Jay's Treaty: The Transformation of Lake Champlain Commerce

The Jay Treaty, ratified by the U.S. Senate in 1795, took real effect in 1796, drastically altering the rules governing Canadian-American inland and lake-borne trade. The pattern of commerce suddenly and dramatically changed.

By H. Nicholas Muller III

When its terms became public in 1795, most Americans, including Vermonters, viewed the Jay Treaty through a political prism. They saw its efforts to resolve maritime conflicts with Great Britain, the British occupation of a string of outposts in United States territory, and the agreement to firm up the Canadian-American boundary in terms of domestic politics. They correctly thought that it represented the Washington administration's attempt, led by Alexander Hamilton, to stabilize relations with Great Britain and to maintain the tariff revenue that supported the young republic. The Republican opposition led by Thomas Jefferson and James Madison opposed these policies, which they saw as favoring Great Britain. They preferred friendly relations with revolutionary France, which they viewed as a continuation of the French-American alliance formed in the late 1770s during the American Revolution. The French declaration of

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war against the British in 1793 exacerbated the political tensions in the United States between these factions. These political opponents argued their differences through the acrimonious debate over the Jay Treaty. In this highly charged, volatile political atmosphere, few bothered to examine the importance of the commercial aspects of the treaty.

In the seventeenth century and the first half of the eighteenth century, commercial activity between the St. Lawrence and Hudson Rivers over Lake Champlain defied both British and French imperial policy. Fur gathered at Montreal went south while generally superior and less expensive British trade goods of rum, iron implements, and strouds (a coarse woolen cloth) went north in exchange. In the 1760s, with both ends of this corridor under British authority after their victory in the French and Indian War, settlement began to take hold in the Champlain Valley, and trade followed settlement. Timber and pot and pearl ash, by-products of clearing land, and some agricultural produce began to move north to Canada. The American Revolution once again placed a political boundary, through British mercantile laws, across the north end of Lake Champlain and disrupted the new trade. The Jay Treaty abruptly changed the post-revolutionary geopolitical situation. Canadian merchants, especially in Montreal, the developing commercial entrepôt on the St. Lawrence River, and their counterparts from New York City, Albany, and growing Champlain Valley towns astride the Hudson River–Lake Champlain corridor quickly discovered the new regulations. They rapidly took advantage of the treaty's terms. The rearrangement of the trade regulations between the United States and Canada through the Champlain Valley induced a new commercial stream between New York and Montreal. It also accelerated the pace of development in northwestern Vermont and on both sides of the lake. The impact of the Jay Treaty would dominate this commerce for at least two decades until the War of 1812 and its aftermath would spark a new set of trade regulations.

Reactions to the Jay Treaty in Vermont

News of the proposed treaty with Great Britain burst on Vermont in the spring of 1795 to widespread explosions of public outrage including, according to one report, hanging its author, John Jay, in effigy in Rutland. Jay signed the treaty in November 1794, but the Washington administration, understanding its politically volatile nature, withheld the draft from the Senate until March 1795. After a long and heated debate, the Senate ratified the treaty in June 1795, with Vermont votes split. Senator Moses Robinson voted against it while Stephen R. Bradley supported it. The perception of a "stealth" process around ratification, because the administration, citing executive privilege for the first time, withheld the documentation relating to the treaty, intensified public objection. In Vermont the clamor became particularly shrill on the west side of the Green Mountains from Bennington County northward, including the entire Champlain Valley. Jay's Treaty exposed deepening fault lines cleaving Vermont politics that separated adherents of President Washington and Alexander Hamilton largely residing on the east side of the Green Mountains from the fervent adherents of Jefferson and Madison on the west side.

Jay's Treaty satisfied some Vermont interests by agreeing to settle the Canadian–Vermont boundary, thus removing an irritant to land claims. It also achieved the abandonment of the British posts on American territory along Lake Champlain at Dutchman's (or Blockhouse) Point on the west shore of North Hero and at Point au Fer in New York. The treaty explicitly opened trade with Canada on the lake and overland. The British had previously stepped outside of their mercantile policy and had tolerated the trade from Vermont of a limited list of commodities sanctioned by orders of the governor of Canada. This move recognized the pressing British need for timber and masts, pressure from Vermont, as Canada provided the only outlet for its produce, and the desire of Québec merchants to harvest the proceeds as middlemen in the timber and pot and pearl ash trade and the sale of British products in the United States. The treaty carefully hedged the concession of allowing lake and inland trade on a most favored nation basis by specifically prohibiting American ships from carrying cargoes on the St. Lawrence River.

But the din created by the treaty in Vermont overrode public attention to the favorable commercial terms. Publicly, no one seemed to recognize the dramatic impact the Jay Treaty would have on the Champlain Valley. The outcry asserted that the United States had servilely buckled to the British at the expense of both American and French interests. The noisy uproar did not consider the obscure Article XIII; it went unnoticed. This provision "legalized American trade with the British East Indies . . . incidental to the American China trade." It proved "of much more advantage to the United States than doubtless either party realized at the time of making the treaty."[1] American merchants and their counterparts in Vermont along the Champlain–Richelieu route quickly seized the opportunity.[2] While the Jay Treaty secured the northern market for the vast majority of Vermont produce from the west side of the Green Mountains and across Lake Champlain in the forming settlements in New York, it also greatly accelerated and in important ways shaped the commercial infrastructure of the Champlain Valley.

After becoming the fourteenth state in 1791, political life in Vermont gradually aligned with the developing national Federalist and Republican parties. Nathaniel Chipman, Isaac Tichenor, and some others who had worked with Alexander Hamilton to achieve Vermont statehood in 1791 led the Vermont Federalists. They supported a strong national government, friendly relations with Great Britain, sound fiscal policy, and mercantile, commercial, and shipping interests. They found their greatest support in the towns on the east side of the Green Mountains, which generally approved of the Jay Treaty. The opposition, styling themselves as Democratic–Republicans or simply Republicans, tended to dominate political life on the west side of the mountains. With a more rural, agrarian and egalitarian bent, they loathed Britain and enthusiastically supported the French Revolution, which they regarded as a flattering reflection of the American struggle for independence and their own against New York. The "old corps"[3] of what remained of the Allen–Chittenden faction who had led the Vermont independence movement generally supported rising Republican leaders like Israel Smith, Gideon Olin, Stephen R. Bradley, and Jonas Galusha. They regarded Thomas Jefferson as their national leader.

Jefferson and Madison, along with a third unidentified companion from Virginia, visited Vermont early in June 1791. The trip hardened their west side support. The Virginians proceeded north from Lake George to the ruins at Fort Ticonderoga and another twenty-five miles further north down Lake Champlain until head winds forced them to stop.[4] They stayed overnight at the inn at Chimney Point and then headed south to Bennington, where they arrived on Saturday, June 4; toured the Bennington battlefield; attended church services on Sunday; and left the next day for the Connecticut River and south to Hartford, Connecticut. Jefferson referred to the tour as a "holiday trip" for scientific observations, and Madison ostensibly joined him for health, recreation, and to satisfy his natural curiosity. Jefferson's botanical curiosity included the sugar maple, and he arranged to have sixty seedlings sent to Poplar Forest, his summer residence about ninety miles from Monticello.[5]

The tour observed Vermont politics as well as its flora. Their Virginian traveling companion decried with "some uneasiness" electioneering in Vermont. With a slightly veiled reference to Matthew Lyon, he noted derisively that a Republican and a declared candidate for Congress would run against the incumbent Israel Smith, who enjoyed "Republican interest," the support of the regular Jeffersonians. The traveler blamed the situation on the existence of "bribery and corruption" and "low intriguing arts." That same year the *Vermont Gazette* charged Lyon, Governor Chittenden's son-in-law who operated a foundry in

Fairhaven, with practicing two arts: "making politics *malleable,* and the other the art of selling civil offices for proxies."[6] While sending Vermont flora south during the holiday excursion and botanical tour, the Virginians scattered some political seeds in the Green Mountain state.

Not long after Jefferson's tour, Democratic (or Democratic–Republican) Societies began to sprout in the fertile political soil of Vermont's western counties of Bennington, Rutland, Addison, and Chittenden, which then included the territory that would later become Franklin and Grand Isle counties. Rabidly Anglophobic, the societies trumpeted their contempt and "enmity" for Britain. The first resolution adopted by "The Associated DEMOCRATIC SOCIETY, in the County of Chittenden" enumerated the grievances that had brought the United States to the brink of open hostilities with the British and caused President Washington to dispatch John Jay to negotiate with them. These issues included the maintenance of military posts on the U.S. soil, encouraging Indians "to scalp, torture, and murder" frontier settlers, and a list of maritime problems that included shutting off West Indian trade, capturing American merchant vessels, and impressing seamen.[7] The excoriation of Jay and the treaty never mentioned the removal of the cramping limitations on moving Vermont produce to market in Canada.

While the Jay Treaty made changes along the length of the Canadian–American boundary, its provisions had the most immediate impact on Vermont. Article III permitted subjects of either country "to freely pass and repass by Land and Inland Navigation, into the respective Territories and Countries of the two Parties on the Continent of America," except within the "limits" of the Hudson Bay Company, "and to freely carry on trade and commerce with each other." They could trade in "all Goods and Merchandise whose Importation shall not be entirely prohibited," a provision that eliminated very few products. The treaty declared that imported goods "shall be subject to no higher or other Duties than would be payable" on goods imported by Americans into the U.S. or by the British into British North America. The treaty did maintain British mercantile policy at sea by prohibiting American vessels from navigating on the St. Lawrence River.[8]

In Article XIII of the Jay Treaty, presumably unrelated to Canadian–American commerce, the British agreed to allow American vessels to "freely carry on a Trade" with the British East Indies provided "that the Vessels of the United States shall not carry any of the articles exported . . . to any port or Place, except . . . in America, where they shall be unladen." Article III specifically permitted passage over the Canadian–American border of any goods not expressly prohibited from coming into Canada from Britain. It also settled the matter of allowing the re-export of Vermont produce to Britain, a practice that violated mercantile law. The re-export trade continued nonetheless through forbearance and winking at the regulations, especially because of the British demand for forest products. A close reading of Article XIII, which allowed American merchants to import goods directly from the British East Indies to New York, when put together with Article III, allowed the merchants to re-export these goods to Canada over the Champlain–Richelieu route.[9]

The popular dislike of the Jay Treaty boomed like a thunderstorm over much of Vermont, where an observer thought it had "made the author as famous in London, as Benedict Arnold is infamous in New London." Arnold and Jay, he wrote, "had the same object in view, the sale of their country." Jay, he concluded, "proved successful in his perfidy."[10] But he and the public had missed the confluence of Articles III and XIII. The view of the treaty would soon change, and the outburst subsided. In a short time the clamor in Vermont about the treaty died out and the Democratic Societies in Vermont faded away. As Philip S. Foner notes, "when the [Democratic] Societies lost their campaign against Jay's Treaty, they also lost some of their influence" and as the apparatus of the Jeffersonian party developed, the Democratic Societies in Vermont gradually withered.[11]

The British and Canadian merchants initially did not understand the threat posed by the treaty. Instead, they greeted it with enthusiasm. In Article III, the British recognized the community of economic interest with Vermont. They wanted the steady flow of squared timber, masts and spars for the navy and maritime interests, and pearl and pot ash for burgeoning English industries. They also wanted shingles, barrel staves and heads, pig iron, wheat, salt pork and beef, and other Champlain Valley agricultural products for the Canadian market. In return they expected to sell British manufactures, salt, textiles, spirits, and other products to Vermont that had advantageous costs. The British intended Article III "to render in great Degree the local advantages of each Party common to both and thereby promote a disposition favourable to Friendship and good Neighbourhood."[12]

The Canadian merchants thought that they owned the "local advantages," and they urged their government to waste no time in putting the treaty into effect. In Québec, Lord Dorchester, governor of Canada—who as General Guy Carleton had led the British incursion in 1776 that ended shortly after the fight with Benedict Arnold's fleet at the Battle of Valcour Island—concurred. He remarked with some irony that the treaty would promote the peace and understanding "which now happily subsist between the two countries."[13] South of the border, merchants ignored the partisan political din and prepared to take advantage of the unexpected opportunity created by Jay's diplomacy.

Jay's Treaty would become binding on July 1, 1796. Article III, consistent with American trade regulations already in place, required no action by the United States. The Canadians who had legal restraints against goods entering from the United States, unless excepted by Dorchester's proclamation allowing the importation of specific commodities, would need to act to implement the treaty. In anticipation of the provisions of the Jay Treaty becoming effective, Dorchester in April 1796 directed the customs officer at St. John on the Richelieu River not to seize goods that the treaty would soon make legal. St. John, at the south end of the Chambly Rapids, which interrupted navigation on the Richelieu River between Lake Champlain and the St. Lawrence River, had become the natural site to regulate commerce.[14] Early in May the Legislative Assembly of Lower Canada passed "an Act for making temporary provision for the Regulation of Trade between this Province and the United States." The act gave the governor full powers to regulate trade until January 1, 1797, and from then until its next sitting. As the Legislative Assembly annually extended this act, the governor with his Legislative Council exercised full authority over trade from Vermont.[15]

Governor Dorchester turned to his attorney general, Jonathan Sewell, who in lawyerly fashion, and perhaps with foresight, drafted a complex order that included a series of new and differential duties on the trade across the American border. The council strongly objected to any duties on goods entering Canada for transshipment to Britain, a fundamental prop of the Canadian merchants. It also concluded that differential duties might not fit "within the construction of the treaty," and asked Sewell to revise the draft.[16] Dorchester issued Sewell's revised draft in an order on July 7, 1796, suspending all previous regulations and declaring Lower Canada open to American commerce by land and inland navigation. His order allowed the free export of all goods from Canada, and the only duties levied on American imports would match those paid by British subjects on imports through the port of Québec. His order also required channeling all American imports, whether dutiable or not, through the lone inland customs house at St. John.[17]

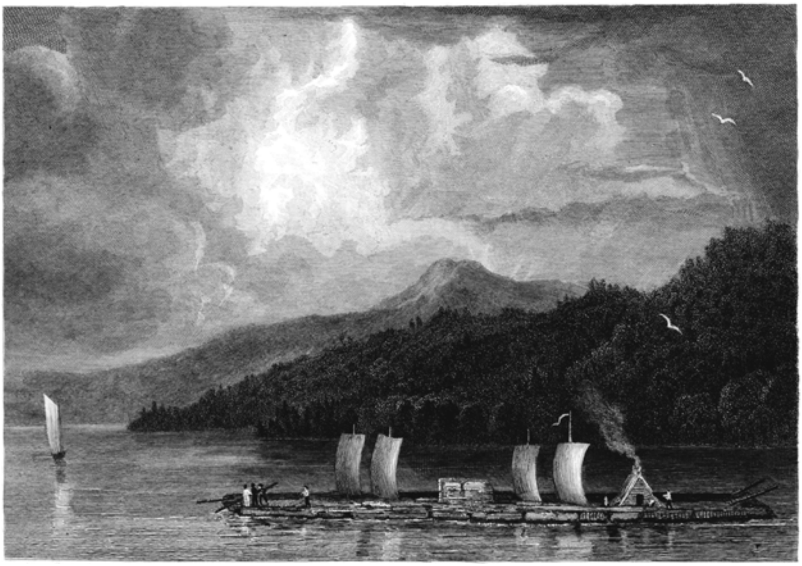
The politically motivated resistance to the treaty quickly quieted as the residents of the Champlain Valley realized the truth that the merchants of Montreal and Québec had too slowly begun to fear and Jonathan Sewell attempted to forestall. When they awakened to the situation, the attitude of the Canadian merchants abruptly changed, although their complaints never approached the level of protest the treaty had stirred up in western Vermont. "The British government," they concluded, “has been in many respects actually legislating for the advantage of America.” They grumbled that “the treaty of 1794 has been very injurious, and annually becomes more so.” This “disgraceful commercial treaty” ushered in a new era of trade over the Champlain–Richelieu route and the developing economy of the Champlain Valley.[18]

Moving Goods on Lake Champlain

The Jay Treaty came into effect in the middle of a decade in which Vermont experienced extraordinary growth. Between the censuses of 1791 and 1800, the state’s population expanded from 80,539 to 154,465, a growth rate of 91.8 percent. In the Champlain Valley counties of Addison, Chittenden, and Franklin, population exploded from 13,034 to 32,000, increasing 145.5 percent. The towns in New York on the west side of Lake Champlain, though lagging Vermont, had also begun a period of rapid growth. During the decade from 1801 to 1810, Vermont’s Champlain Valley population continued to swell, with three counties along the lake shore, Addison, Chittenden, and Franklin climbing at a combined rate of 56.2 percent.[19] With less than one-fourth of the population of their Vermont counterparts, the three New York counties along the lake continued to develop. The burgeoning population and manufacturing and agricultural output built local markets and stimulated the development of transportation and related infrastructure, which in turn facilitated the pace of settlement and more production.

Before the Jay Treaty, Vermonters had little alternative to Québec to market the by-product of clearing land and the increasing agricultural surplus. To transport the products to market, they assembled huge rafts constructed of sawn timber on the river flats exposed by the low water levels in the fall. In the winter they constructed rafts on the flats and on the ice. In the spring melt the rising water would float the rafts and propel them with the swift current into Lake Champlain, where they would then begin the slow and difficult voyage to Québec. They floated north with the current, sometimes aided by makeshift sails, toward the Richelieu and St. Lawrence Rivers. This vital trade carried by rafts came with serious navigation hazards, including the rapids on the Richelieu River between St. John and Chambly. It also encountered very difficult market conditions.

Levi Allen wrote to his brother Ira of the “misfortunes met with on the rapids” and other “risques.”[20] Another Vermonter reported his “boards was all got down [to Québec] but 4 cribs got stuck by a bad Pilot [and] Some Part was obliged to be unloaded by which means some of the boards have been lost.”[21] Guy Catlin, a Burlington merchant, kept a journal of his experience on a raft floated out of the Lamoille



"Timber Raft on Lake Champlain," hand-colored engraving, dated 1831, by Fenner Sears & Co. (engraver not identified) for publication in John Howard Hinton's The History and Topography of the United States of North America *(1831). The image is based on a painting by Thomas Cole after a sketch he made in 1827. Courtesy of Special Collections, Bailey/Howe Library, University of Vermont.*

River in late April 1805. With the aid of a pilot, he managed to negotiate "the rapids at St Johns," before his real difficulties commenced. "The wind blowing fresh from the west," he wrote, the raft "was blown on the Island an[d] stove [in] one crib of Oak timber. . . . [We] found our Raft Drifting Down River with only seven hand[s] on board." His raft then "ran a foul of Mr. Waterman['s] raft lying on the west side of the river and an other on the East which Made a Bridge across" the Richelieu. To compound Catlin's woes, a pious official boarded the raft and "forbid doing anything more" to free themselves because of "a Complaint for breaking the Sabath." This "occasioned a Dispute" which ended with "one of the hand[s] giving him a severe glazing." When Catlin's raft finally got to the St. Lawrence River, wind and current drove it past Québec and onto the Ile D'Orleans, about three miles downstream from the prime marketplace.[22]

The problems did not disappear when the rafts finally negotiated the voyage to Québec. The need for spring floods to float the rafts and carry them over the rapids on the Richelieu River landed all of the Vermont produce at the market at the same time, saturating the market and depressing prices. Traders had to contend with the monopsony of many sellers chasing a very small number of buyers, referred to by Ira Allen as "the sharpers at Q __" and "d—d scotch rascals."[23] The Canadian merchants who acted as middlemen for British buyers would often arbitrarily downgrade the quality of the timber, and when it arrived in Britain, merchants subjected it to further grading and condemnation. They also charged the Vermonters inflated prices for the goods they took home in exchange. Catlin punctuated his *Journal* with a weary and repetitious recital: "Thursday continued with the Raft. No person as yet appears to purchase." The next week he recorded, "Tuesday and Wednesday attended as usual to the Raft with out finding anyone to ask the price of timber." He continued "from Day to Day without finding anyone to purchase it."[24] "Without punctuality," beating most of the rafts to Québec, the lumber trade was "not worth a continental dam[n]."[25] Vermonters would sell at depressed prices, because unsold timber and boards caused "a great loss" as they "lay in the river over the winter" deteriorating because "of the frost splitting them."[26] Sometimes dry weather added to the difficulties. Levi Allen wrote to Ira, "It appears obvious very little if any lumber will git to Quebec this season, Except heavy rains set in soon."[27] In 1789 the Reverend Nathan Perkins, touring Vermont, concluded that "the rafting business is unprofitable for the State and for individuals that undertake it."[28] But the producers from the Champlain Valley had little choice.

Despite the difficulties, the rafting trade in squared oak and pine timber, shingles, staves, masts, and spars, and oak, pine, birch, and cherry boards and planks that had begun haltingly in the late 1760s greatly increased in volume in the 1780s and 1790s. Until the mid-1790s, when the Jay Treaty took effect, most of the pearl and pot ash produced in the Champlain Valley also went to market by the barrel on the timber rafts for re-export to Britain. Pot ash served as a key ingredient in glass, lye, and soap making, and fertilizer. Bakers used the more refined and valuable pearl ash as a leavening agent. Both found an eager market. The rafts also carried the increasing agricultural surplus to market for Canadian consumption.

Champlain Valley farmers and merchants sent produce to markets as far away as Troy and Albany, Portland, Boston, Hartford, New Haven, and New York. But the majority of their surplus production of wheat, oats, hops, corn, rye, pease, varieties of seeds, cheese, butter, honey, cattle, oxen, horse, salt beef, and salt pork went to Canada, much of it piled on rafts. The customs house at St. John entered twenty-two different agricultural products that "found a ready and profitable market" in Canada. A "great portion" of the agricultural produce "could not be carried to any other place of sale."[29] Canadian merchants re-exported only pork and wheat in any quantity; they sold the rest in Canada. The *Montreal Gazette* regularly carried advertisements for cheese, honey, beeswax, sole leather, and corn from the Champlain basin. D. A. Grout proudly announced that he used "Lake Champlain flour" in his Québec bakehouse.[30]

After the Jay Treaty the patterns of commerce changed dramatically. Timber continued to travel to Québec on rafts, but a variety of other products and much of the valuable ash trade went to Montreal, which quickly eclipsed Québec as the commercial center for the American trade. While timber rafts continued to carry Champlain Valley produce into Canada well into the War of 1812 and perhaps a few years after that, the pressure to carry other goods to the Montreal market spawned a fleet of lake vessels.

The beginning of the era of commercial shipping on Lake Champlain coincided almost exactly with Jay's Treaty. Before ratification of the treaty in 1795, only four commercial vessels sailed on the lake. Benjamin Boardman of Burlington owned a 30-ton sloop (name unknown) built in 1791. Gideon King of Burlington, who would become known as the "Admiral of Lake Champlain" because of his extensive shipping interests, owned the 30-ton sloops *Dolphin* (1793) and *Lady Washington* (1795), and Jed Boynton owned the 30-ton sloop *Burlington Packet* (1793). By 1800 the fleet had grown by eleven more. When the War of 1812 broke out, builders had launched an additional thirty-one commercial vessels in Lake Champlain, including the second steamboat in the United States, the 120-foot *Vermont,* built in Burlington, that went into service in 1809. Shipwrights in Burlington and Essex, New York built almost all of the vessels, each sending about half of the lake's fleet down the ways.[31] "Admiral" King, who owned about 40 percent of the fleet before 1800, not only "controlled and furnished the business for nearly all the vessels," but also advanced much of the money to build them.[32] The fleet carried products, some passengers, and news north from a transshipment point at Whitehall at the head of the lake to lake ports and St. John on the Richelieu River. The goods then moved overland from St. John about eighteen miles to Montreal. The vessels returned south over the same route carrying British and some Canadian goods and fur.

Other forms of transportation augmented the fleet, seasonally limited by the winter freeze-up. Many of these developments immediately followed the implementation of the Jay Treaty. By 1797, a regular weekly postal service had begun to operate between Burlington and Montreal, connecting with service south from Burlington to Albany and New York and beyond.[33] The same year the *Montreal Gazette* announced a subscription to construct "a Public road proposed to be laid out from the Province line at Missiskouie Bay to St. Johns" to link with the road from the south "where a line of stages are established."[34] In 1797, Vermont adopted an act "to Lay out & Survey a Postroad from Onion [Winooski] River to the Province Line" to improve the old road.[35] These roads would tie into a growing network of roads and turnpikes linking Burlington and Middlebury with the Connecticut River Valley and Boston to the southeast and Troy, Albany, and New York to the south. Both routes had regular stage service by 1807.[36]

Also in 1797, Abija Cheeseman opened an inn ("house of entertainment") at St. John, from which he rented "Horses and Calashes" and operated "two good stages which run everyday from St Johns to Laprairie" across the St. Lawrence River from Montreal.[37] A year later Francis Duclos inaugurated a ferry service "from St. John's to Vermont." He "opened a House of Entertainment furnished with the best Liquors and Provisions at South River ferry Missiskoui Bay," probably in Alburgh.[38] In 1806, two Vermonters "adjacent to the landing at LAPRAIRIE . . . opened a HOUSE OF ENTERTAINMENT" to serve "Gentlemen Merchants and others, having property to transport across the River to Montreal, or to St. John's." They supplemented the usual "custom" of the inn with a daily round-trip stage between St. John and Montreal and cartage for "POTASH and any other property."[39]

With the Jay Treaty opening the Canadian market, American merchants needed to conduct business in Montreal. In January 1798, the *Montreal Gazette* advertised that "persons wanting to go the United States, will find good opportunity, by applying to Mr. Seth Brown at Mr. Clarke's near the Recollet Gate, who has a good covered Sleigh and a baggage one, with able horses."[40] Hugh Gray, an English visitor, observed that "travel from Canada to the United States . . . is not without its dangers, particularly in the winter; yet with all the inconveniences attending it, the journey is performed very frequently." The "Americans," he reported, "are constantly coming to Canada, particularly to Montreal."[41] The introduction of packets on Lake Champlain regularized and improved travel conditions. By 1807, passengers "from Burlington to St. Johns" could expect "a safe trip and pleasant passage in Packets, 75 M[iles in] from 10 to 24 H[ours]. From St Johns to Lapraire a stage runs daily, 18 Miles, 3 Hours. From Laprarie to Montreal, a ferry, 9 Miles, 2 1/2 Hours."[42] In 1809, the *Vermont* ushered in the age of steam, removed the vagaries of wind, and lopped hours off of travel time over the lake. It could make the lake passage from Whitehall to St. John in twenty-four hours. Each week the *Vermont* met "the Southern stage at Whitehall, and complete[d] the line at St. John's L.C." It then returned to Whitehall with a call at Burlington both coming and going.[43]

Stimulating Economic Activity

Economic activity grew on each side of the lake, spurred by advancing settlement and augmented by the opportunity presented by the Jay Treaty. As with the population, the New York side lagged behind Vermont. In 1809, Peter Sailly, collector of customs of the Champlain District, informed the U.S. Secretary of the Treasury, Albert Gallatin, that "there are five works on the New York side of the lake where iron is manufactured." "There is," he continued, "an anchor shop of pretty large scale." But "we have none but household manufactures of cloth. There is a number of cording mills, and nail cutting by water machinery is done to a considerable extent." He concluded that, except for iron, "manufacturing here are of little importance."[44]

A report written the same year on manufacturing in Vermont by a committee of the General Assembly found very different conditions. The committee did not even bother to consider forest products and related by-products or other "branches of mechanical business." It reported that the Champlain Valley had fifty-nine "clothiers works" and fifty-two cording machines, which annually produced 487,000 yards of cotton and linen cloth and 428,000 yards of woolen cloth. The region also made "hosiery and almost every article usually made from wool, cotton, or flax." While much of this output provided "for the common use of families" locally, it also provided enough for export. The Champlain Valley produced an exportable surplus of iron in eight blast furnaces and twenty-three forges, with the furnace and forge at Vergennes alone yielding "from 60 to 70 cwt. of pig iron and ware each 24 hours."[45] The valley's five paper mills annually produced a surplus for "exportation."[46] These industries often found their export market in Canada under the terms of the Jay Treaty.

While the Canadian merchants hoped the Jay Treaty would increase their re-export of British goods to the United States, in practice it worked the other way, allowing American merchants to compete with the British on the Canadian market, and, in some cases, capture it. Slowly after July 1, 1796, when the terms of the Jay Treaty went into effect, an increasing number and volume of American manufactured goods poured into Canada. Products previously prohibited from entering Canada traveled there over the Champlain-Richelieu route. From the foundries at Whitehall came saw and grist mill irons; from New York came

"Gowland's Lotion for eruptions in the face and the Essence of Mustard a specific for Rheumatism, as well as tobacco, ribbons, leather goods, candles, and assorted dry goods"; from Boston came shawls, "silk and velvet ladies ware," leather, plumes, combs, ribbons, umbrellas, and shoes; and from Philadelphia came clothes, jewelry, furniture, and "handicrafts of the Pennsylvania Germans." Before 1797, very few advertisements for American goods "lately received" appeared in the *Montreal Gazette.* After that they appeared in all seasons.[47] In the winter, when the ice closed water-borne shipping, sleighs laden with American manufactured goods came to Montreal from as far away as Boston.[48]

In 1799, the commercial syndicate of Caldwell, Van Ingen, & Caldwell in Albany and Caldwell & Fraser in Montreal established a "Manufactory" in Albany. The enterprise produced or processed "Tobacco of all kinds, Snuff, Chocolate, Mustard, Starch, Hair Powder, Hull'd Barley, and Split peas."[49] The Montreal branch of the firm carried on an especially large business in tobacco. The "Manufactory" in Albany sent quantities of carrot tobacco in three sizes, pigtail tobacco, chewing twist, Scotch snuff, fine-cut smoking tobacco in three different sizes, and common-cut smoking tobacco in two sizes.[50] Before 1796, British ships carried all of the manufactured tobacco brought into Canada at Québec, except any smuggled from the United States. The Jay Treaty dramatically changed this. Soon after 1796, the customs house at St. John entered increasing quantities of manufactured tobacco, and within a decade almost 100 percent of the importation of the product entered Canada over the Champlain–Richelieu route, demonstrated by the total absence of tobacco products entered at Québec soon after 1796.[51]

Even with timber, pearl and pot ash, and agricultural commodities continuing to float on rafts into Canada in large amounts, the trade in American manufactures, non-existent before 1796, constituted nearly one half (44 percent) of the trade with Canada in 1807.[52] When the Americans, adding to the export of their own products, began to re-export goods from British colonies over the Champlain–Richelieu route, the Canadians observed with dismay that the competition from the United States had increased "to a considerable Magnitude, and sundry articles are daily brought in from thence, which are the Produce & Manufacture of the East & West Indies."[53] Canadian merchants complained of the "Rivalship of trade" the Jay Treaty introduced in "Teas and all kinds of East India Goods." They correctly feared it would virtually "exclude all importations of that kind of trade from the Mother Country." It especially vexed them that "by inland navigation, the American[s] may bring Brandies and Wines into Canada, which British subjects are prohibited to import from places of their growth," as the trade and navigation laws required that British merchants endure the cost of first taking them to Britain before re-exporting them to Canada.[54] American merchants could now legally circumvent the monopoly that had protected high prices on goods imported by the British East India Company. The Montreal merchants despaired at the situation, and they bitterly complained that "the treaty has been very injurious, and annually becomes more so . . . as it affords a monopoly to the States in supplying the two Provinces [Upper and Lower Canada] with Teas, Cotton, and other East Indian Commodities, as well as Articles of foreign European Production."[55]

The Jay Treaty, as the Canadians noted with resignation, also affected goods imported from other parts of the world than the British East Indies. On the popular commodity of rum, a staple in the taverns and the fur trade, the British attached a 9d. per gallon tariff on rum that shipped from the British West Indies. But they levied a duty of only 3d. per gallon on rum shipped from England. Because of the trans-Atlantic transportation costs, rum coming through Britain could not compete. Rum coming from the West Indies or American distilleries directly into Canada over the Champlain–Richelieu route and paying 3d. per gallon, as specified by the "most favored nation" provision in the Jay Treaty, captured the market.[56]

American merchants did not ignore opportunities and made the most of these new regulations. A wide variety of goods brought to American ports from the far corners of the world made their way north over the Champlain–Richelieu route and appeared in Canadian warehouses and on the shelves of Canadian shopkeepers. In 1794–95, before the Jay Treaty, the customs house at St. John listed only thirty-two items other than wood products. By 1800 that number had climbed to seventy, and in 1807 it exceeded 110.[57] Montreal merchants such as Joseph Provan, James Caldwell, Horatio Gates, George Kittson, Thomas Schiefflier, and James Dunlop advertised a host of goods "lately received from New York," including capers, olives, almonds, raisins, lemons, limes, wines, rum, cordials, Holland gin, anchovies, chocolate, "Spanish segars," India cotton, Russian and Scotch sheeting, and Irish linens. The customs house at St. John even recorded the passage of a lion from the United States into Canada.[58] James Dunlop received "from Canton, via New York Four Quarter Chests" of a variety of teas.[59] H. Caritat, a New York bookseller, traveled to Montreal to sell his inventory of books from France, and John Jacob Astor and his agents, who had operated in Montreal since 1787, much of it illegally in smuggling fur, maintained a warehouse in Montreal and traded in tea, probably imported from

China where he sold fur.[60] In many cases merchants in Burlington and some other Champlain Valley towns assumed the position of middlemen in this re-export trade.[61]

While these goods poured into Canada over the Champlain–Richelieu route, their importation at Québec came to a halt. The absence of complete import records makes estimation of the competitive effect of the Jay Treaty difficult to measure. The full returns at Québec for 1805 show that no tea, chocolate, nankeens, nor spices entered through the St. Lawrence. Instead, the customs house at St. John listed all of these products with tea alone accounting for about 90 percent of their monetary value.[62]

The flow of goods north, the growing commercial partnerships, and the improved transportation provided stimulus for the reverse trade. Before the Jay Treaty, settlers in the Champlain Valley obtained many supplies from Canada, most of it re-exported from Britain. Salt, millstones, iron stoves, and other hardware, all too inexpensive in relation to their weight and bulk to be transported profitably from the Hudson or across the Green Mountains from Boston, constituted the most important part of the trade. But Canadian merchants also sold spirits, dry goods, glass, paint, earthenware, wine, red lead, plaster of Paris, gunpowder, feathers, horses, and fish oil and fish to Champlain Valley settlers.[63]

Salt, mostly from Liverpool, always a staple in the Champlain Valley's imports from Canada, remained the most important non-fur import from Canada after the Jay Treaty. One British traveler noted that "the Vermontese depend wholly on that country [Canada] for their supply of salt." The *Vermont Centinal* frequently carried notices by Burlington merchants such as Newell & Russell, Jewett & Moore, and Peaslee & Haswell for the "Best Liverpool Salt." Of the fifty-three vessels with cargoes from Lower Canada that docked in Burlington between June 1805 and November 1807, thirty carried salt.[64] The Canadians also sent quantities of fish, which after 1796 lagged only the value of salt in exports to Burlington. In the eighteen-month period after June 1805, one-third of the vessels arriving from St. John carried fish, and ads for "shad, just received from Canada" or "A Quantity of Excellent LIVER OIL," often appeared in the *Vermont Centinal.*[65] Many other products joined the salt and fish, in much less value. One sloop from St. John entered the customs house at Champlain on the New York side of the lake carrying the most weighty item of the trade, an elephant valued at $100.[66]

The development of transportation on Lake Champlain after 1795 that permitted the flood of American products and other products imported though American Atlantic ports to reach Canada, also stimulated northbound commerce. As Canadian merchants had feared, this reversed the commerce that had previously gone from Québec to Vermont paid for by the sale of products rafted to Canada. After the Jay Treaty took effect, the customs house at St. John, with the exception of the special case of fur, recorded very little increase in the value of exports to the United States. It reported £4,000 of non-fur exports in 1794, two years before the Jay Treaty went into effect, and only £4,600 in 1800, four years after the treaty. Even with the robust economy of the early 1800s, St. John listed the value of non-fur exports as only slightly over £9,000 in 1807.[67]

When the Jay Treaty began to operate it reversed the balance of trade going through St. John. In 1795, Canada maintained a favorable balance, but by 1797, the advantage in payments had turned completely around. The United States achieved a very favorable balance at St. John that grew to £40,000 by 1800, when the value of commerce moving north into Canada exceeded the southbound flow by ten times. The imbalance created difficulties for shippers to find cargoes heading south from Canada.[68] The Americans carried much of their favorable balance of trade "out of Canada in cash." In Québec the merchants complained of "a serious and growing evil to the province," especially because of "the gold and silver . . . carried out of the province, the amount of which rises annually." They laid the blame squarely on the Jay Treaty, for the "regulations of commerce with the States; an evil which calls for redress, as those regulations, without being for the general interest of the empire, serve only to cramp commercial exertion of his majesty's subjects."[69] Of the variety of coins in circulation in Canada, the Americans preferred the Spanish dollar, which they used in the China and British East Indies trade. Hugh Gray, a British traveler who lived in Canada for several years in the first decade of the nineteenth century, concluded that "there does not appear any way of preventing this drain of circulating medium while the trade remains on its present footing."[70] The commercial regulations that put them at a disadvantage with their American counterparts, who only a short time before they had called rebels and had fought, made the price of loyalty appear very high.

Even the sudden emergence of fur exports going directly from Canada to the United States did not redress the trade imbalance. After 1796, when the imperial regulations requiring merchants to ship fur to Britain before re-exporting it to the United States were lifted, fur quickly became a dominant part of the commerce moving south over the Champlain–Richelieu route. In fact, it became the single most valuable sector of the commerce moving in either direction. Since the seventeenth century, French and Indians had smuggled fur south through this corridor to the Dutch and later the English at Albany. The clandestine trade set up to avoid the imperial monopoly centered in Paris thrived. Not long after the Treaty of Paris formally ended the American Revolution in 1783, John Jacob Astor sent a man to Montreal to purchase fur, even though the British still prohibited its shipment to anywhere but London.[71] The evidence suggests that Astor maintained this trade illicitly. In the late 1780s he began trips to Montreal in the late summer and early fall of every year to arrange to purchase and ship fur. At Plattsburgh, Astor lodged with Peter Sailly, an early settler, prominent local merchant, and later collector of customs for the Champlain District.[72] The lake sloop *Lady Washington,* owned by "Admiral" Gideon King of Burlington, another of Astor's agents, was launched in 1795, the year before the Jay Treaty legalized the direct exportation of fur to the United States. The sloop had a notorious false bulkhead and a record of smuggling.[73]

In late September 1788, Astor bought $2,000 worth of fur and "officially" had them shipped to New York via London, in strict conformity with trade law.[74] Less than a month later, well short of the time required for two trans-Atlantic voyages, Astor advertised in New York that he had "a quantity of Canada Furs, such as beaver, beaver coating, raccoon skins, raccoon blankets, and spring muskrat skins."[75] The next year Astor returned to Montreal and contracted for $15,000 worth of muskrat skins.[76]

Because the rampant practice of smuggling fur from Canada directly to the U.S. had existed for well over a century, the Jay Treaty may not have drastically changed the situation when the trade became legal. The extent of the commerce may simply have become more visible. In 1798, almost £10,000 worth of fur went to the United States through St. John, amounting to 70 percent of the value of the entire southbound commerce. By 1800, the value of the fur exported from Canada directly to the U.S. had jumped to over £22,300, which made up about 85 percent of the value of the exports recorded at the St. John customs house. In seven more years the value of the trade had more than tripled to £75,000. The immediate success and rapid growth of the fur sector indicated its highly profitable nature and suggested that it built on an illicit trade developed well before the Jay Treaty.[77]

The customs returns at St. John single out Astor, Gideon King, and other Lake Champlain shippers who frequently carried cargoes that included fur. Astor and others re-exported some of the fur from New York "direct to China," where, along with Spanish dollars, it constituted a staple in the growing American commerce with the Far East.[78]

These traders would return to the United States with British East Indian goods, some of which would eventually make their way through the Champlain–Richelieu route to Canada.

A growing community of interest developed along the route as commercial relations increased and the transportation improved. After 1796, a number of American merchants migrated to Montreal, where they engaged in the sale of British East Indies products, American manufactures and new staples.[79] James Caldwell, part of a larger mercantile concern, came from Albany.[80] Vermonter Horatio Gates became one of the leading merchants in Montreal, a founder of the Bank of Montreal and a member of the Legislative Council of Lower Canada.[81] Older, well-established American firms made alliances with other firms and opened new offices. Caldwell was a partner in both an American and a Canadian consortium.[82] Bellows & Gates of Montreal announced a "connection with the Boston firm of Bellows, Cardis and Jones."[83] Montreal merchants engaged in the trade over the Champlain–Richelieu route included Joseph Provan, James Dunlop, Thomas Schieffleu, George Kittson, Henry Richard Symes, Jonathan Hazen, Lewis Lyman & Co., McLean & Buckley, Fraser and Sanford, James Laing & Co., and G.G. Lester & Co. In Burlington alone, these merchants did business with Gideon King, Moses and Guy Catlin, Samuel Fitch & Co., the firm of E.H. Deming, L. Tousey, G. Buel, and Horace Loomis, Peaslee & Haswell, Jewett & Moore, and Newell & Russell.[84]

Enterprising Americans operated inns and stage lines in Canada, and in Québec a group of American boarding house managers made their greatest profits in the spring when the timber rafts arrived.[85] Numerous American tradesmen and artisans—tailors, saddlers, masons, and lumbermen—found employment north of the border.[86] In Montreal, Bellows & Gates sold tickets for the "Harvard College Lottery with the possibility of winning $20,000 and a number of other capital prizes."[87] James Caldwell proudly and publicly announced the marriage of his daughter in both Montreal and Albany.[88] The community of interest that developed around business relationships and extended into public services and social matters would soon transcend trade regulations, international tensions, and even war.

The Jay Treaty and the American Advantage

Prior to Jay's Treaty, as settlement took hold in the Champlain Valley and particularly in the Vermont counties in Lake Champlain's watershed, residents marketed timber and forest products, and, gradually, agricultural surplus on large rafts floated down the lake and through the Richelieu River to Québec. In return, the Americans used the proceeds to purchase from Canadian merchants goods they took back to Vermont. The Canadian merchants had the commercial whip hand, and they enjoyed a favorable balance of trade. After the American Revolution, an international boundary placed British mercantile regulations between the United States and Canada. With Canadian permission and implicit British approval, Americans could market only forest products and a small number of other goods enumerated in a proclamation issued by the governor of Canada. The British mercantile regulations placed no prohibitions on British goods the Canadian merchants could export to the United States, however, and the Canadian trade advantage grew. The Allens and others in the Champlain Valley with timber and produce to market chafed under the regulations. This motivated the Allens to initiate renewed negotiations with Canadian authorities in the 1780s. At the same time, a significant illicit movement of fur from Canada, primarily from Montreal, flowed to the United States, flouting the British regulations that required that all fur go directly to the mother country. In the 1790s, rapid population growth in the Champlain Valley and expanding agricultural production and markets generated the demand for improved transportation and related infrastructure. These developments placed increasing pressure to overcome, or illicitly by-pass, imperial restrictions on trade with Canada.

The Jay Treaty, ratified by the U.S. Senate in 1795, took real effect in 1796, drastically altering the rules governing Canadian–American inland and lake-borne trade. The pattern of commerce suddenly and dramatically changed. Americans could legally export a full range of products and manufactured goods to Canada, paying no higher duties than the British. They could also carry products from the British East Indies directly to New York and other American Atlantic ports, and transport them over the Champlain–Richelieu route for sale in Canada. The treaty permitted the legal import of fur directly from Canada to the United States. Jay's Treaty suddenly tore down the dam of British mercantilism, and the commerce began to flow north in a widening stream. Beginning in 1796 and accelerating in the decade that followed, the balance of trade with Canada reversed. East Indies goods and products like rum and tobacco entered Canada through St. John and no longer in British ships at Québec. John Jacob Astor and others increased the imports of fur directly into the United States, merchants formed international alliances, Montreal replaced Québec as the center for trade with the United States (except for the rafted forest products), and the ship-building industry on Lake Champlain began in earnest. These changes all pivoted in 1796–97, an inflection point created by the treaty.

The pattern introduced by the Jay Treaty would grow and strengthen. When, in violation of the Jay Treaty (the sovereign law of the land, a point that no one made), President Jefferson introduced the embargo in late 1807 and extended it early the next year to the inland and lake trade with Canada, the merchants and producers found ways to evade the restrictions. Even the prosecution of the War of 1812 in the Champlain Valley could not stem the trade with a declared enemy in Canada.[89]

The "disgraceful commercial treaty" signed by John Jay introduced an era of prosperity into the commerce of the Champlain–Richelieu route and systems of trade that would not dissolve until the depletion of American forest products ended the rafting tradition, more restrictive post-War of 1812 Canadian regulations made the trade more difficult and less profitable, and the opening of the Champlain Canal connecting the lake to the Hudson River in 1823 allowed the creation of new markets. During the two decades with its provisions in full force, the once-hated Jay Treaty reconfigured and accelerated commercial life in the Champlain Valley.

Notes

[1] Samuel Flagg Bemis, *Jay's Treaty: A Study in Commerce and Diplomacy* (New Haven and London: Yale University Press, rpt. of 1923 edition), 355. Bemis prints the text of the Jay Treaty in Appendix B.

[2] The Hudson River, Lake Champlain, and the Richelieu River, with overland carries between the Hudson River to Whitehall, New York, at the head of the lake and from St. John on the Richelieu River to Laprairie on the St. Lawrence River opposite Montreal, formed the water route connecting New York and Montreal. This article uses the term "Champlain–Richelieu route" to refer to the entire route.

[3] Daniel Chipman, *The Life of Hon. Nathaniel Chipman, LL.D.* (Boston: Charles C. Little and James Brown, 1846), 37.

[4] Eliakim P. Walton, ed., *Records of the Governor and Council of Vermont,* 8 vols. (Montpelier: J. & J. Poland, 1873–1880), 4: Appendix A, "Vermont in 1791, As Viewed By a Virginian,—No Slavery," 423–424. See also Vermont Historical Society, "Jefferson in Vermont," *In Context: Vermont Historical Society News and Notes,* 3, (Spring 1999): 2.

[5] Kyle Scanlon, "The Dark Side of Maple Sugaring," *Livin' The Vermont Way,* 1 (March/April 2005): 11.

[6] *Governor and Council,* 4: 423–424: and Aleine Austin, *Matthew Lyon: "New Man" of the Democratic Revolution, 1749–1822* (University Park and London: Pennsylvania State University, 1981), chapter 6.

[7] Philip S. Foner, ed., *The Democratic-Republican Societies, 1790–1800: A Documentary Sourcebook of Constitutions, Addresses, Resolutions, and Toasts* (Westport, Ct. and London: Greenwood Press, 1967), 273, 279, 283.

[8] Bemis, *Jay's Treaty,* Appendix B.

[9] Ibid., 355, and 469–471. Bemis mentions the importance of Article XIII, but he does not link it to Article III. He wrote that Article XIII "proved to be of much more advantage to the United States than doubtless either party recognized at the time of making the treaty." This implicitly asserts that Jay, the son of a mercantile family, with vast legal experience, and a reputation for shrewdness, did not recognize the loophole. Alexander DeConde, *Entangling Alliance: Politics and Diplomacy under George Washington* (Durham, N.C.: Duke University Press, 1958); Joseph Charles, *The Origins of the American Party System* (New York: Harper and Row, 1961); and other treatments of the diplomacy and politics of the 1790s do not link Articles III and XIII. Walter Stahr, *John Jay* (New York and London: Hambleton and London, 2005), who published the best

modern work on Jay, in a letter to the author of May 2, 2005, indicated he could "not think of anything that proves Jay was well aware of the possibilities of trade across the St. Lawrence" generated by Article XIII, though he thought it possible Jay "was friendly with one of those [merchants] . . . involved at least the US-Canada trade." The reasons why the British accepted Article XIII that proved so prejudicial to Canadian and British merchants remain obscure. Gerald S. Graham, *Sea Power and British North America, 1783–1820* (Cambridge, Ma.: Harvard University Press, 1941), 163, cites no evidence, but assumes it was a "technical oversight," as "it was undoubtedly assumed by the British government that there would be no re-export." Holden Furber, "The Beginnings of American Trade with India, 1784–1812," *New England Quarterly,* 11 (June 1938): 245, remarks that Article XIII reflected "the willingness of the British government to be accommodating about what they considered a minor point in the negotiations." This suggests a British ignorance of North American geography. Their previous oversights accounted for several points that the Jay Treaty rectified. No doubt, more than a "technical oversight" accounts for the provisions that allowed American merchants to access the Canadian market with products from the British East Indies.

[10] Stephen Thorn to Robert Woodworth, 15 March 1797, quoted in James Benjamin Wilbur, *Ira Allen, Founder of Vermont, 1751–1814,* 2 vols. (Boston and New York: Houghton Mifflin Company, 1928), 2: 116.

[11] Foner, *The Democratic-Republican Societies,* 38.

[12] Lord Portland, Secretary of State, to John Graves Simcoe, Lt. Governor of Upper Canada, in E. A. Cruikshank, ed., *The Correspondence of Lieut. Governor John Graves Simcoe,* 5 vols. (Toronto: Ontario Historical Society, 1923–1931), 3: 185.

[13] National Archives of Canada (hereafter NA), Q, LXXV, part 2, 271, Dorchester to Portland, Quebec, 30 April 1796.

[14] Ibid., R.G. 1, El, B, 282, Thos. Aston Coffin to Patrick Conroy, 25 April 1796. Contemporary sources refer to "St. John's," "St. John," and, occasionally "St. Jean" (the term now in use in francophone Québec.). Unless directly quoted otherwise, this article uses the term "St. John."

[15] Province of Lower Canada, *The Provincial Statutes* (Quebec, 1796), 1:214, 36th Geo. III cap. VII, 7 May 1796; and ibid., 2: 2, 32–34, 50, 174; 3: 12, 88, 190–192, 248; 4: 16, 152–154, 388–390; and 5: 46–48, 140.

[16] NA, R.G. 1, E1, B, 303–305.

[17] NA, CO 42/12, 392 m (microfilm); *Report of the Canadian Archives, 1921,* Appendix B, 34–41; and Province of Lower Canada, *Order of the Governor and Council of 7th July 1796* (Quebec, 1796).

[18] David Anderson, *Canada: or, a View of the importance of the British American Colonies* (London: J.M. Richardson, 1814), 7.

[19] For easy reference to the decennial population of Vermont by counties and the five largest towns see Michael Sherman, Gene Sessions, and P. Jeffrey Potash, *Freedom and Unity: A History of Vermont* (Barre, Vt.: Vermont Historical Society, 2004) Appendices A and B.

[20] Levi Allen to Ira Allen, 16 June 1785, in Wilbur, *Ira Allen,* 1: 490; and Levi Allen to Ira Allen, 11 October 1788 in ibid., 1: 508–509.

[21] John Stevens to Ira Allen, 15 June 1789, Allen MSS, Special Collections, Bailey-Howe Library, University of Vermont (hereafter UVM).

[22] Guy Catlin, *Journal for Lower Canada, 1805,* Catlin MSS, UVM.

[23] Constantine Alonzo (Levi Allen) to Ira Allen, 3 May 1789, Allen MSS, UVM; and Levi Allen to Ira Allen, 11 October 1788, in Wilbur, *Ira Allen,* 1: 508–509.

[24] Catlin, *Journal,* 180, Catlin MSS, UVM; H. Nicholas Muller III, "Floating a Lumber Raft to Quebec City, 1805: The Journal of Guy Catlin of Burlington," *Vermont History,* 39 (Spring 1971): 116–124; and David Kendall Martin, ed. (with transcription and annotation by Fuller Allen), *The Journal of William Gilliland* (Plattsburgh, N.Y.: Clinton County Historical Association, 1997), 81.

[25] Levi Allen to Fraser & Young, 4 May 1787, Allen MSS, UVM.

[26] John Stevens to Ira Allen, 11 October 1789, Ibid.

[27] Levi Allen to Ira Allen, 18 August, 1786, Ibid.

[28] Nathan Perkins, *A Narrative of a Tour Through The State of Vermont* (Rutland: Charles Tuttle Company, 1964), 33.

[29] *Vermont Centinel,* 22 April 1808.

[30] *Montreal Gazette,* 25 December 1797, 1 May 1801, 4 February 1807, and 13 April 1807.

[31] Abby Maria Hemenway, ed., *The Vermont Historical Gazetteer,* 5 vols. (various places: 1862–1882), 1: 670, prints a list compiled by Thomas H. Canfield, with the help of retired Lake Champlain captains, "of vessels built on Lake Champlain from 1790 to the time of the last war, say 1815." Ralph Nading Hill, *Two Centuries of Ferry Boating* (Burlington: Lake Champlain Transportation Co., 1972), 72, filled in the Canfield list with steam powered vessels. George F. McNulty, a prodigious researcher, who compiled the most complete list of vessels built and plying Lake Champlain between 1791 and 1814, added a number to the Canfield enumeration. Letter of 8 September 2005 to the author.

[32] Hemenway, *Vermont Historical Gazetteer,* 1: 670n.
[33] *Montreal Gazette,* 16 January 1797.
[34] Ibid., 6 November 1797.
[35] Vermont, *Governor and Council,* 3: 135.
[36] *Vermont Centinel,* 23 September 1807, 7 July 1807, and 18 August 1807; Walter Hill Crockett, *Vermont: The Green Mountain State,* 5 vols. (New York: The Century History Company, 1921–1923), 2: 521; and G. P. deT. Glazebrook, *A History of Transportation in Canada,* 2 vols. (Toronto and Ottawa: Carleton University Press, 1964), 1: 134.
[37] *Montreal Gazette,* 7 August 1797; and Hemenway, *Vermont Historical Gazetteer,* 2: 496.
[38] *Montreal Gazette,* 20 March 1798.
[39] *Vermont Centinel,* 2 July 1806.
[40] *Montreal Gazette,* 22 January 1798.
[41] Hugh Gray, *Letters from Canada, Written during a Residence There in the Years 1806, 1807, and 1808* (London: Longman, Hurst, Rees, and Orme, 1809), 272–276.
[42] *Montreal Advertiser,* no date, advertisement dated Windsor, Vt., June 1807.
[43] David J. Blow, "VERMONT I, Lake Champlain's First Steamboat," *Vermont History,* 33 (Spring 1966): 115–122.
[44] Sailly to Secretary of the Treasury, 7 September 1809, in Peter S. Palmer, *History of Lake Champlain, from Its First Exploration by the French in 1609 to the Close of the Year 1814* (Albany, N.Y.: J. Munsell, 1866), 173n–174n.
[45] *Governor and Council,* 5, Appendix 1, 500–501, "Domestic Manufactures in Vermont—1809." The report breaks out the data by counties. The term "Champlain Valley" includes the five counties in the Lake Champlain watershed: Rutland, Addison, Chittenden, Franklin, and Grand Isle.
[46] Marcus A. McCorison, "Vermont Papermaking, 1784–1820," *Vermont History,* 31 (Fall 1963): 209–245.
[47] *Montreal Gazette,* January 1798, 3 December 1798, 20 May 1799, 11 August 1799, 4 November 1799, 5 January 1807, 6 April 1807, and 30 November 1807.
[48] George Heriot, *Travels Through the Canadas* (London: Hurst, Rees, Orme, and Brown, 1807), 51.
[49] *Montreal Gazette,* 18 November 1799.
[50] Ibid., 4 November 1799, and 9 June 1800.
[51] Lower Canada, *Journals of the House of Assembly of Lower Canada* (hereafter *Journals*) recorded the annual import of manufactured tobacco and snuff at the customs house at St. John. See Lower Canada, *Journals 1802,* 166, *Journals 1803,* 68, *Journals 1804,* 130, *Journals 1806,* 184–186, *Journals 1807,* 230–232, *Journals 1808,* 262–264, *Journals 1809,* Appendix A, and *Journals 1811,* Appendices A6 and B6.
[52] NA, S, XXVII, 7; LVIa, 5; *ibid.,* LXIV, 114–116; LIX, 105; Gray, *Letters,* 180–181; and *Journals 1808,* 646–651.
[53] Lt.-Governor Russell to Duke of Portland, 17 July 1798, in Harold A. Innis and A. R. M. Lower, eds., *Select Documents in Canadian Economic History, 1783–1885* (Toronto: University of Toronto Press, 1933), 322.
[54] NA. M.G. 23, A 2, IX, 149.
[55] Ibid., Q-109, 236–248, "Memorial of the Montreal Merchants to Lord Castlereagh," 29 May 1809.
[56] Graham, *Sea Power,* 124.
[57] NA, CO 47/80 (microfilm); S, LVIa, 5; S, XXVII, 7; and *Journals 1807,* 646–651.
[58] *Montreal Gazette,* 3 December 1798, 4 November 1799, 20 May 1800, 8 August 1800, 27 October 1800, 3 November 1800, and 4 February 1804.
[59] Ibid., 9 June 1800.
[60] Kenneth Wiggins Porter, *John Jacob Astor: Business Man,* 2 vols. (Cambridge, Ma.: Harvard University Press, 1931), 1: 65.
[61] Burlington, Inspector of Customs, *Records,* 1805–1809, Haswell MSS, UVM.
[62] NA, S, LXII, 104. See Gray, *Letters,* 189–190; and John Lambert, *Travels through Canada and the United States in the Years 1806, 1807, & 1808,* 2 vols. (London, Edinburgh, and Dublin: Doig and Sterling, 1814), 1: 101.
[63] NA, CO, 47/80 (microfilm); S, LXVI, 114–116; S, LIX, 104; S, LVI-a, 5; S, II, 81; Burlington, Inspector of Customs, *Records,* 1805–1809, Haswell MSS, UVM; *Journals 1807,* 546–551; Gray, *Letters,* 182; and National Archives of the United States, R.G. 17, G.A.O., Revenue Letters Sent, 8: 331, "J.S. to David Russell, Tres. Dep't, Comptroller's Office, 17 November 1798."
[64] Lambert, *Travels,* 1: 103–104; *Vermont Centinel,* 20 August 1806, 27 August 1806, and 13 July 1807; Receipts, 27 August 1803, Catlin, MSS, UVM; and Burlington, Inspector of Customs, *Records,* 1805–1809, Haswell, MSS, UVM.
[65] See 13 August 1806.

[66] The manifest quoted in D. H. Hurd, *History of Clinton and Franklin Counties, New York* (Philadelphia: J.W. Lewis, 1880), 47.

[67] H. N. Muller III, "The Commercial History of the Lake Champlain-Richelieu River Route, 1760–1815" (Unpublished Ph. D. dissertation, University of Rochester, 1968), 197.

[68] Inspector of Customs, *Records,* 1805–1809, Haswell MSS, UVM, Burlington.

[69] A.T. to the editor of the *Quebec Mercury,* 1 December 1806; and ibid., 5 January 1807, quoted in Innis and Lower, *Select Documents,* 371.

[70] Gray, *Letters,* 183.

[71] Porter, *Astor,* 1: 23–25.

[72] Ibid., 1: 30: and George S. Bixby, *Peter Sailly (1754–1826), A Pioneer of the Champlain Valley with Extracts from His Diary and Letters* (Albany: New York State Library History Bulletin #12, 1919). Plattsburgh did not round off its name with an "h" until the twentieth century.

[73] Hemenway, *Vermont Historical Gazetteer,* 1: 669; and Walter Hill Crockett, *A History of Lake Champlain* (Burlington: Hobart J. Shanley & Co., 1909), 291.

[74] U.S. Congress, *American State Papers, Documents, Legislative and Executive, of the Congress of the United States,* 38 vols. (Washington: United States Congress, 1832–1834), 1: 269.

[75] *New York Packet,* 29 October 1788.

[76] Porter, *Astor,* 1: 360–3.

[77] NA, CO 47/80 (microfilm); S, XXVII, 7; S, LVI –a, 5; and *Journals 1808,* 646–651.

[78] NA, S, LVI-a, 5.

[79] Donald Grant Creighton, *The Commercial Empire of the St. Lawrence, 1760–1850* (Toronto: The Ryerson Press, 1937), 147.

[80] *Montreal Gazette,* 4 November 1799, 9 June 1800, and 22 June 1801.

[81] *Burlington Free Press,* 8 April 1834; and Adam Shortt, "Founders of Canadian Banking," *Journal of the Canadian Banker's Association,* 30 (January 1923): 154–166.

[82] *Montreal Gazette,* 18 November 1799.

[83] *Vermont Centinel,* 29 June 1810.

[84] Statement of G.G. Lester & Co., Catlin, MSS, UVM; and *Montreal Gazette,* 4 November 1799, 9 June 1800, 11 August 1800, 3 November 1800, 25 May 1801, 5 January 1807, 4 February 1807, 6 April 1807, and 13 April 1807.

[85] *Vermont Centinel,* 2 July 1806; Chilton Williamson, *Vermont in Quandary, 1763–1825* (Montpelier: Vermont Historical Society, 1949), 251; Marcus Lee Hansen, completed and prepared for publication by John Bartlett Brebner, *The Mingling of the Canadian and American People* (New Haven: Yale University Press, 1940), 77; and Jeremy Cockloft, *Cursory Observations Made in Quebec Province of Lower Canada in the Year 1811* (Toronto: Oxford University Press, 1960), 26.

[86] NA, S, Declarations of Aliens, 1792–1811; and Williamson, *Vermont in Quandary,* 251–252.

[87] *Montreal Gazette,* 6 April 1807. The sum of $20,000 seems so high as to suggest a misprint.

[88] Ibid., 22 June 1801.

[89] See H. N. Muller III, "Smuggling into Canada: How the Champlain Valley Defied Jefferson's Embargo," *Vermont History,* 38 (Winter 1970): 5–21; and H. N Muller III, "'A Traitorous and Diabolical Traffic': The Commerce of the Champlain-Richelieu Corridor during the War of 1812," *Vermont History,* 44 (Spring 1976): 78–96.