Jefferson's Abomination in the Valley: A Study of the Economic Effects of the Embargo of 1807 on Louisville's Frontier Economy

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JEFFERSON’S ABOMINATION IN THE VALLEY: A STUDY OF THE ECONOMIC EFFECTS OF THE EMBARGO OF 1807 ON LOUISVILLE’S FRONTIER ECONOMY

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By
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JEFFERSON'S ABOMINATION IN THE VALLEY: A STUDY OF THE ECONOMIC EFFECTS OF THE EMBARGO OF 1807 ON LOUISVILLE'S FRONTIER ECONOMY

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This thesis examines the effects of the Embargo of 1807 on Louisville and its surrounding areas. The purpose of this study is to discover if the interior suffered to the same degree as other regions of the country as a result of Thomas Jefferson’s trade restrictions. Louisville is the focus area because it is not only representative of the Ohio Valley and the interior but also because it marked the end of civilization and the beginning of the frontier. Distinctions between class, economic status, and occupation between the inhabitants of Jefferson County are also observed. This particular approach leads to an examination into the true nature of the frontier itself. Archival material and extensive tax records are used to show that The Embargo of 1807 initiated a series of events that not only created unintended consequences, both positive and negative in nature, on Louisville’s frontier economy but also laid the foundation for its future.
CHAPTER ONE: The Reach of Jefferson’s Embargo

Eighteenth Century literary figure Samuel Johnson once wrote that “hell is paved with good intentions”\(^1\) and to this day no truer words can be used to describe the Embargo of 1807. Thomas Jefferson intended to prevent the United States from becoming entangled in the conflict between Great Britain and France but instead destroyed the nation’s economy. According to the Embargo Act, no foreign vessels would bring goods into American ports and no American vessels would take goods to foreign ports. In theory, this would put economic pressure on both Great Britain and France and force them to respect American neutrality. In reality, the embargo drove the United States into a deep economic depression that surpassed in severity the one experienced during the American Revolution.\(^2\)

Jefferson’s Embargo Act crippled the national economy while doing virtually nothing to affect the economies of France and Britain. The embargo went into effect in December of 1807 and lasted fifteen months. Foreign commerce dropped from $253,683,342 in 1807 to $80,352,023 in 1808.\(^3\) Jefferson repealed the Embargo as he exited the presidency. It was replaced by the Non-Intercourse Act of 1809, which restricted trade only with Great Britain and France. Despite the change in policy, the economy failed to reach pre-Embargo levels in the ensuing years.

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1 Bartleby.Com. [http://www.bartleby.com](http://www.bartleby.com) (15 March 2007). The saying did not originate with Samuel Johnson but instead can be attributed in its earliest form to St. Francis of Assisi. The quotation is however most closely associated with Johnson.


The Embargo of 1807 can be seen as a total miscalculation on the part of President Jefferson. He believed that the development of American manufacturing interests would balance out the loss of foreign products.\textsuperscript{4} When this failed to happen, the chances of the embargo becoming a success became virtually nonexistent. In his mind, those involved in bringing goods into the country, such as seamen, would suffer the brunt of the economic hardships caused by a total embargo.

Furthermore, American patriotism and pride would compel the majority of Americans to gracefully endure these hardships. Such beliefs can be seen in a letter to Postmaster General Gideon Granger in which he wrote “I only lament the situation of our seamen, and wish it could be relieved. As to the sacrifices of the farmers & citizen merchants, I am sure they will be cheerfully met.”\textsuperscript{5} Initially, the embargo had little or no influence on the development of American manufacturing interests and primarily led to an increase in smuggling, both over land and sea. For these reasons, along with the fact that America would eventually enter into war with England, the embargo must be considered the major mistake of Thomas Jefferson’s political career.

Contrary to Jefferson’s assumptions anybody involved in the foreign trade industry including merchants, shipbuilders and dockworkers, felt the severe economic effects. This is not to say that seamen on the Northeast seashore were not hit especially hard. Thomas Freeman, a seaman from Philadelphia, typified the situation of the common man. Freeman found himself broke and without employment one year after the introduction of the embargo. He wrote to President Jefferson begging for relief, “Sir we humble bag your honur to grant us destras seamen sum relaf for God nos what we will do. Your petitioners


\textsuperscript{5} Thomas Jefferson to Gideon Granger, 22 January 1808, Jefferson Papers, Library of Congress.
is at present utterly destitute of all employamat...We all have misses & famlys."\(^6\) Along with severe spelling deficiencies, this letter illustrates a growing sense of fear and desperation.

While some seaman begged for help, other letters took a more threatening tone. In an unsigned letter, a citizen of Boston wrote that “I have agreed to pay four of my friends $400 to shoot you if you don’t take off the embargo by the 10\(^{th}\) of Oct 1808 which I shall pay them, if I have to work on my hands and knees for it.”\(^7\) The feelings of this particular gentleman are contradictory to a viewpoint expressed by Jefferson in a letter to Thomas Mann Randolph that continued hostilities by the British had “entirely hushed all opposition to the embargo.”\(^8\) The historical record contains numerous letters like this one from citizens of the Northeast begging for relief and assistance as well as promising retribution. The strong cries of disapproval from the Northern seaboard coupled with muted voices of disapproval from the South resulted in a perception fostered by many historians that the embargo primarily affected northern states.

In reality, all regions of the country had an economic stake in foreign trade. Most Americans regardless of location or occupation felt the economic shockwaves caused by the nearly seventy percent drop in foreign trade.\(^9\) Some historians support a position that the embargo had a greater effect on the South than the North. Louis Martin Sears, a leading scholar on Jefferson’s Embargo, believes that the South suffered less than the

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\(^7\) Unsigned to Thomas Jefferson, 19 September 1808, *To His Excellency Thomas Jefferson*, 27.

\(^8\) Thomas Jefferson to Thomas Mann Randolph, 26 January 1808, Jefferson Papers, Library of Congress. Jefferson was writing in reference to the British Orders of November 11, 1807 which rendered trade with France an impossibility. It is indicative of his belief, both prior to and after passage, that the Embargo was not unpopular. Thomas Mann Randolph was Thomas Jefferson’s son-in-law.

\(^9\) Woodward, “The Merchants and Economic Development in the Americas, 1750-1850,” 143. The percentage was taken from Woodward’s data on the drop in trade from 1807 to 1808. The actual number was 67% but has been rounded up for the purpose of this study.
Northeast in the short term but received greater permanent economic damage, mainly because of the regions’ failure to develop a legitimate manufacturing infrastructure. He even suggests that the embargo furthered the isolation of the South from the rest of the nation and made the Civil War more likely.¹⁰

Norman J. Risjord also believes the Embargo of 1807 had a greater negative impact in the South. According to Risjord, the impact in the North was primarily felt by those involved in the import industries. In the South it affected the entire economy. The Southern planter could not feed his family and slaves because his agricultural products sat on the docks and rotted rather than being sold in foreign markets.¹¹ Without a viable system of manufacturing, the economy relied heavily on the planter class. Therefore, when the economic fortunes of the planter class decreased because they could not find adequate markets, the economic fortunes of the entire region suffered as well.

Evidence to back up these theories does exist. In Charlottesville, Virginia, the price of tobacco fell from five and a half dollars to three dollars in just twelve hours after news of the embargo arrived. Similarly, the price of flour fell from five and a half dollars to two and a half dollars.¹² Although these price drops can be attributed to hysteria more than actual pressure placed upon the market, it is indicative of the importance that the Southern economy placed on foreign markets.

Historically, North Carolina depended more on exports than its neighbors to the North or South. This state’s market prices dropped drastically after the embargo. A bushel of corn sold for one dollar prior to the trade restrictions and only nineteen cents

¹² Sears, Jefferson and the Embargo, 229.
afterwards. The price of tar plummeted from two dollars a barrel to forty-five cents. The fact that the South complained less than the Northeast cannot be taken as an indication that they suffered less only that they exhibited greater loyalty to the President because they shared his theory of the supremacy of the land.

The negative effects of Jefferson’s Embargo in the North and South have been adequately detailed by scholarly research. Missing from the historical discussions of the economic effects of the Embargo is the Western section of the country. In regards to the economic consequences of the embargo, the further removed from the Eastern seaboard a region resides, the less interest historians seem to have in it. A prime example of this is the Ohio Valley region. The Ohio River was one of the primary highways of the interior that facilitated trade between the East and the West. Yet, the Ohio River Valley remains largely absent from scholarly discussion.

The economic fortunes of the Ohio Valley relied heavily on river trade. Because the region lacked manufacturing interests, settlers in the Ohio Valley bought their finished goods from the East, a large amount of which originated from foreign shores. At the time of the enactment of the embargo for instance, approximately 66,500 tons of cargo traveled along the Ohio River each year. Foreign goods made up a significant portion of this cargo because of increased demand for superior British products in the interior. As time passed, the dependency that Ohio Valley had on outside trade only intensified.

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13 Connecticut Courant, May 11 1808. This article was originally published in the North Carolina Minerva.


Also of importance are the agricultural products that Ohio Valley farmers exported from the region. The fertile soil found in the valley made the area not only a breadbasket of sorts for the rest of country but also foreign markets. The interruption of foreign goods coming through the city from the East and New Orleans, as well as the decreased demand for the valley’s agricultural crops severely injured the economic development of the region. The demands of Jefferson’s Embargo required the development of new economic approaches in order to compensate. The embargo halted the influx of foreign goods into the region and effectively shut down trade along the river.

The fact that the region had yet to develop its own commercial interests only intensified the suffering of the area and made it vulnerable to the fortunes of the small number of manufacturing interests that existed. Prior to 1807, the Ohio Valley economy relied heavily on shipbuilding. Because of an abundance of raw material and strong workforce, the region became an important center for shipbuilding. The embargo lessened the need for ocean going vessels and irreparably damaged the area’s shipbuilding industry. It is clear that Jefferson’s Embargo had a measurable effect on the Ohio Valley yet historians continue to ignore the region when discussing the matter.

Louis Martin Sear’s *Jefferson and the Embargo* is one of the few scholarly works dedicated entirely to the Embargo of 1807. The author provides what at first appears to be comprehensive account of the subject but fails to mention the Ohio Valley in his study.

Nor do other notable historians such as Joyce Appleby, Noble E. Cunningham, Dumas

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17 Charles Henry Ambler, *A History of Transportation in the Ohio Valley* (Glendale, CA: Arthur H. Clark Company, 1932), 98. It is a common misconception that only barges and keel boats were built in the Ohio Valley. The area provided a significant number of sea worthy vessels such as schooners. The misconception arises from the belief that ocean vessels could not navigate the Ohio River. While it is true that the river presented significant navigation problems, these problems could be overcome. The vessels were built on either side of the Falls of the Ohio because the natural break presented navigation difficulties that could not be overcome by ocean going ships. A large number of these vessels were built for the New Orleans market.
Malone and Merrill D. Peterson include the region when discussing the effects of Jefferson’s Embargo. Journal articles by Charles Henry Ambler, Theodore G. Gronert and Martha Kreipke touch on the subject of the Ohio Valley and the Embargo but only as a part of a bigger picture and do not make it a part of their focus. This presents the question of why historians ignore the economy of the Ohio Valley when analyzing Jefferson’s Embargo. The simplest answer is that they find it irrelevant to the overall subject.

A general assumption exists that the interior suffered little from the embargo while the real damage occurred along the coast and only those areas dependent upon trade with coastal communities. Historians considered the frontier so isolated both geographically and economically from the rest of the country, that they conducted little or no research on the subject. It is true that the Eastern seaboard suffered the most by the closing of ports but there is a story to be told about Jefferson’s Embargo and its affects on the Ohio Valley. This study will focus on Louisville, Kentucky and its surrounding areas.

Louisville can be considered not only representative of the Ohio Valley but alas the Western frontier as a whole. The city initially grew more slowly than its neighbors directly east such as Lexington and Cincinnati.\(^\text{18}\) This despite the fact that Cincinnati did not even come into existence until 1788, ten years after the first settlement in Louisville.\(^\text{19}\) No sense of civilization and organization had yet to arrive and houses remained far apart keeping Louisville from resembling any reasonable definition of a

\(^\text{19}\) Alvin F Harlow, *The Serene Cincinnatians* (New York: E.P. Dutton and Company, 1950), 22. In 1788, John Cleves Symmes purchased 311,682 acres of land in the area that is now Cincinnati. Symmes along with Benjamin Stites, Matthias Denham, Robert Patterson, and John Filson settled the area later in the year. Originally the settlement was named Losantiville but it was changed to Cincinnati to honor an organization of Revolutionary officers called the Society of Cincinnati.
city. As late as 1800, the town still experienced an occasional Indian attack, mainly because of its vulnerable position at the edge of the frontier.\textsuperscript{20} These factors made Louisville the ideal image of the American frontier but a natural phenomenon known as the Falls of the Ohio made it vital to the entire area.

The Falls of the Ohio consisted of a series of rocky rapids that dropped approximately twenty-six feet over a two mile section of river.\textsuperscript{21} It constituted the only break in navigation on the Ohio and Mississippi River systems between Pittsburgh and New Orleans and for the majority of the year the falls could not be traversed. Therefore, the falls necessitated that all travelers along the Ohio River stop in Louisville. Not only did the city become a resting point for people but all cargo being carried either east or west on the Ohio River had to be broken down and hauled around the rapids at the falls. This created marketplaces where goods could be sold in lieu of hauling them around the natural obstruction in the river.\textsuperscript{22} Frontier Louisville also became a starting point for settlers traveling further west because of the availability of staple goods.

Historians of the embargo often measure the effects of the embargo only in negative terms. Louisville without doubt suffered negative consequences. Despite the obvious hardships placed upon the farming and merchant communities, the effects of the embargo in the Ohio Valley, especially the Louisville area, cannot be assessed by examining only economic loss. Unlike other areas of the country, Jefferson’s Embargo can be viewed in both positive and negative terms.

\textsuperscript{20} Kleber, \textit{The Kentucky Encyclopedia}, 575.
\textsuperscript{21} Ibid.
Jefferson’s Embargo of 1807 and the ensuing Non-Intercourse Act of 1809, as well as the economic necessities of the War of 1812, forced many changes in the economy of the Louisville area and, as a result, Kentucky as a whole. Manufacturing industries developed to alleviate the need for finished foreign products. Subsistence farming changed to commercial agricultural in order to meet the Nation’s demand for staple products. These changes prepared the state for the economic windfall that accompanied the advent of the steamboat and Western settlement after the War of 1812. The Embargo of 1807 initiated a series of events that not only created unintended consequences, both positive and negative in nature, on Louisville’s frontier economy but also laid the foundation for its future.
CHAPTER 2: A Brief History of Louisville’s Economy Prior to the Embargo

The city of Louisville began as nothing more than a rest stop for weary travelers. In the winter of 1778, civilian settlers accompanying George Rogers Clark’s military expedition against the British in the Northwest Territories built the first permanent settlement at the Falls of the Ohio. As Clark and his men marched on to fight the British, these settlers remained behind to carve out an uncertain existence in this hostile environment. Consisting of nothing more than a stockade, a few cabins and thirteen families, this settlement marked the beginnings of what would eventually become Kentucky’s largest city.  

The next year the settlement took the name Louisville and in 1780 received a town charter from the state of Virginia. In the beginning, the American Revolution and Indian attacks kept the area confined and isolated. Settlers planted corn, the area’s earliest crop, with a rifle in one hand and hoe in the other. The settlement had virtually no trade and thus no real economy. The earliest economic activity appears to have been processing wood for the construction of boats and salt-making for the preservation of food. At this time, in both economic development and appearance, Louisville was a frontier town.

From the very beginning the economic fortunes of Louisville and its surrounding areas depended on the Ohio River. It is said that providence causes the largest cities to be

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23 Ben Casseday, *The History of Louisville from its Earliest Settlement Till the Year 1852* (Louisville: Hull and Brother, 1852), 28.

24 Kleber, *The Kentucky Encyclopedia*, 575. The original settlement was on Corn Island but after Clark’s departure, the settlers moved onto the Kentucky shore. The name Louisville was given to the settlement in honor of King Louis XVI of France for his pledge of aid to American colonies during the Revolution.


located near the largest rivers. This is definitely true in regards to Louisville because without the Ohio River the city would not have developed in the same manner, if at all. The river not only brought important goods into the area to supplement what nature could not provide but also settlers to populate its boundaries.

The river facilitated the beginnings of long distance trade. The first recorded instance of long distance trading coincided with the first known banking activities in the area. In 1780, John Sanders, a trader on the upper Ohio River floated down to the Falls of the Ohio and issued paper receipts in return for furs and skins on his boat. He then made his way to New Orleans and on his return, compensated those who held the notes. Therefore it can be argued that Louisville’s very first bank was a boat.

Other notable early trade endeavors took place in 1782. Two of these endeavors can be considered more long-term than Sander’s trade/banking trip. The first of these examples involved two French traders named Tardiveau and Honore. They purchased trade goods at the Falls of the Ohio and then traveled on to New Orleans. They subsequently moved their operation to Louisville because of the success of the voyage. In the spring of the same year, Captain Yoder procured produce goods at the falls and made his way to New Orleans for trade. His first trip was a huge success but subsequent trips resulted in financial losses. These two accounts of early business activities illustrate the nature of Louisville trade at this time. The unorganized nature of commerce

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27 History of the Ohio Falls Cities and their Counties (Vol. I.) (Cleveland: L.A. Williams & Co., 1882), 41. Original author of this particular statement is unknown.


30 Ibid. It is said that Captain Yoder made the first flat-boat voyage down the Mississippi. This has been much disputed and is impossible to verify.
and the location of the town on the far frontier made long distance trade hit or miss. A trader’s economic fortunes rested on the mercy of the river as the length of a journey could never be accurately predicted because of seasonal changes.

Soon, however, large amounts of merchandise started to pour into the city from both Philadelphia and New Orleans. Daniel Brodhead opened Louisville’s first store in 1783. Luxury items such as flowered calico, real horn combs, and glass window lights became available.\textsuperscript{31} Even though retail stores existed, the purchase of trade goods still remained somewhat informal, largely because of the falls and the type of trade that occurred. Much of the City’s trade, for instance, remained outside the confines of a four wall structure and as a result, off the pages of formal record books.

Despite the demand for luxury items, necessity goods such as agricultural products, firearms and livestock still dominated the market.\textsuperscript{32} The purchase of these goods often took place wherever crewmen broke them down to carry around the falls. Furthermore, local farmers would sell their agricultural products to those traveling on, wherever the opportunity presented itself. This hampered the development of a formal business district. It is also indicative of the fact that frontier demands still took precedence over the fruits of civilization.

The Jefferson County tax lists for 1807 is illustrative of this problem. The majority of individuals on the list owned either no land or very little land. These same individuals owned horses, cattle and sometimes a slave.\textsuperscript{33} Therefore it can be assumed that a majority of them were farmers. Operating on a small scale, without a large amount of land and an

\textsuperscript{31} Casseday, \textit{The History of Louisville from its Earliest Settlement Till the Year 1852}, 83. Daniel Brodhead may have been the first to introduce glass window lights to the area.


\textsuperscript{33} Kentucky. \textit{Jefferson County Tax Records}. 1806 & 1807.
occasional slave, it is likely that their main goal was subsistence farming with any surplus to be sold. These would have been the individuals who more often than not sold their products without keeping records at the Falls of the Ohio or at places other than stores or markets. This is not a condemnation of these individuals because their families had to eat just like the families of large farmers but in the bigger picture, subsistence farming of this sort would not facilitate the economic growth of Louisville. The predominance of subsistence farming kept Louisville chained to the shackles of a frontier economy.

The trustees of Louisville recognized the inherent problems with the unorganized nature of the town’s trade and decided that building a market house on public ground would be prudent. Unfortunately, they abandoned the plan in 1800 because no public grounds could be found. All land within the City limits had already been sold, sometimes as low as one horse for one lot, and the trustees had kept none for official business. As a result, several years passed before Louisville acquired a public market house.\(^{34}\)

This is an example of Louisville’s frontier mentality. The leaders and citizens only planned day to day and gave little thought to the future. Long term planning was an alien concept. Economic growth depended on the development of the inner-city, especially as long distance trade opportunities presented themselves. Louisville needed an organized center to regulate and manage trade. Prior to the embargo, valuable city lots resided in the hands of individuals with no intent of developing them for commercial use.

Stores provided more than just a place to buy products, they also provided a place to meet and relate news. Since Louisville only had one newspaper prior to the embargo, *The Farmer’s Library* founded by Samuel Vail and Matthew Lyon in 1801, stores

\(^{34}\) Casseday, *The History of Louisville from its Earliest Settlement Till the Year 1852*, 109.
provided a place to learn not only about their community but also the nation as a whole.\textsuperscript{35} A look at the account book of 1794 through 1797 from businesses owned by James McDonald and Charles Thruston gives an indication of the various types of people who frequented these stores. Townsfolk as well as rural individuals appear in the records. Although both blacks and whites did business at his particular store, race did matter because blacks entered the store at their owner’s bequest and would not have been allowed to shop there without permission. Class also mattered little as large landholders, small landholders and the landless all frequented the store.\textsuperscript{36} All of these different types of people coming together in the marketplace provided not only news but also a sense of community. Unorganized and informal trade would not have the same effect.

Disease provided another obstacle to the development of Louisville. To a large extent, this can also be blamed on the city’s trustees. Poor planning allowed maladies such as malaria, yellow fever, and dysentery to plague the city. Louisville became known as the “graveyard of the Ohio.”\textsuperscript{37} The problem stemmed from stagnated waters. Mr. W. Winterbotham took notice of the situation in his 1795 report \emph{Historical, Geographical, Commercial and Philosophical View of the American United States}. Winterbotham wrote that “Louisville is at the rapids of the Ohio, in a fertile country, and promises to be a place of great trade...Its unhealthiness, owing to stagnated waters at the back of town, has severely retarded its growth.”\textsuperscript{38} Everyone seemed to recognize the dangers except for the trustees of the city.

\textsuperscript{35} Kleber, \emph{The Louisville Encyclopedia}, 655.
\textsuperscript{36} James McDonald and Charles Thruston Account Books. Manuscripts, Filson Historical Society Louisville, Kentucky. A more in depth analysis of these records can be found in Elizabeth A. Perkins “The Consumer Frontier: Household Consumption in Early Kentucky.”
\textsuperscript{37} Casseday, \emph{The History of Louisville from its Earliest Settlement Till the Year 1852}, 49.
\textsuperscript{38} \emph{History of the Ohio Falls Cities}, 207.
The problems persisted into the first decade, and to some extent the second decade, of the Nineteenth Century. The healthiness of the water became a major concern. Dr. H. McMurtrie observed that “the water of the wells, after standing a little time, becomes nauseous to the taste...this bad quality of the water in general use, is one great cause of a variety of complaints, that are so common in the summer months, and calls loudly for a remedy.”  

39 Bad drinking water and disease cannot be considered exclusive to Louisville during this period. This era witnessed Americans drinking a large amount of beer and other alcoholic beverages because water was neither healthy nor palatable.  

However, poor planning and a general lack of organization made the problem worse. In order for Louisville to become a strong center of business, the city needed to be safe. Instead of getting healthier, the water situation grew worse.  

Another example of Louisville’s frontier nature is that the town had little or no way of making a profit and financing its government infrastructure. Louisville was spread out and methods for tax collection were unorganized and ineffective. The 1797 tax list is indicative of this problem. Despite the fact that the population now numbered around eight hundred people, the tax assessment amounted to approximately one hundred and fifty dollars. The tax lists cannot be considered complete during this time because the tax assessor, Dr. Hall, often did not get around to everyone during each tax season. Even when he did manage to catch up with everyone, they did not always pay. Delinquencies in paying taxes were quite common in the pre-embargo years.  

39 H. McMurtrie, *Sketches of Louisville and its Environs* (Louisville: S.Penn, 1819), 139.  
41 Ibid, 104.
In regards to collecting revenue off of trade, Louisville had few options regarding collecting revenue from trade until 1799. During this year, the United States Congress passed legislation declaring Louisville a port city and assigned it an official revenue collector. This helped the federal government more than local government because it created a formal plan for keeping up with goods that entered the ports but unfortunately the town still lacked an effective apparatus to track the merchandise once it left the docks. The informal trade that dominated Louisville's economy occurred outside of the view of the existing tax collection apparatus. The lack of a public market house and the existence of few actual stores can be considered chiefly to blame for this dilemma.

Prior to the Embargo, Louisville had very little industry. Tobacco and shipbuilding comprised the majority of the town's manufacturing interests, and it depended heavily upon foreign trade. Kentucky's relationship with tobacco can be traced to prehistory as archeological evidence indicates that prehistoric Kentuckians smoked tobacco in pipes. Tobacco also plays a role in the early history of Louisville as Colonel Campbell opened the first tobacco warehouse in 1787. Farmers often used tobacco as a way to pay public debts and taxes. This sometimes caused problems because constantly fluctuating prices added to the instability of both the economy and the city's ability to fund its own government.

After the American Revolution, Europe became a popular destination for Louisville's tobacco. Two of the area's tobacco manufactures only sent their tobacco strips to foreign markets. Spanish held New Orleans was another attractive market for the city's tobacco farmers. James Wilkinson, a Frankfort resident and infamous double

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42 Casseday, *The History of Louisville from its Earliest Settlement Till the Year 1852*, 105.
agent for the Spanish Government, procured tobacco concessions from the Spanish in 1787 and built a short-lived financial empire by providing a market for the region’s tobacco in New Orleans.\textsuperscript{45} While it is true that Wilkinson profited from every transaction involving Kentucky tobacco, the area’s tobacco farmers still benefited. However, James Wilkinson’s notoriously dishonest dealings did, no doubt, affect their profits.

Thomas Jefferson’s Embargo of 1807 eliminated foreign markets as a destination for Ohio Valley tobacco. As a result, tobacco sat on the docks waiting to be shipped.\textsuperscript{46} The bottom fell out of tobacco prices as the domestic market could not handle the quantity that American farmers produced. Suddenly, one of Louisville’s only industries became economically unviable, at least in the short term.

Shipbuilding cannot only be considered vital to the pre-embargo economy of Louisville but to the entire Ohio Valley as a whole. As the largest shipbuilder between Fort Pitt and the Falls of the Ohio, Louisville launched a large number of America’s seafaring vessels on their first voyage. Much is made of the damage done to the New England shipbuilding industry due to Jefferson’s Embargo, but many of that area’s shipbuilders had already migrated to the Ohio Valley.\textsuperscript{47} Overcrowding on the Eastern seaboard is one reason for the influx of New England shipbuilders in the Ohio Valley, but abundant natural resources played the biggest part.

The Ohio Valley contained a wide variety of wood for ship planks and masts, such as black oak, white oak, black walnut, cherry, and yellow pine. Other materials needed for ship construction could also be found in abundance such as iron ore, hemp, flax, and


\textsuperscript{46} Risjord, 367.

\textsuperscript{47} Ambler, \textit{A History of Transportation in the Ohio Valley}, 83.
Not having to ship these materials long distances made the construction of the vessels cheaper. Louisville became a major center for shipbuilding because of the break at the falls. It provided a starting point for ships heading east, west or south. Also of importance was the availability of agriculture products in the area. A ship could leave the shipyards with a full load of trade goods and not have to stop until it reached its destination.

The Embargo of 1807 dictated that no ships would leave American shores for foreign markets. America as a whole had not yet developed sufficient manufacturing interests to keep cargo vessels sailing in the interior. This decreased the need for ships and not even the more flexible Non-Importation Act would increase the demand for sea-going vessels. Ultimately, this meant that Louisville’s shipbuilding industry could no longer support the economy. Unlike the tobacco industry it would never return to its former glory.

In order to add context to Louisville’s early economic history, it is important to examine the early economic history of America’s other major port city not located on the East Coast. Before the embargo, no more than twelve cities had a population larger than that of New Orleans. By 1810, it was the largest city south of Baltimore with a population of 24,522. It possessed a large urban population and a strong city government largely controlled by merchants and businessmen. Eight different newspapers circulated throughout the city and commerce filled its streets. The city lacked significant manufacturing interests but it did have several banks and insurance companies to protect

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50 Ibid, 333.
the area’s business interests and promote investments. The merchant class controlled trade as well as the area’s farmers because of their ability to find foreign markets for agricultural products. Unlike Louisville where trade took place in unofficial and informal locations, farmers of New Orleans who wanted to sell their crops had to deal with the merchants.\footnote{Ibid, 272.}

New Orleans resided on the frontier but it did not resemble a frontier town, due largely to the fact that both Spain and France operated it as a major port city. Therefore, it already had an organized system of commerce before the United States took possession. Because the merchant class controlled commerce and limited the involvement of small time operators, the city efficiently handled the amount of traffic that docked in its harbors and used the profits from trade to strengthen the city’s economy. The same could not be said for Louisville. New Orleans may have been further away from America’s capitals of commerce in distance than Louisville, but it more closely resembled them in efficiency and organization.

Prior to the Embargo of 1807, Louisville’s economy remained isolated from the rest of the country except for a few industries such as tobacco manufacturing and shipbuilding. The wealthiest of its citizens had yet to use their economic resources to foster the growth of the economy. Subsistence farming still dominated large scale agricultural production. Trade remained unorganized and rural concerns still took precedence over urban matters. Poor planning by Louisville’s leaders stunted its growth, both economically and physically. Highlighting the town’s frontier nature is that fact that it had neither a police force nor a courthouse until 1810.\footnote{Casseday, \textit{The History of Louisville from its Earliest Settlement Till the Year 1852}, 118.} Despite a prime location and
abundant natural resources, the economy remained underdeveloped and underutilized. In 1807, Louisville was at the edge of the frontier and its economy remained frontier in nature.

Thomas Jefferson wrote in 1781 that “those who labor in the earth are the chosen people of god, if ever he had a chosen people, whose breasts he has made his peculiar deposit for substantial and genuine virtue. It is the focus in which he keeps alive that sacred fire, which otherwise might escape from the face of the earth.” Jefferson strongly believed in a yeoman republic. He envisioned a nation of self-reliant farmers who not only cultivated the soil of the frontier but nurtured the virtue of the nation, and believed America should remain an agrarian nation and only manufacture out of necessity. Furthermore, the nation’s workshops should remain in Europe. The proliferation of factories and large agricultural operations would destroy the yeoman and thus extinguish the flame of virtue. In 1807, Louisville resembled Jefferson’s ideal of an agrarian nation occupied by yeoman farmers. Therefore, it is ironic that his embargo forced the city to make economic adjustments that would forever change it from a frontier town to a modernizing city. And thus create a place where virtue had very little to do with everyday existence.

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CHAPTER 3: Economic Challenges of the Embargo on the Landless and Small Landholders

No group of Louisville citizens better embodied Jefferson’s yeoman farmer than the small landholders and the landless farmers. These are the individuals who trekked to the edge of the frontier and staked their family’s fate on the yield of the land not the gentlemen of means who came to the Falls of the Ohio to buy up all the land in sight. However, in Louisville’s long term economic future the gentlemen of means would play a more vital role. They did not come from wealth and in most cases came to the area with nothing of value. This forced them to either lease land or buy whatever small amount they could afford. They cultivated the land from which the city of Louisville would one day rise.

The small landholder and the landless usually owned few or no slaves. Horses and mules assisted them in their daily work which for the most part can be considered subsistence farming. Those who did produce a surplus sold the fruits of their labor, and that of their slaves, wherever they could. The men who participated in the unorganized and unreported trade at the falls almost certainly belonged to this group. These were also the men who Thomas Jefferson had once said protected the virtue of the nation.

Unfortunately, these were also the individuals who left the fewest traces in the historical record. Until recent years and the rise in prominence of social history, many historians cared little about what these individuals had to say. They did not make policy decisions or take part in any events of historical importance, therefore they viewed them as irrelevant. For the most part, even if they did leave behind diaries or papers, most have
not survived or at least have not been uncovered. Therefore, their voice in history is often only a whisper.

Tax records represent the only clear way to examine the effects of the Embargo of 1807 on the small landholder and the landless. The data in this section comes from a random sampling of fifty taxpayers with either no land or fifty or fewer acres according to the Jefferson County tax lists between the years of 1807 and 1811. From these records, the financial fortunes of those at the bottom of Louisville's economic food chain become visible. Trends that will become important in explaining the economic development of Louisville and its departure from a frontier economy after the War of 1812 are first seen through the successes and failures of these men.

**TABLE 1**

Changes in the Financial Holdings of Small Landholders and the Landless, 1807-1811

<table>
<thead>
<tr>
<th></th>
<th>Increased</th>
<th>Decreased</th>
<th>Same</th>
<th>Gone From Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Landholders (25 Individuals)</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Landless (25 Individuals)</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Combined</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>21</td>
</tr>
</tbody>
</table>

Twenty-one individuals, or forty-two percent, of the sampled landless or small holders who appeared on the 1807 Jefferson County tax list had disappeared by 1811. Fourteen of these men had owned no land in 1807.\textsuperscript{55} They leased the land on which they

\textsuperscript{55} *Jefferson County Tax Records, 1807-1811.*
worked. A prime example of this can be found in the person of William Price. He lived on a small piece of leased land prior to the Embargo. Price worked this land with two slaves and three horses. By 1811, he had disappeared.

Having no land and few possessions also meant little or no attachments. When hard times hit, these individuals could leave the valley and attempt to improve their economic situation elsewhere. This is a common occurrence in the history of Kentucky and the frontier as a whole and not just a product of the economic hardships brought by the consequences of the embargo. No death records exist for these individuals in Jefferson County during this time. Therefore, it must be assumed that they either moved further west or their deaths went unnoticed by county officials.

Owning a small amount of land did not necessarily protect one from ruin. Bartlett Griffith owned fifty acres of land and two horses prior to the embargo. By 1811, he no longer made Louisville his home. The same can be said for Griffin Tillis who owned fifty acres of land and one horse in 1807 and no longer resided in the County after the enactment of the embargo. John McKie owned less land than either Griffith or Tillis, only fifteen acres, but could not hold on to it as he had also vanished without a trace by 1811. Land was of vital importance to the frontier settler. It meant both a means to provide for their families and independence. To give up their land and move on there would have to be severe economic hardships bearing down on them or the promise of better opportunities elsewhere.

In 1807, Louisville represented both the beginning of the new frontier and the end civilization. Moving further West at this time, when war with Britain seemed eminent and trade had been disrupted, did not present an attractive option for many Americans.

56 Ibid.
Instances of settlers moving back to the East did not occur often, therefore the most likely conclusion is that the financial pressures brought on by the embargo required them to give up their land and move on. In other words, they had no choice but to leave Louisville. The fact that forty-two percent of the sample group left the area between 1807 and 1811 is indicative of the true nature of the frontier. Life on the frontier was a mobile existence especially for those with limited resources. Jefferson’s Embargo made life more difficult for the small landholder and the landless but, in all likelihood, some of these individuals would have left the area even without the enactment of trade restrictions.

Ten of the men in the sample group had an economic downturn during the years of the embargo. They managed to hold on to portions of their land but overall their economic fortunes declined. Both small landholders and the landless relied on subsistence farming but they would also have to sell surplus agricultural products in order to survive. The well-being of their families depended on more than just the food they received from the soil. In order to procure the non-agricultural necessities that their existence required upon such as farm tools, clothing and rudimentary medical supplies they needed the revenue obtained from their surplus.

The fact that these men conducted most of their business on a small scale at or around the Falls of the Ohio left them especially vulnerable when hard times hit. The Embargo caused a decrease in traffic along the Ohio River. Subsequently, this reduced the volume of trade and traffic at this location. With fewer people stopping to break down their cargo and transport it around the rapids, the landless and the smallholders lost their major opportunity to trade and found themselves in a vulnerable position.

57 Ibid.
These small farmers could have attempted to sell their surplus outside of the area, but they lacked the amount of product or connections required for long distance trade. A similar situation existed in Mississippi in regards to small farmers and cotton. In terms of agriculture and commerce, the state was in its infancy. Small farmers, who lacked trade connections outside of the area, would sell their cotton to larger producers, who would then ship it to foreign markets. Jefferson’s Embargo reduced the demand for cotton. The large producers could not find markets for all of their own cotton, therefore they could no longer deal with the small cotton growers. Small farmers in Louisville and small cotton growers in Mississippi both lacked the capacity to find markets for their goods.

Agricultural products sitting on the docks rotting in all parts of the country due to the loss of foreign trade markets provides another indication of the problems the small farmer faced. The domestic economy could not support all of the agricultural products that the nation’s farming community had the capacity to produce. Therefore, in order to engage in long distance trade during this period, an individual needed to have already been active in outside markets. Participating in local trade during the embargo also raised inherent difficulties. The fact that many of these individuals participated in unorganized and unreported trade for such a long period of time made it difficult for them to compete for shelf space in the local markets and stores with the larger farmers who already established relationships with these individuals. Merchants continued to do business with those who supplied them agricultural products before the Embargo. Mainly because in times of severe hardship, the known is safer than the unknown. All of these factors caused a decrease in the sale of surplus products for the small farmer. This meant reduced income which in turn forced them to either move or sell their land and property.

58 Sears, Jefferson’s Embargo, 100.
Seven of the men in the sample who experienced a decline in their financial situations were small landholders, whereas only three of the individuals were among the landless. This discrepancy between the landless and the small holder is attributable in part to tax requirements. The landless did not have to pay taxes on the land on which they lived, only rent to their landlord. Whereas, small holders had no rent to pay but they did have a tax burden attached to their land. The loss of income brought on by the financial hardships of the Embargo of 1807 did not provide an adequate excuse for not paying rent nor taxes. However, the landless did have an option available to them that small landholders did not. They could pay their rent with their surplus. By 1807, this option no longer existed in regards to paying taxes. In the early days of Louisville, farmers used agricultural products to pay their taxes but as both the local and state governments became more formal in their tax collecting methods, they rarely accepted crops as currency. The small landholder had to decrease the amount of land he owned or sell slaves and livestock in order to meet his tax burden.

A few individual cases stand out among the landless and small landholders who suffered economic setbacks because of Jefferson’s Embargo. In 1807, John Fried owned fifty acres of land along with one horse and five slaves. By 1811, his holdings had been reduced to nine horses. Although he managed to acquire eight horses, the economic hardships of the Embargo forced him to sell all of his land and slaves. George Fredericks’s holdings went from fifty acres of land and two horses in 1807 to no land and three horses in 1811. Peter Wise did not own as much land or property as Fried or Frederick but still suffered financially. At the beginning of the embargo, he paid taxes on twenty-eight acres of land and possessed three horses. By 1811, he had lost all of his land

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and only one horse remained. Unfortunately, the nature of tax records do not indicate if any of these men suffered setbacks because they were bad farmers, only that they experienced a decrease in holdings. However, it does stand to reason that some of these individuals experienced financial losses because of their own farming inadequacies as much as pressures caused by the embargo.

The story of William Carney and his family is a grim illustration of the effect that the Embargo of 1807 had on those who already had little before its enactment. In 1807, Carney and his wife Margaret leased their land. They counted six horses and three slaves among the property that they owned. Mr. Carney died sometime in 1808 and left his widow alone to run the farm. The hardships caused by the Embargo coupled with the loss of her husband proved too much for her to handle. Every year after the loss of her husband she reported a loss in property. By 1811, William Carney’s estate contained only one horse.

Not all of the small landholders and landless farmers who lived in Jefferson County suffered economic setbacks. Ten of the fifty individuals sampled remained in basically the same economic shape throughout Jefferson’s Embargo and the ensuing Non-Importation Act. There are small year to year fluctuations in the amount of land, horses, and slaves that the tax assessor counted among the holdings of these men but overall the changes did not amount to enough to say that they improved or declined during this period. However keeping their heads above water in an economic environment where many of their friends and neighbors drowned, has to be considered a victory.
Six of the ten who maintained the status quo during these years came from the small landholding group. This is contradictory to the results witnessed among those who suffered economic setbacks. Owning land appears to have been a contributing factor to the economic hardships of those whose fate worsened as a result of the embargo. Whereas, the owning of land appears to have been a positive factor for those who remained in the same economic shape. This is difficult, if not impossible, to explain using only tax records. This could be attributed to shrewd fiscal management or superior farming techniques but it is impossible to say without personal records or accounts of how they managed their finances.

There are success stories among the small landholders and the landless. Eight of the men from this sample group improved their economic situations to varying degrees. In most cases, they made small to moderate gains. However, a few of these men drastically improved their positions on Louisville’s economic food chain. William Haywood made the greatest economic gains among those who had little or no land prior to the embargo. In 1807, he had no land, one horse and one slave. Four years later, Mr. Haywood owned five hundred acres of land along with five horses. In similar fashion, John Daniel increased his holdings from no land and three horses to two hundred acres of land and eight horses. Haywood and Daniel prospered in a time when most of their brethren failed. They escaped from the landless class while increasing their ability to produce surplus. It is not known exactly what they did to succeed but their success does fit in with a developing trend. In post-embargo Louisville, bigger began to mean better, at least in economic terms.

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63 Ibid.
64 Ibid.
Disruptions in previous trade patterns made Louisville’s frontier economy unviable. Shipbuilding and tobacco could no longer sustain the economy because the demand for these products diminished and for the time being with no other manufacturing interests they possessed nothing that the rest of the country needed. In order to adjust, the area’s economy began to develop along more complex lines. Selling small amounts of surplus agricultural products at the Falls of the Ohio or casual trade with one’s neighbors could no longer ensure individual survival or economic stability for the city as a whole. Tax collectors no longer readily accepted produce and tobacco as form of payment. Financial hardships suffered by land leasers necessitated an increase in rent which small farmers could no longer pay because of a decrease in the value of their surplus. Therefore, those who once worked for themselves would now have to work for others in order to pay their tax burdens and rent.

This problem was not exclusive to the small farmers of Louisville. Small farmers in Vermont found themselves in a similar situation. The collapse in the local agricultural market reduced the prices that they could charge for their products. Their income decreased as their debts increased. Their debtors, who had increasing financial burdens of their own, sought remedy from the court system. As result, many small farmers ended up in debtor’s prison. Others turned to smuggling in order to make ends meet and also ended up in prison. The same situation existed in Albany, New York where the price of wheat dropping from two dollars a bushel in 1807 to seventy-five cents a bushel in 1808

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contributed to a fifty percent rise in the number of debt cases tried in the courts. 

Jefferson’s Embargo put the small farmer on the endangered list across the nation.

Large scale agricultural production gained greater importance as the Non-Intercourse Act replaced the total embargo. Farmers who could produce enough products to ship to other parts of the country began to prosper. Small scale endeavors symbolized the city’s frontier past not its modernizing future. Louisville had to get bigger in terms of both economy and scope of thought in order to withstand the pressures caused by the embargo. This would cause turmoil in the lives of not only the small farmer but anyone who thought and operated on a small scale.

Men like Bartlett Griffith, Griffin Tillis, and John McKie could not cope with the economic challenges placed upon the small landholder and the landless. Therefore they had no choice but to pack up their families and look for a more hospitable economic environment. William Haywood and John Daniel adapted to Louisville’s changing economy and increased the economic fortunes of their families. As a result, they secured themselves a place in the new economic landscape.

Sixty-two percent of the individuals sampled from the small landholders and landless suffered financially during the years between 1807 and 1811. These individuals either lost holdings or left the area. This further reveals the true nature of the frontier. As the frontier moved further west, civilization replaced it. The earliest settlers into any area served a purpose, they cleared the land and laid the foundation for commerce. Men of financial means would then move into the area and monopolize commerce, ultimately forcing the small landholders and the landless to move further west and restart the

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process. The frontier was not permanent. It only existed until civilization could move in. Small time operators flourished in frontier environments but could not compete once large landholders and businessmen commandeered the marketplace.

The days of the small subsistence farmer dominating the Ohio Valley agricultural landscape ended with the Embargo of 1807. Thomas Jefferson’s yeoman farmers found themselves unable to compete with larger farmers in an environment where trade markets dwindled. Jefferson’s prized ideal of virtue could not feed the kids or pay the taxes. In order to survive, small scale farmers would have to move, find a new way to support their families or increase the size of their operations in order to compete with larger farmers who participated in large scale agricultural production and long distance trade. In essence, Thomas Jefferson’s Embargo forced the small landholder and the landless to either expand the boundaries of the frontier by moving further west or become the embodiment of all that he claimed to despise. The yeoman farmer would have to transform himself from a virtuous man who worked a small amount of land on his own in order to provide sustenance for his family into an uncaring large scale farmer who resembled a manufacture more than a farmer in that he employed a large workforce, comprised mostly of slaves, who produced far more than his family could consume on their own and had to constantly absorb the land of the small farmers in order to keep his operations profitable.
CHAPTER 4: Economic Challenges of the Embargo on the Medium Landholders

The story of the medium landholder during the Embargo of 1807 is similar in many ways to the story of the small landholder and the landless. The size of their operations made them too large to be included among Thomas Jefferson’s yeoman farmers but too small to be considered a large scale agricultural producer. They occupied the precarious middle ground between the two. As the data taken from the 1807-1811 tax lists illustrate, this was not an enviable or economically secure position to occupy. Unfortunately, like the small landholder and the landless, the medium landholder left little evidence of their existence except for what they paid in taxes. Therefore, their story must be told through an analysis of the tax records. While this does not provide a complete picture, it does however offer an idea of how Jefferson’s Embargo effected their economic situations and lives in general.

Similar to the small landholders and the landless, many medium size landholders folded under the pressure and moved out of the area. Christopher Grabel, Robert W. Lewis, William Oldham and Jonathan Thomas are all examples of medium landholders who left Louisville without a trace during the Embargo. However, Robert W. Lewis proved to be the ideal specimen for study in this regard. He owned five hundred acres of land, fifteen slaves, and three horses in 1807. He disappeared from the tax lists in 1809 at the height of the economic hardships brought on by the embargo. No death record is registered for Mr. Lewis in Jefferson County, therefore it must be assumed that he left the valley.
An analysis of Robert W. Lewis' slaves offers valuable insight into his situation and possible reasons as to why he left the area. Of his fifteen slaves, eight were males above the age of sixteen. More than likely, these eight worked his fields while the other seven did house work or were too young to be of service. The presence of eight slaves working five hundred acres of land is a strong indication that Mr. Lewis participated in more than subsistence farming. Eight slaves tending to the crops would be very valuable during times when he had adequate markets for his product, in lean times this only meant eight more mouths to feed and bodies to cloth.

Robert W. Lewis also had a large house staff of up to seven slaves. This is an indication that he tried to live a lifestyle similar to the classic representation of a Southern plantation owner. The 1808 tax lists show that when hard times hit the valley, he did not attempt to unload his slaves, unlike others. Instead of gradually losing financial stature, Lewis burned out quickly. While closely resembling the operation of a large landholder, he did not have enough land to match them in output. One possible explanation for Robert W. Lewis' downfall is that he simply lived beyond his means in a time when economic realities called for financial prudence.

While some medium landholders remained in the same economic shape throughout Jefferson's Embargo and the ensuing Non-Importation Act, the vast majority suffered. Reuben Fields owned one thousand acres of land, five slaves and six horses before the Embargo. In 1811, he only counted five hundred acres, one slave and two horses among his possessions. The embargo also hit John L. Benton hard. Economic hardships caused his holdings to shrink from five hundred acres of land, eight slaves and seven horses to

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67 *Jefferson County Tax Records*, 1807-1809.
two hundred and eleven acres of land, five slaves and nine horses. Unlike Robert W. Lewis, both Fields and Benton gradually sold off slaves and reduced the size of their operations between the years of 1807 and 1811. They did not defiantly stand firm in the face of economic realities and, despite suffering substantial economic losses, they managed to keep a portion of their farms and remain in the area.

As a group, the medium landholders provide few success stories. Jacob Augustus managed to accomplish what many of his contemporaries could not by emerging from the embargo in a significantly better financial position than before the enactment of trade restrictions. He paid taxes on five hundred acres of land, nine slaves and nine horses in 1807. By 1811, his possessions included seven hundred and ten acres of land, fourteen slaves and thirteen horses. He managed to maintain his personal farm at the same amount of acres, five hundred, but acquired an additional two hundred and ten acres of land which he leased out. Jacob Augustus went from being solely a farmer in the years preceding the embargo to a farmer and land leaser in the following years. The importance of this will be discussed later in regards to large landholders and a developing trend of changes in the nature of land leasing.

Medium landholders occupied a precarious position in the economic landscape of Louisville during the embargo. They had more land and larger operations than the small landholder and the landless but they also had more expenses and higher taxes. While at the same time not having enough agricultural product to make long distance trade viable or in most cases the connections to make it possible. Therefore, they had to compete with the small farmer for market space while carrying less of a profit margin due to greater expenses.

\[^{68}\text{Ibid.}\]
Unlike large farmers, the medium farmer did not have the economic flexibility to adjust to changing market patterns. The cost of maintaining their operations did not allow them to squeeze out a meager existence on the fringes of Louisville’s economic landscape and the falling prices of agricultural products did not allow them to mimic large farmers by increasing the size of their operations. In simpler terms, the medium landholder existed in an economic no man’s land. When large landholders began to absorb the land of the smallholder and leased the property that the landless had once farmed as well as expanding the overall scope of Louisville’s economy, for all intents and purposes, the medium landholder became the small landholder.
CHAPTER 5: The Embargo and the Large Landholder

To this point of the study, the effects of Jefferson’s Embargo can be categorized as largely negative. The changes caused by disruptions in trade patterns, both domestic and foreign, started to move Louisville’s economy away from its frontier character. This forced the landless, the small landholders and the medium landholders to either adapt or perish. In most cases, they perished. An examination of Louisville’s largest landholders reveals an entirely different story.

In 1807, seven individuals owned the majority of Jefferson County’s land. As a group, Richard C. Anderson, Norborne B. Beall, William A. Booth, Jonathan Clark, William Croghan, and the Hite family owned approximately 250,014 acres of land. In 1811, the same group owned approximately 233,976 acres.\(^{69}\) Individually, their holdings either remained relatively the same or decreased slightly, except for the Hite family who experienced a significant loss of land. Overall, this group had been wealthy before the embargo and remained wealthy after the embargo.

It must be noted that these were not Jefferson’s yeoman farmers. They came to the Ohio Valley with their family fortunes in tow. The large landholders did not work their own land, as they possessed large numbers of slaves to harvest their crops, and they produced far more than they could consume on their own. Land they did not farm, they leased. These men established long distance trade networks over which the fruits of their slaves’ labor could be shipped around the country and across the Atlantic Ocean. By his own definition, despite the fact that his own plantation lacked yeoman elements,

\(^{69}\) Ibid, 1807 & 1811. There were other large landholders towards the low end of the spectrum but they did not show up on consistently on the tax records. Death and inheritance issues contributed to the difficulty in tracking those individuals.
Jefferson would have considered these men to have had an unfair advantage over the small farmer. However these advantages did not make them impervious to the effects of Jefferson’s Embargo although their wealth did provide shielding.

Large landholders had the most to lose, but they also had the financial means to weather the economic storms caused by the embargo as well as the financial flexibility to adjust to the changing economic environment. The large landholders represented both the area’s largest agricultural producers and land leasers. Therefore, they provided an ideal window through which to view the effects of the Embargo of 1807 on the frontier economy of Louisville.

Norborne Beall moved to Louisville in 1802 at the age of twenty-two. He was the son of a successful Virginia merchant who had entered into a Kentucky land speculation scheme in 1779. Upon his father’s death, Beall inherited a sizable fortune.\(^70\) Instantly, he became the area’s largest landholder. Prior to the embargo, Beall owned 92,425 acres of land as well as fourteen slaves and twelve horses. His personal farm, named Spring Station, totaled three thousand acres. Of his fourteen slaves, ten were males above the age of sixteen and were likely field hands.\(^71\) Their work could have entailed working with crops or clearing fields.\(^72\) Taking into account the gender and age of his slaves as well as the acreage of Spring Station, Norborne Beal engaged in large scale agricultural production and no doubt shipped a large amount of his crops out of the area. Despite his financial advantages, the loss of foreign markets and a lack of funds on the part of American consumers, the Embargo could have damaged his financial interests if he had not changed the way he approached business.

\(^{70}\) History of the Ohio Falls Cities and their Counties (Vol. I.), 215.
\(^{71}\) Jefferson County Tax Records, 1807.
\(^{72}\) It cannot be ascertained from the tax records how much of an individual’s land has been cleared.
Once the Embargo started to reduce the amount of agricultural crops that both the local and national markets could support, Norborne Beall reduced the size of his operations. By 1811, Spring Station totaled only nine hundred and fifty acres. The number of slaves on his farm remained the same but he had reduced the number of horses from twelve to six. He lost five-hundred and eighty five acres of total land during these years but gained twenty-five hundred and fifty acres of land to lease reducing the amount of land that he, or more appropriately his slaves, worked. The fact that he did not lease land to small farmers increased his chances of receiving the full value of the land, in the form of rent money, regularly every month.\textsuperscript{73} Also of importance is the seventy-five dollars worth of town lots that he acquired during this period. These lots would continue to grow in value and prove to be a wise investment.

Although, the size of Norborne Beall’s land holdings decreased in total acreage it cannot be said that he suffered negative effects due to the Embargo. The size of his financial portfolio prior to the Embargo provided him room to maneuver. He recognized the glut of agricultural products on a shrinking market and transformed land that he farmed into land that he leased. The shrinking market had severely injured the ability of small farmers to make a living, therefore Beall refused to lease them land; instead he dealt with farmers who could regularly pay their rent. He also recognized the value of land within the city limits and the fact that as the city grew so would the value of the lots. Norborne survived the Embargo with his fortune intact because he had the finances to adapt to a changing economic landscape and the vision to recognize the need for those changes.

\textsuperscript{73} \textit{Jefferson County Tax Records}, 1811. Norborne Beall entered into thirty-one separate leasing agreements in 1811 and only three involved properties under five hundred acres.
William Croghan was a native of Ireland who arrived in America in 1769. He served as a Captain in the Virginia militia during the American Revolution. At the end of the War, along with George Rogers Clark, he became one of the principal surveyors for Virginia military land grants in Kentucky. The state eventually appointed him to the position of Register of the Land Office. Therefore, when it came time to choose his own land, he already knew which land would make the best farm. In 1790, he purchased the tract of land that would become Locust Grove and remain his home for the rest of his life. By 1807, William Croghan had become extremely wealthy and influential in Louisville’s political scene.\(^7^4\)

Prior to the Embargo, William Croghan owned 53,273 acres of land, thirty slaves and twenty horses. Twelve of his slaves were males over the age of sixteen which means a considerable number of the slaves were either two young to work or worked in the house. Locust Grove totaled six hundred and forty-six acres.\(^7^5\) His agricultural operation, while fairly large, did not equal the size of those run by other large landholders. It appears that Mr. Croghan put more emphasis on land leasing and living the life of a Southern Gentleman than he did being a large scale farmer.

By 1811, the total number of acres that William Croghan owned had decreased to 49,562 but the size of Locust Grove remained the same. The number of slaves working his land also remained the same but he had eight fewer horses. To offset the loss of leased farmland, he purchased two hundred dollars worth of town lots.\(^7^6\) In 1807, Croghan rented land to small farmers and he continued to rent land to these same individuals after the embargo. Overall, he operated in very similar manner throughout the years between

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\(^7^4\) *History of the Ohio Falls Cities and their Counties (Vol. I.)*, 188.

\(^7^5\) *Jefferson County Tax Records*, 1807.

\(^7^6\) *Jefferson County Tax Records*, 1811.
1807 and 1811 and remained for all intents and purpose in relatively the same economic shape as before the embargo.

William Croghan never solely relied on agriculture for his economic well being. He no doubt would have called himself a gentleman farmer, but land leasing constituted his major source of income. Although he sold off over thirty-seven hundred acres of land, he remained a major land leaser along with increasing his presence in town by purchasing a significant amount of town lots. In a time when men from the Northeast and Southeast were bringing their families west to escape the grip of poverty, having abundant land ready to rent in small parcels did have one saving grace. These small farmers may have had trouble paying their rent but with Louisville’s constantly increasing population there would always be new tenants to replace them with. In regards to agriculture, the fact that William Croghan had resided in Louisville since its earliest days provided him an advantage over farmers with the same size agricultural operations. Because of whom he was, a city elder and hero of the American Revolution, when the market for agricultural products dwindled, he no doubt had the influence and connections to find buyers for his crops. Simply stated, Mr. Croghan remained wealthy after the embargo because he had been wealthy before the embargo.

The Hite brothers, Isaac and Abraham, permanently settled in Louisville during the early years of the Seventeen-Eighties. Isaac first ventured to the area as part of a surveying team that traveled down the Ohio River to the Falls of the Ohio in 1773. He returned in 1781 and opened a frontier outpost on Goose Creek. Abraham moved to the area in 1784 with their father Abraham Senior from Virginia. Prior to their settlement in
the area, the Hite family acquired a considerable amount of land through speculation deals.\textsuperscript{77}

The Hite family paid taxes on 68,552 acres of land in 1807. Among their property, they counted eleven slaves and twenty horses. Their farm resided on five hundred and seventy-six acres of land. Among their eleven slaves only two were males above the age of sixteen.\textsuperscript{78} In many ways their story is similar to that of William Croghan, in that farming was not their primary concern. The size of their farm and the number of slaves who could be considered field hands is a clear indication of their lack of interest in farming. They rented the bulk of their land instead of using it for farmland.

The Hite family suffered an overall decrease in land after the embargo. In 1811, their land holdings had shrunk to 57,709 acres. Their number of slaves had increased to twelve and the number of horses they owned now totaled twenty-eight. The property on which they lived diminished to only three hundred and forty-six acres.\textsuperscript{79} Despite the fact that they reduced the size of their farm by two hundred and fourteen acres, this cannot necessarily be taken as sign of economic suffering because they did not sell off either slaves or horses. Since they had little interest in farming, the loss of 10,843 acres of leasable land is a better sign of hardship.

Like William Croghan, they leased land to small farmers. The majority of their deals involved small or medium farmers. In 1807, they entered into one hundred and nine different leasing agreements. Of these deals, sixty were for five hundred or fewer acres with two deals being for property under one hundred acres.\textsuperscript{80} Despite having to reduce

\textsuperscript{77} Kleber, \textit{The Louisville Encyclopedia}, 76.  
\textsuperscript{78} \textit{Jefferson County Tax Records}, 1807.  
\textsuperscript{79} Ibid, 1811.  
\textsuperscript{80} Ibid, 1807.
their total acreage of land each year after the embargo, the Hite family did not significantly change their rental practices. In 1811, they entered into one hundred different land deals with fifty eight being for five hundred or fewer acres and three under one hundred acres. In the years following Jefferson’s Embargo, the market favored large farmers to the point that most small farmers barely survived. Yet, the Hites continued to tie their fate to those of the small farmers. They failed to adapt to Louisville’s changing economic landscape and their holdings decreased.

The Hite family also failed to recognize the growing importance of the city itself. Whereas other large landholders reinvested the money from land sales into town lots, they did not. They continued to operate in the same manner after the embargo that they did prior to 1807. However, despite losing 10,843 acres of land during this period they still existed far above the poverty line. As a matter of fact, their 57,709 acres of land remained among the largest holdings in Louisville. Like William Croghan, their wealth allowed them to survive the economic hardships of the Embargo of 1807 despite not changing their approach to business.

William A. Booth’s story is similarly to those of both William Croghan and the Hite family except that he had far less land at the beginning of the embargo and still had less at its end. He owned 13,382 acres in 1807. His farm totaled fourteen hundred acres along with thirty three slaves and eleven horses. In 1811, his farm had remained the same size with an addition of four slaves but his total land holdings had decreased to 12,782 acres. No changes occurred in his leasing patterns as he leased land to both large and small farmers throughout the period. Except for having six hundred fewer acres of land

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81 Ibid, 1811.
82 Ibid, 1807 & 1811.
to lease, William A. Booth enjoyed basically the same economic existence before and after the embargo.

In what now has to be considered a recurring theme, William A. Booth maintained his fortune because he had been wealthy prior to the embargo. His farming operation proved large enough to avoid the hardships placed upon the small farmer. The fact that he had always been a large scale agricultural producer meant that he already had connections for both long distance and local trade. Therefore, his operations required little or no changes. Like Croghan and the Hites, Booth did very little adapting but ultimately his survival did not require him to change.

Richard C. Anderson also suffered losses during the years between 1807 and 1811, in regards to total acreage. However, his losses can be considered miniscule when compared to the losses suffered by both Croghan and the Hite family but similar to those experienced by Booth. Furthermore, he demonstrated an ability to adapt and evolve which they did not exhibit. In 1807, Anderson owned 6,515 acres of land along with twenty four slaves and sixteen horses. His farm totaled 500 acres with twelve slaves being males over the age of sixteen. This left slightly over six thousand acres for leasing depending on how much of the land he had previously cleared. It appears that prior to the embargo, land leasing constituted the majority of Richard C. Anderson’s financial activities.

In 1811, Mr. Anderson paid taxes on only 6,050 acres as well as seventeen slaves and fifteen horses. His total land holdings decreased by four hundred and sixty acres but he increased the size of his farm to one thousand and fifty acres. Although, his total number of slaves dropped from twenty-four to seventeen, three of his sons had reached

\[83\] Ibid, 1807.
the age of sixteen and could compensate for the loss with their increased work capability. Anderson also stopped leasing properties under one thousand acres. He not only became a large farmer but also remained a moderately large land leaser while at the same time severing ties with the small farmers.

Richard C. Anderson’s loss of four hundred and sixty acres can be seen in part as a reinvestment. In 1811, the same year that he unloaded the land, he purchased eighteen hundred dollars worth of town lots. Overall, he recognized and adjusted to Louisville’s changing economic landscape better than anyone else among the large landholders. He increased his farming operation, which tied into the trend of large scale agricultural production replacing subsistence farming. Furthermore, he stopped leasing to small farmers because they had a harder time paying their rent because of pressures placed upon them by the changing marketplace. The town lots that he purchased placed him among other large landholders who decided to invest in the city’s future. Unfortunately, Anderson’s gains were limited by his lack of finances to maneuver with because he had the least amount of property among the large landholders despite the fact that he exhibited the most resourcefulness.

Amongst Louisville’s largest landholders, only Jonathan Clark increased his total acreage. Besides being a farmer and land leaser, he was the older brother and advisor to William Clark. Although, the elder Clark never achieved the historical notoriety of his brother, he did amass a considerable fortune in the Ohio Valley. Furthermore, he managed to increase his fortune during a time of economic depression.

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84 Ibid, 1811.
85 His brother was the William Clark who explored the west with Meriwether Lewis.
Jonathon Clark arrived in the Louisville area in 1802 and established his plantation at Trough Spring. He already owned a plantation with his brother in Columbia, Ohio. In 1807, Clark owned 15,867 acres of land in Jefferson County. Along with the land, he also counted forty-three slaves and twelve horses among his possessions. Trough Spring totaled 1,000 acres. This along with the large number of slaves he owned is indicative of large scale agricultural production. The embargo did not effect his farming operations as his farm contained the same amount of acreage in 1811 and he increased his number of slaves to fifty-two. The tax records for the period between 1807 and 1811 show no indication of economic hardship and in letters between himself and his brother no financial difficulties are ever mentioned. Therefore it must be assumed that the negative effects of Jefferson’s Embargo never reached Clark’s doorstep at Trough Spring.

Besides being a farmer, Jonathon Clark leased and speculated on land. Of the 15,867 acres of land that he owned in 1807, 14,867 acres of it was leased out. The majority of which he leased to large landholders. By 1811, he added one hundred and sixty-six acres to his rental properties. While not a large addition it is a sign of his economic well-being. Another sign of economic well-being can be found in his dealings with his brother. On numerous occasions before and after the embargo, he sent money to William Clark in St. Louis, often to front money for his business arrangements. On one particular instance, the younger Clark asked his brother to pay the taxes on land that he

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87 Jefferson County Tax Records, 1807.
88 Ibid, 1811.
89 Holmberg, Dear Brother, 129-293.
90 Of the sixteen rental agreements that Jonathan Clark entered into in 1807, ten involved properties larger than one thousand acres. In 1811 the number of properties over one thousand acres remained.
91 Jefferson County Tax Records, 1807 & 1811.
owned under another man’s name, the elder brother obliged. He also used his finances to help his son, John Hite Clark. In 1809, Jonathan Clark set up his son in a mercantile partnership with his brother Edmund Clark. Not only did he have the money to keep his own business interests afloat, he also acted as a bank for his brother and son.

Jonathan Clark died on November 25, 1811, but he left his son Jonathan Hite Clark a sizable estate that continued to grow despite the Embargo of 1807 and the Non-Intercourse Act of 1809. The elder Clark operated both a successful farming and land leasing operation prior to the enactment of the embargo. He did not have to build up his interests in the area because he came to Louisville as a wealthy man. Therefore, his finances remained on solid ground when trade restrictions sent the nation into a depression. Furthermore, his operations did not require much adjusting because they already ran efficiently on a large scale. The efficient manner in which he ran his business ventures would gain importance as Louisville’s economy grew in scope.

Clark had business interests on both sides of the Ohio River and his influence expanded as far west as St. Louis. When others had trouble finding a market for their agricultural products, Clark no doubt used his connections to find new options. With the establishment of his brother and son’s import and export business in 1809, he now had a reliable method to move products out of the area. Like the other large holders, Jonathan Clarke’s wealth insulated him from the economic turmoil of Jefferson’s Embargo. But to his credit, his business interests already resembled those that Louisville’s changing economic landscape would demand. In regards to his economic portfolio, Clark had

92 William Clark to Jonathan Clark, 22 August 1808, Dear Brother, 148.
93 Holmberg, Dear Brother, 281.
already left the frontier. Therefore, his business interests would continue to thrive as Louisville’s economy changed.

Louisville’s economy quickly started to resemble a more modern economy as its frontier elements faded away. The small farmer found himself being forced out. Not only could he not find markets for his crop but when he could no longer afford his land it was leased to someone with a larger operation. The large landholders can be considered the culprits in both situations. As a group, not only were they the large farmers who squeezed the small farmers out of the market but also the landlords who took their land out from under their feet and leased it those who could better afford to pay the rent.

The large landholder also had the financial flexibility to alter the nature of his business operations. This could mean downsizing their farm and reinvesting their capital in either town lots or more farm land to lease. They could also sell off leased land to increase the size of their farming operation. Whatever changes the economy demanded, these individuals had the resources to adapt if they so desired, if not they could sit back and wait out the depression. The more money an individual has means the more money he can lose before the situation becomes critical. The landless, small landholders and medium landholders did not possess the same options. They could not reinvest their capital into other ventures because they had no capital to reinvest. All they had came from the soil and if they could not find a market for their surplus then they had nothing. The modern economy favored those with room for financial maneuvering while the small and medium farmers remained shackled to a frontier economy.
There is an old proverb that states, "Tis money that begets money."
"\[1\] In regards to Louisville's transition from frontier economy to modern economy this is a correct statement but it could be further said that money keeps money. The size of these individual's economic portfolios prior to the embargo played a major role in their continued wealth. Both William Croghan and the Hite Family made no changes to the ways they conducted their business and suffered financial losses as a result. Despite these losses they still remained extremely wealthy. Norborne Beall also suffered losses during this period but he downsized his farming operation and put more emphasis on leasing land to large farmers to minimize the losses and he remained wealthy. William A. Booth and Jonathan Clark did not have to adapt to the changing market because their operations already conformed to the modernizing economy, and they also remained wealthy. Richard C. Anderson made the most changes to his economic portfolio with the biggest change being that he increased the size of his farming operation while decreasing the size of leasing operations with the end result being that he too remained wealthy.

The security provided by wealth is apparent when the financial holdings of the small landholders and landless are compared to the financial holdings of the large landowners. The overall data is similar in many aspects. Eighteen percent of the small landholders surveyed enjoyed an increase in their holdings between the years of 1807-1811 compared to thirty-three percent for the large landholders. Whereas fifty percent of the large landholders suffered decreases in their holdings, only twenty percent of the smallholders and landless witnessed losses. A greater percentage of large landholders suffered losses but their lifestyles did not change. In most cases, they retained the same.

\[94\] Bartleby.Com, http://www.bartleby.com (20 April 2007). The first appearance of the proverb in this form appeared in Thomas Fuller's *Gnomologia* (1732.) The proverb itself is believed to be of Italian origin and first appeared as "Money getteth money" in T. Wilson's *Discourse Upon Usury* (1572.)
amount slaves and livestock but sold land. However, the decrease in holdings for the small landholder and the landless often resulted in a loss of acreage, livestock and slaves. Forty-three percent of the individuals who suffered from this group left the area, compared to no departures among the large landholders. In other words, when things went bad for the smallholder and the landless, they went really bad.

The data clearly illustrates that financial suffering did not have the same definition for both groups. This is due to the introduction of a class structure. Settlers on the frontier were, for the most part, equal. The difficult nature of the work, such as clearing land and fighting Indians, which frontier life necessitated kept the development of class differences at a minimum. The introduction of civilization not only separated them but it also conferred advantages upon the wealthy.

TABLE 2

Comparisons between the Small Landholders & Landless and the Large Landholders

<table>
<thead>
<tr>
<th></th>
<th>Increased</th>
<th>Decreased</th>
<th>Same</th>
<th>Gone From Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Landholders</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>&amp; the Landless (50 Individuals)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Landholders</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>(6 wealthiest Families)</td>
<td></td>
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</tbody>
</table>

Not all of America’s large landholders and large farmers fared as well as those in Louisville. In Ontario County New York, both large and small farmers suffered alike.

The embargo crushed the agricultural market and did not make a difference between the rich and the poor. In a petition sent to the United States Congress and signed by 1,365 residents, the area’s farmers complained that “in no branch of agricultural pursuit do we find our customary profits” and that their once thriving marketplace had been overtaken by “a constrained and sullen inactivity.” Whereas, Louisville’s large farmers had been able to force small farmers out of the market thus retain consumers for their crops, Ontario County’s large farmers, like most throughout the country, could not do the same.

The continued presence of market opportunities for these farmers was, to large degree, because the Ohio Valley had a constant influx of travelers moving west who needed staple products to take with them as well as trade with New Orleans. Agricultural producers in the Northeast and the Southeast did not have these options. However, large farmers in Virginia such as Thomas Jefferson maintained the ability to manipulate the market and place small farmers at a greater disadvantage. Their wealth allowed them to hold back cotton and tobacco crops until they could sell them for prices higher than the current market allowed. Unlike most other areas of the country, being wealthy in Louisville provided a buffer against the economic consequences of Jefferson’s Embargo.

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96 Sears, Jefferson’s Embargo, 198.
97 Ibid, 248.
CHAPTER 6: The Embargo and Louisville's Townsfolk

In 1807, the city of Louisville resembled a frontier town. Local government was ineffective and offered few services to those who lived in town. It did not even have a police force or a courthouse. Trade was scattered with unrecorded and untaxed trade not only hurting the town in regards to collecting taxes but it also cut into the profits of established retail stores. The embargo forced Louisville to become more organized. Large farmers took control of the agricultural market and forced out the small farmer. They started to conduct more of their business within city limits and spend less time and money in rural settings. As more money started to flow into the city's economy, those who had vested interest in the city witnessed a rise in their financial fortunes.

Louisville had twelve retail stores in 1807. Four years later the number had grown to seventeen. During the same period of time, the number of officially licensed taverns increased from three to eight.\textsuperscript{98} The rise of taverns can be explained by the nation's fascination with intoxicating spirits during this period in American history. Well recorded binges caused Americans to resemble a "nation of drunkards."\textsuperscript{99} Even during times of economic strife its citizens found a way to purchase alcohol. The economic depression caused by Jefferson's Embargo offered yet another reason to drink. The increase in not only the number of retail stores and taverns but also the prosperity of Louisville's merchant class is a phenomenon not seen in the rest of the Country.

\textsuperscript{98} Jefferson County Tax Records, 1807-1811.
\textsuperscript{99} Rorabaugh, The Alcoholic Republic, 21. W.J. Rorabaugh ultimately believes that America was not a nation of drunkards in the early nineteenth century but drinking habits gave that impression to foreign visitors.
The embargo hit America’s merchant class especially hard. These men and, in some cases women, relied on foreign goods. The embargo not only made the procurement of these items difficult but it also dried up demand because their customers could no longer afford these items.

Smugglers brought foreign products into the Country but it did little to stimulate the market as a whole because of prohibitive prices and increasing alertness by the Federal Government. A large portion of the letters of complaint received by Thomas Jefferson originated from the merchant class.

An examination of the Crowninshield family provides an example of the effect the embargo had on merchants in New England. George Crowninshield Jr. and his brothers John, Benjamin, and Richard owned a mercantile firm in Salem. At the start of the embargo, they counted a fleet of seaworthy vessels among their possessions and assessed their property at $742,646. By 1812, Richard Crowninshield found himself in jail for debt and the family firm ruined. Not only did the embargo present economic hurdles that the family could not clear but the ensuing years offered no relief. They were among the wealthier of New England’s merchants and should have had some insulation against financial ruin. Therefore, it must be assumed that the area’s less prominent merchants suffered even direr consequences.

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100 Sears, *Jefferson’s Embargo*, 90. The main points of entry for smugglers were in the Northeast. The border between Maine and New Brunswick became the focus of the Federal Government’s efforts to stop smuggling.

New York is often considered one of the areas least affected by the Embargo because it possessed significant manufacturing interests.\textsuperscript{102} Letters sent to the President by merchants in New York do not reinforce that theory. A writer using the title “A Merchant” stated that “My ships I wish to send to Sea. By your recommending this embargo to save my property perhaps intentions were motives pure and good- but to my dissatisfaction, I don’t thank you for it.”\textsuperscript{103} A letter containing more forceful language, also originating from New York, arrived on the President’s desk a few weeks later. A man calling himself “One of the worthless part of Community” told Jefferson that the “Merchant don’t thank you or your collegues for your prudent measures. Take off the Embargo return to Carters Mountain and be ashamed of yourself, and never show your head in publick company again.”\textsuperscript{104} This is a clear indication of the hardships placed upon American merchants because these men resided in an area with manufacturing interests to compensate for foreign goods and still suffered. Merchants in the Northeast and South did not have the same luxury.

Louisville merchants appear to have escaped the financial hardships experienced by their brethren in the Northeast, Middle States and the South. While some turnover among the owner’s of the city’s retail stores occurred, several prominent merchants maintained control of their establishments throughout the years between 1807 and 1811 and increased their financial holdings. The disappearance of certain store owners from the tax records can be explained in part by the fact that three of these individuals did not own the lots on which their establishments were located. One other exchanged his store for more

\textsuperscript{102} Ibid, 197.
\textsuperscript{103} A Merchant to Thomas Jefferson, 30 June 1808, \textit{To His Excellency Thomas Jefferson}, 18.
\textsuperscript{104} One of the worthless part of Community to Thomas Jefferson, 14 July 1808, \textit{To His Excellency Thomas Jefferson}, 19. Thomas Jefferson, while serving as War Governor of Virginia, fled from Monticello to Carter’s Mountain during the American Revolution with Col. Banastre Tarleton in pursuit.
town lots and a large amount of farm land. The fact that wealthy landowners bought up land within the city limits must be taken into consideration as a factor in these men no longer having stores.

Among the merchant class, John Tarascon experienced the greatest financial gains. Along with his brother Louis, he fled to Philadelphia from France following the French Revolution and the ensuing Reign of Terror. While in Philadelphia, the Tarascon brothers operated the largest shipyard in the area as well as a general store that specialized in goods from their native homeland such as French Silks. John Tarascon moved his operations to Louisville in 1806 because he had lost several vessels and a considerable amount of cargo at the Falls of the Ohio. In an address to fellow Philadelphia businessmen, he stated that “We have been convinced by a dearbought experience that it is below the rapids that vessels fit for the sea must be constructed and laden.” The Embargo of 1807 ruined his dream of a shipbuilding empire at the Falls of the Ohio because the nation no longer need the same quantity of vessels. Therefore, Mr. Tarascon had to adapt in order to protect his financial interests.

In 1807, John Tarascon’s holdings included forty-five acres of land, six slaves, nine horses, one retail store and fifteen hundred dollars worth of town lots. The demise of the shipbuilding industry forced him to concentrate more on being a merchant. He built a wharf and warehouse in the nearby community of Shippingport to give himself an

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105 Jefferson County Tax Records, 1807-1811. Of the twelve individuals who owned retail stores in 1807 only four still had their stores in 1811. Of the eight who no longer owned retail stores in Jefferson County, three did not own city lots. Leaven Lawrence had a retail store in 1807 but not in 1811. He did however gain over six hundred acres of farm land.

106 Kleber, The Encyclopedia of Louisville, 867. John Tarascon’s reason for moving to Louisville was taken from Address to the Citizens of Philadelphia, on the Great Advantages which Arise from the Trade of the Western Country (1806.)

107 Jefferson County Tax Records, 1807.
advantage in importing and exporting goods to and from New Orleans.\footnote{Kleber, \textit{The Encyclopedia of Louisville}, 867. Tarascon had originally planned to locate his Ohio Valley shipyard at Shippingport.} Tarascon opened a second retail store in 1808 along with a tavern. By 1811, he owned seventy three acres of land, twenty slaves, eight horses, and thirty-three hundred dollars worth of town lots along with the two retail stores and a tavern.\footnote{\textit{Jefferson County Tax Records}, 1808-1811.}

Prior to the embargo, John Tarascon dreamed of building the ships that traveled the Ohio River. Necessity forced him to concentrate his efforts on selling the goods that those ships carried. Had Tarascon remained in Philadelphia, he may have suffered a different fate. While that city experienced a boom in manufacturing its merchant class suffered.\footnote{Sears, \textit{Jefferson's Embargo}, 209.} Jefferson’s Embargo forced many merchants out of business. The large scale suffering of their customers left them without a market to sell their goods. In a letter to Thomas Jefferson, W. Penn wrote that “all of our citizens have become paupers, more than 10,000 now depend on charity.”\footnote{W. Penn to Thomas Jefferson, 21 January 1809, Jefferson Papers, Library of Congress.} Similarly, William Dalzell told the president “if you could see the unspeakable distress of the poor in this city your very heart would almost weep blood.”\footnote{William Dalzell to Thomas Jefferson, 10 February 1809, Jefferson Papers, Library of Congress.} Despite the economic depression suffered by the merchants in Philadelphia and other parts of the country as well, John Tarascon not only survived with his fortune intact but his business interests thrived. Louisville offered him protection from the hardships of the embargo.

Another merchant who prospered during the years between 1807 and 1811 was Thomas Prather. He migrated from Maryland to Louisville in the mid seventeen-nineties. After his arrival, Prather opened a store on Main Street. On a business trip to Philadelphia
he met John Jeremiah Jacob and after persuading him to move to Louisville, they formed
the merchandising firm of Prather & Jacob. Eventually it became one of the largest
import firms in the Ohio Valley.¹¹³

Prior to Jefferson’s Embargo, Prather counted among his holdings 2,155 acres of
land, nine slaves, three horses, one retail store and thirty-six hundred dollars worth of
town lots. He lived in town on the same street as his store and leased the majority of his
land to one large farmer. Four years later, he owned 2,260 acres of land, thirty five
slaves, three horses, one retail store and five thousand and seven hundred dollars worth of
town lots.¹¹⁴ The presence of thirty five slaves is somewhat puzzling. He still lived on the
same property downtown and although it contained a large orchard it could hardly supply
enough work for thirty five slaves. He could have used a large number of them at the
docks loading and unloading his goods but it is more likely that he rented out their labor.
Not only did Thomas Prather increase his total acreage of leased land but he also
increased his presence in town with extra lots.

There are other indications of Thomas Prather’s increased prosperity in the years
following the Embargo. The first and most obvious is that he became one of
Kentucky’s first millionaires during these years.¹¹⁵ Another indication is the type of
goods that the firm of Prather & Jacob imported. They did a large amount of business
with the firm of Alexander Henry Jr. & Co. out of Philadelphia. This firm specialized in
the procurement of goods, both through legal and illegal means. In December 1810,
Henry informed Prather & Jacob that “the uncertainty of the period when the non-

¹¹³ Kleber, The Encyclopedia of Louisville, 719.
¹¹⁴ Jefferson County Tax Records, 1807-1811. Prather entered into three different leasing agreements
during 1807. One of those deals involved two thousand acres of land.
¹¹⁵ Kleber, The Encyclopedia of Louisville, 719.
intercourse law will commence its operation, and the delay of Congress in declaring whether they will make provision for unintentional infractions of it render uncertain, what quantity of British goods will arrive in the spring.¹¹¹⁶ The tone and content of this letter suggests a certain surety that British goods would become available but the nature of the trade restrictions would make them very expensive because demand exceeded supply. Prather & Jacobs’ account books between 1810 and 1812, shows that they possessed the economic resources to continue importing these goods.¹¹⁷ Not only is this an indication of their financial well-being but also that of the customers who could afford to purchase these luxury items.

John Hite Clark co-owned a mercantile business with his uncle Edmund Clark. His father, Jonathan Clark, provided the financial backing for this particular enterprise.¹¹⁸ They did not start the partnership until after the embargo went into effect, at around the same time in which the nation’s merchants started to feel the economic squeeze. The Clarks not only imported items for sale in Louisville but supplied William Clark’s trading outpost in St. Louis.¹¹⁹ Their business now catered to two different markets. They sent staple goods to St. Louis to meet that area’s frontier demands and imported luxury items for Louisville’s wealthier clientele.¹²⁰ Jonathan Clark’s good business sense has already been established by the way he conducted his own financial affairs. Therefore, it stands to reason that he would not have advanced the money if it had not been a wise investment.

¹¹⁸ John Hite Clark had been involved in importing enterprises since 1807 but the partnership with his uncle marked the beginning of a larger enterprise.
¹¹⁹ William Clark to John Hite Clark, 15 December 1808, Dear Brother, 278.
The fact that he did invest is another indication of the economic viability of Louisville mercantile enterprises.

One major reason for the prosperity enjoyed by the merchant class was the good times enjoyed by the areas large landholders and large farmers. These gentlemen continued to have the resources to purchase expensive luxury items imported from both the eastern part of the country as well as foreign shores. Had they suffered severe financial setbacks, the merchant class would have lost their main market for those goods. The small farmers, despite their ever decreasing access to disposable income, still needed necessity items such as tools and staple products that they did not produce. Because of the depressed market, the merchants no doubt had to lower prices on these items which cut into their profits. The real money could be found in the luxury items. Therefore it can be argued that the economic fate of Louisville’s merchant class was linked to the fortunes of the large landholders. The same thing can be said about Ontario County New York but with a negative outcome. The financial suffering by not only the small farmers but also the large farmers, who in turn were also the large landholders, shut down economic activity county wide.¹²¹

Another reason for the prosperity of the merchants, as well as the large farmers, can be found in the geographical location of Louisville at the edge of civilization. They had the advantage of proximity in dealing with the expanding frontier in the West and Northwest. The Ohio River ensured that anybody going west would have to stop at the falls. The ability to send their products down the Mississippi River to New Orleans also constituted a major advantage. They could smuggle products in and out of the country easier than their counterparts on the east coast. The Federal government focused most of

¹²¹ Sears, Jefferson’s Embargo, 198.
its efforts on stopping smugglers on the Canadian Border. The port of New Orleans provided an ideal port for smuggling activity. Location definitely played a significant role in Louisville’s avoidance of the severe economic hardship experienced by rest of the country.

Merchants and large landholders were not the only individuals who recognized the growing importance of the city. Doctors, lawyers and other professionals began to arrive, conduct their business within the city limits and built their homes downtown. Between the years of 1807 and 1811, the downtown area took on greater importance, as a result important people started to move from rural settings into the city. Their investments furthered Louisville’s transition from frontier town to modern city.

Dr. Richard Ferguson, a pioneer surgeon, first came to Louisville in 1802. By 1809, he had married and opened a medical practice on Main Street. During the same year, he earned public notice by amputating General George Rogers Clark’s leg. The operation proved to be a boost to his practice. In the early nineteenth century surgery was still a tricky proposition. Surgery techniques did not significantly improve until long after the Civil War. Therefore, a successful operation on such a prominent individual provided invaluable publicity. Louisville had plenty of frontier doctors who traveled around the county making house calls. It now had a surgeon and patients came to see him.

In 1807, Ferguson owned nine hundred and twenty dollars worth of town lots along with two slaves and one horse. Four years later his holdings increased to $1,965 worth of

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122 Thomas Jefferson to Albert Gallatin, 8 December 1808, Jefferson Papers, Library of Congress. In December of 1808, Thomas Jefferson discovered that merchants in New Orleans had been shipping flour to the West Indies since the beginning of the Embargo. Even more embarrassing for Jefferson than the fact that the Federal Government had no idea about New Orleans’ illegal enterprises was that the city had been one of the Embargo’s biggest public supporters up to that point.

123 Kleber, The Encyclopedia of Louisville, 285. General George Rogers Clark fell into the fireplace at his Clarksville, Indiana home. The damage was so severe that it required the services of a surgeon. Ferguson amputated the leg above the knee without the benefit of anesthesia.
town lots, five slaves and two horses. The most significant increases in his holdings came after 1809, which not coincidently was the same year as Clark’s surgery. As his practice grew, so did his presence in town as he reinvested his money in Louisville’s future. Richard Ferguson’s contributions to Louisville and his role in transforming it from a frontier town cannot be measured only by the money that he pumped into its economy. As the city became the center for commerce, more people started to move their operations and their homes downtown. The increase in people added to Louisville’s already poor health conditions. Dr. Ferguson started a campaign for a public health system and compulsory vaccination after his arrival into the area. After years of championing the cause, Louisville built its first hospital in 1817, appropriately named Louisville Hospital. He served the hospital as both an administrator and a practicing surgeon. 

Fortunatus Cosby moved his family to Jefferson County in 1800. He made his living as a lawyer but gained his reputation as a politician. Cosby twice served in the Kentucky Legislature, 1802-1803 and 1805-1806. He also owned a considerable amount land which he leased. Besides building one the city’s first brick houses, he built the area’s first private market house in 1804. Despite these accomplishments, prior to 1807, most of Cosby’s holdings were rural in nature.

Prior to Jefferson’s Embargo, Fortunatus Cosby owned 5,550 acre of land, eight slaves, three horses and thirty-eight hundred dollars worth of town lots. In 1811, he paid taxes on three thousand acres of land, seven slaves and fifty-four hundred dollars worth of town lots. He sold off 2,550 acres of farm land but purchased an additional sixteen

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126 Ibid, 223.
hundred dollars worth of town lots.\textsuperscript{127} His increased focus on his business interests corresponded with his appointment to the bench. Cosby served as a Circuit Court Judge from 1810 to 1816.\textsuperscript{128}

Another indication of his financial stability can be found in a debt he owed Joseph Beard. Cosby owed this individual ten thousand dollars. He made the first payment of one thousand dollars in July of 1807. Cosby made steady payments throughout the years of the Embargo and the Non-Intercourse Act including five payments totaling eleven hundred and forty-seven dollars in 1808.\textsuperscript{129} This is significant because 1808 is considered the year in which America suffered its most severe financial setbacks. Yet, Fortunatus Cosby was able to pay a considerable amount of money towards his debt. This along with the increase in his town lots is evidence that he was another of Louisville’s townsfolk who enjoyed continued prosperity despite the Embargo of 1807.

Not all of Louisville’s townsfolk are remembered in the history books. They do not have famous last names like Tarascon, Clark or Ferguson. Their accomplishments are not commemorated on plaques in front of historic buildings but many of them did benefit from the increased emphasis of the downtown area on Louisville’s economy and in turn helped to transform it from its frontier nature. John Burrus owned eight slaves, two horses and two hundred dollars worth of town lots. Four years later he had added seven slaves, 4 horses, three hundred and thirty-two acres of farmland and a tavern to his holdings.\textsuperscript{130} Opening a tavern may not seem significant to Louisville’s changing economy but it is

\textsuperscript{127} \textit{Jefferson County Tax Records}, 1807 & 1811.
\textsuperscript{128} \textit{History of the Ohio Falls Cities}, 215.
\textsuperscript{129} Beard Family Receipts, 1807-1814, George Washington Hull Papers. Manuscripts, Filson Historical Society, Louisville. The debt was actually owed to the estate of Sarah Beard’s mother but Joseph Beard oversaw the collection of the debt.
\textsuperscript{130} \textit{Jefferson County Tax Records}, 1807 & 1811.
representative of an ideal. Economic success no longer revolved around the countryside. Thomas Jefferson’s agrarian dream died in Louisville after the enactment of the embargo. For many individuals, the city symbolized success and the fruition of their dreams. John Burrus epitomized this particular line of thought. He became a land leaser by purchasing rural farm land but he called the city home and laid roots with his tavern.

The Embargo of 1807 caused a transformation in the nature of Louisville’s business activities. The character of the city’s economy changed from rural to urban. Agricultural products may have been grown in the country but they were now sold in the city. Land leasers conducted deals for farm land from downtown offices. The men who invested in the city between the years of 1807 and 1811 would become the men who dominated Louisville’s economy in the years after the War of 1812. They also played a significant role in the development of the city’s manufacturing interests and its continued modernization.
CHAPTER 7: Louisville’s Economy after the Embargo

In 1800, the population of Louisville numbered 800.\textsuperscript{131} Between the years of 1810 and 1820, the population increased from 1,357 to 4,012. By 1830, the population of Louisville and its surrounding communities totaled 11,345 making it the largest city in the state.\textsuperscript{132} This population growth cannot be considered exclusive to either Louisville or the Ohio Valley because America west of the Alleghenies exploded in population after 1810. Between the years of 1810 and 1860, the West experienced a growth rate twice as large as the rest of the country.\textsuperscript{133} Poverty caused by the embargo and overcrowding in the east as well as increased interest on the part of the Federal Government in populating the west after the War of 1812 are major factors for the growth. However, Louisville’s position at the Falls of the Ohio did offer advantages. Since the Ohio River was the primary highway for the interior, a large portion of America’s western travelers passed through the city. The falls required everyone to stop and some stayed. Even the ones who only passed through contributed to its economy. In a span of thirty years, Louisville transformed itself from a small frontier village to a major city. It had grown not only in population but stature as well. The city’s economy became vital not only to Kentucky but also the entire Ohio Valley.

\textbf{TABLE 3}

Population of Louisville, 1800-1830

\textsuperscript{131} Casseday, \textit{The History of Louisville from its Earliest Settlement Till the Year 1852}, 107.
\textsuperscript{132} Keleber, \textit{The Kentucky Encyclopedia}, 575.
\textsuperscript{133} Kreipke, “The Falls of the Ohio and the Development of the Ohio River Trade, 1810-1860.” 197.
Population of the United States, 1800-1830

<table>
<thead>
<tr>
<th>Year</th>
<th>Pop.</th>
<th>Pct. of Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1800</td>
<td>800</td>
<td>NA</td>
</tr>
<tr>
<td>1810</td>
<td>1,357</td>
<td>69.6</td>
</tr>
<tr>
<td>1820</td>
<td>4,012</td>
<td>195.7</td>
</tr>
<tr>
<td>1830</td>
<td>11,345</td>
<td>182.8</td>
</tr>
</tbody>
</table>

Jefferson's Embargo played a crucial role in preparing Louisville's economy for the huge influx of people. The embargo forced the city to discard its frontier character. In order to survive, Louisville's economy would have to grow larger, not only in terms of dollars and cents but also the way it operated. Small farming gave way to large scale agricultural production and merchants with both the finances and connections to maintain a steady flow of luxury goods left little market space for the small time operators. Large landholders increased their hold on the area's farmland while tailoring their own operations to meet the demands of the growing local population and markets further west. The city became the center of business and both the large landholders and well to do townsfolk reinvested their money in its future.

Between the years of 1807 and 1811, the merchant class commandeered local government away from the trustees who had governed since the earliest days of the settlement. The merchants would maintain control until the eighteen-twenties when professionals such as doctors and lawyers gained greater influence among the ranks of
city government. The large landholders, for the most part, remained content to live the lifestyle of southern gentleman and watch their investments grow. The merchant class, however, intended to protect their interests. Louisville’s growing population and a widening gap between the wealthy and the poor resulted in an increase in crime. In order to protect their property and possessions, the merchants pushed for security against crime. This resulted in the beginnings of a police force. In 1810, the city hired two watchmen. John Ferguson and Edward Dowler were paid two hundred and fifty dollars each per year to police the city. The lack of any form law enforcement had been a point of contention for investors because without it, they could not be ensured protection for their interests. This constituted a modest start but a start none the less.

Louisville’s business interests required not only physical protection but legislative protection in the form of a strong city government. The rise of the merchant class into the ranks of local government marked a major step towards this goal but they still had no permanent place to conduct their governmental business. Prior to this point, city officials dispensed government from taverns, meeting halls and other informal locations. In 1810, the city began construction on a County Court House and a jail.

Thomas Prather played a significant role in adding extra protection for the city’s business interests and stimulating the growth of the economy. In 1812, he opened Louisville’s first incorporated bank. Six years later, Prather established the Louisville Insurance Company, incorporated by an Act of the Kentucky Legislature on January 31, 1818, and funded at one-hundred thousand dollars. Businessmen had long recognized the

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134 Ibid.
135 History of the Ohio Falls Cities, 223.
136 Ibid.
137 Kleber, The Encyclopedia of Louisville, 719.
need for an insurance company. Dr. H. McMurtrie reported to President James Monroe that "the great and decided advantages resulting from an establishment of this nature in this town, are too obvious to need a comment." 138 Louisville's business men now had a safe place to deposit their money and an insurance company to protect their interests against crime and disaster. It also sent a message to investors from outside of the Ohio Valley.

Historians have often pointed to the nation's lack of manufacturing industries as a primary reason for the economic devastation caused by the Embargo of 1807. In regards to the Northeast and South this is true but the Middle States, an example being New York, already possessed manufacturing interests and the region still suffered. In contrast, Louisville had virtually no manufacturing interests and did not suffer as severely as other regions of the country. However, in order to keep up with these areas, who had begun to develop manufacturing interests as a result of the embargo, it would have to turn its attentions towards industry. 139 The merchant class used the money being pumped into the economy by the large landholders and travelers moving west to answer the call.

John Tarascon started construction on a water powered automated grain mill in 1815. Constructed of stone and brick, it reached six stories into the sky and was completed in 1819. It stood for nearly eighty years. 140 Sometime after 1816, John Hite Clark established a steam manufacturing mill on Jefferson Street. The mill was made of solid brick and measured five stories tall. On average, it produced eighty barrels of flour.

138 McMurtrie, Sketches of Louisville and its Environs, 130.
139 The South is the exception in the nationwide race to develop manufacturing interests. The embargo failed to influence this region to cultivate a system of manufactures. The south increased its reliance on agriculture and its economy remained underdeveloped. Historians such as Martin Sears have used this argument in the past to explain differences between the Northern and Southern regions of the country.
140 Kleber, The Encyclopedia of Louisville, 867.
each day. Another major addition to Louisville’s manufacturing interests, the Maltz and Jacobsen Sugar Refinery, commenced operation in 1818. It produced fifteen hundred pounds of refined sugar per day. Prior to the opening of the sugar refinery all refined sugar had to be imported from the East. Maltz and Jacobsen not only provided sugar for the Ohio Valley but they controlled the Western sugar trade. Also of significance is the Peterson and Company Soap and Candle Manufactory. It became the largest soap producer in the western country and turned out twelve thousand pounds of soap per week along with one thousand pounds of candles per day. These are just a few examples of Louisville’s increasing interest in manufacturing.

The previously mentioned manufacturing endeavors originated from within Louisville’s business community. An important turning point in the city’s development of manufacturing interests came when outside investors took notice of Louisville’s growing economy and began to funnel money into the area. In 1816, a group of Eastern investors led by James D’Wolf Jr., opened Hope Distillery on Main Street. Their initial investment totaled one hundred thousand dollars but they had access to double that amount. A 45-horsepower steam engine powered two stills that had a fifteen hundred gallon capacity along with a seven hundred and fifty gallon doubler. By 1819, the distillery produced twelve hundred gallons of liquor per day. They became the first distillery to mass produce Kentucky bourbon and their success added to both Louisville’s economy and its reputation as a sound location for business investments. If not for the efforts on the part of both Louisville’s large farmers and merchant class to formalize trade and make the city

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142 Ibid, 133.
143 Ibid.
144 Ibid, 127.
a center for commerce during the early days of the Embargo, achievements like this never would have been possible.

The introduction of steamboats to the Ohio River provided a huge stimulus to Louisville’s economy. Down river trade along the Ohio and Mississippi Rivers had long been perfected. Merchants could easily ship goods from Pittsburgh to Louisville and then Louisville to Mississippi. The Falls of the Ohio provided navigation problems but a ship’s captain could wait until the river swelled and then sail over the breaks. Sometimes it took weeks for this to happen but it was a small price to pay in to get their trade goods to New Orleans. However, shipping goods from New Orleans to Louisville or Pittsburgh proved to be more difficult.

Navigating upriver was time consuming and costly. Barges and keelboats could travel no more than ten to twenty miles up river each day. A voyage between New Orleans and Louisville took between three and four months.\textsuperscript{146} As a result, prior to 1817, approximately twenty barges left New Orleans for Louisville every year. Each barge made one trip a year and carried one hundred tons worth of goods.\textsuperscript{147} This severely limited the amount of goods that could pass through Louisville from the Mississippi River.

The nature of river trade changed in 1817 when Captain Henry Miller Shreve of the steamboat \textit{Enterprise} made a roundtrip from Louisville to New Orleans in forty-five days.\textsuperscript{148} Up until this point an overwhelming majority of the goods passing through Louisville originated from the East. Goods now poured in from both sides of the falls. Steamboats could travel up to fifty miles a day and made shipping upstream and

\textsuperscript{146} Gruenwald, \textit{River of Enterprise}, 115.
\textsuperscript{147} Kreipke, 199.
\textsuperscript{148} Ibid, 200.
downstream both cheaper and faster. The introduction of the steamboat made Louisville a major center for commerce but the actions of the city’s merchant class and large landholders during and after the embargo prepared it for the shipping boom.

The city now contained numerous market houses and retail stores to both purchase and sell arriving goods. Large farmers filled the market houses with agricultural goods at cheaper prices than small farmers could offer. The docks ran efficiently with abundant warehouses to store goods until they could be processed or sold. An expanding police force along with improved medical facilities and better city planning made Louisville both a safer and healthier place for those who disembarked from the steamboats for a visit. Steamboats may have increased traffic through Louisville but the business community made sure the city could handle the enormous boost in commerce.

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149 Gruenwald, River of Enterprise 115.
CHAPTER 7: Conclusion

Prior to the embargo Louisville’s existence could be described as little more than a frontier town at the edge of civilization. Despite the advantages offered by the Falls of the Ohio, the town trailed its closest neighbors to the East, Lexington and Cincinnati, in both population and size of economy. Its lack of manufacturing industries, except for tobacco processing and shipbuilding, left it isolated to a large degree from the rest of the country. Its population lived primarily in rural locations and land within the city limits remained grossly underutilized. Local government was inefficient and the informal and unorganized nature of trade left it with little knowledge regarding the volume of commerce. The fact that the Louisville had only one market house, which was privately owned, illuminated the inadequacies of the economy. Large farmers shared the market with small farmers and major landholders broke up their land into small parcels to accommodate the small farmers. All of these factors combined to make Louisville’s economy small, unorganized and ineffective.

The embargo closed foreign markets and severely disrupted domestic trade. The nation’s farmers had abundant produce but nowhere to send it. Louisville’s large farmers had to wrest control of the remaining market space away from the small farmer in order to survive. Large landholders grew hesitant to rent land to small farmers because decreased market space meant they could not sell their crops, which in turn meant that they could not pay their rent. Louisville’s local government had to become more organized in order to collect tax money from trade. This resulted in greater importance being placed upon trade conducted in market houses and retail stores. Large landholders,
merchants and prominent professionals recognized the potential role that a strong
downtown area could play in the growth of commerce and started to reinvest their money
within the city limits. With an increased stake in the future of the city, these individuals
demanded protection from crime and disease. The city’s government took action to make
the downtown area both safer and healthier. As Louisville became more organized and its
economy stabilized, investors from outside of the area as well as ones among it own
citizens took an interest in the city.

The change in the nature of Louisville’s economy did come at a price. As
subsistence farming gave way to large scale agricultural production, the small farmer
found himself under siege. With few markets for his surplus and the land on which he
worked increasingly becoming the part of larger operations, small farmers found their
way of life becoming economically unviable. A few of these individual adapted to the
changing economic landscape, others stayed the course and suffered, but the vast
majority moved out of the area. The transition from frontier to civilization put the
small farmer at a severe disadvantage. Louisville’s large landowners and merchant class
often increased their economic standing at the expense of those who did not have the
financial means to either resist or compete. Ultimately, the men who helped claim
Jefferson County from the wilderness could no longer find a place for themselves within
its borders.

After 1811, market houses began to spring up across the city. Louisville witnessed a
proliferation of retail stores with access to all of the latest high end luxury goods. The
city’s manufacturing interests began to produce large quantities of items such as flour,
grain, soap, candles, and bourbon whiskey. An end to hostilities with Great Britain and

150 Jefferson County Tax Records, 1807-1811.
the perfection of steamboat technology brought an enormous amount of goods and people into Louisville.

The development of manufacturing processes along with an organized system of trade allowed Louisville to capitalize on the economic opportunities that surged into the City. Louisville was no longer considered a frontier town on the edge of civilization. Jefferson’s Embargo initiated a series of events that transformed it into a thriving city that would play a significant role in the expansion of America’s frontier.
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