The Interrelationships of the Merchant Careers of Five Alsops and Economic Changes 1750-1878

Alan Joachim
American Social History to 1900
Mr. Hall
May 17, 1977
The Alsop family affords an excellent opportunity to study the economic and social conditions and impulses responsible for merchant activity in Middletown. The Alsops are a microcosm of the relationships that developed to foster an effective market response under difficult and even primitive communications conditions. A study of the merchant impulse and occupational role are difficult because of the data limitations. We have no ledgers and what primary sources that do exist demand educated inferences to make any conclusions, nevermind any economic, social, and political generalizations. Changes in the economic roles as evidenced by family letters, wills, and estate inventories are the only real evidence we have concerning what it meant to be a merchant and businessman to five Alsops. Our study of the Alsops must rely on chronological developments, in the Alsop’s business affairs, to explain their merchant careers.

Richard Alsop came to Middletown from Long Island in 1750. His family was in business and politics. He was not a son of the farm. His first commercial venture was a general store located in the lower rooms of Town Hall, which was then in the center of Main Street. (Harrington, p.5) An important characteristic of pre-Revolutionary Connecticut was the lack of currency. It can be inferred from the inventory of Alsop’s estate and from what we know of the trading and banking situation, that lack of money was a chronic handicap to Alsop. His estate, probated in 1776, contains pages of small sums owed him. The people that can be identified were seldom of the other merchant families, but more likely artisans, farmers, or shopkeepers. Clearly, Richard Alsop was forced to sell goods by barter or on long term credit. The response to the lack of specie and native goods was to trade. Connecticut needed the
manufactured goods of England, but there was not a great Connecticut staple that could be traded for needed British wares. The answer was usually a three-cornered trade with the West Indies, Britain, and Connecticut, or simply trade for British goods in the West Indies. (Saladino, pgs. 234-238)

Trade with the West Indies was the great Connecticut foreign trade. It did not take the enormous amounts of capital one might think. Alsop probably did not own ships right away. The standard practice was either to buy a share in a ship or to send freight for a fixed charge, which the captain-supercargo would sell and receive a 2.5-5% commission. As a small merchant in his early career, Richard did not need large, fixed capital equipment or a large work force.

Alsop could buy Connecticut produce such as cattle, flaxseed, potash, potatoes, woolens, pork, flour, cheese, and butter and do three things. First, he could trade with nearby areas by direct barter. He traded for fish, lumber, and oil from Massachusetts and Rhode Island. Secondly, he could trade through New York City for European goods. New York was the great entrepôt for goods destined for Connecticut. Alsop could exchange Connecticut produce for goods such as manufactures and cloths imported from Europe. Thirdly, he traded directly his goods with the British and some non-empire islands for manufactures, molasses, and rum.

The overland trade probably involved barter; little currency or specie actually changed hands. New York was the great entry port of European goods. Connecticut merchants were always severely in debt to the merchants of New York who bought Connecticut produce for the cloths, Irish linens, buttons, and velvet that Richard Alsop sold at both the wholesale and retail level.
West Indian trade replenished the specie needed to buy British goods in New York. The colonial wars increased the demand for foodstuffs, which was Connecticut's major export. Richard Alsop was an early pioneer in this trade. The trade involved buying local produce against the credit owed him on his goods, or he paid in cash. Alsop would ship the goods to the West Indies, either in another merchant's ship, paying freight and a commission, or in his own ship. We know that he owned two brigs at his death worth £600 and £350 respectively. The inventory of his estate tells us that his major return cargo was rum, sugar, and molasses. He could do a number of things with this product. He could sail to Britain and trade for manufactures and linen directly. Connecticut merchants seem not to have had the ships or the mercantile connections necessary to do this. If this was done he would obtain bills on West Indian goods which were used to pay for the return cargo to Connecticut. (Martin, p. 163) He could also sail to New York and with the specie traded for his cargo in the islands, he could buy British goods there. He could also bring his island goods to Middletown. In Middletown he sold these goods wholesale, retail, or on consignment. At his death Richard had 3602 gallons of Jamaican spirits. From this information it is difficult to conclude whether this was for wholesale or retail sale. The size of the quantity suggests that he had other plans for the liquor than selling it himself. His estate lists that he had quantities of rum, sugar, flaxseed, and two masts for sale in three separate retail stores which he did not own. This suggests that Alsop was no longer primarily concerned with marketing his goods. He would have them sold on consignment by local storekeepers, who received approximately a 5% commission.
Otherwise, he sold them in his or another's retail outlet. He seems not to have been paid for a long time in any case.

Richard Alsop was clearly an important man. At his death in 1776 his estate consisted primarily of land, ships, wharves, thousands of yards of textiles, and approximately $16,000 of notes due from many people. Alsop was much more concerned with his role as a sedentary merchant and broker than he was in retailing his goods.

Alsop developed connections in New York and formed partnerships with other merchants. A New York connection was very important for Richard. Having his own agent cut down on charges for finding a market for his West Indian goods and the buying of European goods, Trust was an important factor in any business operation at this time. Communication was very slow. The normal practice was for a son or other relative to be installed in the crucial position of factor, because it was thought that they could be trusted, and trust was essential because of the slowness of communication. Richard's son were too young, so he seems to have employed an outside agent, a Mr. Thomas Stevenson in New York. Mr. Stevenson was not a partner of Alsop's, because his will enumerates his partnerships. Mr. Stevenson had a large quantity of Richard's rum at his death. This suggests that Alsop would ship the rum to New York, where it would be traded for foreign manufactures and especially European textiles. Large numbers of both were found in Richard's estate. Richard's career was completely under British mercantile directives. There is no evidence of where he traded in the West Indies. Many Connecticut merchants had dealings with the Danish island of St. Croix and the French islands. Sugar from St. Croix and the trading of Connecticut foodstuffs to San Domingo
was an important pattern of colonial Connecticut trade. It was dangerous to trade directly with non-English islands, but it was extensively done.

Richard's other major source of income was the rudimentary banking functions he performed. Early in his career he started insuring vessels, though we don't know the extent of this enterprise. He was a major creditor. The bills due him at his death were valued at £16,000. Many of his debtors were storekeepers and artisans who received supplies from him on credit. The currency shortage was so severe that suppliers often had to receive goods from their debtors as payment, even if those goods were not readily marketable. (Baxter, p. 18) People expected liberal credit from men like Alsop. His estate had many debts that were at least ten years outstanding. Being a merchant entailed a service function. He built his business in areas where his trade connections and access to capital would be most useful to the populace.

His policies give an excellent indication of how primitive economic institutions were in colonial Connecticut. Cash was not the exclusive medium of exchange. Evidence such as the long term credit Alsop offered and that he received land and return goods from his debtors suggests an economy based on money values, but these values were based on bartered goods which had recognizable monetary equivalents. Alsop's estate lists many land holdings with a few cows and horses on each. It is doubtful that he ran them as commercial farms, but more probably seen as liquid assets, as evidenced by their ready sale by his executors. Land and notes of credit were ready forms of investment for the merchant's money. The barter economy made it possible to invest, even though his money was in the form of produce or outright loans.
He was involved in two partnerships that we know of. One, Alsop and Shaler, involved a Mr. Shaler who appears to have been a friend and an important agent of the Alsops in New York. Mutual relationships of the capital and trade connections of the Alsops with the local supply and retail markets of Connecticut were linked with agents in New York, Philadelphia, and the West Indies. Partnerships were not usually long term ventures, but many times were short lived "adventures" to increase capital and spread the risk.

Richard Alsop's merchant career was successful beyond a monetary criteria. He performed useful credit and trading functions which allowed people to reach out for goods beyond the essentials produced locally. He had high status in the community. He belonged to the Masons and was elected to the legislature. From his estate we can see that his wealth brought him luxuries beyond the means of most of the time. He owned carriages, imported furniture, a good selection of clothes, and expensive articles such as candleholders, watches, etc; which were as much the result of his access to foreign markets as to his wealth.

Richard's activities were confined to the colonial era. Two of his sons; Joseph Wright (1772-1814) and John (1776-1841) were active only after the Revolution. The role they played in business differed from that of their father. Two themes must be examined in their careers. A trend toward more specificity in their roles and an interest in the new financial and industrial institutions that developed after the Revolution, and particularly after 1800 characterized their careers.

Joseph followed one well trodden path to becoming a merchant. He went to sea when he was young as a supercargo and later as a captain-supercargo. We don't know who he worked for, though probably it was with business associates of his father or relatives in New York or Philadelphia. The Chaunceys
or Rileys seem the most probable. We have letters placing him in Naples in 1797 and St. Croix in 1800 disposing of cargo. At this early stage of his career he was involved with other people's goods and was only receiving a percentage of the sale. With his inheritance and earnings he became a merchant quite young. He probably also gained experience in the countinghouse, but he was called Captain Alsop, so we must assume that he did not stay in Middletown to the extent that his father seems to have.

We can place him in 1811 in Barbados selling cattle and waiting for the ship Dana to arrive to pick up a return cargo. The Danas were a Middletown merchant family and related to Joseph by the remarriage of Joseph's mother to Samuel Dana. Cooperation among relatives was extremely important to the Alsops. Conditions had not changed with regards to communications and the need for trusted people at key trading points. People who could be relied on to make the best deals and not cheat the shipper. The Chaunceys and the Pomeroyes, as well as Joseph's sons and cousin Richard, were all part of his commercial ventures.

What it meant to be a merchant was changing; Joseph and John were no longer performing the banking functions and retail activities of their father. The climate of the post-Revolutionary era is too complicated to fully explain here. West Indian trading was extremely disrupted at this time by the French and English seizure of American ships. Merchants expanded operations enormously anyway. Activities became more specialized. Joseph was much more strictly a wholesale merchant. His estate shows that at his death he owned no wharves, warehouses, or ships. The trade he was involved in was much more complex. We have no records of Joseph's ventures but from his letters
we can infer that he did not own vessels and many times he acted as captain-supercargo. Shipowning, freight, and insurance were becoming more sepa rated activities. It seems to have been relatively profitable and less capital intensive, when seen in the light of the large scale of operations and risks involved with being a complete merchant. Joseph formed a partnership with Henry Chauncey and later his sons were involved. The trade itself was similar. Connecticut foodstuffs were still sold in the Caribbean for rum, molasses, sugar, and European textiles and manufactures.

The economy recovered strongly by 1787. Connecticut manufactures became more and more important. With the development of industries and corporations the Alsops branched out. Joseph's brother John did not engage extensively in the West Indian trade and we have no evidence of his being a ship captain or supercargo. John became more of a manager; involved with turnpikes, railroads, and legal problems, while still maintaining a position as an ex-officio member of the family enterprises. We have come a long way from Richard Alsop to his son John, who will act as agent for his relatives, but does not deal with cargos or retailers directly.

He must follow Joseph's career to see the changes toward specialization and manufacturing. Unfortunately we do not have correspondence of his thoughts concerning why he began to invest in banks, railroads, stocks, insurance companies, and turnpike companies. We can infer from his merchant activities and the developments that took place in the Connecticut economy just what his motives might have been.

Joseph, John, and cousin Richard began their careers during the years
1795-1810. The Constitution had been supported by Connecticut merchants because it gave the government power to make treaties to secure West Indian commerce, the power to pay off the national debt—which merchants had a large part of, stabilize currency, stop the collection of state taxes at the New York impost, and set up a National Bank. The result was a stable and widely circulating medium of exchange based on United States Bonds. (Saladino, p. 214-221)
A large amount of money was freed by the new currency and by the payment of the debt. This money was invested.

Trade increased and the Alsops responded. Connections were developed in New York, Philadelphia, New Haven, and New London. The Alsops intensified their activities as agents and commission merchants. The Alsop letters abound with these changes. We see Joseph and Richard in Italy, Spain, the West Indies, and Connecticut ports disposing of cargo and searching for new freight. The trade was still in the same Connecticut foodstuffs, West Indian rum, sugar, molasses, and European goods. The change is that we see no mention of the Alsops bringing goods to Middletown. They either have their goods sent on other’s ships, with no family control, or they are acting as captain-supercargo for their own cargos. The letters do not make clear if the Alsops owned any ships, but it seems probable that if they did not their family connections; the Chaunceys, Pomeroy's, Rileys, and Dana's did.

The period of great trading with the West Indies slowed down with the War of 1812. Many merchants were ruined or badly hurt by the Embargo and loss of trade during the war. The Alsop letters do not explain whether or not their agents until the 1820's when the next generation started their careers. It
is difficult to determine the economic conditions in the letters, but we can see how commercial failure influenced the actions of Richard Alsop (1789-1842).

Richard was clearly a driven man. We are not sure of the details of his failure, but we know that in his mind it forced him to leave his cherished family and Middletown. He wrote letters to his mother soon after his failure from New York in 1811. He believed that his failure makes him unwelcome in Middletown. He felt sorry for himself. Richard was twenty-five by this time, yet his maturity can easily be questioned by the self-pitying tone and the fact that these letters were to his mother. He also pleads with his mother to understand that he feels compelled to recoup his fortune. There is a sense that he has let the family down. He writes letters to his sisters as well, which drip with his sense of failure and desire to quickly as possible recoup his position in the community. He gives his sister $50 and reminds her that he badly needs to hear from home and that anything he can do for her he will.

The word merchant has taken on less of the complete commercial meaning of Richard Sr., but more an internalized set of goals. Richard was not doing a great service to the community, but was rather trying to live up to a notion of success that substituted the respects of his neighbors for his commercial services to the community, to a respect for his monetary accomplishments. Richard was less the respected, local merchant. We can see the beginnings of the nineteenth century industrial capitalist in Richard, though he was still in his younger years engaged strictly with the traditional Connecticut trade with New York, the West Indies, and Europe.

Richard was very successful in recouping his capital. He took a well
known route that merchants took to gain capital. This was to act as a supercargo for someone else, usually a relative. His letters to his mother are good descriptions of voyages he took to Lisbon, Boston, Cadiz, and Havana from 1816-1819. He was involved with his cousins the Pomeroyys and Rileys. Richard had a very responsible position. He must sell the cargo in these foreign ports. He probably had some option as to where to take the cargo and what prices to accept. He was expected to keep in close contact with his shippers. (Porter, pgs.7-10) Richard writes that he was having great difficulties dealing with agents in Lisbon and Boston. If we assume that Richard was the supercargo for his relatives, than probably the agents mentioned were not closely aligned to his employers. Trade has not changed that much in these forty years. Communications were still very slow. Richard had friendly captains carry his letters back to the States, and they still took weeks to get to their destination. The supercargo was still a very important position. He must be trusted with the cargo with only general instructions from the owners. Richard was successful with his cargos and the commissions on their sales allowed him by 1819 to start shipping his own goods. Richard went to New York and his cousin Frederick Pomeroy to New Haven. Richard and Frederick bought a cargo to sell in Havana. We have letters concerning the agent of a well known firm whom Richard wished to use in Havana. Richard assured Pomeroy that this man could be trusted. This suggests that Richard now had sufficient capital to set himself up as a sedentary merchant in New York. He and Pomeroy were not going on the voyage, but must rely on this agent in Havana to get a good price for their goods and locate a return cargo for the ship.

Joseph Wright and Richard were by 1820 sedentary merchants. Richard lived
in New York and Philadelphia. Joseph seemed to remain much of the time in
Middletown. The next important developments of the Alsop’s merchant lives
involved the development of corporations and partnerships.

Richard’s will clearly shows that he had formed partnerships with a
couple of firms that gave him trusted agents in many ports. He was involved
with Wilson and Sons of Baltimore, and had his own company, Alsop and Company.
His partners were his nephews Joseph Wright Jr. and Henry Chauncey. Theodore
Riley and Gustavus Cleimann seem also to be his partners, or agents. All four
were made executors of his will and Joseph Jr., Henry, and Theodore were stated
as his partners and beneficiaries of his stock in the partnerships. Cleimann
was probably an agent or retail outlet of the Alsops. The will stated that
Cleimann’s debts would be wiped clean on Richard’s death. This implies that
Cleimann had a position of trust which he executed well. We know that the
other partners spent much of the 1830’s in South America. Chauncey and Riley
can be placed in Valparaiso, Chile and Santiago, Chile respectively. Joseph Jr.
seems to have spent much of his time in New York.

Richard and Joseph Wright Sr. no longer went to sea by the 1820’s. Their
money began to be used for diverse investments. The results of overseas trade
do not seem to be a major part of either man’s estate. The concept of a
merchant was undergoing a change that reflected improved economic and political
conditions and new outlets for investment. The growth of corporations is
evident in the estates of these two Alsops, as well John Alsop. It was profitable
and safe to invest relatively small amounts in these corporations. The
stocks these three men owned at their deaths were very similar. Joseph Sr.
was extensively involved with banks, state bonds, turnpike stocks, and insur-
ance stocks. He made little mention of his mercantile interests except that his estate was owed $747,85 from his firm of Alsop and Chauncey. Joseph in his later years probably turned over most of his business to his son Joseph Jr. and Henry Chauncey, and like his brother John worked at managing his and other people's investments. Richard Alsop's will refers much more to his merchant partnerships. His very large estate was mostly in cash, stocks in his various trading companies, insurance stocks, invoices, and stock of the city of Cincinnati. We can still see his struggle to prove himself to his family in his will. He gives $50,000 to his aged mother and lesser amounts to sisters and aunts. Richard was extremely successful as a merchant. His stock was confined to Cincinnati stock and in his merchant companies. His will suggests that he felt compelled to build his merchant enterprises as a personal goal and did not invest as extensively as his relatives in the new, industrial and transportational companies.

The cooperative nature of the Alsop's merchant activities are best displayed in letters concerning the entrance of Joseph Jr. and to a lesser extent his brother Charles Richard into the business by way of the countinghouse and the quarterdeck. The first letter we have from Joseph Jr. is 1822 from New York. He was eighteen years old. Joseph was employed of a merchant there. From later evidence he probably was working for his uncle Richard or one of his contacts. Joseph was dependant on his family for guidance and pocket money, but he seemed especially influenced by the merchant life that he grew up with. He said he wished to be an honest and thorough merchant and live up to the ideals of honesty and hard work of his family. The occupation of a merchant was still the dominant mode of life in the Alsop family. He did
not seem to consider any other route into the business world. Unlike his uncle Richard, Joseph does seem to raise the necessary capital to become a sedentary merchant by serving extensively as a supercargo in family ventures. We have one mention of his being on a voyage, but during the period 1822-1826 he was working in a countinghouse in New York. He wrote a letter in 1826 to his parents concerning possible relocation to South America. We don't know if he went at this time, but it is interesting to note the family nature of the decision process. He asked his parents, brother Charles, and cousin Henry Chauncey. It is probable that he stayed in New York for some years until he joined the family enterprises as a full-fledged partner with Henry Chauncey and Richard Alsop. In 1826 he sent his first cargo from New York to Connecticut. He and Henry Chauncey became agents; buying textiles and choosing shippers for family cargos to Connecticut. Banking had developed to the point where he did not have to buy cargos with the sale of other cargos or on commission, but could draw on his father's account at a New York bank to buy goods to ship to his father in Middletown. Credit was no longer dependant on the whim of a big supplier but was the result of the development of a generalization of banking institutions which permitted a transfer of credit to the needed location. This diminished the hold of the New York merchants in their role as middlemen in trade from Europe. Agents, like Joseph Jr., now had access to capital to import foreign goods, bought with Connecticut produce. He then reshipped the goods to Connecticut distribution centers. Specie drain at New York was less by the 1820's. Overland trade with Rhode Island and upstate New York expanded rapidly. The growth of cities and West Indian trade pumped more real money into Connecticut. This money was invested in trade and manufactures which
provided a need for improved communication, which was soon invested in.

The West Indian trade declined as a result of the unsettled trading conditions around the War of 1812 and the Recession of 1818-1819. The reaction of the Alsops was to divert their trading to South America and invest time and money in growing industries. Joseph Jr. lived in Valparaiso, Chile during the 1830's, but we also know he was an agent at St. Croix in the Caribbean. His brother Charles Richard went to Yale and became a lawyer, but earlier the letters tell us he had been an agent in South America. Charles does not enter further into the letters except as he buys small articles, like cloth and buttons for family members. This suggests that Middletown lacked some of the finer imported goods. Charles was an early railroad entrepreneur and his estate consisted entirely of land, houses, and railroad stock. His estate was appraised at $29,490. The occupation of merchant had become his springboard to earn capital with which he invested in the new, industrial capitalism that developed in the 1830's and 1840's. His connections to the family merchants were probably as an advisor for investments, a source of loans, and as an unofficial advisor of market conditions of where he was living.

Joseph Jr. underwent marked changes in his commercial enterprises. We have seen him in 1822 start out in the countighouse and act as an agent for family business in Chile and the Caribbean. We know he had a partnership with his cousin Henry Chauncey and eventually lived in New York and by 1840 in Middletown.

We see with Joseph Jr. the most marked alterations of the merchant's life
from that of grandfather Richard. In many ways both men admirably served the interests of their community, as well as themselves. Richard brought desired textiles, rum, sugar, and European wares to a basically agricultural region. He bought the farmer’s excess wheat, poultry, cattle, pigs, butter, cheese, and potash production. His function as a creditor further allowed people to acquire articles that they could not make, overcoming the lack of currency. Joseph Jr. helped foster economic growth by his activities. People had more access to money, but markets were still separated. Capital was needed for investment in communications and industry. Men like Alsop invested their money in communications industries like railroads and turnpikes. We see in Joseph Jr. investment beyond this level achieved by his relatives. He died in 1878 and clearly participated in large scale heavy industries. He owned stocks in the Tennessee Coal, Iron, and Railroad Co., mining companies, and electric light companies. This was a large jump from Richard Alsop Sr.’s estate which included an enormous variety and quantity of textiles and hundreds of bonds due from local customers. Richard insured fellow merchants because there was no protection from individual losses, and spreading the risk was beneficial to everyone involved. Joseph Jr. engaged in investment on a large scale. Investment in the means of production that was building a more modern America.

The role of merchants, among the Alsops, was altered with the development of finance capitalism. The Alsop letters do not specifically deal with their investments, but they do reveal a pragmatism which characterized Connecticut merchants. Richard Alsop Sr. and his class desired political and economic independence from the mercantile policies of England. The next generation
strove for a strong central government, adequate communications, and a National Bank. The third generation looked for more profitable avenues for investment. They developed corporations which had the advantage of limited liability and gave them the time to engage in manufacturing and other commercial interests, without being totally responsible for the running of the corporation. (Martin, p. 205-206) Merchants made significant contributions to the development of local manufacturing interests.

The Alsop letters are the history of their careers, not of their firms. A strong socialization toward cooperation, success, money, and high social status are evident in the letters. The letters speak of the training to be a sedentary merchant. The years as a supercargo and as an agent, but the habits and economic and political power important for success as a merchant, were also important for their later business careers. Their accumulation of capital, connections, and political and social power made these merchants natural industrial developers.
BIBLIOGRAPHY

Primary Sources:

Middlesex Gazette, 1799-1800, 1811-1818.
Alsop Letters
Probate Records of Middletown

Secondary Sources:


Fowler, William Chauncey, Memorials of the Chaunceys, Henry W. Dutton and Son, Boston, 1858.


