

## THE INDIA VENTURES OF FISHER AMES 1794-1804

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FISHER AMES, the most powerful advocate of Hamilton's financial measures in the House of Representatives, was for that reason accused of improper motives by his political opponents. Jefferson wrote him down in his "Anas" a "paper man," one of the "corrupt treasury squadron." The Jeffersonian organ of Boston insinuated, when Ames was up for reelection in 1794, that he had used his official position to speculate in the public funds. To this the Federalist *Centinel* replied, doubtless from data furnished by Ames himself, that when he left professional for public life, Ames invested the savings from his ten years' law practice as follows: \$600 in the three and six per cent public funds, and \$1200 in first payment of twelve shares in the Bank of the United States; and that he had never since bought or sold stocks of any kind. The newspaper added that Mr. Ames wished a permanent investment for his savings when he entered Congress, so that he would not have to take time from public service to look after his property.<sup>1</sup> Ames once remarked that the interest on the public securities owned by Massachusetts members of Congress would not have paid for the oats consumed by the coach-horses of their Virginia colleagues.

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<sup>1</sup>Boston *Independent Chronicle*, Oct. 20, 1794; *Columbian Centinel*, Oct. 22, p. 3a. The value of Bank shares was \$400, payable in three equal instalments within eighteen months (W. G. Sumner, *History of American Banking*, i. 28.) Ames would have required \$3600 more to complete the payments on all twelve shares. Prof. C. A. Beard, in *Amer. Hist. Rev.* xix. 290, notes the presence of Ames's name as a security holder on the loan office books of the 3 per cents and the deferred 6 per cents.

Not long after this controversy was aired, Fisher Ames embarked in a new form of investment, the "adventuring" of specie to India in the vessels of his friend William Gray of Salem. A detailed account of these "adventures" is told in the Ames manuscripts, preserved in the Dedham Historical Society. The story deserves telling for the light it throws on the primitive business methods and limited investment opportunities of the late eighteenth century, and on the organic connection of the merchant marine with the politics, business and social life of Massachusetts.

William Gray (1750-1825) was from 1790 to 1809, when he removed to Boston, the largest shipowner of Salem, and, according to George Cabot, the greatest merchant in Massachusetts.<sup>1</sup> A staunch Federalist of renowned probity, a friend of Ames's valued colleague Benjamin Goodhue, he was an obvious investment channel for Fisher Ames; and the tone of his letters, all written in his own hand, indicates that he was much gratified by the patronage of the great orator and statesman.

The story of Fisher Ames's "first adventure," as he calls it, begins on November 19, 1794, with his shipment from Philadelphia, by the brig *Polly*, of a box containing 1500 Spanish milled dollars, to William Gray Jr.<sup>2</sup> Mr. Gray acknowledges its safe arrival at Salem, on November 30, and informs Mr. Ames that he will place it the next day on board his ship *William and Henry*,<sup>3</sup> for investment in goods at Calcutta. "This vessel," he adds, "is one of the safest vessels that sails out of this country, is only in ballast; is not deeper than is necessary for safety and is bound from this [port] to Bengal in the East Indies and back to the U.

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<sup>1</sup>Edward Gray, *William Gray*, Boston, 1914, with a list of the Gray fleet in the appendix.

<sup>2</sup>Gray called himself Junior, although his father's name was Abraham, to distinguish himself from an older William Gray of Salem, belonging to another family.

<sup>3</sup>For details regarding the vessels mentioned in this article, see the appendix to Edward Gray's *William Gray*, and the Salem ship registry in *Hist. Coll. Essex Institute*, vols. xxxix-xlii.

State, is not to touch at the Isle of France either out or home." It is interesting to note that "one of the safest vessels that sails out of this country" was less than 100 feet long, and registered 256 tons burthen.

At Calcutta, Captain John Bickford of the *William and Henry* invested Mr. Ames's \$1500 in the following India cottons: 2 bales containing 200 pieces of Alliabad cossas, 2 bales containing 200 pieces Tanda cossas, 2 bales containing 300 pieces Mahurazgunzu, and 1 box containing 130 pieces Bandanna handkerchiefs. The total cost, in Calcutta (August 18, 1795), including chintz for packing, coolie hire, and share of rent of the godown (warehouse), was 3196 rupees. On her return voyage the *William and Henry* made New York, where these articles were sold by Edward Gould & Son, on February 24 and May 21, 1796, for \$2866.60, at two, four and six months' credit. The duties amounted to \$210.90, commission and other charges to \$78.91, leaving \$2576.79. Deducting the original investment of \$1500 left \$1076.79 profit, of which the ship-owner took one-third (\$358.93) in lieu of freight, leaving Fisher Ames a net profit of \$717.86 (or \$529.11, deducting the insurance at 12½ per cent) in two years. This return—about 17½ per cent per annum—encouraged him to try again.

It encouraged him so much, in fact, that he "let the money ride," as we should say nowadays, and left principal and profit of \$2217.86 in Mr. Gray's hands. On April 4, 1796, he sent Mr. Gray an additional draft on the Boston branch of the U. S. Bank for \$1600, which Mr. Gray converted into specie. On September 6, 1796, he sold eight shares of his United States Bank stock for \$4149.60 (a profit of \$118.70 per share) of which \$4069.20 was sent to William Gray to invest. To this Mr. Ames's father-in-law, Colonel John Worthington of Springfield, added the sum of \$5000 in specie, making a total capital of \$12,887.06.

This sum was employed in four separate adventures on vessels of the Gray fleet, to India.

“Second adventure”: \$1600 on the *William and Henry*. The bill of lading follows:

<i>F. A. in Cash</i>	
<i>no. 10</i>	
1 Bag	1000
1 D	600
	————
	1600

Shipped, in good order, and well conditioned, by *Fisher Ames on his own acct & risk* in and upon the *Ship* called the *Wm & Henry* whereof is master, for this present voyage, *John Bickford* now riding at anchor in the harbour of *Salem*—and bound for the *East Indies*—to say,

*Two Bags Contg. Sixteen Hundred Spanish Milled Dollars*—being marked and numbered as in the margin, and are to be delivered, in the like good order and well-conditioned, at the aforesaid port of *India*—(the danger of the seas only excepted) unto *Capt Jno Bickford* or to *his assigns*, he or they paying freight for the said goods,

*Thirty three & one third P Cent*—with *primage and average* accustomed. In witness whereof, the master of the said *Ship*—hath affirmed to *two Bills of Lading*, all of this tenor and date; one of which *Bills* being accomplished, the other *one* to stand void.

*Salem, May 7, 1796*

*John Bickford*<sup>1</sup>

Invested in *India goods*, this adventure yielded \$2335.35. Net profit \$735.35, which accrued about two years after the investment;<sup>2</sup> net return, 23 per cent per annum.

“Third Adventure:” \$2000 on the ship *Elizabeth*, 333 tons, Daniel Sage master; Sept. 23, 1796. Net profit \$762.77, in about the same space of time; net return, 19 per cent per annum.

“Fourth Adventure”: \$3000 on the ship *Betsey*, 218 tons, Josiah Orne master, late in 1796. Net profit \$1370, realized by Feb. 15, 1799, at Boston; net return, 20 per cent.

“Fifth Adventure”: \$6287 (the balance), on the ship *John*, 175 tons, William Ward master, from New

<sup>1</sup>Words printed in italics are in Ms. in the original document.

<sup>2</sup>By net profit I mean the net profit to Ames, deducting the insurance and the ship-owner's one-third.

York on Jan. 26, 1797.<sup>1</sup> Net profit, realized by Feb. 15, 1799, \$1454.64, "which last I confess does well" writes Ames, "but not near so well as the others. Even the *John* clears as much for my adventure as the sum employed in buying funded stock would have done." Mr. Gray replies, March 30, 1799, that he regrets the adventure on the *John* has turned out so poorly. It netted only 11½ per cent per annum. "I have generally found the goods sold at home under my direction has done best, but those ships arriving on the coast in a seavear winter enter N. York in much more safety than they could here."

As a result of all five adventures, Ames figured out that on a total cash outlay of \$13,457.95, he had realized a net profit of \$4714.23 by March, 1799.<sup>2</sup> Not so bad!

Just after the *William and Henry* returned with the "second adventure," William Gray wrote a long letter to Fisher Ames, who by this time had retired from Congress to his home in Dedham. The new Congress had just met in special session, in order to deal with the French spoliations.<sup>3</sup>

SALEM May 16, 1797

DEAR SIR,

I recd. your favour of the 30th ulto. by which I observe you expect a sum of money & wish my opinion, whether it would answer to improve it in the India Trade. I think the risque too great, to put property a Float while the French practice their piracies upon our Commerce, the difficulty of obtaining Insurance, & the want of Ability of sum of the underwriters to pay in case of Loss, renders the hazard too great, to Advent[ure].

I think with you Congress ought to prepare to assert our right. I trust they will. I am sure the People will support

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<sup>1</sup>Mr. Gray's instructions for this voyage to Captain Ward are printed in E. Gray, *W. Gray*, pp. 20-22.

<sup>2</sup>*India Adventures, Summary of Facts*, Ames MSS., Dedham Hist. Society.

<sup>3</sup>According to records in the probate court at Dedham, the descendants of Fisher Ames in 1891 recovered \$3500 French spoliation claims by suit against the United States. Curiously enough, no record or mention of any captures by the French on vessels carrying Ames's ventures, or which he had insured, appears in his MSS, altho' he was the loser by English privateers in 1801.

them, but we all joyn with you in hope & endeavor that other means than a resort to arms will answer. I wish & do expect Congress to be united with such sentiments as your letter discovers. I have long had the same opinion of our *cruel* Allies, when will their mad schemes be over? can they carry on much longer? & when will the neutral nations see the necessity of rising in one mass, & restore Order to the distressed state of Europe. I thank God, we are seperated from them by so wide a sea.

I have the pleasure to inform you that, yesterday my Ship Wm. & Henry arrived from Bengal with a Valuable Cargo, & that you had an Adventure on board of 1600 doll. out, which is invested in sundry Goods pr Invoice, inclosed. I shall sell those goods when I suppose they will produce most Proffitt unless I have your advice to keep them which I shall do if you think it for our Interest. I think this Adventure will produce you abt 40 pr cent Advance out of which you will have the prem. of Insurance to pay, which is very low. I will thank you for your opinion, which we may expect, war with the French, or general peace. As you are I presume in the cabinet your opinion will be of great Advantage to me, I will thank you for a Letter as often as you have any thing new to communicate to

Y. Most Obt. Servant  
WM. GRAY JR.

I have determined to sell the W. & Henry Cargo at Boston at Auction on Thursday 25 June, at which time I shall sell yr. goods unless you think proper to advise me to keep them.

Late in the same year, Mr. Ames wrote Mr. Gray as follows:  
copy in substance

DEDHAM December 16th 1797

DEAR SIR

I see no better way of employing my small capital than the India trade. The high insurance is the only discouragement, and you will please to consider and act for me in this respect as you think best. To send without insurance seems to be rash for me, tho prudent for you, unless I could divide the risks upon so many bottoms as to bring it to the same thing. If that may not be done conveniently, I leave it to your better judgment to ensure the whole upon future adventures, or such part as you would advise one in my situation to do. Without meaning to arraign your judgment, if the event should not be fortunate and being fully sensible that that no one can controul adverse occurrences which may spoil the best concerted plan, I wish to

avail myself of your superior lights—and if the French should get my property, I shall not be so unreasonable and ungrateful as to blame your advice. When a new voyage will be, you have not informed. I propose to leave \$2000 at the proceeds of the adventure from the Wm & Henry in your hands to be sent out again by such opportunity as you may think good. The residue, deducting insurance of that adventure, please to place to my credit in Branch Bank. In the mean time you will use any money that would otherwise lie idle, if you have occasion. In the a/c of that adventure inclosed in your last the sum sent out is by mistake called \$1500, instead of \$1600 which would be right.

Should any events of moment to the trade occur I will thank you to inform me, as I shall be able to add something to my capital in that line of employment within a few months.

In April, 1798 Fisher Ames made his sixth and largest adventure: \$10,000 to Canton on the ship *Elizabeth*. Half of the sum was principal and profit of the second and third adventures, which had come in; the other half belonged to Colonel Worthington. Before the *Elizabeth* sailed, Gray was about to sell \$2000 of Ames's half to a third party, as Ames had instructed him to risk no more than \$3000 in one vessel; but Ames wrote him in time to let the investment of \$5000 stand.

The *Elizabeth* on this voyage was destined for China. Owing to the threatened war with France, the insurance rate was so high—27½%—that Fisher Ames refused to cover the risk. Accordingly the *Elizabeth's* voyage caused him considerable anxiety, as the following letter testifies,

Copy of a letter sent by mail  
March 19, 1799  
to Mr. Wm Gray jun  
merchant, Salem

DEDHAM March 19, 1799

DEAR SIR

In your esteemed favor of the 12th you observe "I rather think, owing to a variety of causes, I have been some in advance for you by sending so much in the *Elizabeth*." Allow me to consider this as a signal proof of your friendship, for in my mind no greater service could have been rendered to me than investing so much in that voyage. The risk I understand

is now thought very little and the prospect of profit exceedingly good. Whether the ship arrives or is lost, I shall feel myself bound to preserve a due sense of gratitude for your proceeding. Her arrival would be truly fortunate for me, as it would mend my circumstances a good deal, and tho' I should be placed many thousands below *affluence*, I should be so near to a *competence*, tho' short of it, as with frugality to abate the most uncomfortable exertions in my profession. My health is unequal to the severe part of the duty of my profession, and if I could live without I would engage in such business only as my poor health is equal to. I state these ideas to convince you of the value of your care of my property, and of the just sense I have of it and shall ever entertain.

William Gray writes on May 25, 1799, that he expects the *Elizabeth* to arrive in a few days' time. He suggests that Mr. Ames take out some insurance, as it can now be done for 10 per cent, and the ship might be captured by a French privateer off the American coast. But before Ames had made up his mind, the *Elizabeth* arrived safely at Boston, with a rich China cargo. Mr. Gray writes him on June 5, 1799,

"I am really very much gratified *on your acc.* with the arrival of this property, as I advised you to risque so much and so largely. I think you may calculate upon nearly 80% advance of your stock after paying charges."

Mr. Ames's \$5000 had been invested at Canton in 95 chests Bohea tea, 45 chests fine teas, 2500 pieces nankeens, 6 cases lustrings and satins, and some boxes of china ware. The net profit was \$9,874.78, after deducting all charges and Mr. Gray's one-third. Net return, about 130 per cent per annum.

After this sixth adventure was concluded, the existing manuscripts are not sufficiently complete to furnish a detailed account.

Mr. Gray writes on November 27, 1800:

"I am quite interested that you send out property in the new ship at Portland and one other new ship at Portsmouth, but am in doubt whether it would be for your interest, to send property in these ships, for the following reasons: first that they are clump ships, secondly, they carry out masts, an article of contraband of war which will increase the prem. of



insurance. After considering these circumstances if you decide in favor, the Money shall go."

Apparently, the money did not go.

Benjamin Goodhue writes Fisher Ames from Salem on December 20, 1800, that now the treaty with France has arrived, everyone is adventuring to India, and the market is certain to be glutted with India goods. He concludes in true Essex Junto spirit:

"I am ashamed at the shilly shally conduct of our Federalists who while they profess to believe and reprobate Mr. A[dams]'s conduct as much as we do and yet abuse Hamilton for his imprudence &c. My Friend Mr. Phillips (inter nos), has written me such sentiments. This kind of submissive trimming policy I abhor, truth and a boldness in supporting it is what I think true policy if it is not I know I was never made to follow any other.

Your Affectionate  
B GOODHUE"

In 1801, Fisher Ames adventures \$3000 on Mr. Gray's ship *Laurel*, Daniel Sage master, to Manila, where it is invested in 16 seroons of first quality indigo, and nets \$2125.62. In April 1801 Mr. Gray reports a balance due of \$4024.12 for adventures on the ships *Horace*, *Ulysses* and *Elizabeth*.

Through Benjamin Goodhue, Mr. Ames used a part of his capital to underwrite vessels, spreading the risk over a large number of them. In 1801-02 he received \$1358.95 in premiums on vessels which arrived safely, and \$428 additional was due him from premiums on fourteen other vessels; but the loss of one of them on which he had risked \$400, wiped out most of it. At one period there was a balance against him of \$216.70 in Mr. Goodhue's books, arising from captures by English privateers. Fisher Ames was also a loser on the ship *Volusia*, one of the three Salem vessels wrecked on Cape Cod in the gale of February 22, 1802.

It is not surprising that Mr. Ames suffered an occasional loss by insurance, but the uniform success of his India ventures is astounding. Despite the

ordinary dangers of the sea, the special hazards of pirates in Eastern waters, and the embargoes, privateers and commerce destroyers of England and France, his twelve separate ventures of silver dollars in these little ships of 150 to 350 tons burthen, proved just as safe as if they had been invested in United States bonds, and much more profitable. One cannot help concluding that he was very fortunate in the choice of William Gray, who combined enterprise, sagacity and caution in such perfect porportion that he became the leading shipowner in the United States.

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