

Robert Morris: Genesee Land Speculator

By BARBARA A. CHERNOW

Robert Morris of Philadelphia, best known for his financial role in the American Revolution, was the single most ambitious speculator in western New York lands. Barbara Chernow presents a detailed account of these investments from inception to collapse. Dr. Chernow, until recently associate editor of The Papers of Alexander Hamilton, is now editor of the supplement to the International Encyclopedia of the Social Sciences for the Free Press, a division of the Macmillan Publishing Company.

Throughout the Confederation and early national periods, land provided a major form of investment for businessmen in the United States. The national and state governments, financially drained by the war with Great Britain, recognized that the sale of frontier lands was their largest potential source of revenue. After offering the land as payment for revolutionary debts, governments on all levels tried to sell the remainder at a few cents per acre for an immediate profit. Speculators, eager for new fields of investment, could thus purchase large tracts at low prices. Both the governments and the speculators treated the western lands as an article of trade to be bought and sold as any other commodity. The purchaser could hold on to the land until prices rose, sell the entire tract to another speculator or land company for a quick return, or develop and sell it, on credit if necessary, to prospective settlers.

Few businessmen took advantage of the expanding land market as did Robert Morris of Philadelphia. Born in England in 1734, Morris came to America as a youth and showed such facility for business that, while still in his twenties, he was a leading merchant in Philadelphia as a partner in the firm of Thomas Willing. His contributions to the American cause gave him the title "Financier of the American Revolu-

tion," and by the end of the conflict he was the most influential merchant in the new nation—the center of a network of partnerships with merchants in the United States, the West Indies, England, and the continent. His reputation, which led to his appointment as superintendent of finance by Congress in 1781, was based on the fortune he had acquired from his commercial activities and his ability to command almost limitless credit at home and abroad.¹

His years of public service, however, eventually had a negative effect on his private business affairs because of his neglect of his mercantile operations. Equally damaging to his later career was the psychological impact of the power he wielded and the flattery he received as Financier. Congress had appointed him on his own terms and made few decisions without his approval. In 1781 he first circulated "Morris notes," secured against his own credit, to replace the worthless continental currency. Before he resigned he learned, through the nation's dependence on his notes to pay the army, that his personal credit rating was higher than that of the United States Government.² Never again would he accept the fact that his credit was limited, and he expected his creditors to wait indefinitely for payment out of gratitude for his revolutionary services.

Always the nationalist who believed in the inevitable growth and economic development of the United States, Morris invested extensively in shipping, merchandising, securities, internal improvements, and land during his career. This overweening confidence and sense of his own financial omnipotence led to the ruin of his financial empire. In the 1780s he attempted to corner the market on the tobacco trade between the United States and France, but the monopoly collapsed and brought him to the edge of bankruptcy. William Constable, one of his partners in the enterprise, in terms that would then have seemed heretical, wrote to Gouverneur Morris, the Financier's former assistant: "I have

1. Clarence L. Ver Steeg, *Robert Morris: Revolutionary Financier, with an Analysis of His Earlier Career* (Philadelphia, 1954), pp. 28-36; Robert A. East, *Business Enterprise in the American Revolutionary Era* (New York, 1938), pp. 126-48.

2. The best study of Morris's career as Financier is E. James Ferguson, *The Power of the Purse: A History of American Public Finance, 1776-1790* (Chapel Hill, N.C., 1961). See also Ver Steeg, *Morris*, p. 179.

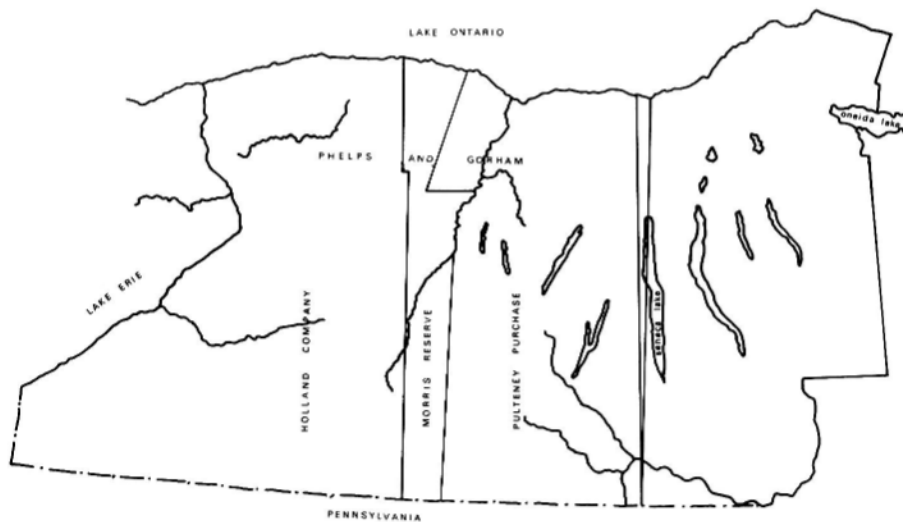
a very bad opinion of Robert Morris Talents. . . .”³ As yet, few contemporaries shared Constable’s opinion.

To restore his financial security, Morris turned his attention almost exclusively to the expansion of his landholdings. By 1790 he was convinced that land values would spiral upward. The expanding seaboard population hungered for western lands, which would also attract European settlers. And, as had been true throughout colonial history, speculators would be attracted by the great potential for profit. Although Morris had limited cash reserves with which to finance these purchases, he still had significant domestic and foreign credit resources. By using the contacts he had developed with businessmen in the United States and Europe during the Revolutionary years, he hoped to finance his purchases and to find a market in which to sell his land. He had neither the desire nor the funds to develop the land and sell it to individual settlers—a slow and cumbersome process. Instead, he wanted to dispose of his holdings in large tracts to other speculators for a quick profit.

As with the tobacco contract, Morris was not satisfied with just a piece of the land market. Between 1790 and 1798, he purchased millions of acres in New York, Pennsylvania, the Federal City, New Jersey, Delaware, Kentucky, Maryland, Virginia, North Carolina, South Carolina, Ohio, Tennessee, and Georgia. Of all these purchases, the only one that proved potentially successful was the land he bought in western New York—a tract of some 6,000,000 acres lying between Seneca Lake on the east and Lake Erie on the west, bounded north and south by Lake Ontario and Pennsylvania, and bifurcated by the Genesee River.⁴

3. Constable to G. Morris, Nov. 17, 1787, Constable Papers, New York Public Library (hereafter cited as NYPL). For a history of Morris’s efforts to corner the market on the tobacco trade, see Jacob M. Price, *France and the Chesapeake: A History of the French Tobacco Monopoly, 1674–1791, and of its Relationship to the British and American Tobacco Trades* (2 vols.; Ann Arbor, 1973), II, 741–69; Frederick L. Nussbaum, “American Tobacco and French Politics, 1783–1789,” *Political Science Quarterly*, XL (Dec. 1925), 497–516; Donald G. Tailby, “Chapters from the Business Career of William Constable: A Merchant of Post-Revolutionary New York” (unpublished Ph.D. dissertation, Rutgers, The State University, 1961), pp. 177, 190, 195–203; Constable to Gouverneur Morris, Dec. 1, 1787, Constable Papers, NYPL.

4. Miers Fisher, *Brief of the Titles of Robert Morris* (Philadelphia, 1791), p. 1; Howard L. Osgood, “History of the Title of the Phelps and Gorham Purchase,” *Publications of the Rochester Historical Society*, I (1892), 21–31.



Western New York, showing the original Phelps and Gorham Purchase and its division into Holland Company and Pulteney purchases and the Morris Reserve. Both the correct and incorrect preemption lines are shown. Map by Kathleen Kent.

This vast region, still in the possession of the Iroquois Confederacy, held no white settlements before or during the Revolution. It would be but a matter of time before Indian claims to the land were removed, but development of the region was hampered by the fact that it was claimed by both Massachusetts and New York. The former based its claim on the Plymouth Charter of 1620, which extended the colony's boundaries westward to the Pacific. The New York claim was based on Dutch grants, New York's suzerainty over the Iroquois, and grants of 1664 and 1674 from Charles II to the Duke of York. The matter was finally settled in December 1786 when the two states signed the Hartford Convention, whereby New York was granted governmental jurisdiction of the area, while Massachusetts was granted the property right to the land, which would give that state the right to purchase the title from the Indians and sell the land as it pleased.⁵

5. The text of the Hartford Agreement is in Miscellaneous Records, New York, Secretary of State's Office, Albany.

Desperately in need of funds, Massachusetts agreed to sell immediately at least part of the tract, and the best offer came from Oliver Phelps and Nathaniel Gorham. Phelps, a native of New Windsor, Connecticut, had served in the Commissary Department during the Revolution. After the war, he lived in Sheffield, Massachusetts, and was a member of the state assembly, the state senate, and the governor's council. Gorham, originally from Charlestown, Massachusetts, was a delegate to the Continental Congress from 1782 to 1783 and again from 1785 to 1787.⁶ On April 1, 1788 the Massachusetts legislature agreed to sell the land to the Phelps-Gorham syndicate, which was formed to outbid the competition, for £300,000 in Massachusetts securities, payable in three installments, on the condition that the speculators extinguish the Indian title by purchasing the land from the natives.⁷ At the time of this sale, though the face value of the securities was £300,000, the market value was only 20 percent of face value. The legislature had thus sold the land for £60,000, or \$200,000, which was approximately three cents per acre.⁸

On July 8, 1788, Phelps concluded a treaty with the Six Nations. The Indians sold only 2,600,000 of their 4,000,000 acres for £2,100, New York currency, and an annuity of \$500. The land conveyed to the purchasers was bounded on the south by the northern boundary of Pennsylvania, on the west by a line from the Pennsylvania boundary to the confluence of Canaseraga Creek with the Genesee River to Lake Ontario, on the east by the Preemption line—a line extending north from the Pennsylvania border, along the western shore of Seneca Lake, to Lake Ontario—and on the north by Lake Ontario. As the sale to Phelps and Gorham by Massachusetts was conditional until they had purchased the Indian title, the state legislature now passed an act confirming their right to the land.⁹

6. Samuel H. Wandell, "Oliver Phelps," *New York History*, XXIII (July 1942), 275-82; George H. Humphrey, "Nathaniel Gorham," *Publications of the Rochester Historical Society*, VI (1927), 297-99.

7. MS Journal of the House of Representatives of the Commonwealth of Massachusetts, Microfilm Collection of Early State Records, Library of Congress (hereafter cited as LC). See also Osgood, "Phelps and Gorham Purchase," p. 35. Phelps and Gorham's associates included Judge James Sullivan, Thomas Skinner, Israel Chapin, and William Walker.

8. Ferguson, *Power of the Purse*, p. 270; Osgood, "Phelps and Gorham Purchase," p. 36.

Although the two partners began the venture with great expectations, by June of 1789 they were in serious financial difficulty. Simply stated, they had expended much money for surveys and for cash settlements with the Indians, while the settlers who bought land from them were small farmers who usually needed long extensions of credit in order to pay for the land. Most damaging to the speculators, however, was the enactment of Alexander Hamilton's financial program, which caused an immediate rise in the value of the depreciated Massachusetts securities and thus in the amount that they must pay for the land.¹⁰ In June 1789, Gorham informed the Council of Massachusetts that no prospect existed of their paying the first bond before the second became due. He offered to "relinquish the Bargain," if the legislature repaid the money he and Phelps had advanced and provided compensation for their efforts. The speculators would either reconvey the entire 6,000,000 acre tract to the state, or purchase at a reasonable price the 2,600,000 acres to which they had extinguished the Indian title. Instead of accepting this offer, the legislature postponed payment of the first bond until April, 1790. But on June 9, 1790, Phelps and Gorham reconveyed to the state two-thirds of their original purchase, or 4,000,000 acres, as payment for the two bonds still outstanding.¹¹

Phelps and Gorham then sought a purchaser for one of the two million acres still in their possession. By August 7 they had arranged to sell the land to Robert Morris, who signed the articles of agreement three days later. It is impossible to determine exactly when or why the two speculators and Morris initiated negotiations. But Morris knew Phelps from contact with him in the commissary department during the Revolution, and Morris had undoubtedly heard praises of the region from his associate Adam Hoops, who had served

9. Deed, July 8, 1788, O'Rielly Papers, New-York Historical Society (hereafter cited as NYHS); Fisher, *Brief*, pp. 11, 31.

10. Charles F. Milliken, "The Phelps and Gorham Purchase," in *History of the Genesee Country*, ed. Lockwood R. Doty (4 vols.; Chicago, 1925), I, 366; George S. Conover, ed., *History of Ontario County, New York* (Syracuse, 1893), p. 93; Robert W. Silsby, "Credit and Creditors in the Phelps-Gorham Purchase" (unpublished Ph.D. dissertation, Cornell University, 1958), p. 3.

11. Gorham to Phelps, June 25, 1789, Phelps-Gorham Papers, New York State Library (hereafter cited as NYSL); Fisher, *Brief*, pp. 34-37.

with General Sullivan in 1779 in the punitive Sullivan-Clinton expedition against the Indians in the Genesee country.¹²

Initially, Morris considered becoming a third partner in the purchase with Phelps and Gorham, but decided instead to purchase the land himself. By the indenture, Phelps and Gorham sold Morris 1,000,000 acres for £30,000, Massachusetts currency. Morris agreed to pay £5,000 by January 10, 1791, £5,000 by June 1, 1791 with interest from January 10, 1790, one-half the remainder on December 1, 1791, and the final £10,000 on December 1, 1792. The last two payments included interest from September 10, 1790.¹³

As has been noted, Morris had no intention of retailing the land to actual settlers. As soon as he decided to purchase the land, he chose Gouverneur Morris and William Temple Franklin, the grandson of Benjamin Franklin, as his European agents for the sale of the entire tract. He informed Gouverneur that this “bargain . . . will . . . not only be the means of extricating me from all the embarrassments in which I have been involved, but also the means of making your Fortune and mine.” If Gouverneur succeeded in selling the land in Europe, then Morris would purchase at least two of the four million acres reconveyed to Massachusetts by Phelps and Gorham. Hopefully, the purchaser would be a company, which would then sell the land to emigrants in France and the Low countries. Always overeager about a new enterprise, Morris bragged “that this is the best tract of Country now remaining in a body (unoccupied) within the limits of the United States of America for the settlement of Foreigners who wish to live contiguous to each other.” The land was fertile, the Indian danger nil, and because of some sales by Phelps and Gorham, settlers already lived on the land under the protection of the state government.¹⁴

12. Morris to G. Morris, Aug. 8, 1790, G. Morris Papers, Columbia University Libraries (hereafter cited as CU); Indenture, Nov. 18, 1790, Deeds, Misc. Records, Sec. of State's Office; Chipman P. Turner, *The Pioneer Period of Western New York* (Buffalo, 1888), p. 51; Osgood, “Phelps and Gorham Purchase,” p. 35; Milliken, “Phelps and Gorham Purchase,” p. 352.

13. Indenture, Nov. 18, 1790, Deeds, Misc. Records, Sec. of State's Office; Morris to G. Morris, Aug. 8, 1790, G. Morris Papers, CU. In Phelps and Gorham's Journal, under the date of Nov. 8, 1790, there is a partial list of townships conveyed by them to Morris (NYSL).

14. Morris to G. Morris, Aug. 8, 1790, G. Morris Papers, CU.

Morris, in fact, was so certain of the European demand for American lands, that he expected to pay all but the first installment to Phelps and Gorham out of the proceeds of such sales. To meet these payments, the Financier intended to draw on Gouverneur for 100,000 livres in January and June in bills of exchange payable in sixty or ninety days. If Gouverneur sold 800,000 acres at 6 livres per acre and then deducted his expenses, Robert estimated his profits, after he completed the payments to Phelps and Gorham, at 2,200,000 livres or \$330,000.¹⁵

In these instructions to Gouverneur, Morris established the pattern for his speculative activities. He would purchase large tracts for immediate sale to other speculators, with part of the profits from such resale paying for the original purchase. He would rely heavily on his growing number of European agents, his previous connections with European banking houses, and his belief in the steady European demand for American lands as an investment and for settlement.

Wisely, Gouverneur declined serving as Morris's primary agent. As an informal representative of the United States in Britain, Gouverneur realized that any role he might play as a private entrepreneur would arouse suspicion and possibly injure American interests. Morris thus pinned his hopes on William T. Franklin. As early as September 1790, Morris had approached Franklin with the prospect of travelling to Europe to sell the Genesee land. To insure Franklin's acceptance of this commission, Morris offered him an unusually generous arrangement. First, the Financier purchased Franklin's three New Jersey farms for £5,000, Pennsylvania currency, with £500 payable immediately. For the remainder, Morris excuted a bond and a mortgage to Franklin for £4,500 payable in eighteen months with interest payments every six months. In addition, Morris promised Franklin a ten percent commission on all sales, six hundred guineas yearly, travelling expenses, and payments for copying and printing expenses and bankers' commissions.¹⁶

Before Franklin sailed, Morris gave him detailed instructions for the sale of the Genesee land in Paris or London.

15. *Ibid.*

16. G. Morris to Morris, Nov. 29, 1790, G. Morris Papers, LC; Morris to Franklin, Sept. 21, 22, 1790, Franklin to Morris, Sept. 16, 21, 23, 1790, G. Morris Papers, CU.

Although he would accept two livres per acre, Morris hoped that the land would sell for double that price. He urged Franklin to sell all of the land to a single company for "Ready Money." If a company could not be formed for this purpose, the land should be sold for three million livres at a lottery. If the lottery scheme failed, the agent could advertise the lands and sell to anyone who would purchase at least fifty acres at six livres per acre, with one-half down and the remainder in three or five years at five percent interest paid annually. In the event that a single purchaser bought one thousand acres, Morris would reduce the price to four or five livres per acre. Franklin had to deposit all money received with Morris's European bankers, Le Couteulx and Company in Paris or Bourdieu, Chollet, and Bourdieu in London. As soon as the deposits totalled £45,000 Morris would discharge his mortgage to Phelps and Gorham, who had arranged to receive payment on the last three installments through William Burgess, a London merchant. As for Gouverneur's role in any sale, Morris explained:

Mr. G. Morris is my most particular friend, that I respect and esteem him exceedingly, and that he possesses as he is justly entitled to, my utmost confidence. . . . Altho' I do not say that he is to have a controuling Power over your Operations, yet it will be very agreeable to me that his Opinion and yours should coincide upon the important points . . .¹⁷

In his effort to reach all potential purchasers of American land, Morris also authorized Benjamin Van Pradelles, his Flemish agent, to sell five townships, totalling 115,400 acres, in Flanders. According to their arrangement, Van Pradelles was to receive a commission of 8 percent on the first sixty thousand acres sold, 6 percent on the next forty thousand, and 4 percent on all subsequent sales. In addition, he would receive a cash payment of six hundred Spanish dollars. As with Franklin, Morris encouraged Van Pradelles to sell either the entire tract to one company, or if necessary, each township to a different company for at least four livres per acre. If these plans failed, individual settlers could purchase lots of from fifty to one hundred acres at six livres per acre, with four livres down and the remainder payable in from

17. Morris to Franklin, Oct. 28, 1790, to G. Morris, Dec. 31, 1790, G. Morris Papers, CU.

three to five years at 5 percent annual interest. Morris's Amsterdam bankers were Wilhem and Jan Willink, who were also the United States' bankers. If Van Pradelles sold all five townships, Franklin would assign him additional lands. By January, 1791, Van Pradelles requested a change in his instructions because of the difficulties he experienced in finding purchasers.¹⁸

The failure of Morris's agents to conclude any sales in Paris and Flanders, though probably disappointing at the time, proved to be unimportant. Success greeted Franklin quickly and unexpectedly in London. There he established contact with Patrick Colquhoun, a Glasgow merchant, who represented William Hornby, for many years a colonial official in India, and Sir William Johnstone Pulteney, Earl of Bath. Pulteney, one of the wealthiest men in Britain, had long been interested in American affairs and had worked for a conciliation between mother country and colonies during the Revolution. He contributed over 80 percent of the capital raised by the three partners. In the negotiations with Franklin, Colquhoun served as the middleman, and on February 15, 1791, he and Franklin signed the preliminary articles of agreement.¹⁹

Although the terms of the sale were favorable to Morris, the Financier had hoped for an even larger profit. The Pulteney Associates agreed to pay £75,000 sterling by January 1, 1797 for 1,000,000 acres of Genesee land. Morris was responsible for surveying the land and for extinguishing the claims of Indians and squatters. If the survey revealed more than 1,000,000 acres in the tract, the surplus would belong to the purchasers. Because the final articles, dated March 17, 1791, provided for advances to Morris in yearly installments, the last two payments from the Associates were discounted 5 percent. The Associates promised to pay £10,000 yearly

18. Morris to Van Pradelles, Oct. 29, 30, 1790, to G. Morris, Aug. 8, 1790, Van Pradelles to Morris, Oct. 29, 1790, Van Pradelles to G. Morris, Jan. 24, 1791, G. Morris Papers, CU; G. Morris to Morris, Nov. 21, 1791, G. Morris Letter Books, LC; G. Morris, *A Diary of the French Revolution*, ed. Beatrice C. Davenport (2 vols.; Boston, 1939), I, 48-49.

19. Franklin to Morris, Feb. 1, 18, 1791, Colquhoun to Morris, Feb. 18, 1791, Franklin to G. Morris, Feb. 21, 1791, G. Morris Papers, CU; Pulteney and Hornby to Colquhoun, Feb. 15, 1791, in "Franklin's Journal, 1790-1791," Ontario County Historical Society (hereafter cited as OCHS). A typescript of the preliminary articles of agreement is in the OCHS.

from 1791 to 1795 and £12,000 in 1796 and 1797. As New York prohibited alien ownership of land, the final articles bound Franklin to grant to the purchasers by December 31, 1792, “a conveyance as shall entitle them to hold the said lands in fee simple, notwithstanding any Law which now Exists concerning Alienage or other Disabilities.” In the meantime Franklin was to “Execute a Mortgage in favour of the said Associated Purchasers and to such other persons as they shall name being citizens of America.”²⁰

In accordance with the articles, Morris arranged for a survey of the tract. The Convention of Hartford had stipulated that the eastern boundary of the territory disputed by New York and Massachusetts would be a line drawn from the Pennsylvania border north to Lake Ontario, and this line—the Preemption line—was drawn by Colonel Hugh Maxwell. In 1788, Morris employed Benjamin Ellicott to correct any errors in Maxwell’s line. Ellicott found that Maxwell’s line bent west as it approached Seneca Lake, and Ellicott drew a correct line, completed in December 1792, which was officially adopted by the state. Morris also engaged Adam Hoops to re-survey the entire purchase. Finished early in 1793, the Hoops survey showed that Morris had actually purchased 1,264,569 acres from Phelps and Gorham, who were paid an additional £9,476.8.0, Massachusetts currency, for the surplus.²¹

The only remaining difficulty—New York’s ban on alien ownership of land—was easily resolved. On April 26, Charles Williamson of Scotland, who had been a British prisoner-of-war during the American Revolution, agreed to move to the United States, become a naturalized citizen, and manage the Association’s lands in return for a two and one-half percent commission. Early in 1792, Williamson acquired

20. A copy of the final articles is in G. Morris Papers, CU.

21. Morris to Andrew Ellicott, requesting Benjamin’s assistance, May 14, 1792, OCHS. See also “An Act supplementary to the act entitled ‘An Act authorizing the Surveyor General to ascertain the Eastern Boundary line of the lands ceded by this state to the commonwealth of Massachusetts,’ and for other purposes herein mentioned,” (*New York Laws*, 19th Sess., Ch. XLCII [April 2, 1796]). Morris to Hoops, June 12, 1791, O’Rielly Papers, NYHS; Hoops’s “Return of Survey,” Feb. 4, 1793, in George S. Conover, *The Genesee Tract* (Geneva, N.Y., 1889), pp. 8–10; Agreement: Morris, Phelps, and Gorham, Feb. 16, 1793, in Conover, *Genesee Tract*, p. 10.

citizenship, and Morris officially conveyed the tract to him in April.²²

The sale to the Pulteney Associates was the most profitable of Morris's land sales. With interest, Morris had paid only £35,000, Massachusetts currency, or \$116,872 for the tract and had sold it for £75,000 sterling or \$330,000. The Associates paid Morris the first installment in March 1791, and the final installments in 1793.²³

On the whole, Morris was more than satisfied with the profit he received from his dealings with the Pulteney Associates. Gouverneur Morris, on the other hand, openly expressed his dissatisfaction with Franklin's handling of the agency. In spite of an explanatory letter from Franklin, Gouverneur refused to approve of the terms of the sale. Morris had instructed Franklin to sell for a minimum of 2,000,000 livres. Although at the current rate of exchange the £75,000 agreed to by the Associates equalled 2,250,000 livres, Gouverneur reasoned that the Financier, who had assumed that 6 livres were worth 5 shillings, had expected Franklin to sell for not less than £90,000. Although Gouverneur suggested legal loopholes by which Morris could void the agreement, he understood the Financier's financial needs and did nothing to jeopardize the sale.²⁴

While Morris was more than satisfied with the profit received from the Pulteney sale, he still remained in debt because of the failure of the French tobacco contract in the 1790s. Gouverneur Morris applied the money to satisfy some of Robert's European creditors. He planned to pay 24,000 livres to Le Couteulx and Company, and then use part of Pulteney's second, third, and fourth installments to pay Phelps and Gorham. Robert, who wanted to draw on these proceeds for his investments in the United States, was never completely satisfied with Gouverneur's more practical arrangements.²⁵

22. "Franklin's Journal," OCHS. See also Deeds, Misc. Records, Sec. of State's Office. Williamson's agency is described in Helen I. Cowan, *Charles Williamson in Rochester Historical Society Publications*, XVIX (1941).

23. "Franklin's Journal," OCHS.

24. Franklin to G. Morris, Mar. 25, 1791, G. Morris Papers, CU; G. Morris to Franklin, Apr. 7, 1791, to Morris, Apr. 11, 1791, G. Morris to Morris, May 20, 1791, to Franklin, Feb. 27, 1791, G. Morris Letter Books, LC.

25. G. Morris to Morris, June 28, Sept. 1, 16, 29, Oct. 13, Nov. 21, 1791, to Franklin,

For Morris, this purchase and sale of one million acres was only the first of his Genesee speculations. He never wavered in his opinion of the high quality of the land or in his belief that he could immediately resell the land at a great profit. Even before he knew of Franklin's negotiations with Colquhoun, he decided to purchase from Massachusetts the remaining two-thirds of the original Phelps-Gorham purchase, which the latter had reconveyed to the state on June 9, 1790.

According to the preliminary arrangements, Gorham, Phelps, and Morris were partners in this new purchase, which, in approximate terms, extended from the Genesee River to Lake Erie. In December 1790, they signed an agreement authorizing Samuel Ogden, Gouverneur Morris's brother-in-law, to purchase the tract of approximately 4,000,000 acres. Morris offered a maximum of \$400,000 for the land, with \$40,000 in six months and the remainder without interest, in annual installments of the same sum. If Massachusetts officials insisted on interest, Morris could make such payments no sooner than two years after the date of purchase. Since Morris knew that the price he proposed exceeded the limit set by Phelps and Gorham for their participation in the enterprise, he expected them to back out. Indeed they did, and Morris instructed Ogden to purchase the tract on Morris's account but in his own name. As none of Morris's competitors could match his offer, Massachusetts sold the land to Ogden on March 12, 1791 for £100,000, Massachusetts currency. Then on May 11, Ogden assigned the tract to Morris, to whom the state conveyed the land as five separate tracts.²⁶

Of the five tracts, Morris eventually sold four to six Dutch banking houses formally organized as the Holland Land Company on February 13, 1796. The firms involved were Nicholaas and Jacob Van Staphorst and Nicholas Hubbard, Wilhem and Jan Willink, Pieter Stadnitski and Son, Pieter

Sept. 7, Oct. 5, 1791, to Le Couteux and Co., Oct. 5, 1791, G. Morris Letter Books, LC; Franklin to G. Morris, Sept. 8, Oct. 6, 1791, G. Morris Papers, CU.

26. Morris to Ogden, Jan. 20, 1791, to Phelps and Gorham, Jan. 20, 1791; Morris to Ogden, Jan. 21, 1791, to Thomas Russell, Jan. 20, 1791, O'Rielly Papers, NYHS; Indenture between Ogden and the Commonwealth of Massachusetts, Deeds, Misc. Records, Sec. of State's Office; Deeds, May 11, 1791, in "Resolution of the Massachusetts Senate," Mar. 12, 1791, Holland Land Company Papers, NYSL (hereafter cited as HLCP, NYSL). See also Fisher, *Brief*, pp. 21-22, 44-45.

and Christian Van Eeghen, Isaac Ten Cate and Hendrick Vollenhoven, and Rutger Jan Schimmelpenninck. In 1789, four of these houses (Stadnitski, Van Staphorst and Hubbard, Van Eeghen, and Ten Cate and Vollenhoven) appointed Théophile Cazenove to investigate the advisability of speculating in American securities.

Cazenove, who had conducted a brokerage and commercial business in Amsterdam from 1763 to 1788, landed in the United States in 1790, and established himself in Philadelphia. He wanted to observe first hand the activities of the national government and to form friendships with men who were influential in the decision-making process. On behalf of his Dutch principals he speculated in the national debt and purchased shares in the stock of the Bank of the United States.²⁷ As he arrived in the United States with ready cash to invest, Cazenove attracted all types of speculators, many of whom convinced him of the soundness of their schemes. He invested unsuccessfully in the Potomac Canal Company, the James River Company, the Santee Canal Company, the New York Lock Navigation Companies, and the Connecticut Canal Company. In 1791 he invested \$25,000 in Hamilton's Society for Establishing Useful Manufactures.²⁸

By the end of 1791, the number of cheap securities for sale had decreased and speculation in public securities no longer offered an opportunity for great profit. Cazenove, who was impressed by the potential profits of land speculation, pointed to Morris's sale to the Pulteney Associates as evidence of the profits to be expected from such purchases. He convinced three of his principals to invest in western lands. For that purpose, the Willinks and Schimmelpenninck joined with their fellow bankers. The Van Staphorsts stayed out of the land market until February, 1792. Along with Cazenove, the Dutch employed Gerrit Boon and John Lincklaen as agents. The three men made several small purchases for the Amsterdam bankers, but their main investment came through Robert Morris.²⁹

27. Cazenove to the Four Houses, Aug. 23, 1791, Cazenove Letter Books, Gemeentearchief Amsterdam (hereafter cited as GA).

28. Paul D. Evans, *Holland Land Company* (Buffalo, 1924), pp. 4-5, 7-9.

29. Cazenove to the Four Houses, Aug. 23, 1791, Cazenove Letter Books, GA; Evans, *Holland Land Company*, pp. 15-19; Helen L. Fairchild, ed., *Journal of John Lincklaen* (New York, 1897).

From the outset of their negotiations, Cazenove knew that Morris would sell only two of the five tracts he had recently purchased from Massachusetts. The Financier had reserved one tract for himself and had assigned the remaining two to his son, Robert Morris, Jr. as security for a European loan. On December 24, 1792 the two speculators reached an agreement. Unlike the clear-cut sale to the Pulteney Associates, this agreement contained provisions that kept Morris entangled with the Holland Company until 1801. The Amsterdam bankers agreed to pay £75,000 sterling in cash for the 1,000,000-acre tract with the option that, if by December 24, 1795, the company decided not to purchase the land, the cash advance would become a loan. In that case the conveyance of title to the land would become a mortgage for securing repayment from Morris in four annual installments beginning on December 24, 1798. Until the Dutch firms decided on the option, they held a mortgage on the 500,000-acre tract in case Morris defaulted. If they agreed to purchase the first tract, they would then pay Morris an additional £37,500 sterling for the second after he had completed the necessary surveys and extinguished all Indian claims to the land. To eliminate the problem presented by New York's restriction on alien ownership of land, Morris conveyed the tract in trust to the New York City mercantile firm of Herman LeRoy, William Bayard, and James McEvers.³⁰

Since he had received £75,000 from this agreement, Morris wanted to keep the three remaining Genesee tracts until land prices rose. To do this, he had to prevent his son from concluding any loans or sales in Europe. The Financier did not know that in December, 1792, the younger Morris had already reached an agreement for the sale of the two tracts entrusted to him.

Robert Morris, Jr., had travelled to Europe as an agent for his father, who authorized him to offer two of the Genesee tracts as security for a loan of £100,000 sterling. Under Gouverneur's influence, the younger Morris decided instead

30. Cazenove to the Four Houses, Nov. 16, Dec. 2, 20, 1792, Cazenove Letter Books, GA; Articles of Agreement and Indenture, Dec. 24, 1792, HLCP, NYSL. See Orsamus Turner, *Pioneer History of the Holland Purchase of Western New York* (Buffalo, 1849), p. 646 and Morris, *Account of Robert Morris' Property* (Philadelphia, n.d.), p. 5.

to sell the land. After an unsuccessful stay in London, he went to Amsterdam, where he learned that the Holland Company was interested in new speculations in American lands.³¹ He had not yet received his father's letter, written after the sale to Cazenove, which instructed Robert, Jr. that "it is unnecessary for you to sell any more Genesee lands, but any bargains you made previous to the receipt of this letter shall be fulfilled. . . . Neither are you to mortgage any part of my property as I do not now want a loan of Money. . . ." By the time this letter reached Europe early in 1793, his son had concluded his own sale to the same Dutch firms. In December Robert Jr. had sold to the Dutch bankers 1,000,000 acres in the eastern tract of the Genesee country for 650,000 florins, or \$260,000, and he gave the Company an option to purchase an additional 800,000 acres in the west tract for 600,000 florins, or \$240,000, payable in six months. The agreement stipulated that Morris had to survey the land into lots of 450 to 500 acres and extinguish the Indian title. LeRoy, Lincklaen, and Boon received these lands in trust for the Company. The news of this sale reached the United States in February, 1793.³²

The decision by the Dutch bankers to invest so heavily in New York lands was due largely to the efforts of Stadnitski. In 1792 he published a plan for speculating in American lands. After the purchase from Morris, the Six Houses formed a joint stock company capitalized at 3,000,000 florins. The Dutch agreed to pay an annual interest of 5 percent on each of the 3,000 shares. As security, the Company offered 1,000,000 acres of Genesee land. When the Company received the news of Cazenove's purchase, they proposed to accept 3,450,000 florins worth of additional subscriptions, which they secured against another 1,000,000 Genesee acres.³³ The success of these negotiations led the Dutch to purchase the two tracts on which they held options. Accordingly, on July 20,

31. G. Morris to Morris, Apr. 25, June 25, to Morris, Jr., May 20, June 27, July 18, Aug. 27, Sept. 9, 1792, to Willinks, Apr. 23, 1792, G. Morris Letter Books, LC; Willinks to Morris, May 4, 1792, G. Morris Papers, CU.

32. Morris to Morris, Jr., Dec. 19, 1792, Morris Papers, Huntington Library; G. Morris to Morris, Feb. 14, 1793, G. Morris Letter Books, LC; Articles of Agreement and Indenture, Feb. 27, 1793, HLCP, NYSL; Morris, *Account of Property*, p. 6; Cazenove to the Six Houses, Feb. 23, 1793, Cazenove Letter Books, GA.

33. Pieter Stadnitski, *Voorafgaand Bericht wegens eene Negotiatie op Landen in America* (Amsterdam, 1792). See Evans, *Holland Land Company*, pp. 28-30 and Nina Moore and Francis Tiffany, *Harm Jan Huidekoper* (Cambridge, 1904), pp. 98-100.

1793, Morris conveyed 800,000 acres to LeRoy, Lincklaen, and Boon and 500,000 acres to LeRoy, Bayard, and Matthew Clarkson.³⁴

Before Morris could fulfill his obligations to the Holland Land Company by surveying their land and purchasing the Indian title, he ran into financial difficulty because of his mismanagement of the fifth Genesee tract known as tract number 1 or the Morris Reserve—a long, relatively narrow strip, lying west of the Genesee River. In August 1791, Morris borrowed \$100,000 from William S. Smith, an agent of the Pulteney Associates. The Financier secured this loan by giving Smith a mortgage on tract number 1. Morris agreed to pay Smith in two installments, due on July 1, 1792 and January 1, 1793, but he was unable to meet the second payment.³⁵

In spite of the mortgage to Smith, Morris sold two tracts in the Reserve without informing the Pulteney group. On February 18, 1792 he sold James Watson, Andrew Craigie, and James Greenleaf 100,000 acres for £15,000, New York currency, or \$37,500.³⁶ Then, on January 11, 1793, he conveyed the so-called Triangle Tract—a wedge-shaped tract of 86,793 acres bordering on Lake Ontario—to LeRoy and Bayard for £12,500, New York currency, or \$30,000.³⁷

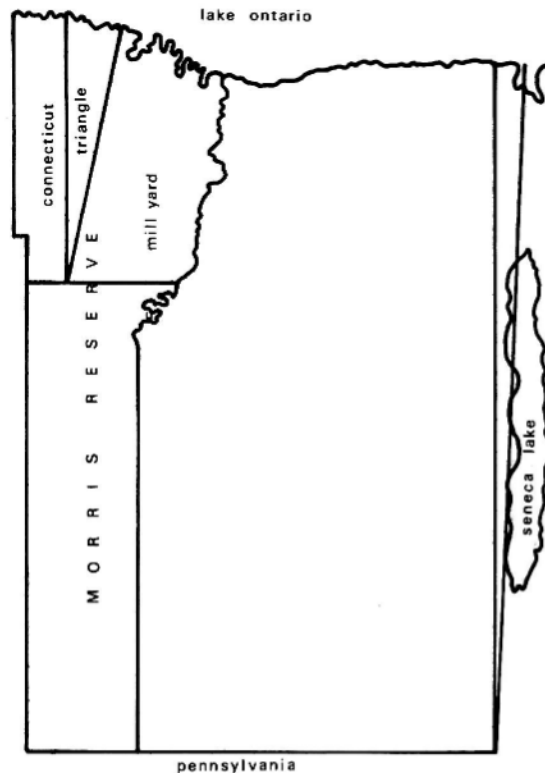
In 1795, Benjamin Walker, who had succeeded Smith as

34. Articles of Agreement and Indenture, July 20, 1793, Morris, LeRoy, Lincklaen, and Boon, HLCP, NYSL; Articles of Agreement and Deed, July 20, 1793, Morris, LeRoy, Bayard, and Clarkson, HLCP, NYSL. See Turner, *Pioneer History*, pp. 647–48 and Morris, *Account of Property*, p. 6. LeRoy, Bayard, and Clarkson held 300,000 of the 500,000-acre tract in trust for the Willinks (Articles of Agreement, Aug. 24, 1792, Morris, Jr. and Willinks, and Articles of Agreement, Jan. 11, 1793, Morris and Willinks, Morris Papers, NYPL; Articles of Agreement and Deed, July 20, 1793, Morris, LeRoy, Bayard, and Clarkson, HLCP, NYSL). See also Turner, *Pioneer History*, pp. 402, 648.

35. Indenture, Aug. 13, 1791, Deeds, Misc. Records, Sec. of State's Office; Defeasance, Aug. 13, 1791, Morris Papers, LC; Bill, Walker v. Morris, filed Oct. 24, 1795, New York Chancery Decrees before 1800, W-174, Historical Documents Collection, Queens College of the City University of New York (hereafter cited as Hist. Docs. Coll., QC).

36. Indenture, Feb. 18, 1792, Deeds, Misc. Records, Sec. of State's Office; "Journal B," f. 46, Morris Papers, Historical Society of Pennsylvania (hereafter cited as HSP). Watson and Greenleaf were partners in a New York City mercantile firm. Craigie was a Massachusetts businessman. For Morris's grants in the Reserve, see *The Genesee Pioneer Association* (Batavia, N.Y., 1879), p. 17.

37. Indenture, Jan. 11, 1793, Deeds, Misc. Records, Sec. of State's Office; "Journal B," ff. 236, 237, 298, Morris Papers, HSP.



The Morris Reserve and adjacent tracts. Map by Kathleen Kent.

the agent of the Pulteney Association, learned of Morris's sales in the Reserve and threatened to take legal action. Morris immediately searched for a way to pay the \$50,000 due to the Associates, but he had no funds to draw on. In July he asked LeRoy and Bayard to advance him \$50,000 worth of 6 percent stock on credit or to purchase an additional \$50,000 worth of land adjoining the tract they already owned. The merchants accepted neither proposal.³⁸

As Morris moved closer to bankruptcy, he developed a high-handed attitude towards his more persistent creditors. He never apologized for his inability to pay, but rather

38. Morris to LeRoy and Bayard, July 22, 1795, Morris Letter Books, LC.

snapped at their impatience. He thus informed Walker that he was not to blame for the difficulties stemming from this "innocent Transaction." Although he lacked "Ready Money," he owned extensive property. He wanted to pay Pulteney as soon as possible only because Pulteney "asked me to do so and because I wish to free that Tract of Country from the Incumbrance."³⁹

By October, 1795 Morris had not paid Walker, and the latter filed a bill in the New York Court of Chancery requesting an injunction that would prohibit Morris from selling any additional lands in the Reserve. When the Court issued the injunction in May, Morris took definite steps to repay Pulteney. The Financier agreed to sell 50,000 acres through his agent Samuel Ogden and to use the bonds he received to repay Pulteney. In May, Ogden conveyed the land to Othniel Taylor and Asa Danforth for \$57,000. Morris informed Walker of this development and offered to assign Ogden's contract to him. Walker could discharge the mortgage and pay Morris the small sum that would be due to him. Walker refused to accept the arrangement.⁴⁰

This created new problems for Morris. The Financier was unable to repay Pulteney, and as long as the injunction stood, he could not use the Reserve to secure still another debt to John B. Church. Church was the English brother-in-law of Alexander Hamilton's wife, Elizabeth Schuyler, and Hamilton served as Church's attorney in the United States. Prior to March, 1793, Morris purchased 100 shares of bank stock from Church for £100 sterling per share. As security, Morris mortgaged to Church one of his Philadelphia estates. In May, 1793, Morris paid part of this debt by selling Hamilton 20,290 acres in Luzerne County, Pennsylvania, for £4,565.5.0 sterling. Efforts to pay the remaining sum proved futile, and in 1794 Morris cancelled the mortgage on his Philadelphia estate. Instead, he tried to pay Church with \$100,000 of deferred debt payable in February, 1795, at an annual interest of 6 percent.⁴¹ When Morris discovered that he could not meet

39. Morris to Walker, July 30, 1795, Morris Letter Books, LC.

40. Bill, Walker v. Morris, Hist. Docs. Coll., QC; Morris to Ogden, Apr. 27, May 11, 1796, Morris Letter Books, LC.

41. This debt is discussed in Harold C. Syrett, ed., *The Papers of Alexander Hamilton* (New York, 1973), XVIII, 359-70; "Journal B," ff. 200, 374, Morris Papers, HSP; Morris to Church, May 17, 1796, Morris Letter books, LC.

this obligation, he transferred to Church 750 shares in the newly formed North American Land Company. When Church refused this stock, Morris, in April 1796, mortgaged 100,000 acres in the Reserve to Hamilton as security for the remainder of the debt. Although the land was tied up by Walker's suit, the court allowed Morris to execute the mortgage to Hamilton along with a bond for \$81,679.44 payable by January 1, 1801.⁴²

Walker's refusal to accept payment of Pulteney's loan on Morris's terms delayed the execution of the mortgage to Hamilton. The tracts involved in Ogden's sale to Taylor and Danforth and the mortgage to Church had a common border. Morris had to cancel the sale to Taylor and Danforth, convey the tract to Garrett Cottringer, a Philadelphia merchant who was also Morris's bookkeeper, and insert Cottringer's name in the mortgage to Hamilton. Morris thus temporarily quieted his problems with Church.⁴³

Church, however, returned to the United States from England in the spring of 1797 and filed a suit to force Morris to pay the interest he owed or to have the court foreclose the mortgage. On November 14, 1797, Chancellor Robert R. Livingston ordered the seizure of all of Morris's New York property. With the help of Samuel Sterett, a Philadelphia merchant, Morris paid Church \$10,821.63, and the suit was dismissed early in 1798. But in 1799, Church successfully brought another suit against Morris to foreclose the mortgage to pay the principal of the debt. Livingston ordered a foreclosure sale of the tract, and in 1800 Philip Church attended the sale and purchased the land for his father.⁴⁴

During the time that Morris was settling his account with Church, he was also trying to satisfy his debt to Pulteney.

42. Morris to Church, May 28, Oct. 9, 1795, to Hamilton, Apr. 27, 1796, Morris Letter Books, LC; MS Minutes of the N.Y. Court of Chancery, May 14, 1796, Hall of Records, N.Y.C.; Bill, Church v. Morris and Hamilton, filed July 1, 1797, Chancery Decrees before 1800, C-180, Hist. Docs. Coll., QC.

43. Morris to Hamilton, May 31, 1796, Morris Letter Books, LC; Morris, *Account of Property*, p. 3.

44. Bill, Church v. Morris and Hamilton, Hist. Docs. Coll., QC; Bill, Church v. LeRoy, Bayard, and McEvers, filed June 26, 1806, New York Chancery Papers, BM-716-C, Hall of Records, N.Y.C.; MS Minutes of the N.Y. Court of Chancery, Nov. 7, 27, Dec. 18, 1797, Feb. 20, Mar. 2, 1798, May 17, Aug. 12, 1799, Hall of Records, N.Y.C.; Morris to Richard Harison, one of his attorneys, Feb. 17, 1798, Morris Letter Books, LC.

Morris finally conveyed the 50,000 acres in Cottringer's name to Charles Williamson, who in turn reconveyed to Morris the land in the Reserve held by Pulteney as security for the loan from Smith. On June 6, 1798, the Chancery Court dismissed Walker's suit. In addition to these transactions, Morris conveyed other parts of the Reserve to several creditors. In August, 1795, for example, he sold 33,750 acres to Andrew Craigie for £12,234 to satisfy a debt. He conveyed another 175,000 to Samuel Sterett to secure his debt of approximately \$350,000 to the firm of George Harrison and Sterett. He also gave half of the tract known as Mount Morris to his son Thomas, and the second half to Thomas FitzSimons as partial security for still another debt.⁴⁵

All of these incumbrances intruded on Morris's efforts to fulfill his obligations to the Holland Land Company. Their lands were still in the legal possession of the Iroquois, and Morris had agreed to acquire the Indian title for the Company. Because of Indian hostility, which was encouraged by the British, it was not until the Jay Treaty, ratified in 1796, eliminated the British complication that he could begin preparations for a meeting with the Indians. Unfortunately, by that time he was well on his way to debtors' prison and lacked the funds necessary for such negotiations. The Holland Land Company, anxious to clear its title in order to begin selling the land, advanced Morris £9,000 out of £37,500 originally retained as security for Morris's promise to extinguish all Indian claims to its Genesee tract. As security for the advance, Morris gave the Dutch a mortgage on 40,000 Genesee acres to which he miraculously still held a clear title.⁴⁶

45. Morris to Ogden, Jan. 8, 1796, to Hamilton, Jan. 7, 1797, to Williamson, June 3, July 20, 1797, to James Marshall, his son-in-law, May 31, 1797, Morris Letter Books, LC; Morris, *Account of Property*, pp. 2-3; MS Minutes of the N.Y. Court of Chancery, Hall of Records, N.Y.C.; Indenture, Apr. 5, 1797, and May 4, 1797, Deeds, Misc. Records, Sec. of State's Office; "Journal C," f. 370, Morris Papers, HSP.

46. Morris to T. Morris, Mar. 26, 1797, Morris Letter Books, LC; T. Morris to Morris, May 13, 1796, O'Rielly Papers, NYHS; Cazenove to the Six Houses, May 23, 1796, Cazenove Letter Books, GA; Indenture, Dec. 28, 1796, Morris, LeRoy, Lincklaen, and Boon, HLCP, NYSL. A few days later, Morris assigned this tract to the Willinks for the balance due them on his pledge in 1793 to deliver to them 215 shares of stock in the Bank of the U.S. (Indenture, Dec. 31, 1796, Morris, LeRoy, Bayard, and McEvers, HLCP, NYSL; Morris to Willinks, May 24, 1797, Morris Letter Books, LC; Cazenove to Bayard, Lincklaen, and Boon, July 31, 1797, HLCP, GA; Morris, *Account of Property*, p. 3).

Representatives of the interested parties met in August and September 1796 at what is now Geneseo. Morris instructed his own negotiators, Thomas Morris and Charles Williamson, to offer the Indians a perpetual annuity of no more than \$4,500 for all of their Genesee lands. If necessary, his agents could award special annuities of \$250 to \$300 to the Seneca chiefs and to Joseph Brant, the powerful Mohawk leader. If the Indians refused an annuity, Morris offered to pay them \$75,000 for the tract.⁴⁷

Morris was disappointed in the results of these talks. The Indians were neither anxious to sell nor as naive about the value of their lands as Morris had hoped. Under the influence of Cornplanter, they demanded larger reserves than their prospective purchasers wanted to grant. To overcome the opposition of the chiefs to the sale, Thomas Morris successfully bribed them. On September 15, the parties signed the Treaty of Big Tree, by which Morris paid the Indians \$100,000 worth of stock in the Bank of the United States. The President of the United States was to hold the stock for the Indians, who would receive only the yearly interest. In addition, the natives obtained reservations of 200,000 acres.⁴⁸ Morris considered the terms of the treaty far too generous.⁴⁹

The Financier was now ready to complete the necessary survey of the land granted to the Dutch bankers. He directed Adam Hoops to survey ten specific tracts, including those in the Reserve that bordered on the Company's land.

47. Power of Attorney, Aug. 1, 1797, HLCP, NYSL; Morris to T. Morris and Williamson, Aug. 1, 1797, O'Rielly Papers, NYHS. Williamson declined serving (T. Morris, "Narrative of Events in the History and Settlement of Western New York," *The Historical Magazine*, 2nd ser., V (June 1869), p. 381).

48. Treaty of Big Tree, Sept. 15, 1797, Deeds, Misc. Records, Sec. of State's Office. The standard sources for information concerning the treaty are T. Morris, "Narrative," pp. 381-84; Norman B. Wilkinson, "Robert Morris and the Treaty of Big Tree," *Mississippi Valley Historical Review*, XL (Sept. 1953), 257-78; *A History of the Treaty of Big Tree* (Dansville, 1897). The diaries of T. Morris and Wadsworth are printed in *People of the State of N.Y. v. Frederick W. Becker*, 92 U.S. 7 (1917). See also T. Morris, "Rough Notes of a Speech to Seneca Indians," Miscellaneous MSS., Robert Morris, NYHS; Morris to T. Morris, Sept. 15, 29, 1797, O'Rielly Papers, NYHS; Morris to T. Morris, Aug. 15, 1797, to James McHenry, Aug. 11, 1797, to Ogden, Sept. 30, 1797, to Wadsworth, Aug. 12, 15, 1797, to P. Busti, Sept. 15, 1797, to Cazenove, Sept. 23, Nov. 1, 1797, to Secretary of the Treasury Oliver Wolcott, Jr., Oct. 25, 1797, Morris Letter books, LC; Cazenove to the Van Eeghens, Sept. 28, 1797, HLCP, GA.

49. Morris to LeRoy, Bayard, and McEvers, Jan 27, 1798, Morris Letter Books, LC.

Cazenove, in turn, ordered his surveyor, Joseph Ellicott, to ascertain the boundary lines of the Indian reservations, of the land reserved by New York State, and of the tracts sold to the Company and the Willinks.⁵⁰

But Morris could no longer support his overextended financial empire. Despite his maneuvers and evasions, by 1798 he was in debtors' prison, helpless while all of his land was sold to satisfy his creditors. On February 14, 1798, he conveyed 110,258 acres of the Morris Reserve to FitzSimons, R. Morris, Jr., and Joseph Higbee, in trust, to secure certain specified debts.⁵¹ But the end of Morris's involvement in New York's western lands proved protracted and complicated.

In accordance with a New York law, passed on April 2, 1798, the old law which forbade alien ownership of New York land was rescinded, and the legal process of transferring titles from the trustees of the Company to its Dutch principals began.⁵² On the suggestion of James Marshall, his son-in-law, Morris devised a new scheme of questionable legality to raise funds. Marshall indicated that the option given to the Dutch of either purchasing the land or considering it as security for a loan was also Morris's option. The Financier thus decided to consider the contract a mortgage and planned to sell the two tracts involved in the December, 1792, arrangement. His attorney, Edward Livingston, supported this new maneuver because Livingston had devised his own scheme

50. "Extracts from Instructions from Rbt. Morris to Major Adam Hoops," Morris Papers, NYPL; Morris, *Account of Property*, pp. 204; Cazenove to Ellicott, May 10, 1798, in Robert W. Bingham, ed., *Holland Land Company's Papers: Reports of Joseph Ellicott*, in *Publications of the Buffalo Historical Society*, XXXII (1937), 21-26. For information concerning the survey, see Morris to T. Morris, Sept. 29, 1797, O'Rielly Papers, NYHS; Morris to Hoops, Sept. 25, Oct. 4, 5, Nov. 5, Dec. 23, 1797, to Craigie, Oct. 19, 1797, to Cazenove, Oct. 2, 4, 5, 1797, Morris Letter Books, LC; Morris-Hoops Correspondence in Morris Papers, NYPL; Bingham, *Ellicott*, pp. 3-9, 11-15, 21-26, 35-36, 38-39, 49-125; "Extracts from Joseph Ellicott's Letter Books and Early Correspondence," *Publications of the Buffalo Historical Society*, XXVI (1922), 50-57, 76-78; Cazenove to the Van Eeghens, Feb. 22, May 21, 1798, May 4, 1799, HLCP, GA.

51. Morris to Hoops, June 6, 1798, "Extracts from Instructions," Morris Papers, NYPL; Morris, *Account of Property*, pp. 3-4.

52. "An Act to enable Aliens to purchase and hold real Estates within this State, under certain restrictions therein mentioned" (*New York Laws*, 21st Sess., Ch. LXXII); Evans, *Holland Land Company*, pp. 211-13; Turner, *Pioneer History*, pp. 646-50; "J. J. Van der Kemp's List of Papers," HLCP, NYSL. Copies of all the deeds of transfer are in Deeds, Misc. Records, Sec. of State's Office and in HLCP, NYSL.

to buy up all of Morris's outstanding notes, and then, if the Court accepted Morris's new interpretation of the 1792 contract, attach all of the Financier's Genesee property.⁵³

To effect his plan, Livingston had to purchase the two outstanding judgments against Morris in the state. In June, 1797, William Talbot and William Allum had obtained a judgment against Morris for \$6,000, which the Financier declared to be the oldest judgment against him in New York. Gouverneur Morris, who returned to the United States in 1798, purchased this judgment for the Morris family.⁵⁴ The second was a judgment for \$50,000 obtained by Aaron Burr in 1798 for Solomon Townsend, who was the agent for Paschal Hollingsworth of Philadelphia, one of Morris's creditors. Although Livingston succeeded in securing an interest in Hollingsworth's claim, he was never able to purchase Talbot and Allum's.⁵⁵

Livingston's failure was the result of competition from the Holland Company, which also decided to try to purchase both claims against Morris. Because they had committed the technical error of failing to record the articles of agreement for 1,500,000 acres at Albany and in the Ontario County Clerk's Office, the Dutch needed to purchase all conflicting claims before anyone learned of the oversight. David A. Ogden, as attorney for the Amsterdam bankers, paid Hollingsworth \$10,000 for his judgment by allowing the Philadelphian to think that the Company was bringing suit to have his claim invalidated, and that the land would sell for as little as \$5,000 at a court ordered sale.⁵⁶

53. Morris to Cazenove and Busti, Feb. 9, 1799, Morris Papers, Huntington Library; "Opinion of Messrs. R. Harison, A. Hamilton, B. Livingston, Robt. Troup, David A. Ogden, Lawyers of New York, concerning the Pretensions of Robert Morris," Apr. 17, 1799, HLCP, GA.

54. Ogden and others to Busti, Apr. 16, 1800, HLCP, GA; Morris, *Account of Property*, p. 4. For a full discussion of this suit, see *FitzSimons & Others v. Ogden & Others*, 7 Cranch (U.S.) 2 (1812).

55. Ogden and others to Busti, Apr. 16, 1800, HLCP, GA; Morris to T. Morris, Feb. 26, Sept. 7, 1799, Morris Papers, Huntington Library. Morris was unsuccessful in his efforts to convince James Rees to purchase the land for him, after which Morris would have found "Persons to take it off your hands allowing you a reasonable compensation for your Trouble" (Morris to Rees, Dec. 31, 1798, Apr. 23, 1799, Morris Papers, NYPL).

56. The information in this and the next paragraph comes from Ogden to Busti, Apr. 16, 1800, Apr. 10, 1801, "The Award," Jan. 22, 1801, HLCP, GA; *FitzSimons v. Ogden*, pp. 2-22; Agreement between G. Morris and the Company, Apr. 22, 1800, HLCP, NYSL; Agreement between G. Morris and the Company, Jan. 1801,

Then, Ogden and Gouverneur negotiated for the sale of Talbot and Allum's judgment to the Company. On April 22, 1800, Gouverneur sold the judgment to the Dutch for \$7,000. In this purchase, Ogden received financial assistance from the landowners in the Reserve, who agreed to share with the Company the expense of redefining their conflicting boundary lines. To settle the boundary disputes, the landholders appointed Hamilton, Ogden, and Thomas Cooper to study the various claims. Their award, presented early in 1801, did not satisfy all of the parties involved. Church and Morris's Genesee trustees unsuccessfully brought suit against Ogden for the recovery of land they had lost under the settlement.

To insure their claim to the 1,500,000 acres in the Genesee, the Dutch bankers requested confirmation deeds to their title from Morris. In January, 1800, Gouverneur arranged for the surrender of the land to the Company in return for an annuity of \$1,500 to Robert's wife Mary.

All of these Genesee purchases, sales, and suits occurred amid the confusion of Morris's speculative activities throughout the United States. If Morris had held on to his New York lands until the early 1800s when values rose, he would have netted a handsome profit. But, because of his other land investments and because of the debts he owed from the French tobacco contracts, he either sold his Genesee lands for immediate funds or mortgaged them to satisfy his creditors. In preparing for his bankruptcy proceedings he wrote: "I shall begin with the Lands purchased in the Genesee Country, acknowledging that if I had contented myself with those purchases, and employed my time and attention in disposing of the land to the best advantage, I have every reason to believe, that at this day I should have been the wealthiest citizen of the United States. . . ." ⁵⁷

But Morris had miscalculated the demand for American lands both in Europe and the United States. By 1798, the man whose name was equated with wealth and financial acumen was bankrupt. The cause of his downfall was simple

discussed in Busti to the Van Eeghens, Jan. 28, 1801, HLCP, GA. See also Evans, *Holland Land Company*, pp. 178-85.

57. Morris, *Account of Property*, p. 1.

enough. He began his land speculations after he had already overextended himself with the French contracts. If he expected to profit from these new investments, he had to hold the bulk of his land long enough for prices to rise. Undeveloped land rarely affords its owner an immediate profit. In addition, Morris, because he was embittered by his failure in the 1780s, neglected his mercantile business which could have profited from the growing re-export trade. He thus left himself no alternative source of income with which to extinguish his debts, pay for land he had purchased, or provide for his personal expenses. He used his land to pay his debts, but when the land bubble burst in 1796, the immense property he possessed had little value.

The Genesee Country was not the cause of Morris's failure, nor was his failure necessary in the market conditions of the 1790s. His failure to diversify and invest in new trade opportunities was the main cause of his downfall, but this in turn seems to have been the result of his pride and his confidence that his creditors would always trust his judgment. His purchases of Genesee lands did not cause his bankruptcy. Rather, his assignment of these lands to his creditors prolonged his financial life. And so it was that the man who in a certain sense was the savior of the Revolution remained in debtors' prison until 1801 and lived the final five years of his life in obscurity, all but forgotten, and supported by the meager pension that Gouverneur Morris had provided for his wife.