

THE CHOCTAW TRADING HOUSE—1803-1822

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INTRODUCTION

The United States government in the early 1790's began to consider some definite plans for the control of the Indian trade. President Washington repeatedly called upon the Congress to formulate a policy towards supplying the trade necessities of the Indians with the purpose being to win their friendship and to overcome the influence that British and Spanish traders had gained over them. In 1795 Congress voted an appropriation of fifty thousand dollars to establish trading posts, to be managed by the War Department but under the direct supervision of the President. Two such posts, or factories, as they were rightfully called, were established in the southern regions; one at Coleraine, on the St. Mary's river, in Georgia and the other at Tellico Block-House, one hundred miles south of Knoxville, in the South West Territory.

Congress in 1796 appropriated one hundred and fifty thousand dollars for the extension of the factory system and set down regulations governing the conducting of the factory business. The whole thing was considered as an experiment, and so there were no new factories erected until 1802, when four new posts were begun. One of these was the factory built at Fort St. Stephens for the Choctaw Indians.

The factory system was destined to be set with many difficulties. During the War of 1812, the British destroyed five of the factories; the merchandising policies of supplying the various posts were not always the most business like; the constant competition of the private trader caused a diminution of business; and the pressure exerted by the American Fur Company finally brought about its downfall.

*This chapter of Father Plaisance's study of the Federal Indian Trading House is one covering the detailed history of the Choctaw Trading house on the Tombigbee River in Alabama. Other Chapters of the dissertation are to be printed in the Historical Journals of the several states in which these Trading Houses were located.

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When it was determined that the two Southern factories, one for the Creeks and the other for the Cherokees were successful in their operations, the War Department under the direction of Henry Dearborn early in 1802 decided upon opening a factory for the Choctaws. The Choctaw Indians inhabited the southern central regions of the Mississippi Territory, the southwestern part of the present state of Alabama. In the summer of 1802, Dearborn directed Governor W. C. C. Claiborne to make recommendations for a suitable site for the establishment.¹

"The government of the United States having concluded on establishing a trading house for the accommodation of the Choctaws, goods to the amount of ten thousand dollars will be sent by water for commencing the establishment. I will thank you to inform me as soon as you can of the most eligible situation for the factory to be established. As soon as a spot is fixed upon, measures will be taken for erecting suitable buildings for the store and the residence of the Factor.

A similar establishment on a smaller scale will be made at the Chickasaw Bluffs for the accommodation of the Chickasaws.

Agents for superintending those factories will be sent out from here in the course of the summer."²

Claiborne acknowledged the receipt of this order and replied that although "I cannot at present give a decided opinion as to the most eligible spot for the establishing of a trading house . . . but I am inclined to think that some convenient site on the Tombigbee River near the mouth of the Alabama would best answer the views of the government. . . ."³

¹Dunbar Rowland, *Letter Books of W.C.C. Claiborne* (6 vols. Jackson, Miss., 1917), I, 150. (Hereafter cited as LB WCCC) Henry Dearborn, War Department, to Governor W.C.C. Claiborne, June 7, 1802.

²*ibid.*

³*ibid.*, I, 151. W.C.C. Claiborne, Natchez, to H. Dearborn, July 20, 1802.

Dearborn agreed with Claiborne as to the propriety of establishing a trading house on the Tombigbee and even offered to dispatch a military guard for the protection of the public goods.⁴ The attitude of the Spaniards at Mobile offered some concern to the government; Claiborne wrote to General James Wilkinson expressing his personal opinion delaying the opening of the factory until it was made certain that the Spanish would permit the movement of goods past Mobile at a not too onerous duty. "The last proceedings at Orleans, rendering it uncertain how far the trade of the Mobile and Mississippi, may be embarrassed, induce me to think it unsafe for the present to venture the establishment of a factory at that quarter."⁵

Joseph Chambers, the newly appointed factor for the trading house, arrived in Natchez in the fall of 1802, along with a large supply of goods to be used at his new establishment.⁶ During his stay at Natchez, Chambers busied himself in the office of Claiborne.⁷ In a letter to Dearborn, Claiborne praises the industriousness of Chambers. "Mr. Chambers, the Factor greatly regrets the delay of his business; he seems to have the welfare of the institution much at heart and will, in my opinion, execute the duties of his trust with fidelity and propriety. Until the site for the factory is finally determined on, which I sincerely hope will be done in a few weeks, I have requested Mr. Chambers to remain with me, for his assistance, which he has been polite enough to tender, I find very essential in my office."⁸

It wasn't long before a definite site was picked for the Choctaw factory; it was to be located at Fort St. Stephens, a former Spanish fort on the Tombigbee and construction on the factory buildings was begun in the spring of 1803.⁹ In describing the factory buildings, Pickett in his *History of Alabama* says, "The parsonage of the old Spanish church

⁴*ibid.*, I, 227-228. H(enry) D(earborn), War Department to W.C.C. Claiborne, Sept. 11, 1802.

⁵*ibid.*, I, W.C.C. Claiborne, Washington, M.T. to (James Wilkinson), Nov. 16, 1802.

⁶*ibid.*

⁷*ibid.*, I, 260. W.C.C. Claiborne, Natchez, to Henry Dearborn, January 17, 1803.

⁸*ibid.*

⁹National Archives, Record Group 75, Bureau of Indian Affairs, Office of Indian Trade. (Hereafter cited as BIA, OIT). Vouchers of Choctaw Factory dated 1803. Ft. St. Stephens (Choctaw), 1803-1806.

was used as a skin house, and the old block-house served the purpose of the government store."¹⁰ Gaines, writing his recollections in later years, describes the factory buildings as follows: "The old Spanish fort St. Stephens, was located immediately on the bluff of the river; one of the block-houses was in a good state of preservation and was occupied as the store. There was an extensive frame warehouse, a room in which was used as the land office, and a frame dwelling which had been the officers quarters, all enclosed on three sides with pickets and a ditch, the river forming the defenses on the fourth. The frame dwelling was occupied as a residence by the United States Factor."¹¹

A check through the vouchers of the factory for 1803, shows that a quantity of timber, nails, iron, etc. was needed to repair the buildings selected by Captain Thomas Swaine, the local military commander.¹² The construction work was begun in April of 1803 and the buildings seemingly were in good enough state to receive the first shipment of goods that arrived at the new factory on May 3rd.¹³

Great hopes must have been held for the success of the factory. A large amount of merchandise was forwarded to it during the first two years of its operation. Between May 4, 1803 and October 6, 1805, a total value of goods estimated at \$40,000 was sent to the factory. The first shipment of goods that arrived at the factory on May 3, 1803, was worth \$13,562.52.¹⁴ The next large amount was received in June, 1804, amounting to \$6,230.90.¹⁵ Sundry small amounts of goods were sent at various intervals until the following year when on October 6th, Chambers lists a shipment of goods valued at \$18,472.55.¹⁶

As soon as he moved into his quarters, Chambers began to trade with the Indians. He appears to have stood in well with the Indians and

¹⁰Albert James Pickett, *History of Alabama*, (2 vols., Charleston, Walker and James, 1851), II, 184.

¹¹George S. Gaines, "Notes on the Early Days of South Alabama," *Mobile Register*, June 19, 1872.

¹²BIA, OIT, Vouchers of Choctaw Factory dated 1803. Ft. St. Stephens (Choctaw), 1803-1806.

¹³*ibid.*

¹⁴BIA, OIT, Inventory of Merchandise Received May 4, 1803 by Joseph Chambers. Ft. St. Stephens (Choctaw), 1803-1806.

¹⁵BIA, OIT, Inventory of Merchandise Received in June, 1804. Ft. St. Stephens (Choctaw), 1803-1806.

¹⁶BIA, OIT, Inventory of Merchandise Received on October 6, 1805. Ft. St.

the government officials of the Mississippi Territory. Governor Claiborne in writing to him speaks of his ability of managing the factory . . . I doubt not, but that institution will flourish under your judicious management."¹⁷ Besides being government factor, Chambers was also Register of Land Claims and a member of the Board of Commissioners for settling land claims.¹⁸ It was not uncommon that a factor would take upon himself other duties or appointments other than conducting the factory business. Later on it will be seen that Gaines was to be appointed postmaster while remaining factor of the Choctaw house. Pickett characterizes Chambers as a "man of a well-cultivated mind, and of business capacity."¹⁹

Due to his many duties, Chambers in 1804 wrote his friend, George S. Gaines, then living at Gallatin, Tennessee, asking him to come to St. Stephen and assist him in managing the factory.²⁰ The proposal Gaines readily accepted and late in 1804 he arrived at St. Stephen and was immediately put to work by Chambers. "The day after my arrival at Stephens, being familiar with the business of a retail store, Mr. Chambers gave me charge of the Trading House, his time being occupied in the discharge of the duties of Register of the Land Office and member of the Board of Commissioners for settling land claims."²¹ In 1805, Gaines was officially appointed assistant factor.²² The following year, Chambers resigned his factorship returning to his home in North Carolina and Gaines was made factor with Thomas Malone as assistant.²³

One of the financial problems facing the newly established factory was the payment of duties to the Spanish authorities at Mobile on all goods passing to or from the factory by way of Mobile. Governor Claiborne realized this difficulty and wrote the Spanish governor at Pensacola seeking a relaxation of any such charges. "The goods transmitted to this factory and the peltry etc. exported therefrom are the property of the United States, and I persuade myself that on their passage by way of Mobile no duties will be exacted or interruption offered by the au-

¹⁷LB WCCC, II, 20. W.C.C. Claiborne, New Orleans, to Joseph Chambers, March 8, 1804.

¹⁸Gaines, *op. cit.*, June 19, 1872.

¹⁹Pickett, *op. cit.*, II, 184.

²⁰Gaines, *op. cit.*, June 19, 1872.

²¹*ibid.*

²²Pickett, *op. cit.*, II, 233.

²³Gaines, *op. cit.*, June 19, 1872.

thorities of Spain."²⁴ To which request the Spanish governor replied that it was not in his power to comply with such a request and duties will be collected on all goods passing Mobile.²⁵

Having received such a reply from the Spanish governor, Claiborne instructed Chambers to pay the duties demanded but under protest, "if duties are demanded it may be advisable to pay the same, not however without making formal protest against the proceeding. . . ."²⁶

Chambers and later Gaines, continued to pay duties on all furs and peltries exported and on all goods and merchandise brought to the factory by way of Mobile. These duties created a heavy financial drain on the factory as may be ascertained by the following accounts of payments made by Chambers to the Spanish:

"Received of Mr. Joseph Chambers, Commissioner of the River Tombigbee, one hundred and eighty two dollars, sixty two and a half cents for duties on entrance and clearance of peltries bound from this port to the port of New Orleans now on board the Spanish Schooner Cicila, Joseph Manra Master. For his Security I give this at Mobile this thirteenth day of April one thousand eight hundred and four.

Michael Aclara

A copy of the Spanish receipt."²⁷ And the following one was paid in 1806.

"A list of charges paid on merchandise received at the Choctaw factory from William Davy esquire Principal Agent of Indn. factories by Joseph Saul Esq. . . . and of duties paid by Joseph Chambers Agent . . . on peltry etc. shipped from Choctaw Trading House. 1806,

Jan. 30th The following sums were paid by J. Saul, Agent

²⁴LB WCCC, II, 19. W.C.C. Claiborne, New Orleans to Gov. Folch, March 7, 1804.

²⁵ibid, II, 38. V. Folch, New Orleans, to Gov. Claiborne, March 15, 1804.

²⁶ibid, II, 52. W.C.C. Claiborne, New Orleans, to Joseph Chambers, Ft. St. Stephens, March 21, 1804.

²⁷BIA, OIT. Receipt for Duties Paid Spanish at Mobile, April 13, 1804. Ft. St. Stephens (Choctaw), 1803-1806.

at New Orleans, per his corrected list of expenses, dated August 30, 1805.

Demurage of Schooner St. Piere, Sloop Delia and Schooner Harriett at Mobile, being detained there by the Spanish Custom House	\$248
Duties paid by Messrs. Croudson and Patton on the Delias and St. Pieres cargoes	\$466.08

March 6th	Cash paid by J. Chambers to Mig. Aclara the Spanish Collector of the Custom at Mobile for duties on peltry etc., shipped on board the Schooner St. Piere & Antonio	\$398.84" ²⁸
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From these two account sheets it is evident that Chambers paid the Spanish customs at Mobile both for the merchandise he received and the furs and peltries he exported.

Just what kind of goods did the factor have on hand with which to barter for the Indians' furs and peltries? It might be interesting to present a list of merchandise that the factory had on hand and was used in trading with the Indians. Such a list made by Joseph Chambers. "Inventory of goods on hand at the Choctaw Trading House 1st October, 1805:

1 ps. Scarlet Cloth	34 yds.	
1 ps. Scarlet Cloth	31 yds.	
7¾ yds.		\$178.25
20½ yds. Blue Cloth		
17¼ yds. Green Cloth		80.00
2 ps. Green Cloth	48½ yds.	96.25
1 ps. Coating	23¼ yds.	
1 ps. Coating	8 yds.	
1 ps. Coating	25¼ yds.	
1 ps. Coating	25¾ yds.	
1 ps. Coating	25 yds.	
1 ps. Coating	25 yds.	
1 ps. Coating	24¾ yds.	
10¾ yds.		

²⁸BIA, OIT. A List of Charges Paid on Merchandise Received at Choctaw Factory in 1806. Ft. St. Stephen (Choctaw), 1803-1806.

6 yds.		\$101.74
17.8 yds. Brown Cloth		6.37
26 yds. Cashmere		
1 ps. Elastic Cloth	24 yds.	
1 ps. Elastic Cloth	24 yds.	
1 ps. Elastic Cloth	29 yds.	
12 yds. Elastic Cloth		
8¾ yds. Elastic Cloth		
1 ps. Elastic Cloth	23 yds.	80.00
96 yds.		
5 ps. linsey	38 yds.	53.33
54 yds. olive thicksett		
½ ps. Calimanco		
¼ ps. London Jeans		
2 ps. Gingham	73 yds.	
49 yds. Gingham		
2 lb. Scotch thread		
½ lb. Scotch thread		
¼ doz. ink holders		
1/12 doz. Testaments		
2 Gro. Coat buttons		
8 M. cut sprigs		
1 doz. fishing hooks and lines		
7/12 doz. Shoemakers Nippers		
½ doz. Awl hafts		
2/12 doz. Peging hafts		
10/12 doz. Peging hafts		
1/3 doz. Taylors Shears		
1 Gro. Shoe tacks		
2/12 doz. Taylors Shears		
1/3 doz. Shoemakers rubbers		
1-5/12 doz. butchers knives		
1/12 doz. handsaw files		
11/12 flat files		
½ yd. Twilled Nankean		
2 lbs. twist		
3-1/3 doz. Bobbin		
7/12 Gro. Brass sleeve links		
3-2/3 doz. Blk. hatter bits		
4-11/12 doz. Tim'd. hatter bits		
4 papers head stall buckles		

4 papers throat latches for buckles	
1 doz. snaffle bitts	
8/12 doz. snaffle bits	
5/12 Gro. head and throat buckles	
1/12 doz. Compasses	
½ doz. Screw Augurs	
2 doz. Socket Chissels	
7/12 doz. Carpenter's adzes	
½ doz. Socket Gouges	
¼ doz. hinges	
4/12 doz. spike gimblets	
4 doz. thumb latches	
5/12 doz. plain irons	
¼ doz. candle sticks	
2/12 doz. two foot rules	
1 set large scale beams and weights	
4 sets large shutter hinges	
3 pr. hooks and hinges	
10/12 doz. coopers adzes	
4 Maul rings	
1 coopers Froe	\$217.90
1-2/12 doz. lanterns	
2 horse collars	
5/12 doz. best Girths	
½ doz. linen Girths	
½ doz. half gallon measures	
2/12 doz. painted jacks	
39 Rifle Guns	
57 Axes	581.97
1 half bushel measure	
1 peck and half peck	
½ keg linseed oil	
1 keg putty	
1/12 doz. cow bells	
8 pair coarse shoes	
1 pair large scales	
1 pair small scales	
5 broad axes	
34 hatchets	
1 cask No. 8 nails	
20 lbs. No. 12 nails	

26 doz. weeding hoes	
1 gun lock	
2-3/4 lbs. brass wire	
5 lb. iron wire	
8/12 doz. saw sets	
2-7/12 gro. cow skin whips	\$317.39
5 white Brushes red tips	
27 assort. colored brushes	
6 brown brushes	
1 military plume	
7 fancy brushes	
8 fancy plumes	86.25
7 frying pans	
2-8/12 doz. shovels	
3/4 doz. spades	
1 steel pit saw	
1 steel cut saw	
2 fabbots crawley steel	
1/2 box white glass	
1/2 doz. cut saw files	
3/4 doz. nonesopretties	
10 1/4 prs. ferrit	
1/2 doz. fire glasses	
38 prs. china ribband	\$224.36
1152 bunches beads	
1/4 doz. horn combs.	
Silver Broaches	
Small wrist bands	149.61 3/4
10/12 doz. Sistercy hankf.	
10/12 doz. Surge Remols	
29 yds. blue & yellow calico	
7 1/2 yds. blue & yellow calico	
2 shirts	31.37 1/4
2 doz. ridding combs	
1/2 paper fire steels	
1 brass cock	
1 5/12 doz. Rimers	
25 lbs. vermillion	
25 lb. Red lead	51.69 1/2
1/12 doz. Glass Tumblers	
1 doz. Enameled Tea Pots	

3/4 doz. quart mugs	\$5.74 1/2
44 casks gun powder	
10 barrels gun powder	
4 half barrels gun powder	
1 qt. cask	930.00
1 Bale Blankets No. 5	
5 prs. 2 pt. Blankets	
1 Bale Blankets No. 13	
6 prs. 2 pt. Blankets	
4 Blankets	213.33
4 Rugs	
1 Jack Screw	5.48
1/12 doz. Bibles	
2 ps. Blankets	80.42
5 cover lids	5.43
10 Blankets	16.50
16 1/2 doz. silver rings	36.00
3 Barrels Flour	

	\$3725.13
add errors	11.84

	\$3736.97

(signed October 1, 1805

Joseph Chambers, Agent Choctaw Trading House.²⁹

The above inventory was made in the fall of the year after most of the trading had taken place and the stock on hand was comparatively low. Just two weeks after Chambers made out the inventory, he received a shipment of goods worth over \$18,000.

The balance sheet of July 1, 1806, shows how the business had increased to a considerable extent. Stock on hand amounted to over \$26,000. One of the most distressing items that was a constant drawback to the success of the factory were the debts due, mostly from Indians. In 1806 these totaled \$4,000 but gradually increased to equal one third of the total assets of the factory.

²⁹BIA, OIT. Inventory of Merchandise on Hand, October 1, 1805. Ft. St. Stephen (Choctaw), 1803-1806.

"The Choctaw Factory in A/C with the United States
"Dr.

1806	To Amount, stock on hand, 1st July	\$26,420.29	¼
	To Amount of merchandise received from Joseph Saul Esq. Agent at New Orleans per order of Willm. Davy Esq. P.A.I. factories	112.57	
	To Amount of Sundry charges paid by Joseph Saul Esq. Agent at New Orleans on merchandise received from and by order of William Davy Esq. P.A.In.F.	2,681.35	½
	To Amount due Joseph Chambers Factor, and his assistant pr. account herewith forwarded	977.51	
	To Balance per Contra	1,386.86	

Cr.

	By Amount of Sundry dfts. forwarded to William Davy, Esq. P.A.I.F.	\$4,594.73	½
	By Amount of peltry etc. do do	5,012.00	
	By Amount of Contingent Expenses as per acct. and Vouchers forw.	344.57	
	By Amount of Charges on merchandise as per acct. forw.	1,155.14	
	By Amount of Cash paid for merchandise as pr. Vouchers forw.	27.00	
	By Balance vizt. as per inventory		
	Merchandise on hand \$11,383.23		
	Peltry & other produce 4,504.10		
	Cash 543.46	½	
	Debts due the factory 4,014.34	¾	
		20,445.14	¼
		\$31,578.58	¾

Chaktaw Trading House St. Stephens, M.T.
July 1, 1806

Geo. S. Gaines, Assistant
Agt. to the Chaktaw Trading House³⁰

³⁰BIA, OIT. Factory Account with the United States, July 1, 1806. Ft. St. Stephen (Choctaw), 1803-1806.

In the following years the Indians debts mounted to over \$12,000 and brought from John Mason, Superintendent of Indian Trade, a word of caution regarding them. . . . "Your Indian debts, I remark, by your last returns are considerable and particularly that of the dead chief, Hoomostubee. I must call your particular attention to this subject and enjoin you to take care that these debts are regularly watched and called in from time to time, as I find in all quarters that Indian debts which are suffered to sleep for a certain time, can no longer be revived with any chance of collection."³¹

Under the management of Gaines, the factory's business expanded and though the Spaniards at Mobile continued to extract heavy duties on all imports and exports, the factory prospered. Gaines gives us an interesting account of the business at this time.

"The business of the trading house increased its popularity—brought hunters from all parts of the nation. Hunters of the Creek settlement at the falls of the Black Warrior came frequently to trade; and I had occasional visits from Creeks residing beyond the Alabama River. All appeared to be well pleased with our trade. My instructions from the Superintendent of Indian Trade made it my duty to be careful not to sell the Indians a damaged article of goods without pointing out the damage and reducing the price to what I considered its actual value; when blankets, shawls or cotton and linen goods appeared to me to be lighter or more flimsey and less durable than they purported to be, to point out the defect and reduce the price also."³²

It appears clearly evident that slaves were used in occasional jobs around the factory. although spoken of as "his Negro man" or "my Negro man," these must have been slaves as payment was not made to them but rather to the white person to whom they belonged. A check through the factory's Day Book reveals such payments. The payment for their service was fifteen dollars per month, this of course going to the owners of the slaves.³³ One of the slaves so used was Gaines' own man, named

³¹BIA, OIT. Record Copies, Letters Sent (Hereafter cited as RC LS), vol. B, 1809-1812. John Mason, Georgetown, to George Gaines, Choctaw Trading House, Aug. 28, 1810.

³²Gaines, *op. cit.*, June 27, 1872.

³³BIA, OIT. Day Book for the Three Months Ending the 30th of September, 1808. Account Sheet dated September 30, 1808. Ft. St. Stephen (Choctaw), 1808-1809.

Jacob, for whom Gaines charged the factory the regular fifteen dollars per month.

"Paid Nicholas Perkins for 3 months labor rendered to the Trading House by his Negro man Jeff per Rect. of this date ----- \$45.00
 Paid Thomas Malone for 3 months labor rendered to the Trading House by his Negro Man Dave per Rect. of this date ----- \$45.00
 Paid myself for 3 months labor rendered the Trading House by my Negro man Jacob ending this day pr. Rect. of this date --- \$45.00"³⁴
 Thus it is seen that the assistant factor, Thomas Malone, also owned a slave who performed labors for the factory.

The type of work done by the slaves is shown by a notation in the Day Book of the year 1809, dated March 31st, "Paid Thomas Malone for 3 months service rendered the Trading House by his Negro man Dave in splitting rails, making fences around the public buildings, handling skins, etc. at \$15 per month."³⁵

Besides the aforementioned handy men, there was employed an interpreter and a skins man. During the summer the furs and hides received from the Indians were overhauled often and beaten by the skinsman for the purpose of keeping out the worms. In the fall they were packed in bales and shipped to Philadelphia by way of Mobile and New Orleans. An agent, Joseph Saul, was located at New Orleans to receive the furs and pelts there and then arrange for their shipment to Philadelphia. After 1807, when the Superintendent of Indian Trade Office was opened at Georgetown, all such items were shipped to Georgetown.

The factory's trading with the Indians was done mostly on a bartering basis. An Indian would come in and be in need of some powder and flints or clothing, or cooking utensils. Some trades were done in great amounts; others in small ones. On January 10, 1809, Gaines records a barter with an Indian who had a canoe which he wanted to barter. For the canoe he received 2 yards of strouds, worth \$3.50.³⁶ Another small trade was made by an Indian who brought in four deer skins and for which Gaines gave him 1½ pounds of powder and eight flints. The

³⁴ibid.

³⁵BIA, OIT. Day Book for the First Three Months of 1809. Account dated March 31, 1809. Ft. St. Stephens (Choctaw), 1808-1809.

³⁶BIA, OIT. Day Book for the First Three Months of 1809. Account dated January 10, 1809. Ft. St. Stephens (Choctaw), 1808-1809.

value of the four deer skins, whose weight amounted to 8¼ pounds was marked down as \$1.63.³⁷

Other trades were larger than these mentioned and might be as the one made on Aug. 4, 1808, where deer, coon and fox skins and beeswax was brought by an Indian and he received a varied assortment of goods in return.

"Bartered with Indians

1 yd. Swanskin	\$1.00
1 oz. vermillion	.25
1 3 point Blanket	4.00
2/3 doz. flints	@ .18¾
2 2½ point Blankets	3.50
3 butcher knives	.25
2 black silk hkfs.	1.50
18 lb. lead	.18¾
12 ⅝ yds. muslin	.50

	\$25.81

Received in payment:

42 deer skins	111 lb. @ 20	22.20
7 coon skins	.12½	.87½
4 foxes skins	.25	1.00
5 lb. beeswax	.18¾	.93¾
	-----	\$25.01
1 dressed deer skin		.80
	-----	\$25.81 ³⁸

Another barter example as the following depicts what several Indians might have needed; their 206 deer skins being the results of winter hunts.

"Bartered with Indians	@ .75	\$36.00
48 yds. calico		

³⁷BIA, OIT. Day Book for the First Three Months of 1809. Account dated January 5, 1809. Ft. St. Stephen (Choctaws), 1808-1809.

³⁸BIA, OIT. Day Book for the Three Months Ending 30th of September, 1808. Account dated August 4, 1808. Ft. St. Stephen (Choctaws), 1808-1809.

4 brass kettles 17 3/5 lbs.	1.25	22.00
3 1/4 lbs. vermillion	3.00	9.75
3 axes	1.50	4.50
3 pewter basons 11 1/3 lbs.	.75	8.50
2 cow bells	1.25	\$ 2.50
8 doz. vest buttons	.25	2.00
10 prs. scissors		2.50
2 1/2 yds. scarlet cloth	4.00	10.00
2 pt. jack knives	.37 1/2	.75
5 1/3 yds. Russia Duck	.75	4.00
2 doz. needles	.12 1/2	.25
1 ivory comb		.37 1/2
2 C. Flints	@ 1.25	2.50
1 piece tape		.50
4 1/2 oz. thread	.25	1.12 1/2
1 pt. Jack		.37 1/2
		\$107.63
Received in payment:		
206 deer skins	538 1/4 lbs. @ 20	\$107.63**99

It will be noticed by examining the above trades with the Indians that deer skins were the predominant article of trade. Such a large supply of deer skins naturally caused the Superintendent of Trade in Georgetown to be concerned over the tremendous number of skins on hand. In the spring of 1808, John Mason wrote Gaines regarding this . . . "I am sorry to see that of \$7313.63 due in cost of the two invoices there is as much as \$5690 in deer skins. This article will inevitably destroy the funds of this establishment unless we can take them in much smaller quantities or at by far lower prices. I received a few days since account of sales from 30,894 lbs. deer skins and 81 skins, whereof 23,270 lbs. and the 81 skins were from your Trading House. 7624 lb. from Chickasaw, shipped by Genl. Shee last summer to Bordeaux. They were invoiced by him at 26 1/2c per lb. and the 81 skins at 2/3 of \$1.00 each, and at this rate amounted on board including \$26.00 shipping charges to \$8,246.71. The net amount of sales 9788 francs equal to \$1835.25, a clear loss of \$6411.60. I enclose you a copy of the sales for your information. By which you will see that much of this loss arose from the bad state of the skins but

**BIA, OIT. Day Book for the Three Months Ending 30th June, 1809. Account dated June 7, 1809. Ft. St. Stephens (Choctaws), 1808-1809.

that the best, which are said in the accompanying papers to have been quite scarce brought only 3, 60/100 francs ea. equal to 66 1/2c nearly. Can you advise at your factory any means of avoiding such sacrifices. At Amsterdam whither a shipment was also made, Tho. Gales not yet received, the accounts are discouraging and in the country there is no market for them."⁴⁰

From this it is evident the Superintendent was concerned over the large amount of deer skins taken in by the southern factories and there being no market for them. Although the factories listed their take of deer skins as profit, still this continual acceptance of them constituted a tremendous loss to the trading fund. It is no wonder that less than three weeks after this letter was sent out, Mason gave orders to the southern factories to cease sending their deer skins off from their factories. The instructions on this point were contained in a letter to all the southern factories . . . "Sir, under the present depression of the general embargo, sometime since laid by congress, it is hopeless to expect a sale at the sea Ports and to export them is impracticable until times change, then it is useless to accumulate them in the hands of our agents at Orleans and elsewhere, where they can not be so well taken care of as at the factories. After receipt of this letter then. you will be pleased to send off no more Deer Skins from your factory this spring or summer unless differently directed by me. But you will retain them and give from time to time every possible attention to their preservation from worms and by frequent examinations and beatings and such other means as your experience has found best adopted to the purpose. The furs and other skins you will continue to send off as usual."⁴¹

Such an order naturally caused a dropping off of business for these factories and an increase in operating expenses. Men had to be employed to beat the skins occasionally and additional storage space had to be built to house the accumulated deer skins.

The balance sheets for the period from December 31, 1807 to June 30, 1811, show the loss sustained by the factory, due primarily to the drop in the deer skin market and secondarily to the large amount of Indian debts. Of the total value of deer skins taken in and estimated by

⁴⁰BIA, OIT. RC LS, Vol. A, 1807-1809, J(ohn) M(ason), Georgetown, to George Gaines, Chaktaw, March 2, 1808.

⁴¹BIA, OIT. RC LS, Vol. A, 1807-1809, John Mason, Georgetown, to Thos. Linnard, David Hogg, Geo. S. Gaines, John B. Treat, March 18, 1808.

Gaines to be \$18,632.90, the Superintendent's office noted that a loss of 25% would occur.⁴² Estimated loss on bad Indian debts during this period was marked as \$1,997.43.⁴³ These two items added to a recorded loss of \$5,535.72 for the 3½ years so noted, gave the factory a total loss amounting to \$10,352.54.⁴⁴ Such a loss is explained by the Superintendent in a note entered beneath the balance sheets . . . "This factory has suffered much by the late depression in deer skins, almost the only article it takes in. The expenses paid for it have been above the ordinary proportion; because of the heavy duties paid to the Spaniards on the passage of both merchandise and peltries on the Mobile, and of the great expenses incurred at Orleans (to which place its peltries are sent for sale) in packing, preserving, etc. It will be remarked that its amount of traffic has been large.

One half of the debts are estimated bad; this, with Indian debts, is as little as can be expected; yet it is indispensably necessary to credit them to a certain degree."⁴⁵

The trading restrictions that were laid upon the factory goods at Mobile by the Spanish authorities forced the Superintendent to try to find other ways of supplying the trading house other than by Mobile. Ever since the beginning of the establishment in 1803, friction had been existing between the Spanish and American officials over the charging of the 12% duty by the Spanish at Mobile. This friction reached a high pitch when in the spring of 1809, the Spanish refused to allow a shipment of lead and powder intended for the factory from New Orleans to pass Mobile.⁴⁶ Mason considered this refusal a trick on the part of the Spanish so as to force the Indians to come to them for their supplies of lead and powder since the Americans would no longer be able to supply them. He was determined to supply the factory with all the necessities and wrote Gaines to search out any new means that might be used, such as shipments overland from Natchez or by portages from the Tennessee River to the Tombigbee.⁴⁷

The overland route from Natchez to St. Stephens was too expensive

⁴²American State Papers, Indian Affairs, I, 787. Choctaw Factory Account Sheet, Dec. 31, 1807 to Sept. 30, 1811.

⁴³ *ibid.*

⁴⁴ *ibid.*

⁴⁵ *ibid.*

⁴⁶BIA, OIT. RC LS, Vol. B, 1809-1812, Mason to Gaines, June 17, 1809.

⁴⁷ *ibid.*

so the goods continued to be sent to New Orleans and then via Mobile to the factory with the exception of the lead and powder which items the Spanish continued to forbid to be sent through Mobile. The other route available for supplying the factory was via the Ohio River to Smithland, a point near the mouths of the Cumberland and the Tennessee Rivers up the Tennessee to Colbert's Ferry, and thence be hauled overland to the Tombigbee River, where the goods would be sent by boat down to St. Stephens. In the summer of 1810, Mason decided to try this route and ordered 2000 lbs. of lead and powder from a Major James Morrison of Lexington, Kentucky.⁴⁸ Gaines was to proceed along the route north to Smithland and there meet the shipment and convey it back to his factory. On his journey north, Mason instructed Gaines to be on the lookout for a new site for the factory. Mason was considering closing the one at Chickasaw Bluffs and the Choctaw house and consolidating them both at a point higher up on the Tombigbee.⁴⁹

Gaines writes an interesting account of his journey to the Tennessee River to meet the goods there sent by way of the Ohio . . . "In October 1810, I received instructions from the Secretary of War to proceed to the Chickasaw Nation and endeavor to obtain permission of the Indians to open a wagon road from Colbert's Ferry to Cotton Gin Port, on the Tombigbee, and make arrangements to transport the goods thence to St. Stephens. I set out immediately, in obedience to my instructions; had an interview with the leading chiefs of the Chickasaws, who objected to opening the wagon road, but promised me facilities and safety for the transportation of the goods for the Choctaw Trading House, on pack-horses, at a very moderate expense.

"I continued my journey to Smithland, at the mouth of the Cumberland, where I found the supplies in the charge of Wood Brothers, with the exception of lead, which I was instructed to purchase. Hearing that a boatload of lead had been sunk in the Ohio, below Fort Massac, I proceeded to the place, and aided by the commanding officer at Massac, I purchased the quantity required, brought it up in a public barge to Smithland, engaged a careful bargeman and crew, with a good barge to transport the goods from there, and with the lead I had purchased, to Colbert's Ferry on the Tennessee. I then returned on horseback to Colbert's Ferry, made arrangements for receiving and 'packing' the goods to

⁴⁸BIA, OIT. RC LS, Vol. B, 1809-1812, Mason to Gaines, Aug. 28, 1810.

⁴⁹ *ibid.*

Maj. Pitchlyn, at the north of the Octibbeha, below Cotton Gin Port. I proceeded to Maj. Pitchlyn's and with his aid, arranged for transporting the goods down the Tombigbee to St. Stephens. It is a little remarkable that all my orders were carried out with precision and promptness, and the goods received at St. Stephens in good order without the loss of an article."⁵⁰

Some authors have overemphasized the use of the overland route used by Gaines in supplying the factory at St. Stephens. The overland route from the Tennessee River to the Tombigbee was never used to any great extent. The distance was some eighty miles and this was quite a lengthy journey for goods to be carried on the backs of horses and mules. The Indians not permitting a road to be built, Gaines had to rely upon the old ordinary foot path, using pack horses and such means of transportation of heavy goods was slow and expensive.

By 1813, the Americans had been able to force the Spanish out of Mobile and thus the port was free of any restrictive duties on the factory imports and exports, and thereby ending the necessity of shipping goods down the Tennessee and overland to the Tombigbee. The total amount of goods sent by way of the overland route was comparatively small.

In 1812, the goods destined for the factory from Georgetown were dispatched by way of the Tennessee River. The shipment was rather small, valued at only \$3598.96.⁵¹ Gaines gives an interesting account of his going to meet these goods.⁵² Evidently he was capable of getting along well with the military men as he was able to procure without any delay, a military guard to accompany him on this trip. Arriving at Major Pitchlyn's place on the Tombigbee, Gaines had a barge constructed and when the goods reached Pitchlyn's safely after their overland haul from Colbert's Ferry, he and his military guard loaded the goods on the barge and proceeded down to St. Stephens. Due to the unrest among the Indians and the likelihood that an attack might be made on the barge, Gaines had the barge boxed in with beef hides for protection against an attack from the shore. . . . "I caused the barge to be boxed, as usual in those days. This was meant not only for the safety of the goods but for the protection of the rowers and steersman. I had the sides and top well lined

⁵⁰Gaines, *op. cit.*, July 3, 1872.

⁵¹BIA, OIT. RC LS, Vol. C., 1812-1816. Mason to Gaines, Jan. 19, 1813.

⁵²Gaines, *op. cit.*, July 3, 1872.

with heavy beef hides so as to make them entirely bullet-proof. Both ends of the 'boxing' were open, so that the steersman could see how to guide the barge. . . . We were not attacked and arrived all safe at St. Stephens. Upon opening the goods they were found in good condition, with not a single article missing. These goods were greatly needed, and the trade was active during February 1813 and the ensuing spring months."⁵³

During 1811, the factory buildings began to show signs of decay and repairs were needed. Notwithstanding the fact that the removal of the factory to another place was being considered, Gaines had a new building constructed; this time it was made out of bricks, and Gaines moved into his new quarters in 1812. . . . "The old building of Fort St. Stephens, in which the goods of the Choctaw Trading House and the land office were kept since their establishment, becoming leaky and untenable, the goods of the Trading House and also the land office were removed in the early part of 1812 to a new brick building which I had erected in 1811, a few hundred yards west of the old Fort; perhaps the first brick building in the present State of Alabama, unless at Huntsville."⁵⁴

During the campaign against the Creeks, General Andrew Jackson ordered a supply of goods from the factory. Gaines insisted that a draft be given him in payment of the goods; the draft being made on the War Department. He gives the following account of this transaction:

"While Jackson was at Fort Claiborne he addressed an order to me as U. S. Factor, St. Stephens for blankets, strouds and shirting for our Indian warriors. I sent the goods, enclosing a bill requesting a draft on the War Department in payment. A friend of mine was present when he received my letter, and he told me that the General appeared vexed at my request for payment. He remarked—'What does Gaines mean? I knew him when he was a boy—all right.' My friend said, 'The goods are for the Indian trade, General, and probably Mr. Gaines has no instructions to furnish any of them to the army.' The General's face relaxed in a smile and, as he handed the bill to a member of his staff, he said: 'It's all right; prepare the draft.'"⁵⁵

Gaines not only furnished supplies to Jackson during the Creek

⁵³*ibid.*

⁵⁴*ibid.*

⁵⁵*ibid.*, July 10, 1872.

wars but he was very influential in gathering allies for him from among the Indians.

During the summer months of 1813, the Creek Indians had been on a rampage in southern Alabama and the massacre of Fort Mims had taken place. British ships were off the coast; one had anchored at Pensacola, with a large supply of munitions. It was expedient for the Americans to obtain as many allies as they could possibly do. Efforts were made to secure the continued friendship and actual military aid of the Choctaws, and Gaines was instrumental in persuading them to join with the Americans against the Creeks.⁵⁶

"While all was doubt and uncertainty as to the position which the Choctaws would assume, at this critical juncture, Pushmatahaw, the most enlightened and influential Chief of that nation, rode to St. Stephens and proposed to Mr. George S. Gaines to enlist several companies of his warriors in the American cause."⁵⁷

General Flournoy at Fort Charlotte at first was adverse to receiving the Choctaws as allies but was prevailed upon to admit them. He then "sent a messenger authorizing Gaines to go into the Choctaw nation to raise troops. The people gave a shout and all hearts were made glad. Everyone had feared that the Choctaws would join the Creeks, and now . . . it was believed they would actually assist the Americans."⁵⁸ A few days later at the council grounds of the Choctaws, Pushmatahaw was able to convince his tribes of the necessity of joining with the Americans. Gaines was present at this tribal meeting and at the end of the meeting the Choctaw warriors all shouted their approval of joining with the Americans by slapping their breasts and shouting; "All of them now slapped their breast, a general shout went up and Gaines was filled with joy at the result."⁵⁹

There was much speculation over the transferring of the factory to a point closer to the Choctaw tribe. Mason mentioned this in letters to Gaines in 1811 and again in January 1813 it seemed certain that the removal was not far off . . . "nothing has been decided on as yet with

⁵⁶Pickett, *op. cit.*, II, 290-292.

⁵⁷*ibid.*

⁵⁸*ibid.*

⁵⁹*ibid.*, II, 292.

respect to the removal of your factory—my opinion is that it ought to be removed—something will soon be done in the business and you shall be immediately advised of the result."⁶⁰

It was not until the summer of 1815 that a final decision was made as to the removal of the factory from St. Stephens to a point further up the Tombigbee, "for the purpose of placing it further from the white settlements, and nearer to the Choctaw nation—a position at or near old Fort Confederation on the Tombigbee has been fixed."⁶¹ A guard of soldiers had been arranged with the War Department by Mason to accompany Gaines and they were to assist him in erecting the buildings. Mason suggested erecting "a dwelling house of about 20 by 30 or 36 feet—a store and warehouse of the same dimensions, with some small out houses. . . ."⁶² This new place was to accommodate the Chickasaws as well. Mason instructed Gaines "to reconcile the Chaktaws to the removal and when done to induce the Chickasaws to trade at the same place."⁶³

The factory was moved to its new site at Fort Confederation during the winter of 1815-1816 and trading began there in the spring of 1816. Business at the new establishment must have been consistently good during its early months of operation. In his fall quarterly accounts for 1816, Gaines showed that he had \$3,284 cash on hand and a total indebtedness of over \$10,000.⁶⁴

The government made plans to conduct a treaty with the Choctaw nation during the summer of 1816. Some ten thousand dollars worth of goods were to be given the Indians at this time. The Indian commissioners desired that the factory should furnish these goods and the new superintendent, Thomas L. McKenney wrote Gaines to this effect.⁶⁵ It seems obvious that McKenney had hoped to clear the shelves of the factory of all undesirable goods as well as any other items Gaines may have on hand and then begin the next year's business with a clean slate.⁶⁶

⁶⁰BIA, OIT, RC LS, Vol. C, 1812-1816. Mason to Gaines, Jan. 19, 1813.

⁶¹BIA, OIT, RC LS, Vol. C, 1812-1816. Mason to Gaines, Aug. 14, 1814.

⁶²*ibid.*

⁶³*ibid.*

⁶⁴BIA, OIT. Inventory of Merchandise on Hand, Sept. 30, 1816. Ft. St. Stephen (Choctaws), 1814-1816.

⁶⁵BIA, OIT, RC LS, Vol. D, 1816-1818. Thomas L. McKenney, Georgetown, to Gaines, May 30, 1816.

⁶⁶BIA, OIT, RC LS, Vol. D, 1816-1818. McKenney to Gaines, Dec. 2, 1816.

But as it happened the Indian commissioners used only a small amount of the hoped-for order. McKenney expresses his feelings to Gaines in a letter, "I did hope that the late order on the factory for the goods distributed at the treaty with the Choctaws, would have cleared the Factory. I supposed you furnished whatever goods you had on hand which were suitable for the occasion."⁶⁷

Gaines, in the fall of 1816, appears to have applied for the post of postmaster at the Choctaw Trading House. Whether he actually applied or not, he was appointed to that post by the Postmaster General Return J. Meigs.⁶⁸ McKenney wrote his congratulations to Gaines in these words, "I have received an answer from Mr. Meigs in which he informs—'Geo. S. Gaines, Esq. is appointed Post master at the Choctaw Trading House.' I am gratified at this arrangement, because it will afford a direct means of communication between the Trading House and this office, which I need hardly say is important to be kept up."⁶⁹

Just how long Gaines held the postmastership is not known. Evidently the post office at the Trading House did not produce enough business, for by 1820 the factory no longer possessed such a convenient office. McKenney in 1820 wrote to the Postmaster General asking that a post office be reopened at the Trading House, but this was refused.⁷⁰ At that time the nearest post office was some thirty miles away.⁷¹

In the summer of 1817, prospects were very bright for the continued success of the factory. McKenney sent an order of goods amounting to \$17,573.32 in August of 1817 and remarked that this well assorted supply will "enable you to put down all opposition from private traders."⁷²

The Choctaw factory at its new location increased its business rapidly and steadily. The total amount of goods on hand on December 31, 1817, was valued at \$22,283.10. Other assets raised this to an overall total of \$22,283.10.

⁶⁷ibid.

⁶⁸BIA, OIT, RC LS, Vol. D, 1816-1818. McKenney to Gaines, Nov. 2, 1816.

⁶⁹ibid.

⁷⁰BIA, OIT, RC LS, Vol. E, 1818-1820. McKenney to Postmaster General, July 18, 1820.

⁷¹ibid.

⁷²McKenney to Gaines, Aug. 6, 1817. Record Copies, Letters Sent, v. D, 1816-1818., p. 387.

⁷³The breakdown of this is as follows: merchandise \$22,283.10; and other produce, \$1,056.54; cash, \$749.18; bills receivable \$518.14; debts due \$15,770.14; factory buildings, \$2,828.18; boats and other contingent articles, \$805.87.⁷⁴ The debts were considerably high, but during trading season reduced the total to near \$10,000.⁷⁵

The inventory of the furs and peltry on hand at the factory on December 31, 1817, shows that the deer skins still predominated with only a scattering of other items. The list includes the following:

952 deer skins	2312 lbs. @ 20c	\$462.40
17 dressed deer skins		9.47
20 cow hides	@ 1.50	30.00
13 beaver skins	19¾ lbs. @ 1.50	29.63
4 otter skins	@ 2	8.00
48 fox skins	@28	13.44
41 coon skins	@15	6.15
13 cat skins	@25	3.25
2 bear skins	@ 1.50	3.00
¾ lb. tobacco		.44
52½ lbs. beeswax	@25	13.13
51 lb. tallow	@ .13	6.63
369 bushel corn	@ 1.00	369.00
3 bushel peas	@ 1.25	3.75

\$958.29⁷⁶

Business continued good at the factory during 1818. Another large shipment of goods was sent by McKenney in October, amounting to 83 packages and valued at \$13,722.69.⁷⁷

As in most other instances where a factory was located on a navigable river, a boat or barge was owned by the establishment and was used to transport goods to the factory from a nearby seaport and bring out the

Inventory of Merchandise on hand, Dec. 31, 1817. Fort Confederation, 1817-1818. Folder marked July to December, 1817. BIA, OIT.

ibid.

Inventory of Merchandise on hand, March 31, 1818. Fort Confederation, 1817-1818. Folder marked January to March, 1818. BIA, OIT.

Inventory of Merchandise on hand, Dec. 31, 1817. op. cit.

McKenney to Gaines, Oct. 10, 1818. Record Copies, Letters Sent, v. D, 1816-1818.

furs and peltries that were to be shipped to the East. When the Choctaw factory was established at St. Stephens the means of transporting goods was done by sea going vessels and wagons, but with the factory moved further up the Tombigbee an overland journey with wagons was too expensive and so it became necessary to use barges or keel boats. During the spring of 1816, Gaines began the construction of a large keel boat for the use of the factory and a smaller one to be used in bringing the goods used for the Indian treaty held with the Choctaws in the fall of 1816.⁷⁸

Gaines has left very excellent account sheets of the total amount of lumber used, the different types of woods used as white oak planks, cypress planks, cedar, mulberry and sassafras timbers. Also shown are the total hours worked by the laborers and the type of work performed by each. The wages appeared to be very low. A Peter Johnson received seven dollars plus a daily gill of whiskey for 70 days of labor! Johnson was one of the soldiers assigned to help Gaines in such work, and such received only ten cents per day. A carpenter employed to help the soldiers had to be paid \$23 a month. The total expenses incurred in building the two barges amounted to \$623.57; and the time taken was well over six months. In his account sheet Gaines has written a good description of the two boats.⁷⁹

Gaines even chose appropriate titles for his boats as shown herewith. His description follows:

"Young Chaktaw: A barge 28 foot keel, 8 foot 4 inches beam. Timbers cedar and mulberry, bottom plank white oak, side plank cedar burthen about three tons. Good oars and poles with sockets and hooks. This boat was built for the express purpose of bringing up the treaty goods last fall.

General Pooshemuttaha: A barge 54 foot keel and 12 foot 4 inches beam, timbers cedar, mulberry and sassafras, bottom planks white oak, side planks cypress. Neatly covered with planks, she is built very flat and draws when loaded about 18 inches water. Her burthen is about 14 tons or 150 barrels merchandise. She is well furnished with oars, socket poles, hooks and jams."⁸⁰

⁷⁸A descriptive Account of the Factory Boats by Gaines, 1817. Fort Confederation, 1817-1818, Folder Marked July-December, 1817. BIA, OIT.

⁷⁹Ibid.

There is an interesting account by Gaines of the expenses incurred in paying men to operate the boats.

The small boat, the Young Chaktaw, was sent down the river in September 1817 with a cargo and made the trip down and back to St. Stephens in 21 days. The total expenses for the men's salaries and provisions amounted to \$104.99. On November 12th, the larger boat, the General Pooshemuttaha, with a heavy load of furs and peltries was sent down to St. Stephens but while on its return trip the boat sprang a leak and a delay of several weeks took place. This trip lasted 49 days and cost some \$480. The patroon of the boat received \$72, three white helpers were paid \$153.50 in salaries; two negroes and one Indian were given \$96 together. Provisions for the boat cost \$125.⁸¹ This gives some idea of the expenses of transportation even in the back country of central Alabama territory.

The factory barges were used only for a few years; John Hersey, the successor to Gaines in 1819, did not care to use them and preferred to use private haulers to bring up his goods from Mobile. He sent the barges to Mobile to be sold there, but before they could be sold they were wrecked in a storm there. The following affidavit tells the story:

"Certificate of the loss of a barge belonging to the Chactaw Factory
March 9, 1821:

This is to certify that in February 1820, John Hersey, U. S. Factory for the Chaktaw Trading House left with Mr. J. Doughty (Merchant of Mobile) a barge, the property of the United States with instructions to sell the same, but a few months afterwards the barge was, (I believe by a violant wind) driven from the wharf and wrecked on the beach.

Signed triplicate

Mobile, Feb. 14, 1821

Richard Ryden."⁸²

⁸¹Ibid.

⁸²Account of the charges on Merchandise paid . . . the Quarter ending 31 Dec. 1817. Fort Confederation, 1817-1818. Folder marked, July-December, 1817. BIA, OIT.

⁸³Certificate of the Loss of a Barge . . . March 9, 1821. Fort Confederation, 1819-1825. Folder marked, 1821-1825. BIA, OIT.

During 1820 and 1821 his accounts show that he regularly shipped from Mobile to haul up the factory goods.

During the summer of 1818, Gaines expressed to McKenney his consideration of resigning his factorship and becoming cashier at St. Stephens. McKenney wrote him to consider well such a step and asked him to remain on as U. S. Factor, mentioning his interest of Indian affairs and the good he could do his government in continuing as factor. But Gaines evidently made a definite decision as it appears in a letter McKenney wrote to him dated October 12, 1818, that his resignation had been received and would be accepted reluctantly.

Thomas Malone, assistant factor with Gaines since 1806, resigned his position at the end of 1816 and a Benjamin Everett was appointed in his place.⁸⁴ Following Gaines' resignation, Everett kept the factory until a successor to Gaines was appointed.

From the correspondence of McKenney with Everett and Gaines during the year following Gaines' resignation, it is apparent that Gaines did not have on hand all the cash his books said he did and when McKenney asked for an accounting, Gaines began to disclaim any indebtedness. McKenney wrote that Gaines owed the factory account almost \$4,000. Thereupon a lengthy agitation developed between the two, with Gaines making small payments but never the total amount that McKenney claimed he owed. One point of dispute was that Gaines continued to keep the factory books and drew his factory salary for months following his resignation and this McKenney refused to allow him, since he said that when he resigned on August 3, 1818, his salary stopped as of that day.

McKenney's accounts of Gaines' debts to the factory were made known to him in a letter of January 15, 1820 and were as follows:

"Balance of cash on hand (as of 12/31/1818)	\$3753.19
of which you paid Mr. Everett	\$ 170

⁸⁴McKenney to Gaines, Oct. 12, 1818. Record Copies, Letters Sent, v. D, 1818-1820. pp. 149, 150.

⁸⁵McKenney to Gaines, Dec. 21, 1816. Record Copies, Letters Sent, v. D, 1816-1818. p. 188.

you furnished 100 bu. salt	170	
you remitted pr. G. Graham	650	
you remitted pr. Col. McKee	1000	1990.00
		<hr/>
		\$1763.19 ⁸⁵

John Hersey was the new factor appointed for Choctaw and McKenney wrote Gaines to pay up his old account to him.

On arriving at his new post in the spring of 1820, Hersey commenced trading with the Indians but since he was so sincere in carrying out his instructions from McKenney to raise the price of goods he was received very unfavorably by the Indians. In a letter to McKenney Hersey says, "On my arrival here a number of circumstances combined to prejudice the minds of the Indians against me—I found the persons conducting the business here, selling some goods at very little above cost, (and some, I suppose, they said the article never had sold higher) I was bound as to the price of goods by a regard for the interest of the United States, as by my instructions to raise the price of several of the most important articles. I was after informed by you that I must raise the price of goods, or reduce the price of peltry 25%—the latter for reasons assigned, and approved by you, I adopted. This alone was sufficient to impress the Indians with a very unfavorable opinion of me."⁸⁶ Another reason was the large amount of Indian debts existing then at the Choctaw factory. With the factor it was feared by the Indians that the goods of their annuities would be forfeited to pay these debts or that their lands would be taken from them.⁸⁷

During the last years of its existence, the factory continued to expand its business. One of the items that kept its profits down considerably was a rather long list of debtors. Nearly one-third of the assets listed were debts due from Indians, some of which were of very long standing and there could be little hope of ever collecting most of them.

The account for January 1, 1821, lists the following assets:

⁸⁶McKenney to Gaines, January 15, 1820. Record Copies, Letters Sent, v. D, 1818-1820.

⁸⁷John Hersey, Choctaw, to T. L. McKenney, October 30, 1820. Office of Indian Trade, 1817, 1824. Folder Marked: Letters Received, 1820. BIA, OIT.

⁸⁸Ibid.

"Merchandise	\$20,783.29
Peltry and other produce	3,892.82
Cash	456.93
Bills Receivable	26.13
A Cart & Oxen	90.00
Factory Buildings	2,990.14
Debts due to the house	13,095.14
	<hr/>
	\$41,334.45

The account of January 1, 1822 shows an increase of nearly \$6,000 it follows:

"Merchandise	\$21,396.69
Peltry and other produce	6,574.61
Cash	2,276.80
Bills Receivable	165.38
A Cart & Oxen	90.00
Factory Buildings	2,990.14
Debts due the house	13,529.91
	<hr/>
	\$47,023.53

When the law abolishing the factory system was passed by Congress and signed on May 6, 1822 by President Monroe, the Choctaw Trading House was ordered to close its doors to the Indians and end its business. John Hersey during the late summer was replaced as agent by one Henry Randall, who was sent from Washington to be in charge of winding up the affairs of the factory. Hersey remained on the factory payroll until October 1st when Randall formally took over complete charge. Randall signed a paper showing the total assets of the factory, a sum of \$48,000.⁹⁰

"Abstract of property of various kinds received by Henry Randall

⁹⁰BIA, OIT. Account Sheet for January 1, 1821. Fort Confederation 1825.

⁹¹BIA, OIT. Account Sheet for January 1, 1822. Fort Confederation 1825.

⁹²BIA, OIT. Office of Indian Trade, 1817-1824. Folder, 1822. Statement of Merchandise Handed Over from John Hersey to Henry Randall 1822.

Account for winding up the concerns of the Choctaw Factory as per his receipt to John Hersey, late Factor, dated the 1st of October 1822.	
Merchandise	\$16,451.11
Peltry and other produce	12,400.00
Debts due	12,702.48
Bills Receivable	257.83
Cash	3,814.23
Factory Buildings	2,990.14
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	\$48,615.78 ⁹¹

Few of the \$12,000 worth of debts were ever collected. Almost two years later Randall had been able to take in \$4,940 in cash in closing the factory business.⁹²

(Attention is called to the many references in the above pages to the Choctaw Trading House at "Fort St. Stephen" and to "St. Stephens" which appear to be apparent errors of the author in his citations but in view of the fact that his data is from the original sources it is evident that these misspelling references must have appeared that way in the original. Ed.)

⁹³OIT. Office of Indian Trade, 1817-1824. Folder, 1822. Statement of the Amount . . . of Cash Payments . . . into the Treasury.