Agriculture and Commerce in North Carolina on the eve of the American Revolution

The Stamp Act

The C. J. Sauthier map *The Town of Wilmington*\(^1\) is the earliest map to provide details of the young town and its port. The town had established about four blocks at the time, consisting of two blocks below Front Street between Dock and Princess Streets fronting the Cape Fear River, and two blocks above Front Street. Within this small area, the merchants and shipping agents that served the entire Cape Fear region conducted business, and they would act as creditors for the region’s planters.\(^2\) Planters from as far upriver as Cross Creek, part of present-day Fayetteville, would ship their produce to Wilmington to be loaded onto ships bound for England. Since there was a lack of coinage, crops were made to act as a substitute for money: The planters could trade for imported goods with their yields, or even on credit against future yields. The merchants, however, were paid in coin for those goods shipped to England. When coinage was not available, these merchants secured imported goods for sale using bills of exchange on exported goods. As a result of this complex arrangement of credit, which ultimately was supported by banking houses in England, the planters in southeastern North Carolina were primarily consumers of imported goods.

\(^1\)Sauthier, C. J., *The Town of Wilmington, New Hanover County, North Carolina, 1769*, (London: British Museum.).


An issue of the *North Carolina Gazette* dated 12 February 1766 includes a complaint from a trader calling himself “Philanthropos,” brings to light the dependent relationship that existed between the planter and the merchant. The merchants of Wilmington had caused a shutdown of trade in Wilmington by resisting the Stamp Act. It is the first reference to trade in any Wilmington newspaper:

I am a Trader and Settler here, and have now by me several Commodities, some of which I want to ship, and some to dispose of. I sent some Things lately down to Wilmington for both Purposes, but could neither ship, or sell for Money; and indeed, I find Cape-Fear the only port in all America, shut up; for I am informed, all the other Ports in this Province are open, and Trade and Commerce carried on as usual: And what very greatly surprizes me, is, that three Vessels are now seized on by the Men of War, and many others coming in, have gone off again, for Fear of
sharing the same Fate; the Courts of Justice shut up, and a Stagnation of Business; and all this without the least Notice being taken thereof; which surprizes me beyond Measure.¹

¹North Carolina Gazette, (Wilmington, N.C.: Andrew Steuart), February 12, 1766.

III

The problem occurring in Wilmington at the time was a direct result of the local merchants’ opposition to the Stamp Act. On November 18, 1765, Governor Tryon had tried to defuse growing resistance to the Stamp Act by inviting 50 merchants from New Hanover, Brunswick, Duplin, and Bladen counties to discuss a resolution to the problem. He presented them with a proposal to pay the tax on legal documents for his own resources. The merchants rejected the offer, which shut down the port.

... unless stamps were used no ships could leave port, no cargoes could be landed, no courts of law could be open, and no newspapers, books, or pamphlets could be printed.¹

Two of the ships mentioned in the article were the Dobbs and the Patience, which were seized by the British Man of War, Viper. Later the merchant vessel Ruby was seized. The North Carolina Gazette ran an advertisement that stating that schooner Charming Molly would sail for Kingston, Jamaica, “as soon as permitted.”²

²North Carolina Gazette, (Wilmington, N.C.: Andrew Steuart), February 12, 1766.

IV

However, it seems that this stoppage in shipping did not deter Andrew Steuart from printing his newspaper, or William Watkins from advertising goods in his store. The goods were from the Snow Mary and the Caesar.

Very good oznabrigs [unbleached linen] at 1s. & 6 d. per yard, a compleat assortment of checks, stripped linens, check handkerchiefs, Irish linens. Fife and other Scottish linens. Irish sheeting, bed ticken, threads of all sorts, pistol lawns, plain and flower’d lawns, plain figr’d and striped gauze, gauze aprons, handkerchiefs and ruffles, ladies new-fashion’s loom stays, tick and tabby stays, silk Durant calamancoe and russet petticoats, satin hats, cloaks and bonnets, satin and calamancoe shoes, linseys, Scotch plaid and plaid stockings, men’s neat shoes and pumps, coarse shoes, gentlemen’s neat saddles, saddle cloths &c. An assortment of very handsome paper hangings, one set of maps. Choice hyson green and bonea teas, a few coils of cordage, a few pair of double and single jack screws, iron pots, frying pans and skillets. Pails, an assortment hair curls, ribbons &c. Rum, sugar, salt, molasses and various other GOODS before imported.¹

Proclamation Money. Therefore it was the merchants that were in a position to exert pressure on Governor Tryon and the British government, and, in the process, garner support from “all the principal Gentlemen, Freeholders, and other Inhabitants of several Counties.” On 19 February 1766, an organized group of men marched to Brunswick Town and protested to the British commander. By 18 March 1766, the king repealed that Stamp Act under pressure from Parliament (ultimately under pressure from English capitalists).


A shortage of hard currency

The merchants of Wilmington at this time were Frederick Gregg, Samuel Campbell, Cornelius Harnett, James Emmet, William Watkins, George Hooper, Thomas Hooper, and Jonathan Dunbibin. The most important firm operating in the region was Hogg and Campbell. They operated a network of stores that included branch stores in Cross Creek, Hillsborough, and Charlestown. Their principal export was flour that came from the Cross Creek area. Campbell, like other merchants, was a planter as well, and operated a mill on Smith’s Creek.


VI

It would seem that there would have been enough agricultural exports coming into the Wilmington area to fuel an expanding local economy. However, there were those who would find they were unable to maintain a successful business in Wilmington. Such was the case of James Emmet, whose closing notice dated 28 October 1769 is printed in the *Cape Fear Mercury* and is found in an existing copy of the newspaper dated 8 December 1769.

The Subscriber returns Thanks to his Friends and Customers for all past Favors, and acquaints them that he is under an absolute Necessity of closing his Affairs; he therefore, will be obliged to those indebted to him, to discharge the same as soon as possible; that he may be enabled to settle the demands that are against him. A Compliance with the above request will greatly oblige their Most obedient humble Servant. JAMES EMMET ... As it may be inconvenient (tho’ the great Scarcity of Cash) for money to discharge their Accounts; the Subscriber will take Bees-wax, Tallow, Deerskins &c. for payment at Cash Price.

Emmet’s statement “great Scarcity of Cash” embodies the merchant’s chief obstacles to staying in business. Outside of the paper script, Proclamation Money, the colonial merchants had to pay for their imported goods with Spanish dollars or whatever coin could be had. This was an almost impossible task,
since exports to nations other than England were tightly restricted. The Lords of the Board of Trade had stated such in a letter to Governor Dobbs in 1761.

No foreign trade whatever is carried on between this colony and any foreign plantation, except with Eustatia and St. Croix, and with no foreign countries in Europe except with the Madeiras and Azores, and with the Canaries for wine, salt from Portugal not being allowed to be imported.²

The British also placed restrictions on the export of tar, turpentine, lumber, Indian corn, rice, tobacco, and indigo. As the 1760s drew to an end, merchants in England trading with North Carolina attempted to persuade the Board of Trade to regulate the production and importation of naval stores. This was an effort to set prices by imposing duties,³ and it led to protests by the colonial legislature. Though duties and regulations were imposed on naval stores, tobacco, and other North Carolina products, the colonial legislature typically obstructed the implementation of these controls. Still, merchants were forced to relinquish a portion of the scarce currency.

¹Adam Boyd published the Cape Fear Mercury. He bought out Andrew Steuart’s North Carolina Gazette after Steuart drowned in the Cape Fear River.

²Cape Fear Mercury, (Wilmington, N.C.: Adam Boyd), December 8, 1769.

³Cape Fear Mercury, (Wilmington, NC: Adam Boyd), November 24, 1796

**Duties and trade restrictions**

VII

Duties, restricted trade, the demand by British producers and bankers for hard currency, and the practice of conducting business with a population which was “land rich and cash poor,” drove larger merchant organizations to expand their operations horizontally – planting, milling, distilling, import and export. Others handled North Carolina goods on a commission basis, while driving their small farmer customers into debt.

Charles C. Crittenden cites, as an example, a four-year cycle of debt that existed between a merchant in Perquimans County named Malachy Jones and a farmer named William Foster. Foster purchased small items such as powder, shot, nails, cloth, and molasses as needed, on credit. All of these imported goods were paid for with produce from Foster’s farm and items that he was able to manufacture. Each year he carried more debt over to the next, and had to give Jones an increasing share of his labors. He eventually reached a point where he could pay no more. While such situations had always existed, and indeed persist to this day, this case differs from others in that the items that Foster purchased were common necessities of colonial life that were mass-manufactured and on the English market would in no way be a fraction of the value of Foster’s production had he been farming in England. Jones’s debt was finally £ 8 7s. 7½ d. after he had delivered 1,000 hogshead staves valued at only £ 4. In 1768, he had paid his debt with 86 pounds of pork. The next year he had paid with 22 bushels of grain, 630 pieces of barrel heading, and 55 pounds of pork (in all, Foster was credited with £ 7 2s.), and had almost paid off his balance. However, as a result of higher prices placed on imported goods due to duties and progressively lower prices given for domestic goods, Foster had to produce more each
year to pay for the same necessities. His per annum debt remained about the same from year to year, but the amount of goods he had to trade to service this debt increased.\(^5\)


VIII

When the English merchants were seeking to have trade regulations placed on commodities from the colonies, they were trying to counter overproduction and a quality control problem that had arisen when colonial producers started cutting corners to keep from going into debt. The irony was that English mass-manufactured goods were becoming cheaper to produce. The real problem, however, was that English manufacturers and bankers wanted to be paid in currency, an item in short supply in the colonies. As more tobacco and naval stores were sent to England as payment for goods, the per unit value of these commodities decreased.

**Barter, credit, and producing for local consumption**

Some Wilmington merchants, such as Jonathan Dunbibin, reacted to the deflated market value of commodities by "for cash only" arrangements.\(^1\) Others, like Lewis Barge of Cross Creek, set up manufacturing operations targeted at the domestic market.\(^2\) He bought wool and skins at a high price, and sold the finished goods at a lower price than the imported equivalent. Wilmington merchant John McDonnell sold a mix of imports and domestic goods “extraordinary cheap for cash or ready pay in merchantable produce” and maintained a warehouse where “any person may buy in the whole-sale way nearly as cheap as can be imported from England."\(^3\) McDonnell sold on credit. Richard Bradley used a bond note to secure payment, and extended his operation to include brokering slaves and labor, and selling for cash or produce.\(^2\) John Burgwin, lawyer, merchant, and planter, imported high quality English goods that he sold for cash or produce only.\(^3\) He accepted tar, turpentine or lumber for payment.\(^4\) He also became a broker in land and handled the sale of real estate in the region for absentee owners. The *Cape Fear Mercury* provides some examples of John Burgwin’s real estate activities. Burgwin handled the sale of Purviance’s wharf and tar-house, owned by John Edward of South Carolina. Thomas Brown, an enterprising Philadelphian, set up a copper works in Wilmington and advertised a full line of copper products ranging from stills to wash kettles. Robert Kennedy, another wholesale merchant, sold English goods from Captain Blackmore’s Wharf immediately after the shipment had arrived.\(^5\) Kennedy’s market was primarily the retail merchants along the Cape Fear. George and Thomas Hooper had a staffed store where they sold a range of domestic and imported goods, including medicines, musical instruments, bear skins, tools, toothbrushes, rum and prayer books, for cash or credit.\(^6\)

In the early 1770s, the commerce on the Cape Fear River thrived like no other region of North Carolina. This was the result of increased distribution of goods from more stores located along the branches of the river, with Wilmington and Cross Creek merchants selling at wholesale, and a growing market for domestic products. The trade in lumber prompted many sawmills to be built along streams emptying into the Cape Fear River. For example, Cornelius Harnett and William Wilkinson set up Harnett, Wilkinson and Company, a turpentine distillery, for which they issued shares.\(^7\)

At the end of 1773, trade at the port of Wilmington and its branches at Cross Creek was so diverse and extensive that the consumer (the planter) could obtain most luxury goods, build a house
from domestically manufactured brick and lumber, and receive some cash payment for produce. Improved road and water transport along the Cape Fear River facilitated this growth. The merchants of Wilmington and Cross Creek owned milling operations along the Cape Fear, and the planter could have his grain milled and shipped from one site. While these measures stabilized the system, commerce was largely financed by British capital. Thus, although the Wilmington and Cross Creek merchants had the greater share of the available currency, they also carried the greater debt.

1 Cape Fear Mercury, December 29, 1773
2 Cape Fear Mercury, December 8, 1769
3 Cape Fear Mercury, October 13, 1770
4 Cape Fear Mercury, October 13, 1770
5 Cape Fear Mercury, January 13, 1773
6 Cape Fear Mercury, September 22, 1773
7 Cape Fear Mercury, January 13, 1770
8 Cape Fear Mercury, December 29, 1773.

Taxation and revolt

IX

Once again in 1774, the Crown was contemplating taxing North Carolina commodities. The Cape Fear Mercury carries this “melancholy reflection” from London.

If the tax is attempted, the remittances to England of Tobacco, naval stores, &c. will of course, be stopped, and thereby the immense debt (not less than five millions!) which the North Americans owe to the merchants in Great Britain, must remain unpaid. This will inevitably so materially injure our merchants, trader, and mechanics at home that general bankruptcy will, in all probability, succeed.¹

In Boston, the colonists reacted by throwing tea into the harbor. The North Carolina provisional congress stopped trade with Great Britain altogether by December 1, 1774.

The zealous Wilmington – New Hanover committee interfered with commerce far more than the old royal authorities would have dared do. Large and valuable cargoes of British goods were sold at public venue or sent back whence they had come; prices of imported goods were fixed; slaves brought in contrary to terms of the Association were sent away again; merchants were “entreated” (which practically meant “commanded”) not to sell or export gunpowder; all householders in Wilmington were ordered to sign the Association, and the committee resolved to have no dealings with four merchants, two tailors, and one planter who refused.²
The Continental Association was the result of the first Continental Congress that met in September of 1774 in Philadelphia. Cornelius Harnett, the most respected merchant in Wilmington and also a member of the Sons of Liberty, organized the merchants of Wilmington to act as one in the Association.

1 Cape Fear Mercury, March 11, 1774


The Halifax Resolves

Fourth Provincial Congress, April 12, 1776

The Select Committee taking into Consideration the usurpations and violations attempted and committed by the King and Parliament of Britain against America, and the further Measures to be taken for frustrating the same, and for the better defence of this province reported as follows, to wit,

It appears to your Committee that pursuant to the Plan concerted by the British Ministry for subjugating America, the King and Parliament of Great Britain have usurped a Power over the Persons and Properties of the People unlimited and uncontrouled; and disregarding their humble Petitions for Peace, Liberty and safety, have made divers Legislative Acts, denouncing War Famine and every Species of Calamity against the Continent in General. That British Fleets and Armies have been and still are daily employed in destroying the People and committing the most horrid devastations on the Country. That Governors in different Colonies have declared Protection to Slaves who should imbrue their Hands in the Blood of their Masters. That the Ships belonging to America are declared prizes of War and many of them have been violently seized and confiscated in consequence of which multitudes of the people have been destroyed or from easy Circumstances reduced to the most Lamentable distress.

And whereas the moderation hitherto manifested by the United Colonies and their sincere desire to be reconciled to the mother Country on Constitutional Principles, have procured no mitigation of the aforesaid Wrongs and usurpations, and no hopes remain of obtaining redress by those Means alone which have been hitherto tried, Your Committee are of Opinion that the house should enter into the following Resolve to wit,

Resolved that the delegates for this Colony in the Continental Congress be impowered to concur with the delegates of the other Colonies in declaring Indepenency, and forming foreign Alliances, reserving to this Colony the Sole, and Exclusive right of forming a Constitution and Laws for this Colony, and of appointing delegates from time to time (under the direction of a general Representation thereof) to meet the delegates of the other Colonies for such purposes as shall be hereafter pointed out.