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CONTENTS

| Articles: | PAGE |
|---|------|
| The Letters of William Loughton Smith to Edward Rutledge, June 8, 1789 to April 28, 1794, edited by George C. Rogers, Jr. | 225 |
| Stephen Cullen Carpenter, First Drama Critic of the Charleston <i>Courier</i> , by Charles S. Watson | 243 |
| Inscriptions from the Independent or Congregational (Circular) Church Yard, Charleston, S. C., contributed by Mrs. William Barnhart | 253 |
| The Schirmer Diary | 262 |
| Samuel Gaillard Stoney, 1891-1968 | 267 |
| Reviews: | |
| Panagopoulos, <i>New Smyrna, An Eighteenth Century Greek Odyssey</i> , by Angeline Polites | 270 |
| Zahniser, <i>Charles Cotesworth Pinckney, Founding Father</i> , by W. W. Abbot | 271 |
| Abbott, <i>The Freedmen's Bureau in South Carolina, 1865-1872</i> , by Robert Moore | 273 |
| Bullock, <i>A History of Negro Education in the South: from 1619 to the Present</i> , by Judith R. Joyner | 274 |
| Jones, <i>For History's Sake, The Preservation and Publication of North Carolina History, 1663-1903</i> , by George C. Rogers, Jr. | 275 |
| Notes | 277 |
| Archives News | 284 |
| Index | 291 |

THE LETTERS OF WILLIAM LOUGHTON SMITH TO
EDWARD RUTLEDGE

June 8, 1789 to April 28, 1794

EDITED BY GEORGE C. ROGERS, JR.

(Continued from April)

This third group of Smith to Rutledge letters covers the year 1791 and the early part of 1792. Smith is primarily concerned with taking advantage of Hamilton's new economic program for the benefit of South Carolina.

One Smith to Rutledge letter, dated Nov. 24, 1790, has not been printed. The Society acquired this letter as a single item very recently. It contains a vivid description of the problems entailed in the moving of the families of Congressmen from New York to the new seat of government at Philadelphia as well as several highly salacious stories.

The editorial rules that have been followed have been set forth at the beginning of this series in the January issue of this *Magazine*.

Philadelphia, March [torn], 1791

My dear Sir,

Mr. Campbell,¹ who will deliver you this Letter, from some circumstance or other, was not so well pleased with Charleston during his stay there last year as I could have wished; I think if he is now well introduced, he will have reason to alter his opinion, & my pride, as a Carolinian, will not permit me to suffer any foreigner to leave it dissatisfied: it is for this reason I give you the trouble of shewing him some civilities, which he will acknowledge with thanks. I have met him every day in Society here & found him a genteel well behaved man & hope therefore you will have no reason to be displeased with the introduction.

In my last I forgot to mention Sumpter's coming here just as the Session terminated,² merely, (it is here said) to get travelling wages here and home, amounting to near 500 Dollars (including pay for 14

¹ David Campbell with whom Smith would be involved, somewhat disastrously, in business ventures. George C. Rogers, Jr., *Evolution of a Federalist, William Loughton Smith of Charleston (1758-1812)* (Columbia, S. C., 1962), pp. 206, 227, 235, 239, 240, 243n, 265, 306, 357, 358.

² Thomas Sumter took his seat on Feb. 15, 1791.

days attendance)³ which he pockets for a few days attendance—this is a new stroke of cunning! Suppose he attended 14 days, he would receive at the rate of about 35 Dollars a day; while the members who come the *same distance* & attended the *whole* session received only, including travelling expenses, at the rate of *Eleven* dollars.

Don't mention this—but it shews the man & what regard he has for the [interests] of So. Carolina, Adieu [*torn*] your's &ca.

Amboy, [*Summer*] 1791

My dear Sir,

This agreeable Summer retreat⁴ brings daily to my recollection an event of which I have heard & read & in which you were interested; I allude to your meeting with Lord Howe on Staten Island⁵ at a House which I see every time I go to bathe, walk, or ride. Do not however suppose that this occurrence was necessary to recall to my recollection a person who is always among the foremost in my thoughts, nor impute my mentioning it to any other motive than the gratification on my part of reflecting on a glorious feature of the revolution in which a friend whom I love & respect, bore a conspicuous part, & the pleasure of causing an agreeable reminiscence on your part.

In this interval of Congressional relaxation, the public attention in this part of the world seems totally engrossed in a contemplation of the surprizing rise in the *Funds*⁶ of the Union, which has exceeded all expectation, & which announces the respectable opinion entertained abroad of our *Credit*. To impress that opinion more strongly on the minds of other Nations, the Secretary of the Treasury⁷ avails himself of every opportunity which occurs. He has lately seized that eager disposition which exists in New York to speculation, & has turned it into a channel where it will flow more beneficially than in the purchase & sale of certificates. He went about a fortnight ago to accompany his Lady⁸ to see her

³ This was inserted later by Smith.

⁴ Amboy, New Jersey, situated at the mouth of the Raritan River opposite Staten Island, was a summer resort.

⁵ Benjamin Franklin, John Adams, and Edward Rutledge had been appointed in Sept. 1776 after the defeat on Long Island to confer with Lord Howe, the admiral, and his brother, Gen. William Howe. These abortive conferences were held on Staten Island.

⁶ Speculation was rife in New York and Philadelphia during July and August 1791. Rogers, pp. 226-227.

⁷ Alexander Hamilton.

⁸ Hamilton had married the daughter of Gen. Philip Schuyler and was thereby closely connected with the New York aristocracy.

friends at New York & during a short stay of a week he set on foot a subscription towards the establishment of a large Manufacturing Society⁹ on the following basis: 500,000 Dollars are to be subscribed in six per cent Securities & being deposited, Mr. Cazenove, a rich Dutch Speculator,¹⁰ has [torn]¹¹ & [torn] be procured [torn] workmen in [torn] engaged: [torn] giving umbrage [torn] Candidates, New York & Philad. [torn] Manufactures will be fixed in Jersey: The plan was no sooner opened by the Secretary at New York than he obtained a subscription of 200,000 Dollars: there is little doubt that the whole Sum will soon be offered, as an Institution on such a solid Basis, patronized by so active & able an Officer & by some of the most wealthy characters in the country, cannot fail of Success. I received a Letter yesterday from Mr. Le Roy,¹² (Cazenove's agent) informing me that those two gentlemen & the Secretary of the Treasury were to be at Brunswick¹³ tomorrow to meet the Subscribers or their agents from New York to fix the principles of the Society & inviting me to meet them, which I propose doing, & Mr. Izard¹⁴ & Mr. Manigault¹⁵ have agreed to go with me.

In addition to the common benefit which So. Carolina will derive from the establishment of domestic manufactures, I shall endeavour to procure for her some special advantages, such as a stipulation that the workmen shall be all clad in *blue*, that their diet shall consist of a certain quantity of *rice* (& to shew my candor to the Eastern States) a due proportion of cod-fish, & that a certain quantity of blue cloth shall be annually manufactured—Something may likewise be done for our cotton & hemp, if you will undertake to raise more of those articles than has hitherto been done.

The Sea air & bathing have agreed with the Adults of our three families, but most of the children have had violent colds: my little boy¹⁶ has been very ill with a fit of the Croup, but is thank God, recovering fast.

⁹ This was the Society for Establishing Useful Manufactures which was incorporated by New Jersey on Nov. 22, 1791. See *The Papers of Alexander Hamilton*, ed. H. C. Syrett and J. E. Cooke, Vol. IX: August 1791-December 1791 (New York, 1965), *passim*.

¹⁰ Théophile Cazenove.

¹¹ One line is missing.

¹² Smith worked closely with Herman LeRoy in a number of financial ventures. Rogers, pp. 133n, 199, 202, 207, 230, 234-236, 288.

¹³ New Jersey.

¹⁴ Ralph Izard, Smith's father-in-law.

¹⁵ Gabriel Manigault, Smith's brother-in-law.

¹⁶ Smith's son Thomas Loughton Smith.

With warmest wishes for your prosperity, I remain, My dear Sir,
Your affectionate friend

Wm Smith

[P. S.] I shall be back in Philad. next month—direct your Letters there as usual.

Philadelphia, November 10, 1791

My dear Sir,

I requested you to return me the Copy of the Report of the Privy Council¹⁷ after you had perused it—it will be of Service to me here—I agree entirely with you in reprobating the arrogance & absurdities of the Report, but I feel some reluctance at the same time in promoting harsh measures against any foreign power—my system is to temporize until we gain more Strength & can bite as well as shew our teeth—we are now doing well & it might be dangerous to attempt to do better—things wear a prosperous aspect—the Country flourishes & acquires more strength & importance every day, & every day we find that our enemies are more sensible of this—let us therefore gain without danger by procrastination what we might lose by a petulant disposition after much injury to our country. At this day we find Citizens from all parts complaining of their losses by the war & Congress is daily employed several hours in listening to or deciding on applications of this kind—shall we then, before we have ballanced our accounts & settled the debts of a former war, incur the miseries of another? Shall we by one rash stroke destroy the beautiful fabrick just erected & which is daily acquiring solidity & beauty? No, my friend, let us remember the epitaph written over a man who was unreasonably discontented with his situation—"I was well, I wanted to be better, I took Medecine & I died."

It is to be observed that the report was drawn up by Jenkinson¹⁸ a professed enemy of this country, but a man, tho of great abilities & at the head of the Committee of Trade, yet of no influence, as appears by his having been frequently disappointed in his wish to be Secretary of State Lord Grenville¹⁹ & Dundas²⁰ having been successively pre-

¹⁷ The British were pursuing a trade policy towards the United States based upon the navigation acts with the U. S. now excluded from that system. J. Steven Watson, *The Reign of George III, 1760-1815* (Oxford, Eng., 1960), pp. 289-290.

¹⁸ Charles Jenkinson, first Earl of Liverpool (1727-1808), was head of the Board of Trade.

¹⁹ In the Spring of 1791 Pitt appointed Lord Grenville secretary of state for foreign affairs.

²⁰ Henry Dundas, first Viscount Melville (1742-1811), became home secretary in succession to Lord Grenville.

ferred to him; it is to be further observed that as soon as the report was printed it was called in, & immediately after a Minister plenipotentiary appointed to come to the U. S.²¹—The British agents & Consuls here reprobate the Report as much as we do & take every opportunity to impress the belief that it contained only the unauthorized ideas of an individual whose opinion has no weight in the privy Council, & had not the Sanction of the Ministry, & that the appointment of a Minister is a proof that their action have a different opinion of our Situation. Such being the state of the Matter, whatever anger I might feel on the perusal of such insolent remarks, yet as a public man I do not think myself warranted to suffer my judgment to be warped by my feelings from what in my calm moments appear to be the true & solid interest of the U. S. more especially as passionate politics are the most dangerous kind of politics & ought always to be under the subjection of temperate & sober reflexion.

Mr. Hammond appears at present only in the character of Consul General having instructions not to assume the rank of Minister Plenipotentiary until the U. S. appoint a similar officer to reside in G. B. a measure now in contemplation: in the mean time, I believe a negotiation is already opened. The Secretary of State²² has not yet made his report on the subject of Navigation²³ & probably will keep it back in the present situation of affairs, at least till he sees what prospect there is of an arrangement between the two Countries.

I wish this may find you engaged at Columbia²⁴ in placing your State finances in order & providing some funds for them. We understand that the Subscription to the Loan of the U. S. in So. Carolina has consi[derably] exceeded the Sum assumed, some say near a million, so[me] more. We have no authentic statement of the subject. This surplus, with the Debts called unassumable, fall on the State, which is bound by every motive of Justice to make an early provision for them: most of the other States either have made or are about to make ample provision for their debts: some have even made up to the Creditors 6 per Cent on the debts assumed by Congress—should we abandon our Creditors, we shall forfeit that character for Integrity, Justice, & Honor

²¹ George Hammond (1763-1853) was appointed minister to the United States in August 1791.

²² Thomas Jefferson.

²³ Jefferson favored strong retaliatory measures towards Great Britain. Dumas Malone, *Jefferson and the Rights of Man* (Boston, Mass., 1951), pp. 332-336.

²⁴ The S. C. House of Representatives met in Columbia from Nov. 28 to Dec. 20, 1791. Journal of the House of Representatives of the State of South Carolina, 1791, S. C. Archives.

which we once possessed & which I hope to see firmly established again—should 6 per Cent be too high an interest, it would be better to fund the debts at 5 or 4 per Cent than to have them unnoticed—you [*torn*] fund a part now & have a deferred debt or adopt [such modification] as the situation of the Country may allow—at all events, I think you should shew the Creditors that you mean to do something, for if the State is to refer them to Congress & Congress to send them back again to the State, the Creditors thus bandied about will be induced to sacrifice their Certificates for any thing they can get.

It is of importance likewise to reflect that as long as your debts remain unfunded you are liable for Seven per Cent interest, whereas if you provide funds & open a Loan (like that of the U. S.) you will get them subscribed at 4, 5, or 6 per Cent—Some may be disposed to wait, relying on Congress for a further assumption, or depending on the funds to result from a final settlement of our accounts with the U. S.—with respect to the first point, you [can] be assured I shall do every thing in my power to accomplish it, but at the same time you are well apprised of the obstacles which will violently oppose themselves to such a measure—the issue is therefore altogether precarious & ought not to be depended upon—but should these surplusses be hereafter embraced by a compleat assumption, still you would have it in your power to subscribe on the part of the State for such sum as might be allotted to the State, or you might provide funds conditionally, in case the debts should not be assumed this Session of Congress; thus no inconvenience would arise & the State would secure [her] reputation for Justice & Honesty by making the provision [*torn*]—with respect to the Second point, the final settlement is [*torn*] an event & depends on so many contingencies that [*torn*] Creditors are in desperate condition if the [*torn*] prospect alone. Kean²⁵ has resigned, Langdon²⁶ [the other] commissioner never attends the Board & the business [goes] on very slowly indeed; so that I have very feeble hopes of any resource from that quarter. In your next I hope to hear that this business has engaged your attention.

I shall write you again soon on the subject of the Canal²⁷—for the present Adieu & believe me ever Yours &ca.

Wm Smith

²⁵ John Kean had been one of the three commissioners to settle the accounts among the states.

²⁶ John Langdon (1741-1819) was at this time drifting in the Republican direction.

²⁷ Smith, as these letters prove, was trying to raise funds in the North to finance the building of the Santee Canal.

[P. S.] I congratulate you on the prospect of having a Branch of the National Bank in Charleston in January next.²⁸

Philadelphia, December 4, 1791

My dear Sir,

I have been favored with your several Letters of 7th, 13th, & 18th Oct. & 12th November—the two last arrived together & I have been much puzzled to account for the extraordinary detention of that of 18th October which came in Garman,²⁹ who arrived about 10 days ago.

Having written to you fully and frequently of late I shall not trespass much on your time, which is at all times precious, but peculiarly so, while at Columbia. It is much to be lamented that the quarterly meeting of the Santee Company will be at such an unseasonable period—I am much afraid nothing of any consequence will then be done & sincerely wish the business may be delayed till you all get to Town, & a special meeting be called. It appears to me that the mere subscribing or taking up the remaining shares will not alone answer the object we have in view: the system is radically wrong & ought to be new modelled: a large fund ought to be created & means of compelling Deposits devised; after the shares are subscribed, there will still continue the same difficulty of obtaining payment: every one will wait till his neighbor pays. On the plan I transmitted to you I am pretty certain one half of the requisite Sum will be raised here immediately. Col. Duer alone offered £20,000.³⁰ Mr. Cazenove promises [*torn*],³¹ Mr. Izard & myself will contribute as far as we are [able.] Several others say they will take some Shares: I have availed m[yself] of every opportunity to introduce the subject, & have so represented the advantages to be obtained from the Canal, that a considerable disposition has been excited to be engaged in it. I have sent Mr. S. Drayton³² some Queries, which I want explained & have requested him to communicate them to you. I have had much conversation with Sumpter on the Subject: He & Mr. Izard think the

²⁸ Edward Rutledge was elected a director of the Charleston Branch of the first United States Bank at a meeting of the national directors on Jan. 12, 1792. The Branch Bank opened in the spring of 1792. Rogers, pp. 231-232.

²⁹ Captain Garman's packet was the usual mode of transportation between Philadelphia and Charleston.

³⁰ William Duer (1747-1799) after serving for a short time as assistant secretary of the treasury engaged heavily in speculation.

³¹ A sum of five figures.

³² Stephen Drayton was the original secretary of the Santee Canal Co.

Catawba company³³ ought to be consolidated with the Santee. Sumpter says the former are unable to proceed, tho' 6000£ would completely open the navigation & that he will advise the members to surrender their Charter: as the Legislature are now in Session, you may avail yourselves of this disposition & get a transfer of the powers of the Catawba Company made to the Santee: such a union would be highly profitable to the latter & would insure the completion of the navigation—the additional Sum of 6 or 10,000£ would not be wanting, as on my plan, there will be enough subscribed for both objects.

I send you by this opportunity Mr. Coxe's book,³⁴ as I think you will have pleasure in seeing his observations all collected into one Volume & that you will read them over again with pleasure: there is an appendix to it, which contains some new matter. He is certainly a useful man & merits applause for his industry & candor. I have sent one of his books to John Nutt & Mr. Izard has sent one to Bird:³⁵ I am in hopes they will be much read in Europe & open the Eyes of the ignorant.

Mr. Coxe was very desirous to know what you had written me on the subject of the Report, & I gratified him with a communication of your Sentiments; he was much pleased with your honest zeal & patriotic warmth, but he is of opinion that we should go on strengthening ourselves quietly, foster our manufactures, & increase our shipping; the best revenge we can take he says, is to encourage our manufactures—the Society established in Jersey [will] be the best answer to the report & will sting [*torn*] publication or manifesto: that Society has been incorporated with such advantages that near 200,000 Dollars have been subscribed more than the Capital required which was 500,000—the Shares have consequently risen to 10 per Cent above par.

A Subscription was opened here a few days ago for opening a Canal between the Susquehannah & Skylkill & the requisite Sum of a million subscribed in a few hours: who will now say that the funding System (independently of its being an act of Justice) has not been beneficial to this Country: most of the money subscribed was by the

³³ For the story of the purchase of Sumter's share in the Catawba Canal Co. by Izard and Smith see Rogers, pp. 133-134.

³⁴ Tench Coxe (1755-1824), a political economist, published a number of pamphlets. Smith was probably referring to the 1791 Philadelphia publication, *A Brief Examination of Lord Sheffield's Observations on the Commerce of the United States. In Seven Numbers. With Two Supplementary Notes on American Manufactures.*

³⁵ John Nutt of London and Henry M. Bird of the Anglo-American mercantile firm of Bird, Savage, and Bird. For Smith and Izard's close connections with Nutt and Bird see Rogers, *passim*.

New York Speculators—in truth, the Speculators, when they grow rich, will generally employ a great part of their capital in these works, which in this country will always produce them a handsome interest.

I was extremely sorry to find by your last that your Health had been impaired by the constant anxiety of your mind, occasioned by domestic calamities: I hope your Journey to Columbia & the cold weather will intirely restore you to your former health.

Your last says nothing of Brailsford—I rely with confidence on your attachment & friendship & your regard to Justice in this business [& heartily] wish it may be soon settled.

Nothing has been said in Congress yet about a further Assumption. We expect soon a report from the Secretary of the Treasury on the Question—in the mean time we are feeling pulses: but I don't think we ought to depend entirely on the assumption, but endeavour to do some Justice at home: on this topic I refer you to a former Letter, which contains my present sentiments. While all the principal States either have already done or are doing ample Justice to their Creditors, it makes me uneasy to see South Carolina neglect them. It would be [an] act worthy of a patriotic Legislature to inquire at least [*torn*] the amount of your unassumed Debt & to offer to the Creditors [some] terms, such as the situation of the County would admit [&] to make provision until the Debts shall be assumed: if they are never assumed, you will, in case of a settlement of accounts receive more perhaps than you have engaged to pay.

With great regard I remain, my dear friend, ever your's

Wm Smith

Philadelphia, January 2, 1792

My dear Sir,

Having just heard that a temporary opening of the river will suffer Art ³⁶ to escape & that he is about to sail, I have only had time to pack up some public papers for you; one is the report of the Secretary of the Treasury on the subject of Manufactures ³⁷—the other report of the Attorney Gen. on the Judiciary ³⁸—inclosed in that are Benson's proposed

³⁶ This may be a reference to Garman, certainly a reference to one of the captains plying his vessel between Philadelphia and Charleston.

³⁷ The report, dated Dec. 5, 1791, is printed in its many versions in *Papers of Hamilton*, Vol. X: December 1791-January 1792 (New York, 1966), 1-340.

³⁸ Edmund Randolph (1753-1813).

amendments to the Constitution with respect to the Judiciary³⁹—at your leisure I wish you to read the whole attentively & to favor me with your opinion, particularly on the subject of the Judiciary.

I suppose this will find you returned from Columbia on the way to which you were when you wrote to me last. I am sorry to find from your account that the State will probably do nothing with our Debt—it is very uncertain whether Congress will—the State of Massachusetts, on which we place our firmest hopes, is unsettled in opinions whether to push for the Settlement of the Accounts or to try the Assumption, they think they will gain more by the former; I am doing all I can to fix them for the latter: the Secretary of the Treasury is with me strongly & means hereafter to make a report on the subject, but won't hazard it till he sees his way clear—Virginia will, I suspect, strongly oppose it—Pensylvania I fear also—however I will do my best.

I congratulate you on the nomination of Major Pinckney⁴⁰ as Minister to the Court of St. James's—but I am sorry to inform you that after the nominations were made, the Senate have taken up the question whether there shall be Ministers to Europe—there is a strong Party against sending any—this I am told is in some [torn] dislike to Gouverneur Morris who is nominated for France (Short⁴¹ is for the Hague) the first proposition made on the subject was pointedly against the expediency of sending Ministers—it was afterwards softened down to a proposition stating that the Senate did not possess sufficient information of the necessity of sending &c.—the friends to the appointment, fearful of the loss of the Question on their part, got the motion committed—& the business now rests on that footing.

Being much hurried at present, I will only add for the present my Sincerest wishes for your future happiness with the Compliments of the Season—I shall write you again Soon—Adieu—Your's &c.

Wm Smith

Philadelphia, January 16, 1792

I wrote you, my dear Sir, not long ago & then informed you that there was some Demur in the Senate respecting the Nominations to foreign Embassies. A Committee having been appointed to inquire into

³⁹ Egbert Benson (1746-1833) was a New York lawyer, closely identified with Hamilton's views. He sat in the House in the first and second Congresses.

⁴⁰ Thomas Pinckney.

⁴¹ William Short (1759-1849), who had desired the post at Paris, was appointed minister at The Hague.

the necessity of sending Ministers, they had a Conference with the Secretary of State, which led them to report to the Senate that it was expedient at this time that Ministers should be appointed; this resolve was adopted by a large majority: the nominations were accordingly taken up; G. Morris was appointed, 17 ayes, 9 Noes; Major P. without opposition: I congratulate you on this latter appointment which gives general satisfaction: the other does not.

We are much embarrassed about the Indian business; on the one side a prosecution of the war appears indispensable, on the other side the necessary expence will be enormous & alarming; the Causes of our Defeat ⁴² were, the Deficiency of good Troops—the want of discipline—the lateness of the Season—the encreased number of the Indians in arms: We are at present engaged in Serious deliberation on this weighty subject, with closed Galleries—the result is uncertain.

This unfortunate business will raise new obstacles to the Assumption & will furnish a handle to its enemies: I am anxious to know what has been done at Columbia on this & other interesting subjects; we have no accounts yet from thence.

The report of the Secretary of the Treasury on the Petition of General Greene's widow has been the subject of one day's discussion & I anticipate a favorable issue tho' opposition has been & will be again made: Sumpter has been hitherto the only public opponent; I send you a newspaper containing the Debates: Mr. Izard sent you the report of the Secretary on this subject.⁴³

Our families are all well—I hope your's are also. We have elected you a Director of the Bank at Charleston having the highest confidence in your discretion: we shall send you 100,000 Dollars specie to begin with, & if you make a good use of it, we'll send you some more.

Farewell, my dear Sir, & beleive me with the Sincerest regard,
Your devoted friend & servant

Wm Smith

[P. S.] Yesterday I dined at Mr. Izards with Duer & Sumpter; we had a great deal of conversation about the Canal; Duer is as eager about it as

⁴² Gen. Arthur St. Clair (1736-1818) and the U. S. army suffered a severe defeat on Nov. 4, 1791, by the Indians of the Northwest. The first Congressional investigation was held as a result of this defeat. The report of the committee to enquire into the causes of the defeat is printed in *Annals*, III (2nd Cong.), 1106-1113.

⁴³ For the report, dated Dec. 26, 1791, and the accompanying documents, see *Papers of Hamilton*, Vol. X: December 1791-January 1792 (New York, 1966), 406-468.

ever & confirms his offer to be answerable for 2/5ths of the Sum necessary: the Junction of the Catawba & Santee Companies appears a very necessary arrangement & will I hope meet your approbation & receive your assistance.

Philadelphia, February 13, 1792

My dear Sir,

I thank you for your favors of the 18th & 25 Ult. which I received a few days ago, accompanied by the rules of the Santee Company. At same time I received your's in behalf of Mr. Trezevant,⁴⁴ to whose business I will attend & on the subject of which I will shortly write to him. By the same conveyance I received a short letter from your brother the Chief Justice,⁴⁵ on behalf of Captain Provaux,⁴⁶ as I suppose it requires no answer, I will not intrude on your brother with one, but request you to present my respects to him & inform him that I received his letter.

It gave me much pain to learn that you had been alarmed by the illness of your Mother. I sincerely hope she is in such a state of health at present as to relieve you from further anxiety: God knows, my dear friend, you have had full portion of domestic anxiety! We have also had our *alarm* & serious & distressing they were:—but as the Tale is an unpleasant one & I suppose you have heard it, I will pass on to more pleasant subjects.

I am much flattered with the Idea of having been in the smallest degree instrumental in forwarding a Plan, from the Completion of which so much political happiness will result to our State: this Sentiment is an ample compensation for the loss of my *Project*, which I suppose did not meet the countenance of your Honors; so I must surmise, tho it does not appear from any thing I have heard that you ever received it, as neither you nor Campbell have mentioned a syllable about it, tho I think the poor Author might have been informed how his Piece was disposed of. In vain then did I labour, in concert with my friend Duer, in vain was our joint-production reviewed & approved by the intelligent Cazenove! It seems your Honors preferred the plain old path; I wish it

⁴⁴ Lewis Trezevant (1770-1808) was admitted to the bar on Nov. 17, 1791, after having studied under Charles Cotesworth Pinckney. Rutledge may have been writing to suggest Trezevant for a clerkship in the federal court or for some other lesser federal job. A. S. Salley, Jr., "Daniel Trezevant, Huguenot, and Some of his Descendants," this *Magazine*, III (1902), 42-43.

⁴⁵ John Rutledge (1739-1800).

⁴⁶ Capt. Adrien Proveaux (commissioned as captain April 27, 1778) served under Col. Francis Marion in the Second Regiment of South Carolina Infantry. This *Magazine*, VI (1905), 15, 16.

may lead further than it did before: I confess I am not without my doubts & fears: Mr. Izard is disappointed & is apprehensive you will not succeed without external aid: I am of the same opinion & do not beleive that any of the monied men in New York & Philadelphia will embark in the business on the present plan: I hope you will have sufficient resources within yourselves; but I very much doubt; recollect the difficulty of getting a few Shares subscribed to the Bank last year: 'tis true the benefit derived from that may whet the appetites for speculation, but £5000 Sterling to be paid down is a large Sum: I find that 5000 more are to be paid in January & July in each year, that is 10,000£ per annum, which will take between 5 & 6 years (perhaps more) to compleat the Canal; so remote an object will deter adventurers, who will not like to be out of their money so long, but would rather place it in speculations which will yield a more immediate profit: had a plan been adopted which, by calling in foreign funds, would have enabled you to compleat the Canal in 2 years, (which might have been done,) Individuals would have been disposed to subscribe with alacrity:—By requiring payment in specie, interest is lost to the subscribers on all the Deposit unemployed in the work; as for instance, when 5000 are deposited, perhaps only 1000 will be paid out for some time, interest on the residue is actually lost, & so on: this would have been obviated by Deposits in stock bearing six per Cent interest, which could have been sold in small sums from time to time, as required: the Surplus Sum of five pounds to be called for, if necessary, it too small to form a fund for the repairs &ca. of the Canal or to branch it out, or to create a union with the Catawba. I wish the payments had been in Dollars instead of *pounds* Sterling as the one is the money of the U. S.—the other of G. B. besides the Branch Bank will keep its accounts in Dollars & there now prevails a disposition in many of the States to adopt on every occasion this mode of account.⁴⁷

I like much the 14th rule (if *enforced*): it is the best feature in the Scheme—but don't the 10th rule hold out a promise that the 14th will be dispensed with? I think it does: If after selling the Shares of defaulters, for the *benefit of the Company*, you restore the Shares to them, what security is there that in future the same indulgence will not be expected & granted? Those who formerly paid punctually their assessments when called upon altho much incommoded by it at the time, are now on no better footing than the defaulters who kept their money & applied it to other more convenient purposes; & who now are let in, because

⁴⁷ It is in this period, 1792-1794, that the change was being made from pounds to dollars.

there is a chance of the thing succeeding, while others paid formerly from patriotic motives alone.

I am happy however to find you are of opinion that the Shares will be rapidly subscribed for; as I am not so sanguine I shall content myself with doubling my present subscription; I subscribed for 5 Shares at the first outset of the business & as I sincerely wish well to it, I shall direct my attorney to add 5 more, but not with the expectation that any profit will attend it.⁴⁸

I am much pleased to find that Brailsford has promised to do whatever you shall recommend, persuaded that you will recommend an honorable fulfilment of his contract & that he shall without further delay release me from any anxiety, too much of which I have already felt on this subject.

We have been quite in the dark, respecting your proceedings at Columbia—lately we have had some scraps of intelligence; among other news, we have heard that you were near resolving that we ought to repeal the Excise,⁴⁹ at the same time that you require of us a further assumption of your debts—your representatives would have made a pretty figure, applying for a further assumption & at the same moment refusing the only funds wherewith to pay the Debt assumed.

The Secretary of the Treasury has made a report to the House on the subject of the public Debt, & recommending a total assumption;⁵⁰ we shall bring on the Question shortly, but I am very uncertain as to its success; the Measure has bitter enemies to contend with; but former success will give us Spirits: were I certain of a final Settlement of accounts, I should not care much, as we should probably gain more in that shape; that Event is however precarious.

I am sorry to inform you that we lost the Question on Mrs. Greenes petition; we shall renew the subject shortly: Sumpter took a most active part against the Petition; it is the only subject on which he has uttered a syllable the whole Session.

A change of politics is about to take place at New York: Chief Justice Jay is a Candidate for the Governor, & it is said he will succeed—his Successor is not talked of yet: do you think your Brother would

⁴⁸ See *Rules of the Company for Opening the Inland Navigation, between the Santee and Cooper Rivers, Agreed to on March the 23rd, 1786* (Charleston, 1786).

⁴⁹ A resolution that the delegates in Congress use their influence to repeal the excise on whiskey was defeated by a vote of 47 to 45. *Journal of the House of Representatives*, 1791, pp. 77-78, S. C. Archives.

⁵⁰ The House debated Hamilton's Report March 29-April 3, 1792, *Annals*, III (2nd Cong.), 498-535.

accept it? If I thought he would, I would put the business in train: I am in hopes we shall in this Session abolish the system of making the Judges of the Supreme Court ride the Circuits throughout the Union; this has induced Mr. Jay to quit the Bench; he was Seven months in the Year from his family, travelling about the country.⁵¹ The other Candidates are Clinton⁵² & Burr;⁵³ Jay's friends speak with confidence of his Success.

As soon as the River is open, I will send you some more public papers—With great esteem I remain, my dear Sir, Your devoted

Wm Smith

Philadelphia, March 24th 1792

My dear Sir,

Since my last I have not had the pleasure of hearing from you: I heartily condole with you on the loss of your amiable neice, an event much to be lamented & which to me was totally unexpected.

Our Delegates have received the Resolutions of the Legislature⁵⁴ on the subject of a further assumption & will be unanimous in promoting that measure. The Report of the Secretary has been taken up & will undergo an ordeal next week; much opposition is to be expected from Virginia, but I hope we shall succeed. At length the Representation Bill is past;⁵⁵ the House is to consist of 120 Members, which is the number given by dividing the inhabitants *throughout the Union* by 30,000. South Carolina will therefore have 7 members; I fear you will have some difficulty in determining where the Seventh member is to be elected; had there been only 6 you would have of course given the Sixth to Ninety Six: as your elections come on in October next, only 5 members will be chosen unless the Legislature should meet before that period, or the Governor should think himself authorized by Proclamation to

⁵⁴ The S. C. House and Senate resolved "That the Delegates of this State in Congress, be requested to express in both Houses of Congress the sense of this State, of the propriety of Congress assuming the whole of the public debt of this State incurred in the prosecution of the late War." *Journal of the Senate*, Nov. 28, 1791-Dec. 20, 1791, p. 140, S. C. Archives.

⁵¹ John Rutledge was to be appointed chief justice in place of John Jay, although Rutledge's nomination was not confirmed.

⁵² George Clinton (1739-1812).

⁵³ Aaron Burr (1756-1836).

⁵⁵ An act for apportioning representatives among the several states according to the first enumeration was approved on April 14, 1792. *Annals*, III (2nd Cong.), 1359.

suspend the Elections till after the meeting of the Legislature, for which the Legislature would undoubtedly indemnify him; should only 5 be elected in October perhaps the Legislature might afterwards make provision for the 2 addit. members; As the next Congress will not commence before March, there is no necessity to have the Election in October.⁵⁶

We have had a great deal of trouble with the Georgia contested Election & yet there never was so clear a case: the House unanimously resolved that Wayne was not duly elected, & then Jackson's friends claimed a Seat for him, but it was determined by the Speaker's casting vote that he was not entitled to it & that there should be a new Election.⁵⁷

Mrs. Greene has lost a warm (tho not powerful) advocate in Wayne—Gen. Greene's Case has been frequently before us, but there is such persevering opposition to it & the members so nearly divided that the friends of the measure can't venture to take a final question without first counting noses, & the absence of one or two members or some other circumstance delays it from time to time. We have lost a vote in Wayne at all events, but we have escaped Jackson, who would have been bitterly opposed to it: the first safe opportunity we shall bring it on again, but [torn] very [torn] failure.

Duer has overdone himself or as some say done himself over: his soaring genius would not permit him to pursue the humble paths of ordinary speculation, but dashing at every thing with the most resolute boldness, he has, I am told, completely ruined himself. His failure has thrown the City of New York into the utmost consternation & the consequences of his disaster have extended far & wide; they have however begun to recover from their first panic & I have no doubt that his Down-fall will in the end be attended with many good consequences to the Community.⁵⁸

An adjournment begins to be talked of, but I hardly think it can take place before the middle of May. We have still a great deal of important business to finish. Inclosed I send you the new Ways & Means to raise the requisite Supplies for the War Department: this unfortunate

⁵⁶ The election was not held until Feb. 4 and 5, 1793, as the S. C. legislature did not attend to this business until Dec. 21, 1792. Rogers, p. 239.

⁵⁷ Gen. Anthony Wayne (1745-1796) had defeated James Jackson (1757-1806) for one of the Congressional seats from Georgia, but the House of Representatives voted on March 21, 1792, that Wayne should vacate his seat as there had been election irregularities. The House, however, refused to seat Jackson.

⁵⁸ Duer was arrested for debt on March 23 1792, and sent to prison. The first great financial panic thereupon ensued in New York city.

failure in the Western Territory by requiring such additional Sums will be a great obstacle to the assumption by furnishing to Declaimers arguments against distressing the people by new taxes: We have got a new orator in the House, Mercer ⁵⁹—who is louder than Jackson: he is a prodigious friend to the People, & I have no doubt will make a most violent opposition to the assumption.

Mrs. Smith has been extremely indisposed for some weeks past with a dreadful cold & cough, attended with fever: She is now recruiting & will I hope soon get abroad again. The rest of our families are well.

With best wishes for your health & happiness I remain, My dear Sir, Your affectionate friend

Wm Smith

Philadelphia, April 28, 1792

My dear Sir,

In answer to yours by Major Pinckney, I begin with congratulating you on the Passing of the Bill for the idemnification of the Estate of General Greene: ⁶⁰ As this Event will afford you much pleasure, I assure you mine is thereby considerably heightened.

With respect to the Bank, I don't feel those apprehensions from a competition with the Tontine Bank you suggest: I communicated the Contents of your Letter to some of the principal Directors & they feel no kind of uneasiness on that account: On the contrary, they state that altho our Branch may not be so popular in the outset & may not attract so many Customers as the other yet in the end it will be more solid & afford more substantial aid to the Country: they say that if the other Bank sets out on the Plan of inviting Custom by throwing open their Doors to every applicant & lending money to persons who will not have the means of paying when their notes become due, but must, to save their Credit, renew them, they will soon blow up. As however the Directors of the Branch express a wish to have the time for discounting extended [the Board have agreed to extend the time from 30 days to] 45 days & will I doubt not, soon extend it to 60 days. You will observe that the Discounts for 30 days was not a special provision for Charleston but was a system for all the Branches, & accordingly those of Boston, New York, & Baltimore can discount for only 30 days. The State Bank

⁵⁹ John Francis Mercer (1759-1821) of Maryland strongly opposed the centralizing tendencies of the new government.

⁶⁰ The bill to indemnify the estate of General Greene passed the House on April 11. *Annals*, III (2nd Cong.), 551.

of N. York never discounted for more than 30 days, & that of N. America only for 45. This extension for our Branch is a special privilege to us. As to the number of days for discount I can't conceive how your Board came to mistake the regulation which only provides that there shall be *at least one* Discount day in the week; you may discount every day in the week if you please, & it would be proper to discount *twice* a week. I see you discounted upwards of 20,000 Dollars the first day, which was very handsome.⁶¹

Having heard that you were all serious about the Santee Canal & wishing success to the measure most heartily, I have directed my attorney to subscribe liberally to it; being informed that there would probably be a scramble for Shares, I directed him to take every precaution to secure me a good number & hope he has been successful. I am a sort of [enthusiast] about Canals because I am persuaded they will be highly advantageous to the Country & profitable hereafter to those concerned. With this impression, I have in conjunction with Mr. Izard bought Sumpter's Share of the Catawba Company & wish you & General Pinckney would procure a Share also: Senf⁶² is now here on this business.

Mrs. Smith still continues an Invalid, but I flatter myself the warm weather which is approaching will perfectly restore her. She is very sensible of the Interest you take in her health. You have done well in our opinion to send your Daughter⁶³ to England. Her health seems delicate & wants a change of climate.

I suppose you will hear from your friend the Major by this opportunity so I will only add that he & his family are well.

We talk of adjourning soon, not however as soon as we have fixed: we shall take up the Assumption in a day or two & are sanguine of success: we have gained some proselytes from No. Carolina by an arrangement⁶⁴ which they are pleased with.

How comes on the affair with Brailsford: I intreat you, my dear friend, not to let that matter sleep, as it is of great moment to me. With sincere esteem I remain

Wm Smith

(To be Continued)

⁶¹ See Rogers, p. 232, n. 127.

⁶² Col. Christian Senf, the engineer in charge of digging the Santee canal.

⁶³ Sarah Rutledge (1782-1855) who accompanied Thomas Pinckney to London. "Dr. John Rutledge and his Descendants," compiled by Mabel L. Webber, this *Magazine*, XXXI (1930), 24-25.

⁶⁴ For North Carolina's attempts to secure concessions see *Papers of Hamilton*, Vol. XI: February-June 1792 (New York, 1966), 404, 512-516, 520-522.