further escalation of the economic measures.”

Chapter 5 outlines the continued development of Canadian agriculture in the wake of Jay’s Treaty. The arrival of the “late loyalists” and the growing settlements in Upper Canada led to a new variable in British North American agricultural development. The environment of Upper Canada was more favorable for wheat production due to soil and climate. The late loyalist immigrations of the 1780s and 1790s provided some labor for clearing farms and creating infrastructure. However, this proved inadequate to replace the US as a major imperial granary until at least the mid-nineteenth century. The labor and infrastructure for this development would only come with the large waves of immigration from Britain after 1815. A trio of major monographs approach grain production from slightly different frameworks but agree on the limited nature of early grain agriculture in the Canadas and Ontario. Subsistence farming with only minor export surpluses characterized Upper Canadian agriculture through the 1830s. Grain surpluses in Lower Canada were variable but declining, while the Maritime Provinces continued to be dependent on external sources of grain.

Of course, the international situation remained volatile during the embargo years, and Chapter 6 traces Napoleon’s efforts to expand the reach of his Continental System and the ongoing influence British naval mastery in the Atlantic. A growing dissatisfaction with Napoleonic rule in Iberia sparked the Peninsular War in 1808. On its surface this theater of war had nothing to do with the United States as a neutral power. It was not a belligerent power nor was there any realistic possibility of American intervention on either side of the contest. The historiography of the Peninsular War mistakenly reflects this perceived isolation. Only two articles focus directly on the United States and the Peninsular War. Histories of the period are generally divided between a domestically oriented examination of Jeffersonian policies or on the growing conflict with Great Britain that would culminate in the War of 1812. Conversely, studies on the Peninsular War generally treat it as a European event with little direct connection to American affairs other than as a stimulant to Latin American independence movements.

Ignorance of the US role in the Peninsular War is a considerable oversight. Grain connected the US to the conflict in a vital way and provides a powerful example of the continuity of the grain trade. Importantly, these connections are consistent with pre-war and indeed pre-American Revolution patterns of exchange. The outbreak of the Peninsular War deepened two long-standing elements of the traditional triangular trade. First, the connection between the mid-

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Atlantic and Iberia, where the latter provided access to salt, wine, and bills of exchange drawn on British merchant houses. The war changed the nature of this trade. Production of wine and salt was severely curtailed by wartime destruction. Thus, bills of exchange, notes drawn on the British Treasury, and specie became the primary products of exchange. Even as the political animosity between the US and Great Britain descended into war, the Iberian trade continued.

Chapter 7 outlines the persistent trade between the US and British North America from the end of Jefferson’s embargo through the War of 1812. The rationale behind the American declaration of war remains a matter of scholarly dispute. A sampling of theories range from “desperation” and the desire to avoid disgrace, to more substantive US considerations of British interference with American overseas trade, US opposition to British alliances with the First Nations that restricted westward expansion, and American fury at impressment.64 More helpfully, historian J.C.A. Stagg offers a persuasive economic rationale for US goals in its invasion of Canada as an effort to “affect Britain’s capacity to exercise its commercial and naval powers against Americans in harmful ways that they could not otherwise control.”65 The war was a reactionary measure by the US to indirectly combat British trade regulations by improving the US bargaining position through the use of Canada as a bargaining chip to obtain concessions on neutral trading rights.66

Other elements of the historiography reflect the ambiguous nature of the conflict for many in both British North America and New England. John Boileau’s <i>Half-Hearted Enemies</i> on the wartime relations between Nova Scotia and New England reflects the general

64 See Horsman, <i>The Diplomacy of the New Republic</i>; Perkins, <i>Prologue to War</i>; Taylor, <i>The Civil War of 1812</i>; Frank Updyke, <i>The Diplomacy of the War of 1812</i> (Gloucester: Peter Smith, 1965).
66 Ibid, 19.
ambivalence toward the war in both regions. Although privateers on both sides damaged the
calm on occasion, commerce co-existed with the conflict.\textsuperscript{67} Faye Kert’s \textit{Prize and Prejudice}
puts the point succinctly: the war “seems to have been declared by the unprepared and fought by
the unwilling for reasons that remain unexplained.”\textsuperscript{68}

Much like the connection between the US and the Peninsular War, the wartime economy
remains relatively ignored. Historian Donald Hickey, a sort of Dean of War of 1812 studies, has
repeatedly bemoaned that we lack a thorough treatment of the economic and financial history of
the War of 1812 as well as attention to the role of trade with the enemy.\textsuperscript{69} Hickey’s earlier
article, “American Trade Restrictions during the War of 1812,” argues that the British blockade
and trade restrictions were not designed to stop US trade with Canada nor could American laws
designed to end trade with the enemy be enforced.\textsuperscript{70} Part of Hickey’s critique was answered by
Brian Arthur’s \textit{How Britain Won the War of 1812}. Arthur’s focus is on the British blockade of
US ports and the economic dislocation it caused. The work persuasively links the overall health
of the US economy to external markets. Awareness of the link between customs revenues levied
on exports and the stability of US government finance is a significant contribution to
scholarship.\textsuperscript{71}

Publishing Co., Ltd. 2005).
\textsuperscript{68} Faye Margaret Kert, \textit{Prize and Prejudice: Privateering and Naval Prize in Atlantic Canada in the War of 1812} (St.
John’s: International Maritime Economic History Association, 1997), 1. See also Walter Copp, “Nova Scotian Trade
during the War of 1812” \textit{Canadian Historical Review}, Vol. 18, No. 2 (June 1937), 141-155.
\textsuperscript{69} Donald Hickey, \textit{The War of 1812: A Forgotten Conflict}, Bicentennial Edition (Chicago: Chicago UP, 2012), 324;
741-769, 769.
\textsuperscript{70} Donald Hickey, “Trade Restrictions During the War of 1812” \textit{The Journal of American History}, Vol. 68, No. 3
(December 1981), 517-538, 533-534; H.N. Muller, “A Traitorous and Diabolical Traffic: The Commerce of the
Champlain-Richelieu Corridor During the War of 1812” \textit{Vermont History}, Vol. 44, No. 2 (Spring 1976); Alan
Historical Society, 1949); Harvey Sturm, “Smuggling in the War of 1812” \textit{History Today}, Vol. 29, No. 6 (August
1979).
\textsuperscript{71} Brian Arthur, \textit{How Britain Won the War of 1812: The Royal Navy Blockades of the United States, 1812-1815}
(Rochester: Boydell and Brewer, 2011), xxii-xxiii.
The Treaty of Ghent that ended the War of 1812 was signed on Christmas Eve 1814. The end of the war provided one last test for the persistent connection between US grain producers and imperial consumers. The dawn of 1815 saw the resumption of the regular grain trade, rendering the disruption of the North American blockade year of 1814 a rare aberration in the long-established trade pattern. Without the interference of war, commerce in subsistence goods again pursued their accustomed channels.

The grain trade deepens our understanding of the late colonial and early republican US. It was just as vital to the British Atlantic and British North American economy of this era. The inherent difficulties of overcoming national, imperial, and war-divided historiographies conceals grain from our easy gaze. Mistaken ideas of periodization and politically inspired limitations to historical assessments ultimately hide connections that were fundamental at the time and should be better understood. The availability of surplus grain, particularly from the mid-Atlantic colonies in what would become the United States, were essential to the viability of societies around the British Atlantic. Simply stated, without food society ceases to function. Ideology falls to the wayside, plantations cease production, populations collapse, and long-distance warfare becomes impossible. Examining the availability of food products, the laws enabling or limiting access via trade, and the extraordinary (and sometimes illegal) steps taken to ensure that the staff of life was available to fuel social development was crucial to the rise of Anglo-American power in a tumultuous Age of Atlantic Revolutions whose political drama should not completely eclipse its economic foundations and the vital lens of political economy.
CHAPTER 2

New World settlement created a dynamic new economic structure for the increasingly interconnected Atlantic World. Colonial development expanded production of familiar European crops (as well as exotic newer ones) and created powerful market ties among previously isolated locations. One foundation of this new economic framework was the emergence of the middle colonies of the North American mainland as the granary of the Atlantic World. Exports of colonial wheat and corn proved essential to sustain societies in other corners of the Atlantic. The sugar plantations of the Caribbean, the settled fisheries of Newfoundland, and increasingly portions of Europe itself all depended on surplus colonial grain by the mid-eighteenth century, creating a complex and interlocking system of exchange. Complexity led to continuity in the case of the wheat trade. Although the dramatic political rupture of the American Revolution should (in theory) have caused a significant and lasting rupture in trade, this was not the case.

The contours of exchange in the grain trade remained remarkably consistent from the late colonial era to the early republic. Rather than a decisive break, the War for American Independence marked only a temporary aberration in the existing pattern. Reconciling political change with economic continuity challenged political leaders and merchants throughout the 1780s and early 1790s as the dichotomy between the dictates of mercantilism (and nationalism) and the quotidian demands for profit and food strained against one another until the outbreak of the French Revolution and the Napoleonic War created a new geo-political context that spurred a return to traditional patterns in the grain trade with the Mid-Atlantic US exporting to much of the multi-national Atlantic.
Grain as an export commodity is a surprisingly expansive category that was also rarely documented by government sources in a systematic manner. Grain and grain products were unenumerated commodities not subject to customs duties under British law. For tax and regulatory purposes, there was little need to fully define the category. Depending on who was doing the counting and how they organized their ledgers, different grain products were itemized and combined in varied ways. For example, the Halifax Naval Office Records for the 1750s and early 1760s do not provide set columns for commodities. Cargo manifests were written into the ledgers on a ship-by-ship basis. By October 1811, columns for flour, corn, and bread had appeared.\(^1\) The essential CO 16 records for the period 1768 to 1772 itemize Indian corn, barley, rice, and wheat under the label of “grain”. Bread and flour, however, were combined as one item, categorized separately as “provisions.”\(^2\) US Congressman Timothy Pitkin’s *A Statistical View of the Commerce of the United States* itemizes wheat, flour, Indian corn, corn meal, and rice under the general label of “Agriculture.”\(^3\)

The clearest definition of grain in this era appears in the Corn Laws passed by Parliament. The May 1814 bill identified corn, grain, meal, malt, and flour as regulated commodities under the Corn Laws.\(^4\) In the Parliamentary debates in early 1815, the label “Corn” was used to describe the itemized list of wheat, rye/pease/and bean, barley/beer/bigg, and oats. Included in this was any meal or flour made of these products.\(^5\) By the debates of 1814-1815,

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1 Provincial Archives of Nova Scotia (Hereafter PANS), rolls 13968 and 13969.
bread and rice had disappeared from the legal definition of “corn” although bread was implied by the context. This dissertation focuses on wheat, and its direct products of flour and bread.

“Indian corn” (or maize) is also a significant cereal crop that can be important as a complementary or substitute commodity based on shifting market circumstances. There is a differentiated market for these two major cereal crops. Wheat was the preferred export product to British North America (i.e., Canada) and Europe. Indian corn was more significant for the West Indies market and could supplement imported wheat in other markets in case of need.

Quantifying the grain trade prior to start of the CO 16 records in 1768 is impossible. However, the increasing trade volume and importance of colonial grain is clear at least as early as the 1730s. As the leading economic historians of the era John McCusker and Russell Menard have observed, by that decade colonial grain exports played an increasingly important role in the Atlantic economy as “Europe in general became less and less able to feed itself.”

James Lydon’s *Fish and Flour for Gold* persuasively argues that colonial grain exports to Iberia reached significant levels by the 1730s. This trade was actively encouraged by British officials as a crucial means to gain specie from Iberia. The direct beneficiaries of this inter-imperial trade were colonial grain merchants and farmers in the large grain-growing region of the middle colonies that stretched from Connecticut to northern Maryland.

To what degree colonial farmers planted grain explicitly for the export market is disputed. Historical geographer James Lemon’s study of the major grain-producing region of Pennsylvania and Delaware stresses its environmental advantages. Fertile soils allowed for

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farmers to plant a variety of grains, garden crops, and forage crops required for an effective mixed-farming economy. Although surpluses would be sold, monocrop specialization was not the norm in this era. Yields per acre could vary widely from 20-40 bushels per acre on new lands to an average of 5-12 bushels on older farmlands. Corn was even more productive, averaging a yield of 20-30 bushels per acre. However, most corn was used as fodder rather than traded or consumed.8 Overall, Lemon noted that farmers existed in both a local subsistence economy and a market economy linking them to external consumers. He estimated that by the 1740s farmers of “middling status” sold between one third to one half of their total production during peace time.9

Geographic factors assisted the development of the grain trade in the Delaware Valley and the adjacent Chesapeake and Susquehanna watershed, where grain exports were also notable. The deep and broad Delaware River connected farmers and merchants in Pennsylvania, New Jersey, and Delaware directly to the Atlantic. Despite being far upriver, Philadelphia was a major seaport and the largest British colonial city of the latter half of the eighteenth century. Smaller streams provided energy for water mills, which allowed millers in the region to convert semi-processed wheat into flour for local consumption and export.10 The Chesapeake facilitated a similar export-based economy of bulk products, especially in areas where tobacco did not dominate or became less profitable over time. It is not possible to precisely quantify early grain production and export in a systematic manner, but it was without question a robust and consistent

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export surplus from the Delaware Valley and the broader middle colonies to customers throughout the eighteenth-century Atlantic World.

Colonial grain exports followed three major paths—the first to the Caribbean, the second to Iberia, while the third pursued coastal trade. Although there were temporary fluctuations, this order of export destinations remained stable. John McCusker and Russell Menard assessed the relationship between mainland exports and these markets in their work *The Economy of British North America*. McCusker and Menard provide a more nuanced interpretation of the export driven economy theory and the impact that the staples trade had on the development of the North American colonies. The middle colonies benefited from an increase in cereal prices in Europe in the mid-eighteenth century. Combined with the pre-existing trade in grain with the West Indies, the size, geographical expanse, and profitability of the grain trade dramatically increased after 1750. In turn, the increased demand facilitated expanding production throughout the region, including the repurposing of some agricultural lands from other staples commodities into grain production.11

A useful proxy measurement for the colonial grain trade is the scope and scale of efforts to curtail its trade during the Seven Years War. Two related studies illuminate the overall importance of the multi-national Caribbean as a destination for North American grain and the complications arising from this exchange. According to Thomas Truxes’ *Defying the Empire*, trade with the enemy from New York during the Seven Years War was widespread and the result of a “naked manifestation of a powerful commercial impulse synonymous with the great metropolis.” Truxes emphasizes how New York merchants engaged in illegal, quasi-legal, and

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The outbreak of war in 1755 brought renewed imperial focus to colonial trade practices. As part of the war effort, it was necessary to eliminate exports of flour and other provisions to French posts in Cape Breton, New Orleans, and the Caribbean.\(^\text{13}\)

The Provisions Act of 1757 theoretically made any trade in provisions (grain, flour, bread, and salted meat) with any trading partner other than Great Britain or other British colonies illegal, with enforcement provided though bond requirements that amounted to three times the value of all shipped cargo. This was evaded by first shipping New York products to New London or other colonial ports with lax customs enforcement and obtaining documents to ship exports to Monte Christi, a neutral Spanish Caribbean port.\(^\text{14}\) The Royal Navy was unable to interdict this trade. Another method of evading restrictive British trade law was through the flag of truce. Prisoner exchanges between colonial British America and the French West Indies were common. According to Truxes approximately 25% of New York’s trade with the enemy was covered by an official flag of truce.\(^\text{15}\) The imperial government attempted to curtail this traffic through mandating better law enforcement by colonial officials. However, most colonial governors denied the existence of illegal practices.\(^\text{16}\) The first conviction in the New York courts for provision smuggling was not until April 1763, and the two convicted merchants were released with a fine.\(^\text{17}\)

According to Cathy Matson’s *Merchants and Empire*, trade with the West Indies was particularly attractive to younger and middling merchants due to the lower capital investments

\(^{12}\) Thomas Truxes, Defying *Empire: Trading with the Enemy in Colonial New York* (New Haven: Yale UP, 2008), 1, 3.
\(^{13}\) Ibid, 48.
\(^{14}\) Ibid, 68, 74.
\(^{15}\) Ibid, 89.
\(^{16}\) Ibid, 112-3.
\(^{17}\) Ibid, 171.
required to enter those markets.\textsuperscript{18} From 1715 to 1765 one half of all of New York’s trading vessels and tonnage cleared for destinations in the Caribbean.\textsuperscript{19} Overall, in McCusker and Menard’s assessment, the West Indies served as a major market for colonial exports, particularly foodstuffs and wood products; they supplied a variety of goods that the continental colonists imported, processed and consumed, and re-exported; and they provided an important source of foreign exchange that helped balance colonial accounts and pay for British manufactures.\textsuperscript{20}

A quantitative analysis of the system described by Lydon, Truxes, Matson, and McCusker and Menard is possible for the years 1768-1772. Customs records for this period were preserved as the \textit{Ledger of Imports and Exports for America, 1768-1772}, better known as the CO 16 records.\textsuperscript{21} Effective trade regulation and customs enforcement were problematic due to the great distances between customs houses, the coasting and fishing trades, and the lack of a substantive enforcement mechanism on the scale found in Britain or Ireland.\textsuperscript{22} Despite these inherent limitations, the ledgers provide an essential overview of the grain trade and provide the opportunity to examine market differentiations in product and volume over time.

Not surprisingly, the West Indies were the most significant export market for colonial grain products in volume. The data reveals several elements to the trade and help to explain the place of grain within the contested mercantile system that aspired to keep trade within the British Empire. Indeed, the first important argument here is more political than economic. The headings within the CO 16 records explicitly acknowledged grain exports to the West Indian colonies of non-British imperial powers. There is no differentiation between exports to the foreign West

\begin{itemize}
  \item \textsuperscript{18} Cathy Matson, \textit{Merchants & Empire: Trading in Colonial New York} (Baltimore: Johns Hopkins, 1998), 4.
  \item \textsuperscript{19} Ibid, 184.
  \item \textsuperscript{20} Ibid, 145.
  \item \textsuperscript{21} David Klingaman, “Food Surpluses and Deficits in the American Colonies, 1768-1772,” \textit{The Journal of Economic History}, Vol. 31, No. 3 (September 1971), 553-569, 554.
  \item \textsuperscript{22} See Lord Liverpool to the Lords of the Treasury, February 21, 1769. DLAR collection 430, roll 1.
\end{itemize}
Indies and the British West Indies in the ledgers, thus shedding light on an important question of peacetime trade when agricultural exports to other empires were lawful as a means to gain wealth at the expense of a foreign land. This acceptability was contingent upon the form of the return, however, and whether the profit impinged on the opportunities of other interest groups within the British Empire.

A closer examination of the Sugar Act (1764) illustrates the contingent nature of the mercantile system. Developed by George Grenville in response to the costs of the Seven Years War, the act attempted to raise revenue while asserting some measure of control over the colonial economy. The methods to accomplish this reflected mercantilist thinking by regulating imports to Britain rather than exports from its colonies. While certainly politically volatile, this legislation did not directly affect lawful grain exports to foreign colonies, and they remained untaxed. Indeed, no grain or grain products are mentioned within the legislation. Only imported sugar products (especially molasses), Iberian wines, and a handful of other commodities were subjected to the new duties.23 Despite this, access to grain underlay the entire scheme.

An analysis of the Sugar Act emphasizes its flexible blend of political interests and careful economic considerations via a pragmatic application of mercantilist ideas. In Grenville’s conception, lowering taxes on imported sugar products while providing for a more effective tax collection bureaucracy would not inconvenience colonials. Rather, the tax would be passed on to French sugar producers in the form of higher costs for provisions. Since the French islands had no other potential source for foodstuffs, they would be forced to pay whatever price colonial merchants charged or face the collapse of the plantation system due to lack of sustenance. As

historian Fred Anderson notes, “if legitimizing trade between the mainland colonies and the sugar islands of a foreign empire did not fit comfortably within the mercantilist conceptions that framed the rest of the [sugar] act’s provisions, it made excellent economic and strategic sense in the postwar world.”

Anderson’s point makes good sense, but one could go further and insist that the Sugar Act was entirely consistent with mercantile thought. It was not the exportation of agricultural goods into another imperial system that caused a more stringent regulatory regime. Rather, it was the competition of the return cargo of foreign sugar products into the British imperial economy that provoked vociferous complaints from powerful British West Indian interests. The broader economic framework of the Sugar Act was not analyzed by colonial subjects. Rather, it was perceived as a political measure introducing new imperial oversight that did not exist before. Popular outrage nullified the law, but the outrage was based upon a political conception of the disagreement rather than a coherent economic view of the place of the colonies within the empire.

Grain lies at the intersection of political machinations and economic interests because there were no ready substitutes for grain exports from the middle colonies. This was true for the French and Spanish West Indies, indeed, for the entire sugar plantation economy. Resource dependency illuminates the profound trade connection between the mainland and the planation colonies of the Caribbean.

Table 2.1 outlines the CO 16 records for the West Indies trade and exposes two important elements.

Table 2.1: Exports to the British and Foreign West Indies, 1768-1772

<table>
<thead>
<tr>
<th>Year</th>
<th>Flour/Bread (Tons)</th>
<th>Indian Corn (Bushels)</th>
<th>Wheat (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1768</td>
<td>17,292</td>
<td>638,883</td>
<td>No Line Item</td>
</tr>
<tr>
<td>1769</td>
<td>20,319</td>
<td>514,848</td>
<td>No Line Item</td>
</tr>
<tr>
<td>1770</td>
<td>23,442</td>
<td>402,958</td>
<td>955</td>
</tr>
<tr>
<td>1771</td>
<td>20,652</td>
<td>607,532</td>
<td>1,028</td>
</tr>
<tr>
<td>1772</td>
<td>23,575</td>
<td>541,962</td>
<td>154</td>
</tr>
</tbody>
</table>

The sheer scale of exports is significant and further illustrates the difficulty of replacing the mainland colonies as a source of provisions. Second, the diverse selection of commodities displays a degree of market segmentation within the grain trade. The lack of wheat suggests a distinct class element to provision exports. Indian corn was cheaper than wheat, considered a cruder food item, and could also be used as animal fodder.

The ledgers do not distinguish between flour and bread, thus disaggregating the total into its constituent parts is impossible. Yet it is notable that raw flour spoiled quickly in a tropical environment. According to one estimate, after four months of storage most raw flour would be uneatable and after six months of storage all flour would be rancid. Due to the perishability of flour and the relative durability of hardtack bread, it is likely that the majority of the non-corn grain exported to the West Indies was in the form of bread.

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Perhaps the most significant information within this section of the ledgers is not the commodity data at all. Acknowledging and labeling the foreign West Indies as a major trading partner for the grain economy is an important illustration of how the mercantile system operated in practice. The ledgers show how provision exports functioned within mercantilist thought. The regulatory emphasis and fears of economic competition lie only in certain enumerated imports to British domains.

The open market connections between the colonies and the non-British Caribbean reveals the political economy of the grain trade under mercantilism. In theory, trade between Britain’s North American colonies and the non-British Caribbean was illegal. However, as Truxes and Matson have demonstrated, this was a polite fiction by the 1750s. The trade was entirely legal under British law during peace time. It was Spanish law that threatened to curtail the exchange. The fear of British colonial imports was grounded in fears of competition with Spanish producers in Mexico. However, according to historian Sherry Johnson’s examination of the 1760s and 1770s, climatic fluctuations undermined these trade restrictions, and legally opened markets for British colonial farmers. A series of hurricanes, floods, and droughts combined to disrupt local production and distribution routes that prompted changes in Spanish colonial regulations. Dire need overrode the fear of imported provisions. By 1766, the Asiento’s monopoly on foreign flour imports was broken due to urgent demand. In its place, a more flexible system emerged. In Cuba, for example, the Captain General gained the authority to permit flour and other food products from outside the Spanish Empire at his discretion. Although this concession was
supposed to be limited emergencies, in practice British colonial produce became a regular sight.27

Efforts to reconcile the monopoly interest of the Asiento and the practical need of Spanish colonists for British colonial products on a permanent basis resulted in an unusual solution. Grain products from the colonies would be exported to Cadiz, and then transshipped to the Caribbean under the auspices of the Asiento. Thus, the monopoly existed in form but not in function. Even this polite subterfuge was abandoned in time. The fact that most of the flour imported into the Spanish Caribbean from Cadiz was from the British colonies was an open secret. The horrific hurricane season of 1772 brought into the open what was already widely practiced. The devastation resulted in the direct and open importation of British colonial grain no matter what the law demanded.28

The demographics and land use patterns of the Caribbean slave plantation system regardless of empire required cheap provisions at all times. According to Selwyn Carrington, in the 1770s the British West Indies received most of its corn, pickled fish, and oats from the mainland colonies. Half of all flour imports and the vast majority of wood imports were also from the mainland colonies.29 The trade in low quality and inexpensive provisions to the West Indies was a key factor in the expansion of the slave-based plantation economy as booming slave numbers in the eighteenth century required ever more cheap food from the mainland.30

Southern Europe was the second most important destination for colonial grain exports. These exchanges provided a different set of supply and demand relationships based on imports of

27Ibid, 366, 376-8. Under the Asiento (formally the Asiento de Negros regarding the slave trade), the company was allowed to import flour in relationship to the number of slaves it imported into the Spanish Caribbean. As the Asiento held a monopoly on slave imports, by extension it monopolized legal flour imports. See Johnson, 375.
28Johnson, 383-85, 392.
30Innis, The Cod Fisheries, 164.
Madeira wine, salt, and British bills of exchange in return for colonial grain. Salt was a vital resource for the fisheries, as well as for preserving pork and beef. Madeira wine was enjoyed in enormous quantities by colonial elites, while bills of exchange helped to limit the colonial trade deficit with Great Britain. Despite the different context, the European trade also reflected classically mercantilist characteristics as the unusable colonial grain surplus was exported outside of the empire in exchange for specie equivalents or for resources, like salt, that were not readily available within the British Empire.

The correspondence of merchants Thomas Lamar, Henry Hill, and Robert Bisset provide insight into this trade network. The three brothers-in-law engaged in a triangular trading relationship between Philadelphia, London, and Madeira. Beginning in 1756 and continuing through 1798, their letters illustrate the potential and the perils of southern European trade. Writing to his brother Richard in 1756, Henry Hill spoke highly of the trading prospects for wheat and corn due to scarcity. A poor local harvest in Madeira combined with an unexpectedly scanty crop in Lisbon led to opportunity for colonial British merchants. By December, the situation was so dire that the Portuguese crown was obligated to provide grain to the public at the crown’s expense. Hill’s firm provided a portion of this bounty and profited handsomely in the transaction.31 The letter implies a close connection to the governing authorities of Madeira and illuminates how grain merchants sustained the public and good order with provisions, while also making a profit for themselves.

Their surviving correspondence is sparse during the 1760s, however, two letters reflect the essence of the Hill family’s business transactions for this decade. The first letter in July 1762 laments the lack of wheat and flour, although this is suspected to be temporary. Corn is plentiful,

31 Henry Hill to Richard Hill, August 22, 1756 and December 11, 1756. Sarah A.G. Smith Collection, Historical Society of Pennsylvania collection 1864 (hereafter Smith Collection, HSP), Box 1, folder 4.
but other commodities were scarce. A second letter from June 1769 inquired as to the fate of a Philadelphia ship in route to Madeira with a cargo of 3,000 barrels of flour. Robert Bisset, the family’s merchant in residence, was particularly anxious as he had no flour in stock and had none due for some time.\textsuperscript{32} The correspondence illustrates two important features of this trade. First, the movement of information and goods was slow. Reconciling supply and demand relationships from across the Atlantic was difficult. Second, a key management strategy relied on mercantile family networks. Business management at a distance required trust, reliability, and a shared faith in the judgement of the merchants involved.

Historian David Hancock’s study of the Madeira trade outlines the broad intersecting interests of American grain merchants, Madeiran wine producers, and their places within the mercantile system. Like grain, Madeira crossed imperial boundaries with an open disregard for official regulations. According to Hancock,

\begin{quote}
Madeira shows how decentralized the early modern Atlantic was, with widely dispersed agency and frequent transgressions of imperial boundaries….analysis of the Madeira wine complex show that world as extensively linked by networks-family, ethnic, religious, business, and social- that participants created and managed.\textsuperscript{33}
\end{quote}

However, also much like grain, the regulations governing this trade were also more liberal than a cursory glance suggests. An Anglo-Portuguese treaty in the mid-seventeenth century opened trade between the English colonies and Madeira. The Navigation Acts restricting trade did not apply, and no crown duty was imposed on imported Madeira.\textsuperscript{34}

\begin{flushright}
\textsuperscript{32} Henry Hill to Richard Hill, July 18, 1762 and Robert Bisset to “Dear Brother” [unnamed] June 2, 1769. Smith Collection, HSP, Box 1, folder 4.
\textsuperscript{33} David Hancock, \textit{Oceans of Wine: Madeira and the Emergence of American Trade and Taste} (New Haven: Yale University Press, 2009), xvi.
\textsuperscript{34}Ibid, 394.
\end{flushright}
Effective trade regulation under mercantilism during the eighteenth and early nineteenth century consisted of three parts: the creation of regulations, the ability to enforce those regulations, and then the will to enforce them. The creation of laws was relatively easy, but the capacity of the various empires to enforce trade regulations was rudimentary at best. Smuggling and corruption were epidemic, and the application of the law as imagined by its authors was an uncertain proposition. The third premise is, perhaps, most interesting. The Madeira trade did not operate in defiance or contradiction of mercantile regulations. The trade was an acknowledged exception to those rules. Thus, there was no will- and no effort- to curtail these exchanges on mercantilist grounds. Loose networks of independent merchants did not seize the opportunity from an unwilling or inattentive mother country, rather they took advantage of an opportunity freely offered.

The same set of circumstances held true for grain. It was not an enumerated commodity, therefore exports to southern Europe were legal and consistent with Britain’s mercantile policies. Direct trade between the middle colonies and Europe increased in the last years of the colonial era. By 1770, more than 30% of all ships clearing from Philadelphia were bound for Europe. The fastest growing sector of this trade was grain bound for Iberia and Mediterranean Europe. The expanding foreign market led to new grain production throughout the Chesapeake Bay region. More systemically, the focus on export markets as a causal force in domestic economic development reflects a modified form of the staples thesis of development. Although this is more often associated with single resource economies such as the fisheries, sugar, tobacco, ride, or the fur trade, it can also be applied to wheat.

Yet, the expanding volume of trade was not always advantageous for the merchants involved. Writing in August 1771, Robert Bisset lamented the flood of corn, wheat, and flour entering into Madeira. Prices were already low, and threatened collapse as more vessels arrived.\textsuperscript{36} As a small island, its markets could be overwhelmed by a handful of cargos. The economic law of supply and demand remained intact, although the varying fortunes of the Hill and Bisset correspondence does illuminate an important feature of the grain trade. Surplus and dearth could fluctuate in a location based on many factors. The arrival of unexpected imports or an unexpected shortfall caused by a poor harvest could alter the grain market’s dynamic from month-to-month and year-to-year. The markets of Iberia and Mediterranean Europe were larger, less volatile, and sustained an increasing volume of exports.

Table 2.2 outlines the CO 16 export statistics from the mainland British colonies to Southern Europe.

\textit{Table 2.2: Exports to Southern Europe, 1768-1772}\textsuperscript{37}

<table>
<thead>
<tr>
<th>Year</th>
<th>Bread/flour (tons)</th>
<th>Indian Corn (Bushels)</th>
<th>Wheat (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1768</td>
<td>5,059 tons, 16,336 barrels.</td>
<td>351,573</td>
<td>430,530</td>
</tr>
<tr>
<td>1769</td>
<td>20,852</td>
<td>393,068</td>
<td>862,926</td>
</tr>
<tr>
<td>1770</td>
<td>18,501</td>
<td>175,221</td>
<td>588,561</td>
</tr>
<tr>
<td>1771</td>
<td>12,312</td>
<td>215,353</td>
<td>371,310</td>
</tr>
<tr>
<td>1772</td>
<td>17,945</td>
<td>261,837</td>
<td>415,433</td>
</tr>
</tbody>
</table>

The data offers several important insights about the European grain trade. First, under the classification established within the ledgers, all of Europe south of Cape Finisterre in

\textsuperscript{36} Robert Bisset to “Dear Brother”, August 9, 1771. Smith Collection, HSP, Box 1, folder 4.
\textsuperscript{37} CO 16/1, DLAR 412.
northwestermost Iberia were grouped together, including the Wine Islands (Madeira). Thus, trade with Iberia and the rest of the Mediterranean basin cannot be differentiated. However, given Lydon’s findings the clear majority of these exports landed in Spain or Portugal. The volume of bread and flour exported there is comparable to that to the West Indies. Although less, the volume of Indian corn is still consequential. The volume of wheat, however, is massively higher. Southern Europe drew the clear majority of all wheat exports from the colonies. Semi-processed wheat is cheaper than flour or bread and is more durable. The milling capacity of southern Europe could process both local corn and wheat production as well as colonial imports.

The West Indies and southern Europe represent the two primary external markets for grain products, but the CO 16 data clarifies the place of two other markets as well. Exports to Ireland and Great Britain itself were less common but could be important on a year-to-year basis. Of course, mercantile impediments to trade did not apply within the empire. Table 2.3 outlines the mainland colonial grain exports to Ireland.

Table 2.3: Exports to Ireland, 1768-1772

<table>
<thead>
<tr>
<th>Year</th>
<th>Bread/flour (Tons)</th>
<th>Indian Corn (Bushels)</th>
<th>Wheat (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1768</td>
<td>471</td>
<td>5,095</td>
<td>21,174</td>
</tr>
<tr>
<td>1769</td>
<td>2,332</td>
<td>294</td>
<td>116,045</td>
</tr>
<tr>
<td>1770</td>
<td>3,583</td>
<td>150</td>
<td>149,985</td>
</tr>
<tr>
<td>1771</td>
<td>No Line Item</td>
<td>8,500</td>
<td>129,638</td>
</tr>
<tr>
<td>1772</td>
<td>228</td>
<td>No Line Item</td>
<td>19,941</td>
</tr>
</tbody>
</table>

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38 CO 16/1, DLAR 412.
Grain exports from North America to Ireland were volatile from 1768 to 1772, especially the spike in imported wheat from 1769 to 1771. Bread and flour see a similar increase for 1769 and 1770 but disappear from the ledgers in 1771. These exports reflect substitution for poor Irish harvests in those years, and the use of colonial grain to supplement failed local production.\textsuperscript{39} Long term, the prognosis for Ireland as a stable market for grain was poor. The 1770s represent a transition point in Irish agricultural history. By the end of the decade, Ireland would be a net grain exporter, rather than a potential customer for colonial producers and merchants. The primary export market for Irish grain was Great Britain.\textsuperscript{40} This evolution in Irish agriculture potentially challenged colonial exports to the British market, however, the significant geopolitical events of the 1770s and 1780s obviously disrupted colonial trade with Ireland and Great Britain profoundly.

Great Britain forms the fourth key market for colonial grain and represents yet another distinct trade relationship, as seen in Table 2.4.

\textit{Table 2.4: Exports to Great Britain, 1768-1772}\textsuperscript{41}

<table>
<thead>
<tr>
<th>Year</th>
<th>Bread/flour (Tons)</th>
<th>Indian Corn (Bushels)</th>
<th>Wheat (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1768</td>
<td>3,400</td>
<td>105,161</td>
<td>171,211</td>
</tr>
<tr>
<td>1769</td>
<td>2,254</td>
<td>100</td>
<td>48,778</td>
</tr>
<tr>
<td>1770</td>
<td>263</td>
<td>No Line Item</td>
<td>11,739</td>
</tr>
<tr>
<td>1771</td>
<td>214</td>
<td>No Line Item</td>
<td>47,069</td>
</tr>
<tr>
<td>1772</td>
<td>4,785 (quarters)</td>
<td>No Line Item</td>
<td>14,108</td>
</tr>
</tbody>
</table>

\textsuperscript{39} Paul Sharp and Jacob Weisdorf, “Globalization Revisited: Market Integration and the Wheat Trade Between North America and Britain from the Eighteenth Century” \textit{Explorations in Economic History,} Vol. 50 (2013), 88-98, 92.

\textsuperscript{40} Raymond James Raymond, “A Reinterpretation of Irish Economic History (1730-1850),” \textit{Journal of European Economic History,} Vol. 11, No. 3 (Winter 1982), 651-664, 653.

\textsuperscript{41} CO 16/1, DLAR 412.
Except for 1768, Great Britain itself was not a significant recipient of colonial grain from 1768 through 1772. The cause for this, however, is political rather than economic. Great Britain’s agricultural economy had two features that the other markets did not. The importance of agricultural rents to British elites provided an economic rationale to inflate grain prices via legislative controls on grain imports. Thus, exports to Britain faced regulatory barriers that sought to balance the economic interests of politically powerful landowners with the need for social stability that rested upon adequate access to affordable foodstuffs for the general population. Second, the 1770s were a period of transition in the British agricultural economy. Prior to this, Britain was self-sufficient in grain production and tended to be a net exporter of grain. Colonial imports competed with domestic production except in cases of an exceptionally poor harvest. However, as the British economy started to industrialize, and the population increased, the need for outside provisions grew.42

Customs regulations provide one means of tracing attitudes towards grain imports. Duties payable on imported grain products fluctuated with its market price in Britain. Other grain products were regulated with a similar sliding duty structure.43 This represented a significant limitation on grain imports into Britain. At its highest rates, the customs levy would add a 50% surcharge on imported wheat, making it impossible for colonial producers to compete with local ones. There is a certain degree of flexibility as prices rose, but this also created market uncertainty for colonial producers who operated under weeks, if not months, old market information.

43 Henry Thornton, Historical Summary of the Corn Laws, Containing the Substance of the Statutes Passed from the Year 1660 for Regulating the Importation and Consumption of Foreign and the Exportation of British Corn (London: James Ridgway, 1841), 22. Prior to 1774, if the market price of wheat was under 44s per quarter, the customs duties applied were 22s. Between 44s and 53s 3d per quarter, the duty decreased to 17s. From 53s. 3d to 80s, the duty was 9s and over 80s per quarter the rate declined to 1s 4d.
A change in regulations in 1774 presented a potential opportunity for colonial producers. Paul Sharp and Jacob Weisdorf found a significant increase in imports in 1774 and 1775 because of changes in the Corn Laws. The revised impost regulations resulted in “practically free” trade in grain, which does not overstate the scope of change. In 1774, the duty on wheat was reduced to 6d per quarter if the market price was 48s per quarter or higher. Other grain commodities saw similar impost rate adjustments. These changes represented an enormous potential opportunity for colonial farmers and grain merchants.

The final branch of trade explored in the CO 16 ledgers is the important and elusive “coastal trade” between mainland colonial ports whose connections are often difficult to follow. In James Shepherd and Samuel Williamson’s analysis of the records, “one can’t determine specifically to which colonies the exports were going. The general directions of trade can be surmised, of course, but one does not know exactly ‘what when where.’” For the grain trade, the broad pattern was the export of surpluses from the upper Chesapeake and middle colonies to New England. In 1816, Connecticut congressman Timothy Pitkin compiled a quantitative analysis of colonial-era grain exports. According to Pitkin, local growth of wheat in New England had failed for some years past requiring the region to import grain.

The CO 16 ledgers offer the most complete picture of the late-colonial grain trade. Surplus agricultural production in the middle colonies, Chesapeake region, and (to a lesser degree) New York was exported to markets in the West Indies and southern Europe in vast

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45 Thornton, Historical Summary of the Corn Laws, 9. See 13Geo.IIIc.43
quantities. Exports to Ireland fluctuated from year-to-year but could be substantive. Trade directly with Great Britain was not significant from 1768 to 1772. Legal changes in 1774 and the expanding trade in 1774 and 1775 suggests that this could become a potential growth market for colonial grain exports.

The Revolutionary crisis of the 1770s eventually overthrew British rule of the thirteen colonies by the early 1780s. A combination of ideological ferment and material factors combined to incite a vocal minority of colonists to lead a successful rebellion against the crown and departure from the British Empire.\(^{48}\) There were degrees of enthusiasm even among those who supported the Revolution. Colonial merchants, particularly those with strong economic ties to the empire, were notably reluctant. Historian Thomas Doerflinger’s *A Vigorous Spirit of Enterprise* illustrates the conflicted responses of Philadelphia’s merchant community to the crisis. Although there was a deep concern about British policies regulating the colonies, these did not lead to automatic support of the resistance. As a whole, the merchants were apolitical, divided culturally, and well aware of the commercial benefits that Philadelphia enjoyed as part of the empire.\(^{49}\)

Philadelphia merchants’ fears of economic disruption as a result of rebellion were realized early in the war. A mass panic to clear as many vessels for foreign markets prior to the severing of political ties flooded many markets with excess goods. A June 1775 letter from


Robert Bisset reflected this problem, and the looming promise of disruption. Lamenting the “amazing glut of grain and flour that has poured in upon us since the beginning of the month” and the corresponding decline in prices, it was unlikely that the firm could profit if the present circumstances continued. Continuity was fleeting however. The same letter closed with the observation that two ships with grain cargos from New York had not arrived as expected. Bisset speculated that “it is shrewdly suspected here from their not having appeared, that they must have been detained by our frigates, who we are told have orders to stop all of your shipping.”

Bisset’s letter reflects a significant feature of the Revolutionary war. It was not just pursued on the battlefield, it had a major economic element as well. British efforts to suppress the rebellion included efforts to cut the colonial connections to foreign markets in addition to the direct war effort. The grain producing regions of the Chesapeake faced numerous interlinked wartime threats. British military intervention and regulatory barriers forced the collapse of coastal trading routes. This disruption was serious, and it forced reliance on costly land-based transportation networks that lacked an adequate infrastructure. The lucrative southern European trade was also interdicted, thus removing an important resource base for the Revolutionary government. Domestically, inflationary pressures caused by Congressional monetary policy hamstrung merchants. The physical destruction of war further reduced outputs even as martial mobilization also increased demand.

Provisioning both armies during the war illustrates the difficulties of recreating the agricultural economy overnight. For actors in the new US, repurposing agricultural surpluses from a focus on external trade to domestic consumption proved very challenging in the face of

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50 Robert Bisset to “Dear Brother”, June 17, 1775. Smith Collection, HSP, Box 1, folder 4.
massive inflation and transportation limitations that could not be resolved by Congress or the Continental army. E. Wayne Carp’s work *To Starve the Army at Pleasure* outlines both of these daunting obstacles. Land routes suitable for transporting bulk commodities were rare and subject to all sorts of weather and military disruption. There was no administrative infrastructure for purchasing, storing, transporting, or distributing bulk commodities on the scale required by the war effort. Compounding these problems was the precarious financial condition of Congress. By 1780, the expense of the Quartermaster and Commissary Departments alone were estimated to reach the ruinous sum of $200 million.\(^{52}\) Although the figure was in part a product of inflationary pressures, the disastrous state of Congress’s credit deepened the collapse of the army’s logistical system. Contributions from the states, French loans, and the personal credit of merchants such as Robert Morris temporarily filled the breach, however, the system remained unstable.\(^{53}\)

The need to create a functioning national government and the infrastructure to support an army did not affect the British. Many of the institutions that Congress vainly attempted to organize already existed for the British. Yet, logistics and supply would be a major problem for British forces fighting a distant war and no longer able to reply upon local support as during the Seven Years War. Historian R. Arthur Bowler examines the new logistical framework and the similarities between the American and British efforts to reconnect suppliers and consumers in the changed wartime landscape. Denied supplies from the Massachusetts countryside in the wake of Lexington and Concord, General Gage’s forces imported provisions from Ireland as surplus

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\(^{53}\) Ibid, 213.
goods from Halifax and Quebec were soon exhausted. The experience of 1775 was repeated throughout the war as hopes of local supply proved illusory. Provisions from Britain were available, but only at enormous expense and subject to the vagaries of long-distance commerce. Building a provisions reserve adequate to support the army, provincial forces, and loyalist refugees within British lines remained a challenge throughout the war. Although there was not a British counterpart to the deprivation of Valley Forge or Morristown, the extended supply line directly influenced British conduct of the war.

Three chief lessons for the grain trade emerge from wartime disruption. First, the root of the problem for both armies was the difficulty in replacing the usual connections among producers, traders, and consumers that existed during the Seven Years War and colonial peacetime. American grain surpluses were traditionally exported, and establishing internal markets- and more importantly, the financial and infrastructure to support this change- could not be fully accomplished. Likewise, although the strain of supporting the British army with provisions from across the Atlantic did not have the same institutional challenges that face Congress, the practice was ruinously expensive and undependable. Second, this unique grain economy would be impossible to sustain without the demands of the war, an aberration from the norm that would soon disappear. Third, the inability of Quebec and Nova Scotia to supply the British army during the war was a telling commentary on the state of agriculture in those colonies. Although the rebel invasion of Quebec in 1775 might provide a partial explanation for modest agricultural production that year, the general lack of surplus throughout the war reflects

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55 Ibid, 54-55, 126.
56 Ibid, 94-95.
the inability of British North America to function as an imperial granary even during a grave emergency. The implications for post-war grain production and trade were not promising.

The American Revolution changed the boundaries of the previously united empire, but all was not as it appeared on the political map. US independence changed the geo-politics of trade but did not alter the interlocked trade networks that underpinned the Atlantic economy. Whether the British government’s diplomatic relations with the new United States would emphasize the political or economic aspects of mercantilism remained uncertain. The most obvious point of conflict was the dependence of the British Caribbean colonies on imports of provisions from the mainland. This urgent need required Great Britain to more precisely define the mercantilist framework for the domestic nation, empire, colonies, and foreign entities.

The Treaty of Paris in 1783 completed Anglo-American political separation, but whether-and on what terms- the United States would be allowed to interact with the imperial economy was unclear. At its heart, mercantilism is a system of political economy. How each observer balanced the often-conflicting dictates of political and economic interest widely varied. One of the most ardent defenders of a closed mercantile system was Lord Sheffield. His interpretation of the political/economic balance decidedly favored the political. The interests of the nation and empire demanded severing ties with the US for the benefit of Great Britain and the loyal colonies remaining under the crown. In his formulation, removing the US from the empire was a positive good: “Both as a friend and as an enemy America has been burthonsome to Great Britain. It may be some satisfaction to think, that by breaking off rather prematurely, Great Britain may find herself in a better situation in respect to America, than if they had fallen off when more ripe.”

57 Lord Sheffield, Observations on the Commerce of the United States with Europe and the West Indies; including the several articles of export and import (Philadelphia: Robert Bell, 1783), 39.
Sheffield acknowledged that this new geography would come at some cost to the West Indies colonies until the agricultural base in Nova Scotia and Canada developed. However, this small cost to one interest group within the empire was a necessary (if temporary) burden that could be offset by other changes. Streamlining customs administration, curtailing smuggling, and encouraging a diversified agricultural economy in the Caribbean would provide the means to effectively reformulate imperial trade shorn of the US and its past colonial contributions.\textsuperscript{58}

Sheffield’s \textit{Observations} strives to balance political and economic relationships within the empire. For the first time, trade regulations underlying the mercantile system as a theory were explicitly applied to the grain trade. This is a significant transition that politicized and attempted to regulate a trading network that had been practically exempt from peacetime regulations prior to the War for American Independence. The quest to define the new relationship between the mother country and her estranged child only served to illuminate unexamined contradictions within the colonial relationship.

Sheffield’s strident assertions were questioned in Britain. West Indian leaders such as Brian Edwards accepted Sheffield’s application of mercantilist doctrine as a political concept but questioned whether or not it made economic sense. In direct response to Sheffield in 1784, Edwards wrote:

Because they [the Americans] well know that Great Britain must in time concede; for America has the advantage in this contest, that sugar and rum, and coffee, and molasses, though very wholesome things, are not, however, like American provisions, absolutely necessary to the preservation of life. Secondly, because if they are not permitted to purchase those commodities from us, in their own way, they can get them elsewhere. The commerce of America, therefore, is beyond all equivalent more necessary to the British West-India Islands, than that

\textsuperscript{58} Ibid, 32.
of the islands to her. The misfortune is, that our devoted planters may be famished before the contest is settled.\textsuperscript{59}

Edwards’ critique highlights three issues. First, politics is an inherent element in economic debates. Trade within the empire is preferable to external connections. However, the nature of grain as a commodity does not allow for economic policies to strictly follow abstract principles. Simply stated, the US could survive in the absence of trade with the British West Indies. The sugar plantations, however, could not survive without foodstuffs from the mainland. Second, Edwards points to the enduring influence of customary patterns of exchange. There were no reasonable substitutes for US grain production within the empire, and no available markets to absorb the surplus production of the Caribbean colonies if the US was excluded from trade. The long integrated the grain trade of British mainland colonies with the British Caribbean needed to survive. For the British, the economic infrastructure of empire could not be dismantled as easily as the political empire that created it. Third, time did not favor radical changes in trade policy. Implicit within Edwards’ critique of Sheffield is the urgency of reestablishing trade connections for the preservation of life in the Caribbean. This illustrates another specific quality of provisions commerce—its urgency. The empire faced a stark and immediate choice: either allow US provisions into the empire immediately or face the prospect of the Caribbean plantation complex collapsing almost overnight.

Remaining loyal to the empire had consequences. Separating the British West Indies from their traditional source of provisions led to starvation for thousands of slaves and poor whites on the islands of Nevis, St. Kitts, Montserrat, and Antigua. On Antigua, 20\% of slaves died between 1778 and 1781, and the survivors were too weak to harvest the sugar crop. The

\textsuperscript{59} Brian Edwards, \textit{Thoughts on the late Proceedings of Government, respecting the trade of the West India Islands with the United States of North America. The second edition, corrected and enlarged, to which is not first added a postscript, addressed to the right honourable lord Sheffield} (London: T. Cadell, 1784), 11-12.
conclusion of hostilities in 1783 did not end the threat of famine. Sugar plantations remained profitable during the 1780s, but their margins diminished due to trade restrictions prohibiting a mutually beneficial trade with the United States. The official prohibition on such trade encouraged smuggling, and the prices paid for rice, meat, and fish imports rose in the West Indies between 40 and 100 per cent between 1775 and 1784.61

The increase in prices for staple foods was a product of geo-political changes. In the place of relatively accessible supplies, West Indian planters were forced to rely on food imports from Ireland and Britain, lumber from the Baltic, and other provisions from Florida and Canada. According to historian Herbert Bell, this system of restrictions caused local distress, but the overall objective of increasing trade between Britain and the Caribbean colonies was successful and still allowed for a reasonable profit margin. Other historians are less positive about the success of redrawing the trade networks. The rise in costs, along with the destruction of local food sources in series of hurricanes from 1784-1786, caused the death of 15,000 slaves in Jamaica alone due to famine. By 1791, the assembly of Jamaica called for the cultivation of other crops such as yams, caco, maize, and plantains to decrease dependency on external food importation. Other Caribbean sugar islands had similar experiences, leading planters to advocate for the legalization of trade with the United States. These pleas fell upon deaf ears, leading to the creation of an informal colonial resolution to the crisis.

63 Ibid, 440.
64 Parry et. Al., Short History of the West Indies, 121.
British colonial governors could temporarily suspend the Navigation Acts in the case of urgent need. The interpretation of “need” varied from colony to colony, but the trend of defining US provisions as an essential commodity was commonplace. The difficulty for US merchants lay in the return cargoes. While the concessions reconnected American exports to their traditional consumers in the West Indies, imperial legal restrictions on colonial exports to the US remained. In particular, cargos of tropical products were limited to British ships, causing distress for US merchantmen. Bolstering the merchant marine by limiting foreign competition was a long-standing British practice under mercantilism. It was not just the products at question, it was also their means of transport. The Caribbean colonies were one side of a three-sided debate over trade policy conducted by the United States, Great Britain, and the Caribbean planters within the British Empire. It was in the interests of planters and US merchants to resume open trade without restrictions immediately after the war. This would officially reestablish two portions of the triangular trade, however, new political relations did not allow for a seamless reestablishment of the colonial commercial system. US objectives were to reestablish trade with the British West Indies, while limiting direct trade with Great Britain in favor of domestic manufactures. In essence, all three sides recognized the need for trade but could not agree on how to reconcile political and economic interests.

Under the authority of the colonial governors, with the acquiescence of the imperial government, and the enthusiastic participation of American merchants, the grain trade continued. Complete disengagement was not viable except in the extreme posturing of a figure like Lord

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Sheffield. John Darwin’s theory of empire that emphasizes the independent agency of actors on the periphery of empire can usefully be applied to this situation. Although the imperial government maintained some control over its agents on the periphery, for Darwin the most striking feature of the British Empire was its limited governmental influence.\(^68\) Colonial governors in the Caribbean, Canada, and the Maritime Provinces that depended on US grain consistently permitted trade that favored local need over imperial policies. In time, many of the local trade arrangements received tacit official acceptance as no practical alternatives presented themselves.

Scholarship on the post-war US grain economy confirms the continuing importance of the Caribbean. Brooke Hunter argues that the 1780s were a profitable time for American grain exports despite the short-term disruption of the war. In theory, American trade was excluded from most Caribbean markets, yet “to declare a law and to enforce it were two different things.”\(^69\) According to Gordon Bjork, although the volume of legal trade in the 1780s declined, its actual value of trade remained constant as the price of grain increased.\(^70\) Doerflinger’s interpretation is less positive. He agrees with Bjork that trade with the West Indies was not particularly high but finds that overall price levels declined. Added to his analysis is the ripple effect that trade stagnation had throughout Philadelphia’s regional economy. For Doerflinger, economic depression persisted until 1789 or 1790, after which the demand for foodstuffs in the Indies and Europe buoyed the economy.\(^71\)

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A conclusive quantitative study of the economic conditions within the British West Indies and the connections to the US is almost impossible due to the lack of reliable sources. According to John McCusker’s article “Growth, Stagnation, or Decline,” records of the West Indian economy were destroyed due to the conflicts between Britain and France. A fire in the London Customs House in 1814 also destroyed most of the Ledgers of Imports and Exports for the 1780 and later time period. Quantitative government records for sugar production also do not exist. The best estimates of production are derived from export figures from the islands and import figures for external markets. McCusker hypothesizes that the economic conditions in the West Indies were strong before and after the American War for Independence based on per capita imports to and exports from the islands. Circumstantial evidence is persuasive that pre-war trends in the grain trade were reestablished soon after the war’s end. Brought together by custom and need, the US and the British West Indies remained linked by mutually beneficial commercial connections with grain as their foundation.

The creation of the new Federal Government of the US in 1789 marks a significant transition from the lax authority of the Confederation Congress to a stronger central government and the need for coherent national economic policies has long had a contested place in explaining the change. For US merchants, the need for stability was essential to support the domestic economy and foreign trade. The new constitutional government held many powers to

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73 Ibid, 291.
74Ibid, 301.
regulate and support commerce, among them to collect taxes, imposts, and excises, to regulate foreign commerce, and to coin money.\textsuperscript{76} How these new federal powers would be exercised under the administration of George Washington was unclear and provoked divisive controversy at the time. Traditional accounts of the growing divide between Federalist and Jeffersonian partisans cite economic policy as a significant point of division; however, on closer examination there is remarkable consistency between Federalist and Democratic-Republican views about the value and importance of agricultural exports in the new nation’s economy.

One of the most influential figures in Washington’s cabinet was Treasury Secretary Alexander Hamilton. His reports to Congress on US economic policy set forward a coherent doctrine of national economic development. His proposals were often controversial and intersected with several separate but related questions about how the new nation should develop and interact with the rest of the world. The first manifestation of this was Hamilton’s Report on the Public Credit (1790) that stressed how public debt and a strong national currency benefited every sector of the economy including agriculture and foreign trade. Revenues from the Post Office and taxes on liquor distillation would be two useful sources of income for the federal government, but its major source of revenue would be imposts and customs duties.\textsuperscript{77}

It is significant to note that there was no proposal to tax US exports. Although the distilled liquor tax was controversial, the early outlines of Hamilton’s economic plan closely parallel Jeffersonian initiatives in the early-nineteenth century. In historians Stanley Elkins and Eric McKitrick’s evaluation of the report, it was clear that the dynamic force behind the


\textsuperscript{77} Reports of the Secretary of the Treasury of the United States, prepared in Obedience to the Act of the 10\textsuperscript{th} May, 1800, to which are prefixed The Reports of Alexander Hamilton, on Public Credit, On a National Bank, On Manufactures, and on the Establishment of a Mint (Washington: Duff Green, 1818), 5-6, 23-4.
American economy would be merchants. The interests of merchants and farmers were not necessarily opposed to one another in the pre-industrial context of the overwhelmingly agricultural economy of the early republic.

Hamilton’s Report on the Subject of Manufactures advocated for federal action to promote industrial development in the US. Superficially, this appears to conflict with Thomas Jefferson’s ideal of the yeoman farmer, and thus produced a conflict between two competing visions for the national economy. Yet, this is not necessarily the case. Hamilton’s plan was not inimical to agricultural production nor to the value of the agricultural export sector of the economy. To Hamilton, “foreign demand for the products of agricultural countries, is, in a great degree, rather casual and occasional, than certain and constant….there appear strong reasons to regard the foreign demand for that surplus as too uncertain reliance, and to desire a substitute for it in an extensive domestic market.” In essence, a domestic market would be more sustainable because the foreign demand for US surpluses was too inconsistent. If Hamilton’s supposition was correct, his economic program would benefit farmers. The development of an industrial base would provide a more certain market, especially as it drew labor away from farms. Thus, manufacturing was not opposed to agriculture but rather became possible due to expanding agricultural surpluses. Beyond the supply and demand dynamics, a domestically oriented economy was also less subject to disruption due to foreign political maneuvers and wars. The domestic political effects of Hamilton’s economic recommendations, nevertheless, exacerbated

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partisan tensions whose political dimensions has been better remembered than its economic basis.  

There are other less theoretical criticisms of the *Report on Manufactures*. Hamilton’s theory overlooks the long duration of American agricultural exports. By the 1790s, this had been a substantive part of the economy for at least 70 years. Although there had been fluctuations and disruptions due to varied causes, the supply and demand relationship was steady. His program provided a potential solution to a problem that was not yet apparent to many observers. This is particularly true for figures like Thomas Jefferson and James Madison, who had close links to agricultural interests and opposed Hamilton on a number of other grounds. The *Report*’s fate in Congress reflects an interesting split. Although direct government investment to support industry were not approved, the customs tax structure proposed by the *Report* was established.

The practical state of the agricultural export economy by 1790 did not lead to a popular outcry for reform. Political economist Tench Coxe provided an American critique of Britain’s formal trade restrictions. He argued in 1791 that efforts to replace the US as a granary for the West Indies had failed. Nova Scotia and Canada had not been able to produce an adequate surplus and substituting imports from Europe was impossible as the volume required was prohibitive. Dependence on the US was not disappearing. Rather, the provisions trade expanded in value. For Coxe, “the British West India islands are proved to have been indebted to the United States, in 1790, for more lumber, more grain, and more bread and flour, than they

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80 This will change over time as Federalist-leaning merchants embraced foreign trade more closely while the Democratic Republican party of the early 1800s adopted a more Hamiltonian economic policy. See Lawrence Peskin, “How the Republicans Learned to Love Manufacturing: The First Parties and the ‘New Economy,’” *Journal of the Early Republic*, Vol. 22, No. 2 (Summer, 2002) 235-262. See also chapter 4 of this dissertation.


imported from these states before the revolution.”\textsuperscript{83} The export-based agricultural economy of
the US was so profitable that few people called for structural changes to it nor were there any
feasible alternatives.

Reports from Madeira also reflected optimism for US agricultural products in post-war Atlantic markets. Henry Hill learned in February 1790 that every article was in great demand. Prices for flour and wheat were high and even corn, “which is almost too bad to be eaten,” still commanded a market. The high prices attracted exports from England as well as the US leading to a decline in prices by August, but the market remained open for American foodstuffs.\textsuperscript{84} There is a degree of variability in the marketplace, and there remained the danger of a glut caused by over-importation, however, these were familiar and long-standing factors in Atlantic commerce.

The observations of Coxe and Hill reflect a broader trend. The export sector of the US economy was booming. According to Geoffrey Gilbert’s research, the volume of bread related products exported by the US had expanded by over 50% between the years of the CO 16 data set (1768-1772) and a comparable data set from the US Treasury Department for 1790-1792.\textsuperscript{85} Coxe recognized this pattern and assumed continuity, others, like Hamilton, were more suspicious that the expansion of trade in agricultural commodities would falter. The raw data from Timothy Pitkin’s accounting supports the conclusion that trade expansion was viable as noted in Table 2.5.

\textsuperscript{83} Ibid, 11.
\textsuperscript{84} Lamar, Hill, and Bisset to Henry Hill, February 9, 1790. Smith Collection, HSP, Box 1, folder 7. Lamar, Hill, and Bisset to Henry Hill, February 23, 1790, and August 4, 1790. Smith Collection, HSP, Box 1, folder 8.
Table 2.5: American Grain Exports by Year, 1791-93

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Wheat (bushels)</th>
<th>Flour (barrels)</th>
<th>Corn (bushels)</th>
<th>Meal (bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1791</td>
<td>1,018,339</td>
<td>619,681</td>
<td>1,713,241</td>
<td>351,695</td>
</tr>
<tr>
<td>1792</td>
<td>853,790</td>
<td>824,464</td>
<td>1,964,973</td>
<td>263,405</td>
</tr>
<tr>
<td>1793</td>
<td>1,450,575</td>
<td>1,074,639</td>
<td>1,233,768</td>
<td>189,715</td>
</tr>
</tbody>
</table>

Compared to the CO 16 records, there are several structural changes to the ledgers. The category of “bread” has been removed from the tabulations, the unit of measure for flour changed from tons to barrels, and corn meal was added as a new the category. Despite these changes, the overall increase in grain product exports from the US is clear. Pitkin’s statistics give an aggregated total for all exported grain products and also provides the regional destinations for these exports that reflects a pattern familiar from the CO 16 ledgers.

Table 2.6: American Exports by Destination, 1790-1793

<table>
<thead>
<tr>
<th>Year</th>
<th>Exported to/Amount Wheat (bushels)</th>
<th>Flour (barrels)</th>
<th>Corn (bushels)</th>
<th>Meal (bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Britain: 292,042</td>
<td>BWI: 139,286</td>
<td>FWI: 516,794</td>
<td>Danish WI: 22,716</td>
</tr>
<tr>
<td></td>
<td>Portugal: 269,502</td>
<td>Britain: 104,880</td>
<td>Portugal: 370,122</td>
<td>FWI: 13,529</td>
</tr>
<tr>
<td></td>
<td>France: 136,908</td>
<td>Spain: 97,288</td>
<td>Spain: 4,103</td>
<td>Spain: 4,103</td>
</tr>
</tbody>
</table>

87 American State Papers, House of Representatives, 1st Congress, 3rd session, Commerce and Navigation Vol. 1 (1790); American State Papers, Senate, 2nd-3rd Congress, 1st-2nd Sessions, Commerce and Navigation, Vol. 1. (1791-1793)
The US Treasury and the CO 16 records vary slightly but organize wheat export data in comparable ways. The West Indies and Southern Europe remain primary export destinations, and locations have been disaggregated allowing a clearer geographic understanding of US foreign commerce in grain products.

The statistics illustrate the continuity between the CO 16 record series for the late-colonial era and US trade after the war. The same strong market differentiation remains with semi-processed wheat a predominantly European import, while flour, corn, and corn meal were exported throughout the Atlantic. Overall, the chief customers for US grain products remain the Caribbean sugar colonies and Iberia. Superficially, the dramatic increase of exports to Great Britain may seem to be a notable change; however, this can be accounted for by changes in the British tariff structure in 1774, as noted earlier. Taking that into account, the wheat export pattern endured without notable alterations.

The data demonstrate persistence, but not why the persistence matters. There are a number of practical reasons for continuity. There were no competing producers that could
provide an exportable surplus with the consistency and volume required. Reformulating the
material basis for a significant branch of the Atlantic economy could not be accomplished in the
short term. The constant need for new supplies of grain due to its perishable nature is important.
Grain could not be stockpiled in large reserves over time. In southern Europe, the lack of
American provisions could provoke social disorder. By contrast, in the Caribbean, the collapse
of the lucrative plantation complex loomed if US grain was excluded from this major market.
The need for a regular resupply of essential American food provisions simply did not allow for
the colonial trading pattern to be reconfigured, even if viable alternatives could be found, which
seems unlikely.

The striking continuity in Anglo-American grain exports provides a fresh view of the
late-eighteenth century political economy of mercantilism. British authorities had long
recognized that colonial grain was traded outside of the empire. Grain exports had not been
limited to British imperial destinations, as the CO 16 ledgers demonstrate. It was entirely
possible to have a mercantile framework co-exist alongside close to free trade in colonial grain
products if we understand mercantilism as an import control scheme. After the Revolutionary
War, it was not necessary to rebuild the trade to adjust to the new political reality because the
grain trade had never been subject to formal colonial regulatory structures in times of peace. The
1780s and early 1790s are not a story of integrating a restructured US economy back into the
Atlantic economy. Rather, it is the story of a politically freed nation utilizing the same
agricultural export-based economy that had existed under the colonial regime. Lack of
systematic evidence between the end of the CO 16 records in 1772 and the start of US
government records in 1790 do not allow for a general quantitative argument. However, there is
little question that the grain trade continued and even flourished in the 1780s. Quantitative US
government records starting in 1790 conclusively demonstrate the post-war persistence of grain exports consistent with colonial patterns.

Focusing exclusively on the thirteen colonies during this time is attractive as the traditional historiography emphasizes the development of the nation state. It is only one part of the equation however. Geo-political changes in the Maritime Provinces and Canada during the mid- and late-eighteenth century presents another layer of complexity to assess the political economy of wheat in North America. These eighteenth-century additions to the British Empire attracted grain exports from the mid-Atlantic colonies. After the War for American Independence, whether the Canadian or Maritime Provinces could replace the US as a grain exporter was a matter of intense interest throughout the British Atlantic. Inability to supplant the US as a grain exporter, does not suggest a lack of effort to do so. Analyzing the development of agriculture in Britain’s northernmost North American mainland colonies is necessary to understand how grain functioned in an interconnected British Atlantic world.
CHAPTER THREE
BRITISH NORTH AMERICAN AGRICULTURE, THE GRAIN TRADE, AND THE
NEW EMPIRE TO 1794

This chapter examines grain farming in British North America as a potential alternative to American colonial and post-independence producers. The viability of this alternative remained doubtful. According to political economist Harold Innis, the conflict within the staples producing parts of the French and British empires prior to 1763 was fundamentally economic and geographic in nature. A geographic imbalance in both empires connected a large and productive temperate zone agricultural economy to a relatively small tropical one in the British Empire, with the inverse relationship for the French Empire. After the American Revolution, the British faced similar colonial agricultural limitations as the French. To establish productive grain exports from post-war British North America would require the British to swiftly accomplish a level of agricultural development that the French had not achieved in 150 years. This chapter has two geographic sections: Quebec (Lower Canada post 1791) and Nova Scotia. Politically, British North America was linked together under British imperial rule. However, settlement patterns, economic development, and chronology present distinct historiographies regarding agricultural development in this era that are best examined separately. Despite these deep differences, in the face of conflict with the US, British North America did function as a coherent common unit. This became particularly true as the nineteenth century unfolded and when economic regulations (and the defiance thereof) were cast in imperial and national terms rather than regional ones.

Nova Scotia, 1749-1768

The concession by France of territory to be called Nova Scotia to Great Britain in the Treaty of Utrecht (1713) did not have an immediate impact on the province’s agricultural
economy. Acadian farming was productive and generated a surplus. Usually this was traded to New England merchants in exchange for alcohol, textiles, metal goods, and specie from Cape Breton.\(^1\) Outside of a brief period from 1745 to 1748, Cape Breton remained under the control of France. The French fortress city of Louisburg provided another market for Acadian farmers in addition to the New England coastal trade. Historical geographer Cole Harris’s research on Acadian farming reveals a mixed farming economy focusing on subsistence. Garden vegetables, livestock husbandry, and orchard crops combined with peas and wheat to form the basis of Acadian agriculture. A sophisticated system of dykes and sluice gates allowed the Acadians to utilize the fertile marshland soils.\(^2\)

The establishment of Halifax in 1749 and subsequent developments in the Halifax area and Lunenburg represent a significant change in the agricultural economy by providing new markets for external producers. Surplus Acadian production could not be easily transported to these new markets due to a lack of infrastructure. According to historian John Bartlett Brebner, “Nova Scotian roads across the wooded, watered uplands were totally impassible for the wheeled traffic by which bulky farm commodities, except for cattle or sheep or swine on the hoof, could be transported. It was true that the waterway to New England was much easier and more expeditious than to Halifax.”\(^3\) Conceived as a naval port city rather than as an agricultural settlement, Halifax itself produced little despite a system of bounties designed to increase local production of hay, roots, and grain.\(^4\)

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4 Clark, *Acadia*, 356.
The settlement of Lunenburg by German Protestants in 1754 also provided little immediate relief for the Halifax provisions problem. This was in part due to the difficulties of establishing a new settlement, but government action also intervened. As historical geographer Andrew Hill Clark notes, “Initially, Colonel Lawrence, in charge of the settlement, encouraged the sowing of oats, barley, turnips, and potatoes but discouraged the bread grains (wheat, rye, indian corn) as taking too much out of the soil until the settlers had manure.” Despite the agricultural basis for the settlement, Lunenburg remained partially dependent on government provided rations, and the community remained particularly deficient in bread grains and meat. Clark’s assessment of early agriculture in British Nova Scotia outlines both the problem and the solution for the province during the 1750s: “Except for fish….virtually all the food was brought into Halifax from elsewhere; under pressure, and in inadequate amounts, it came from the Acadians until 1755 (including live animals and salted meat derived from confiscations of that year) and, before and after, from New England, New York, and Pennsylvania.”

The Acadian expulsion disrupted this local provisioning system, making the colony even more dependent on external providers. Historian Julian Gwyn’s analysis of the economic impact on Nova Scotian agriculture outlines the collapse of provincial agriculture and the long-term effects of this dramatic policy: “It ensured the retardation of agricultural exports at least until after 1815. In economic terms, it was doubtless one of the more destructive political decisions ever made in British America.” In this light, the Planter migrations of the 1760s were not progress towards a more robust agricultural sector that could (in time) support the colony with locally produced surpluses, but rather an attempt merely to restore the economy to a past level.

5 Ibid, 354-357.
Whether this goal was obtainable was questionable, as the New England planters could not utilize the marshland soils and associated infrastructure as skillfully as the Acadian. According to Graeme Wynn’s research on agriculture in the Bay of Fundy marshlands, primary production was for self-sufficiency with occasional trade by sea with Boston.\textsuperscript{7}

Whether the newly settled Planters could even replicate the success of the Acadian as farmers was unproven. Julian Gwyn’s research on five townships within the Minas Basin argues that the Planters’ success as farmers was “mixed,” at best, as per capita output for wheat and grain products declined over time.\textsuperscript{8} Minas Basin was one of the more productive agricultural regions in the colony. New settlements elsewhere faced even stiffer challenges. The new south shore settlement of Chester turned to the sea for subsistence due to difficulties with clearing the land of trees. Even with that task completed, further barriers to farming loomed. Chester farmers “faced a harvest of stones wherever the plough cut furrow.” Immediate starvation was staved off by one of the terms negotiated by the incoming planters. The Nova Scotia Council agreed to supply each settler with two bushels of grain per month for the first year of the settlement.\textsuperscript{9}

Chester set an important precedent as other new settlements also faced challenges to meet basic substance. Writing to the Provincial Council in April 1762, Lieutenant Governor Belcher brought attention to the plight of settlers in several townships, but “particularly those of Onslow, Truro, and Yarmouth for want of supplies for provisions and seed corn” that required immediate

\textsuperscript{7} Graeme Wynn, “Late Eighteenth-Century Agriculture on the Bay of Fundy Marshlands,” *Acadiensis*, Vol. 8, No. 2 (Spring 1979), 80-89, 88.
\textsuperscript{9} Julian Gwyn, “Shaped by the Sea but Impoverished by the Soil: Chester Township to 1830” in ibid,102, 118.
relief from the legislature on compassionate and humanitarian grounds.\textsuperscript{10} The chief source of relief was imported provisions from Halifax.

The Halifax Naval Office recorded entrances and clearances from Halifax harbour from 1749 through 1765 on a ship-by-ship basis. Although aggregate quarterly totals are available for exports from the port, there was no parallel calculation for imports. A regular pattern emerges from the first quarter of 1749 with ledgers recording tons of flour, corn, biscuit, livestock, and provisions entering the port from New York, the Chesapeake Bay region, and Boston.\textsuperscript{11} The Naval Office records from 1765 reflect the same pattern of trade with an increase in volume, which surely reflected demand from the growth of population in Halifax and an increasing volume of provisions imported, above all from the mid-Atlantic breadbasket colonies, to sustain that growth.

\textbf{New France/Quebec, 1749-1768}

With the productive capacity of Nova Scotia severely limited, the fate of British North America as a breadbasket rested with Quebec. Here, too, the basis for such hopes were limited. Harris’s research on New France’s agriculture reveals a changing pattern of small scale exports from 1720-1740, but a general decline after 1742. A pattern of poor harvests, and the coming of the Seven Years War combined to create an agricultural depression that “debilitated the entire colony.”\textsuperscript{12} Agricultural practices were expansive rather than intensive, and wheat yields remained low due to the lack of manuring. Crops of peas, oats, and barley along with livestock husbandry characterized agriculture in New France.\textsuperscript{13}

\textsuperscript{10} Lt. Governor Jonathon Belcher to the Nova Scotia Council and House of Assembly, 16 April 1762. Provincial Archives of Nova Scotia (hereafter PANS), roll 15371.
\textsuperscript{11} Halifax Naval Office Records, 19 July 1749- 25 December 1749. PANS, roll 13968.
\textsuperscript{12} Harris, \textit{This Reluctant Land}, 79.
\textsuperscript{13} Ibid, 75.
Louis Antione de Bougainville noted throughout his wartime diary of the 1750s about the shortage of bread and the poor conditions of the harvest. In November 1756, he recounted the distribution of bread to the habitants which “presented the image of a famine.” May 1757 brought no relief as “bread is scarce,” and the severe shortage of grain dictated that “part of the land would remain unsowed.” The provisions shortage prohibited the army from mobilizing for the campaign, although the arrival of flour from France in May temporarily curtailed the worst of the famine until July when Quebec was again out of bread. In his dispatches to Paris in 1757, Governor Vaudreuil requested reinforcements but even more importantly provisions as it was unclear if the forces already present could be sustained. The campaign of 1757 almost collapsed due to a lack of food. It was only with great effort that provisions for one month were found within the colony. Provisions sent from France in spring 1758 provided only enough “to prevent dying of hunger.” Although Bougainville’s journals are, in part, a scathing accusation of malfeasance against the administration of New France, it is significant that his journal and Vaudreuil’s dispatches echo one another about the dire effects of provisions on the war effort. Both acknowledge a larger truth—the agricultural base of New France could not support both subsistence and the surplus adequate to wage a major war.

Historian Fernand Ouellet’s research echoes Bougainville’s critique of New France’s government. Service in the militia reduced the supply of agricultural labor, thus reducing productivity and increasing demand for grain. Many farmers became customers for grain rather than producers due to military service. The constricting supply and expanding demand created

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17 Bougainville, *Adventure in the Wilderness*, 206.
opportunity for speculators, such as the intendant Francois Bigot and the contractor Cadet. Due to corruption and malfeasance, the predictable scarcity caused by the war was compounded into a major subsistence and economic crisis. Flour prices increased by over 400% between 1756 and 1759. Even if flour could be found, many could not afford to purchase it at such inflated prices.\textsuperscript{18}

According to historian George F.G. Stanley’s more measured examination, the colony could produce approximately 800,000 minots of wheat per year of which 600,000 were required for subsistence. The remainder was not adequate to support French regular troops stationed in the colony or provide for First Nations allies. The reduction of the bread ration to two ounces per day in spring 1758 stretched provisions until the colony was relieved by the fleet mentioned by Bougainville’s journal, but the distress of the colony was not fully relieved.\textsuperscript{19} The harvest of 1759 brought little surplus, and with the fall of Montreal in September 1760 hopes for French victory in North America collapsed.

In the last years of the French regime the colony was marginally self-sufficient. A poor harvest or any external pressure created a crisis of agricultural production resulting in famine and the need to import provisions from Europe. Whether the return of peace in 1760 and the change from French to British rule would resolve this basic issue remained uncertain. Seeing a potential opportunity, established colonial British merchants soon penetrated local grain markets in new British domains. The entry of colonial merchants into a new trade relation was a calculated gamble. Were the real difficulties observed by Bougainville simply an aberration caused by the

\textsuperscript{18} Fernand Ouellet, \textit{Economic and Social History of Quebec, 1760-1850: Structures and Conjonctures} (Ottawa: Carleton University Press, 1980), 47-50.

\textsuperscript{19} Stanley, \textit{The Last Phase}, 191-95.
war, and could British colonial control and imperial integration overcome such challenges and effectively incorporate Canada into the British Atlantic grain economy?

The records of the Philadelphia merchant firm of Baynton and Wharton (later Baynton, Wharton, and Morgan) provide an interesting case study to answer this question. The firm was a complex collection of trade interests and connections that spanned the British Atlantic. After the fall of New France in 1760, the company expanded its operations to the new British colony of Quebec. The arrival of Anglophone merchants into the new market is revealing, and the actions of John Collins (Baynton and Wharton’s agent in Quebec) offers a precise view of the opportunities and limitations of integration into the larger grain economy of the British Atlantic.

Baynton and Wharton specialized in the flour and lumber trade with the West Indies as well as with Europe, Newfoundland, and Halifax. From 1762 to 1766, the firm employed John Collins, John Govett, and a handful of other merchants in Montreal and Quebec to seek new wheat and flour exports from Canada for Atlantic markets. This would provide a supplementary source of grain within an already well-established trading pattern. Collins arrived in Quebec City in December 1760. It is unclear how he initially was associated with Baynton and Wharton, or what ties he may have had within the broader merchant community.\(^\text{20}\) Writing to Baynton and Wharton in April 1761, he requested trade items for the Canadian market including clothing, alcohol, and tropical food that were scarce in the colony.\(^\text{21}\) Curiously, there is no mention of any potential exports from Quebec at this time, although there is regular commentary on the receipt of letters of credit and bills of exchange accepted in payment for imported goods. A postscript to


a letter dated February 7, 1762 contained the suggestion that “if a small vessel, laden with provisions should arrive here [Quebec City] early in the spring, the cargo might be sold to advantage.”\(^2\) There is no record of this suggestion being followed, however, and the perception of Collins and the firm about the provisions market shifted at some point in 1762 from Quebec as a potential consumer of imported provisions to a potential exporter. How and why their views changed is not addressed in the letters, although it seems likely that the end of the war in Europe reopened markets for a wider range of imported foodstuffs.\(^3\)

Collins noted that storage facilities near the Montreal area were inadequate and investments in warehouses was urgently required. A key difficulty associated with the grain trade was the need to store and ship bulky, perishable, and relatively inexpensive products such as grain required an infrastructure that did not exist as this trade was not common under French governance. The problems of travel, distance, and transportation remained unresolved for possible Canadian grain exports well into the nineteenth century.

A pressing concern in May 1763 was whether an export permit would be issued by Governor John Murray. A June 23 letter reveals that there was no resolution to the question. Permission was granted to ship 8,000 bushels as far as Quebec City, but it was unknown when, or if, permission would be granted for export out of the colony despite the fervent lobbying of Collins. It was not until July 13 that a resolution was reached. According to John Govett’s letter, “Mr. Collins, after a great deal of trouble, had prevailed with Gen’l [sic] Murray to ship

\(^2\) Collins to Baynton and Wharton, 7 February 1762. Baynton, Wharton, and Morgan Papers, PSA, roll 2. Suggested provisions included pork “of the worst kind”, flour “of the common kind”, and Indian corn.

\(^3\) Lydon, *Fish and Flour for Gold*, 140.
off one load of wheat and he is the only person as why who has a permit for doing the same, tho’
twenty people have applied for the same thing.”

The delay and seemingly capricious nature of securing a permit provides an important
illustration of the difficulty and fragility of this new trading venture. The elimination of the
political border between Quebec and the rest of British North America did not necessarily
eliminate political obstacles to trade. The power of the governor to embargo grain exports bears
witnessee not only to his power, but also to the unique role of grain as an export item. Unlike other
goods, access to grain was fundamental to the survival of the colony, thereby providing the
rationale for government intervention into the marketplace to a degree not seen with other
commodities. This hints at a crucial aspect of the relationship between government officials and
merchants. The exact ties between Murray and Collins are not revealed in surviving
 correspondence, but securing an early permit when no one else could and later patronage
extended to Collins by Murray suggests their close connections. These circumstances made
Collins a valuable link between the business interests of Baynton and Wharton and Canadian
colonial official—in a hierarchical world of patronage networks, personal relationships were
vital to successful commerce.

The departure of John Collins from Quebec did not end the involvement of Baynton and
Wharton in the Quebec grain trade, although the province’s ability to produce surplus flour
remained a concern in February 1766. In a letter to the company from Collins’ replacement in
Quebec City, George Allsopp reported that this years’ crop was “more abundant in straw than
wheat,” and in his estimation the entire province was not capable of exporting more than 50,000
bushels even in good years, which was “no great object for a whole province.” For Allsopp the

24 Collins and Govett to Baynton and Wharton, 20 May, 23 June, and 13 July 1763. Baynton, Wharton, and Morgan
Papers, PSA, roll 2.
best opportunity in Quebec arose from the scarcity of currency in the colony, which allowed him to purchase wheat for cash at an advantageous rate far below what farmers paid for their debts to the company.\textsuperscript{25}

This aspect of inter-colonial British economic history illuminates a significant point. Canadian political economist Harold Innis suggests the primary exports of New France, and later the British province of Quebec, remained in fur throughout the eighteenth century.\textsuperscript{26} Collins’ trading efforts in grain commodities highlights that while grain did not become a major Canadian export staple until the nineteenth century, its origins began much earlier. This relatively brief early episode expands the narrow focus of the traditional historiography. Perhaps more importantly, it highlights how the elimination of political barriers to commerce were immediately tested even if the practical difficulties and hazards of navigating on unfamiliar political and economic terrain remained.

Quebec and Nova Scotia: The CO 16 Records (1768-1772)

The limitations of Baynton and Wharton’s grain trade from Quebec reflect the larger problems of the colony’s agricultural export economy in these early years, and perhaps accounts for why agricultural exports are not well researched beyond Fernand Ouellet’s influential \textit{Economic and Social History of Quebec}, which outlines how the growth of a small colonial surplus in 1763-64 (correlating to John Collins’ export permit) gave way to two years of dearth (as per Allsopp’s observations). A small surplus again in 1767-68 gave way to another poor harvest in 1769.\textsuperscript{27} The period from 1762 through 1769 resulted in four years of small surpluses

\textsuperscript{25} George Allsopp to Baynton, Wharton, and Morgan, 17 February and 20 March 1766. Baynton, Wharton, and Morgan Papers, PSA, roll 1.
\textsuperscript{27} Ouellet, \textit{Economic and Social History of Quebec}, 85.
and three years of shortages. Yet, even this mildly optimistic overview is misleading in light of the permit difficulties faced by Collins. The Quebec grain export economy was extremely small in scale even during good harvests and it was non-existent after poor ones. With inconsistent production, Quebec represented an uncertain addition to the British Atlantic grain economy in the 1760s.

The Colonial Office 16 (hereafter, CO 16) records for 1768-1772 allow the grain trade from Quebec and Nova Scotia to be assessed in comparison to other British colonies. This unique quantitative data provides essential insights about grain the export and import of grain products. Table 3.1 outlines the annual net exports and imports recorded in the CO 16 ledgers for the port of Quebec from 1768 to 1772.

<table>
<thead>
<tr>
<th>Year</th>
<th>Flour/Bread (Tons)</th>
<th>Indian Corn (Bushels)</th>
<th>Wheat (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1768</td>
<td>(148)</td>
<td>NA</td>
<td>23,362</td>
</tr>
<tr>
<td>1769</td>
<td>(1566)</td>
<td>(16,912)</td>
<td>NA</td>
</tr>
<tr>
<td>1770</td>
<td>(411)</td>
<td>NA</td>
<td>52,312</td>
</tr>
<tr>
<td>1771</td>
<td>69</td>
<td>NA</td>
<td>194,632</td>
</tr>
<tr>
<td>1772</td>
<td>302</td>
<td>NA</td>
<td>144,667</td>
</tr>
</tbody>
</table>

Quebec enjoyed a general trend of increasing exports after 1770 in the wake of significant imports, particularly in the crisis year of 1769. The early 1770s clearly saw gains for Quebec agriculture. Ouellet relies on the CO 16 data up to 1772, and then expands on it with other sources through 1774 that also indicate improved agricultural production in Quebec up to the eve of the next major war in North America.

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28 Colonial Office 16/1 (hereafter CO 16) January 1768-January 1773. David Library of the American Revolution (DLAR) film 412. Bread and flour are a single line item in these ledgers. Quebec wheat exports to Southern Europe for 1768 and 1770 amount to approximately 5% of all wheat exports from British North America to Southern Europe, rising to approximately 29% in 1771 and 1772.
Exports of wheat from Quebec to southern Europe and in the coastal trade increased notably in 1771 and 1772, market connections that were broadly similar to other wheat exporting regions in the thirteen colonies in these years. Externally, Quebec exports focused on the southern European market and Ireland in addition to the coastal trade. Coastal trade is not defined within the ledgers by destination, and there is no record of what markets within British North America are designated by this label. Wheat exports to southern Europe increased to 103,269 bushels in 1771 and 121,856 bushels in 1772, overwhelmingly the major destination. Coastwise exports increased to over 62,000 bushels in the two-year period, and in an interesting development almost 50,000 bushels of wheat (approximately 40% of the colonial total) were exported to Ireland.29 Historian James Lydon confirms that the grain trade between Quebec province and the rest of the Atlantic world expanded between 1770 and 1775, with almost half a million bushels of Canadian wheat to the port of Barcelona alone.30

Combining CO 16 data with the findings of Lydon and Ouellet reveal a number of important features of the grain export trade in the late 1760s and early 1770s. First, although the overall volume of grain exports from Quebec was increasing in the early 1770s, the volatility of the 1760s was not found in more established colonial wheat exporting regions. Further, the volume of exports paled in comparison with the mid-Atlantic breadbasket that drew to embrace much of the Chesapeake. Ouellet cites the arrival of new British merchants as the causal factor for increased production and, of course, exports.31 Even if his summation is correct, significant challenges remained before Quebec could regularly provide a marketable surplus on a substantial scale.

29 CO 16, January 1770-January 1773. DLAR film 412.
31 Ouellet, *Economic and Social History of Quebec*, 86.
Second, the market orientation of Quebec’s grain exports to southern Europe, rather than the West Indies, is striking. A functioning trade system required both exports and imports. The commodities received from southern Europe, such as wine and salt, had markets throughout Canada, Nova Scotia, and Newfoundland, where the demand for salt for the fisheries was nearly insatiable. By contrast, exchange goods with the West Indies were limited to sugar and sugar by products (to be processed into rum), which could not be absorbed into the Canadian economy in the quantities required for a profitable trade relationship. Quebec’s southern European trade complemented the production of the mid-Atlantic colonies in an expanding trans-Atlantic market rather than compete with the already established West Indian trade with the thirteen colonies.

Table 3.2 outlines the net annual exports and imports of grain products from Halifax, a region that is neglected entirely by Ouellet and Lydon, perhaps for the good reason that its grain trade even makes the low levels in Quebec seem impressive. Halifax never had a season of plenty for grain exports, unlike the port of Quebec. Instead, Halifax remained dependent on external imports of provisions even 20 years after British governance solidified in Nova Scotia with the founding of the city.

Table 3.2: Net Exports and (Imports) from/to Halifax, 1768-1772\textsuperscript{32}

<table>
<thead>
<tr>
<th>Year</th>
<th>Flour/Bread (Tons)</th>
<th>Indian Corn (Bushels)</th>
<th>Wheat (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1768</td>
<td>(637)</td>
<td>(9081)</td>
<td>NA</td>
</tr>
<tr>
<td>1769</td>
<td>(831)</td>
<td>(15,446), meal (4,150)</td>
<td>(208)</td>
</tr>
<tr>
<td>1770</td>
<td>(773)</td>
<td>(7,811)</td>
<td>NA</td>
</tr>
<tr>
<td>1771</td>
<td>(570)</td>
<td>(8,799)</td>
<td>(890)</td>
</tr>
<tr>
<td>1772</td>
<td>(620)</td>
<td>(11,823)</td>
<td>NA</td>
</tr>
</tbody>
</table>

\textsuperscript{32} CO 16, January 1768-January 1773. DLAR film 412
While Quebec’s trade ratio in grain products varied significantly even within the five years for which data exist, Nova Scotia never enjoyed an annual net export of grain products from 1768 to 1772.

The sources for grain imports into Halifax are notable, and its subsistence was dependent on the coastal trade from other British colonies. Ouellet states that part of this trade arrived from Quebec; however, the sheer volume of imports into Halifax and the small amount for Quebec’s coastal exports makes plain that Quebec was not a major supplier of grain for Nova Scotia.33

Bread and flour imports into Halifax from 1768 to 1772 ranged between 637 tons and 831 tons per year in addition to quantities of other grain products.34 By definition, the coastwise trade involved trade connections between the various ports of British North America, excluding the West Indies, which was categorized as a separate regional unit in the CO 16 records. The New England colonies were also net grain importers. Thus, the agricultural hinterland that supplied Halifax with grain stretched from New York to the Chesapeake Bay—the greater mid-Atlantic colonial breadbasket.

The products imported focus on bread and flour (as one category) and indian corn rather than wheat, per se, which could indicate a lack of milling infrastructure in Halifax, or, potentially, a lack of baking capacity, depending on the ratio between imported flour and bread. Further, the disparity between imports and exports suggest that imported provisions were certainly consumed locally rather than re-exported to other markets.35

The implications of this are twofold. First, it indicates an under-appreciated link between Nova Scotia and the mid-Atlantic colonies via the grain trade prior to the War for American

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33 Ouellet, Economic and Social History of Quebec, 87.
34 CO 16, January 1768-January1773. DLAR film 412.
35 CO 16, January 1768-January1773. DLAR film 412.
Independence that extends far beyond the familiar historiographic emphasis on linkages between New England and Nova Scotia. As far as the grain trade is concerned, New England and Nova Scotia were both net importers who traded with the mid-Atlantic. This suggests that the colonial coastal trade was more expansive that previously thought. Second, the war and termination of imperial connections between the thirteen colonies and Great Britain would have serious effects on the sustainability of settlement in Nova Scotia. Local production remained inadequate and redirecting Quebec’s grain surplus to Halifax (even when available) lacked the scale that needed to be imported and lacked return trade goods essential for a sustainable and mutually beneficial trade. In short, Nova Scotia was not viable as an expanding British settler colony, especially one with a major naval base at Halifax that further limited labor for internal agricultural production, without a major source for imported grain.

**The War for American Independence and Economic Reformulation**

The War for American Independence created new opportunities and challenges for all both major regions of British North America. As a long settled colonial holding, agricultural development in Quebec was the most advanced. The Maritime Provinces of Nova Scotia and post-1784 New Brunswick provided land for potential development. However, the challenges of establishing tens of thousands of new immigrants into lands mostly untouched by European settlement presented challenges for both the immigrants and the colonial state that supported them. Whether or not British North America could simultaneously support the influx of new royal subjects and increase agricultural output to adequately support them and to replace the US within the imperial economy remained unproven.

In Quebec, according to Ouellet, grain exports declined almost 40% between 1775-79 compared to 1770-75, but this was not caused by a decline in production. Rather, provisioning
the British army created soaring local demand with a high capacity to pay for any available grain. Much as during the Seven Years War, speculation rather than an actual agricultural scarcity, caused grain shortages. Yet, in 1779, the situation changed when the surpluses of the previous decade turned to deficit during a series of poor harvests.36

The export data for this period offers a mixed picture, allowing imperial observers to support any number of conclusions on the potential of Quebec agriculture. The increasing volume of grain exports prior to the war and through at least its first two years did have one important and unforeseen side effect. It raised the hope that there was an existing alternative to the mid-Atlantic as a source of grain within the empire. Public figures such as Lord Sheffield seized upon the early 1770s data, and extrapolated it to imagine what was possible if agriculture in Quebec (and more speculatively) in Nova Scotia continued to flourish. With waves of loyalist refugees flowing into both colonies, all that was (in theory) required was to provide the proper encouragement for an agricultural boom fueled by a prudent mix of labor, land, and a guaranteed market. The loyalist provided the first, the land existed, and the markets could be guaranteed via a strict application of the Navigation Acts against the newly independent United States.

How British North America could replace the thirteen rebellious colonies as a source of grain within the empire formed the second element of Lord Sheffield’s formulation for the post-war imperial economy. The plan remained subject of intense debate between Sheffield and his critics in the 1780s. Developing Canada and Nova Scotia into the new imperial breadbasket rested on decidedly shaky evidence. In the CO 16 records, Canada fluctuated between a net importer and net exporter of grain depending on the state of each year’s harvest. Nova Scotia had no record as a source for agricultural exports and was itself a significant imported foodstuffs.

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Nonetheless, Sheffield projected in his *Observations on the Commerce of the United States* that further agricultural development not only could make British North American self-sufficient, but that an adequate surplus could also begin replacing US exports to the West Indies. With the appropriate changes made in governance, Canada and Nova Scotia “will soon amply supply the principal articles wanted in the islands, except Indian corn and rice; and should there be difficulty in getting these articles, the cheapness of wheat and pease in Canada will soon afford a good substitute.”

Replacing the US in the West Indian market was only the beginning of Sheffield’s design for a reorganized British Atlantic economy. Canadian surpluses would also displace US producers from their markets in Iberia and the Mediterranean. Sheffield’s *Observations* noted that:

> There never was any market in Europe for the wheat and wheat-flour of America, except in Spain, Portugal, and the ports of the Mediterranean. Before the war, the wheat from Canada began to be preferred in Spain…. the Spanish purchaser had the advantage of manufacturing it, and there being a demand in Canada for a low-priced, but strong red wine of Spain, for which there was none in the American states, the Canadian merchants had great advantages, and they may still be increased.

Sheffield held an optimistic view of existing commerce predicated on his understanding of mutually beneficial consumer desires in Iberia and Canada. The unspoken assumption underlying the theory was that migration of farmers to Canada and Nova Scotia would soon produce an agricultural surplus on a scale sufficient to replace the US in varied Atlantic markets. Further, he expected producers and consumers to change their market behaviours to conform to a politically-inspired economic program that favored a British imperial system.

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37 Lord Sheffield, *Observations on the Commerce of the United States with Europe and the West Indies; including the several articles of export and import.* (Philadelphia: Robert Bell, 1783), 33.

38 Ibid, 18.
Sheffield acknowledged that this new commercial geography would include notable transition costs for the slave societies of the West Indies colonies with their massive need for imported food until the agricultural base in Nova Scotia and Canada developed. However, this small cost to one interest group within the empire was a necessary (and temporary) burden that could be offset by other changes. Streamlining customs administration, curtailing smuggling, and encouraging a diversified agricultural economy in the Caribbean would effectively reformulate imperial trade shorn of the US and its past integral role in colonial trade.\textsuperscript{39}

Sheffield’s optimistic perspective on the potential of British North America was contested. Brian Edwards, the Jamaican planter, historian, and (later) Member of Parliament, had an assessment that stretched beyond the immediate crisis of 1784, which made him skeptical of Sheffield’s projections about British North America as an imperial granary. For Edwards, the provisions crisis in the Caribbean was not a temporary condition but rather a permanent reality that could not be overcome within the confines of a strict mercantile system.

If any man of sense and character, acquainted with the soil, population, and resources of Canada and Nova Scotia, will publickly aver that those provinces can, for years to come, furnish the West India islands with one half the supplies which have hitherto been furnished by the United States, on any terms short of ruin to the purchasers, and at the same time take the rum of the islands in payment; I will, as publickly acknowledge that my arguments have been all along founded in error, and heartily agree with Lord Sheffield that, on every principle of honour, humanity, and justice, the unfortunate loyalists of Nova Scotia are entitled to the preference of our custom.\textsuperscript{40}

Edwards stressed several significant problems for the post-war imperial economic system.

While acknowledging the benefits of supporting Nova Scotian loyalists as an abstract matter of

\textsuperscript{39} Ibid, 32.

\textsuperscript{40} Brian Edwards, \textit{Thoughts on the late Proceedings of Government, respecting the trade of the West India Islands with the United States of North America. The second edition, corrected and enlarged, to which is not first added a postscript, addressed to the right honourable lord Sheffield} (London: T Cadell, 1784), 67-8.
principle, two interrelated difficulties blocked that goal. The first was geographical and environmental, could an adequate surplus be achieved in a timely fashion in the northernmost colonies, or at all? Second, if an adequate level of agricultural production could be accomplished, how would enough demand for West Indian rum (and presumably other sugar-based products) in British North American be created? He concluded that a satisfactory solution could not be achieved. The volume and expense of US provisions and lumber was such that it chiefly demonstrates the mockery of referring the disappointed [West Indian] planter to Canada and Nova Scotia. Even if nature had not, as unfortunate as she has, shut up the navigation from the former of these provinces six months in the year, and devoted the latter to everlasting sterility; there is this plain reason in the nature of things that forbids the planter to look to those countries for effectual relief. “It is inconsistent with the nature of commerce, to furnish an adequate supply to so vast and so various a demand; immediately and unexpectedly. The demand and supply must grow up together, mutually supporting, and supported by each other.” It will require a long series of years to bring them to a level.41

Edwards implies that given enough time for the supply and demand relationships to develop, Canada could offer some relief to the embattled West Indian planter, though not on a year-round basis. Nova Scotia, unfortunately, was a hopeless case due to the environmental limits of agriculture there. As a West Indian planter Edwards was obviously an interested observer in the post-war debate about imperial trade. The lower costs and larger amounts associated with US imports were persuasive to him and others with similar needs.

Observers in the United States were also intensely interested in these political and economic debates. A pamphlet by “An American” in 1784 pithily noted that “the idea that Canada and Nova Scotia being soon a substitute for the commerce of the United States,

41 Ibid, 22-3. Edwards ultimately was proven correct. Prior to 1871, the Atlantic region (Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland) remained a net importer of agricultural products, and only 37% of Nova Scotia and 20% of New Brunswick were occupied farmland. Wheat production was particularly difficult as the low summer temperatures did not allow wheat to mature to the highest quality. See Cole Harris, Canada before Confederation, 193-4.
considering the coldness of the climate, barrenness of the soil, long winters, and harbours inaccessible for almost seven months in the year, appears to me too absurd to require a serious refutation.”42 According to Harris, grain was grown, but was constrained by soil and climatic conditions which rendered the region a net importer of wheat and flour.43 This environmental rationale is strikingly similar to that of Edwards, from a practical point of view the legal resumption of the US grain trade was imperative and faced no realistic rival.

Focusing on the geographic basis of agricultural production and trade provides an obvious critique to Sheffield’s theories. Yet another crucial element underlies the basic assumptions of this debate. Sheffield’s essay suggests that given time and appropriate encouragement British North America would become the new granary of the empire and produce enough surplus for foreign exchange. Edwards and “An American” saw the Canadian landscape as an inherent stumbling block to this type of development that no amount of time, effort, or government policy could overcome. Each grappled with the new post-war political and economic landscape. How changing political circumstances intersected with the continuity of long-standing economic needs and trade patterns was not clear either in theory or in practical application. Underlying the debate, however, was a common theme: what could Canada and Nova Scotia become, and what role would they play in the reconfigured empire? This carried significant consequences for imperial policy makers, West Indian planters, and US merchants and agricultural interests. The debate about the role of British North American agriculture in the imperial and Atlantic economy, however, skipped over an even more basic matter. Could the

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43 Harris, This Reluctant Land, 176.
colonies in question even produce enough food to support themselves in the immediate post-war period?

**Upper and Lower Canadian Agriculture, 1783-1793**

The pamphlet war sparked by Sheffield represents a policy debate about the state of trade and what it should become in the new political circumstances of the post-1783 empire. These varied projections and their various incarnations depended upon agricultural development in newly expanding settler colonies. What should ideally be done for the empire rested uneasily alongside what could practically be accomplished in agricultural fields.

The most stable and heavily settled region of British North America in the wake of the war remained Quebec. While the incoming settlers to the Maritimes and to Upper Canada sought to establish a basic level of subsistence and (potentially) an exportable surplus, the hopes for a closed imperial system that excluded US grain rested with Quebec. Conclusive quantitative evidence on grain are elusive for the 1780s. However, Ouellet offers valuable insights about exports from Quebec and Montreal. Overall, the scale of trade was minor. Moreover, his calculations do not include any data for the Maritimes, nor for grain traded across the US border until 1808.44

Cross-border trade after the war was made especially complex by the independent status of Vermont until 1791, some of whose leaders clearly considered joining Canada due to “her nearness to the Canadian frontier and the St. Lawrence Valley.” Negotiations between Governor Haldimand of Canada and Vermont settlers to establish the state as a royal colony were unsuccessful, but many Montreal merchants as well as many Vermont citizens openly advocated

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for direct trade. This advocacy was rewarded in 1786 when British governor Lord Dorchester allowed Vermont to export lumber, naval stores, agricultural goods, “or anything else of the growth and produce of Vermont” via the St. Lawrence and to “import the manufactures of Great Britain and East and West Indian products on the same terms as the Canadians.”45 This view emphasized Vermont’s use of Canada and the St. Lawrence as a conduit to Atlantic markets, yet the trade connection could also provide a source of provisions in times of need.

Ouellet’s analysis of the 1780s Quebec grain economy presents a mixed picture. Recovery from the war effort was not clear until 1786, when flour and other exports increased. The same agricultural disaster that struck the rest of British North America also effected Quebec. By summer 1788, it was clear that famine stalked the land. Prices for flour, corn, and other necessities of life increased, while relief efforts by government officials fell far short of dire needs.46 The government of the late-eighteenth century, particularly in British North America, did not have robust institutional resources to respond swiftly to the crisis. The primary tool for relieving famine conditions concerned regulating trade laws as well as basic forms of direct assistance. For example, by 1790 Lord Dorchester prohibited grain exports from Quebec.47

A ban on grain exports was not an unusual exercise of government power, and it drew on similar policies in Ireland and Guernsey during the same period. However, the ban exports was not an adequate response. Dorchester turned to the US for “temporary” relief by expanding the licit cross-border trade networks between Vermont and British North America to openly include non-British commerce. A notice in the 12 February 1789 edition of the Quebec Gazette announced that imports of bread, flour, biscuit, and all other types of grain would be permitted

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46 Ouellet, Economy and Social History of Quebec, 135-36.
until the first of August. In justifying this course of action, Dorchester cited the rapidly increasing price of provisions and worsening local conditions as imperatives for bold action. This brought little quick relief as the flow of supplies from the US into Canada by land proved inadequate. With the specter of famine haunting his administration, Dorchester expanded his authorization for US trade to include seaborne trade in June. Further, he requested the help of New Brunswick, Nova Scotia, and the commanders of both the Newfoundland and Halifax naval establishments to facilitate this trade due to the “urgent necessity of the case.”

The creation and development of Upper Canada as a separate province after 1791 caused another problem. Historian Douglas McCalla argues that Upper Canadian production of wheat was substantive, but the exact amount produced and consumed there in its early years are conjectural. By his estimate, approximately 80% of Upper Canadian production was required for local consumption, population growth and increased grain production, also caused growing local demand. The lack of infrastructure in newly-settled colonial spaces also limited agricultural production as well as long-distance trade. The mills required to transform wheat into more lucrative and transportable flour did not exist until government investments in the late 1780s and 1790s stimulated private investment into grist and saw mills. Moreover, transporting wheat to the mills remained challenging for farmers. Manufacturing cornmeal remained easier for most.

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50 “Extract of a Letter from the Right honourable Lord Dorchester to the Right honourable Lord Sydney, dated Quebec, 6th June 1789.” Ibid.
52 Edwin C. Guillet, Early Life in Upper Canada (Toronto: University of Toronto Press, 1963), 218-221.
settlers, particularly those distant from the grist mills.\textsuperscript{53} Local consumption patterns favoured growing corn, and the low price for corn products made it uneconomical for export to distant markets even in the case of a surplus.

Of course, the existence of surpluses was far from assured, especially in early years of colonial development, which the government recognized by offering early loyalists provisions for three years after settlement. The end of government rations coincided with the ‘famine year’ of 1788-89, which reduced many settlers to poverty and starvation. The limits of poor harvests could not be overcome by grants from the King’s Stores, which were distributed by the military as a type of social welfare effort.\textsuperscript{54} During better times, local military demand provided a nearby market to sell grain. This thriving local trade served both an economic and a political purpose as military contracts for grain was a lucrative matter for patronage in Upper Canada’s House of Assembly.\textsuperscript{55} The military market included a further advantage for local farmers since military garrisons in the province paid higher than market prices for their supplies.\textsuperscript{56} Given strong local civilian and military demand, trade of surpluses to distant markets in the Maritimes, Great Britain, or even the lucrative West Indies was a distant dream.

The case of the ‘famine year’ was extraordinary, yet underscores a familiar pattern. As noted in the writings of French officials, like Bougainville in the 1750s, as well as British government records, like the CO 16 ledgers of the late-1760s and early-1770s, the agricultural economy was marginally self-sufficient in good times but subject to scarcity on regular intervals. The swift expansion of population by loyalist refugees only deepened this situation. In this light,

\textsuperscript{53} Ibid, 182.
\textsuperscript{54} Ibid, 208-211.
\textsuperscript{56} Gerald M. Craig, \textit{Upper Canada: the Formative Years, 1784-1841} (Oxford: Oxford University Press, 1963), 52.
Dorchester’s opening of trade by land with Vermont and with the mid-Atlantic via oceanic trade reflected a practical and urgent need to supply an expanding settler colonial society with external provisions for subsistence. Given that the agricultural potential of Nova Scotia was more limited than that of Quebec and that the number of loyalist refugees to the Maritimes was far more massive relative to the pre-war population, there can be little optimism for the likelihood of its sustainability without external imports of grain and other provisions.

**Nova Scotia Agriculture, 1783-1793**

The thriving pamphlet war waged a trans-Atlantic debate about the imperial roles of Canada and Nova Scotia and their ability (or lack thereof) to adequately replace the now independent thirteen colonies as a source of provisions for the British West Indies, yet within Nova Scotia itself there was little question about its agricultural limitations. Works by scholars such as Julian Gwyn, Neil MacKinnon, Maya Jasanoff, and James Walker have highlighted the challenges to settlers and, especially, the material and emotional difficulties of reconstructing a familiar society for the enormous number of loyalist refugees and decommissioned troops who moved there in the 1780s.57 The challenges were voluminous. Beyond securing shelter and daily bread, fashioning coherent land claims via surveys for government-distributed land proved controversial. The relations between loyalist refugees and earlier settlers was often strained. Whether, and to what degree, the promises made to the loyalists by the British government would, or could, be honoured was constantly tested. Simply put, the colony was not prepared for

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the influx of new inhabitants, and the legal and material infrastructure required to support colonial expansion did not exist.58

By the end of 1783, the need for external provisions for Nova Scotia was clear. The provincial government was not disinterested or hapless, merely overwhelmed by the crisis. Few palatable solutions existed. Writing to Lord North in December, John Campbell noted that with the introduction of disbanded regiments in the colony in need of assistance from the government, the colony required “a considerable supply of provisions….as early in the spring as possible.”59 The need was two-fold. Beyond the humanitarian motive, the supply of provisions was directly linked to the peace and stability of the province. Fears of discontent among loyalist settlers and demobilized soldiers were noticed even in Whitehall. Writing in June 1784, Lord Sydney assured Governor John Parr that the British government was aware of the crisis facing the colony, and that a continued flow of provisions from His Majesty’s government to the afflicted would relieve their distress and reassure them of the Crown’s continued interest in their welfare.60

By September 1784, it was clear that food supplies from within the empire were inadequate. Writing to Lord Sydney, Parr informed officials in Britain that due to dire scarcity and with the advice of the Council, he had declared that “no scruple or difficulty should be made of admitting the people of New England to import fresh provisions” into the colony. Further, “it was agreed that any restriction on such an importation might be attended with bad consequences.”61 Parr’s identification of the people of New England in his letter to Sydney, rather than to Americans in general, is intriguing. Parr had only been in the colonies since his

58 MacKinnon, This Unfriendly Soil, 79.
59 John Campbell to Lord North, December 18, 1783. PANS, roll 13860.
60 Lord Sydney [Secretary of State] to John Parr [Governor, Nova Scotia], 7 July 1784. PANS, roll 15230.
61 Parr to Sydney, 29 September 1784. PANS, roll 13860.
appointment as governor in 1782, and he may have simply associated all Americans with New Englanders who played such a prominent role in the coastal trade. New England itself was not an exporter of food products, and the links between the Mid-Atlantic States and Halifax are clearly outlined in the Naval Office records of the 1750s and 60s. While New England could have been a shorthand term for all Americans, Parr probably strategically cast his policy to British officials as a regional accommodation as opposed to a broader opening for all US merchants and ships.

The need for New England merchants to openly trade with Nova Scotia indicates the scope of the emergency faced by the colony, since it waived the privileged position in the Navigation Acts for imperial trade by British ships owned and manned by British subjects. Although this exemption did not last, it is noteworthy that even the proclamations forbidding US vessels from Nova Scotian harbors also contained permission for importing American agricultural products into the colony on British ships.\(^62\) This step toward a more stringent implementation of mercantile doctrine would certainly be open to corruption. For example, Sydney complained to Parr of US merchants colluding with British revenue officers in the West Indies and Nova Scotia to acquire British ship registers to facilitate illicit commerce.\(^63\)

One of the key questions of integrating the newly arrived loyalists into Nova Scotia society was the reassurance that their past sufferings would receive compensation from the British government. Provisions were a down payment upon that promise, and thus took on a political quality in addition to its importance for subsistence. Sydney noted that British policy aimed to make Nova Scotia “the envy of the subjects of the neighboring states” through the gracious intervention of the government in “relieving the wants of those who have become settlers in Nova Scotia.” Yet the distance between the intent of imperial policy and its

\(^{62}\) Parr, “Proclamation,” 23 June 1785. PANS, roll 15419.

\(^{63}\) Sydney to Parr, 8 January 1785. PANS, roll 15230.
implementation was profound. Immediately after recognizing the need for efforts on behalf of loyalist settlers, Sydney decried the “immense expense” of such work and that “issuing further supplies cannot now be a measure of necessity.” As early as March 1785, Sydney instructed Parr to ensure that “government in the future be put to the least possible expense.”

The need for practical frugality and political idealism uneasily coexisted. A two-thirds provisions ration was promised until May 1786 to at least 15,000 loyalists spread throughout Nova Scotia and New Brunswick.65 The scope of supplies required was immense. Writing on 28 May 1785, Sydney informed Parr that the government had reached an agreement with contractors to supply 3.8 million pounds of flour and 3.1 million pounds of pork to the colony for military use as well as to supply loyalist settlers for the next year.66 Although the source of these supplies was not specified, most would have to arrive as imports to the colony.

These measures had little effect to curtail the thriving US grain trade with Nova Scotia. The December 1785 minutes of the Council and House of Assembly increased some trade restrictions yet exempted grain products from prohibition.67 This exemption persisted for the next several years. Each session of the Council would advise and consent to a proclamation by Parr allowing for the importation of US agricultural products for a specified period of time, which correlated to the timing of the sessions of the Assembly and Council.68

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64 Sydney to Parr, 8 March 1785. PANS, roll 15230.
66 Sydney to Parr, 28 May 1785. PANS, roll 15230.
67 Richard Bulkeley and S.S. Blowers to Parr, 23 December 1785. PANS, roll 13861.
68 See Proclamations for June 1786, April 1787, May 1787, and August 1787 for examples. PANS, roll 13861.
smuggling and trade collusion that thrived for several decades, the Provincial Assembly provided trade exemptions to sustain the flow of provisions into the colony.69

Two interesting elements surface from Governor Parr’s interactions with his Council and the Provincial Assembly. First, the power structure of the empire in the post-war period reconsidered the quasi-independent status of the colonial governments as one of the root causes of the American Revolution. Nevertheless, the power to suspend imperial trade regulations still rested in the hands of colonial governors in emergency situations such as impending famine. Second, the United States was the only practical a source for needed provisions, especially given the enduring pattern of the colonial grain trade and expanding demand with the influx of settlers outpacing improvements in internal agricultural production. Perversely, the outcome of the War for American Independence rendered Nova Scotia more dependent on US provisions.

The dream for Nova Scotia to be part of an imperial granary did not disappear even in the face of these difficulties. Reforming pamphlets circulated through the 1780s to explain recent agricultural failures and how to solve them. For example, S. Hollingsworth in 1787 simply counseled patience about the slow development of Nova Scotian grain exports:

In the present situation of the province, it cannot be supposed that, since her population has increased to six or seven times more than it was before the rebellion, there is any to spare, either one or the other [flour or grain], so as to become articles for exportation, as least for sometime to come. The lands are, however, in most places, well adapted for the cultivation of wheat, barley, rye, oats, pease, and beans; they are already growing in large quantities in many places.70

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Hollingsworth’s assessment hints at a crucial underlying limitation. Even substantial increases in production might only meet growing local demand, rendering grain exportation in any substantive volume a distant dream.

Whether there was an adequate increase in production of wheat to meet the local demand cannot be directly proven, but it seems unlikely. A memorial from settlers in Annapolis in April 1787, part of the best farming region of the colony, for example, requested additional rations due to scarcity. Yet Lord Sydney informed Parr that the government must decline the application noting that

any additional favour shown to them would consequently produce other applications, which considering the immense expense already brought upon this country for supplies of provisions, and other articles issued to these people, could not be attended to. I must, therefore, desire you to inform the petitioners that their application in the present instance cannot be complied with.71

While it is easy to dismiss Sydney’s orders as callous, it points to two significant issues. First, eighteenth-century government was not designed to function as a welfare office. Funds were limited, and social expenditures were minimal even in cases of the “deserving poor” such as the loyalists. The allowance of provisions for new settlers and refugees was extraordinary and temporary rather than a new and ongoing standard. Second, Sydney feared that the settlers of Annapolis were just the first of many similar cases. If scarcity was a concern in Annapolis, one of the more agriculturally advantageous regions of Nova Scotia, then conditions in other portions of the colony might be disastrous and result in a flood of applications for relief that the British government could not provide. Nova Scotia was far from becoming a grain exporting region as hoped for by Hollingsworth. The ability of the colony to even feed itself was questionable.

71 Sydney to Parr, 5 April 1787. PANS, roll 15230.
Much like Canada, Nova Scotia faced a serious famine in the late 1780s. A case study of the Hessian and Waldeck settlements provides a clear picture of suffering as well as a remedy available to settlers if government relief was not forthcoming. The community was unable to survive and warned that if outside assistance did not arrive soon the people would “fall under the unavoidable necessity to fly to some other country for the relief of their distressed families.”72 An exodus out of Nova Scotia was no idle threat. Parr had recognized the phenomena two years prior. Writing to an unidentified correspondent in July 1787, he complained that once the bounty of provisions ceased, many loyalists had fled the province.73 The need to find a solution was essential, and the response was a variation on a familiar theme. Drawing on the 1783 example of the province permitting US agricultural products into the colony, in July 1789 an Order-in-Council permitted the importation of bread, corn, and flour into all the provinces of Atlantic Canada.74

Superficially, admitting American produce into the colony was an emergency response to a specific crisis. While true, in part, it reflects a much longer pattern of agricultural need and integrated Atlantic trade reaching back to the 1740s. The political separation of the post-war era did not sunder these commercial and humanitarian connections. Traditional trade patterns persisted after US independence. If international agricultural trade was only legitimate during an emergency, then colonial Nova Scotia was fundamentally shaped by the management of a perpetual crisis or provisions that involved a dynamic commercial relationship the US, the Canadas, and the British and foreign West Indies.

72 “Address of Anthony George Kysh, 13 March 1789.” PANS 15384.
73 Parr to “Dear Sir” [Unidentified], 13 July 1787. PANS 15384.
74 William Wyndham Grenville to Parr, 25 July 1789. PANS 13862.
According to historical geographer Andrew Clark’s landscape analysis, “Nova Scotia is not, and never has been, a very suitable area for growing wheat.”75 This is valid due to local environmental conditions that were made even more forceful due to dependency on cheap and plentiful external sources of wheat, above all from the mid-Atlantic colonies and states. A strictly environmental analysis of the issue is incomplete. Graeme Wynn’s research on agriculture in the Bay of Fundy points to a richer understanding of the relationship between imported provisions, local production, and consumption within the colony. In his analysis, “cheap, fine flour and other grains from the American states offered stiff competition to coarser Nova Scotian products, however, and marshland farmers soon concentrated on livestock for market production.”76 This adds another layer of complexity as it suggests that not only did temporary scarcity drive demand for American grain, but market-based decisions about the best mix of agricultural and cattle production deepened the local commitment to US imports. Such local imperatives in Nova Scotia forced the hand of Nova Scotia leaders to continue permitting agricultural trade with the US on a “temporary,” but perpetual, basis.

The outbreak of war with Revolutionary France in 1793 caused a sudden reassessment of trade policy between the United States and the British Empire. War created enormous additional demand for provisions as contractors supplying British forces in the Caribbean required more than could be purchased within the empire. A May 1794 letter from John Wentworth, the new governor of Nova Scotia, to Archibald Mitchell, a commissariat contractor, outlines the only practical solution to this problem in a familiar manner. Although Mitchell’s contract favored fulfillment in the colonies, this was only operative if His Majesty’s colonies “were capable of

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75 Clark, Acadia, 376.
76 Graeme Wynn, “Late Eighteenth-Century Agriculture on the Bay of Fundy Marshlands,” Acadiensis, Vol. 8, No. 2 (Spring 1979), 80-89, 89.
furnishing” the amount required.77 Wentworth allowed for the importation of provisions from Boston, “given that no other remedy existed.”78 The state of war also seemed likely to disrupt Nova Scotia’s agricultural supplies if (or when) its militia was need for defense. By the end of the year a gloomy governor Wentworth sorrowfully reported to the Duke of Portland that “any diminution in cultivating lands would immediately cause such a scarcity of food as to induce numbers to remove to the U. States.” Still, he projected that a surplus in excess of local demand would undoubtedly exist in a few years and be available for export.79

By 1794 it was clear that British North America could not produce the needed grain surpluses to sustain colonies in the British West Indies or to supply military needs in a time of war. Moreover, while Quebec and the Canadas had self-sufficiency within its grasp, Nova Scotia and the Maritimes more generally struggled to feed its own growing population. In a perverse conclusion to the volatile revolutionary transition, the limitations of British North American agriculture helped make the ties between US agriculture and the empire as strong after the war as they had been before it. In the absence of quantitative evidence, the changes in economic relations in the Jay Treaty sheds useful light on official perspectives about the status of North American agriculture in 1794. The treaty formally reopened Britain’s West Indian possessions to trade with the United States, thereby legalizing a thriving clandestine trade. This effectively terminated modest Canadian trade with the West Indies.80 While Jay’s Treaty was certainly shaped by multiple commercial and geopolitical factors, the trade concessions granted to the

77 James Wentworth to Archibald Mitchell, 11 May 1794. PANS, roll 15238.
78 Wentworth to John King, 2 July 1794. PANS, roll 15238
79 Wentworth to Duke of Portland, 20 December 1794. PANS, roll 15238.
United States was a pivotal plank that made plain that Canadian and Maritimes agricultural production was inadequate as of 1794.

Three broad and neglected patterns are clear from this assessment of post-war agricultural development and trade policy in British North America. First, there is a remarkable continuity of grain trade connections in spite of the political rupture and demographic growth after 1783. The establishment of Halifax as a naval base in 1749 had made the city dependent on external sources of subsistence from its inception. The lack of local production and infrastructure, in turn, created a distant agricultural hinterland mid-Atlantic states. Then departure of thirteen colonies from the empire in 1783 (and eventually Vermont) did not change this pattern. Direct support from the Crown for provisions to ease the suffering of the loyalist refugees and demobilized soldiers was planned as a temporary measure rather than a sustainable economic alternative. A variety of machinations by provincial, imperial, and US interests conspired to restore the pre-war colonial trading relationship.

Second, increases in British North American grain production were consumed by rapid increases in local population as well as demand heightened by British military forces in North America in peace and war. Even ardent boosters of a strict mercantile system acknowledged this reality as something that needed to be overcome. The particular nature of grain as both a market commodity and as a requirement for daily subsistence made any restructuring of the grain economy a pressing demand that could not take a backseat to imperial political ideals. As a result a policy solution that liberalized the grain trade, either formally or informally, was required. As the West Indian planter and historian Brian Edwards noted, “trade will no doubt in such [a] case revert in a great degree to its ancient channels.”

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trade policies that favored the open exchange of goods, the imperatives of the grain trade (based on the brute facts of where it could be grown in large amounts, and where demand was most profitable or essential for survival) meant that it rarely varied from the accustomed patterns that it had taken by the mid-eighteenth century, if not before. The question remaining was whether or not government regulation would support or attempt to challenge the environmental and economic imperatives of the trans-Atlantic grain trade.

Third, the overall state of British North American grain surpluses also retained the low (or non-existent) yields of the 1750s and 1760s. Although self-sufficiency for local consumption usually could be met, occasional years of modest surplus remained interspersed with crisis shortages that required imports from the US. Beyond the need for subsistence during those trying times, the uncertainty introduced into the grain market by these fluctuations between surplus and dearth made British North American grain supplies unreliable for consumers. This is in marked contrast to the consistent availability of mid-Atlantic grain products throughout the eighteenth century. In the post-war era this provided a vital advantage for the presidential administration of George Washington as it entered negotiations to officially reintegrate the new US nation into the British Atlantic and the trade of other entangled Atlantic empires.
CHAPTER FOUR

THE OPPORTUNITIES AND COSTS OF NEUTRALITY, 1793-1809

The changing geopolitical environment of the 1790s created both opportunity and danger for the new United States. After over a decade of formal exile from the British Atlantic economy during and in the wake of the Revolutionary War, the outbreak of war in Europe officially reopened a number of colonial era trading routes to US merchants that had only been informally accessible since the American War for Independence. The ‘normalcy’ of the colonial era trading relationship now reemerged legally, thereby bringing to a close the aberration of the Revolutionary period rupture. The changing fortunes of war, however, would again cause temporary disruptions in Anglo-American trade. Yet these were ephemeral as the strength of the traditional economic relationship proved durable even under intense political strain. The larger European struggle would shape American economic and foreign policy for the next two decades as the federal government struggled to protect domestic interests as the major European powers sought to deploy US commerce as part of their increasingly bitter ideological and military conflict.

Changes in American politics also influenced US policy. The transition from Federalist rule under George Washington and John Adams to the Democratic-Republican administrations of Thomas Jefferson and James Madison after the so-called ‘revolution of 1800’ was significant for varied reasons. Nevertheless, foreign and economic policy remained remarkably consistent until the destruction of the Franco-Spanish fleet at Trafalgar in 1805 and the new French and British policies towards neutral traders that accompanied this martial turning point. Starting in 1806, the Jefferson administration attempted, with little success, to coerce European powers with the threat of US trade sanctions in order to gain concessions for American commerce that, by
extension, would raise the status of the US as a major force in the Atlantic economy. Jefferson’s
desperate embargo gamble in 1807 did not halt trade as it was openly evaded by Federalists and
Republicans alike, and the experiment further revealed a profound division within Jeffersonian
political economy. Its grand vision of a yeoman republic with limited government and minimal
internal taxation relied on foreign trade and customs revenue to fund the national government,
which otherwise would collapse. How these contending goals could be balanced reflected the
uncertain place of the US in an Atlantic World at war.¹

Because the outbreak of war in Europe in April 1792 did not involve the United States as
a belligerent power, it opened rich possible rewards for neutral trade. In theory, the US remained
allied with France due to treaty obligations during the American Revolution. However, in April
1793 President Washington declared neutrality. Historian Reginald Horsman has stressed that
neutrality and the European conflict provided the US with the opportunity to expand west even
as US trade in the Atlantic might be threatened.² Another series of calculations were foremost
for US merchants. As a practical matter, the increasingly desperate war between Revolutionary
(and later Napoleonic) France and Great Britain deployed naval power to interdict (or protect)
Atlantic trade and even sought to govern what products were exchanged with Americans. US
commerce increasingly diversified over the war years from 1793 to 1807 to include-exports of
colonial goods to continental Europe.

¹ See Drew McCoy, The Elusive Republic: Political Economy in Jeffersonian America (Chapel Hill: University of
York: St. Martin’s Press, 1993); Gautham Rao, National Duties: Customs Houses and the Making of the American
State (Chicago: University of Chicago Press, 2016); Brian Arthur, How Britain Won the War of 1812: The Royal
Navy Blockades of the United States, 1812-1815 (Rochester: Boydell and Brewer, 2011); Joshua Smith, Borderland
Smuggling: Patriots, Loyalists, and Illicit trade in the Northeast, 1783-1820 (Gainesville: University Press of
Florida, 2006).
² Reginald Horsman, The Diplomacy of the New Republic, 1776-1815 (Arlington Heights: Harlan Davidson, 1985),
50, 2.
The potential profits were vast. According to historian Douglass North’s now classic examination of the early republic economy, “the commercial and trade policies of England and France and the response of the American government to them were the source for every expansion and contraction.”3 The focus on exports and re-exports for European markets as the core vehicle for American prosperity has been dubbed the “Taylor-North” thesis. The European war placed most trans-Atlantic trade into the hands of neutral powers, particularly the United States. For North, 1793-1808 marked “years of unparalleled prosperity” for the United States due to the importance of exports to the overall economy and the expansion of that sector during this timeframe, the increase of imports at favorable prices, and the expansion of domestic manufactures driven by the profits produced by the export sector.4

The “Taylor-North” thesis has been challenged by historians such as Donald Adams, who provides a quantitative analysis that questions whether or not US trade connections during the early republic actually created prosperity for the American people, and, if so, did any particular interest group within society disproportionately benefit from external trade. According to Adams, the North-Taylor theory places too much emphasis on export-led growth creating prosperity from 1793 to the start of Jefferson’s embargo in 1808. Adams proposes an alternative based on a highly theoretical economic analysis that demonstrates that the benefits of US exports accrued to a narrow selection of merchants, while the public as a whole paid for those profits with increased prices and stunted domestic growth. To support this conclusion, Adams differentiates between true domestic export production and the re-export of imported goods and demonstrates that there was no increase in per capita domestic exports prior to the embargo.5

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Major profits in US exports were chiefly within the carrying and re-export trade, and the profits of that trade were absorbed by the merchant class and shipbuilding interests. Most average people paid for this profit through higher prices for consumption, diminished exports of domestic goods in favor of foreign ones, and higher shipping costs due to the diversion of merchant vessels away from the domestic coastal trade. Adams is also critical of the North-Taylor thesis because it does not provide any means by which the profits of foreign trade were transferred throughout society. This is particularly true when the export trade is examined from a regional perspective. According to Adams, the northern states controlled 66% of exports in 1793, by 1807 this increased to 71%. The south only had 23% of exports in 1793 and 14% in 1807, and suffered further from higher shipping costs, insurance rates, and increased freight charges that transferred wealth from the southern agricultural interests to northern mercantile ones.6

The carrying trade denoted the non-domestic products carried in US ships. Tropical produce such as sugar, coffee, and tea could be safely carried to Europe under the protection of American neutrality. As a neutral power, merchant vessels under the protection of the US flag were not subject to capture by belligerent powers. However, this practice soon caused political difficulties for the Jefferson and Madison administrations. The balance of naval power in the Atlantic decisively favored the British after Trafalgar in October 1805, and Napoleon’s European empire turned inwards through the mercantilist-style Continental System in 1806. As the European war expanded from armed conflict on land to an economic war with sweeping Atlantic implications, it ensnared the US and posed daunting challenges for the federal government.

The fact that the US economy would be significantly affected by the European war was immediately clear in 1793. Grain (and its related products) was a civilian necessity whose

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availability had a profound influence on social stability, and it was also the foundation of military provisioning. As a result it was among the first commodities regulated as part of the war effort. Great Britain passed a series of Orders-in-Council in 1793 and 1794 that formed the lasting basis for British maritime strategy throughout the war. The order of June 8, 1793 prohibited any neutral vessel from carrying grain to France. Further regulations issued on November 6 expanded the prohibition to any trade with France or its colonies that had not been legal during peace time. A third order in January 1794 mandated the capture of any vessel sailing to a blockaded port. Through these Orders-in-Council Britain hoped to isolate the teetering French regime that faced rebellion at home and a multi-front foreign war.

This effort provoked complaints from early US analysts after the War of 1812 as being the key first step towards outright war. Writing in 1815, Treasury Secretary Alexander Dallas complained that the Orders-in-Council amounted to “an avowed design, to inflict famine upon the whole of the French people” an action “at that time; properly estimated throughout the civilized world” to be “so glaring an infraction of neutral rights” that it “did not escape the severities of diplomatic animadversion and remonstrance.” Dallas’ statement reflects the sensibilities of 1815, rather than those of 1793, yet he correctly identified two important elements of British policy. First, the nature of the French Revolutionary and Napoleonic Wars would witness the use of sea power to isolate France from external trade. Second, that access to food supplies would be a key feature of that effort. The political protests that he cites, however, were not evident in 1793 as the policies of Washington, Adams, and the first Jefferson

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administration emphasized peaceful trade with Great Britain rather than the protests that would come in Jefferson’s second administration and that of Madison.

In an effort to protect American trade and to settle key issues remaining between the United States and Great Britain as a result of the American Revolution, President Washington dispatched John Jay to London for negotiations that failed to reach consensus on many key points. The British were able to avoid any clarification of neutral trading rights or resolving the practice of impressment.\(^9\) Despite those lingering issues, the negotiations protected Anglo-American trade. Under the terms of the Jay Treaty, the British government allowed US merchant vessels to trade with British possessions in the East and West Indies provided that those vessels landed their cargoes only in the US. The United States was granted “reciprocal and perfect liberty of commerce and navigation” with British possessions in Europe. The treaty, however, did not protect American merchantmen from inspection by the British Navy. Other clauses allowed the British Navy to inspect American merchant ships and seize any property belonging to the enemies of Britain as contraband of war. Contraband was defined as “all arms and implements serving for the purposes of war, by land or sea.” British men-of-war were also authorized to “turn away” US merchants from any port under control of the enemy.\(^10\)

Historian Eliga Gould persuasively argues that there was another, deeper meaning hidden in the text of the Jay Treaty. For the first time, the independent United States was regarded as a fully “treaty worthy” nation by Great Britain. The Constitutional order provided for a national government that could negotiate international treaties and enforce the terms of those treaties on

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the several states.\textsuperscript{11} Although the treaty was a milestone in foreign relations, it was domestically explosive and provoked strong reactions across the US political spectrum. It is intriguing to note that this disagreement was fundamentally driven by partisan rancor. Neither of the nascent parties proposed any alternative to trading with the British and its substantial benefits. Rather, the conflict was over the terms of how US trade would reenter the British imperial economy. This domestic debate over US trade policy would explode again during Jefferson’s second administration, but the practical forces shaping trade remained stable for the next decade and generally benefitted the American economy.

One of the primary beneficiaries of these structural conditions were grain farmers. In her analysis of the early republican political economy, Joyce Appleby wrote that “the new European demand for American grains…created an unusually favorable opportunity for ordinary men to produce for the Atlantic trade world.”\textsuperscript{12} The transition to grain as an export commodity in the Chesapeake region was well underway by the 1790s, which expanded the traditional Mid-Atlantic granaries of New York and Pennsylvania. However, Appleby’s analysis is incorrect in identifying Europe as a new market, as Iberia and southern Europe were already long-established consumers of American produce. Consumption patterns in Great Britain did open some new markets, but variables within British customs regulations that attempted to balance the competing interests of British landowners and British consumers made this an uncertain market.\textsuperscript{13}

An unintended benefit of the creation of the new US federal government under the Constitution was the more reliable quantitative data gathered by the United States Treasury Department concerning American exports and cargo destinations. This data was compiled by Timothy Pitkin and published as *A Statistical View of the Commerce of the United States* (1816). Pitkin’s analysis noted the growth of both American exports to the West Indies and the growth of the American carrying trade for Caribbean produce. Pitkin relied on unpublished statistics generated by the Treasury Department outlining the extent and value of American exports and re-exports, but it is unclear exactly what records he used. According to Pitkin, the outbreak of war in 1793 benefited the United States as a neutral power because the war threw the colonial trade of the East and West Indies into American hands.

This temporary gain was enhanced by a further modification of British law in January 1794 that allowed any product carried from French colonies in the Caribbean to a neutral port to then be re-exported to Europe as the product of the neutral power rather than that of France. This became known as the “broken voyage” rule. The value of goods re-exported from the United States to Europe doubled between 1791 and 1795, growing from $2.8 million to $5.6 million and would triple to over $18 million by 1799. The expansion of trade was aided by another British trade act in January 1798, which allowed for the direct importation of French colonial goods to a British port on neutral vessels or via a neutral port within Europe. This legislation remained in place until 1802. The broken voyage rule allowed for an American “carrying trade” of non-US produced products (usually from the Caribbean) to be carried on

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14 Wayne Olson, Reference Librarian, National Agricultural Library, email message to author, July 5, 2013.
American ships to Britain or to neutral ports in continental Europe. This practice became increasingly lucrative as well as increasingly controversial as Napoleon’s continental empire expanded and British sea power came to dominate the European coastline.

The geopolitical conflict of the 1790s also provided opportunities for American produced goods, particularly agricultural ones, to be exported on a larger scale than before. Pitkin’s statistics provide a quantitative assessment of US grain exports and highlight the fluctuating state of the export trade under the second Washington administration. The quantitative data for 1793 represents American trade during the first year of the French revolutionary wars, 1794 the first year of trade under the Jay Treaty, and 1796 the conclusion of Washington’s presidency.

Table 4.1: US Grain Exports, 1793-1796

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat (bushels)</th>
<th>Flour (barrels)</th>
<th>Corn (bushels)</th>
<th>Meal (bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1793</td>
<td>1,450,575</td>
<td>1,074,639</td>
<td>1,233,768</td>
<td>189,715</td>
</tr>
<tr>
<td>1794</td>
<td>696,797</td>
<td>846,010</td>
<td>1,505,977</td>
<td>241,570</td>
</tr>
<tr>
<td>1796</td>
<td>31,226</td>
<td>725,194</td>
<td>1,173,552</td>
<td>540,286</td>
</tr>
</tbody>
</table>

A number of trends can be deduced from this export data. Unprocessed wheat exports virtually disappeared, while flour exports experienced a significant decline. Corn exports are relatively stable, while corn meal exports more than doubled between 1793 and 1796. Superficially, this would indicate the influence of wartime conditions on the demand for US grain products, but

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environmental forces provide a more persuasive explanation for corn as a grain export substitution in these years.

The Hessian fly infestation affected the supply of American wheat and flour to foreign markets. It first appeared in the northern US during the late 1770s. By 1794, the valuable wheat crops of Pennsylvania, Maryland, and Delaware suffered its ravages that then expanded its range to Virginia by 1795. Geopolitical considerations could influence grain markets, however, the dual nature of grain as both a trade commodity and a natural product subject to fluctuating growing conditions could complicate even the most open of markets. With the overall decline of wheat and flour, corn, and in particular corn meal, became more important.

The overall export statistics provide an overview of the scope and scale of grain exports during Washington’s administration. Tracing the consumption patterns of exported US grain provides a key marker to analyze changing trade in the 1790s and to compare to the CO 16 statistics of the late 1760s and early 1770s. The *American State Papers* outline the markets for US grain products during the 1790s. A regional approach is utilized here that follows the categories in the CO 16 records (see chapter 2) to allow for a more telling comparison and assessment of change over time.

Table 4.2: Commodities exported to West Indies, 1793-96 by Total and Percentage of Total US Exports.21

<table>
<thead>
<tr>
<th>Year</th>
<th>Flour (Barrels)</th>
<th>Wheat (Bushels)</th>
<th>Corn (Bushels)</th>
<th>Corn Meal (Bushels)</th>
<th>Bread (Barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1793</td>
<td>567,767 (53%)</td>
<td>25,017 (2%)</td>
<td>640,878 (52%)</td>
<td>36,843 (97%)</td>
<td>64,992 (85%)</td>
</tr>
<tr>
<td>1794</td>
<td>322,606 (39%)</td>
<td>2,396 (&gt;1%)</td>
<td>473,173 (32%)</td>
<td>45,433 (93%)</td>
<td>50,033 (73%)</td>
</tr>
<tr>
<td>1795</td>
<td>274,431 (40%)</td>
<td>NA</td>
<td>683,553 (35%)</td>
<td>79,271 (77%)</td>
<td>65,828 (91%)</td>
</tr>
</tbody>
</table>

The West Indies remained the most important market for mainland produce, consuming a majority of all corn meal and bread exports from 1793-1796 and the majority of flour and corn in 1793 and 1796. Within this broad statistical outline, there are some significant trends. The French West Indies and British West Indies remained the most important markets, with the Spanish colonies lagging behind. Demand for flour in the French West Indies remained stable after 1793, however, demand for corn and corn meal products collapsed in 1794. The British West Indies demand for wheat and corn products remained relatively stable, with a preponderance of imports in the form of corn or corn meal. The cheaper price of corn products shaped this trading pattern.

The second major market for US produce was Iberia and southern Europe. In the State papers, this region encapsulated Spain, Portugal, the various Atlantic islands of these two powers, and (much less importantly) Italian ports.

Table 4.3: Commodities exported to Iberia and southern Europe, 1793-1796 by Total and Percentage of Total US Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Flour (Barrels)</th>
<th>Wheat (Bushels)</th>
<th>Corn (Bushels)</th>
<th>Corn Meal (Bushels)</th>
<th>Bread (Barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1793</td>
<td>191,905 (18%)</td>
<td>750,805 (52%)</td>
<td>492,335 (40%)</td>
<td>87 (&gt;1%)</td>
<td>767 (1%)</td>
</tr>
<tr>
<td>1794</td>
<td>161,891 (20%)</td>
<td>552,021 (79%)</td>
<td>682,542 (46%)</td>
<td>182 (&gt;1%)</td>
<td>2,621 (4%)</td>
</tr>
<tr>
<td>1795</td>
<td>42,881 (6%)</td>
<td>99,344 (70%)</td>
<td>511,194 (26%)</td>
<td>446 (&gt;1%)</td>
<td>1005 (&gt;1%)</td>
</tr>
<tr>
<td>1796</td>
<td>23,020 (3%)</td>
<td>1,650 (5%)</td>
<td>50,211 (4%)</td>
<td>8,244 (1.5%)</td>
<td>832 (&gt;1%)</td>
</tr>
</tbody>
</table>

In a departure from the West Indies, unmilled wheat and unground corn are the significant export commodities, likely the result of the more robust milling capacity in Europe. The decline in wheat and flour can be explained as another manifestation of the Hessian fly crisis, however, the

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precipitous decline of corn imports requires more explanation. Unlike the case in the West
Indies, the progress of the French Revolutionary wars represented both an opportunity and a
barrier to American commerce.

The War of the First Coalition against France encompassed a number of nations
including Spain. The collapse of the Toulon campaign (1793), the occupation of San Sebastian
by French forces, and increasing fears of British designs on Spain’s American empire led to
Spain’s withdrawal from the Coalition. In consequence, Great Britain and Spain declared war on
one another, thereby imperiling Spanish seaborne trade. Sir John Jervis’ victory over the
Spanish fleet at St. Vincent (February 1797) made plain the consequences for Spain’s changed
alliance. The introduction of the Royal Navy as a hindrance to US-Spanish trade counteracted
the political efforts of Spanish and US diplomats to encourage trade between the two nations.

The Pinckney Treaty of 1795 regularized trade relations between the US and Spain.
Under articles 15 and 16 of the treaty, liberty and security of trade was guaranteed to merchants
of both nations. Included within this guarantee was a provisions that “free ships shall also give
freedom to goods” with the exception of weapons and other contraband. Excluded from the
definition of contraband were “all provisions which were for the sustenance of life.” These
regulations contained two important elements for US trade. First, the carrying trade with Spain
was now protected by law. Second, the definition of contraband explicitly protected American
agricultural exports to Spain. Superficially, this should have encouraged trade, but the statistical
analysis demonstrates that the diplomatic unity was less important that British naval superiority.

24 Treaty of Friendship, Limits, and Navigation between Spain and the United States, October 27, 1795.
As a result Spain disappeared from the list of the primary trading partners for US grain products, and would not return through 1800.\textsuperscript{25}

The reason for Portugal’s disappearance as a major trading destination in 1796 and 1797 is less clear given the ongoing alliance between Great Britain and Portugal. As Spain changed sides in the European conflict, Lisbon became an even more important strategic partner for the Royal Navy, which included victualing facilities. Complaints from Admiral Jervis and other British naval officers lamenting the lack of provisions available at Lisbon correlates with the decline in American grain imports during that time period.\textsuperscript{26} Reconciling the discrepancy between supply and high demand remains elusive.

Great Britain and Ireland form the third key marketplace for US grain exports. This trade underwent changes in British import duties in 1773 (see chapter 2) that now made direct trade in grain products profitable for American merchants. The 1773 law set tariffs for imported grain based on the market price for grain products. This basic structure remained in place during the 1790s, introducing a degree of volatility to the marketplace.

\begin{table}[h]
\centering
\caption{Commodities exported to Great Britain and Ireland, 1793-1796 by Total and Percentage of Total US Exports\textsuperscript{27}}
\begin{tabular}{|c|c|c|c|c|c|}
\hline
Year & Flour (Barrels) & Wheat (Bushels) & Corn (Bushels) & Corn Meal (Bushels) & Bread (Barrels) \\
\hline
1793 & 191,947 (18\%) & 539,603 (37\%) & 1,730 (>1\%) & 2 (>1\%) & 679 (>1\%) \\
1794 & 77,580 (9\%) & 46,896 (7\%) & 15,814 (1\%) & 56 (>1\%) & 404 (>1\%) \\
1795 & 34,599 (4\%) & NA & 147,727 (8\%) & 4,488 (4\%) & 552 (>1\%) \\
1796 & 53,622 (7\%) & 19,720 (63\%) & 237,504 (20\%) & 37,913 (7\%) & 75 (>1\%) \\
\hline
\end{tabular}
\end{table}

\textsuperscript{25} American State Papers, Senate, 2\textsuperscript{nd}, 6\textsuperscript{th} Congress, 1\textsuperscript{st}-2\textsuperscript{nd} Sessions, Commerce and Navigation, Vol. 1 (1791-1799).

\textsuperscript{26} Martin Robson, “‘A Considerable Portion of the Defence of Empire’: Lisbon and Victualing the Royal Navy During the French Revolutionary War, 1793-1802,” \textit{Historical Research}, Vol. 87, No. 237 (May 2014), 466-490, 471-72, 477-78.

\textsuperscript{27} \textit{American State Papers}, Senate, 2\textsuperscript{nd}, 6\textsuperscript{th} Congress, 1\textsuperscript{st}-2\textsuperscript{nd} Sessions, Commerce and Navigation, Vol. 1. (1791-1799).
The trading pattern from 1793-1796 offers a mixed picture. Wheat imports are significant in 1793, and the relative decline of wheat and flour can again be attributed to the Hessian fly problem.

The fourth primary market for grain during the Washington administration was Europe. Although the State papers include a number of European ports stretching from Russia to Iberia, the only ports to record any imports of US grain during the period were France and the Hanse towns of Hamburg and Bremen. One of the benefits of independence was that US merchants could now take advantage of opportunities closed to them during the colonial period.

Table 4.5: Commodities exported to Europe (other) 1793-1796 by Total and Percentage of Total US Exports.28

<table>
<thead>
<tr>
<th>Year</th>
<th>Flour (Barrels)</th>
<th>Wheat (Bushels)</th>
<th>Corn (Bushels)</th>
<th>Corn Meal (Bushels)</th>
<th>Bread (barrels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1793</td>
<td>2,052 (&gt;1%)</td>
<td>117,485 (8%)</td>
<td>6,251 (&gt;1%)</td>
<td>NA</td>
<td>128 (1%)</td>
</tr>
<tr>
<td>1794</td>
<td>88,368 (11%)</td>
<td>69,150 (10%)</td>
<td>9,400 (&gt;1%)</td>
<td>348 (&gt;1%)</td>
<td>588 (&gt;1%)</td>
</tr>
<tr>
<td>1795</td>
<td>174,064 (25%)</td>
<td>41,929 (30%)</td>
<td>513,351 (27%)</td>
<td>16,951 (17%)</td>
<td>6153 (8%)</td>
</tr>
<tr>
<td>1796</td>
<td>88,696 (12%)</td>
<td>3,350 (10%)</td>
<td>107,637 (9%)</td>
<td>62,103 (11%)</td>
<td>904 (&gt;1%)</td>
</tr>
</tbody>
</table>

Despite Washington’s neutrality proclamation and the threat of the Royal Navy, opportunities outweighed the risks for US grain merchants trading with France in 1794. Racked by famine and misgovernment, France faced starvation. Under protection of the French fleet, an American convoy delivered 24 million pounds of grain to the embattled nation. Threatened by recent bread riots, this crucial import provided an important measure of internal stability though at an extraordinary cost to French naval forces. The increasing superiority of the Royal Navy, however, soon curtailed further large merchant convoys from reaching France. By mid-1795 it was clear that the French navy could not secure safe passage through the blockade.

Fortunately for France, victory on land provided other sources of grain and diminished the immediate need for grain imports.29 Other economic considerations intervened into this new trading relationship. The value of US grain and tobacco entering France far exceeded the value of French products sold in return. The resulting trade imbalance was covered by specie, thereby making American grain an expense on the French treasury. Exacerbating this injury, Americans used the specie from France to cover their own imbalance of trade with Great Britain. Indirectly, the ultimate beneficiary of US-French trade was Great Britain, even though at war with France.30 Even at this early stage of the long war, it was clear that US grain exports would benefit the British Empire in one way or another and could only cross the Atlantic with some British acquiescence.

By the end of Washington’s presidency in 1796, the US had avoided directly participating in the war that embroiled Europe. However, isolationism was not a possibly for the US as the strong links between the American economy, Europe, and the European empires could not be severed. In parting, Washington offered a few words of sage advice that had guided his administration through a perilous time:

The great rule of conduct for us in regard to foreign nations is in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop. Europe has a set of primary interests which to us have none; or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.31

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30 Hill, “Prologue to the Quasi-War”, D1046.
Washington’s address was predicated on a seemingly simple principle. By remaining politically neutral but economically engaged with other nations, the US could reap the benefits of economic development without the costs associated with conflict. Underlying this assertion, however, was the unexamined assumption that the various European powers would continue to view commerce and politics as distinct from one another. The world of 1796 had a place for neutral trade, but whether or not those circumstances could survive the changes wrought by an increasingly desperate war remained unclear.

The incoming administration of John Adams followed the theory espoused in Washington’s *Farewell Address*. In his inaugural address in 1797, President Adams noted that

> Indeed, whatever may be the issue of the negotiation with France, and whether the war in Europe is or is not to continue, I hold it most certain that permanent tranquillity and order will not soon be obtained. The commerce of the United States is essential, if not to their existence, at least to their comfort, their growth, prosperity, and happiness. The genius, character, and habits of the people are highly commercial. Their cities have been formed and exist upon commerce. Our agriculture, fisheries, arts, and manufactures are connected with and depend upon it. In short, commerce has made this country what it is, and it can not be destroyed or neglected without involving the people in poverty and distress.\(^{32}\)

Adams closely echoed Washington. Political engagement and economic relations must remain distinct. This is particularly important as the wars sparked by the French Revolution continued to expand across Europe and to the West Indies. As the war spread, more American commercial interests would inevitably be affected. Adams elaborates on the rationale for preserving the status quo as a matter of mutual advantage and interdependence. In his formulation, each nation had a vested interest in supporting American neutrality and by extension American trade.

Adams’ framework can be directly applied to the grain trade. The statistics for the first and concluding year of his administration follow.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat (Bushels)</th>
<th>Flour (Barrels)</th>
<th>Corn (Bushels)</th>
<th>Meal (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1797</td>
<td>15,655</td>
<td>515,633</td>
<td>804,922</td>
<td>234,799</td>
</tr>
<tr>
<td>1800</td>
<td>26,853</td>
<td>653,052</td>
<td>1,694,327</td>
<td>338,103</td>
</tr>
</tbody>
</table>

In overall volume, 1797 and 1800 are consistent with the returns from Washington’s administration in the wake of the Hessian fly crisis of 1795. Wheat and flour exports remained depressed, while those for corn and corn meal continued to be robust.

The overall data, however, conceals a significant shift in the US grain trade during the Adams administration. When analyzed by market, a new and somewhat unusual pattern emerges.

<table>
<thead>
<tr>
<th>Year</th>
<th>Exported to/Amount Wheat (bushels)</th>
<th>Flour (barrels)</th>
<th>Corn (bushels)</th>
<th>Meal (bushels)</th>
</tr>
</thead>
</table>

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The West Indies had long been a significant market for American agricultural exports. The *State Papers* hint that this relationship represents almost the entirety of American exports for these two sample years. Beyond the corn trade with Portugal, British North America, and Madeira in 1799, every entry of any quantitative significance is from the West Indies. The reasons for this change are many. The trade with France had collapsed due to the expansion of French-occupied territory in Europe that could supply grain, and the expense of American provisions in relation to French exports to the US. The Spanish trade was interdicted by the British Royal Navy, and trade with Britain itself competed with increasing imports from Ireland.35

Overall, the 1790s under the Federalist administrations of Washington and Adams saw the continuation of a grain export economy that retained most features of the colonial era. The war in Europe fueled slight variations, but the theme remained familiar. With the exception of exports to continental France between 1793 and 1795 (as a result of wartime increased demand) and a collapse in exports to the French West Indies in 1799 (due to the tensions of the Quasi-War), the pattern remained largely consistent with the CO 16 era of 1768-1772.

The election of 1800 ushered in a new political party, and, in theory, a new combination of domestic and international interests that would affect trade relations with the rest of the

35 “Account of the quantity of Grain, Meal, and Flour Imported and Exported from Great Britain, 1792-1814” *House of Commons Papers*, Vol. 10. https://parlipapers-proquest-com.prxy4.ursus.maine.edu/parlipapers/result/pqddocumentview?accountid=14583&groupid=95895&pgId=121d6bc4-48a9-4756-b466-30ab4f507c9a&rsId=1688BA45E09
Atlantic world. The revolution of 1800 was momentous as a peaceful transfer of political power from one rival faction to another for the first time under the Constitution, yet it did not loom significant in terms of commercial policy. According to historian Drew McCoy, the political economy of Thomas Jefferson’s yeoman republic depended on three factors: “a national government free from any taint of corruption, an unobstructed access to an ample supply of open land, and a relatively liberal international commercial order that would offer adequate foreign markets for America’s flourishing agricultural surplus.”

Despite significant disagreements between Federalists and Democratic-Republicans on the existence of corruption within the federal government, these last two elements of the yeoman ideal suggests continuity between the two parties as both believed in westward expansion and continued engagement in the Atlantic economy. In isolation, this would have resulted in a reasonably stable political economy for the early republic. Jefferson’s inaugural address closely echoed the themes already noted by Washington and Adams:

The assurances, indeed, of friendly disposition, received from all the powers with whom we have principal relations, had inspired a confidence that our peace with them would not have been disturbed. But a cessation of the irregularities which had effected the commerce of neutral nations, and of the irritations and injuries produced by them, cannot but add to this confidence; and strengthens, at the same time, the hope, that wrongs committed on offending friends, under a pressure of circumstances, will now be reviewed with candor, and will be considered as founding just claims of retribution for the past and new assurances for the future …We cannot, indeed, but all feel an anxious solicitude for the difficulties under which our carrying trade will soon be placed. How far it can be relieved, otherwise than by time, is a subject of important consideration.

Jefferson’s oblique reference to the Quasi-War with France was an implicit criticism of Adams and recast those circumstances as a temporary deviation from the correct

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principles of US diplomacy. At a deeper level, Jefferson connects his proposed foreign policy to Washington’s farewell and Adams’ first inaugural address. Philosophically, each of them are promoting neutral American economic intercourse without the encumbrance of any political connection. Despite the similar goals for encouraging US commerce, the two political parties differed on how that goal should be pursued. Jefferson and the Democratic-Republicans were ideologically favorable to France and less accepting of Adams’ and the Federalist closer relationship with Britain.

According to Eliga Gould, this transition in attitude toward Great Britain meant that “there was bound to be trouble.”38 His analysis is correct in part. The potential sources for trouble stretched beyond the bilateral relations between the US and Great Britain, which represented only one part of a multi-sided puzzle. In his 1922 work *The Continental System: An Economic Interpretation*, Eli Heckscher uncovered evidence from as early as 1801 that indicated that Napoleon’s general economic strategy in the war was to impoverish Britain by denying it access to continental markets.39 Thus, Jefferson’s adherence to American neutral trade, the seeds of the Continental System, and the British responses to the system as manifested in the Orders-in-Council also have their roots in 1801.

Although the multi-national framework supporting neutral trade had begun its decline, the actual practice of the grain trade remained robust.

The quantitative data for wheat and flour exports during the first Jefferson administration follow.

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The table illustrates four key points. First, the West Indian market remained the most important destination for US flour exports by volume and consistency. Moreover, the British West Indies remained its most important component during this period. Trade with the French West Indies was also robust, while the Spanish, Dutch, and Danish islands represented lesser markets. Second, demand for Iberia was variable but increased over time. This reflected the broader patterns of war. Spain was allied to France until the peace of Amiens in 1802, and peace increased the availability of seaborne trade by removing the Royal Navy as a barrier.

Third, the flour trade with Great Britain was significant and increasing. This represents a change in trading patterns as Great Britain was not a traditionally significant market for American flour exports. Historian W. Freeman Galpin’s research on the British grain trade does present insight into this branch of American trade. The harvests of 1800 and 1801 in Britain suffered from heavy rain, frost, and wind damage. In order to preserve domestic peace,

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40 Pitkin, *A Statistical View of the Commerce of the United States*, 126. Great Britain was the only significant market for unprocessed wheat during this period: 216,977 bushels (1801), 201,250 (1802), 234,386 (1803). See Pitkin, 125. Changes in the format of US Treasury reports to Congress after 1800 result in data that does not consistently itemize exports of these commodities or link them to their recipients. Rather, the returns provide an aggregated value of all exports to a given trading partner and an aggregated total amount of each exported item to all trading partners.

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Parliament undertook a remarkably vigorous system of public relief measures including
forbidding the distillation of grain, subscriptions to provide grain at cost to the less fortunate, and
direct charity. A bounty was established until October 1800 to subsidize the importation of
foreign grain.\footnote{Galpin, \textit{Grain Supply of England}, 10, 14.} Despite these measures, the price of grain continued to rise, which threatened
social stability and compelled the government to allow imports from anywhere without regard to
its source or the nation of the ships carrying it. Thus a combination of environmental factors
limiting domestic production and political concerns provided a broader market for US producers.

The fourth important lesson here is the absence of exports to the rest of Europe (other
than the famine years of 1794-96, associated with the French Revolution). While not surprising
in and of itself, its significance arises when these statistics are considered in light of the growing
conflict between Great Britain and the US over the carrying trade. The carrying trade
complicated the US trading pattern by conflating domestically produced goods with foreign
products being transported under the neutral American flag. The carrying trade denoted the use
of neutral American ships to transport the produce of European overseas colonies to the
continent of Europe. This protected the colonial goods from capture by the British navy and
provided a new source of profits for US merchant interests. There is a distinct difference
between American trade patterns with Great Britain and French-influenced continental Europe
revealed here. These profits came at a political cost. By combining American domestic produce
with the carrying trade, British officials suspected that all American trade subverted the
European blockade, and US official documents could not abate this suspicion since the export
value of domestic produce and the broader carrying trade was not differentiated in government statistics until 1803.\(^42\)

Thomas Jefferson provided the most cogent outline of his political and economic philosophy in his second inaugural address in March 1805. The address clearly voiced the principles of his first administration and provided a guideline for his remaining time in office as well as for the Madison administration that would follow. He noted with satisfaction that the United States “endeavored to cultivate the friendship of all nations...and cherished mutual interests and intercourse on fair and equal terms.”\(^43\) Peace and trade abroad supported Jefferson’s domestic agenda as well. The scourge of internal taxes could be avoided through a combination of frugality and revenues derived from taxes placed on imports, which were “paid cheerfully by those who can afford to add foreign luxuries to domestic comforts.”\(^44\) The happy coalescence between Jeffersonian political ideology and fiscal policy was based on maintaining peace and trade relations between the United States and as much of Europe as possible. Without this source of income from imports, the contradiction within Jeffersonian political economy—that a frugal national government could have the funds to operate, pay the national debt, and resist internal taxation—could not be sustained. This imperative informed the deep and long-standing economic priorities for US government leaders that persisted from the colonial period to the early national one and defied easy modification.

The grain trade in Jefferson’s second administration remained robust. Grain represented a significant portion of American domestic exports. The pattern of where the grain trade went,
however, is mixed. As Table 4.9 shows, the West Indies markets remained the most important, while the Iberia and continental Europe were relatively flat from the previous four years. Trade with Great Britain plunged in 1804 and did not recover until 1807.

Table 4.9: US Flour Exports (Barrels), 1805-07

<table>
<thead>
<tr>
<th>Region</th>
<th>1804</th>
<th>1805</th>
<th>1806</th>
<th>1807</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain</td>
<td>7,140</td>
<td>36,752</td>
<td>127,619</td>
<td>323,968</td>
</tr>
<tr>
<td>Iberia</td>
<td>205,807</td>
<td>149,406</td>
<td>136,699</td>
<td>157,156</td>
</tr>
<tr>
<td>West Indies</td>
<td>511,950</td>
<td>528,130</td>
<td>410,201</td>
<td>640,758</td>
</tr>
<tr>
<td>Europe Other</td>
<td>4,115</td>
<td>4,395</td>
<td>23,217</td>
<td>20,255</td>
</tr>
</tbody>
</table>

The comparative statistics for exports to Great Britain between Jefferson’s first and second administrations declined. This was not, however, due to growing political tensions between the two governments. Improved harvests in 1804 and 1805 and peace between Prussia and Great Britain provided both an increased domestic supply and an alternative source. Napoleon’s dismantling of Prussia at Jena and Auerstadt in October 1806 stimulated Anglo-American trade for the final year above.

The financially beneficial situation for the US as a neutral player in foreign affairs began to end in 1805. In the decade following Jay’s Treaty with Great Britain, as historian Eliga Gould notes, “the United States became, with Britain’s tacit consent, the most important neutral carrier in the Western hemisphere…..during which US merchants engrossed the carrying trade of France, Spain, and eventually, Britain.” Whether this trade existed as a matter of right under international law (as Jefferson proposed) or by British sufferance (and thereby subject to

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unilateral reinterpretation) was undefined. The primary point of conflict between the United States and Great Britain in 1805 was not over American exports, but rather the carrying trade. The carrying trade doctrine stipulated that if the goods were first landed in the United States, they would be ‘naturalized’ as American goods. This is known as the “broken voyage” rule. As French power expanded in continental Europe and British naval power destroyed the capacity of France to maintain a presence at sea, economic warfare between the two powers was inevitable.

In July 1805, a British court ruled in the Essex decision that the “broken voyage” rule was illegal. In essence, under British law the carrying trade was reinterpreted to constitute a breach of the Royal Navy’s blockade of Europe. The Jefferson administration protested this change without success. The Essex case was the first manifestation of a rapidly escalating economic conflict between France and Great Britain that would virtually eliminate neutral trade and placed the US in a difficult (if not impossible) commercial situation.

For James Stephens, a British writer with extensive connections to the British government and Admiralty, US neutral trade with France denied Britain’s rights as a belligerent power. Particularly, Stephens argued that American trade between France and French colonies in the Caribbean violated Britain’s blockade because it was illegal for US ships to conduct that trade in peacetime. Known as “the rule of ’56,” this unilateral policy attempted to manage neutral trade based on a broad application of policy rather than the actual content of each ship’s cargo.

This more stringent interpretation of neutral trade redefined the carrying trade as illegal commerce which could rightfully be interdicted by force. American trade was really French trade hidden behind the neutral flag of the United States. In Stephens’ analysis, in earlier wars

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48 Perkins, Prologue to War, 97.
British sea power transferred French colonial holdings from an asset into an expensive liability. US interference allowed France to enjoy the benefits of a colonial empire without paying to sustain a navy or merchant marine to conduct colonial trade. Therefore, according to Stephens, Britain was justified in interdicting neutral trade with France as a means of prosecuting the war and starving the French treasury of funds. Thus, the Polly case in 1800 did not prejudice the question of any future restrictions by the Royal Navy as the case did not set a binding precedent under international law.

Not surprisingly, the US government and American popular opinion rejected Stephens’ interpretation of international law. Moreover, the Jefferson administration was much less flexible towards British demands than that of Washington had been. In a response to War in Disguise, Secretary of State James Madison wrote that neutral trade should not be interfered with because neutrals form “a trade auxiliary to his prosperity and his revenue” by “liberating his naval facilities for war.” Not only was American trade beneficial for Great Britain, international law did not allow for a belligerent power to interdict neutral trade, unless the vessel was carrying “instruments of war” or was entering a blockaded port. Any further control of trade between a neutral and a belligerent power was illegal, and British efforts to redefine belligerent and neutral rights to constrain the US carrying trade were illegitimate. In essence, the Polly case was a binding precedent, and the Essex decision abrogated settled international law.

Madison was correct that US trade benefitted Great Britain, whose imports of American goods included significant amounts of cotton, provisions, and other imports. However, Madison disregarded two important variables. The British merchant marine could still trade under its own flag through the protection of the Royal Navy. Napoleonic Europe faced opposition from the

50 James Madison, A Memoir, Containing an Examination of British Doctrine (Washington: Smith, 1806), 6-7.
Royal Navy, which posed an increasingly effective barrier against seaborne trade. Simply stated, Great Britain could protect its merchant marine, while Napoleon could not.

At its roots, the argument between Stephens and Madison rested on two factors. First, the expansion of Napoleon’s European empire left the US as the only major neutral trading power. Second, and perhaps more importantly, the legal protection for foreign produce ‘naturalized’ by American carriage in addition to the bona fide export of grain, lumber, and other commodities raised in the US were the same in Jefferson and Madison’s conception of trade. Both should be protected under the rules of neutrality regardless of what the product was or its point of origin. International law protected all trade except in cases of a strict blockade of individual enemy ports and provided a narrow definition of contraband. Trade interdiction should be a case-by-case system of management rather than a broad statement of general policy as advocated by Stephens.

Responses to the growing conflict reflect the complicated and intertwined nature of trade. The place of American produce within the broader carrying trade provoked criticism in the United States as well as in Great Britain. The carrying trade, according to the American pamphleteer “Columella,” was positively dangerous to Americans. Writing in 1806, Columella wrote, “there are foul vices growing and flourishing among us, and they deserve to be vigorously struck at. Those who, by their unlawful procedures… have implicated their country in a dispute with which the community in general has not immediate concern, except the dread that its consequences may be generally ruinous.”51 In essence, tying together domestic and foreign-sourced commerce threatened to embroil the entire United States into a conflict for the benefit of a small handful of merchants.

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Prominent Jeffersonian political figures echoed Columella’s critique. In an 1806 speech before Congress, the arch-conservative Democratic-Republican Representative John Randolph of Virginia forcefully noted that the debates over foreign trade was not just about the relationship between nations, but also about the relationship between factions within the United States. To him, the carrying trade only “covers enemy’s property” rather than the “fair, the honest, the useful trade that is engaged in when carrying our own productions to foreign markets, and bringing back their productions in exchange.” He regarded any potential conflict with Britain over the carrying trade as a “fungus of war” that would promote the urban-merchant interest over the true agricultural interests of America.52 Randolph represented an older strand of Democratic-Republican political theory that was waning, but his reaction towards federal use of economic restrictions as policy encapsulated a key strand of the domestic debate in sharply divided American political opinion.

Conversely, some British observers criticized the British stance on the carrying trade. Alexander Baring, a merchant with close ties to Philadelphia’s banking community noted

By assuming that rule to be law [law of ’56], and that our not enforcing it was the effect of our indulgence, all the privileges which the neutral held, as he thought by right, were considered by us to be held by sufferance; a doctrine which enables us to establish the most inconsistent practice under the mask of the most consistent theory.53

Baring’s criticism rests on two grounds. First, the law was inconsistently enforced and created an uncertain legal climate that introduced more risk into an international economic system already brimming over with geopolitical uncertainty.

53 Alexander Baring, *An Inquiry into the consequences of the Orders in council; and an examination of the conduct of Great Britain towards the neutral commerce of America*. 2nd ed (London: J.M. Richardson, 1808), 74.
Second, the authority for the rule of ’56 rested on the British government’s interpretation of maritime law rather than under a generally accepted international interpretation. This hints at another, more fundamental debate on the place of the US in the Atlantic World. Although Jay’s Treaty did recognize the US as a treaty-worthy partner for the nations of Europe, the real power disparity between the new republic and the European empires remained. In the absence of clear international law, Britain could, and did, interpret the existing norms of international customs to its own advantage. By 1805, the calculation between allowing Americans freer access to continental markets and restricting that access changed due to wartime policy.

The pamphlet conflict reflected an underlying reality. From 1803 to the embargo in 1807, American exports remain relatively steady, while the carrying trade (re-exports) dramatically increased in value. Pitkin’s statistics demonstrate the increasing importance of these philosophical debates. While domestic produce of grain and other products remained important, an increasing percentage of American trade was in re-exports. There is a strong correlation in these trades. British imports from the US consisted primarily of domestic produce. Trade with continental Europe consisted primarily of carrying trade re-exports. Separating the two strands was not possible for US trade without ruinous consequences, but the clearly bifurcated trading pattern provided a rationale for British efforts to reinstitute the rule of ’56. In an unhappy coincidence, the increasingly desperate war in Europe and British efforts to weaken Napoleon economically through naval power collided with the increasing importance of the carrying trade to the US and had dramatic consequences.

President Jefferson’s hostility towards British trade policies and desire to promote US economic interests resulted in the first of several laws in 1806 that attempted to use economic policy to influence British treatment of the US. In that year, Congress passed a limited non-importation act prohibiting a few British goods of little consequence that did not take effect until November 1807. In addition, imports from British colonies were excluded from the act.\textsuperscript{55} Despite the ineffective nature of the Non-Importation Act of 1806, it implemented the Jefferson administration’s interpretation of international trade law as presented in Madison’s \textit{War Without Disguise}. The loopholes within the law that permitted the most profitable sectors of British trade to proceed unhindered were also a precursor to the problems that would plague future Democratic-Republican economic policies. In short, it proved impossible to meaningfully restrict British trade without harming US economic interests at the same time.

Napoleon’s Berlin Decree in November 1806 marked the beginning of systemic economic warfare between France and Great Britain through the implementation of the Continental System. From 1793 to 1806, the relative balance of naval power between Britain and France as well as the existence of other neutral trading partners limited interference with US trade; however, the intensifying war left the United States and its trade interests vulnerable to the larger powers even as the federal government attempted to assert US commercial rights.

The declaration of economic warfare inaugurated reciprocal measures by Britain and France designed to bankrupt their enemy and thus destroy their fiscal capacity to conduct war. Similar and less systemic measures of this sort already existed, however, the new measures eliminated neutral trade. Under the terms of the decree, Great Britain was declared blockaded, all ships and goods from Britain or its colonies were subject to seizure, and any trading vessel

that called on any port within the British Empire was refused access to any continental market under French control.\textsuperscript{56} In response and reprisal, the British government issued the Orders-in-Council of January 1807, under which the whole of Europe was declared blockaded unless legal trade was allowed to British merchant ships. Further, the coasting trade in Europe was also barred. Taken together, neutral trade was officially illegal in the eyes both superpowers.

National interests, perceived national interests, and pride also factored in to economic choices. Outside of economic regulations that affected American commerce, Britain also asserted the right to stop and inspect United States merchant ship to search for deserters from the Royal Navy, which caused consternation in the United States and cast British efforts to reconfigure trade patterns in a dark light. A memorial from the New Haven Chamber of Commerce to President Jefferson outlines the basic complaints against the over-exertion of British power and its impingement on American independence. The chamber expressed outrage at British interference with American trade and “the unwarrantable impressment of seamen” and expressed the willingness of the Chamber to support “every measure of government calculated to accomplish this important object.”\textsuperscript{57}

Impressment almost resulted in war in 1807; removing sailors from private vessels may create indignation but firing on a vessel of the US navy could have been considered an overt act of war. In June 1807, the HMS \textit{Leopard} caused an international scandal by firing on the USS \textit{Chesapeake} in an effort to recover four British deserters sailing on that ship. Three men were killed and sixteen wounded; all four alleged deserters were taken aboard the \textit{Leopard}.\textsuperscript{58} Britain did disavow the action and returned the three surviving sailors, but the incident soured Anglo-

\textsuperscript{56} Heckscher, \textit{The Continental System}, 91.
\textsuperscript{57} \textit{Annals of Congress}, 9\textsuperscript{th} Congress, 1\textsuperscript{st} Session, 17 February 1806, 278.
\textsuperscript{58} Hickey, \textit{The War of 1812}, 16.
American relations. President Jefferson concluded that the limited non-importation law was ineffective, and the *Leopard* incident gave him the political capital to advance a more aggressive policy.

Addressing Congress in October 1807, Jefferson outlined a series of British abuses of American trading rights. Beyond the problem of impressment and the particular case of the *Leopard* and *Chesapeake*, British interference in American trade was unsustainable both politically and economically.

The Government of that nation [Great Britain] has issued an order interdicting all trade by neutrals between ports not in amity with them; and being now at war with nearly every nation on the Atlantic and Mediterranean seas, our vessels are required to sacrifice their cargos at the first port they touch or to return home without the benefit of going to any other market. Under this new law of the ocean our trade on the Mediterranean has been swept away by seizures and condemnations, and that in other seas is threatened with the same fate.59

Without an effective means of resisting British incursions by force, and with negotiations seemingly fruitless, a new approach was required.

A new policy proposed by Jefferson took a form that the New Haven Chamber would not have expected or supported. While the Chamber had argued that “our citizens have already formed commercial habits, which are too firmly established to yield to a different policy,” it also believed that “the commerce of the country will amply reimburse the necessary expenses of protection.”60 New Haven’s opposition to trade restrictions was typical for New England port cities that relied on foreign trade for economic survival. However, Jefferson paid little heed to the merchant interests. Instead, Jefferson called for a complete embargo on all US foreign trade.

60 *Annals of Congress*, 9th Congress, 1st Session, February 17, 1806, 5.
Previous experience suggested that denying Europe access to American consumers would succeed in securing political concessions. Jefferson’s policy built on memories of boycotts against British colonial trade management in the 1760s and 1770s, when popular action against colonial taxation policies such as the Stamp and Townsend Acts caused changes in British policy based on the real or perceived effects of American market closures on the British economy. This view of the past success of economic coercion shaped Jefferson’s economic policies. As the historian Doron Ben-Atar notes, the embargo was the “culmination of Jefferson’s long-held commercial views” that “American commerce could be used as an instrument for forcing the belligerent nations to do American justice and to respect the republic’s honor.” In this assessment the Embargo Act was the product of a genuine ideological stance that saw little value in merchants, in general, and of British merchants, in particular.\textsuperscript{61}

Under the terms of the embargo, the United States would not engage in foreign trade until its rights as a neutral power were respected by Britain and France. The possibility of war in 1807 over the \textit{Leopard} incident drew into question the ability of the United States government to pay for war for the first time under Jefferson. In his 1807 Report on the State of Finances, Treasury Secretary Albert Gallatin proposed a basic principal of Jeffersonian-Republican fiscal policy in the case of war. In all circumstances, sufficient revenue must be collected to fund the peace time establishment, pay interest on existing debt, and the interest on any debt sustained as a result of war expenses. Further, loans were preferable to increased taxation to meet extraordinary expenses as loans were the product of accumulated capital rather than a burden on citizens.\textsuperscript{62} In the fall of 1807, Gallatin informed Congress that the only way that a war could be funded

through loans and investment in government securities would be by capitalists whose money was idle under the embargo law. The US lacked an adequate system of internal taxation to fund a war in the absence of substantial private investments into the war effort.

The American Embargo Act was only one of several trade restriction measures passed in winter 1807. British Orders-in-Council in November and December 1807 prohibited all neutral trade with Europe unless the vessel first entered a British port. Napoleon’s first Milan Decree of November 1807 further stipulated that any British goods on any vessel, or the cargo of any vessel that stopped at a British port trading with Europe, should be confiscated as contraband. The second Milan Decree the next month stipulated that any trading vessel that submitted to British inspection on the high seas, visited Britain, or paid any British duties were declared British property for purposes of French law. This was a perverse reapplication of earlier policies governing Anglo-American trade under the Polly doctrine of 1800. Landing in a British port naturalized the imported products as British goods. These decrees transferred what had been an ad hoc arrangement into the official economic and political policy of all European territory under the control of Napoleonic France, which by 1807 included all of Europe outside of Russia and Portugal.

Taken together, the embargo, Orders-in-Council, and the Milan Decrees created multi-sided political and practical difficulties. By the dawn of 1808, foreign diplomacy, domestic politics, and the very real problems of enforcement combined to complicate Jefferson’s designs. The effort was not automatically doomed to failure, as it did create a series of conversations in

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64 Heckscher, The Continental System, 117.  
65 Ibid, 91.  
66 Ibid, 124.
the British press about the role of American neutral trade. Interested parties on both sides of the Atlantic sought to manage the situation to gain advantage from the morass.

Some British merchants stressed the public benefits of accommodating American demands. Alexander Baring noted that the true beneficiary of increased US trade with Europe was actually Great Britain. The trade surplus Britain had with the United States covered the trade deficit with other trading partners. Even more importantly, the trade surplus enabled Great Britain to sustain the war effort against Napoleon:

I [Baring] have shewn, that, even supposing the cordial co-operation of America in the execution of the Orders in council, there would be a diminution of our receipts from the continent of four or five millions sterling. The moderate state of our foreign exchanges for some time past, shews how much we want this large aid, which our American connection indirectly afforded…In this manner we have paid to a considerable extent, for the support of our fleets and armies in the Mediterranean and the Baltic, and by sending our manufactures to America; a circumstance which must be easily understood by those who know the effect of the general circulation of exchanges, and that bills are frequently drawn in Paris, or Madrid, whilst the real transaction in merchandise, which gave rise to them may have taken place in Russia or in India.67

Other British commentators offered a more systemic examination of the crisis. Citing the existence of immutable economic laws, “A Merchant of the Old School” noted that

It was, no doubt, the speculation of that consistent Christian character, the author of “War in Disguise,” and of the other ingenious persons who devised these measures, that they will curb the enemy’s trade, and get rid also of every rival, by destroying the traffic of our friends. Unhappily for the speculation, there is a contradiction involved with this fine plan. It happens unluckily, that in every description of trade there must be a buyer as well as a seller. We must have some customer able to pay for our goods, otherwise we need not manufacture them, for we cannot sell them.68


68 “A Merchant of the Old School”, *War with America. The Crisis of the dispute with the United States: being an exposition of the points, political and commercial, now at issue between the two governments; in a series of three letters. Addressed to his royal highness the prince regent; by a celebrated public writer; with an explanatory preface* (London: Richard Taylor and Co., 1811), viii.
This exchange presents a series of familiar arguments. Whether wealth could be gained via the control of trade or through allowing trade to proceed unhindered echoed the arguments set forth by Adam Smith and the debates of the 1780s on the place of post-war American trade with Great Britain. Both emphasized the benefits of accommodation, but not necessarily for the reasons that Jefferson or Madison would have embraced. Rather than presenting an argument supporting the political rights of the US as a neutral power, both see concessions to the US as a matter of self-interest for Great Britain. Providing money for the struggle against Napoleon by drawing wealth out of his own dominions was the key goal, and US interests were incidental to pursuing British goals.

While British merchants did criticize British policies, some Americans reacted with striking outrage toward Jefferson. The Boston Chamber of Commerce had supported protests against impressment by the Royal Navy, but also warned that “the habits of the country, so long and firmly established could not be suddenly changed, without producing consequences the most distressing and destructive.” Boston’s opposition to trade restrictions was typical for New England port cities that relied on foreign trade for economic survival. The goal was the protection for trade, not an embargo of undefined duration. American farmers and grain merchants also suffered without dependable foreign markets. In his travels through the US, John Lambert discovered in his visit to New York City that “after the embargo took place, the price of provisions fell to nearly half… and European commodities rose in proportion.”

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70 John Lambert, Travels through lower Canada, and the United States of north America in the years 1806, 1807, and 1808. To which are added, biographical notices and anecdotes of some of the leading characters in the United States; and of those who have, at various periods, borne a conspicuous part in the politics of that country. Vol 2 (London: Richard Phillips, 1810), 175.
Ineffective enforcement, domestic opposition, and the lack of apparent effect on British or French policies created three difficulties for Jefferson’s embargo. Even more serious was the effect of the law on the nation’s fiscal condition. Income from customs duties provided approximately 96% of federal revenue in fiscal year 1807. Treasury Secretary Albert Gallatin’s December 1808 report to Congress noted that “if the embargo and suspension of commerce shall be continued, the revenue arising from commerce will, in a short time, entirely disappear.” From fiscal year 1808 to 1809, federal tax revenues fell by over 50%, and a budget surplus of $7 million became a deficit of $2.5 million. This loss would be unsustainable unless a radically new and politically unsustainable program of internal taxation was created to fund government operations.

President Jefferson’s eighth annual address to Congress in November 1808 signaled the end of the embargo. Although neither Great Britain nor France rescinded the trade regulations that led to the embargo, Jefferson attempted to claim the benefits of the law outweighed the costs. The experiment failed in extracting concessions from foreign powers, but the protection offered to American seamen from impressment and property from seizure was an adequate repayment for the privations caused by the law. In essence, this protection was bought at the price of idling a lucrative sector of the American economy, capital resources, and widespread unemployment for laborers in a multitude of trade-related occupations. Historians have been

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71 “A General Statement of the Annual Receipts of the United States, from the commencement of the present government, to the 31st December, 1807.” American State Papers: Finance 2:319. Receipts from customs duties $15,845,521.61, amount from all other sources (liquor taxes, direct taxes, postage, land sales, and other fees) $523,205.58.


severe in their assessment of Jefferson for good reason. The embargo’s actual impact on France and Great Britain was negligible. As a practical matter, the Royal Navy already succeeded in interdicting direct trade between France and its colonies. According to historian Bradford Perkins, Napoleon saw little value in the produce of the few remaining colonies. In Britain, the embargo caused a rise in the price of grain and disrupted a few minor elements of the economy such as linen production, but the ultimate victim of the American embargo was the United States.75 According to Douglass North, the embargo caused a “collapse in domestic prices and widespread unemployment.”76

The period from Jay’s Treaty in 1794 to the Embargo Act of 1807 represents the norm for American grain exports as a crucial Atlantic trade good in the late-eighteenth and early-nineteenth century. The importance of this trans-national trade has been missed due to historiographic priorities that favor an overly political analysis that presumes economic rupture with the start of US independence. For grain exports, however, both Federalists and Democratic-Republicans supported farmers and promoted access for their products in foreign markets. It could be argued that Federalist policies were actually more successful in this pursuit. The historiographic implications of this are significant, as it questions the conventional wisdom that links Democratic Republicans and the image of Jefferson’s beloved yeoman farmer. As historian Bradford Perkins and others persuasively argue, the embargo was an economic disaster for the United States. However, why it was such as disaster has been insufficiently examined. The embargo failed because the continuity of economic interests and trading patterns from the colonial era, the Federalist administrations of Washington and Adams, and the first six years of

76 North, Economic History, 55
Jefferson’s regime could not be undone—even temporarily—without a tremendous blow to the US economy.

It was not until 1806, and the start of economic warfare between Great Britain and France, that the geopolitical protection for neutral trade across the Atlantic shifted. Jefferson’s conflation of domestic exports with the carrying trade of goods from the West Indies under the banner of neutral trade rights collided with British and French conceptions of imperial control, leaving the US in an increasingly untenable position. The second Jefferson administration’s management of foreign policy, domestic interests, and trade struggled to reconcile multiple competing pressures with few obvious answers and no easy solutions. The United States was trapped as a neutral trading power between France and Great Britain as the Napoleonic Wars transitioned to a long-reaching system of economic warfare between contending world powers. One must concede that the Embargo of 1807 did succeed in preserving peace at a time when war was a very possible outcome of the Chesapeake-Leopard incident. The potential costs of that conflict are unknowable. The policy attempted to create an ideal solution for multiple problems, however, the law was hamstrung by popular resistance and the need for federal customs revenues to sustain Jefferson’s view of a limited federal government and his conception of the domestic political economy. The moderate policy extracted its own costs, not only in lost revenue and private profits but also in internal dissent and the lesson that trade legislation was not an effective tool of international diplomacy.

British North America played a two-fold and unappreciated role in the geopolitics of the grain trade from the 1790s to 1809. If Jay’s Treaty represented a confession of Canadian inability to assume the role of the US as a granary within the empire, it did not surrender ongoing efforts to do so. Efforts to promote agricultural development and trade in the Canadas as well as
the Maritime Provinces continued throughout this period with varying degrees of success. Geography played an important role as well. The policy failed because Americans had options other than obedience. Thus, the embargo is also an inherently Canadian story. The existence of British North America as both a consumer of US grain products but also a conduit for illegal American trade during the embargo presented Jefferson and other American officials with a series of law enforcement challenges. The legally flexible attitudes of British colonial officials encouraged open defiance of unpopular trade prohibitions and further exacerbated the already contentious relations between the governments of Great Britain and the United States even as the goods of each side were much sought after.
CHAPTER 5
GROWING, TRADING, AND SMUGGLING GRAIN:
FEEDING BRITISH NORTH AMERICA, 1794-1809

The state of British North American agriculture directly led to Jay’s Treaty in 1794 and had significant lasting consequences for Anglo-American relations from the mid-1790s to the Embargo of 1807. Agricultural development in this period was modest and reflected ongoing continuity with earlier colonial conditions. Despite continued population growth and immigration, British North America remained incapable of replacing the US as the primary source of agricultural products in the Atlantic economy. The pattern of fluctuating export volumes and occasional local shortages present in the 1760s remained the norm to the start of the nineteenth century, and starting in 1802 a gradual decline in agricultural surpluses is clear. Thus, when Anglo-American relations collapsed in 1807, the revival of agriculture in the North American British colonies was important. In a perverse set of circumstances, it was not only local production that contributed to the importance of British North America to the grain economy. The colonies also provided a means for disenchanted US producers to utilize long-standing trade routes by land to the Canadas and by sea to the Maritime colonies to circumvent the embargo and remain integrated with the larger Atlantic economy.

The Canadas, 1794-1807

Much of the scholarly literature about Canadian agriculture during this time focuses on the agricultural crisis in Lower Canada after 1802. This has been the subject of numerous contentious volumes debating alternative interpretations about the reasons for the decline in grain
exports due to some combination of production failure and/or increasing local consumption. Assessing early agriculture production in the Canadas is difficult due to the lack of quantitative data, as Robert Armstrong’s *Structure and Change: An Economic History of Quebec* notes, no agricultural census was conducted there prior to 1827.

Historical assessments of Lower Canadian agricultural development has produced a significant and emotive, yet somewhat misdirected, series of inquires between two major contending interpretations. In essence, the conflict between Fernand Ouellet and the Laval School and their opponents in the Montreal School are not based on evidence. Lacking any broad agricultural census data, both the Laval and Montreal schools rely on export records and the question of whether the export data can be used as a proxy for production is hotly disputed. The inability of Quebec grain production to serve as a replacement for US imports is agreed upon.

Agricultural production became a proxy to assess the overall state of the French-Canadian economy (and even society) in these debates. Both sides agreed that grain exports from Quebec declined after 1802. Conclusive quantitative evidence about grain exports from the

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2 Robert Armstrong, *Structure and Change: An Economic History of Quebec* (Ottawa: Gage Publishing Limited, 1984), 71. According to Armstrong, there is no time series data on agricultural production from 1760-1850, and no census reports on agricultural production from 1739-1827.  

United States, Canada, or the Maritimes remain elusive for the 1780s. Ouellet’s work does offer some insight about exports from Quebec and Montreal, the scale of trade is relatively minor and in some cases is incomplete; this also does not include any data for the Maritimes or for grain traded across the US border until 1808. Whether the decline in exports and the inability of Canada to take the place of the US as an imperial granary was due to increasing domestic demand (as proposed by the Montreal School, thus indicating a productive but not export oriented agricultural economy) or as a sign of declining production (as proposed by the Laval School, thus indicating an agricultural society in crisis) is not important to this study. Export statistics remain the most applicable quantitative resource to assess the state of Canadian agriculture, yet the critical issue here is to assess the consequences (rather than the causes) of that decline.

Demand for grain in Britain stimulated Canadian production throughout the 1790s. According to Ouellet, “during the decade 1793 to 1802, Quebec’s agriculture finally knew prosperity.” 1802 was the high point of wheat exports from Quebec. Yet, he also notes that production failures resulted in the export volume diminishing by half in 1803. The 1804 and 1805 harvests were also mediocre. A short recovery in 1807 briefly concealed a general decline in export surpluses that effectively eliminated Quebec as a substantive actor in the imperial grain trade. Declining production was accompanied by grain speculation and monetary inflation.

Combined, these factors further suppressed exports and fueled a rise in prices for Quebecois

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consumers. Given the new settlement of “late loyalists” in Upper Canada, the new province provided little to spur grain export. Even in the banner year of 1802, only about 4 percent of grain exports from the Canadas originated in Upper Canada.

Conflating what was theoretically possible for Canadian agricultural development versus what was actually possible was a long-standing problem related to utopian colonial hopes (see chapters 2 and 3). Writing in February 1808 to Lord Bathurst, John Caldwell’s report on the state of Canadian agricultural potential was reminiscent of Lord Sheffield’s optimism 30 years prior. In Caldwell’s opinion, the prosperity of the colony depended on the development of agricultural markets beyond Great Britain. In particular, he advocated for US exclusion from the grain markets of Newfoundland and Nova Scotia. Beyond the fisheries, if the British military and the West Indies drew on Canadian suppliers, rather than US ones, both the colonies and the crown would benefit. However, he also favored continuing grain imports into the Canadas from Vermont and New York as a practical necessity.

Caldwell’s report illustrates a number of significant elements of the British North American grain economy in early 1808, and its timing is especially valuable in the wake of the embargo declaration, even though reconciling his observations with Ouellet’s account of Quebec agriculture is not possible beyond 1802. The continued trade across the international border is well supported. Caldwell, once again, reopened the idea of the Canadas as a replacement source of grain instead of the US. However, the text also hints at a significant problem with this goal as the military forces of Great Britain in Atlantic Canada and the vital Newfoundland fisheries depended, at least in part, on US supplies. Combined with the continued trade across the land

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5 Ouellet, *Economic and Social History of Quebec*, 187-94.
6 Ibid, 156-7.
7 John Caldwell to Lord Bathurst, 5 February 1808. Library and Archives of Canada (hereafter LAC), roll H-2961.
border between British North America and the US, Caldwell’s critique of the state of the grain trade also serves as evidence of its continuity. Continuity, in this case, meaning a direct acknowledgement of the continued role of US producers and traders in the British Atlantic grain economy.

In his travels through the US and Canada, John Lambert also commented on Canadian agricultural development. Writing in 1810, he hinted at problems for grain exports beyond the lack of supply proposed by Ouellet and the competition of US producers suggested by Caldwell. There was demand for grain in Great Britain that did provide a certain stimulus to production, but the increased demand did not amount to a reliable or permanent market for Canadian surpluses.

Within the last twenty years, great quantities of wheat have been raised in Canada, and exported to Great Britain. The temporary scarcity experienced in England, at certain periods, increased demand for that article, and encouraged the Canadians to cultivate with more spirit than, till then, they had been accustomed to. The demand did not always answer their expectations, and has been for some years in a decreasing state.8

Parliamentary statistics further suggest that Lambert overstated the market for Canadian grain in Great Britain. Only starting in 1801 is there any record of imported Canadian grain into the home country and that was a relatively paltry 6,433 hundredweight. This increased to 41,870 in 1802, and from that peak declined into insignificance. With the exception of a brief aberration in 1807, Canadian flour exports to Great Britain remained minimal. For unprocessed wheat, the statistics are slightly more hopeful. 1795 saw a significant export crop, however, it was not until 1800 that yearly exports again

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8 John Lambert, *Travels through Lower Canada, and the United States of North America in the years 1806, 1807, and 1808. To which are added, biographical notices and anecdotes of some of the leading characters in the United States; and of those who have, at various periods, borne a conspicuous part in the politics of that country. Vol 1* (London: Richard Phillips, 1810), 100.
approached 20,000 quarters. After four years of exceptional export volumes, wheat exports also declined until a brief revival starting in 1807.9

**Nova Scotia 1793-1807**

Jay’s Treaty provided a commentary on the state of agriculture in Nova Scotia. The waves of loyalist migration had not resulted in a new imperial granary. The best case estimate is that population increase and growing grain production were roughly equal, but even this is likely an optimistic assessment of actual economic behavior. The important tie to US grain imports, both for local consumption as well as to support the British military and for re-export remained strong.

The war in the West Indies between revolutionary France and Great Britain provided a real opportunity for Nova Scotian agriculture, but whether or not the opportunity could be seized was less certain. In response to a letter form Archibald Mitchell, a commissariat officer with contracts to supply British forces in the Caribbean, Lieutenant Governor John Wentworth noted that although the contract specified that the supplies should be drawn from British colonies, there was no prohibition on purchases in the US provided that the British colonies could not provide the quantity of produce required. Soon after, Wentworth noted that he had authorized importing provisions from Boston as “no other possible remedy existed.” He expressed hope that local production would one day support both consumption and export, but at the present time this was not the case.10 In an April 1795 memorial to Wentworth, the provincial assembly lamented the

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9 “An Account of the Quantity of Grain, Meal, and Flour imported into Great Britain from Foreign countries; and also from Ireland, in each year, from 1792 to 1814, both inclusive; distinguishing the Countries from which imported, and the different kinds of Grain” House of Commons Papers, Vol. 10, Paper No. 169, 2-11. [https://parlipapers-proquest-com.prxy4.ursus.maine.edu/parlipapers/docview/t70.d75.1814-004237?accountid=14583](https://parlipapers-proquest-com.prxy4.ursus.maine.edu/parlipapers/docview/t70.d75.1814-004237?accountid=14583). For wheat exports 1800-1804, totals amount to 19,420, 55,632, 69,548, 41,412 and 21,156 quarters respectively.

10 Wentworth to Archibald Mitchell, 11 May 1794; Wentworth to Captain Vaughan, 10 June 1794; Wentworth to the Duke of Portland, 20 December 1794. Provincial Archives Nova Scotia (hereafter PANS), roll 15238.
presence of many US imports in the colonial economy. They limited domestic production and interfered with Nova Scotian efforts to compete in the lucrative West Indian markets. Yet, the memorial made a significant exception to this complaint by specifically excluding US imports of wheat, flour, corn, and bread from prohibition.11

Five years later, conditions had not improved. In 1800 US exports of corn to Great Britain interfered with colonial imports. As a result, Wentworth dispatched local merchants and military contractors Lawrence Hartshone and Jonathan Tremain to Canada for supplies of flour. This flour was intended for both military and civilian needs as “scarcity is already commanded and we apprehend will seriously increase from the great diminution of our crops last year.”12 This situation illustrates two important elements of the grain trade. First, the important intersection of military and civilian demand in the Nova Scotian economy. Grain was a local subsistence concern as well as with notable imperial military interests that facilitated long-distance markets. Second, it underscores the fragility of Nova Scotian crop yields. A poor harvest in 1799 created scarcity only a few months later that could only be fulfilled by external resources.

Wentworth assured Lord Hobart in 1803 that no Parliamentary restriction on trade with the United States due to fears of smuggling was required as “the value of corn, flour, provisions, and other legally imported articles necessary for this country [Nova Scotia]” was such that any smuggled goods would be “a very insignificant trifling amo’t [sic].”13 Wentworth’s letter provides an intriguing insight into the extent of foreign resource dependency. The need for US

11 Nova Scotia House of Assembly to Wentworth, 9 April 1795. PANS, roll 15371.
12 Wentworth to Lt. Governor Milnes, 3 May 1800. PANS, roll 15238.
13 Wentworth to Lord Hobart, 10 May 1803. PANS, roll 15239.
grain imports was so lucrative and consistent that legal trade in produce was more profitable than any potential returns from illicit commerce.

The long-promised surplus for domestic Nova Scotian production remained in the future. An April 1804 memorial from the merchants of Halifax lamented that the province “is not yet so far advanced in agriculture as to produce sufficient for the inhabitants and trade.” Wentworth was also obligated to write to contractor George Harrison, that although “Nova Scotia and New Brunswick do not produce more flour or bread corn than necessary for the consumption of their own inhabitants….the large purchases unavoidably made for His Majesty’s service from the United States of America” could be used at least until wheat exports from the Canadas could be procured. The formulaic nature of this correspondence stretching over two decades is telling. A declaration of grain shortages in the province is followed by a temporary admission of US grain due to extenuating circumstances. This is followed by a statement of a pious hope that soon a locally produced surplus would render these measures unnecessary. The protests of Halifax’s merchants are also formulaic as they remonstrated against US trade with the West Indies as a detriment to local interests but also exclude US grain imports from that protest. The relationship between grain production, consumption, and trade patterns linking the colony to the resources of the United States remained a basic and persistent need that was essentially unchanged from before the War for American Independence.

There were public and private efforts undertaken to encourage wheat production in Nova Scotia, and thereby reduce the influence of US imports on the colony. The provincial government attempted to increase grain production through economic incentives, including a bounty placed on wheat grown on new lands in 1806, but such measures failed to adequately

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14 Wentworth to Hobart, 14 April 1804. PANS, roll 13869.
15 Wentworth to George Harrison, 27 October 1807. PANS, roll 15239
encourage the expansion of wheat farming.\textsuperscript{16} Beyond more acreage devoted to wheat, private interests also encouraged agricultural intensification. A circular pamphlet distributed by The Board of Agriculture offered prizes specifically for Nova Scotian farmers. Among others, the board offered a gold medal for ascertaining the most effective use of seed and soil preparation for wheat growth, 50 guineas for the best essay on the culture of wheat in the province, and a piece of plate for the most satisfactory experiment on the planting of spring wheat.\textsuperscript{17} These efforts held potential promise for the future even as the deep connection to US agriculture persisted.

**The Embargo, Enforcement, and Smuggling to the Canadas**

In theory, the Embargo Act of 1807 withdrew the US from all economic contact with the outside world. The philosophical arguments for and against the Act were outlined in chapter 4, yet there were additional difficulties to severing the long-standing trade relationships between the US and foreign consumers. Most obviously, elusive effective law enforcement challenged the ability of Jefferson’s government to implement the embargo on a citizenry that maintained close economic connections with the outside world.

The fact that the embargo reduced American exports of both domestic products and the re-export of foreign goods is clear (see chapter 4). One of the unforeseen effects of the total embargo was the transfiguration of what had been a question of seaborne commerce and neutral trading rights into a national economic crisis that affected every corner of the country including regions far from the sea. The experiment in isolationism also affected the cross-border trading routes between the United States and the Canadas and New Brunswick. Originally, it was unclear

\footnotesize{\textsuperscript{16} RG 103, PANS.}  
\footnotesize{\textsuperscript{17} Board of Agriculture to the Earl of Camden, 25 June 1805. PANS, roll 13870.}
if the embargo included land trade or only ocean-borne trade. A prohibition on trade across the
Canadian land border was included in a supplementary embargo act passed in March 1808.¹⁸

The Canadas had a long cross-border trading relationship with Vermont and New York.
Negotiations between British governor Lord Dorchester and Vermont resulted in an 1786
agreement to allow Vermonters to export lumber, naval stores, agricultural goods, "or anything
else of the growth and produce of Vermont" via the St. Lawrence and to "import the
manufactures of Great Britain and East and West Indian products on the same terms as the
Canadians."¹⁹ Canadian merchants convinced the British government to allow free trade between
the United States and Canada. In addition, American goods exported through Canada would be
considered Canadian for purposes of imperial trade legislation.²⁰ By 1791, the artificial
boundary between the United States and British North America established by the Treaty of Paris
that separated the Empire of the St. Lawrence ceased to exist insofar as British trade regulations
were concerned. According to historian Chilton Williamson, by 1798 “the boundary had all but
disappeared from the consciousness of Vermonters and Canadians…..the sense of American
nationality was so weak and the commercial connections with Canadians so numerous that the
Vermonters’ feeling at this time towards the Canadas was almost as it had been before the
American Revolution.”²¹

¹⁸ Reginald C. Stuart, United States Expansionism and British North America, 1775-1871 (Chapel Hill: University
¹⁹ W.A. Mackintosh, “Canada and Vermont: A Study in Historical Geography,” The Canadian Historical Review,
Vol. 7, No. 1 (March 1927), 16.
²⁰ Donald Creighton, The Commercial Empire of the St. Lawrence, 1760-1850 (Toronto: Ryerson Press, 1937), 105.
The long-standing pattern of cross-border trade survived in the political climate of the post-US independence period. Writing from Lewistown, New York, on his return journey to Canada, John Melish made a careful note on the influence of smuggling between the two countries.

A very considerable portion of the trade of the river, and these towns, is derived from Upper Canada and the United States; and exports, chiefly grain, flour, provisions, potash, timber, naval stores, furs, & c. have late been very great. The imports are chiefly British goods, with which the inhabitants contrive to supply a considerable part of the United States, by smuggling and the Americans, in return, smuggle tea, coffee, & c. to the Canadians.  

Melish’s account reflects a well-developed system of exchange based on supply and demand of various commodities. Local citizens paid little heed to legal prohibitions and formal political denunciations of open trade policies were accompanied by outright evasion of the law. The embargo, then, merely added a variation on the familiar theme of local defiance towards unpopular trade regulation.

As a precautionary measure in April 1808, President Jefferson authorized Treasury Secretary Albert Gallatin to arm and man customs enforcement vessels and instructed Vermont governor Israel Smith to use the militia in support of the embargo, if necessary.  

Jefferson’s proclamation charged that “sundry persons are combined, or combining and confederating together on Lake Champlain….for the purposes of fomenting insurrections against the authority of the laws of the United States.” He further called for all civil and military officers, as well as all citizens, to “be aiding and assisting by all the means in their

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22 John Melish, travels in the United States of America, in the years 1806&1807, and 1809, 1810, & 1811; including an account of passages betwixt America and Britain, and travels through various parts of Great Britain, Ireland, and Upper Canada. Vol. 2 (Philadelphia: Thomas & George Palmer, 1812), 335-6.

power by force of arms or otherwise to quell and subdue such insurrections or combinations.”

Lambert’s observations in the area found little popular support for Jefferson’s embargo measures, and active opposition to its subsequent enforcement mechanisms.

The Vermontese were much enraged at the idea of being considered, and denounced as rebels, in consequence of a few frays between the Custom-house officers and smugglers; and many of them, as I passed through that state on my return to Canada, declared to me, that the disturbance existed only in the president’s brain.

Lambert’s allusion to Jefferson’s intellectual state is superficially a gratuitous personal quip based on policy differences. On closer examination, it exemplifies a deep strain of popular opinion that rejected stringent federal law enforcement that transgressed a matter of local concern.

Jefferson issued a similar proclamation for the Oswego region of New York with its parallel circumstances to those in Vermont. The President again authorized the use of troops to protect customs collectors as “a virtual civil war erupted between local residents violating the embargo and customs officers trying to enforce it.” Three months later Gallatin called for militia support to repress popular discontent and judicial obstruction. Bands of armed smugglers openly menaced customs collectors, and in August 1808, 60 smugglers attacked the customs house. New York governor Daniel Tompkins appealed to Gallatin and Jefferson for more help, by the end of the month three companies of regulars patrolled Oswego, Sackett’s Harbor, and Plattsburg. Not surprisingly, the soldiers tended to be unpopular with local civilians. Joseph

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26 Harvey Sturm, “Smuggling in the War of 1812,” History Today, Vol. 29, No. 6 (August 1979), 533.
Rossell, an observer in Oswego, regarded them as “a banditti of rapscallions” and a public celebration was held upon their leaving the community.  

Public meetings dispatched remonstrances to Congress demanding that the Canadian portion of the embargo be lifted on the practical consideration that the law would adversely impact the local economy.  

A more theoretically-minded commentator writing as “A Citizen of Vermont” regarded a close examination of the law as a matter of loyalty “to the whig principles of free-inquiry that we owe our revolution and our liberties.” In his opinion, the government’s reaction to danger on the high seas did not justify a land embargo. He continued that the embargo would destroy commerce, and thereby solve the foreign relations problems of the US, by disconnecting American prosperity from the European war.  

The federal government faced a stiff challenge to its authority as it attempted to enforce a law that was opposed by most people who lived on the northern borderlands with British North America. US law enforcement efforts received no help from British officials in Canada and smuggled goods found easy markets on both sides of the border.

Efforts to enforce the embargo on Lake Champlain and along the St. Lawrence failed in spite of government efforts. Many militia deployed to uphold the law deserted, and those that remained did little to stem the tide of US goods flowing north. Sympathetic militiamen were corruptible, and international laws regulating privateering could be manipulated to support “collusive capture” of friendly vessels posing as “prizes.” Many traders simply carried their cargos to towns near the border and waited for a favorable opportunity to cross. Even if

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29 Muller, “Smuggling into Canada,” 8.  
31 Muller, “Smuggling into Canada,” 16.  
32 Ibid, 10-14.
smugglers were caught by federal authorities, local judges and juries were reluctant to convict.\textsuperscript{33} Other, bolder smugglers openly fought federal authorities if they attempted to enforce the embargo law.

Although reliable statistics for the extent of smuggling during the embargo are elusive for obvious reasons, the increasingly stringent measures taken by the Jefferson administration to enforce the embargo clearly indicate that the volume of illegal trade was substantial. Historian Alan Taylor noted that the embargo functioned as a stimulant to cross-border trade with farm produce from the states routed through the Canadas. Further, the lack of American competition stimulated Canadian exports.\textsuperscript{34} Contemporary observer John Lambert emphasized both the efforts by US officials to curtail smuggling and the failure of these efforts.

The facilities afforded to smuggling, between Canada and the United States, have been sufficiently exemplified since the promulgation of the Embargo-Act; for, in spite of the armed militia and customs-house-officers stationed along the American side of the line to enforce the laws, the timber, pot-ash, provisions, and almost every other article brought into the province in 1808, has more than doubled the quantity received from thence in 1807.\textsuperscript{35} Parliamentary statistics for the export trade to the West Indies suggests that Lambert underestimated the effect of the embargo on cross-border trade relating to flour. From 1800 to 1806, total bread and flour exports from the Canadas vary between 1,336 and 4,226 hundredweight with the maximum quantity in 1803. 1807 exports amount to 539 hundredweight, but 1808 jumped to 47,782 and then plunged to 5,623 in 1809.\textsuperscript{36} 1808 was the

\textsuperscript{33} Stuart, United States Expansionism, 49

\textsuperscript{34} Alan Taylor, the Civil War of 1812: American Citizens, British Subjects, Irish Rebels, and Indian Allies (New York: Alfred Knopf, 2010), 119.

\textsuperscript{35} John Lambert, Travels through Lower Canada, and the United States of North America in the years 1806, 1807, and 1808. To which are added, biographical notices and anecdotes of some of the leading characters in the United States; and of those who have, at various periods, borne a conspicuous part in the politics of that country, Vol 1 (London: Richard Phillips, 1810, 253.

only full calendar year of the US embargo, which explains why Canadian exports increased dramatically that year and then immediately dropped. Combined with Ouellet’s assessment of the Quebec agricultural sector in this period, it seems clear that smuggled US produce represents the increase in exports. That is, US agricultural goods were illegally imported into Canada and then re-exported at a considerable profit. Thus, the total volume of wheat and flour moving across the border far exceeded even Lambert’s already substantive estimate.

**Smuggling by Sea and the Maritime Provinces**

US officials received little help enforcing the embargo at sea from British authorities, who openly undermined the law. Writing in 1815, Treasury Secretary Alexander Dallas complained

> No sooner had the American government imposed the restrictive system upon its citizens, to escape from the rage and depredation of the belligerent powers, than the British government, then professing amity towards the United States, issued an order, which was, in effect, an invitation to the American citizen to break the laws of their country, under a public promise of British protection and patronage, to all vessels, which should engaged in illicit trade, without bearing the customary ship’s documents and papers.37

Dallas’ diatribe contained a great deal of truth, although why he supposed that British officials would help American ones curtail trade that operated to the advantage of Great Britain seems naïve, at the very least. The British rationale for aiding American smugglers and subverting US law was two-fold. For British officials, the embargo was only one part of a broader geopolitical chess game between Britain and Napoleonic France. Writing to his brother Sandy in October 1808, the Nova Scotian political leader Alexander Howe noted that the embargo represented “the American president’s unconditional submission to the will of the French government.”38 He understood counteracting Jefferson’s agenda to

38 Alexander Howe to Sandy Howe, 12 October 1808. PANS, roll 9668.
advance the broader struggle against Napoleonic France. Moreover, there was a material need for American produce in Nova Scotia, particularly grain as there were no available substitutes. These factors combined to create a pragmatic British response to the embargo that also infuriated US officials.

The original incarnation of the law did not function as designed, so the Jefferson administration continuously modified it as shortcomings in the policy manifested themselves. In one reform, Jefferson attempted to enforce the embargo by inserting a provision into the law requiring the masters of all vessels clearing US ports to post a bond equal to double the value of the vessel and cargo. This January 1808 provision stipulated that all fishing vessels leaving port post a bond amounting to four times the value of the vessel and cargo to ensure that the ship would not enter a foreign harbor. These measures proved inadequate, and an April 1808 addition to the law mandated that any vessel leaving an American harbor must load all cargo under the supervision of revenue officers. A further requirement was imposed on all masters and mates of trading ships to provide proof to the customs service of the port where the cargo had been landed within four months.

British and colonial merchants and officials spared no efforts to make the US embargo untenable. The May 4, 1808 Nova Scotia Council meeting minutes record two superficially contradictory responses to the embargo. A petition from Halifax merchants complained that the efforts to procure American produce prior to the implementation of the embargo had been so successful that the province could not absorb all of the imports. Thus, the merchants pleaded for permission to export the excess to the West Indies and Newfoundland. Sir George Prevost,

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40 “An Act to enforce and make more effectual an act entitled ‘An act laying an embargo on all ships and vessels in the ports and harbors of the United States’ and the several acts supplementary thereto,” 9 January 1809. Statutes at Large: 10th Congress, 2nd Session 506-07.
Lieutenant Governor of Nova Scotia, agreed to the request, and opened provincial ports to all British vessels trading with any port in the US. This measure did not result in the desired volume of trade. Thus, permission to freely trade in American produce in Nova Scotian ports was extended to neutral American ships carrying cargos of naval stores, specified lumber products, and all provisions including bread, biscuit, wheat, and flour under the same customs laws pertaining to British merchant ships due to a lack of available British merchant shipping.41

Lord Castlereagh deemed Prevost’s actions “counteracting the effects of the American embargo by permission of the import of American produce into Halifax was judicious and well timed, and I am happy to find it is productive of corresponding effect.”42 Prevost’s actions show a canny imperial administrator attempting to reconcile a number of competing goals. Local grain production remained inadequate to support the colonial population or the military base at Halifax. The duration of the embargo was unknown, but the particular nature of grain products as perishable commodities prohibited the indefinite storage of surpluses within the province. The broader interests of the empire, especially demand for provisions in the slave societies of the Caribbean, further encouraged Halifax to operate as an entrepot for re-exported goods. In essence, Prevost was required to balance both the needs of his own province as well as distant imperial holdings. This balancing act created another problem. The lack of British merchant shipping available to support the entrepot function of Halifax required Prevost to permit the use of US vessels in carrying British trade. This represented a clear reinterpretation of British trade laws by a colonial administrator rather than the imperial government in the metropole. The subsequent approval of London underlines the major demand for US provisions in the British

42 Lord Castlereagh [Secretary of State] to Prevost, 8 September 1808, PANS roll 13871.
empire as well as the considerable authority wielded by colonial governors such as Prevost in
Nova Scotia. The response to the embargo and the reworking of British trade law was
innovative, yet in practical terms it ensured continuity in the grain trade of the colonial era prior
to the American Revolution.

Prevost’s legal flexibility and its subsequent approval by British officials in London was
recognized by US officials. Provisions to the Embargo Act were added in January 1809 to allow
the president to employ military force to uphold the embargo and to suppress any riots against
the trade laws as well as to seize any ships and goods where “there is reason to believe that they
are intended for exportation.” Customs officials were empowered to refuse any goods to be
loaded on a trading vessel if in his judgment “there is an intention to violate the embargo.”43 This
power was extended to “any such person as he [the president] shall have empowered for that
purpose, to employ such part of the land and naval forces or of the militia….which may be
judged necessary” to compel obedience to the embargo.44 These increasingly aggressive terms
represented an increase in executive power and sparked swift protests, above all in the New
England borderlands. The Massachusetts legislature typified the response by many in New
England. In a memorial to the US Congress, it called for a repeal of the embargo as it would
“not only complete the destruction of commercial prosperity but prove highly dangerous to the
public liberty, and domestic peace of this people.”45 A force consisting of six navy gunboats
patrolled the harbors of New England; three small warships as well as the frigate Chesapeake

43 Statutes of the United States, 10th Congress, 2nd Session, “An Act to Enforce and Make More Effectual an Act
Laying an Embargo” (Washington, 1809).
44 2 Statutes at Large, 506. Quoted in Coakley, The Role of Federal Military Forces in Domestic Disorders, 88-89.
45 Massachusetts General Court, “Memorial to the Honorable Senate and House of Representatives of the United
States Protest Against the Embargo Act” (Boston: 1809), 2.
were assigned to cruise between Block Island Sound and Portland, Maine, in order to curtail illicit commerce.\textsuperscript{46}

This enforcement regime differed critically from previous systems of trade control, such as the colonial era boycotts. Rather than using the authority of the federal government to manage international trade as a foreign affairs question and using diplomacy as a means of extracting concessions from foreign powers, the armed forces of the US now were deployed to manage the economic behavior of US citizens. This trend would accelerate as life under the embargo wore on.

New laws increased the bond requirements for American fishing and coastal vessels and mandated that all vessels be loaded and unloaded under the supervision of the Customs Service, most notably under the Force Bill added in January 1809. This legislation allowed the president to employ military force to uphold the embargo and to suppress any riots against the trade laws, even permitting the seizure any ships, carts, and goods where “there is reason to believe that they are intended for exportation” and empowering customs officials to refuse to allow any goods to be loaded on a trading vessel if in his judgment “there is an intention to violate the embargo.”\textsuperscript{47} This power was extended to “any such person as he [the president] shall have empowered for that purpose, to employ such part of the land and naval forces or of the militia….which may be judged necessary” to compel obedience to the embargo.\textsuperscript{48}

The embargo was, in theory, directed at all US commerce. Both the domestic trade and the carrying trade were curtailed by the abolition of legal trade. However, the increasing focus

\textsuperscript{46} American State Papers, Naval Affairs, I, 169.
\textsuperscript{48} Statutes of the United States, 10\textsuperscript{th} Congress, 2\textsuperscript{nd} Session, “An Act to Enforce and Make More Effectual an Act Laying an Embargo” (Washington, 1809).
on domestic trade management primarily affected US produce. This particularly meant grain and other agricultural products that formed the plurality of American external trade during this era.\textsuperscript{49} The use of customs enforcement to regulate domestic trade on the fear of embargo violations compounded difficulties for American farmers and grain merchants.

The embargo proved unsustainable. In Nova Scotia, the underlying economic motivations that favored allowing US merchants access to the province had not changed. Provisions remained a problem for the colony, both for local consumption but also as a potential source of supply for other imperial consumers and the military. The regularly scheduled 1809 Parliamentary proclamation on trade policy validated, rather than repudiated, Provost’s free trade policy, suggesting that such a generous policy remained a viable policy option and tacitly acknowledged the authority of the provincial government to modify grain trade laws based on local need and by local authority. The new regulations still permitted trade between the US and British North America, however, this remained limited to certain enumerated articles including lumber products, livestock, and grain “of any sort,” all of which could be exchanged in provincial harbors for manufactures of Britain or its colonies.\textsuperscript{50}

Parliamentary export statistics document an increased volume of bread and flour in the Maritime Province’s trade as a result of the embargo. For Nova Scotia, bread and flour exports to the West Indies from 1800-1807 did not exceed 1,000 hundredweight in any year, but 1808 recorded exports of 12,376 hundredweight and in 1809 of 9,717 hundredweight. New Brunswick reflects a similar pattern. From 1800-1807, bread and flour exports exceeded 1,000

\textsuperscript{50} Sir George Prevost, “Proclamation,” 27 April 1809. PANS, roll 13972. Trade regulations normally contained sunset provisions during this period; as such, Parliamentary mandates in 1809 were part of a regular process rather than a reaction to Prevost’s free trade policy. See chapter 2.
hundredweight only in 1806. In 1808, exports exceeded 30,000 hundredweight and declined to 8,912 in 1809.\(^{51}\)

Two main lessons can be drawn from the Parliamentary trade data. First, much like the case with the cross-border trade with the Canadas, the embargo coincided with increased British North American trade in flour. The correlation between the embargo years and export volumes suggests a causal relationship. Second, the statistics illustrate the deep continuity in long-standing agricultural trade networks and routes. Even the serious exertion of the US federal government could not redirect the accustomed patterns of exchange that built on foundations of economic self-interest coupled with the urgent need to feed societies that were not self-sustaining agricultural colonies.

**Conclusion**

By March 1809 it was clear that the US embargo policy was a failure. Internal dissent, the economic effects on the US, and British policies receptive to continuing trade in the absence of official American political sanctions combined to make the embargo unenforceable. According to historian Reginald Horsman, the Embargo Act “shattered American trade and finances, created bitter internal opposition, and left no possibility of stepping up the pressure on Great Britain by further escalation of the economic measures.”\(^{52}\) From the first debates in Congress, there was a healthy skepticism that the law could or should actually be enforced. Enforcement was almost impossible due to the lack of an internal road network and the reliance on sea communications to transport goods for the domestic market. Outside of other

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commodities, grain exports to British North America and through British North America to the rest of the British Atlantic economy multiplied. Jefferson’s effort to interdict the grain trade through legislation and enforcement could not succeed in ending the well-established trade connections between US producers and British imperial consumers.

Repealing the embargo solved, at least temporarily, the political and economic conundrum of Jefferson’s second administration. As President Madison entered office in spring 1809, further geopolitical changes provided new opportunities and new dangers for US farmers and grain merchants. These new conditions were primarily driven by the ongoing war in Europe, whose consequences reverberated across the Atlantic. British, Spanish, and Portuguese forces combined to resist Napoleon’s territorial ambitions in Iberia. An unintended effect of this military alliance was its spur to vast new demands for provisions and a deeper connection among US agriculture, British capital, and the Napoleonic Wars.
CHAPTER 6
THE UNITED STATES AND THE PENINSULAR WAR

On the surface, the Peninsular War of 1808-1813 in Iberia has little to do with the United States or with American agriculture. The US was not a belligerent power, nor did any of the belligerent powers seek to enlist direct American intervention in the struggle. However, this apparent detachment is more a result of the subsequent historiography rather than an accurate reflection of the US role in Iberia. The American connection to the conflict is obscured as a result of historiographic division on the study of the early nineteenth century. Two articles focus directly on the United States and the Peninsular War; the first by W. Freeman Galpin in 1922 and the second by G.E. Watson in 1976.¹ Beyond these two studies, histories of the period are generally divided between a domestically oriented examination of Jeffersonian political economy emphasizing the internal development of the Jeffersonian republic and the use of trade restrictions to claim international respect, or occasionally on the growing conflict with Great Britain that would culminate in war in June 1812. Conversely, sources on the Peninsular War generally treat the conflict as a European event with little direct connection to American affairs outside of the context of the broader economic policies pursued by European powers.²

measures taken to sustain the triangular trade among Great Britain, Iberia, and the United States by British authorities, US merchants, and Iberian officials even in a time of war illustrates the interconnected nature of the early republican economy, the European grain markets, and the British imperial economy. Importantly, these connections are consistent with pre-Napoleonic and indeed pre-American Revolution patterns of exchange, as suggested by the works of McCusker, Menard, and Lydon, even if wartime circumstances modified some of the nuances within the supply-and-demand relationship. This situation also allows commentary on the state of agriculture in the Canadas and Maritime Provinces as there was little-to-no surplus to sell. As a result, Great Britain was dependent on the United States to supply domestic consumption and to support military operations and allies. The changing economic and political circumstances also provided a test for the divergent strands of Jeffersonian political economy with significant domestic consequences for the US.

Napoleon’s invasion of the Iberian Peninsula in 1808 re-established some of the trading relationships of the United States to the Europe by altering the lager geo-political framework of the conflict. The opening of British trade with Spain, Portugal, and the colonial empires of those countries provided markets for British exports, while opening the peninsular markets created a gaping hole in Napoleon’s Continental System. This expansion of trade counteracted any potential damage by the American embargo on the British economy. Conversely, the introduction of a British army into Iberia and the war’s destruction stimulated both a potential market for American produce and a possible means for the United States to more effectively influence British policies through the restriction of trade. This fact was not immediately

apparent or utilized by the United States, which still clung to Jefferson’s total embargo as official policy. By March 1809, however, it was clear even to President Jefferson that the embargo policy was a failure. It was repealed and replaced by the Non-Intercourse Act, which prohibited trade only with France and Great Britain. The law mandated that all goods manufactured in Britain, France, or any of their possessions be banned from the United States. This policy transition provided the legal basis for American trade to Spain and Portugal. Despite the very close connections with Great Britain, the kingdoms of Spain and Portugal remained independent nations, and therefore were not subject to these US trade restrictions. This intentional loophole was sustained by every American law regarding external trade until 1814. Even the declaration of war by the United States against Great Britain in June 1812 did not change this relationship as strong demand for American wheat and flour persisted. It was not until the end of the peninsular campaign in late 1813 and the collapse of Napoleon’s empire that British demand collapsed. The persistent and artificial divide between direct trade with Great Britain and trade with British-dominated Iberia allowed for a continuation of the grain trade to support the war effort, which also sustained the significant integration of British capital and US agricultural exports.

Napoleon’s invasion of Portugal in November 1807 created a new front in the ongoing war between Great Britain and France. With peace in central and eastern Europe secured through the defeat of Austria at Austerlitz, the Prussians at Jena, and the Treaty of Tilsit allying Czar Alexander with Napoleon, the only remaining territory in Europe in potentially unfriendly hands was Iberia. Obedience to the Continental System was a requirement for all French controlled or allied states, and, in theory, the assault on Portugal and the increasing pressure levied against the tottering Spanish monarchy was an effort to perfect the continental system by

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clos[ing the last European ports open to British commerce. Under terms of the Treaty of Fontainebleau signed between Napoleon and Charles IV of Spain in October 1807, the Kingdom of Portugal would be dissolved and a series of new independent principalities created. Included in this was a provision that one principality would be given to Manuel Godoy, a favorite of the Queen of Spain and the most powerful minister in the kingdom.  

By November 29, as French General Junot’s troops entered Lisbon, the Portuguese Prince Regent, along with “the contents of the treasury, the bureaucratic infrastructure of the Portuguese state, and as many as 15,000 individuals” fled under the protection of the British fleet. Popular rioting against Junot’s troops in December 1807 was crushed, leaving control of the country in the hands of the French military and a handful of subservient civilian officials.

Peace in other parts of Europe allowed Napoleon to focus substantial attention and resources on Spain. After a complex series of plots and counterplots between Godoy, King Charles, and Prince Ferdinand (later King Ferdinand VII) over the throne, an “impartial” Napoleon arbitrated the dispute. Meeting with all parties in the French border town of Bayonne, Napoleon compelled Ferdinand to abdicate in favor of his father Charles. Charles, in turn, abdicated in favor of Napoleon, as “the only person who in the state of things prevailing can reestablish order” when the Dos de Mayo uprising in Madrid threatened the stability of any centralized government despite its suppression by French troops under Marshal Murat. Effectively, the throne was vacant until filled by order of Napoleon. By May 7, Murat was in control of the central administration until such time as Joseph Bonaparte arrive to assume the

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throne; this was accomplished by decree on June 6 as the edict was published throughout Spain. The passive Spain of Napoleon’s schemes and the Spain that actually greeted the arrival of King Joseph in early July were far different from one another. Those parts of the nation not under the direct control of the French army had risen in open revolt against the Bonapartes. Spurred by the ill-treatment of Ferdinand and the example of the Dos de Mayo, the provincial authorities and the people of Spain rejected the imposition of French authority. As a result, the specter of a brutal war loomed over the land.

The collapse of central authority in Spain and Portugal devolved authority to local and provincial bodies which then sought military assistance in order to fight against Napoleon. As early as June 6, a delegation from the principality of Asturias arrived in London to seek British assistance in exchange for reopening their ports to British trade. An agreement between the British government and Spanish patriot forces promising support was announced on June 15 as the revolt spread through Aragon, Galicia, Leon, Catalonia, Andalusia, and the rest of Spain.9 By the end of July, King Joseph had fled back to France in the wake of the battle of Bailen; defeat on the battlefield combined with the general uprising rendered Spain ungovernable without the interjection of more French forces. The chaos provided a potential opportunity for Great Britain that had not existed since the early days of the French Revolution- the opportunity to commit a relatively small force of British soldiers to the continent to directly challenge France with the support of a militantly anti-French countryside that needed logistical and monetary support rather than a large number of British soldiers.

The first British expeditionary force to Iberia landed at Mondego Bay, Portugal, in August 1808. Commanded by Sir Arthur Wellesley, this force was victorious at the battles of

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Rolica (August 17) and Vimerio (August 21) against Junot’s isolated corps. These victories, combined with the uprising of the Portuguese countryside and the supremacy of the Royal Navy compelled Junot to seek terms.\textsuperscript{10} Unfortunately for Wellesley, he was superseded in command on the evening of the 21\textsuperscript{st} by Sir Henry Burrard and again on August 22\textsuperscript{nd} by Sir Hew Dalrymple. Under the Convention of Cintra (August 22) negotiated by Dalrymple, Junot was allowed to evacuate Portugal. Despite disagreeing with the terms of the convention, Wellesley signed the document.\textsuperscript{11} Domestic outrage over the convention resulted in the recall of all three officers to face a court of inquiry. All three were exonerated, but Wellesley would not return to the peninsula until April 1809. The temporary disgrace left command of the British forces in Iberia in the hands of Sir John Moore. Misunderstanding the full complexity of the Spanish situation and underestimating the scale of French re-enforcements committed to re-establishing Joseph on the throne, Moore launched an invasion of Spain. In theory, this was in conjunction with Spanish troops and logistical support. By the time Moore’s forces arrived, most of the Spanish troops had been defeated and the promised logistical support never materialized.\textsuperscript{12} After a harrowing retreat, the desperate battle at Corunna resulted in the death of Moore. The evacuation of what remained of his army in January 1809, and the British presence in Iberia verged on collapse.

Despite the controversy of Cintra and the failure of Moore’s campaign, the events of the fall of 1808 and early winter 1809 contained many lessons that would shape the rest of the peninsular campaign. The most important of these lessons was logistical. The ability of an army to survive was directly linked to the ability of its commissariat to furnish the required supplies.

\textsuperscript{10} Gates, \textit{Spanish Uleer}, 84-88.
\textsuperscript{11} Moon, \textit{Wellington’s Two-Front War}, 18-20.
\textsuperscript{12} Gates, \textit{Spanish Uleer}, 107-112.
How this task was accomplished formed one of the fundamental differences between the French army and the system established by Wellesley upon his return in April 1809. According to historian Jac Weller’s study on Peninsular War logistics, Napoleon “supplied his armies by a system of marauder, which amounted to forced requisition or worse.”\textsuperscript{13} Noting the link between the forced requisition of supplies and popular insurgency, Wellesley strictly forbade the practice thereby promoting local support but also obligating the construction of a more robust- and expensive- logistical system based on the purchase of local surpluses whenever possible but also on the importation of supplies from distant lands in order to fill the magazines.\textsuperscript{14}

The relocation of the Portuguese monarchy to Brazil in 1807 had left a power vacuum in Portugal itself. In theory, political control was invested in a regency council established in September 1808 that ruled in the name of and under the direction of King Dom Joao, who remained in Brazil in the wake of Junot’s invasion. In practice, authority over economic and military affairs devolved upon British officers and British support systems. William Carr Beresford (later Lord Beresford and a Portuguese marquis) was officially entrusted with the reformation of the Portuguese army. In practice, wartime demands on labor, money, and food resources transfigured Beresford into “a de facto viceroy” who exerted a broader authority than his official title suggested.\textsuperscript{15} British financial aid became an increasing share of the Portuguese budget. Part of the agreement between Great Britain and Portugal was a provision for the material support of the Portuguese forces operating under British command. After April 1809, an amount determined by Wellesley was transferred from the British Army commissariat to the

\textsuperscript{14} Moon, Wellington’s Two-Front War, 23.
\textsuperscript{15} Gabriel Paquette, Imperial Portugal in the Age of Atlantic Revolutions: The Luso-Brazilian World, c.1770-1850 (London: Cambridge University Press, 2013), 90-93.
British Aid Office, which in turn transferred the funds to the Portuguese treasury via the British minister in Lisbon.  

Although this direct subsidy often fell short of the amount desired, the total amount of aid was a substantial expense to Wellesley.  

These arrangements also provided an unusual set of formal duties for Wellesley. In April 1809, in addition to his appointment as the commander of Britain’s army in Portugal and control of the Portuguese subsidy, he was also appointed “commander-in-chief of the Portuguese army and began to run that entire nation. He controlled the enormous annual subsidy paid by Britain to Portugal and all Portuguese imports. He had primary legal authority over all males aged 16 to 60.” 

Although it is an oversimplification of a complex series of dynamics, by April 1809 Portugal effectively operated as a protectorate of Great Britain; a trade relationship with one was a de facto trade relationship with the other.

The introduction of Wellesley and the British army commissariat into Portugal on an official basis connected the commissariat with the Portuguese merchant class. Chief among these merchants was Henrique Teixeria de Sampayo (also spelled Sampaio in some sources). An article published in Blackwood’s *Edinburgh Magazine* after his death outlined his political and economic significance. As British troops entered into Portugal, supplies in enormous and increasing quantities for British forces and Portuguese military personnel was required. Induced by a “liberal commission” in 1808, Sampayo contracted to supply 30,000 men, which amounted to “one hundred and fifty tons of bread, four hundred large oxen, and five hundred pipes of wine per week.” Efforts to replace him with a British commissariat officer were unsuccessful as

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17 Paquette, *Imperial Portugal*, 92-93. Subsidies to the regency amounted to £270,000 in 1809, rising to almost £4 million by 1813-14.
Sampayo’s agents were already active in “all the productive districts to buy up or forestall, not only present stock, but the crops of the succeeding year. The rich Beira, a fruitful province for grain and cattle, was already his own. In every town, from the Tamego to the Tagus, there might be found an agent of the great contractor.” His reach extended to Ireland, where his business connections provided wheat, flour, and barley; other brothers were dispatched to the United States and the empire of Morocco, for the same purpose.

Upon his arrival in Lisbon in April 1809, Sir Arthur Wellesley retained Sampayo’s services as he was “in full possession of the confidence of the public authorities, Portuguese as well as British.” Wellesley’s faith was amply repaid in the winter of 1810-1811. Besieged within the lines of Torres Vedras, Sampayo’s planning and industry provided:

magazines [that] were full, to overflow, of all the necessities of life. Magnificent in extent and convenience, as were the public granaries and storehouses, they were found insufficient for the immense quantities of commissariat stores and provisions that were daily landed….while the Tagus bore on its ample bosom supplies of all the munitions of war to the amount of millions! While the besiegers were eating their horses, the besieged were in possession of all the comforts enjoyed by the British soldier under a liberal government.\(^{19}\)

Sampayo provides a direct link between the British commissariat, Portugal, and the United States. According to Historian Troy Bickham, the “dummy Portuguese merchant house of Henrique Teixeira de Sampaio [Sampayo] officially imported the flour so as to get around any potential American embargoes or non-intercourse acts.”\(^{20}\) The ability to skirt US governmental policy was a critical factor in the expansion of the direct Iberian trade as the region served as a valuable clearinghouse for Anglo-American trade. Jefferson’s Embargo Act was replaced by the

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Non-Intercourse Act in March 1809, which only abolished trade between the US and British or French ports. 21

In writing Levi Hollingsworth on April 24, Thomas Hollingsworth noted that opening this trade legally would cause a substantial rise in flour prices from $6.50-6.75 per barrel to $7.50-8.00 per barrel. Two days later he relayed news from Treasury Secretary Albert Gallatin confirming the legalization of English trade as of June 10. 22 Direct access to the English market was especially important for US grain merchants as the state of the British harvest in 1809 remained unknown. The changing trade pattern was largely a result of negotiations in April 1809 between David Erskine, the British Minister to the United States, and President James Madison, who reached an agreement to repeal the Orders-in-Council in exchange for the US ending the Non-Intercourse Act against Britain. 23 In April 1809 Madison ordered the revocation of the Non-Intercourse Act. 24 Unfortunately, Erskine had exceeded his instructions and the agreement was later repudiated by London. 25 According to historian W. Freeman Galpin’s work *The Grain Supply of England during the Napoleonic Period*, imports of American grain directly into England during the spring and summer of 1809 were substantial, although later limited by constant changes in American foreign policy. 26 This policy was overturned in June 1809 as the prospect of a commercial treaty with Great Britain prompted a change in policy. A third change in US trade policy re-imposed restrictions between Great Britain and the United States in August 1809. Inconsistent policy and inconsistent enforcement of trade laws made legal subterfuges

23 Horsman, *The Diplomacy of the New Republic*, 111
24 Madison, “The Non-Intercourse Law, passed June 28” (Salem: Cushing and Appleton, 1809), 3.
26 Galpin, *Grain Supply of England*, 147. Total imports of wheat amount to 170,939 quarters, which Galpin notes would have been higher but for the Non-Intercourse Act.
such as Sampayo’s important not only for legitimate trade but also as a useful intermediary to enable indirect trade should the geopolitical circumstances require it. According to Galpin, the indirect trade via Iberia was commonly used throughout the remainder of 1809: “undoubtedly much of the export from America left for a port in the Spanish Peninsula, but was finally sold in Great Britain.”

Although the letter is vague as to the particular mechanism of continued trade, a September 21, 1809 letter from William Morewood to Levi Hollingsworth hints at this type of quasi-legal exchange. Morewood, noted that trade could be continued by a “more circuitous route” if Hollingsworth did not object. The attraction of Lisbon as an intermediary market between the US and Great Britain was reinforced by American customs procedures. Since Non-Importation did not apply to that port, Treasury Secretary Gallatin frankly admitted that it was not known whether any smuggled British goods were involved because salt (Lisbon’s principal export) was untaxed and thus customs collectors did not actually examine the cargos.

The quality of the 1809 grain crop provided another challenge for American agriculture. A February 12, 1810 letter from John and George Morewood, business correspondents of Levi Hollingsworth in England, that “American flour is not gaining in estimation of the people of this country. The importations of the last year were of an indifferent quality…. Fine flour will move freely where an inferior quality is altogether unsaleable.” Geopolitical circumstances would change in 1810, however, and the US grain trade to Britain itself dwindled to insignificance by 1812.

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27 Ibid, 148.
28 William Morewood to Levi Hollingsworth, September 21, 1809. LH Papers, Box 96, folder 8, HSP.
29 Albert Gallatin, Letter from the Secretary of the Treasury to the Chairman of the Committee of Commerce and Manufactures (Washington: A. and G. Way, 1811), 5.
30 John and George Moorewood to Levi Hollingsworth, February 10, 1810. LH Papers, Box 97, Folder 8, HSP.
Given the unpredictability of the British market, US merchants eagerly assessed the possible opportunities from a series of circumstances in Iberia. Wartime destruction, the foraging practices of the French army, the introduction of the British army, and the virtual collapse of civil government combined to severely limit local agricultural production, thus creating a need for imports to provide basic subsistence not to mention the surpluses required to sustain the armed forces. Combined with the repeal of the embargo and confusion throughout 1809 on trading policy with Britain itself, Iberia became a lucrative market, provided, of course, that entanglement with actual fighting was avoided. The firms of Levi Hollingsworth and Son in Philadelphia, a related family firm of Worthington and Hollingsworth in Baltimore, and the firm of Robert Ogden in New York City all recognized the potential as well as the inherent dangers of expanding their trade with Iberia during the war.

A letter from William Cooch to Levi Hollingsworth on April 11 indicates both the confusion of the time as well as the potential. Cooch inquired as to what effect the recent disasters of Moore’s Expedition in Spain might have on the markets, and asked that Hollingsworth inform him “should any occurrence take place that in your opinion will rise the price of flour.”32 The reopening of foreign trade contributed to the rapid increase of demand for exports due to the state of Portugal and Spain. A May 9 letter from American merchant Charles Wilson in Cadiz to Levi Hollingsworth noted that recent intelligence from Lisbon reported that there was no knowledge of the end of the embargo, and there was currently no flour in the Lisbon markets. This would change in Wilson’s judgement. The surplus of American flour merchants in Madeira would inevitably flood that market leading those traders to shift to Cadiz

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32 William Cooch to Levi Hollingsworth, April 11, 1809. LH Papers, Box 94, Folder 11, HSP.
or Lisbon to dispose of their cargos. However, this was a temporary and limited market as 10,000 barrels of flour would be sufficient to glut the Lisbon market as well.\\footnote{Charles Wilson to Levi Hollingsworth, May 9, 1809. LH Papers, Box 95, Folder 2, HSP.}

The progress of the war demanded caution. A June 3 letter from John Hollingsworth to his father Levi suggested that any ship voyaging to Spain or Portugal should “touch at some intermediate port to enquire the state of those countries.”\\footnote{Hollingsworth and Worthington to Levi Hollingsworth, June 3 1809. LH Papers, Box 95, Folder 6, HSP.} The advance of French forces would limit potential markets for American grain; however, fear of a second US embargo act in the wake of the collapse of the Erskine agreement was a more immediate threat for Wilson. On June 7, Wilson informed Levi Hollingsworth that information from Lisbon indicated that the markets were “very dull” for American produce, but Robert Meade, a fellow US merchant in that city requested the dispatch of more flour as it may be sold “to advantage about September or October; he has about 10,000 barrels on hand and conceives it would be folly to attempt forcing a sale at present, there is no flour in the port besides what he holds.”\\footnote{Charles Wilson to Levi Hollingsworth, June 7 1809. LH Papers, Box 95, Folder 7, HSP.} Writing directly to Hollingsworth on July 21, Meade repeated the assessment that the markets were currently dull, but also noted that the local harvest was indifferent, and the retreating French destroyed all of the fields of wheat in the local provinces. The introduction of large bodies of English troops and this destruction “have induced the gov’t [sic] to take off all duties on future importation of flour, rice, corn, grain, and dried vegetables.” More hopefully, Meade reported that it would be possible to sell 10,000 barrels of middling flour to the army as “superfine flour is found too good for the soldiers.”\\footnote{Robert Meade to Levi Hollingsworth, July 21, 1809. LH Papers, Levi Hollingsworth Papers, Box 95, Folder 11, HSP. “Middlings” flour was of a lower quality than “superfine” flour and “does not in general suit’ the local market, and therefore was less expensive- Meade estimated that he could get $4 per barrel.} A letter the following day from Charles Wilson to Levi Hollingsworth noted that Meade had been offered $12 per barrel by the “government” for 50,000 barrels of flour and
50,000 quintals of rice at $7 per quintal; he declined the offer in preference for chancing the open market.\textsuperscript{37}

Wilson does not directly state which government made the offer; Wilson’s location in Cadiz and the context of the letter on the question of quarantines for American vessels suggests that the Supreme Junta in Cadiz, which functioned as the central Spanish government during this period, made this offer. Another letter from William Jarvis, another US Merchant in Lisbon July 26 noted that the Portuguese harvest was “middling” and that “little grain could be obtained from any country other than the United States, we are persuaded that flour and grain must keep up, unless large shipments are made from thence.”\textsuperscript{38} A later missive dated September 11 noted the arrival of 18 American vessels laden with about 100,000 bushels of wheat, corn, and rice in Lisbon harbor; this caused a temporary decline in prices, however, more imports would be needed as “there is but a very small quantity of grain in the country.”\textsuperscript{39}

What accounts for the dramatic change in tone from the letters of May and June to those of July is unclear as none explains a new crisis to cause a rapid change in market conditions. Wellesley’s advance towards Spain was underway; however, the battle of Talevera that ended this advance was not fought until July 27-28.\textsuperscript{40} It is possible that all three merchants anticipated local harvests as sufficiently dire to create the real possibility of famine, thereby providing an opportunity for US grain merchants. It is also possible that each had sources of information that they did not fully disclose. Whatever the cause, the letters proved remarkably accurate as

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\textsuperscript{37} Charles Wilson to Levi Hollingsworth, July 22, 1809. LH Papers, Box 95, Folder 11, HSP. This faith in the market was repaid as the price for staples products in Lisbon doubled in 1810. See Paquette, Imperial Portugal, 92. \\
\textsuperscript{38} William Jarvis to Levi Hollingsworth, July 26 1809. LH Papers, Box 95, Folder 11, HSP. \\
\textsuperscript{39} William Jarvis to Levi Hollingsworth, September 11, 1809. LH Papers, Box 98, Folder 6, HSP. \\
\textsuperscript{40} Gates, Spanish Ulcer, 178. Wellesley was raised to the peerage as Lord Wellington in the wake of the battle.
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wartime demand, large government contracts, and robust American exports characterized commercial interactions for the next four years.

Wellington’s retreat from Talavera was only one of the defeats suffered by the anti-France alliance in 1809. The failure of the Walchern expedition against the Low Countries and the collapse of Austria in the wake of the battles of Aspern-Essling and Wagram (July 9, 1809) left Wellington’s forces in Portugal as the only British army in action against Napoleon’s empire, and Iberia as the only open rebellion in Europe against his authority.41 The progress of the war was mixed for Spanish forces. Victory at Tamames (October 18, 1809) matched defeats at Ocana (November 19, 1809) and Alba (November 28, 1809).42 Peace in central Europe allowed Napoleon to provide re-enforcements for Spain; stung by the continued presence of Wellington’s forces in Portugal and suspecting that the continued Spanish resistance was linked to the fate of Wellington, Napoleon committed tens of thousands of re-enforcements to the peninsula in early 1810 to eliminate both threats once and for all.

The events of 1809 and early 1810 introduced three vital elements that shaped US grain trade for the remainder of the peninsular campaign. French occupation and the destruction of local production increased demand for imported grain. Moreover, the introduction of British forces to the peninsula and subsidies paid to local allies connected Iberia to the British economy, on one hand, and to American grain, on the other. Second, the re-imposition by the US of the Non-Intercourse Act prohibited its direct trade with Great Britain, but did not interfere with trade to Spain and Portugal. The introduction of a new policy by Napoleon on trade with Great Britain provided another significant change in the geo-political dynamic.

41 Gates, Spanish Ulcer, 192.
42 Ibid, 196-205.
A new licensed trade scheme in March 1809 allowed for a limited trade between France and Great Britain in certain enumerated commodities. Bountiful crops in France and Holland, along with poor harvests in Britain, created an opportunity for a trade in grain between Europe and Britain. A limited licensed trade in 1809 and 1810 transferred approximately 1.5 million quarters of wheat between the two empires even while at war. Other agricultural products such as wine and brandy were also included under the licenses. Subsequent expansions of the number of licenses in circulation in France in December 1809 and February 1810 combined with a spike in grain exports to Britain from Germany, Prussia, Holland, and Flanders filled the need caused by the failed 1810 harvest.

The licensed trade created another problem for Great Britain. In 1810 Napoleon mandated that all grain exports to Britain be paid for in gold or silver; the specie reserves of the Bank of England had been reduced by £4.5 million between 1808 and 1811 with almost £1.4 million of this reduction paid directly to Napoleon’s treasury. Other provisions of the license system included a demand that part of the cargos traded to Britain would contain a percentage of French wine and brandy in addition to grain products; it was feared that a failure to comply would result in Napoleon banning grain exports from France as well the grain regions of the Baltic under his influence. Although Napoleon’s licensed trade was not technically related to the Anglo-American grain trade, this import substitution reduced the demand for US grain in Britain, thereby limiting the potential effects of the Non-Intercourse Act. As a net importer of grain for this period, Britain and Ireland could not supply grain for Wellington and the peninsular

44 Ibid, 243-248. For 1810, Britain imported 225,710 quarters of wheat from France itself, 167,153 from Flanders, 189,016 from Holland, 176,463 from Germany and 296,756 from Prussia. Imports from the US amount to 170,939 quarters in 1809, 98,274 quarters in 1810 and 18,011 in 1811, mostly smuggled via Iberia- see Galpin, 148.
46 Morewood to Levi Hollingsworth, June 9, 1810. LH Papers, Box 101, folder 4, HSP.
effort during the 1810 campaign and the winter of 1810-11, thereby compelling him to seek
supplies elsewhere. The need for specie to sustain consumption at home exacerbated the
shortage of gold and silver available to support Wellington’s army in the peninsula.

Conspicuous by its absence is the lack of grain exports from the Canadas and the
Maritime Provinces during a time of famine in the metropole and strong demand for provisions
to sustain the war effort. According to Galpin’s statistics, only slightly more than 24,000
quarters of grain entered into the United Kingdom from British North America in 1810 out of
total imports of over 1.5 million quarters. This amounts to slightly more than 25% of the amount
imported from the United States in spite of the fact that direct trade was illegal under American
law that year.47 Statistics for British North American grain exports to Iberia were equally
modest in 1810. According to the accounting of Parliament, only 16 total ships cleared Canadian
or Maritime harbors for any port south of Cape Finisterre. The volume of trade was not
substantive. Clearances from Newfoundland to southern Europe, undoubtedly carrying fish,
remained far more common.48 The US was Britain’s only major and reliable source of grain to
forestall famine. The immediate urgency of the trade had changed, but the fundamental
economic relationship begun in the colonial period had not. The peninsular trade allowed a
profound integration among US farmers, millers, merchants and British capital and consumers
(including the military), who used the larger geo-political situation to satisfy local needs and
interests.

48 House of Commons Papers. Accounts relating to Trade and Navigation with British N. American and W. Indian
Colonies, 1805-14 2,3. http://parlipapers.proquest.com.prxy4.ursus.maine.edu/parlipapers/docview/t70.d75.1816-
004749?accountid=14583
By March 1810, the only remaining part of Spain under the direct authority of the anti-Bonaparte Junta was the city of Cadiz.\textsuperscript{49} Besieged within the port city and without access to the hinterland, its defenders required outside sources of grain. Dependency on the United States raised fears of disruption for British officials in the peninsula. General Thomas Graham, senior British military officer in Cadiz, complained to Wellington that US traders effectively controlled the Cadiz grain market, thereby granting an unwarrantable influence over the city. Any interruption of the neutral American grain trade could transform the defending army into a half-starved mob, much as the lack of logistical support had done to the besieging French forces.\textsuperscript{50}

The value of the exchange was not lost on US merchants even though it came with notable risks. In March 1810, the London merchant firm of Morewood wrote to Levi Hollingsworth relaying news from Charles Wilson of the saga of the American ship \textit{Apollo}, which ran aground in a gale outside Cadiz harbor. The ship and cargo were burnt by the French. The Morewoods expressed the hope that Hollingsworth’s investment in the vessel was insured.\textsuperscript{51} It is intriguing that news of this disaster in Cadiz reached Philadelphia via business correspondence with London at a time when direct trade between the two ports was technically illegal, further highlighting the persistent connections between American and British interests via Iberia.

Outside of the war’s direct impact on Iberian agriculture, 1810 proved to be a difficult year for production in Portugal and Spain due to the weather. In April and May, Jervis wrote a series of letters to Hollingsworth advising him that scarcity- and therefore rising prices- would continue for the foreseeable future as “there has not been known for several years a greater


\textsuperscript{51}John and George Morewood to Levi Hollingsworth, March 3, 1810. LH Papers, Box 97, Folder 12, HSP.
scarcity of flour and grain than now exists.”52 An unusually wet spring “nearly destroyed the lowlands wheat crop, and the early grains on the uplands were of a very unfavourable appearance.” Therefore, Jarvis was persuaded that “a favourable prospect offers for advantageous speculations to this country in those articles [flour, wheat, and corn] as well as rice, and we recommend your engaging in them unless large quantities have been shipped.”53 A subsequent message in June reinforced that the harvest “proves but ordinary,” and that it would “make little to no impression on the market.”54

The journal of August Ludolf Friedrich Schaumann, a Deputy Assistant Commissary-General serving with Wellington’s army, demonstrates the effort required to supply the army. Schaumann’s adventures as one of Wellington’s commissaries started in August 1810 during the British retreat through Portugal to Lisbon, during which civilians were subjected to “a reign of terror” by the contending armies. All citizens were evacuated as the French army advanced, however, there was not adequate warning to salvage the grain harvest from the fields or the filled barns of northern Portugal.55 The surviving crop was seized or destroyed by the French, which exacerbated an already tenuous supply situation. It is interesting to note that Jarvis’ observations date from June 1810; this suggests that the necessity for imported American grain predated the French invasion of the country and Wellington’s later orders to evacuate the countryside. A subsequent letter from Jarvis suggests that the market was subject to certain fluctuations however. Writing Hollingsworth on September 1, he noted that the price of rice and Indian corn was in decline due to the volume of imports from the US as well as from the Mediterranean. It is

52 William Jarvis to Levi Hollingsworth, June 1st, 6th, and 26th, 1810. LH Papers, Box 98, folders 1 and 3, HSP.
53 William Jarvis to Levi Hollingsworth, June 1st, 6th, and 26th, 1810. LH Papers, Box 98, folders 1 and 3, HSP.
54 William Jarvis to Levi Hollingsworth, June 26, 1810. LH Papers, Box 98, folder 3, HSP.
curious that Jarvis did not mention wheat or flour here.\textsuperscript{56} Three weeks later he observed that “our market continues favourable for flour and grain, and from the scarcity of wheat in the country those articles must command good prices during the winter and ensuing spring unless very large shipments are made from the United States.”\textsuperscript{57}

The 1810 campaign saw the advance of French forces throughout the peninsula. The capture of Ciudad Rodrigo in July and Almeida in August removed the two fortresses guarding the Spanish-Portuguese border and allowed for the advance of Marshal Andre Massena’s forces into Portugal. Temporarily checked at Bussaco (September 27), Massena’s advance only ground to a halt on the outskirts of Lisbon.\textsuperscript{58} In retreating towards his seaborne lines of communication, Wellington eased his logistical burdens and increased those of his enemy. However, this strategy could only be successful under very specific circumstances. Local supplies must be denied to the French army, and, second, an alternative supply of foodstuffs sufficient to support Wellington’s troops, the Portuguese army, civilian refugees, and Lisbon’s entire population had to be found. This hinged on the availability of American grain imports, as local production was already not adequate to the demand prior to wartime disruption.

This became Wellington’s official policy by the winter of 1810-11, when the British army was besieged on the lines of Torres Vedras, outside of Lisbon. The strategic withdrawal towards Lisbon reflected the difficulty of travel over rugged terrain and poor roads. According to Sir George Cockburn’s observations of the country,

the defense of Portugal had most to rely on, is the extreme barrenness and poverty of the country, and the difficult of feeding an army. The defending army may, if pressed, fall back on its resources, whereas the invading one must bring

\textsuperscript{56} William Jarvis to Levi Hollingsworth, September 1, 1810. LH Papers, Box 98, folder 8, HSP.
\textsuperscript{57} William Jarvis to Levi Hollingsworth, September 20, 1810, LH Papers, Box 98, folder 9, HSP. By the start of October, flour sold for $17.75 per barrel in Lisbon. See Bernard Henry to Levi Hollingsworth, October 1, 1810.\textsuperscript{58} Gates, \textit{Spanish Ulcer}, 227-232.
everything with it; add to this the badness of the roads and the steepness of the mountains.\textsuperscript{59}

The retreat on Lisbon was more than just a military strategy, despoiling the countryside was also civil policy that increased the burden on Wellington’s supplies as Lisbon and the surrounding countryside closely resembled an armed camp with an estimated 420,000 people including civilians and refugees.\textsuperscript{60} The human cost of this could be appalling. British commissariat officer Schaumann noted in spring 1811 that “even the most appalling scenes of the Thirty Years War...are nothing compared with the horrors, the misery, and the devastation that I have witnessed.”\textsuperscript{61} If Lisbon suffered, the French soldiers outside the lines suffered more. Writing home in 1812, William Stothert noted that French “deserters are continually coming in, who report that the enemy is destitute of bread and the troops have neither wine nor spirits.”\textsuperscript{62} Despite the costs, Wellington’s strategy was working.

In May 1810 the US Congress repealed the Non-Intercourse Act and replaced it with a new policy known as Macon’s Bill #2. It repealed all previous trade restrictions against Great Britain and France, but threatened that non-importation would be re-imposed if either France or Britain repealed their restrictions on neutral trade and the other power did not follow suit.\textsuperscript{63} In August 1810, Napoleon issued the Cadore Letter that purportedly repealed the Berlin and Milan decrees against American trade but only on the condition that the United States enforce a non-

\textsuperscript{61} Schaumann, On the Road With Wellington, 297.
\textsuperscript{63} Annals of Congress, 12th Congress, 2nd Session, 1824-30. Essentially, the new US policy was reactionary- trade law for the US would be decided in response to changing trade regulations in either Britain or France.
intercourse policy with Britain. There was well-founded skepticism in the US and Britain that Napoleon really intended to end trade restrictions. US Ambassador John Armstrong and most Federalist newspapers regarded it as an effort to divide the United States and Great Britain. The one believer in the Cadore Letter was President Madison, who hoped French revocation of the Berlin and Milan Decrees would be followed by the revocation of the Orders-in-Council by Britain. This was not the case; the British government regarded the offer as spurious therefore Madison re-instated trade restrictions with Britain. The president also called for Congress to ban the use of British trade licenses, to redouble efforts to prevent smuggling, and to begin raising an army. The re-established Non-importation Act of 1811 did not restrict the supply of American grain to the peninsula as the polite fiction of neutral trade with Spain and Portugal covered such trading relationships.

A more complete quantitative record for American trade can be found in Congressman Timothy Pitkin’s A Statistical View of the Commerce of the United States. Pitkin draws on Treasury Department and congressional records to assess both trading partners and the exact commodity of exchange. His research from 1816 and 1817 clarifies and expands on the overall contours of the link between US grain and the Peninsular War and provides context for the activities of Hollingsworth and his business associates. Although the Hollingsworth operation was significant, it fits within the broader pattern of exchange suggesting that other merchants also saw opportunity.

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64 Perkins, Prologue to War, 245-48.
66 Hickey, War of 1812, 21.
Table 6.1: US Grain Exports to Iberia, 1809-1811

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat (Bushels)-Portugal</th>
<th>Flour (Barrels)-Portugal</th>
<th>Wheat (Bushels)-Spain</th>
<th>Flour (Barrels)-Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1809</td>
<td>43,214</td>
<td>65,149</td>
<td>Nil</td>
<td>40,047</td>
</tr>
<tr>
<td>1810</td>
<td>45,588</td>
<td>88,696</td>
<td>13,125</td>
<td>144,436</td>
</tr>
<tr>
<td>1811</td>
<td>55,033</td>
<td>529,105</td>
<td>21,199</td>
<td>306,074</td>
</tr>
</tbody>
</table>

Pitkin’s statistics substantiate US merchants’ enthusiasm for the Iberian trade during war; there were certain risks, however, to the explosive rate of growth. The statistics also reflect on the success of Wellington’s gamble of abandoning the Portuguese and Spanish countryside and depending on imported provisions as an essential part of his strategy. This happy correlation between British military policy, British capital resources, and US merchant suppliers, however, could be subject to disruption. The trading relationship between the US and Great Britain perversely controlled both the fate of the British campaign and the American economy.

One of the more serious effects of Non-Importation was on Wellington’s dwindling supply of specie. Prior to the enactment of non-importation laws, American imports could be purchased with bills of exchange that could be used in Britain to buy goods for export to the United States or to transfer funds to British merchant firms through a triangular trading relationship linking American producers and British consumers via Iberia. British Treasury Department bills became a common medium of exchange, as a number of letters between Hollingsworth and his business associates illustrate. A September 17, 1810 letter from Morewood to Hollingsworth notes that their mutual business associate Francis Elbing had

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68Timothy Pitkin, *A Statistical View of the Commerce of the United States, its Connection with Agriculture and Manufactures, and an Account of the Public Debt, Revenues, and Expenditures of the United States, with a Brief review of the Trade, Agriculture, and Manufactures of the colonies, Previous to their Independence, accompanied with Tables, Illustrative of the Principles and Objects of the Work, 2nd edition* (New York: Hamlen and Newton, 1817), 148, 150.
enclosed a draft upon “His Majesty’s Treasury” due in 30 days for the purchase of a cargo of flour from the ship *Hope*. An October bill of exchange to Morewood, drawn on the British government for £1,000 sterling, was endorsed in favor of William Bell of Pennsylvania, another partner of Morewood and Hollingsworth. Morewood confirmed to Levi Hollingsworth a similar transaction for £520 drawn on the merchant firm of Bulkeley’s of London. Trade in British treasury bills remained as an April 13, 1811 letter reported another draft of £1,000 sterling received by Morewood from Elbing in Lisbon. A confirmation letter to Elbing specified that this draft upon the treasury was part of the proceeds of Levi Hollingsworth and Sons’ “half interest in the cargo of wheat and flour” carried by the American brig *Factor* from Baltimore to the Tagus.69

The significant feature of this correspondence is the direct connection it shows between the British government and US farmers and grain merchants using British treasury drafts rather than specie as the means of payment. The use of treasury bills implies the acceptance of a fiat currency in anticipation of further trading relations either in Britain itself or with other merchants that would accept British treasury notes as currency. Non-Importation potentially limited this exchange since future trading relationship could be disrupted by government intervention into these economic relationships. Specie, as a universal store of value in its own right, was, of course, still acceptable as a currency; unfortunately, the availability of specie is limited, generally, and especially so on the peninsula as the demand for gold and silver to support the military effort and in local expenditures far exceeded the supply.

Under Non-Importation payment via bills of exchange or treasury notes became more difficult. Wellington was compelled to allow the export of specie by US traders “to the great

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69 Morewood to Levi Hollingsworth, September 17, 1810. LH Papers, HSP, Morewood to Elbing, April 18, 1811. LH Papers, HSP.
distress of the army and the ruin of the country [Portugal],” as they were delivering “articles of
the first necessity.”\textsuperscript{70} Wellington allocated £400,000 for provisions from the US. According to
historian Roger Knight, these funds were funneled through Sampayo’s Lisbon trading house to
facilitate the acquisition of flour, biscuit, and maize “transported to [to Lisbon] in neutral ships
and using British licenses.”\textsuperscript{71} Demand remained stiff through early 1811; a February 21 letter
from Thomas and Samuel Hollingsworth to their father Levi on the flour trade through Baltimore
noted that “much [is] coming in daily and is bot [sic] and shipped as fast as it as it arrives,
chiefly for Spain and Portugal.”\textsuperscript{72} The key figure connecting the Portuguese government, the
British army, and US merchants was the same Sampayo, who was noted in a March 1811 letter
to Levi Hollingsworth from a Baltimore firm, as “a contractor for the army in Portugal” who was
purchasing “immense” quantities of flour from Gilman and Sons. They hoped that their business
with Sampayo via the Gilmans would increase in time, though the present order was only 4,000
barrels.\textsuperscript{73}

Unable to break through the Torres Vedras lines and unable to sustain a siege due to the
lack of supplies, French forces under Massena retreated into Spain by March 1811.\textsuperscript{74} Guarding
the two major roads over the border against an allied incursion were the fortress cities of
Badajoz, Almeida, and Ciudad Rodrigo, which became the focus of the campaign. The first
allied siege of Badajoz commenced on May 6. The desperate fighting at Fuentes de Onoro (May
3-5) and Albeuera (May 16) resulted in the repulse of Massena’s counterattack into Portugal,

\textsuperscript{70} Wellington to Stuart, October 26, 1811 in Gurwood ed., Dispatches, 369.
\textsuperscript{71} Roger Knight, Britain Against Napoleon: The Organization of Victory, 1793-1815 (London: Allen Lane, 2013), 426.
\textsuperscript{72} Thomas and Samuel Hollingsworth to Levi Hollingsworth, February 21, 1811. Levi Hollingsworth Papers, Box
100, folder 2, HSP.
\textsuperscript{73} Hollingsworth and Worthington to Levi Hollingsworth, March 22, 1811. Levi Hollingsworth Papers, Box 100,
folder 5, HSP. Sampayo’s brother was a business associate of Jonathon Ogden in New York City, see Jonathon
Ogden to Levi Hollingsworth, March 18, 1813.
\textsuperscript{74} Gates, Spanish Ulcer, 239.
however, Wellington’s attempts to storm Badajoz failed. After refitting, Wellington then besieged Ciudad Rodrigo in August, which would only be taken on January 19, 1812. Badajoz suffered the same fate on April 6, leaving control of the frontier in the hands of Wellington.

The sieges of early 1812 were only possible due to the logistical support structure constructed in 1810 and 1811. This permitted Wellington to operate with a secure supply system, which was dependent on the United States. Overall, American cargos amounted to nearly half of the total supplies issued by the British army commissariat in 1810 and 1811. The strategy of depending on imported foodstuffs worked. A June 7, 1811 letter from Richard Garwood, a business correspondent in Lisbon, to Levi Hollingsworth reported that cargos of grain were arriving in Lisbon daily; the volume of imports was such that the city had run out of storage. His letter also touched upon an unforeseen side effect of the American Non-Importation Act. Unable to acquire British goods for re-export and concerned about the price of a return cargo of salt, Garwood attempted to sell one of Hollingsworth’s grain ships. Unable to sell the ship, he purchased a return cargo of salt “sufficient to ballast with.”

By July 1811, immediate starvation was not a concern of Wellington; in a July 4 letter to Admiral George Berkeley Wellington noted that the store of provisions in Lisbon was much improved due to recent imports from the United States purchased by the Portuguese government. The glut within the market did not slow imports however as market surpluses proved temporary in the face of increasing demands. A letter from the partnership of

75 Ibid, 257-65, 274.
76 Ibid, 331-338.
77 Knight, *Britain Against Napoleon*, 426.
78 Richard Garwood to Levi Hollingsworth, June 7, 1811. LH Papers, Box 101, folder 6, HSP.
79 Garwood to Hollingsworth, June 26, 1811. LH Papers, Box 101, folder 6, HSP.
80 Lord Wellington to George Berkeley, July 4, 1811 in Gurwood, ed. *The Dispatches of Field Marshall the Duke of Wellington During His Various campaigns in India, Denmark, Portugal, the Low Countries, and France from 1799 to 1818.*, Vol. 8. (London: John Murray, 1832), 76.
Hollingsworth and Worthington in Baltimore to Levi Hollingsworth in Philadelphia noted the appearance of Mr. Sampayo in Baltimore, the expectation was that he would offer $8 per barrel for flour, and that “he seemed anxious to purchase.” The US trade restrictions, however, added risk to this transaction. The correspondents noted that “were we sure that his [Sampayo’s] bills on London would do, we think we would make a profitable sale- we wod [would] however, prefer selling 25 cents lower to get Gilmor’s endorsement or acceptance.” The letter does not state whether the bills in question were drawn directly on the British treasury, on British banks, or on British merchant firms, but as this correspondence suggests the mechanism of exchange was itself complex and risky.

A letter to Levi Hollingsworth from Jonathan Ogden in New York raised the same issue. Ogden wrote that in anticipation of encountering “difficulties in procuring specie in Lisbon, I will be content to have my share of the proceeds remitted to Rob’t [Robert] Ogden of Leeds, Eng. [land] in good bills of exchange.” Whatever the difficulties, the potential market was vast and expanding. Intelligence received from the firm of Bulkeley and Son in Lisbon noted that re-enforcements arriving for Wellington’s army had driven demand and prices even higher. Quoting the prices in Lisbon for September 9, 1811, Bulkeley wrote that flour now sold for $10 to $12 per barrel in the Lisbon marketplace. That price quote is an interesting contrast to the $8 per barrel offered in the Baltimore market, and the $15 per barrel quoted by Eck only three weeks prior. A September 25 letter from Hollingsworth and Worthington outlined the terms of an offer to sell 2,000 barrels of flour to Gilmor and Sons at $8 per barrel for resell to Sampayo.

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81 Hollingsworth and Worthington to Levi Hollingsworth, August 17, 1811. LH Papers, Box 102, folder 2, HSP.
82 Robert Ogden to Levi Hollingsworth, August 21, 1811. LH Papers, Box 102, folder 3, HSP.
83 John Bulkeley to Levi Hollingsworth, September 9, 1811. LH Papers, Box 102, folder 6, HSP.
84 Hollingsworth and Worthington to Levi Hollingsworth, September 25, 1811. LH Papers, Box 102, folder 3, HSP.
The price of flour in Lisbon continued to fluctuate based on the volume of arrivals. Less than one month after Bulkeley’s offer, Francis Elbling reported to Levi Hollingworth that the 1,200 barrels of flour delivered by the ship *Jane* safely arrived and was sold for $16 per barrel. More arrivals, however, would likely cause a price decline in the near future. This fear was not realized. A November 29 letter noted that “the nominal price of flour [in the Lisbon market] is $15; Sampayo is very sanguine on his expectation of getting more than the price quoted.” Two December letters from Wellington to Charles Stuart outline the possibilities and difficulties of the persistent trade for British officials. Stuart lamented that the Portuguese people as well as the British army would need to be supplied by the United States at least until the next harvest. The increasing shortage of specie in the military chest made bills of exchange the preferred medium of payment, but Stuart was authorized to send specie if that was not possible.

The statistical analysis provided by Secretary of the Treasury Gallatin and Congressman Timothy Pitkin lend support for General Graham’s and Lord Wellington’s observations on the importance of US grain imports even if the impact of the trade was not always apparent. Secretary Gallatin presented a series of statistics on the Spanish trade that showed US exports to exceed 380,000 barrels of flour to Spain’s Atlantic ports for the year starting September 1811. Gallatin estimated that the value of exports to those ports alone amounted to over $4.5 million. His figures do not identify purchasers, though historian W. Freeman Galpin claims that “the

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85 Francis Elbling to Levi Hollingsworth, October 12, 1811. LH Papers, Box 102, folder 11, HSP.
86 Hollingsworth and Worthington to Levi Hollingsworth, November 29, 1811. LH Papers Box 103, folder 6, HSP.
87 Wellington to Stuart, December 6, 1811 in Gurwood, ed. *Dispatches*, 440.
88 Wellington to Stuart, December 17, 1811 in Gurwood, ed. *Dispatches*, 464.
greater share of these supplies was intended for the English armies” is persuasive in light of the business activities of Sampayo as a provisions contractor with US merchants.90

By April 1812, Congress passed an embargo and non-importation act for 90 days.91 Wellington noted this in a May 8, 1812 letter to Thomas Graham in which he observed that the news of the embargo is of the highest importance as “all this part of the peninsula had been living this year on American flour.”92 Although Wellington’s comment suggests that a more permanent embargo could have given a great deal of leverage to the United States by holding the grain trade hostage, the die was already cast. The dependency of Wellington’s army, and the interests of American farmers, millers, and merchants combined to sustain a British licensing system. The peaceful exchange of US grain to Iberia and the British forces in the peninsula would continue despite the state of war between the United States and Great Britain. Wellington’s writings indicate the importance of continuing the grain trade for the British army, however, the effects on the US economy were significant as well.

Gallatin’s earlier report to congress outlined both the effect of trade disruption for revenues and the potential danger of a war to the American economy. Gallatin reported that with the help of loans it would be possible to fund a potential war, but only if customs duties were increased and “a proper selection of internal taxes” raised to encourage domestic loans, as foreign ones would be “nearly unobtainable” due to the conflict in Europe.93 A January 1812 letter from Gallatin to Congress estimated that war would cause customs revenue to decline by over half.94 Declines in revenue and increases in expenditures would be met by borrowing;

92 Wellington to Thomas Graham, May 8, 1812 in Gurwood, ed. Dispatches, Vol. 9, 130.
94 Annals of Congress, 12th Congress, 1st Session, 849. Estimated revenues declined from a peacetime figure of $6 million to a wartime estimate of $2.5 million.
however, Gallatin warned that “as the ability to borrow is diminished, the necessity of resorting to taxation is increased.”

Gallatin’s warning represents a significant statement of Jeffersonian political economy, the role of external trade in the national economy, and the dangers posed to the Jeffersonian ideal posed by the disconnect between his economic ideas and his foreign policy. Minimal internal taxation was a hallmark of Jeffersonian policy. In theory customs revenues derived from the consumption of luxuries provided an adequate substitute for potentially divisive direct taxation. These two articles of domestic faith collided with Jeffersonian foreign relations, with significant consequences as the unresolved contradiction between the two reached an inevitable reckoning.

The need for revenue from licensed trade and for external markets to sell agricultural surpluses denied the United States an important opportunity to hamstring the British war effort in Europe. Whether this is a missed opportunity, or a foresworn opportunity is not clear. In Donald Hickey’s “American Trade Restrictions during the War of 1812,” he argues that the British blockade and trade restrictions were not designed to stop American trade with Canada nor could American laws designed to end trade with the enemy be enforced. Brian Arthur’s How Britain Won the War of 1812 disagrees with this premise. According to Arthur, over the course of the war Britain’s blockade limited American tax revenues from customs, thereby eroding political support for the war and the ability of the federal government to sustain the war. Both viewpoints can be reconciled through a more nuanced application of both premises. British authorities used the blockade to sustain politically and materially beneficial exchanges while

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95 Annals of Congress, 12th Congress, 1st Session, 850.
denying market access to less beneficial trading relationships. The provisions for a licensed trade combined with a geographically selective implementation of the blockade rendered British interdiction of trade more a “gate” under British control rather than a solid “wall” hemming Americans in.  

Licensed trade during war had been discussed by key flour merchants as early as January 2, 1812, six months prior to the actual declaration of war. Jonathan Ogden was certain that a wartime license could be obtained from the British Consul for the ship Amazon, then loading grain for Lisbon on the account of H.J. Sampayo. Subsequently, two flour ships with 8,000 barrels of flour departed Baltimore for Lisbon on Sampayo’s account. As the possibility of war shifted from rumor to near certainty, the British necessity for licensed trade was evident. As one US merchant explained to another, “the present situation of the British troops in Spain & Portugal” mean that “American vessels will be permitted to carry commodities by British cruziers [sic] even tho letters of marque and reprisal be issued.”

The existence of a license system was confirmed by subsequent events. Prior to leaving Washington in June 1812, the recently promoted British Ambassador Foster issued explicit licenses for US merchantmen to continue the grain trade with the Peninsula. Additional trade licenses were issued by Admiral Sawyer of the Halifax squadron, Consul Allen in Boston, and Consul Stewart in New London. By August 1812, over 500 licenses had been issued and they were openly bought and sold in US ports. The licenses were validated by London and included

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98 The licensed trade remained legal until 1814. Britain declared a blockade of the US from Charleston, South Carolina to Florida (fall 1812), the Chesapeake and Delaware Bays (February 1813); from the Chesapeake to New York and from Charleston to the Mississippi (spring 1813); and Long Island Sound (November 1813). Conspicuous by its absence is predominantly Federalist New England, which was not declared under blockade until April 1814. See Lance Davis and Stanley Engerman, Naval Blockades in Peace and War: An Economic History since 1750 (Cambridge: Cambridge University Press, 2006), 99-101.
99 Jonathon Ogden to Levi Hollingsworth, January 2, 1812. LH Papers, Box 104, folder 1, HSP.
100 Hollingsworth and Worthington to Levi Hollingsworth, March 16, 1812. LH Papers, Box 104, folder 9, HSP.
101 Hollingsworth and Worthington to Levi Hollingsworth, May 27, 1812. LH Papers, Box 105, folder 8, HSP.
the return voyage from Spain to the United States.\textsuperscript{102} As John Melish noted in his 1812 travelogue of his journey through the United States:

The foreign commerce of the United States has suffered severely by the restrictions of foreign powers; and it will now be materially affected, no doubt, by the present war; but such is the profusion of provisions and raw materials in the United States, which some of the belligerent powers cannot do very well without, that there must be a considerable export trade under any circumstances.\textsuperscript{103}

The potential of licensed wartime trade created a quandary for many Americans. In an April 1812 letter to President Madison, Jefferson advised “that commerce under certain restrictions and licenses may be indulged between enemies, mutually advantageous to the individuals, and not to their injury as belligerents.”\textsuperscript{104} In private letters to Jefferson, Madison expressed dismay over the use of British licenses to trade with neutral Iberian ports since the licensed trade was “pregnant with abuses of the worst sort.” His opposition to British licenses did not extend to ending all trade with Portugal and Spain, however. Madison believed that in the event of war, Spanish and Portuguese “flags and papers real or counterfeit, will afford neutral cover to our produce as far as wanted” since “the scarcity all over Europe, and the dependence of the W. Indies on our supplies” would inevitably create profits for wheat and grain merchants.\textsuperscript{105} Treasury Secretary Albert Gallatin reconciled war and trade on the narrow grounds that Lisbon and Cadiz remained under Portuguese and Spanish governance, therefore they “are not enemy ports, altho’ there are enemy troops in both.”\textsuperscript{106} In essence, Gallatin’s interpretation of trade

\textsuperscript{102}Galpin, “American Grain Trade to the Spanish Peninsula”, 29-31.
\textsuperscript{103}John Melish, Travels in the United States of America, in the years 1806&1807, and 1809, 1810, & 1811; including an account of passages betwixt America and Britain, and travels through various parts of Great Britain, Ireland, and Upper Canada. Vol. 2 (Philadelphia, Thomas &George Palmer, 1812), 440.
\textsuperscript{105}Madison to Jefferson, April 24, 1812, in Smith ed. Correspondence, 1693-4.
\textsuperscript{106}Albert Gallatin to Larkin Smith, July 24, 1812. Papers of Albert Gallatin, roll 25.
policy was to officially ignore the British presence. In a long American tradition dating back to
the colonies, Madison’s solution to the conundrum was outright smuggling!

An examination of US Treasury reports to Congress during the war years and the
*Historical Statistics of the United States* paints an interesting picture of the deepening crisis
facing the US economy as the war progressed. Although the exact figures in these sources vary,
there is a consistent pattern of rising expenditures, a continued reliance on customs for federal
revenue, and the lack of internal taxation.107 This combination of factors increased the
government’s dependence on loans. Ironically, the ability of the United States Treasury to
borrow was underwritten by continued trade with Great Britain in spite of the declaration of war.
This connection is illustrated by the effect that the unexpected declaration of war in June 1812
created for US merchants in Britain. A misunderstanding arose; many merchants believed that
with the repeal of the Orders-in-Council by Britain that the US Non-Intercourse law was also
repealed. This misunderstanding was perpetuated by Jonathon Russell, American charge
d’affairs in Britain, who advised American merchants to ship their goods home based on his
understanding of Madison’s Non-importation Act. After the declaration of war, he still advised
American merchantmen to return home with their goods because “if the property remained in
England during the war, it would be ruinous to the holders.”108

In a November 4, 1812 letter to Congress, President Madison hoped that the Congress
would resolve this situation in an equitable manner in the public interest as “it did not seem

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with $12 million in customs receipts. Historical Statistics estimated revenue at $9.8 million, customs receipts of 8.9
million, and $5,000 in internal taxes collected. Wallis, John Joseph, “Federal Government Finances – Revenue,
Expenditure, and Debt: 1789–1939.” Table Ea584-587 in *Historical Statistics of the United States, Earliest Times to
the Present: Millennial Edition*, edited by Susan B. Carter, Scott Sigmund Gartner, Michael R. Haines, Alan L.
proper to exercise….the ordinary powers vested in the Treasury Department to mitigate forfeitures without affording to Congress an opportunity of making on the subject such provision as they may think proper.” Later in the same letter, however, he also expressed the cheerful observation that “the duties on the late unexpected importations of British manufactures will render the revenue of the ensuing year more productive than could be anticipated.”  

The surprisingly resilient nature of the American economy for the first 12 to 18 months of the war can be accounted for due to accommodations like licenses and impromptu reinterpretations of trade law.

This success can be traced through the performance of government loan drives over the course of the war. Gallatin reported to Congress in May 1812 that in two days lenders had subscribed $6.1 million of a proposed $11 million loan to the government, of which $4.2 million was subscribed by banks and $1.9 million by individuals. Books for accepting subscriptions were opened in banks stretching from Boston, Hartford, New York, Philadelphia, and other major American cities, and interest rates were not to exceed 6 per cent. The expense of the war caused an increase in the amount of money loaned to the United States Treasury. By December 1812, Gallatin reported that a total of $13.1 million had been received, of which $9.1 million was loaned by banks and $3.9 million by individuals at 6 per cent or in exchange for treasury notes. Although the treasury report provides a breakdown for each back, the record is silent on who the individual lenders were, or what the origins of the funds for those institutional investments were.


Timothy Pitkin’s studies estimated the value of flour and wheat exports to Spain and Portugal at approximately $12 million for 1812 and $15 million in 1813, with additional earnings from other agricultural commodities. In a slight revision in the 1817 second edition, Pitkin increased the total exports of the US for the fiscal year ending October 1813 at $25 million; of which $23 million consisted of agricultural exports “principally of flour and provisions sent to the peninsula.”\(^\text{113}\) The value of exports and customs revenues are linked because customs revenues fluctuate with the volume of trade. Increased trade between the United States and Iberia illustrates the crucial intersection of private and government US economic interests and British private and military ones in permitting this trade to thrive.

If the debate in political circles on the propriety of trading with the enemy with a license was inconclusive, the actual means by which the system worked was murky. Fears that political intervention to stop the license system were ever-present in the minds of US merchants. Levi Hollingsworth noted in a September 16 letter to Vincent Stubbs that “after November, trade may be stopped again, to please Bonaparte as all our late shipments have been to Spain and Portugal to feed his enemies, which neither he, or we fear Mr. Madison approves of.”\(^\text{114}\) A more optimistic Thomas Hollingsworth in Baltimore wrote to his father on the same day with the opinion that “we do not think that congress will interfere with the exportations of flour to the Peninsula.”\(^\text{115}\) It was unclear, however, how long the license system would last. Upon a rumor that no more licenses would be issued, existing licenses became a valuable commodity themselves. Prices for a license for Lisbon reached $1,000 and a Cadiz license $1,250 by the end

\(^{113}\) Pitkin, *A Statistical View of the Commerce of the United States of America 2\textsuperscript{nd} ed* (Hartford: Charles Hosmer, 1816), 113, 146.

\(^{114}\) Levi Hollingsworth to Vincent Stubbs, September 16, 1812. LH Papers, Box 107, Folder 1, HSP.

\(^{115}\) Hollingsworth and Worthington to Levi Hollingsworth, September 16, 1812. LH Papers, Box 107, Folder 1, HSP.
of October 1812. Fear of the end of the licenses was confirmed by Jonathon Ogden in November 1812; although existing licenses would be honored no more would be printed.\textsuperscript{116} By January 1813, the price of licenses had increased to as much as $2,000 for Lisbon and $2,500 for Cadiz.\textsuperscript{117} A letter from H.J. Sampayo in Lisbon, however, informed Hollingsworth and Worthington that all American grain ships, with or without a license, were guaranteed safe passage to Lisbon and Cadiz by order of the British admiral commanding the Lisbon station.\textsuperscript{118} Trusting in his correspondent, Ogden dispatched three vessels for Lisbon, since “Sampayo has the means of getting the vessels away without much risk of capture.”\textsuperscript{119}

Legal sanction, or, at least, US official acquiescence, to trade did not guarantee profit. The voyage of the ship \textit{Thalia} from Philadelphia to Lisbon with a cargo of grain in December 1812 illustrates the potential benefits- and difficulties- of conducting trade under these uncertain terms. In the 38-day voyage, the \textit{Thalia} was boarded by an American privateer (and released), and an English brig of war (and allowed to proceed). On the return voyage, it was stopped again by two British warships, “treated politely,” and allowed to proceed.\textsuperscript{120} Of far greater concern to Charles Baker, the ship’s supercargo of the \textit{Thalia}, was the depressed state of the Lisbon market. Due to the great number of grain ships from America arriving in Lisbon harbor, there was now an eight-month supply of grain in store, and further trade was restricted by the lack of hard currency. In a January 17, 1813 letter, Baker lamented that the number of American grain ships offloading in the harbor were of such number that there was a shortage of lighters.\textsuperscript{121} It took two

\textsuperscript{116} Jonathon Ogden to Levi Hollingsworth, November 9, 1812. LH Papers, Box 107, Folder 11, HSP.
\textsuperscript{117} Hollingsworth and Worthington to Levi Hollingsworth, January 29, 1813. LH Papers, Box 108, Folder 11, HSP.
\textsuperscript{118} Hollingsworth and Worthington to Paschall Hollingsworth, November 27, 1812. LH Papers, Box 108, Folder 2, HSP.
\textsuperscript{119} Jonathon Ogden to Levi Hollingsworth, February 5, 1813. LH Papers, Box 109, Folder 1, HSP.
\textsuperscript{121} Baker to Eyre and Massey, January 13 and January 17, 1813 in Ibid.
weeks until he could report the sale of *Thalia*'s cargo for bills of exchange drawn on the London firm of John Bulkeley and Sons.122

A motion was proposed in Congress in March 1813 to outlaw the use of British licenses, but it was defeated in the House of Representatives by the single vote of Speaker of the House and war hawk Henry Clay.123 In justifying this vote, Clay noted that continued grain exports to the British army in the peninsula would be paid for in specie, thereby weakening the British economy and providing injections of capital into the wartime American economy.124 Clay’s vote is particularly ironic given his support for the war in Canada, however, there is a deeper significance as the vote of the House demonstrates both the confused nature of the conflict with Great Britain as well as collective recognition of the importance of British markets for US agriculture. Timothy Pitkin’s statistical analysis paints a rosy picture for the American export trade even through the first 18 months of the war that suggests the value of US trade to the peninsula not only exceeded Treasury Department estimates, but increased in volume after the declaration of war.125

*Table 6.2: US Grain Exports to Iberia, 1812-14*126

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat (Bushels)-Portugal</th>
<th>Flour (Barrels)-Portugal</th>
<th>Wheat (Bushels)-Spain</th>
<th>Flour (Barrels)-Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1812</td>
<td>33,591</td>
<td>557,218</td>
<td>8,865</td>
<td>381,726</td>
</tr>
<tr>
<td>1813</td>
<td>214,126</td>
<td>542,399</td>
<td>74,709</td>
<td>430,101</td>
</tr>
<tr>
<td>1814</td>
<td>Nil</td>
<td>4,141</td>
<td>Nil</td>
<td>221</td>
</tr>
</tbody>
</table>

122 Baker to Bainbridge and Brown, January 30, 1813 in Ibid.
The combined statistics from Pitkin and the Treasury Department are significant, and reflect the sweeping parameters of trade. The totals of grain exports are significant, and represents an increase in exports due both to the demand in Iberia as well as the need for American merchants to export their product under almost any circumstances. One variation is the dramatic increase in wheat exports rather than flour in the 1813, which may indicate the desperation felt by American merchants that trade would soon be closed. One potential explanation for this changed pattern is the milling requirements for converting wheat into flour. Although harvest occupied a relatively short period of time in the fall, the mills required waterpower that increased during the spring run-off. The statistics suggest that wheat was not a replacement for flour exports and the aberration of this volume can only be explained as a function of a desperate effort to sell as much grain as possible- processed or not- while it was possible.

Pitkin’s statistics also provide an interesting insight for the export of Indian corn. There was a substantial volume of exported Indian corn from 1811 to 1813 from the United States to the West-Indies, Spain, and Portugal. In 1811, the United States exported 2.8 million bushels of corn and 147,426 bushels of corn meal at a total value of almost $2.9 million. Exports dipped slightly in 1812 and 1813, totaling only $1.9 million in 1812 and $1.8 million in 1813.\textsuperscript{127} Corn was another significant trade item for provisioning the peninsula. According to S.D. Broughton’s observations on local cuisine during his service in Iberia, “indian corn is the most abundant, form its’ answering so great a variety of purposes. It is made into meal for bread and cakes, and in other respects forms a considerable article of the diet. The horses and mules are

\textsuperscript{127}Pitkin, \textit{A Statistical View}, 121.
also fed upon it, while the stalks and leaves maintain the oxen.”128 The cumulative nature of the accounts, however, conceals a gradual decreasing demand for American imports that is reflected in the correspondence of the merchants engaged in the practical business of trade. This was the reply of British and US officials to the seemingly irreconcilable nature of wartime trade: licenses permitting continuance of trade due to the mutual benefits would be treated as a form of neutral trade between the US, Spain, and Portugal despite the role of British money in the exchange, consumption by British soldiers, and the role of imported provisions to sustain the civilians of Spain and Portugal, which was a key British military goal.

Congressional sanction and economic interest combined with British permission allowed the market to exist, but the experience of the Thalia was becoming the norm. As the market shifted and the demand for continuous imports declined, the profit motive and military necessity for continuing trade became less compelling. In a March 14, 1813 letter to Levi Hollingsworth, Jonathon Ogden relayed an extract of a letter he received from H.J. Sampayo in Lisbon. Sampayo’s news was that although all ships with licenses had safely departed Lisbon, the market was so glutted with American produce that he “confidently hope no further shipments will arrive from you.” Four days later, Ogden was slightly more hopeful as Sampayo’s brother had just left his company in New York with the suggestion that prices might improve given a little time.129 This optimism was misplaced; by September Ogden received word that the already existing surplus of 257,000 barrels of flour in the Lisbon market would not be needed by Wellington’s army.130

128 S.D. Broughton. Letters from Portugal, Spain, & France, Written during the Campaigns of 1812,1813, & 1814, Addressed to the Friend in England; Describing the Leading Features of the Provinces Passed Through, and the State of Society, Manners, Habits &c. of the People (London: Longman, Hurst, Rees, Orme and Brown, 1815), 122.
129 Jonathon Ogden to Levi Hollingsworth, March 14 and 18, 1813. LH Papers, Box 109, folder 9, HSP.
130 Jonathon Ogden to Levi Hollingsworth, September 21, 1813. LH Papers, Box 111, folder 9, HSP.
H.J. Sampayo directly informed Levi Hollingsworth that the flour stocks on hand “were very considerable, equal to nine months consumption provided there are no further arrivals from any quarter and as the supply of the combined armies is now drawn altogether from England & Ireland, any improvement [in price] would only be temporary.”\(^{131}\) As the war progressed into 1813 the necessity of imported grain declined as the battlefield advanced and other sources of grain became available. The shortage of grain had been replaced by a surplus with catastrophic consequences for American exports.

The declining profits from the Iberian licensed trade, and thus lower customs revenue, necessitated a strong US government loan drive in 1813. Although the war was not successful at this point for the US, the only material economic change between 1812 and 1813 was access to international markets, which, in turn, were directly linked to US agricultural exports. The June 1813 Treasury Department report to congress by Acting Treasury Secretary William Jones noted that “capitalists will advance with greater readiness, and at a lower rate of interests, the funds necessary for the prosecution of the war” only if taxes could be raised in order to guarantee the payment of interest and principal on government debt. Dramatically increasing wartime expenditures, a federal revenue system dependent on customs, and minor efforts at internal taxation resulted in an estimated deficit for 1813 of approximately $17 million.\(^ {132}\)

To secure loan funding, the treasury was compelled to offer a significant discount on government debt in order to entice investors to lend to the government. In addition to the 6 percent interest rate, the treasury also offered securities at 88 percent of par, which (by treasury

\(^{131}\)H.J. Sampayo to Levi Hollingsworth, September 30, 1813. LH Papers, Box 111, folder 10, HSP.

calculations) gave each investor a premium of $13.63 7/11 cents for each $100 lent. The terms
reopened the debate on imposing internal taxes; Jones argued to Congress that the loans for the
upcoming campaign would require support from internal taxes in order to “facilitate the
obtaining of the loan, and secondly, for procuring it on favorable terms.” In May 1813,
Congress levied a series of internal taxes, however, the stated goals for revenue remained minor
compared to the looming deficit and tax receipts and “could not be expected to aid the treasury
until 1814.”

The implementation of internal taxation to support a foreign war represents a break with
classical Jeffersonian political economy. Indeed, the action adopts the very practices for which
Jefferson and other leaders of the Democratic-Republican party criticized the Federalists for in
the 1790s. To support a rapidly collapsing war effort, the Jeffersonians sacrificed an important
ideological principle driven by the foreseeable economic catastrophe that would ensue with the
end of licensed trade.

In Iberia, the supplies provided by the United States aided Wellington’s unsuccessful
1812 Iberian campaign. However this reverse in fortune was temporary. Wellington advanced
into Spain, won the battle of Salamanca, and temporarily liberated Madrid. Despite the
importation of provisions from the United States, the army could not be sustained due to poor
communications with British controlled bases in Portugal and the inability of the commissariat
department to transport supplies to the front. The retreat to the coast began in October.

According to A.L.F. Schaumann, the army was reduced to looting as the weather and a lack of

134 American State Papers: Finance 3: 3. Taxes were imposed on carriages, distilling licenses, auctions, and bank
notes, in addition to additional duties on imported salt with the goal of raising $5 million. Many of these taxes were
to expire one year after the end of the war. Wallis’ “Federal Government Finances – Revenue, Expenditure, and
Debt: 1789–1939.” suggests the temporary nature of internal taxes: revenue in 1814: $1.3 million, 1815: $4.7
million, 1816: 5.1 million, 1817: $2.7 million, 1818: $955,000. See also Brian Arthur, How Britain Won the War of
victuals created deplorable conditions. In November, the army returned to Portugal to refit and re-provision for the 1813 campaign. Shortening the lines of communications made provisioning easier; he noted that “his well-stocked kitchen hampers” made him a welcome guest in the officer’s mess.\footnote{Schaumann, \textit{On the Road With Wellington}, 355-57.}

The 1813 campaign saw the effective end of the Peninsular War. Wellington advanced from his bases in Portugal into central Spain. For Schaumann, the advance into the more agriculturally developed portion of the country made procuring local grain much easier, as he was able to find entire fields of corn that had not been pillaged by the French army.\footnote{Ibid, 371-373.} The battle of Vittoria on June 21, 1813 destroyed the French army and ended the occupation of Spain. Ferdinand VII of Spain was restored to his throne, and the French army retreated to the Pyrenees. By the end of December, Schaumann found himself stationed at Bardos, France, with plentiful provisions such as capons, eggs, milk, and rice available for purchase.\footnote{Ibid, 386, 401-403.}

The end of the Peninsular War eliminated both the markets provided by the war and the leverage that US grain exports held during Great Britain’s prosecution of the campaign. The inability-or unwillingness- to effectively manipulate the Iberian grain trade testifies to the persistence of trade and the dysfunctional nature of US economic policy under Madison. Only in July 1813 was licensed trade outlawed by the United States, and even this did not prohibit the grain trade between the peninsula and the US under the cover of neutral flags. Enforcement of the ban on licenses was uneven at best. A US embargo of American shipping, long feared by American merchants, was not passed until December 1813.\footnote{Galpin, “American Grain Trade to the Spanish Peninsula”, 40-41.} Military events in an even more distant theater of war further influenced US grain exports when Napoleon’s retreat from the grain

\footnotetext{135}{Schaumann, \textit{On the Road With Wellington}, 355-57.}
\footnotetext{136}{Ibid, 371-373.}
\footnotetext{137}{Ibid, 386, 401-403.}
\footnotetext{138}{Galpin, “American Grain Trade to the Spanish Peninsula”, 40-41.}
producing regions of Poland and Germany reopened European grain exports to Great Britain.\textsuperscript{139} This diminished the markets available for US grain exports.

Pitkin’s statistical data reflects the collapse of American foreign trade to the peninsula in 1814 (see Table 5.2 above). As the war moved to Southern France, the license system collapsed, and the British blockade of the United States expanded. Total proceeds from the export of agricultural products amounted to $19 million in 1813, this declined to $2.1 million in 1814. Overall, total exports in 1814 declined to $7 million from $61 million in 1811, imports declined to $13 million from $53 million prior to the war, and customs revenue fell from $13 million in 1811 to $6 million in 1814.\textsuperscript{140}

The December 1813 embargo was repealed in March 1814 at the request of President Madison claiming favorable changes had occurred in the international situation to reopen trade with all nations except Great Britain.\textsuperscript{141} This political change of heart did not reverse the rapidly declining fortunes of the US economy. The collapse of Napoleonic France re-opened the continent of Europe to American trade, and Madison intended for the United States to take advantage. The bill was passed, but the problem of how to evade the British blockade remained unresolved. Another unaccounted-for problem was the increased influence of Great Britain in Europe because of the Napoleonic War. A crucial factor in this situation was the severing US farmers and merchants from British capital and overseas markets. According to Arthur’s \textit{How Britain Won the War of 1812}, the collapse of American finances in 1814 was the culmination of British strategy for the war. Using the blockade to limit foreign trade was one element of the plan. The second was to cut off the US from European capital markets by making the

\textsuperscript{139} Galpin, \textit{Grain Supply of England}, 181.
\textsuperscript{140} Hickey, \textit{The War of 1812}, 200.
\textsuperscript{141} \textit{Annals of Congress}, 13\textsuperscript{th} Congress, 2\textsuperscript{nd} Session, 694.
government a poor credit risk. This lesson learned from the American Revolution was ruthlessly applied during the second war. By fall 1814, the US government could not find a willing lender anywhere in Europe.\textsuperscript{142} Few European nations could risk souring relations with Britain over American trade. Perversely, Napoleon’s fear of excessive British control over the continent’s seaborne trade was the exact result of his fall.

Without British demand, or at least the acquiescence of British authorities, US seaborne trade all but ceased. This reflects directly on the ability of the US government to attract loans. In his January 1814 State of Finances report to Congress, Treasury Secretary Jones estimated that for 1814 almost 75% of expected receipts to the treasury would be in the form of loans.\textsuperscript{143} This level of borrowing was unlikely to be sustained, and in April 1814, G.W. Campbell, the new Treasury Secretary, reported to Congress that loans authorized for the remainder of the year could not be raised.\textsuperscript{144}

The end of licensed trade and a tightening blockade is the cause for this decline in fortunes. Early 1814 represents the transition from the blockade as a British controlled “gate” into a wall. The end Wellington’s campaign also eliminated any motivation to allow continued American foreign trade. The naval resources dedicated to the blockade increased. In April 1814, the blockade was extended to include New England for the first time.\textsuperscript{145} Now, the US was severed from external trade and the treasury could only depend on internal resources.

The collapse of an important government bond syndicate consisting of John Jacob Astor, David Parish, and Stephen Girard was a contributing factor to the embarrassment of the United

\textsuperscript{142} Arthur, \textit{How Britain Won the War of 1812}, 185.
\textsuperscript{143} American State Papers: \textit{Finance}: 2:652. Estimates of revenue for 1814 amounted to $3.5 million in direct taxes, $6.6 million in customs duties and land sales, and $29.4 million in loans.
\textsuperscript{144} American State Papers: \textit{Finance} 2:841.
\textsuperscript{145} Davis and Engerman, \textit{Naval Blockades in War and Peace}, 101.
States Treasury. If the United States continued to rely on loans, Campbell advocated for “establishing an adequate revenue and pledging the same” to repaying principal and interest on the public debt as a means to attract renewed investments in government loans. In October 1814, yet another new Treasury Secretary, A.J. Dallas, reported to Congress that the state of public credit was “so depressed, that no hope of adequate succor, on moderate terms, can safely rest upon it.” Simply stated, by the fall of 1814 the United States Treasury no longer had the capacity to attract lenders due to the unstable financial condition of the wartime government.

The basis of Jeffersonian political economy rested on one central premise. Under a frugal and well managed government, customs revenues were adequate to meet federal expenditures without resort to internal taxation. This premise depended on access to foreign markets, particularly for excess agricultural products. Above all, Jeffersonian political economy required peace to function. Untouched by the lessons learned under the embargo, Madison’s combative foreign policy rendered the Democratic-Republican domestic platform inoperable. To conduct war, the Jeffersonians became what they had accused the Federalists of being only 20 years prior- an oppressive and over active central government with an insatiable appetite for invasive taxation schemes designed to support an undesired military establishment. Gaps in the blockade and the licensed trade allowed the day of reckoning to be delayed, but by the end of 1814 judgement day finally arrived.

Iberia represented one element of continuity in US agricultural exports and integration with the trans-Atlantic British economy. As Jefferson’s embargo concluded in 1809, official US trade with British North America also increased. Dependency on US agriculture remained

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particularly acute in the Maritimes, which represented both colonial continuity as well as another potential opportunity for US lawmakers to use economic policy to influence the British. The experience of the embargo discussed above, however, draws this theory into question. Although the broad characteristic that Iberia and British North America both sought US grain are similar, the particular dynamics of the cross-border trade and its much greater importance for the very survival of the Maritime Provinces (even in peacetime) represents a much deeper connection between the British Empire and the new United States that could be accentuated by war but that also endured without it. Another important distinction is that the Iberia trade carried a thin, but vital, legal veneer as neutral trade, and therefore allowed at least plausible deniability for all parties involved on the issue of trading with the wartime British enemy. Trade relations with British North America allowed no such cover, although whether this curtailed traffic, or if market pressures would dictate commercial interactions will be explored in the next chapter.
 CHAPTER 7
SMUGGLING, WAR, AND THE UNUSUAL (BUT FAMILIAR)
SOLUTIONS TO HUNGER, 1809-1815

In addition to its trans-Atlantic significance, the end of Jefferson’s embargo in 1809 also reshaped the US grain trade with British North America. As with the Iberian trade, the exchange of US provisions for access to the British economy via familiar trading routes, the dependency on American provisions, and the need for a flexible interpretation of the laws of trade in order to sustain the essential trading pattern. From 1809 until the start of war in summer 1812, open trade existed between British North America and the US. With the advent of war, a separation in American policy became apparent between seaborne commerce with the Maritimes and land trade with the Canadas. The licensed trade with Iberia carried with in a winked upon side effect. The US government condoned seaborne licensed trade for reasons of higher policy, and that consent implicitly condoned seaborne trade with Nova Scotia. However, this did not extend legal permission for exporting grain or other provisions to the Canadas.

For British and colonial officials, the outbreak of war further illustrated the connections binding together the two constituent parts of British North America. Both the Canadas and the Maritime Provinces depended on the US as a source of provisions, especially as wartime pressures increased demand for grain. Thus, American farmers directly supported the British war effort in the Canadas while the US government simultaneously attempted to conquer the two provinces by force. In the Maritimes, the context is slightly different as there was no planned American invasion. However, seaborne trade also directly contributed to the British war effort by supplying provisions for the Royal Navy and the military establishment. In time a portion of these imports would be re-exported to the Canadas thus supplementing cross-border trade.
The close of Jefferson’s embargo in 1809 ended a dramatic but fruitless experiment in economic coercion. In Nova Scotia, Lieutenant Governor George Prevost’s opening of Nova Scotian ports to US ships during the embargo represented a break with official imperial policy, and was aimed at least in part to discomfort US authorities. Prevost’s reinterpretation of trade law was subsequently deemed “judicious and well timed” by authorities in London. The underlying economic motivations behind allowing American merchants access had not changed with the collapse of Jefferson’s policy. Particularly, provisions remained a problem for the colony. The regularly scheduled 1809 Parliamentary proclamation on trade policy replaced rather than repudiated Provost’s free trade policy, suggesting that such a generous policy remained a viable policy option. The new regulations still permitted trade between the US and British North America, however, this was limited to certain enumerated articles including lumber products, livestock, and grain “of any sort,” all of which could be exchanged in provincial harbors for manufactures of Britain or its colonies. The response by Prevost and Sir John Sherbrooke, his successor as Lieutenant Governor of the province, is suggestive. A series of proclamations covering 1809, 1810, and 1811 permitting the importation of enumerated goods from the US indicates a continued reliance on imported produce.

Allowing Americans any access to British trade networks was not universally popular among British subjects. Memorials from Halifax merchants regularly complained about competition from outside the empire in lumber and fish exports to the West Indies, however, the critique of imperial policy was not limited to trade regulations alone. Incorporated within the

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150 Sir George Prevost, “Proclamation,” 27 April 1809. PANS, Roll 13972. Trade regulations normally contained sunset provisions during this period; as such, the new Parliamentary mandates in 1809 were part of a regular process rather than a reaction to Prevost’s free trade policy. See chapter 2.
memorial of July 1809 was the observation that due to “lack of encouragement” the northern colonies of the Maritimes and the Canadas could not supply the West Indies with all of the products required.\footnote{“Memorial of the Merchants of Halifax,” 17 July 1809. PANS, Roll 13972.} Implied, although not explicitly stated, in the phrasing “lack of encouragement” was a criticism of the lack of agriculture within the colonies indicating that an outright ban on American imports was not feasible.

Despite the passage of 30 years with minimal results, the essential formula proposed by Lord Sheffield’s critique of American trade with the empire still shaped the mentality of the merchants—with proper domestic encouragement, eventually US agriculture could be banned from the empire due to increased production in British North America, but that day had not yet arrived. The Halifax customs statistics for 1809 and 1810 demonstrate that the city was not able to feed itself on local grain, much less support an export trade. Both reports indicate that the US exported over 11,000 barrels of flour to Halifax each year.\footnote{“An Account of all Ships and Vessels which have Entered Inwards and Cleared Outwards with the Imports and Exports at this Port in the year 1809”, ibid year 1810. PANS, roll 13873. Lord Sheffield, Observations on the Commerce of the United States with Europe and the West Indies; including the several articles of export and import (Philadelphia: Robert Bell, 1783). See chapter 3.}

The 1810 report contains another potentially significant source of grain for Nova Scotia. Over 10,000 barrels of flour were also imported by coastal shipping from Newfoundland, Canada, and New Brunswick. It is certain that these imports were not from Newfoundland, however, the ledger does not distinguish between imports from the Canadas (indicating surplus production and a potential granary in British North America) and New Brunswick (which could indicate either local production or re-exports of goods from the US via New Brunswick). The Provincial Council minutes for December 17, 1811 contains a petition from two Halifax merchants named Hartshorne and Tremain requesting the council’s permission to import grain

\footnote{“Memorial of the Merchants of Halifax,” 17 July 1809. PANS, Roll 13972.}
\footnote{“An Account of all Ships and Vessels which have Entered Inwards and Cleared Outwards with the Imports and Exports at this Port in the year 1809”, ibid year 1810. PANS, roll 13873. Lord Sheffield, Observations on the Commerce of the United States with Europe and the West Indies; including the several articles of export and import (Philadelphia: Robert Bell, 1783). See chapter 3.}
and flour into the province “by way of New Brunswick” under the authority of a proclamation allowing for neutral vessels to enter into Halifax with certain enumerated cargos including “wheat and grain of any kind, bread, biscuit, and flour.” An exasperated council referred the merchants to the Order in Council the merchants cited in their petition as an affirmative answer, with the notation that the Order should be posted by the customs collector “for the information of all persons concerned.”

This exchange is curious in two respects. First, it seems likely that Hartshorne and Tremain represented a larger merchant interest in US agricultural imports than just a single merchant house. Second, the emphasis on US produce first imported through New Brunswick suggests that the embargo era patterns of exchange through Passamaquoddy (and other Maine regions) to British North America remained intact should a worsening political and martial context require a more indirect form of trade.

The land boundary between the Canadas and the US presented another opportunity for licit and illicit exchange. The pattern, however, was somewhat different from maritime trade. The travelogue of John Melish’s journeys in North America outlined the general pattern of exchange in 1810 and 1811 along the St. Lawrence River:

exports, chiefly grain, flour, provisions, potash, timber, naval stores, furs, &c. have late been very great. The imports are chiefly British goods, with which the inhabitants [of Upper Canada] contrive to supply a considerable part of the United States, by smuggling’ and the Americans, in return, smuggle tea, coffee, &c. to the Canadians.

153 “Minutes of the Council, 17th December 1811.” PANS, roll 15312.

154 John Melish, Travels in the United States of America, in the years 1806&1807, and 1809, 1810, & 1811; including an account of passages betwixt America and Britain, and travels through various parts of Great Britain, Ireland, and Upper Canada, Vol. 1 (Philadelphia: Thomas & George Palmer, 1812), 335-6.
Melish’s observations provide several clues on peacetime cross border trade. The river supported a thriving export market for US agricultural goods. He does not indicate points of origin, it is significant that the destination for agricultural surpluses are distant markets rather than local consumption. Second, the commodities transported to the Canadas through the US border communities are all tropical in origin rather than domestic. This can easily be explained as a result of the taxes placed on legally imported goods and the subsequent savings realized by illicit trade.

As 1812 dawned, an uneasy peace reigned between the United States and the British Empire. Whether that peace could survive as the ongoing war in Europe raged was much less certain. Although the United States was not officially at war with any nation and Great Britain was not at war with the United States, tensions between the two nations as a result of the conflict with Napoleonic Europe threatened to instigate another expansion of a conflict that now enmeshed (directly or indirectly) the entire Atlantic World. Congress declared war on Great Britain on June 18, 1812 in a calculated gamble that a quick, victorious war against a distracted foe would render concessions from Great Britain on numerous points of conflict ranging from trade policies to alliances with the First Nations. The glorious vision, however, ignored a host of difficulties as the question transitioned from should there be a declaration of war to could the US actually conduct a war.

A simple declaration of war with Great Britain did not necessarily mean that the war was widely supported in either nation, nor that the means of conducting the new war actually existed. Although Congress could declare a war between nations, it could not declare a war between peoples. Remembering the lessons taught by the embargo and other foreign trade restrictions on the American economy, Congress did not move to sever the seaborne between the United States
and the British Empire as part of the war declaration. The disconnect between economic necessity and foreign policy created a peculiar situation in which trade continued in the midst of war with the explicit and tacit consent of both warring powers; the persistent connection further illustrates the link between the American grain economy and the British Atlantic. Most ironically, the war would also illuminate and strengthen the ties between British North American and the US.

The rationale behind the American declaration of war remains a matter of scholarly dispute. A sampling of theories range from “desperation” and the desire to avoid disgrace, to more substantive US considerations of British interference with American overseas trade, US opposition to British alliances with the First Nations that restricted westward expansion, and American fury at impressment. J.C.A. Stagg offers an intriguing and persuasive economic rationale for the US goals that its invasion of Canada was an effort to “affect Britain’s capacity to exercise its commercial and naval powers against Americans in harmful ways that they could not otherwise control.” The war was a reactionary measure designed to indirectly combat British trade regulations by improving the bargaining position of the United States through the use of Canada as a bargaining chip to obtain concessions on neutral trading rights under the Orders in Council. This would hold the British West Indies hostage to American goodwill for provisioning the islands. According to Madison, the failure of the 1807 embargo was because of illicit trade through Canada, therefore, the conquest of Canada was essential for the full force of the US commercial coercion strategy to work.

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Conquest was also a proactive measure to ensure that the West Indies remained dependent on the United States for food and lumber supplies. In time, British North America might provide an alternative to US exports. This would eliminate any possibility of the United States using economic restrictions as a tool to influence British policies.\textsuperscript{158} This follows the logic of casting British North America as a replacement for the US as a source of supply within the empire espoused by figures such as Lord Sheffield in the 1780s. However, this chapter will demonstrate that not only did that premise fall short in reality, British North America was unable to even meet its own wartime consumption needs, nor could it generate a surplus for Caribbean markets.

British officials may not have expected the declaration of war given that the objectionable Orders-in-Council had already been repealed, however, closer consideration suggests that the fear of famine, poverty, and the possible disruption of supplies from the United States created significant anxiety for British colonial authorities even prior to the outbreak of hostilities. As early as January 1812, Commissary General W.H. Robinson in Quebec wrote that “a rupture with the United States the most permanent evil might arise as our only dependence at present is upon the principal towns in the country for the disposal of [commissary] bills.” The lack of currency was a systemic problem. Robinson estimated the peacetime expenses to provision the Canadas at £400,000 per year with that of Nova Scotia another £200,000 of which less than one quarter could be raised locally. The only recourse was to import specie from the US where “specie is also scarce, the exchange rate equally against England, and whose government now loudly threatens hostility.”\textsuperscript{159}

\textsuperscript{158} Ibid, 33.
\textsuperscript{159}W.H. Robinson to J.C. Herries, 23 January 1812. LAC, roll C-10867. The amount could be significant- one bill exchanged with J.J. Astor in New York amounted to £20,000 at a 19% discount.
Later dispatches in May provided little solace to Robinson as the US government made the exportation of specie to Canada “dangerous and perhaps impractical.”\textsuperscript{160} By the middle of the month the military chest was “nearly exhausted,” although Robinson expected to receive £30,000 from Halifax and the Bahamas; despite this transfer, the expenses of the colony’s defense could not be “defrayed without assistance from home.” A May 18, 1812 dispatch from Robinson to Commissary-in-Chief J.C. Herries in London noted that the policies of the US government had “already occasioned a considerable increase in the price of every article of provision in these provinces and will soon produce a scarcity if no alteration takes place.” Further, supplying the active provincial militia would require an immediate increase in shipments of salted meat to the Canadas from England, while Robinson promised to purchase flour, pease, and pork locally “upon the best terms I can make.”\textsuperscript{161}

Demands on Robinson’s commissariat in the event of war would be substantial. His estimated supply and demand report provides an interesting insight into the problems of flour supply in British North America. Basing his estimates on needing to feed an army of 7,050 (including women and children) for 400 days as well as 2,500 embodied militia for one year would require slightly over 3.5 million pounds of flour. In addition, another 1.2 million pounds were designated for shipment to Halifax based on a requisition from October 1811. Combined, the estimated demand amounted to slightly over 4.8 million pounds. Robinson’s magazines held 862,884 pounds of flour in hand, and he estimated that he would receive 2.9 million pounds more from contractors in Lower Canada leaving him with an estimated deficit of slightly over one million pounds of flour. Conspicuously absent from Robinson’s estimates are any estimated

\textsuperscript{160} Noah Freer [Military Secretary to Sir George Prevost] to W.H. Robinson, 6 May 1812. See also Robinson to Thomas Barclay [Consul General in New York], 11 May 1812. LAC, roll C-10867.
\textsuperscript{161} W.H. Robinson to J.C. Herries, 19 May and 18 May 1812. LAC, roll C-10867.
contributions from Upper Canada, England, or the United States, although he notes that “the supplies of flour and pease may with certainty be provided in this province,” he does not specify where, how, or with what money the flour deficiency would be filled.\textsuperscript{162}

Imports to Halifax follow a slightly different pattern in the spring before war. Direct shipments from Quebec provided one potential source of grain, although no shipping entered into Halifax from Quebec during the first quarter. However, Naval Office records suggest that ports of origin for these supplies differ significantly from Robinson’s expectations. The ledgers record one ship from Boston with a cargo of flour and corn listed individually as well as “twenty three sail of American vessels entered under the orders of the Governor in Council…between 20\textsuperscript{th} March and 16\textsuperscript{th} May 1812.” In total, these 23 vessels carried 7,405 barrels of flour, 9,481 bushels of corn, and 337 barrels of bread. In the quarter ending April 5, 1812 these figures are out of total imports of 9,937 barrels of flour, 10,181 bushels of corn, 337 barrels and 180 hundredweight of bread.\textsuperscript{163} US imports amount to approximately 79\% of all flour imports, 99\% of corn imports, and all the bread imports, with the exception of 180 hundredweight imported from St. Andrews.

The ledger raises two questions without answers. First, why would data from March 20 to May 16 be included on quarterly returns ending on April 5? Second, why would American shipping with the exception of one entering on March 20 be reported as a group given that all other entrances are listed individually with information including the name of the ships’ masters, size of the ship, place the ship was built and when, ships’ owners and specific port of origin. The

\textsuperscript{162} W.H. Robinson to J.C. Herries, 18 May 1812. LAC, roll C-10867. The answer was not Great Britain: only 1 quarter and 3 bushels of wheat were exported from England to the American colonies and the West Indian Islands in all of 1812. See United Kingdom, House of Commons “An Account of British and Foreign Corn and Grain, Exported from Great Britain in the Year 1812” Sessional Papers, 1813-14, Vol. 12, 159. \url{https://parlipapers.proquest.com/parlipapers/docview/t70.d75.1813-003768?accountid=14583}

\textsuperscript{163} Halifax Naval Office Records, January-April 1812. PANS, roll 13969.
first question can perhaps be dismissed as an administrative function; the second is potentially more intriguing.

Trade with the United States in certain enumerated goods, including grain and grain products, was permitted by an Act of Parliament dated March 25, 1812 and administered through an Order in Council dated April 8, 1812. Included within this legislation was permission for US ships to enter into the ports of Halifax, St. John, and St. Andrews for the purpose of importing “wheat and grain of any kind, bread, biscuit” and for exports to be shipped from the same colonial ports. The slow communications of the era presented Lt. Governor John Sherbrooke with a dilemma. Absent timely notice from London, he decided on his own authority to allow continued access to American merchants. This potentially accounts for the anomaly within the port records, and speaks to the importance of this trade that the Lieutenant Governor would extend his authority in this manner, that the imperial government agreed with his conduct, and the confusion stemmed from the delays in communication rather than any disagreement on what trading policy should be.

Entrances into Halifax for April and May 1812 included the arrival of 11 grain ships from St Andrews, New Brunswick, laden with a total of 2,307 barrels of flour, 60 bushels of corn, and 51 barrels, 88 hundredweight, and 1,234 bags of bread. These two months are not an outlier, as the records for June record entrances for five ships laden with 424 barrels of flour, 20 bushels of corn, and 71 hundredweight of bread along with an additional ship with 130 barrels of flour from “N. Brunswick.” This pattern of trade makes little sense on the surface. According to

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164 Liverpool to Sherbrooke, 24 April 1812. See also Viscount Chetwynd to Robert Peel, 7 October 1811. PANS, roll 15241.
165 Sherbrooke to Liverpool, 1 April 1812. PANS, roll 15240.
166 Halifax Naval Office Records, April-May 1812. PANS, roll 13969.
167 Halifax Naval Office Records, June 1812. PANS, roll 13969.
historical geographer Cole Harris, “New Brunswick imported wheat and flour, and exported almost no agricultural produce.” Historian Joshua Smith notes that flour and grain products were commonly smuggled through the US ports on Passamaquoddy Bay into New Brunswick during the embargo. In light of the April 8 Order in Council opening St. Andrews to US imports, the long history of smuggling flour into St. Andrews, and the weakness of local New Brunswick wheat agriculture, the circumstantial evidence for a persistent trade with the US is persuasive.

The War of 1812- Trade during the War Years

As the war started in June 1812, American plans for war consisted of a four-part American scheme against British North America. British naval superiority over the United States was somewhat limited due to the demands of the Napoleonic war in Europe. An effective blockade of the entire US coastline could not be sustained assuming it was desired. An ineffective blockade allowed the handful of US warships to inflict several well publicized but strategically indecisive victories over the Royal Navy. According to Lance Davis and Stanley Engerman, “throughout 1812, the British blockade was neither extensive, tight, nor particularly effective.” Part of this was by design. Only the coastline between Charleston, South Carolina and Florida was declared blockaded in 1812. It was not until spring 1813 that the blockade was extended north to New York and south to Louisiana. Notably, the ports of New England were not included in these measures. It is easy but misleading to remove New England and the Maritimes from the wartime story. Although losses due to privateers on both sides caused

hardship for civilians, the scope and scale of conflict falls far short of the level of violence seen during the land campaigns in the Canadas. In relation to grain and provisioning, this division is a serious mistake. The need for supplies, and the efforts to secure supplies for the war effort was an integrated problem spread over a broad geographic scope. The integrated problem produced an array of solutions by British authorities as the army commissariat, naval authorities, and political leaders coordinated efforts across British North America to resolve the common problem.

Along the border, the US planned a three-pronged assault on the Canadas. The first prong would be General William Hull’s advance from Detroit into southwestern Upper Canada. Confronted by General Isaac Brock and the First Nations leader Tecumseh’s unexpectedly active defense, Hull retreated to Detroit. Closely pursued and besieged by inferior forces, Hull surrendered his entire command on August 16. Combined with the fall of Fort Michilimackinac (July 17) and the abandonment of Fort Dearborn (August 17), American forces in the Old Northwest suffered a crushing defeat. Far from invading Upper Canada, the northwestern most post remaining under American control after two months of war was Fort Wayne, Indiana.  

The second prong focused on the Niagara frontier. The Niagara campaign illustrated the logistical and political weakness of the American army. An ill-advised assault across the Niagara River on October 13 resulted in a bloody repulse at Queenston Heights. Crippled by

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171 Hitsman, *Incredible War of 1812*, 68, 75-76. Detroit and Fort Wayne were located at their present day sites. Fort Dearborn (present day Chicago) and Fort Michilimackinac (present day Mackinaw City, Michigan) controlled the water routes between the Mississippi River drainage and Lakes Michigan and Huron. Part of Brock’s speed was a result of US business interests- he learned of the declaration of war from a business associate of John Jacob Astor who received a war warning from Treasury Secretary Gallatin. See Taylor, *Civil War of 1812*, 147.

172 Taylor, 183, 189. Hitsman, *Incredible War of 1812*, 90. The charismatic Brock was killed in action. General Van Rensselaer, the American commander and well-known Federalist resigned in disgrace. Many militiamen refused to cross the river, allowing American troops on the Canadian shore to be surrounded by British and First Nations forces.
logistical challenges, poor morale, and uncertain leadership, the army was effectively out of the war for the remainder of the 1812 campaign.

The third prong followed the traditional invasion route of Canada utilizing Lake Champlain and the Richelieu River. General Henry Dearborn, the lethargic American commander in this region, proved a better negotiator than combat commander. After negotiating a truce with Prevost upon receiving news of the repeal of the Orders-in-Council, Dearborn waited for orders from Washington prior to proceeding with the campaign. Hostilities did not official resume in this theater until September 4, and Dearborn’s forces made no effort to advance. The third offensive thrust into Canada did not break camp. The grandiose plans concocted by Madison and his advisors resulted in two decisive defeats and little else.

Despite declaring war and constructing grandiose plans for pursuing the conflict, the materials needed for a successful campaign were in short supply in the US. Both sides also had a vested stake in retaining peaceful (if managed) seaborne trade while pursuing military operations in the continental interior. A June 10, 1812 letter from Treasury Secretary Albert Gallatin to Congressman Langdon Cheves, chairman of the House Ways and Means Committee on import duties hints at the ongoing debate between enforcing the embargo and non-importation acts, government revenues, and a war that could not help but impact both calculations. The letter noted that if the trade restriction laws were repealed, US exports would be consumed by Britain directly as well as by Spain, Portugal, and the British West Indies. Upon further study, Gallatin estimated that repeal would double government revenue from customs duties, thereby reducing the need for unpopular internal taxes and governmental borrowing. Gallatin was

173 Hitsman, Incredible War of 1812, 81.
fully aware of the progression of the declaration of war through Congress, and the likelihood of approval by President Madison. He must have also been aware of the superiority of the Royal Navy and the potential devastation of US trade through blockade or seizure of American ships on the high seas as the United States Navy lacked the ability to protect its merchants. Essentially, funding the war against Britain required customs revenue obtained by trading with Britain or a fundamental revolution in Jeffersonian political economy. The second premise would prove politically difficult for the administration, while the first depended on a pious hope that demand for US exports would be so vital to the British economy that some sort of accommodation could be reached that would protect American ships in spite of their nation’s belligerent status.

Legally, the declaration of war had little impact on trade. Exports to Napoleonic France were legal, but due to the impact of the British Royal Navy, this trade already had been severely curtailed. Direct commerce with Great Britain was still technically illegal under the Non-importation Act of 1811, although there was an effort to repeal this ban in order to increase tax revenues and violations of the law were routine. The grain trade with British allies Spain and Portugal remained legal and encouraged by both US and British officials through the establishment of a licensed trading scheme that protected some American shipping from capture by British cruisers. In this light, there was nothing in the declaration of war or any subsequent legislation that made trading with a British license to neutral ports throughout the world illegal through 1813, while Gallatin’s hope of an accommodation allowing trade was answered for the first 18 months of war. Although the intent was to support Iberian trade, the principles of the license trade also applied to seaborne commerce between Nova Scotia and the United States. It was only after 18 months of war that seaborne commerce became more closely regulated. Inland, boundaries between the Canadas and the US represented a different form of trade,
however, support also existed for the continuance and expansion of commodity trade by land. According to historian Donald Hickey’s “American Trade Restrictions During the War of 1812,” the British blockade and trade restrictions were not designed to stop American trade with Canada nor could American laws designed to end trade with the enemy be enforced.176

The uncertain nature of the American war effort opened opportunities for British North America. The best solution to the supply difficulties caused by war with the US was, perversely, the US. July 1812 saw a number of letters from Sir John Sherbrooke, Lieutenant Governor of Nova Scotia, and Sir George Prevost, Commander in Chief and governor of British North America as to how the war would be conducted by British forces. General Prevost’s orders allowed for continued cross-border provisions trade provided that the merchant applied for and received a permit.177 A continuous supply of provisions and specie from the United States was vital for the defense of the Canadas, as Commissary General Robinson in Quebec tersely noted to J.C. Herries of the Commissariat Department. Robinson wrote in July 1812 “of flour a sufficiency may be had in the country tho’ the price has much augmented particularly as I have no cash.” Further, immediate shipments of salted meat were required as “these provinces cannot furnish meat for its’ inhabitants. It has always been imported from the states in large quantities.” Further adding to his burdens were the demands for provisions in Halifax, which were fulfilled in part by shipments from Quebec.178 According to the Halifax Naval Office records, eight ships laden with wheat and bread arrived from Quebec between July 6 and July 15, however is was not

177 James McGill, Temporary Regulations…. 23 July 1812.
178 W.H. Robinson to J.C. Herries, 18 July 1812. LAC, roll C-10867: “The amount of the annual requisition for provisions for Halifax has been furnished by me, and the last vessels will sail tomorrow.” This suggests that this is a regular exchange, thus linking the Canadas to Halifax as a grain supplier at least for military consumption.
sustainable. July also finds the entry of four additional flour ships from St. Andrews and three ships from New Brunswick laden with corn and bread amounting to 622 barrels of flour and 326.5 bushels of corn.

1812-13: Halifax and the Maritime Trade

For Sherbrooke, the prospect of war with the United States required careful management as Nova Scotia was ill-prepared for conflict. Fortunately, the US war plan did not include an attack on the Maritimes. One means of maintaining the peace was through cultivating trade relations across the border both for economic benefit but also to maintain peace on the international boundary between the Maritime Provinces and Massachusetts. Sherbrooke’s July 3 proclamation declared to borderland inhabitants his desire that residents would “pursue in peace their usual and accustomed trades without molestation.” Further, the proclamation protected American goods and unarmed vessels in the region provided no hostile acts occurred.

This action met with approval from disparate audiences. His Royal Highness the Prince Regent “entirely approves the substance” of the de facto truce, while recommending “an amicable and liberal communication and intercourse between the inhabitants of the respective borders whatever may be the actual state of relations between the two governments.” Further, authorization permitting trade relations between Nova Scotia, New Brunswick and the United States under the authority of an Act of Parliament issued prior to the war would remain in effect until its scheduled expiration in April 1815. Sherbrooke suspected that the war would “prevent the inhabitants of Nova Scotia from deriving the intended benefit from His Royal Highnesses

179 Naval Office Records, PANS, roll 13969. The total cargos amounted to 2635 barrels of flour and 57 hundredweight of bread.
180 Naval Office Records, PANS, roll 13969.
181 “A Proclamation, by his Excellency Sir John Coape Sherbrooke……”3 July 1812. PANS, roll 13873.
182 Liverpool to Sherbrooke, 10 August 1812. PANS, roll 13873.

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order as the regulation therein contained cannot now be carried into effect.”183 This pessimistic observation did not entirely happen, although some modifications of trade were inevitable under the circumstances.

British consul Andrew Allen in Boston reported on July 23 that the proclamations preserving the peace “has been received here [Boston] with the most markd [sic] satisfaction.” Popular opinion in the Eastern States opposed war with Great Britain; in Boston fears of “the exhaustion of the treasury, the imposition of taxes, the depreciation of real property, and the want of a vent for their produce” combined with fear of the result of a war with Britain dominated public perceptions of the war effort.184 This mirrored Sherbrooke’s fears on the indefensibility of the province due to the lack of soldiers and weapons. More importantly, perhaps, was the lack of provisions and specie to sustain Nova Scotia; this fear and the American need for trading partners combined with public sentiment to create an environment more conducive to peace and trade than the official state of war would suggest.185

Driven by multiple reinforcing goals, Sherbrooke issued trading licenses similar to that issued to the merchant Edward Perkins in July 1812. The license allowed Perkins to “import and bring into the port of Halifax from any port of the United States of America in any ship or vessel a cargo of flour, meal corn, or provisions of any kind.”186 This included US ports that were theoretically under British blockade. Perkins was one of many traders who took advantage of the opportunities provided by the licensing system as the commercial connections between Nova Scotia and New England remained remarkably intact. In a lengthy letter from Sherbrooke to Lord Liverpool in August 1812, Sherbrooke noted that a number of American traders continued

183 Sherbrooke to Liverpool, 18 July 1812. PANS, roll 13873.
184 Andrew Allen to Sherbrooke, 23 July 1812. PANS, roll 13873.
185 Sherbrooke to Liverpool, 7 August 1812. PANS, roll 13873.
186 Sherbrooke to Edward Perkins, 22 July 1812. PANS, roll 15331.
to trade with the province due to the demand for British manufactures, “the consequence of such a commercial intercourse between this colony and the states of America would doubtless be a supply of both specie and provisions to the former, articles much wanted and likely to be increasingly demanded” within the province. If this trade was officially sanctioned, and protections for American merchant vessels trading with Halifax enacted “very considerable supplies might be expected” from this quarter, however, authorization from the home government was required.187

In reply Liverpool authorized and encouraged Sherbrooke to cultivate “an amicable and liberal communication with the neighboring states, and of promoting any friendly disposition which may manifest itself in the manner which may appear to you best calculated to ensure its continuance.”188 Licensed trade also enjoyed the support of Sir John Borlase Warren, the Commander in Chief of the Royal Navy’s North American Station, who promised his cooperation “as the import of provisions into this province is desirable.”189 Support from these three sources is significant as it represented the assent of the imperial government in the persons of Liverpool and the Prince Regent and the assurance of an available and legal market for US produce through the consent of Sherbrooke. The role of Warren is especially significant. His ships conducted the blockade of US ports and patrolled the sea-lanes leading to Nova Scotia. His consent to the license system provided the essential practical security for trade to continue. Although this would change over the course of the war, the pertinent British authorities were united in their support for continued seaborne trade at the start of the war in North America.

187 Sherbrooke to Liverpool, 7 August 1812. PANS, roll 13873.
188 Liverpool to Sherbrooke, 30 September 1812. PANS, roll 13873.
189 Admiral Sir John Borlase Warren to Sherbrooke, 21 November 1812. PANS, roll 15331.
Sherbrooke’s efforts to encourage trade with the United States bore fruit in the fall of 1812. In October he reported to Lord Liverpool that “this province has of late been supplied with flour and other articles of provisions imported from the United States under licenses signed by me and ordered by the admiral [Sir John Warren] to be respected by the cruisers on this station.” The license system established by Warren and Sherbrooke was approved; despite the outbreak of hostilities the provisions of the Orders-in-Council of April 8, 1812 allowing for trade in certain enumerated products remained in effect.

However, these happy circumstances may be temporary depending on the next session of Congress; Sherbrooke expressed the real fear that the trade between enemies would be formally banned by the US government. If this should come to pass, “the want of sufficient supply of provisions” would cause “a situation of very great embarrassment.” Later in the same letter, Sherbrooke linked the fate of Halifax and the trade in American provisions to other portions of the British Empire and the war in Spain as “large quantities [of provisions] have again been exported from hence, for our West India Islands, and for Spain and Portugal.”

This hints at the same combination of supply and demand factors as Robinson’s July 1812 letter but with an additional and significant addition to the calculations. Sherbooke’s inclusion of the US as part of the calculous further reinforces the interlocking nature of provisions trade and adds a layer of political complexity as one of the proposed suppliers was firmly outside British political control. Only market pressures and political acquiescence of both belligerents allowed this commerce to continue. The supply and demand dynamics of grain were not restricted to a single colony or even a single side of the Atlantic; rather the grain trade was an

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190 Sherbrooke to Liverpool, 7 October 1812. PANS, roll 13874.
191 Chetwynd to Sherbrooke, 7 October 1812. PANS, roll 15241.
192 Sherbrooke to Liverpool, 7 October 1812. PANS, roll 13874.
integrated system connecting Europe, the West Indies, British North America, and the United States. The letter also hints at the fragility of this trade; just as both nations could rationalize allowing commerce, both sides might also rationalize ending trade. Much as the wheat harvest fluctuates from year-to-year, dynamic political and economic factors regulating commerce joined a host of factors encompassing the progress of two separate wars, harvests throughout the Atlantic basin, and the political machinations of varied individuals and states. How, when, or if any of those factors would shift, and thereby create a new cost-benefit analysis, remained unknown.

Quantifying the extent of trade from the US to Halifax is difficult for the last half of 1812. This is especially true for commodities such as grain and flour, which were not subject to customs duties. Fortunately, the Naval Office recorded incoming and outgoing shipping based on the physical entry or exit of individual ships rather than by cargo. Despite the importance of US grain and of Sherboorke’s licensing scheme, there is no record of any American vessels entering into Halifax between the quarterly report ending with May 16 and the quarterly report ending in December, which records the entry of 14 American ships laden with flour and salted meat. For the quarter, the 14 American ships recorded in aggregate were responsible for a significant portion of all provisions imports- 30% of all flour and 96% of salt meats, however with the exception of three ships all imports from Quebec and St. Andrews occurred by the end of October.

The quantitative data is much more ambiguous as to the volume and importance of trade between Halifax, the West Indies, and Iberia. The fourth quarter of 1811 suggests that Halifax is

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193 Halifax Naval Office Records, PANS, roll 13969. Reconciling the lack of entries from the US between May 16 and September with the Liverpool/Sherbrooke correspondence encouraging American trade is impossible. The absence of evidence presents two possibilities- either there were no entries, or they were not recorded.

194 Halifax Naval Office Records, October-December, 1812. PANS, roll 13969.
the hub of a thriving grain trade based on exports to Newfoundland, New Providence, Bermuda, and, intriguingly, Miramichi. 195 1812 saw a dramatic decline in volume; the first quarter only saw two clearances for grain cargoes for Newfoundland and none for the West Indies or Iberia. The second quarter record of clearances amounts to two ships for Newfoundland, one for Liverpool, one for Bermuda, and one for Miramichi; bread and flour exports amount to these five ships and total cargoes of 500 barrels of flour and 265 hundredweight of bread. 196 Third quarter returns are also relatively small; amounting to a total of six vessels and cargoes of 3,076 barrels of flour and 119 hundredweight of bread distributed between the British West Indies, New Brunswick, Barbados, Falmouth, and Miramichi. 197

Accepting Sherbrooke’s letter of October 7 emphasizing the American trade as an important source of supply for the West Indies and Iberia as fact, this raises a potential problem as there is no indication in the records of any exports to Spain or Portugal in the Naval Office records and, unlike Robinson’s reports, Sherbrooke’s writings do not provide any particular shipment or set of clearances for Iberia during this time. Likewise, clearances for the West Indies amount to a small handful of vessels through the end of 1811 and the first three quarters of 1812. Unfortunately, the records for the fourth quarter are faded in spots rendering it impossible to discern portions of the ledgers. Fortunately, the column reporting the total exports for the quarter are intact; according to the records a total of 887 barrels of flour were exported from Halifax during this quarter. 198 Although the destinations are unclear, the pattern for the previous

195 Naval Office Records, September-December 1811. PANS, roll 13969. Quarterly exports are 14 ships with a combined cargo of 1,691 barrels of flour and 1,465 hundredweight of bread. Curiously, unlike the ledgers recording imports, Indian Corn is not included as a separate line item in the outgoing commerce ledgers.
196 Halifax Naval Office Records, April-June 1812. PANS, roll 13969.
197 Halifax Naval Office Records, July-September 1812. PANS, roll 13969. Totals: Ships: BWI 2, New Brunswick, Miramichi, Barbados, and Falmouth 1 each.
198 Halifax Naval Office Records, October-December 1812. PANS, roll 13969.
four quarters may provide some clues and regardless of destination, the quantity of exports are
minor for this quarter and for this entire 15-month period.

By November, a second and perhaps more serious problem arose for the licensed trade. Demand for provisions within Nova Scotia was such that even the existing interruptions of commerce resulted in provisions becoming “scare and dear as to excite considerable alarm” within the province. The political solution of licenses did not solve the problem of creating a profitable or sustainable trading relationship given the restrictions place on exports from Nova Scotia resulted in American trading vessels leaving without a return cargo, as Sherbrooke did not believe that his authority permitted him to authorize US ships to export fish and lumber from Nova Scotia to the West Indies. In his view, American ships required “the privilege of trading to any port whatever any articles being the growth produce or manufacture of the United Kingdom….or of any of His Majesty’s colonies or settlements for economically sustainable trade.” Therefore, he requested imperial approval to authorize such trade if favored by the Lieutenant Governor with the advice and consent of the council.199

Two weeks later, dire need compelled Sherbrooke to acquaint Liverpool that “I have felt myself under the necessity of encouraging the importation of provisions so far as to allow neutral vessels bringing such cargoes licenses to export lumber to our West India islands. I hope your lordship will be of the opinion that our necessities will justify the measure.”200 This somewhat benign request concealed two potentially more controversial elements. First, did the Lieutenant Governor hold such powers over trade policy, and, second, the practice of American ships entering into Halifax under neutral flags was already an established fact. Whether this

199 Sherbrooke to Liverpool, 6 November 1812. PANS, roll 13874.
200 Sherbrooke to Liverpool, 18 November 1812. PANS, roll 13874.
permission extended to American ships sailing under a neutral flag or only truly neutral vessels is unclear.  

After six months of war, the economic patterns linking the colony to US agriculture were clear and familiar. The custom of permitting American provisions into the colony due to need and a lack of local production on an “emergency” basis was an established pattern since the loyalist influx during the 1780s. Naval Office returns for the first quarter of 1813 record 17 American vessels clearing Halifax harbor. Although records of each cargo are illegible, the pre-war and wartime patterns provide a persuasive contextual argument that the cargoes were agricultural products.

Whatever the problems faced by Sherbrooke in Halifax, there would be no help forthcoming from the commissariat department in the Canadas. Robinson’s cheerful optimism from July did not persist as the demands of the war outstripped his capacity to provide food and material for the war. By December 1812 the tone of his correspondence with Herries was despondent: “in the event of a continuance of the war it will I am confident be impossible to furnish a sufficient quantity either of salt pork or flour which a former letter of mine….will have prepared you for.” Further, it was his unfortunate duty to report that he had already informed Deputy Commissary General Manby in Halifax “that he must not look to me for the usual annual supply for Halifax and its dependencies.” As it came to pass, only three grain vessels from Quebec entering the port of Halifax from October to the end of the year.

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201 Sherbrooke to Liverpool, 6 November 1812. PANS, roll 13874. The question of American ships and neutral flags remained unanswered, the question of the Lieutenant Governor’s authority to allow free trade under neutral flags was answered in the negative. See Buller to Sherbrooke, 9 January 1813. PANS, roll 15241.
202 W.H. Robinson to J.C. Herries, 1 December 1812. LAC, roll C-10867.
203 Halifax Naval Office Records, October-December 1812. PANS, roll 13969.
According to economic historian Fernand Ouellet, the 1812 Canadian harvest suffered from a late snow melt and early frosts, which may explain Robinson’s changed outlook.\textsuperscript{204} The vastly different tone found within Robinson’s letters is suggestive of the state of Canadian agriculture, and of the marginal nature of Canadian surpluses as the commissariat department’s outlook on the state of provisions transitions from having an exportable surplus at the end of September to a dangerous shortage by the beginning of December based on a single subpar harvest. Robinson’s correspondence also hints at a number of significant features of the 1812 provisions trade. The inability of the Maritime Provinces to reach even self-sufficiency in agricultural production required the diversion of scarce and uncertain resources from the Canadas to sustain the Maritimes. Failing this support, finding alternative sources of supply was crucial. Little help could be expected from Great Britain as a result of disastrous harvests there in 1811 and 1812, which had made Britain dependent on grain imported under license from Napoleonic Europe in 1811 and the upcoming 1812 campaign destroyed this source of imports.\textsuperscript{205}

Under these circumstances, non-British sources of supply were essential. The only plausible and reliable source of grain for the foreseeable future was the United States. The Halifax port records for the first quarter of 1813 record the entry of 13 American ships laden with 2,481 barrels of flour and 543 hundredweight of bread.\textsuperscript{206} The volume of trade suggests a vibrant marketplace, although other documents suggest some level of confusion as the mechanics of licensed trade uncomfortably meshed with larger political forces. The saga of the American

\textsuperscript{204} Fernand Ouellet, \textit{Economic and Social History of Quebec: Structures and Conjunctures} (Ottawa: Carleton University, 1980), 226.

\textsuperscript{205} W. Freeman Galpin, \textit{The Grain Supply of England During the Napoleonic Period} (Ann Arbor: University of Michigan Press, 1925), 243-248. See Chapter 5 for a more expansive discussion on the licensed trade with France.

\textsuperscript{206} Halifax Naval Office Records, January-March 1813. PANS, roll 13969.
brig *Dispatch* in January 1813 provides an interesting case study in the difficulties of conducting trade between two warring powers. Two American merchants named Plasket and Clarke sailed the *Dispatch* into Halifax with a license to carry provisions and naval stores from the United States. However, part of the cargo was “a few casks of cyder [sic] and about one hundred boxes of spermaceti candles, which was done by them solely with a view of concealing from the custom house officers in Massachusetts the real place of the brig’s destination.” The candles were seized by the Halifax port collector as contraband, however Plasket and Clarke applied to Sherbrooke for the restoration of the seized goods, as there was no intent of selling the candles in the Halifax markets. After making “a very minute inquiry into the particulars of this case” Sherbrooke found that “the candles were embarked by the adventurers solely with a view to deceive their own government” and therefore should be returned to the merchants. In his report to Lord Liverpool on the incident, Sherbrooke requested that special instructions be sent to port collectors about the management of American trade, for “if the revenue laws were to be rigidly enforced there, an immediate stop would be put to our communication with the states, upon which we must now so much depend for our supplies of flour and other necessities of life.”

1812-13: The Canadas and Cross-Border Trade

Commissary General Robinson’s dire warning on the state of provisioning in the Canadas found relief via American trade. Unlike the seaborne trading system, no formal system of mutually recognized licenses existed for this land trade. A series of personal truces between individuals combined with a weak or corrupt American customs service allowed for an informal licensing system to operate. The Lake Champlain-Richelieu corridor illustrates this difficulty.

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207 Sherbrooke to Liverpool, 28 January 1813. PANS, roll 13874.
Initially, the state of Vermont expressed support for the war through legislation designed to end trade with British North America. A November 1812 act of the Democratic-Republican dominated Vermont Legislature made it illegal to enter into Lower Canada under any pretext whatsoever without a pass from the governor or his agent. The act also made it illegal to trade any cattle or horses with Canada under the penalty of seizure. Half of the property seized would be sold for the benefit of the state, while the other half would be given to whoever reported the crime.209

This level of commitment to the national cause would not be sustained. The November act was subsequently repealed by the Federalist-leaning 1813 legislature.210 In April 1813, smuggling in upstate New York reached such epidemic proportions that 50 soldiers under the command of US army Lieutenant Lorin Austin were detailed to reinforce customs officials. During a raid on Americus, New York, thirteen alleged smugglers were arrested. The smugglers received bail from a sympathetic local judge; upon their release, they filed charges against Lieutenant Austin. Austin was arrested and remained in jail until bailed out by his commanding officer, Colonel Zebulon Pike. In Vermont, a brawl broke out in September 1813 between a pro-war mob acting in support of customs officials and a pro-smuggler mob over a collection of illicit goods. The brawl ended “in the complete discomfiture of Uncle Sam’s party, who retired from the conflict with many a broken head and bruised limb.”211

Other smugglers used more peaceful, if brazenly corrupt, methods to trade between the United States and British North America. In his article “A Traitorous and Diabolical Traffic,” historian H.N. Muller outlined the experiences of customs collector Cornelius Van Ness.

210 Williamson, Vermont in Quandary, 275.
211 Sturm, “Smuggling in the War of 1812,” 536-537.
According to Van Ness, trade across the boundary could be arranged through the good offices of the customs collector. An importer would give notice that a shipment of smuggled goods was located near the border. The goods would be seized, a bond was collected from the smuggler, and the goods were left in his hands. The smuggler then filed an application with the courts for the remission of the forfeiture, which was usually granted. According to Mueller, this system amounted to a legalization of enemy trade by means of legal chicanery implicating the court system and the customs service. This was officially tolerated because “stopping the commerce along the Champlain-Richelieu path flirted with the possibility of open rebellion in Vermont.”

Planning for the 1813 campaign presented Madison and his adviser with a number of difficulties. At sea, American warships faced increasingly effective Royal Navy efforts to blockade the United States Navy in port. More bad news arrived from the far west as efforts to recapture Detroit failed. Losses suffered at Frenchtown (January 1813) preempted the advance of William Henry Harrison’s army for the remainder of the winter. The army would not advance again until Oliver Hazard Perry’s victory at the battle of Lake Erie (September 1813) improved Harrison’s supply lines. Victory at the Battle of the Thames in Upper Canada (October 5, 1813) liberated Michigan for the US, although controlling southwestern Upper Canada was beyond his means. A more important outcome of the battle was the death of Tecumseh, and the subsequent collapse of the First Nations’ war effort.

Further east, American planners called for the capture of Kingston, an advance on the Niagara frontier and the capture of York (present day Toronto). The raid on York proved the easiest objective to reach. The lightly defended town fell to a raid in April 1813. The sack of

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213 Hitsman, Incredible War of 1812, 156-7.
York embittered the struggle and provided a rallying cry against the Americans, however the most important short term effect of York was the destruction of supplies stored there. Operations on the Niagara frontier remained indecisive. American victories at Fort George (May 1813) were counterbalanced by British victories at Stoney Creek (June 1813), Beaver Dams (June 1813) and Fort Niagara (December 1813). Despite great efforts and great suffering, the net result was a stalemate.214

The proposed offensive against Kingston was not launched. A smaller expedition launched in the fall descended the St. Lawrence. However, this expedition was repelled at Chateauguay (October 1813). An informal truce controlled trade along the St. Lawrence River between upstate New York and Upper Canada to the west. The examples of David Parrish and John Jacob Astor illustrate the possibilities for sustained cross-border business during wartime. David Parish was a wealthy land owner with influence on both sides of the St. Lawrence. He was closely connected to the Madison administration due to his wealth and even made substantial loans to fund the war.215 Historian Alan Taylor speculates that Parish had an informal understanding with the US government: in exchange for lending money to the government, the administration would ensure that US troops stayed away from the St. Lawrence Valley. Parish also had an understanding with the British government that both sides would uphold the peace. The informal truce in upstate New York was threatened by the introduction of forces from outside the borderlands. From July 1812 to February 1813, US troops under command of Benjamin Forsyth of North Carolina conducted a series of raids along the Canadian side of the border despite the truce. A counter raid by British forces threatened to embroil the border in war. In order to preserve the peace, Parish lobbied the US government to remove all its

214 Ibid, 130-1, 134-5, 173.
215 See chapter 5 for Astor and Parrish’s involvement with US Treasury securities.
troops from the St. Lawrence Valley. Forsyth was transferred elsewhere, and the American troops were removed. Parish subsequently subscribed $7.5 million in federal war loans. By March 1813, peace was restored to such an extent that British officers and respectable American citizens openly socialized in the city streets of Ogdensburg, New York.216

John Jacob Astor was a well-connected US businessman with ties to the Madison administration as well as significant interests in trans-border trade. Astor was heavily involved in the fur trade, both through ownership of The American Fur Company and the American-Canadian Southwest Fur Company. The Southwest Company was designed as a partnership between Astor and Canadian fur traders to facilitate cross-border exchange of furs and Indian trade goods.217 Astor’s trade with Canada was not dramatically impacted by the start of the war. In late June 1812, Astor approached Secretary of the Treasury Albert Gallatin to secure permission to import goods from Montreal that he owned prior to the declaration of war. Permission was subsequently granted. Astor then used his connections to Montreal merchants to secure a passport from British officials in order to tend to his business affairs there. By spring 1813, Astor imported approximately $250,000 worth of furs into the United States from British North America. Much like David Parish, Astor also happened to be one of the primary investors in government securities during the war. In April 1813, Astor invested over $2 million into government securities.218 The stories of Parrish and Astor combined with the activities of less well known smugglers around Lake Champlain suggest another interesting facet of the War of 1812; commerce between the belligerent powers was not just a regulated seaborne trade under licenses but also a matter of illicit (though often tolerated) smuggling and potentially outright

218 Ibid, 140, 147-8.
corruption enmeshing the highest levels of US government and influential businessmen with access to power.

The influence of Parish in particular has provoked a great deal of historical debate. During the bicentennial celebration of the war, Alan Taylor presented a controversial theory in *Maclean’s* Magazine. Outside of a short lived raid late in 1813, the decisive St. Lawrence Valley remained undisturbed by American forces. Although he admits that “there is no smoking gun” and that it is a “circumstantial case” Taylor posits that Parish’s influence, wealth, and connections to the US Treasury extended so far that military operations in the St. Lawrence were abandoned as a quid pro quo for Parish’s purchases of government securities.²¹⁹ Although the case is not proven, it reflects the desperation of the US government as the war continued with no victory in sight.

Taylor’s supposition represents the most obvious connection between American business interests and the war effort on both sides. Less noticeably, ongoing grain imports from the US helped Commissary Robinson in Quebec during the winter crisis, and offered the potential of further help in the future. However, American goods failed to entirely solve the provisions problem. Dire need resulted in an incredible transformation in the traditional patterns of the peacetime grain trade. The demand for flour in British North America during the war caused the flow of the trans-Atlantic grain trade to start reversing itself—flour and grain no longer flowed from North America to the West Indies or Europe, but rather from Great Britain and the West Indies to the Canadas.

This process was in part a product of changing conditions in Europe which slowly redirected trading patterns from 1812 to 1813. The complete failure of Napoleon’s Russian

campaign also caused the collapse of his continental economic system, which re-opened a number of markets in central and Eastern Europe for British trade leading to a more consistent source of grain for Great Britain. Improved harvests in Ireland and Great Britain itself further increased the availability of grain in Great Britain; the increased supply and the forthcoming end of the peninsular campaign provided a degree of flexibility in the wartime grain markets that had not existed since 1809. This trend is a process rather than an immediate shift; how quickly this new found flexibility could transition from theory to practical effect remained to be seen as even these momentous events lacked the capacity to create immediate change at the front in Upper Canada. Improving conditions in Europe held the promise of aiding the Canadas, but whether or not help from Europe would arrive in time was an unanswered question.

For the commissariat in Quebec, immediate help was required. In November 1812 Robinson wrote to Herries apprising him of the need for the immediate shipment of provisions to the Canadas. Herries responded in April 1813 by shipping 980,112 pounds of flour from Britain as well as over 600,000 pounds of pork. A second dispatch cheerfully noted, “I hope that the pork and flour which I . . . shipped for your station . . . will reach you in time.”220 This exchange reveals two interesting features of the new path of the grain trade. The time lag between requests and delivery is significant. The exchange of requests spanned five months across winter and early spring, receiving the promised goods required still more time: Robinson’s November 1812 request resulted in action by the Commissioners of Victualling in April 1813. However, it was not until mid-June 1813 that two ships were laden with the promised supplies and Herries only notified Robinson that they were en route in September.221

220 Herries to Robinson, 26 April 1813 and Herries to Robinson, 29 April 1813. LAC, roll 12849.
221 Herries to Robinson, 7 September 1813. LAC, roll 12849. An additional problem was that it was sometimes impossible to procure the requested provisions; the shipment replaced part of the salt pork with beef due to pork not being available.
Thus, from first request for supplies to notification they were en route covered 11 months.

Second, the difficulties in providing the needed supplies were significant but not for the obvious reason. It is the problems of time and distance that Herries is hinting at; the question of expense for these provisions is not mentioned. This is a significant departure from the content of the pre-war letters in which the specie problem played a prominent role.

Although this could not have been clear in April 1813, these letters represent the beginning of a consistent pattern rather than an aberration. A June 10 letter from Robinson asking for additional support was met by an August 12 response promising the shipment of 3,000 sacks of flour to Quebec from Cork, an additional one million pounds from the Commissioners of Victualling in Britain, and (perhaps the most interesting of these promises) the shipment of one million pounds of flour from the British army commissariat in the West Indies.222 Halifax port records show two entries of flour and bread cargoes from Bermuda in mid-May 1813 and two additional cargoes from Bermuda and Jamaica in June. Although the quantities only amounted to 2,432 barrels of flour and 3,980 hundredweight of bread, this is an interesting aberration in the traditional patterns of commerce.223

Herries conceived that the above quantities would be “sufficient to meet your consumption of flour until the arrival at Quebec of the first spring fleet, by which the remainder of your requisition will be forwarded.”224 This promise was later augmented by the Lords of the Treasury. At meetings held in June and July 1813 they sent four million pounds of flour, the

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222 Herries to Robinson, 12 August 1813. LAC, roll 12849. 1 sack contained 20 stone of flour (400 pounds), making the promised supply 3.2 million pounds of flour. Where the West Indies commissariat gained such a surplus is unclear. The most likely explanation is pre-war American shipments. Possible smuggling through New Orleans is unlikely due to crop failure in the Ohio Valley, public pressures, and local demand by US forces. See W. Freeman Galpin “The Grain Trade of New Orleans, 1804-1814” The Mississippi Valley Historical Review, Vol. 14, No. 4 (March 1928), 496-507, 504.

223 Halifax Naval Office Records, January-June 1813. PANS, roll 13969.

224 Herries to Robinson, 12 August 1813. LAC, roll 12849.
same of pork, and over a half million pounds of rice “by the first convoy to Canada.”225 A September 9 letter from Jason Drummond of the Commissariat Department to Robinson informed him of the immediate shipment of two shiploads of flour to Quebec amounting to slightly more than 330,000 pounds of flour from Cork, Ireland.226 The element of time is again critical due to the time lag between shipment and receipt in Quebec as well as an additional delay between receipt in Quebec and arrival at the front.

The difficulty of transporting supplies to the front in Upper Canada challenged the commissariat and placed a premium on locally produced foodstuffs. The distance between Quebec City and troops in Upper Canada amounted to 800 miles, which according to General George Prevost “presents great obstacles to the transport service, some of them almost insurmountable, until the superiority on the lake [Ontario] is obtained by us.”227 The physical distance between the port of Quebec and the warfront complicated meaningful provisioning. The long supply lines were also subject to disruption by Americans. The adventures of Thomas Rideout, a commissariat officer in Upper Canada, illustrate the difficulty of supporting the war effort so distant from imported provisions. Writing to his father in August 1813, Rideout complained that the disaster at York in April 1813 also had the effect of destroying the flour and other provisions required by the British forces in western Upper Canada.228

This provisioning crisis contributed to the most famous US victory of the war on Lake Erie in September 1813. Control of the lake was crucial to deliver supplies, an especially dire issue for the British. In his dispatch to Sir James Yeo announcing the unfortunate result of the Battle of Lake Erie, Robert Barclay prefaced his report by noting that “so perfectly destitute of

225 Herries to Robinson, 7 September 1813. LAC, roll 12849.
226 Jason Drummond to Robinson, 9 September 1813. LAC, roll 12849.
227 Prevost to Bathurst, 25 August 1813. LAC, roll B-359.
228 Thomas G. Rideout to Thomas Rideout, 2 August 1813. Archives of Ontario (Hereafter AO), MS 537 reel 1.
provisions was the port [of Amherstburg, Upper Canada] that there was not a day’s flour in store, and the crews of the squadron under my command were on half allowance of many things, and when that was done there was no more.” 229 The army was in little better condition according to Rideout’s later letter to his brother George. By the beginning of September, the army in Upper Canada was reduced to “an extensive robbery of pears, apples, onions, corn….bread or butter is out of the question.” 230 This startling breakdown in discipline represents both the inability of the local countryside to supply adequate flour for its defending army as well as the inability of the army to provision the troops from external sources. Local supplies of grain, even if they could be purchased or purloined, proved scanty as the 1813 harvest “lacked abundance.” 231

1813: Halifax and the Maritime Trade

The problems of simultaneously having protected licensed trade with the enemy and a state of war created a crisis for Sherbrooke in Halifax. The second quarter 1813 records do not record the arrival of any US ships by name or in aggregate. There is, however, the arrival of slightly over 4,000 barrels of flour and nearly 3,000 bushels of corn delivered by “11 foreign vessels.” 232 The volume and cargo is consistent with the flow of American commerce, and the absence of a separate line item for American ships is suggestive that “foreign” and “US” is the same trade. This obfuscation probably arose from the lack of direction from London as to the official conduct of the war in North America even over a year past its declaration. As late as August 1813, customs officers in Nova Scotia did not have official instructions for regulating

229 Robert Barclay to Sir James Yeo, 13 September 1813. LAC, roll B-359.
230 Thomas G. Rideout to George Rideout, 4 September 1813. AO, MS 537 reel 1.
231 Ouelette, Economic and Social History of Quebec, 227.
232 Halifax Naval Office Records, April-July 1813. PANS, roll 13969.
trade between the province and the US. The collector in Halifax reported to Sherbrooke that he received no instructions, and “the probability is that they were lost in the May or June mails.” \(^{233}\)

Sherbrooke pleaded for a lenient policy towards American traders, for, in his mind, the continuation of trade better protected the colony from attack than the addition of thousands of soldiers to the garrison. Sustaining essential commerce required a flexible interpretation of trade laws and protection from prosecution for minor deviations that would give American merchants the security to continue trade in foodstuffs. \(^{234}\) As a result the British Lieutenant Governor of Nova Scotia beseeched the British imperial government for leniency towards Americans trading in Halifax, a fascinating scene symptomatic of the counter-intuitive conglomeration of factors that shaped wartime political economy in the region.

Having a consistent and merciful policy toward American merchants and their agricultural imports was especially significant as the province’s agricultural production remained limited. Supporting regular troops with local resources proved impossible and embodying the provincial militia to defend the colony was impossible given “the situation of the province, in respect to its agriculture and fisheries,” which rendered long-term mobilization of a substantial militia “inexpedient.” \(^{235}\)

In a lengthy letter to Vice Admiral R.G. Keats in Newfoundland in July 1813, Sherbrooke provided a general synopsis of the state of the Halifax grain economy. Begging leave to report that “the exportation of provisions has not been prohibited during my administration of this government….being fully sensible that His Majesty’s islands in the West Indies and Newfoundland have to a considerable extent depended on this market for supplies.”

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\(^{233}\) Sherbrooke to Liverpool, 13 August 1813. PANS, roll 13874.
\(^{234}\) Sherbrooke to Liverpool, 17 August 1813. PANS, roll 15262.
\(^{235}\) Sherbrooke to Liverpool, 30 June 1813. PANS, roll 15240.
Prices in Halifax remained high due to “the great quantities purchased for His Majesty’s service in Canada and various exportations to other places on private account” but “great quantities of flour grain etc. are now in Halifax ready for sale or exportation.” There were shortages of salted pork and beef, which could be solved by increased trade with the US on reasonable terms, however these articles were not among the enumerated goods allowed by licensed trade, as it “should interfere with the Irish trade in those articles.” If there was a fear of famine in Newfoundland and private importations to the island from Halifax were not adequate, Sherbrooke suggested the Keats establish an agent in the port in order to procure better terms and more certainty of an adequate supply.236 Despite the notice given by Sherbrooke to the importance of Halifax as a source of grain for Newfoundland and the West Indies, the quarterly report only records the export of 245 barrels of flour and 287 hundredweight of bread, overall, divided between six clearances for Newfoundland, the West Indies, Quebec, and Miramichi.237

This correspondence raises two important points. First, one of the difficulties within this project is determining what, if any, divisions there are between the grain trade operating under the authority of the British government on behalf of its armed forces and the operation of civilian markets distinct from the military. The first would indicate an economic plan driven by a centralized effort, while the second would be more indicative of a trading system influenced by the war and wartime regulation but not necessarily controlled by the government. Sherbrooke’s letter suggests that the British state was an actor in the Halifax provisions market. However, the letter also indicates that the market was not restricted to government officials to the exclusion of private actors. This clarifies an important element of the naval office import records which do

236 Sherbrooke to R.G. Keats, 26 July 1813. PANS, roll 15262.
237 Halifax Naval Office records, April-May 1813. PANS, roll 13969.
not include any information as to who the imported grain is sold to; this indicates that imported grain brought into Halifax under license entered into the general economy.

It is also intriguing to note the persistent element of mercantilism related to imports of salt beef and pork in favor of Irish producers. Agricultural produce within the empire, and especially the home islands received legal protection whenever possible. The stark contrast between this example in salted meat and American grain imports over the course of three decades illustrates an important feature of this exchange. The British Empire simply had no internal grain surpluses. The relationship between American supply and imperial demand required a series of accommodations that defied the mandates of a mercantile economic system.

In July 1813, Lord Bathurst relayed an order from the Prince Regent to Sherbrooke requiring him to submit a monthly report on the imports and exports between the US and Halifax. This request for information from the highest levels of the British government reflects the importance attached to this trade. The new reporting procedures also provide a clear and concise record of the extent of this trade through the remainder of 1813. Sherbrooke’s first report for September 1813 listed a total of six vessels clearing Halifax for destinations in the US. The commodities carried on these ships provides an intriguing insight into the nature of trade with the US. Exports from Nova Scotia to the US included brown sugar from the British West Indies, muslin fabrics, printed cottons, velvet, and buttons. In exchange, Nova Scotia received grain products in enormous quantities, as well as supplies of onions, apples, pease, and cheese.

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238 Liverpool to Sherbrooke, 11 July 1813. PANS, roll 15241.
Table 7.1: Halifax Imports from the US, September-December 1813

<table>
<thead>
<tr>
<th>Month</th>
<th>Vessels</th>
<th>Flour (Barrels)</th>
<th>Bread (Barrels/Bags)</th>
<th>Corn (Bushels)</th>
<th>Barley (Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>11</td>
<td>6,456</td>
<td>70/0</td>
<td>1,308</td>
<td>0</td>
</tr>
<tr>
<td>October</td>
<td>18</td>
<td>9,723</td>
<td>772/339</td>
<td>1,800</td>
<td>100</td>
</tr>
<tr>
<td>November</td>
<td>12</td>
<td>5,734</td>
<td>197/40</td>
<td>930</td>
<td>1,200</td>
</tr>
<tr>
<td>December</td>
<td>16</td>
<td>9,634</td>
<td>190/0</td>
<td>2,275</td>
<td>230</td>
</tr>
<tr>
<td>Totals</td>
<td>57</td>
<td>31,547</td>
<td>1229/339</td>
<td>6,313</td>
<td>1,530</td>
</tr>
</tbody>
</table>

Sherbrooke’s report illustrates the nature of trade between the US and the British Empire and that basic colonial era contours persisted. Despite war, the essential flow of goods remained the same: British manufactures in exchange for American foodstuffs. Although the context is different, the commerce is the same and actually expanded when compared to the volume of pre-war trade or the statistics from the first quarter of 1813.

It is unclear what percentage of imports went civilian markets or for military use within the colony or elsewhere. However, evidence exists that Halifax was exporting grain to Quebec by the end of 1813. Thomas G. Rideout, a commissariat officer in Canada, discovered to his joy that transports in the harbor of Quebec City were laden with 20,000 barrels of flour from Halifax and an additional 10,000 barrels from England in December 1813. These arrivals were fortunate, due to the country being “miserably poor and unable to maintain its own inhabitants the crops being so scanty.”

Unfortunately, consistent quantitative data to assess this trade does not exist. According to the Halifax port records, flour exports from Halifax through the end of June 1813 amounts to only 671 barrels overall, of which only one shipment cleared for Quebec. The third quarter finds an increase in the volume of flour exports overall to 3,607 barrels to a

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239 Sherbrooke to Liverpool, 18 October 1813. PANS, roll 13873, Sherbrooke to Liverpool, 7 November, 1813. PANS, roll 13874, Sherbrooke to Liverpool, 14 December 1813. PANS, roll 13873, Sherbrooke to Liverpool, 7 January 1814. PANS, roll 13874.
240 Thomas G. Rideout to Samuel Rideout, 3 December 1813. AO, MS 337, roll 1.
241 Halifax Naval Office records, April-June 1813. PANS, roll 13969.
more diverse set of ports, including St. Johns, Newfoundland, Arichat in Cape Breton, Labrador, the British West Indies, and Jamaica. Conspicuous by its absence is Quebec as a port of destination for flour exports with one single exception.\textsuperscript{242}

1814: Halifax and the Maritime Trade

Continuing trade was lucrative for everyone involved, but as 1814 dawned a new set of political and economic calculations arose. In the US, a new embargo on shipping legally prohibited American ships from all seaborne commerce (see chapter 5). Much like the embargo of 1807-09, this proved to be much easier to enforce at port cities rather than along the border with the Canadas, as a result the grain economy diverged between the land-based trade across the border and that by sea. Later, a stricter blockade by the Royal Navy combined to sever the connection between Nova Scotia and the United States grain markets. This new policy towards American trade was a result of the importance of maritime trade to Federal revenue and a new dedication by Great Britain to deny this source of income to the US government, while recognizing the necessity of encouraging direct trade between Vermont and New York with the Canadas because of desperate need to provision distant regions in the continent’s interior.

The results of this changing regulatory environment on both sides were immediately reflected on Sherbrooke’s monthly returns. In January 1814, only a single American ship laden with barley and bread entered harbor. The February returns were “nil,” although three “foreign” ships entered laden with flour and bread.\textsuperscript{243} “Foreign” is undefined. To Sherbrooke, the American embargo posed numerous problems. In his report to Liverpool, he wrote that

\textsuperscript{242} Halifax Naval Office records, July-October 1813. PANS, roll 13969. Exports in the fourth quarter are possible but unlikely due to ice closing the St. Lawrence. The Halifax Naval Office records for this quarter are illegible.

\textsuperscript{243} Sherbrooke to Liverpool, 12 February 1814 and 26 March 1814. PANS, roll 13875.
It is impossible to calculate at present how far this embargo may operate to the
determent of our West India Islands and of his Majesty’s North American
possessions, but the sooner your Lordship is made acquainted with the
circumstances the sooner we may expect that measures will be adopted to
counteract its baneful effects.  

The January 26, 1814 edition of *The Nova Scotia Royal Gazette* provided a somewhere different
commentary on the embargo and the possible effects, or lack thereof, of the new American
policy on Great Britain. Citing the bounty of European crops, the decline in price for imported
English flour to only £3 per barrel in the Halifax markets, and the opening of trade connections
between Great Britain and the rest of Europe, the editor speculated that “the bitterest enemy of
the United States could not have wished a greater evil to befall them than the Act is calculated to
produce.”

Although Congress enacted a full embargo on American shipping, it proved short-lived.
Although small in numbers, US ships still came to Halifax, the embargo did not preclude the use
of licenses in the eye of British authorities. The threat to potential grain supplies, however,
caused panic for British officials. Writing to Henry Gouldburn in April 1814, Sherbrooke
expressed joy at the embargo’s its repeal as “if the act continued in force, I fear we should have
found great difficulty in supplying our troops in the Canadas with flour during the ensuing
campaign.” The letter confirms the essential place of US provisions for British forces in the
Canadas.

In a case very similar to that of Plasket and Clarke in January 1813, February 1814 finds
another legal case involving an American merchant and the customs service. In this case,
Frederick Starling of New Haven entered Halifax with a cargo of 1,100 barrels flour, 25 barrels

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244 Sherbrooke to Bathurst, 10 January 1814. PANS, roll 13875.
246 Sherbrooke to Henry Gouldburn, 30 April 1814. PANS, roll 13875.

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each of pork and beef, and 6,000 staves cosigned to Halifax merchant Richard Tremain; a few prohibited articles intended for St. Bartholomews were also included in the cargo as that was the next trading destination for Starling after clearing Halifax. Unfortunately, the ship was wreaked; upon salvage the surviving cargo of beef, pork, and staves was seized by the customs service upon entry into Shelbourne. Starling begged for the restoration of the property, which would be expected, however, this petition was accompanied by a declaration from Tremain noting that Starling had long delivered to him cargoes of flour under license since the start of the war. Sherbrooke’s response to this petition is interesting. Finding that the contraband portion of the cargo was onboard due to Starling’s goal to “conceal from the American government the next destination of the said vessel,” all property seized by the customs service should be restored to Starling. The intervention of the Lieutenant Governor of Nova Scotia on the behalf of an American merchant in conflict with British customs authorities speaks to the importance of maintaining these trading relationships even at this later stage of the war.

1814: The Canadas and Cross-border Trade

The separation between supplies arrived in Quebec City and supplies available to the commissariat outside of Quebec remains stark. Despite Rideout’s observation of 30,000 barrels of flour arriving in Quebec, the prospects for more distant Upper Canada were bleak. Writing to his brother George in January 1814, Thomas G. Rideout lamented that supplying the 1,600 men garrisoned at Prescott, Upper Canada, “will be very hard, for the country is so excessively poor.” The only salvation for the garrison was trade with New York; Rideout noted that “our supplies are all drawn from the American side of the river,” and, in particular, he would be “under the

247 Frederick Starling, Petition to Sherbrooke 2 February 1814. PANS, roll 13875.
248 Sherbrooke to Frederick Starling, 18 February 1814. PANS, roll 13875.
necessity of getting most of my flour from their side.”^249 Sustaining this cross-border land trade required a flexible sense of propriety as well as a good supply of specie. Two weeks later Rideout wrote to his father that he had “paid very large sums in specie for secret service, which is the fountainhead of all correspondence with the enemy,” and that he had “2 months supply of everything for 1,000” in stock.^250 John Rideout, writing from Cornwall, Upper Canada, was even more explicit about the link between US suppliers and provisions for the army. The arrival of 60 sleighs loaded with supplies from Vermont caused rejoicing.^251

Militarily, 1814 provided a new geo-political landscape for the war. The collapse and fall of Napoleon freed waves of British ships and soldiers for service in North America. A stricter blockade was complimented by growing raiding parties of British soldiers, particularly in the Chesapeake Bay region and on Lake Champlain. Raiding in the Chesapeake disbursed American strength in the region. The British victory at Bladensburg (August 24) and the successful defense of Baltimore (September 1814) provided the most memorable events of the war for both sides. On Lake Champlain, the United States Navy’s defeat of the Royal Navy at Plattsburg (September 11) repelled a British assault down the lake. However, a decisive victory eluded both sides.

Even an indecisive war requires logistical support. For the British, the resource base of British North America remained inadequate. The British government promised more aid to both the Canadas and the garrison at Halifax once peace in Europe in May 1814 allowed a surplus of grain for export to North America. As more troops from Europe arrived, the supply of provisions (as well as demand for them) from the Quebec magazines increased. Commissariat

^249 Thomas G. Rideout to George Rideout, 19 January 1814. AO, MS 537 reel 1.
^250 Thomas G. Rideout to Thomas Rideout, 9 February 1814. AO, MS 537 reel 1.
^251 John Rideout to George Rideout, 14 February 1814. AO, MS 537 reel 1.
chief W. H. Robinson’s estimated requirements for April 1814 to September 1815 anticipated a total demand for over 10 million pounds of flour, 8.5 million pounds of salt pork, and lesser amounts of rice, cocoa, pease, and rum. Jason Drummond, Robinson’s Commissariat Department correspondent in Britain, informed him that the estimate was faulty because “you had not received my dispatch of the 12th April no. 180 by which you were appraised of the intention of His Majesty’s government to supply from the United Kingdom the whole of your wants in the article of flour.” Of the ten million pounds demanded, Drummond wrote that over seven million pounds had already been dispatched by a combination of the Victualling Board, the Commissariat in Chief, deliveries from Bermuda, and other supplies already in route.252 This supply pattern regularly appears in other correspondence from Drummond to Robinson through September 1814 with frequent reports of grain and grain products dispatched from Ireland and Great Britain.253

If fully implemented, this scheme of provision represents the complete reversal of the typical trading patterns for wheat and wheat products. Rather than British North America supplying the West Indies or replacing the US as a granary for the southern European markets, the poor condition of agriculture in the Canadas required the entire supply of the army to be imported from Britain and Europe. This is perhaps fortunate as the 1814 harvest in the Canadas was stricken by severe drought.254 Structurally, this temporary aberration from the accustomed patterns of trade illustrate the durability of US grain trade with the empire. Only the intersection of a host of circumstances - the fall of Napoleonic Europe, massive wartime military expenditures

252 Jason Drummond to Edward Robinson, 25 August 1814. LAC, roll C-12849. Totals are: from the Victualling Board 1.5 million pounds of biscuit, 2.7 million pounds of flour from the commissariat, 361,620 pounds of flour from the commissariat in Bermuda, and 2.8 million pounds of biscuit already dispatched.
253 Jason Drummond to Edward Robinson, 25 August 1814. LAC, roll C-12849.
254 Ouelette, Economic and Social History of Quebec, 227.
by Britain, the unprecedented mobilization of military transport for bulk commodities, and an ongoing war with the US could break the pattern. Thus, removing American agriculture from the empire on a regular basis would be prohibitively expensive and disruptive to the domestic British economy. Mercantilism (of the pre-1775 vintage) worked for the grain trade. Mercantilism (post-1783 vintage) did not and could not function over a long term. An accommodation with the independent US was necessary. In this light, the actions of Prevost and Sherbrooke in both their civil and military capacities are understandable reactions to an economic reality.

Although help was promised, how quickly, or if, the mass wave of pledged imported provisions would make it to the front was unclear. Until the promise and reality coincided, other measures were required to sustain the army. The summer of 1814 sees a persistence of a number of trends in Upper Canada’s provisions crisis. The arrival of supplies in Quebec still meant little to the commissariat in places distant from Quebec where the reliance on US supplies continued. Writing from Cornwall in June 1814, Thomas G. Rideout recounted one particularly memorable cross-border negotiation: Rideout had contracted with

a Yankee magistrate to furnish this fort with Irish beef. A major came with him to make the agreement but as he was foreman to the grand jury at the court in which the government prosecutes the magistrate for high treason and smuggling, he turned his back and would not see the paper signed.255

A later negotiation in July brought 200 oxen from the US with the promise that “several thousand more head can be driven in by St. Regis if wanted.” Clearly cross-border trade persisted and was prevalent; however, the same letter suggests that efforts to import flour from Europe impacted cross-border exchanges. Rideout wrote that “flour is here $14 per barrel, but

255 Thomas G. Rideout to Thomas Rideout, 19 June 1814. AO, MS 537, reel 1.
large supplies have arrived at Quebec from France and England so that there will be no want.”

He hoped that transportation of these provisions would be possible to alleviate some of the burden he faced to procure local supplies. The inclusion of France as a source of flour was possible given the restoration of peace and the abdication of Napoleon earlier in the year, and if substantial and sustained would be a novel addition to the trans-Atlantic grain trade. At the same time Sir George Prevost in Quebec City wrote that “two thirds of the army in Canada are, at this moment eating beef provided by American contractors, drawn principally from the states of Vermont and New York.”

The scale and importance of the cross-border land exchange also drew the attention of US authorities. George Izard, the American general commanding in the Lake Champlain region, wrote to the Secretary of War that “many deserters come in, who state that the enemy’s supply is exhausted, but that they expect to be resupplied within a short time.” In another more strident and voluminous letter Izard wrote that:

> From the St. Lawrence to the ocean an open disregard prevails for the laws prohibiting intercourse with the enemy. The road to St. Regis is covered with droves of cattle, and the river with rafts, destined for the enemy. The revenue officers see these things, but acknowledge their inability to put a stop to such outrageous proceedings. On the eastern side of lake Champlain, the high roads are found insufficient for the supplies of cattle which are pouring into Canada. Like herds of buffaloes, they press through the forest, making paths for themselves… Were it not for these supplies, the British forces in Canada would soon be suffering from famine, or their government be subjected to enormous expense for their maintenance.

This correlates with the observations of Rideout and Prevost both on the source of supplies for the British army and their importance. Significantly, references to expense had disappeared from

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256 Thomas G. Rideout to Thomas Rideout, 9 July 1814. AO, MS 537, reel 1
257 Prevost to Bathurst, 27 August 1814. LAC, B-359, roll 1.
258 George Izard to Jacob Brown, 14 September 1814 in George Izard, *Official Correspondence with the Department of War, relative to the military operations of the American army under the command of Major General Izard, on the northern frontier of the United States in the years 1814 and 1815* (Philadelphia: Thomas Dobson, 1816).
259 Izard to the Secretary of War, 31 July 1814, ibid.
the correspondence between the commissariat department in Quebec and British authorities in London. Although it may have been expensive, the coming of peace in Europe meant that Great Britain could afford the maintenance costs at least for the present time. If cost was no object, the weather was. By the end of September London commissariat J.C. Herries informed Robinson that all shipments for the year were suspended due to the oncoming winter.260

1814: Halifax and the Maritime Trade (Part 2)

Whether or not the Royal Navy would permit trade with the US, and on what terms, was unclear as the calculus of power changed following the abdication of Napoleon in April 1814. With the gradual transfer of troops and warships to North America that spring and summer, the nature of the war fundamentally changed. May and June 1814 marked a turning point for the Halifax grain imports from Great Britain. The Naval Office recorded 10 entries from London, Cork, Liverpool, and Bristol laden with bread and corn for Halifax; these entries totaled 5,290 barrels of flour and 9,398 hundredweight of bread. Eight entries from the US totaled 1,713 barrels of flour (24% of imports) and just 372 hundredweight (4%) of bread.261 The existence of these eight entries is slightly odd as the enumerated goods permitted by license to pass through Britain’s more vigorous blockade was in theory limited to specie, however this regulation does not seem to have been rigorously enforced.262 This transition is notable for two important reasons. First, this is the first time since the beginning of the war that the majority of grain imports to Halifax originated in Great Britain rather than the US. Second, the shift from American flour to British bread is intriguing. One possible explanation is that military regulations specified “biscuit or good wheaten bread” for rations. Whether raw flour would have

260 J.C. Herries to Robinson, 26 September 1814. LAC, roll C-12849.
261 Halifax Naval Office Records, May-June 1814. PANS, roll 13875.
262 Bathurst to Sherbrooke, 12 April 1814. PANS, roll 15241.
been an adequate substitute, if hardtack biscuit was more durable, or if the military establishment in Halifax had the capacity to produce bread or biscuit on the scale required is unknown.263

An advertisement in the July 11, 1814 edition of the *Halifax Journal* noted the arrival of a “Swedish schooner, with 700 barrels of flour and 200 barrels of tar, detained by the *Endymion*” in Halifax harbor. It is exceptionally unlikely that the blockading squadron off an American port would have detained an actual Swedish ship given that in the same article a Portuguese ship bound for Boston was only “ordered off” as a result of the blockade rather than “detained.”264 It is even more unlikely that a Swedish ship would have carried flour as a cargo to the US. This circumstantial evidence suggests that the ship was actually an American vessel operating under false colors ensnared by the blockade. The tightening of the blockade also brought licensed trade to a close, much to the lament of Halifax merchants. The rigid embargoes did not immediately stop trade; it was not until July 1814 that Sherbrooke reported that “vessels under my license can no longer be permitted to enter the ports of the United States, as they are placed by him [Admiral Sir Alexander Cochrane, Warren’s replacement as head of the Royal Navy’s North American station] in a state of strict and vigorous blockade,” therefore he would desist from issuing more trading licenses.265 However, unlike the case earlier in the war, the British government was now less than sympathetic to the merchants, noting that although the imperial government regrets any ill-effects on loyal merchants, there was no justification for “any relaxation of the measures….which could have the effect of debarring neutral nations from a trade which was at the same time carried on by one of the belligerents.”266

265 Sherbrooke to Henry Gouldburn, 11 July 1814. PANS, roll 13875.
266 Bathurst to Sherbrooke, 1 July 1814. PANS, roll 15241.
Entrances into Halifax for the second and third quarters of 1814 reflect this changing economy. From July 1 through September 30, only four intrepid American merchant vessels carrying 144 barrels of flour and 10 hundredweight of bread entered into Halifax harbor.\(^{267}\)

There is another peculiarity within the records however. Despite the increase in the number of troops and naval vessels stationed in or around the colony, the importation of flour actually declines. For the quarter, total entrances for flour only amount to 1,470 barrels, although imports of bread rise dramatically to 33,892 hundredweight. These shipments may correlate with the London commissariat’s July letter to Robinson in Quebec reporting the shipment of 7,576 bags of biscuit and 2,200 casks of flour to Halifax as part of the flow of provisions to British North America during the summer of 1814.\(^{268}\)

Outside of the minor US contribution, these imports were from Great Britain.\(^{269}\)

Fourth quarter entrances suggest that this may have just been a brief anomaly. Although the records for ports of origin are badly faded, the quarterly totals amount to 5,235 barrels of flour and 15,700 hundredweight of bread.\(^{270}\)

Very little flour or bread was exported out of Halifax; third quarter totals amount to 979 barrels of flour and 472 hundredweight of bread distributed to varied destinations with no clearances for Quebec.\(^{271}\)

The fourth quarter is even more limited, totaling just 101 barrels of flour and 1,126 hundredweight of bread with Bermuda as the primary recipient.\(^{272}\)

The discrepancy between entrances and exits is interesting as it suggests that most of the imported grain was consumed locally, which would be in keeping with

\(^{267}\) Halifax Naval Office Records, July-September 1814. PANS, roll 13969.
\(^{268}\) Drummond to Robinson, 4 June 1814. LAC, roll c-12849.
\(^{269}\) Halifax Naval Office Records, July-September 1814. PANS, roll 13969.
\(^{270}\) Halifax Naval Office Records, October-December, 1814. PANS, roll 13969.
\(^{271}\) Halifax Naval Office Records, July-September, 1814. PANS, roll 13969. Destinations include New Brunswick, Gaspe, the Bay of Chaleur, Miramichi, and the St. Andrews, and the British West Indies.
\(^{272}\) Halifax Naval Office Records, October-December, 1814. PANS, roll 13969.
the presence of an increased garrison and naval presence. However, it also means that the entrepot function of Halifax as a distribution center for supplies to the West Indies was limited.

Although the Halifax port records do not record direct trade with the US, trade continued through the port of Castine in the District of Maine after its military occupation by the British in September 1814. Castine served as a lucrative hub between the British economy and the US, since Castine was now British territory it could trade throughout the empire without fear of the British naval blockade. In a September proclamation, Sherbrooke pronounced that the port was open to all British subjects and all British goods; with the annexation of the lands east of the Penobscot River and the creation of the British customs house at Castine, the proclamation created a new land boundary between the US and British North America through which trade could be conducted.

The volume of trade there was so substantial it threatened the stability of the US banking system. The *Niles Register* reported at the end of December that “a number of banks to the eastward have recently stopped payment in specie; and if the trade with ‘his majesty’s’ port of Castine, with the usual smuggling is continued, we venture to say without pretending to a spirit of prophecy, that all the rest will soon follow the example.”273 In return, the value of British products entering the US also increased. By January 1815, Sherbrooke estimated the value of imports destined for the US stored at Halifax to be worth over £1 million, most of which was destined for Castine. Since the implementation of the general embargo of the US, much British trade had been redirected there.274 The end of the war provided another variable for merchants to consider. The Treaty of Ghent did not address issues of trade, and Sherbrooke proved reluctant

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273 *Niles Weekly Register*, 31 December 1814.
274 Sherbrooke to Bathurst, 6 January 1815. PANS, roll 15876.
to reopen unlimited trade without instructions from Britain in spite of demands by local merchants. 275

1815: Peace, and a Return to Normalcy

The end of the war corrected the trading patterns distorted by the war. By February 1815, Drummond informed Robinson that the quantities of provisions provided from Britain to the commissariat in Canada would be strictly limited due to the changed political and martial situation. In March this was modified as Drummond waited on “taking any steps for forwarding the supplies required by your present estimate until I hear further from you on the subject.” The next month the provisions shipments previously promised to Robinson were diverted to the Netherlands due to the needs of British forces there. 276 The rapid redirection of supplies elsewhere indicates the fragile and very unusual nature of British grain exports to North America. As soon as the geopolitical situation shifted, the trade was quickly limited, halted, and then recalled in the span of less than three months.

A proclamation Sherbrooke signed March 4, 1815 perfectly illustrates the enduring continuity of the political economy of the overseas Anglo-American grain trade. After over two years of war, and numerous political machinations regarding trade, the end of the war left Nova Scotian trade almost exactly where it had started. The proclamation permitted the importation of a number of goods including bread, flour, wheat, biscuit, and livestock into the colony from the United States for a period of three months. 277 A letter from Lord Bathurst approving this measure arrived in May. 278 More broadly, this proclamation parallels the one by Governor John

275 Sherbrooke to Bathurst, 7 March 1815. PANS, roll 15876.
276 Drummond to Robinson, 9 February 1815, Drummond to Robinson 21 March 1815, Drummond to Robinson, 14 April 1815. LAC, roll c-12849.
277 Sherbrooke, “A Proclamation” 4 March 1815. PANS, roll 15876.
278 Bathurst to Sherbrooke, 6 May 1815. PANS, roll 15241.
Parr permitting grain imports into the colony on an “emergency” basis over thirty years prior. Nova Scotian production of foodstuffs had not substantially advanced since the Loyalist migration overwhelmed it in the 1780s. The province remained marginally self-sufficient in the best of times and dependent on the United States for food security.

The North American grain trade leading up to and through the War of 1812 reveals the persistence of long established trading patterns and the fragile and limited alternatives to the essential connection between US agricultural production and British imperial consumption. The flow of grain connected various parts of the Atlantic and shows an especially strong tie between the Canadas and the Maritimes that has been understated by the traditional historiography that privileges provincial specialization. For the Maritime Provinces, US grain remained important until the summer of 1814 when the British blockade of US ports temporarily severed the connection. In the Canadas, a shortage of grain and specie loomed at the start of the war and worsened over time. Although there were schemes to import grain into the Canadas from Britain, Ireland, and the West Indies early in 1813, enacting a practical change in trading patterns was not fruitful until the end of 1813, and then only for Quebec City. The challenges of distance and increased demand by the army in Upper Canada rendered efforts to supply the troops from across the Atlantic ineffective as most of the provisions consumed by the British army were attained from the US.

The effort to try to reverse the traditional trade pattern required an enormous investment of time and money only made possible due to a very particular set of historical circumstances in late 1813 and through 1814. This short span of time saw the collapse of Napoleon’s empire, the end of a war that had raged for over 20 years, and an exceptional harvest in Ireland and England combined with bountiful crops in Eastern Europe that complemented pent-up demand for British
products in Europe. The war also created agricultural labor shortages and an exceptional demand for provisions in British North America, which coincided with weather related shortages that unbalanced the supply and demand of food within the colonies. Essentially, this was a fleeting moment where British and European supply of British North America could have been attempted, and the swift collapse of this effort in spring 1815 highlights its fragility. By contrast, the traditional trade pattern dating back to at least the mid-eighteenth century (and probably earlier) remained intact through two years of open warfare between the US and the British Empire.
CHAPTER 8
CONCLUSIONS

Using grain as a lens to examine the late colonial and early republican era political economy reveals a number of significant but overlooked elements that provide a fuller understanding of this critical time. Rather than focusing on the traditional story of political division, this dissertation demonstrates that economic continuities are also foundational to the Anglo-American Atlantic World from the 1760s to the 1810s. By crossing the traditional historiographical division in the field as well as geographic boundaries, we find a surprisingly integrated and resilient economy centered on grain. Grain was the essential commodity that underwrote colonial development and social stability in the early modern Atlantic World. Without access to timely and reliable deliveries of American colonial grain products, the societies of the era would have ceased to function as they did. Without basic subsistence, other economic, political, and social developments would have to have been profoundly altered.

Tracing the patterns of exchange from the 1760s CO 16 records provides a baseline for late colonial American grain trade patterns. The important links to the West Indies, Iberia, and the coastal trade in British North America formed the primary external markets for American surpluses. This exposes a unique trait of the grain economy. Traditional examinations of the colonial economic trading networks focus on imperial regulations and the effect of trade restrictions on the development of the colonial economy within a mercantilist framework. By using grain as a point of entry, it is clear that the mercantile framework was more flexible than studies of tobacco, sugar, or other enumerated commodities suggest. Trading grain across imperial boundaries was an open practice in the late colonial era. Reconciling this with
mercantilism is possible. Customers external to the British Empire required grain imports, and there were no substitutes. Thus, a freer trade in grain was complimentary to mercantilism as it drew needed resources into the British Empire at the price of an unabsorbable agricultural surplus.

As political and social pressures combined to sunder the empire in 1775, economic ties between the independent US, the British Empire, and the empires of other European nations would logically become more complex. At the end of the American Revolution, debates on how to (or if) to re-integrate the US back into the British Atlantic economy sparked a voluminous public debate through newspapers and pamphlets. The theoretical conceptions of both American and British commentators rested on an underlying reality: the empire required access to surplus grain. This need refocused attention on British North America. Could the remaining North American colonies replace the US as a source of grain for the empire?

The resettlement of loyalist refugees in Canada and the Maritime Provinces in the years following 1783 provided some hope. A willing population combined with the availability of land seemed to promise agricultural growth. The reality was far different. Immigrants to British North America faced a formidable environment, a lack of infrastructure, and a complicated process of settlement in a new land. The result of this was unexpected from a political perspective. In immediate need of provisions, British colonial officials turned to the US as a source of sustenance. In a perverse outcome of the loyalist migration, the need for foodstuffs bound British North America even closer to the US than prior to the revolution. Far from being a solution for the food needs of the British West Indies, British North America added to the imperial difficulties of building a closed British Atlantic economy shorn of the thirteen rebellious colonies.
Grain exports led the post-war economic recovery in the United States. The trading links to the West Indian colonies of each imperial power and to Iberia were already established. The lack of an alternative supply from British North America also reopened British colonial markets to US grain producers. By the signing of Jay’s Treaty in 1794 that formally re-established Anglo-American commercial ties, the grain economy was fundamentally a story of continuity rather than one of Revolutionary rupture. In turn, this raises significant questions as to the true nature of the American Revolution. While the political outcome was new, the underlying economic foundation and commercial connections of the new nation remained strikingly familiar.

The outbreak of the French Revolutionary and subsequent Napoleonic Wars created tremendous opportunities for neutral US trade. The upheaval opened a new stream of trade for the US in the carrying trade. This was initially a relatively benign undertaking. As the new Democratic-Republican administration of Thomas Jefferson entered office in 1801, the carrying trade was a significant part of both economic and political policy for the nation. Yet, by 1805, the international situation had changed. The increasingly bitter war between Napoleonic France and Great Britain inevitably ensnared the US economic regulations and trade restrictions by one power were met by equally stringent responses from the other in an ever-widening vortex. By 1807, Jefferson proposed a radical solution to the problem: an embargo of all US trade with all nations.

Superficially, this was an application of a Revolutionary-era lesson to a present-day problem. Protests and boycotts against British taxation policies had seemed to have succeeded in the 1760s. The idea was undone by the fundamental continuity of the grain trade, it was too central an item of trade to be curtailed. The national political economy of the US was
fundamentally export based, and trade disruptions effected the US more thoroughly than any of the European powers that the embargo sought to punish. British North America provided a ready market for US producers, and enforcing the embargo on an unwilling American citizenry created serious domestic consequences for the Jefferson administration.

With the end of Jefferson’s presidency in 1809, another change in international geopolitics provided opportunity for US grain farmers and merchants. The uprising in Spain against Joseph Bonaparte, combined with the continued resistance of Portugal and the introduction of British forces into Iberia provided a perfect market for US produce. In traditional historiography, the Peninsular War has little connection to the US. An examination of the grain economy, however, reveals a different story. Although not a belligerent power, a combination of long-standing ties to Iberia, the influx of British capital into the region, and wartime economic dislocations deeply involved US interests in the war effort. The importance of American grain could have provided the Madison administration with a means to garner concessions from Great Britain, however, the US followed another path in 1812.

For the first time since the American Revolution, a war between Great Britain and the US threatened the continuity of the grain trade. Yet, this is not what actually happened. Through a scheme of licensed trade, US grain exports to British-supported Spain and Portugal continued despite the outbreak of war between the US and Great Britain. It was not until the war in Iberia concluded in early 1814 that the US and British governments took steps to abolish the licensed trade.

The US grain trade also continued with British North America despite the region being an active theater of war. Provisions shortages in the Canadas and the Maritime Provinces both effected combat operations as British colonial officials sought to encourage continued trade with
US civilians willing to trade during the course of the deeply unpopular war. It was not until the end of the Napoleonic Wars in 1814 that this pattern changed, as surplus provisions from Europe briefly replaced the US as the source of these vital supplies. The change in trade patterns was temporary, as 1815 witnessed the resumption of trade.

The grain trade patterns of 1765 and 1815 are very similar to one another. The American Revolutionary War, of course, disrupted trade for a period of time, however, other efforts to block the accustomed grain trade through embargo and (eventually) war were ultimately unsuccessful. The trade was too deeply ingrained in the private business interests of the people and in the interests of colonial, national, and imperial governments for long-term restriction. This examination of the grain trade deepens our understanding of the late colonial and early republican US. Grain was also vital to the British Atlantic and British North American economy of this era. The inherent difficulties of overcoming national, imperial, and war-divided historiographies conceals grain from our easy gaze. Mistaken ideas of periodization and politically inspired limitations to historical assessments ultimately hide connections that were fundamental at the time and should be exposed. The availability of surplus grain, particularly from the mid-Atlantic colonies in what would become the United States, were essential to the viability of societies around the British Atlantic. Simply stated, without food society ceases to function. Ideology falls to the wayside, plantations cease production, populations collapse, and long-distance warfare becomes impossible. Examining the availability of food products, the laws enabling or limiting access, and the extraordinary (and sometimes illegal) steps taken to ensure that the staff of life was available to fuel social development was crucial to the rise of Anglo-American power in a tumultuous Age of Atlantic Revolutions whose political drama should not completely eclipse its economic foundations and the vital lens of political economy.
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BIOGRAPHY OF THE AUTHOR

Patrick Callaway graduated from Couch High School in Myrtle, Missouri, in 1998. He attended the University of Montana-Western and graduated in 2004 with a Bachelor’s degree in Social Science and a Bachelor’s degree in Secondary Education in 2005. He entered the history graduate program at Montana State University in the fall of 2006 and was awarded a Master’s degree in 2008 with a thesis entitled, “Religion and Public Order in the 1790s.” He has served as an instructor at the University of Montana Western, Husson University in Bangor, Maine, Southern New Hampshire University, and the University of Maine. He received a 2018-19 Fulbright grant to attend Dalhousie University in Halifax, Nova Scotia. Callaway is a candidate for the Doctor of Philosophy degree in History from the University of Maine in August 2019.