CHAPTER SEVEN

“A New Set of Merchants”

The Development of Postwar Commerce between the Habsburg Monarchy and the United States of America, 1783–1785

On February 4, 1783, Great Britain recognised the independence of the United States of America and agreed to an armistice. The news reached Vienna within two weeks. On February 18, the emperor pondered this news in his correspondence with his ambassador in Paris. Joseph II did not concern himself with the political fallout at all. “The object of trade with the Americans,” he noted instead, “will be of the greatest importance for the future.” These words foreshadowed the primacy that economic interests would assume when it came to the relationship between his lands and those of the new United States. In other words, attentiveness to the importance of transatlantic commerce replaced difficult political considerations of neutrality. As a result, the years between 1783 and 1785 witnessed growing mercantile speculation across the whole Habsburg Monarchy, from Ostend to Trieste, from Fiume to Florence. Joseph’s memorandum initiated a new policy for a new age, as economic concerns trumped the ideological gulf between monarchy and republic. Benjamin Franklin’s America and Joseph’s Austria no longer seemed so far apart.

Central to this new world of opportunity for the Habsburg Monarchy were those who sought to bridge the transatlantic divide: the traders, the fundraisers, the businessmen, the sailors, and the chancers. Together they embarked upon commercial ventures which bound together Habsburg ports and American cities. Collectively they were what Franklin deemed “a new set of merchants [who] have grown up into business.” In some cases, these undertakings consolidated trading lines forged during wartime. Others resurrected older pre-war economic ties that had been disrupted by revolutionary mayhem. Yet for many, trading with America meant something ground-breaking, untested, tempting, and now possible for the first time. Merchants at all of the major Habsburg ports of
Livorno, Ostend, and Trieste were ready to reframe, renew, or to establish for the first time commercial ties to the newly independent United States.

Integrating events and a flurry of activities in these ports into the picture of early American independence reveals the wider connectedness that independence ushered forth for the former thirteen colonies. The American Revolution was not just an event with political ramifications, but also one with deeply interwoven economic reverberations. In creating a new nation, the American Revolution also created a new state with commercial interests to be incorporated into the balance of power in eighteenth-century Europe. American independence was a new world replete with new friends, new foes, and among them, a new set of merchants.

Livorno: Attempts at Reconnection

Commercial connections had existed between Livorno and North America long before the outbreak of the American Revolution. North American vessels were a frequent sight at the Tuscan port; fifty of them had arrived between 1770 and 1774 alone. Many carried cod from New England fisheries along with a small amount of American goods. Dating back to the 1740s, this trade, modest at first, had been cemented by a generation of sailors and merchants by the time of the Revolution. And then it all came to a halt. War disrupted these trade flows, and merchants crossing the seas in either direction found it increasingly hard to avoid predatory British, Spanish, and French ships seizing their wares. For Filippo Mazzei, the most ardent proponent of Tuscan-American trade, nothing could be done until the cessation of fighting came about officially in 1783.

The man who led the Livornese charge to return to American markets was Antonio Francesco Salucci. The firm he fronted, Salucci & Figlio, had lost the ship La Prosperità to the British already in 1779 and his associate Sebastino V. Salucci had been embroiled in a court case over another ship, the Teti, captured by the Spanish in 1780. Spurred on by peace, Antonio was determined to reignite Tuscan transatlantic commerce. He purchased a large brig and christened it Il Diligente, which set sail for Philadelphia in May 1783. When it successfully returned to Livorno in December with a cargo of tobacco, wax, and dyewood, it became the first successful Tuscan ship to sail to the United States for some time. Confidence restored, Salucci wrote to Franklin with excitement in August 1784. He was proud to inform him about the “flourishing Commerce between our Tuscan State and your united States of America.” He was certain “no State in Europe is better calculated” for such commerce “as we have almost
every article Europe furnishes and can take off in Return every American produce.” Success emboldened Salucci. He sent further ships to the United States. *Il Diligente* repeated its transatlantic journey in February 1784, this time to Virginia.8 *l’Etruria* left Terricciola (near Livorno) for Philadelphia and followed a more innovative route, selling Tuscan goods in Philadelphia before sailing up to Boston for cod and arriving back in Livorno in January 1785. The largest of the three ships, the 500 tonne *Teresa Geltrude* repeated the same route between 1784 and 1785.

Ministers in Vienna followed the success of these voyages intently. Although the Grand Duchy of Tuscany fell under a secundogeniture ruled by the emperor’s younger brother, the representatives of the Viennese court kept ministers aware of the latest developments.9 Officials in Vienna hoped to understand the vitality and nature of commerce with the sovereign United States and Tuscany. They wished to know the substance of this direct trade and its prospects for enriching the lives of the Tuscan inhabitants. The actions of Tuscan merchants, after all, could inform similar projects of traders in the hereditary lands of the Habsburg Monarchy. Moreover, as subjects of an autonomous state, these merchants were also competitors for the domestic vendors in the Habsburg lands. Such concerns spoke to the tight nexus between the economic and political realms where mercantilist instincts of one nation could jeopardise the political interests of another, even between states ruled under the same dynasty.

In 1785, Salucci expanded his prospective voyages: *La Cinque Sorelle* and *Il Diligente* to Virginia; *l’Etruria* and the *Teresa Geltrude* to Boston.10 Salucci & Figlio had clearly established a foothold in the transatlantic trade with the United States, and his firm’s promoters felt potential gains were still to be made. That year, Salucci selected a young associate within the firm, Filippo Filicchi, as the company’s representative in the United States. Filicchi received a share of the profits under a new subsidiary company, *Filigchi & Co.*, and the support for a three-year mission in America. Prior to Filicchi’s departure, *Salucci & Figlio* had used the New York house *William Seton & Co.* as their primary contact and goods handler in the United States. Filicchi arrived in New York in mid-summer but did not stay there for long. He undertook trips to Philadelphia, Boston, and Providence, Rhode Island, in order to scout out lucrative trades and send back valuable reports.11

Felicchi’s tenure in the United States certainly benefitted *Salucci & Figlio* through the supply of information but upon his return to Livorno in 1788, he learned that the pioneering firm had gone bankrupt. The legal battle over the *Teti* in the Spanish courts had rumbled on since 1780 and the mounting legal costs ruined company finances.12 From the ashes of one company grew another,
however. The collapse allowed Filicchi to act with full autonomy and he returned to the United States a year later as the partner in a new firm, *F. & A. Filicchi*, established with his brother. The new firm picked up the American trade from *Salucci & Figlio* and, thanks to Filicchi’s firsthand knowledge, became the most successful transatlantic company in Livorno. In a testament to his importance, Filicchi became the American consul for Livorno in 1794, after years of repeated attempts to gain that office. The Filicchi and Salucci endeavours were the success stories of the initial postwar years in Tuscan-American relations. On the official level, however, the outlook was less optimistic.

Attempts at a commercial treaty between Tuscany and the United States began in October 1783 when members of Congress instructed American commissioners to pursue treaties with several European nations, including various Habsburg territories. Recognising the sovereignty of Tuscany under the terms of Habsburg secundogeniture, the Americans pursued a separate treaty with the Grand Duchy. Yet all of these schemes were beset with difficulties. In the Tuscan case, the American commissioners—Benjamin Franklin, John Adams, and Thomas Jefferson—sounded out feelings in Florence through Francesco Favi in late September 1784. Finding a warm reception to the idea, they forwarded the treaty proposal to Favi in December. The proposed draft was in fact a copy of the semi-concluded treaty with Prussia, which they hoped would serve as a model for Tuscany and elsewhere. The Tuscans responded enthusiastically and returned an amended version in April of the following year. Jefferson led the deliberation on the counter-proposals and compiled a summary on the alterations. Further debates within the American circles rolled on until they submitted their *Observations* to Favi in response. Another round of wrangling came from the Tuscan side in the form of a forty-six-page *Nuova minuta del trattato* (New treaty draft) with further revisions. By the time Jefferson and Adams came to study the latest proposals, nearly a year had elapsed since the initial offer to Tuscany. Jefferson seemed displeased. “The order of the articles,” he complained to Adams, “is entirely deranged and their direction almost totally changed.” Jefferson believed nothing could be rescued from the Tuscan negotiations. In a letter Jefferson wrote to Filippo Mazzei in the summer of 1785, he noted how any prospect of a “rational connection” with Tuscany was now “barren.”

Difficulties on the Tuscan side had arisen as soon as the American commissioners had made overtures in September 1784. Although Pietro Leopoldo was receptive to schemes aimed at enhancing his dominion, he first sought the opinion of local officials. One of them, a Livornese tax inspector named Fierallmi, expressed doubts that any worthwhile offer could be made to the Americans.
Tuscans could not give them much incentive beyond proposing equal status with all other merchants in the city, he argued. This issue became more pressing when the American proposals reached Florence. Favi had insisted to his superiors that the Americans understood the concerns of Fierallmi and that no extraordinary privileges could be granted to American merchants; their latest response, however, seemed unaware of this limitation. Things came to a head when the governor of Livorno Count Federigo Barbolani di Montanto received the draft treaty and proceeded to comb through the articles individually. Barbolani found many points to be entirely incongruent with Tuscan customs. His extensive commentary on Article Four laid out this dissonance clearly. One provision stated that trading benefits were to occur for Tuscan and American ships arriving in the ports of the two nations. Barbolani pointed out how this undermined the Tuscans who lacked a sufficient fleet and would trade many goods indirectly aboard vessels belonging to other nations. Furthermore, he worried that American vessels would hold an unequal advantage over Tuscan merchants since they would have the benefits of the treaty in addition to the rights of every nation at Livorno. In effect, he argued, this would also go against the American insistence, according to Favi, that both Tuscany and the United States would be equals in the treaty. The only solution Barbolani saw was to establish an “unlimited reciprocal freedom” between them which would include Tuscan and American goods on any vessel and only to the degree which Tuscany held with other nations already. Barbolani and Fierallmi’s insights, as part of the Nuova minuta di trattato, were what Jefferson likely referred to as the “deranged” order and “changed” direction of the negotiations. Both sides had reached an impasse.

Barbolani resisted further overtures. In February 1785, an intrepid American entrepreneur, Eliphalet Brush, visited Tuscany. John Quincy Adams described him as “full of vivacity and life.” Indeed he was. Originally from Connecticut, where he had served during the early part of the war, Brush had turned to a commercial life in New York. Brush had met the Adamses—father and son—in Amsterdam in 1781 when he first toured Europe on behalf of his New York firm Broome, Platt & Brush. Four years later, Brush travelled again to drum up trade for the company. Livorno seemed a prime target. Brush regarded Tuscany as an “emporium” of Mediterranean goods, which sold wares “better calculated for our [American] market than any other.” In Livorno, Brush met with Barbolani as well as with the Grand Duke in Florence. He spoke of the “great advantages” of trade between the United States and Tuscany. Brush even presented a list of suitable goods; Tuscan oil, hemp, and silks offered for American cod, tobacco, and spermaceti. But the mission created the impression that
the American commissioners had sent Brush to restart the stalled negotiations. Pressed by Tuscan officials, Brush explained how he lacked any official powers to conclude a treaty and acted purely as a private agent. Nevertheless, he had made a good impression in Tuscany, since several individuals supported his subsequent mission to Naples where he chased the same scheme.35 Agents such as Brush were part of a concerted effort to re-establish and expand the pre-war economic ties between North America and Tuscany. The enthusiasm for this reinvigorated connection came from both sides as Tuscans such as Salucci and Filicchi tried to enact the wartime dreams of Mazzei. Motivated by potential success, these venture capitalists sought out old and new markets and contacts on the other side of the Atlantic. Yet this mercantile impulse did not translate into a tangible political connection in the form of a commercial treaty. The stumbling block for any such agreement lay in the personal negotiations between American and Tuscan officials. As will be discussed later, Jefferson’s outlook on the entirety of the Habsburg Monarchy clouded his approach to such dealings. Meanwhile, Tuscan officials like Barbolani interpreted American demands as incompatible with their own pre-existing arrangements. The Tuscan case is the first instance—but not the last—in US-Habsburg relations where a disconnect appeared between two sides and between economic entrepreneurs and political representatives.

Ostend: Prosperity or Poverty?

In 1783, the postwar fate of Ostend erupted onto the pages of the Augspurgische Ordinari Postzeitung. It was an open question for one of the largest official newspapers of the Holy Roman Empire: would prosperous Ostend survive the Peace of Paris? An April edition carried the first murmurings of impending ruin. “One can easily discern that they are partisan,” noted the editors who reported on the relocation of many Dutch traders following the peace. “Whilst it is true that Ostend cannot remain so prosperous,” they conceded, “American independence will certainly keep Ostend afloat.”36 By the end of the year, reports began to contradict this prediction, though the editors attempted to minimise the negativity: “Ostend’s trade has fallen since the end of the war, as foreseen, but not by so much that the trade is not higher than before the war began.”37 Another issue detailed how Ostend had become one of “the most spacious and convenient ports in Europe.”38 In Vienna, the newspapers there had little to say about the rumours of harder times for Ostenders. As far as the public were informed, one of the richest Habsburg ports would continue to thrive. Indeed, one article noted
how America “drunken with joy” about peace continued to import vast amounts from Ostend. So what did, in fact, lay ahead for Ostend? Prosperity or poverty?

The answer depended in part on the actions of officials who sought to maintain the benefits gained during the Revolution. In 1781, the Brussels government elected to found a new committee to oversee the recent surge in international trade. Under the superintendence of the Secretariat of State and War, the six members of the new Comité de Commerce Maritime had dealt with the inundation of paperwork associated with the blossoming trade. Now the committee would play a leading role in defining the port’s postwar position. On January 23, 1783, Minister Plenipotentiary Prince Georg Adam von Starhemberg ordered committee members to investigate ways “to render permanent a portion of the advantages already existing, to multiply resources and relations, and to make greatest use possible of the current circumstances, namely the imminent peace and, seemingly, the independence of the United States of America.” Starhemberg’s request reveals the apparently low ambition—or, perhaps, realism—with which the Brussels officials approached the matter: he aimed to preserve “a portion” of the advantages. It was already taken as a matter of fact that not all the wartime gains could be sustained.

Three of the six committee members responded to Starhemberg’s request. Two of them proposed standard measures such as lowering tariffs on American goods and ensuring domestic cargo suitable for Atlantic markets. One of them proposed something quite different. Henri Deplancq had been a member of the committee since its inception and, like the others, held high-ranking positions elsewhere in the Brussels government. In his case, he also served on the Council of Finance and as the director of the Board of Customs. In pondering the Ostend question, Deplancq explored the situation with great scope and pragmatism. In his Mémoire submitted to Starhemberg, there were opportunities as well as challenges. First of all, Deplancq argued some countries should be written off without hesitation. Russian trade amounted to nothing more than a small exchange in sawdust whilst trade with Denmark-Norway centred on crayfish. Great Britain and the Dutch Republic always presented the greatest challenges from their dominant commercial positions, which was “very ruinous” for the Austrian Netherlands unless importations from these nations could be reduced. The stagnant position with France, Portugal, and the Mediterranean states was unlikely to change except negatively as French traders moved back to Dunkirk. Spain represented a small hope for improvement since port duties were low enough to allow a sliver of profitable trade in places like Cadiz, so Deplancq saw North America as the only real chance for growth.
Deplancq advocated shifting interests from the Caribbean to the United States. He predicted that before long, France and Britain would raise tariffs to protect their islands as the Dutch had already done. As he concluded, “with this uncertainty, it seems to me that is premature to form any policy on Caribbean trade and that it is enough to merely watch for what happens next.” The stabilised position of the United States of America as a fully independent and sovereign nation allowed for more opportunity. Deplancq felt American trade was “extremely interesting” as it gave all European traders an equal playing field. This meant Flemish textiles would fare well. In return, rice and tobacco could be sourced from the Carolinas and Virginia. He noted that American tobacco might harm the nascent Flemish tobacco industry which had sprung up to meet domestic demand during the war, but that it could be reshipped for a profit if the American price was low enough. To these ends, he argued it was necessary to gain representation and a treaty with the Americans as soon as possible. He even envisioned a system where there would be three consuls in the United States: one each in New York and Charleston with a central authority in Philadelphia to oversee them. In Deplancq’s view, a focus on the United States clearly demarcated the way forward.

In deciding the best course for the economy of the Austrian Netherlands, Starhemberg had chosen not to rely solely on his councillors. His directive also included merchants. Seven responded, with the imperial consuls in London, Antonio Songa, and Dunkirk, François Joseph de Lattre, also providing input. As for the merchants, William Herries of the firm Herries, Keith & Co. in Ostend suggested the founding of a national bank in order to serve as guarantor on prospective voyages to North America. Others sought government support in terms of subsidies and lower tariffs. The most interesting proposition was the desire to acquire an island in the Caribbean. Several respondents backed the idea including Herries and de Lattre along with Charles André Melchior de Proli, the widow (Veuve) van Schoor, and Friedrich Romberg in Brussels. The latter two seemed especially keen, perhaps given their slave trading activities. They insisted anywhere would do and Van Schoor included a list of suitable places from Curacao to Honduras, and from Mexico to Suriname. De Lattre held the island of Tobago more firmly in mind. All proponents argued this would ensure continued access to the Caribbean, maintain a competitive advantage, and would open a beachhead into the United States markets and possibly into Spanish North America via the Mississippi river. In spite of these perceived benefits, the Brussels government declined further consideration on the grounds that foreign pressures to abandon colonial ambitions had been too great in the past and the sums needed
to purchase an island such as Tobago, if the French could even be persuaded of relinquishing it, as well as the non-existent navy to protect it, would be enormous.55

Starhemberg may have felt his grand survey of opinions had been a failure, but he dutifully sent the reports on to Vienna. There, as in Brussels, the merchants’ either tepid or harebrained schemes met with little enthusiasm. In this light, Deplancq’s more calculated approach appeared the most reasonable and suitable way forward. The need for a solution had become more urgent in Brussels following the news that Spanish port authorities had begun making conditions increasingly unfavourable for foreign traders. The singular hope for improved European commerce receded with news of complications in selling Flemish cargo onboard the Danish ship Anne Sophie in March 1783. To make matters worse, the ship had been sailing to Philadelphia via the Spanish ports and, as one Ghent merchant involved in the transaction claimed, costs had now risen by twenty to twenty-five percent as a result.56 Officials struggled to find alternatives but nothing appeared practical beyond Deplancq’s suggestion to send consular representatives.

In the meantime, the prevailing thought was that the merchants themselves would preserve trade with North America. This notion was not without merit. Merchants had a clear incentive to continue transatlantic trade. Flemish established partnerships in the United States to secure their presence in American markets. This involved either starting business associations with American firms or sending a representative to the United States. The first Ostend firm to take this direction was Herries, Keith & Co. run by two Englishmen, George Keith and William Herries. They sent over John Paterson—about whom little is known—to travel between Charleston and New York for one to two years. In anticipation of his mission, they focused on their contacts in England to reach out to Americans, most notably through an associate to William Temple Franklin.57

In the immediate postwar period at least four additional Flemish companies followed the example of Herries, Keith & Co. The firm of Liebaert, Baes, Derdeyn & Co. established a partnership with Mark Prager in Philadelphia, the son of the Amsterdam-London family conglomerate run by Yehiel Prager, which had traded through Ostend during the Revolution.58 Prager proved highly effective in Philadelphia. George Washington described him as a “gentleman engaged extensively in trade” and recommended him to his friends after Prager had won Washington’s approval within a year of his arrival.59 It was one of many useful friendships throughout Prager’s time in America.60 Whereas during the war Liebaert, Baes, Derdeyn & Co. had sent ships along the lucrative route to the Caribbean, their new partner advised them of better opportunities. In this case, Liebaert & Prager—as the new association was known—specialised in trading
American wheat to Lisbon in exchange for Portuguese wines to Ostend.\textsuperscript{61} Prager’s efforts were diluted, however, by the ongoing court case over the \textit{Eersten}, which sapped his energies and forced him to lobby Congress on at least one occasion.\textsuperscript{62} In 1785, the firm suffered another court case involving another ship, \textit{l’Empereur}, diverting Prager’s attention yet again.\textsuperscript{63} Beset with difficulties, the partnership did not outlast the 1780s as Mark Prager traded under his own company by 1791.\textsuperscript{64} Its existence, however short, still demonstrated the tenacity and new direction of Ostend firms postwar.

Firms across the Austrian Netherlands mirrored the new American initiatives of \textit{Herries, Keith & Co.} and \textit{Liebaert & Prager}. In Antwerp, \textit{De Heyder, Veydt & Co.} formed a close connection through the insurance house of James Vanuxem in Philadelphia.\textsuperscript{65} Vanuxem functioned as the main insurer and his son’s future father-in-law, Herman Joseph Lombaert of \textit{Ghovaere & Lombaert}, served as the clearinghouse for \textit{De Heyder, Veydt & Co.} in North America.\textsuperscript{66} Through these two unofficial partners, \textit{De Heyder, Veydt & Co.} sold large amounts of textile goods from Lier and Antwerp and earned a profit of around twenty-five percent on their North American sales.\textsuperscript{67} New connections such as these required a great deal of trust and transatlantic cooperation between firms without formal business ties or which lacked a connubial link.\textsuperscript{68} The \textit{De Heyder, Veydt & Co.}–Vanuxem–\textit{Ghovaere & Lambaert} trading nexus ultimately proved too deficient in trust as business ceased in 1787 and arguments erupted over the payment of debts.\textsuperscript{69} Seeking to continue their exports to the United States, \textit{De Heyder, Veydt and Co.} sold off their remaining stock via \textit{Samuel Wetherill & Sons} in Philadelphia but failed to attract any other substantial partnerships.\textsuperscript{70} The failure to sustain such bonds of business confirmed what the British envoy in Brussels, George Byng, Viscount Torrington, had to say about the trade with the United States: “The want of faith in the Americans—and the various stories told of the dishonesty of their merchants, will prove a great obstacle to any confidence [as] these wary people here are not easily inclined to risk their money.”\textsuperscript{71} Given the British reluctance towards American independence and the efforts in the 1780s to regain much of the lost American commerce, Torrington was undoubtedly prejudiced against such endeavours. His words, however, reflected the difficult reality in establishing viable long-term connections across the Atlantic in the late eighteenth century.

Philadelphia attracted the greatest postwar interest, but other American cities became prospective sites also. One Ostend ship, the \textit{Ceres}, arrived in Norfolk, Virginia, in 1786, for instance.\textsuperscript{72} The largest port in the southern states, Charleston, became the focal point of other concerted efforts to establish a beachhead
in American markets. Two Flemish firms established connections with companies in the city. These connections proved rather poor, however. In the first instance, Charleston functioned as an indirect port of call for the Ostend firm *De Kuyper*, which sailed its namesake ship to Philadelphia in 1784. There, the company’s associates, Pennsylvanian partners *Biddle & Tellier*, sold the Flemish goods and loaded the *De Kuyper* with flour and other provisions for sale in Charleston and Curaçao before it would return from South America to Ostend a year later. This exchange meant that whilst an Ostend ship technically arrived in Charleston, it was carrying on an intra-American trade rather than beginning a new transatlantic venture between Charleston and Ostend. The second case attempted to achieve direct transatlantic trade but failed to sustain it. A native of Ghent founded the firm *De Surmont* in Charleston sometime in late 1783 or early 1784 and received the ship *Jacob et Isabella* from Ostend in mid-1784 carrying a variety of Flemish goods to exchange for tobacco. The expedition faltered in profitability since the company’s director understood little about the tariffs in South Carolina and barely made anything from the trade. He sold his wares at cost and returned home with the ship. South Carolina seemed too distant an opportunity for the merchants of the Austrian Netherlands.

Whilst the firms *De Kuyper* and *De Surmont* failed in their attempts to trade with a second American city, there were other merchants in the Austrian Netherlands who traded with North America but did not establish any lasting presence. At least fifteen ships sailed from Ostend to the United States between July 1783 and 1788. Compared to four ships that sailed to the Caribbean from 1783 to 1785, this number was significantly higher and represented the shift away from the Caribbean for Ostend traders. Merchants in the Austrian Netherlands sensed the new direction in trade. Applications to be the Habsburg consul in the United States arrived on Deplancq’s desk from 1782 onwards. But Deplancq recommended that these pleas be left unanswered until the American situation had stabilised and a policy regarding consular presence had been worked out in Vienna.

At the same time, merchants approached American representatives to open Flemish trade with the United States. Sir Robert Herries penned a forty-eight-page memorandum on the prospects of British and Flemish goods in American markets which he sent to Silas Deane in 1783. Edward Browne, a British subject in Ostend, approached John Adams for the position of American consul and enlisted other merchants in London to support his cause. Browne’s desire rested on the wish to continue trade with William Lee, who had retired to his Green Spring plantation in Virginia during the summer of 1783. Their bond was one of friendship as well as business. Lee’s wife Hannah Philippa Ludwell
Lee and their children moved in with the Browne family at Ostend and Lee entrusted a large sum of money to Browne, which he could draw upon more easily than sending remittances from across the Atlantic. Together with Dennis de Berdt, a merchant friend from Lee's London days, the trio sought to rehabilitate Virginian trade through exporting Flemish and British goods via Ostend in return for cheap tobacco from Lee's Virginian neighbours.

Yet by 1785, the venture had produced little. Lee suffered a wave of personal tragedies; first, the death of his wife as she was about to embark from Ostend to America in 1784 and then the slow erosion of his eyesight which had worsened upon his return to Virginia, so much so that he could not read by candlelight. Plans were waylaid by the unhelpful nature of transatlantic communication, too. In 1785, Lee had already complained to Browne that he had not heard from him for over a year when he wrote bluntly and painfully,

It seems that added to the other misfortunes that have persecuted me in a successive habit for two years past, I have lost a friend; a loss that at my time of life is generally not easy to be repaired [sic] and in my Case perhaps it is impossible, but I will still address you by that sacred title.

Lee's loss subsided with his receipt of a handful of letters from Browne during the years up to 1788. They reveal how little of their plans actually transpired. Through Browne's company Browne & Perryman, Lee managed to trade Madeira wines instead, meaning the trade had nothing to do with Ostend except for Browne's presence as his European agent. The Madeira trade, however, did not prove successful as Lee's contacts in Brussels reported that they suffered losses on the venture. By the late 1780s, Lee seemed unable to lead a new direction. In 1791, he underwent a rudimentary cataract operation which rendered his eyes useless. Blind, enfeebled by the many years of travel and the personal devastation of his wife's death, Lee died in 1795. The man who had once been a celebrity in Vienna, the first representative of the United States to the Habsburg lands, and a self-exiled resident in Brussels, could achieve no further meaningful connection in the postwar years.

Lee and Browne were not the only American merchants to attempt transatlantic trade from Ostend, however. The New York merchant Nicholas Low made a concerted effort. Prior to the end of the war, Low had no commercial ties with Ostend. But an unsolicited letter from an English mercantile firm in Ostend, William Williams & Co., got his attention, even though Low did not reply to the opportunity to sell “tobacco, rice, turpentine, slaves, and indigo” through the firm. Instead, by 1785, Low had made contact with the Antwerp firm of
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Werbrouck & Mellerio through whom he procured hats to sell in Philadelphia. The venture made good returns and Werbrouck & Mellerio sent a representative to Philadelphia the following year to act as their representative with Low and his associate, Joseph Lacoste. At its peak, however, the collaboration abruptly ended, perhaps because Werbrouck & Mellerio operated through their new Philadelphian representative. Low’s Antwerp business dealing was the rare instance of an American-led interaction with Ostend.

Most other American merchants shut up shop in Ostend. Thomas Barclay had commanded a large presence in Ostend’s American wartime trade but relocated to Paris where he embarked upon a diplomatic career. Three merchants, William Bingham, Samuel Ingliss, and Robert Gilmor, had likewise benefited from directing ships from Ostend to Philadelphia during the war as Bingham, Ingliss & Gilmor. Gilmor operated out of Amsterdam during that period and from there he sought to continue direct trade to the United States, particularly to his native Baltimore. The initiative did not last long as the trio liquidated their endeavours in February 1784. One American firm showed interest in establishing a trade in Ostend but only to a limited degree. In 1784, the Baltimore firm Samuel & John Smith sent out a circular advertisement titled “A New Scene of Commerce has opened with the Country” to thirty-eight European port-cities. Re-establishing ties with Great Britain was clearly the priority for them but Ostend featured as one of the six non-British ports featured on their roster. Nothing came of it.

No American presence lasted in Ostend beyond 1786. Symptomatic of the attitude by the late 1780s, a petition to Thomas Jefferson to use Ostend as the main entrepôt for Irish commerce in 1785 went without reply. The heydays of American trade at Ostend ended in these postwar years. Whereas wartime produced a boom for Ostend’s transatlantic trade through the international use of a neutral naval flag, the peace that followed brought hardship and ruin as foreign merchants upped sticks and returned to their respective countries. In most cases, it was a foreseeable result—one questioned openly in the Augsburg press and resoundingly answered by poverty rather than prosperity. What was unforeseen, however, was the tenacity of local merchants to continue the good times and to fight for a piece of the lucrative American trade. Like many Habsburg moments in the American Revolution, Ostend and its transatlantic trade was a brief episode of boom and bust, but it was one which mattered greatly and affected the course of action vis-à-vis the Americans during this decade. Ostend’s commercial rise was instrumental in shaping the urgency from ministers in the Austrian Netherlands for a political connection between the Habsburg Monarchy and
the United States. Its fall would cement an eventual malaise about the utility of America on the eve of a homegrown revolution in the Austrian Netherlands. Ultimately, it would not be until the Napoleonic Wars that commerce would again pick up and Congress would deem a consular representative necessary in the former Austrian Netherlands.96

Trieste: The Maturity of Direct Trade

By the time of the Treaty of Paris, only two groups of Triestine merchants had been successful in their aims to established direct trade between America and the Adriatic: Frohn and Baraux on the one hand, and Verpoorten and his new company on the other. Verpoorten was in fact the only Trieste trader to complete a roundtrip with the crossing of his *l’Americano* in 1782. He was among the new set of merchants but by no means alone. The voyages of *La Città di Trieste* and *l’Americano* during the war (see chapter 6) signalled new opportunities to other merchants in Trieste. Spurred by his example, this new generation of post-war merchants now sought to consolidate and expand the direct transatlantic trade between Trieste and the United States.

Domenico Francesco Belletti, a merchant of considerable repute, became one of the most enthusiastic merchants for transatlantic trade. Belletti directed Trieste’s Mercantile Insurance Chamber and headed the firm *Belletti & Zaccar Compagnie* which traded extensively in the Levant.97 Belletti began a furious letter campaign to Franklin in order to secure his appointment as the official consul for the United States.98 Belletti’s first letter, written in February 1783, spoke of his admiration for the American republic.99 Belletti obviously intended to flatter Franklin, wishing to be “employed in the service of your respectable Republic here and across the whole Austria Littoral in the role of a Consul General, through which [flows] the commerce of your states with that of our august Monarch.”100 Belletti received no response from Franklin but persisted regardless. In April, Belletti sent Franklin four letters within eighteen days, demonstrating his seriousness in establishing his own trade with the United States. In his first letter, Belletti outlined his lobbying efforts to convince the emperor of the viability of American trade and his company’s preparations to trade goods from the hereditary lands and the Levant.101 His final three letters took an increasingly desperate tone, pleading with Franklin for a letter of recommendation and at least a show of support for his commercial expedition. Met again with silence, Belletti mustered support from the French consul in Trieste but this letter arrived too late to help.102
Despite Belletti’s inclusion of two recommendations—including one by Count Karl von Zinzendorf—Franklin did not seem to care. His rescue came from intervention by Charles André Melchior de Proli, an influential merchant and banker in the Austrian Netherlands, who lobbied Franklin successfully in May 1783 to procure American contacts for Belletti’s venture.

Belletti’s commercial expedition had many backers. A conglomeration of successful merchants formed around him including Antonio Rossetti along with Giacomo Francesco Maria Gabbiani and the Flemish-born Ambrosius von Strohendorf, the head of the Triestine stock exchange. These sophisticated pioneers acquired the right connections both geographically and politically to obtain trade with the United States. Rossetti and Gabbiani functioned as Levantine contacts, Belletti pushed Franklin for support though Proli, and Strohendorf provided the ship for the mission, La Capricieuse. This ship had crossed the Atlantic from Ostend in 1781 but Strohendorf repurposed it to “go to America.” For the expedition, the quartet planned to sail under imperial colours and therefore had to first navigate treacherous court scrutiny before navigating ocean waves. Belletti once again began a furious campaign. He personally travelled to Vienna to submit the application to the Aulic Chamber in May 1783. One immediate problem occurred. The intended captain of the ship, George Simpson was a Scottish-born sailor and not an imperial subject. The quartet arranged for Frohn and Baraux to exert their influence. In their attestation, they praised Simpson’s qualities and argued for honourary citizenship. The directors also addressed secondary concerns over smuggling arms since, as one treasury official noted, America was still “presently full of soldiers from all over the world.” Eventually the officials granted the patent but, as in previous cases, it included a list of prohibited goods.

With clearance awarded for the mission, Belletti wrote to Franklin again in September 1783. “It is certain,” he declared, “the Port of Trieste has more than any other port a very solid commercial enterprise with America.” Simpson set sail that month with Franklin’s letters of introduction. La Capricieuse became the largest Triestine vessel to sail directly to the United States with 350 tonnes of cargo. Upon arrival in Philadelphia, Simpson brokered contact with the influential merchant and financier Robert Morris, the Superintendent of Finance, and with the trading house Bache & Shee, operated by Franklin’s son-in-law Richard Bache and his associate John Shee. Bache & Shee handled most of the goods from La Capricieuse. Franklin’s son-in-law was delighted at this opportunity and thanked his father-in-law for,
Your kind introductions in the Mercantile line [which] have thrown a pretty large scene of business into Bache & Shee’s hands, and we have a good prospect before us of its being profitable, [as] our connections with Trieste in the Empire of Germany [Holy Roman Empire], are likely to be very considerable, and our prospects very flattering.111

_Bache & Shee_ operated as distributors, selling the Triestine products easily. On December 10, 1783, the _Pennsylvania Gazette_ listed the first advert of goods from _La Capricieuse_ featuring “dates, spices, and currants” brought from the Levant and sold by the shopkeeper Samuel Garrigues in Philadelphia.112

Simpson and the quartet developed an ingenious strategy for increasing their yields from the American trade. Sailing out of Trieste with Simpson was a Captain Wouters, a native of Antwerp who travelled to Baltimore over the winter of 1783 and purchased an American ship which they renamed the _Comte de Brigido_ in honour of the new governor of Trieste, Pompejus Brigido von Bresowitz.113 Wouters took command of this vessel laden with American products, and they left their respective ports in late summer 1784. Both ships arrived in Trieste on November 9, 1784.114 News of their arrival and the success of the venture, especially the method of one-out, two-back travelled fast through the Habsburg lands. Governor Brigido wrote a letter to _Bache & Shee_ thanking them “for their friendship and support which they [gave] Cap. Simpson during his stay.” In it, he expressed his joy at “our commerce between our countries which has been started and will become more considerable” given “the remarkable boundaries of the New Republic and the New World.”115 Belletti, Simpson, and the other backers shared the same opinion and embarked on planning their next voyage.

The success of _La Capricieuse_ depended upon the quality and suitability of the merchandise for sale. Fortunately, the statistical table of 1783 provides an insight into which wares sold well. Although it is unclear which voyages the table includes, the figures allow for some indication of overall trends commensurate with the _Capricieuse_ expedition. Firstly, metalwares from Carinthia and Styria produced some of the largest profits (see table 3 below).

Most of these metal goods focused on agricultural use and accounted for a tenth of the net worth exported to the United States in 1783. Metalwares sold exceedingly well in Philadelphia. According to Wouters, iron strips used for constructing barrels achieved a fifty percent return on their original value.116 American traders purchased these products since iron manufacturing in the United States had not yet matched the Austrian standard. The rich opportunities of the American markets prompted one of the Styrian sailors to write home to an acquaintance in Graz. He shared his “absolute conviction that the American trade
offers the biggest advantages possible for the emperor’s merchants,” especially, he noted, because “it is commonly known that American factories desperately need Austrian goods [and] what is more, few factories even occupy this Republic.” Editors of the *Wienerisches Diarium* published the letter, commenting that other merchants were following suit.

Indeed, another ship from Antwerp, *La Poste*, arrived on July 21, 1784, laden with iron strips and bands (*fer spaté en ruban*) produced by one of the best iron manufactories in the Austrian Netherlands. The official Habsburg representative in Philadelphia (discussed in the next chapter) explained that the high quality of these goods as well as the comparatively low wages in Austrian mines gave ironware a significant advantage over the competition from British and Swedish iron producers.

Carinthia, Styria, and the Austrian Netherlands were not the only Habsburg provinces to absorb the new American trade. Manufactories in Bohemia as well as the former Habsburg territory of Silesia benefitted from direct transatlantic trade. These provinces predominantly accessed Atlantic markets through Hamburg, but Prussian aggression drove Bohemian merchants to trade along southern routes via the Mediterranean. Under this old system, merchants constantly complained of their profits being eroded by Spanish trading houses. Direct trade from Trieste to American markets proved one of the simplest and most cost-effective avenues for inland Central European manufacturers, so much so that Silesian manufacturers

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TABLE 3. Metalware exported to the United States from Trieste, 1783

<table>
<thead>
<tr>
<th>Product Name (Orig.)</th>
<th>Product Name (Eng.)</th>
<th>Quantity (Tonnes)</th>
<th>Value (fl)</th>
<th>Percentage of Trieste-US Export</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Acciaro</em></td>
<td>Steel</td>
<td>26</td>
<td>2,600</td>
<td>0.8</td>
</tr>
<tr>
<td><em>Ferramenta laborata</em></td>
<td>Agricultural tools</td>
<td>21</td>
<td>6,750</td>
<td>7.0</td>
</tr>
<tr>
<td><em>Ferro in ancora</em></td>
<td>Iron weights/anchors</td>
<td>4</td>
<td>480</td>
<td>0.5</td>
</tr>
<tr>
<td><em>Ferro in fasci</em></td>
<td>Iron straps/strips</td>
<td>17.50</td>
<td>1,571</td>
<td>1.6</td>
</tr>
<tr>
<td><em>Ferro in filati</em></td>
<td>Iron rods</td>
<td>5.25</td>
<td>499</td>
<td>0.5</td>
</tr>
<tr>
<td><em>Ferro in vomere e badilla</em></td>
<td>Iron ploughs/shovels</td>
<td>9</td>
<td>1,344</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>82.75</strong></td>
<td><strong>13,248</strong></td>
<td><strong>11.8</strong></td>
</tr>
</tbody>
</table>

SOURCE: FHKA, NHK, Kommerz Litorale Akten, Generalia, K. 850 (1780-1785), fols. 1003-1020.
under Prussian rule also elected to redirect their commerce towards Trieste. Textiles and glass products were the principal goods exported to the United States from these areas. Glass products included crystal goblets and various tumblers that were already noted across Europe for their fine quality. Textiles—hats, fine cloths, clothing, drapes, and linen—became the second most successful product overall. The direct trading value of linens amounted to 30,400 Austrian Gulden (fl) alone in 1783. Bache & Shee initially produced returns of around forty percent on these goods. Such business attracted considerable interest. Karl Anton Fitz, a textile factory owner in Budišov, Moravia, brokered personal contact with Bache & Shee in Philadelphia through the Simpson-Wouters mission, for example. The ability to trade directly proved irresistible.

Simpson and Wouters reinvested profits from exports to purchase the main import from the United States: tobacco. Eighteenth-century Europeans imported large quantities of tobacco, and inhabitants of the Habsburg Monarchy were no different. Domestic production of tobacco in the Habsburg lands centred around the Hungarian plains. However, Hungarian producers cultivated a different species that was less desirable than the American variety. Europeans preferred the taste of “English” tobacco to the so-called “Bauern-Tabak” (farmer’s tobacco) grown in Hungary. Tobacco cultivation and selling was also heavily regulated in the Habsburg Monarchy. The government legalised tobacco in 1701 but exercised a state monopoly over sales and the distribution of licenses in the Austrian lands for much of the century. In 1783, the state monopoly became a permanent feature, ending only with the Republic of Austria’s accession to the European Union in 1995.

In the Hungarian lands, a more liberal regime persisted despite attempts to install the same state-controlled monopoly. Looser regulation and private industry enabled constant cultivation following the first tobacco factory in 1722, but also exposed Hungarian producers to greater effects in market fluctuations. There was both opportunity and peril at stake. When war interrupted production and exportation from North America, Hungarian tobacconists rushed to supplant the fall in American supplies which forced European consumers to accept whatever variety of tobacco was on offer. There was still a preference for American tobacco when it could be had, which caused some shipments of Hungarian tobacco to be cancelled or returned, but scarcity of American tobacco created a significant boom for Hungarian merchants. Tempted by easy success, the director of the Austrian tobacco monopoly, even resigned his post in order to devote himself to trading tobacco out of the Hungarian port of Fiume in 1777. By 1783, revenues from Hungarian tobacco reached the unseen heights
of nearly three million florins in value. For entrepreneurs in Hungary, the boom was a golden opportunity since many other Hungarian products received harsh tariffs from Vienna in order to protect Austrian industry. Yet, with the cessation of hostilities, boom inevitably turned to bust as American exportation resumed and Hungarian suppliers could not compete with the influx of cheaper, more popular American tobacco, which traders like Simpson and Wouters now returned through local ports.

Merchants and Hungarian officials did not relinquish their hopes of reviving the Hungarian tobacco sector, however. As part of a programme to stimulate the Hungarian economy in anticipation of his great institutional reforms of 1785, Joseph II allowed some efforts to alleviate the position of the tobacco farmers in their postwar plight. Tolls were lowered on the main road to Fiume and a new watermen’s guild enabled smoother transit on rivers. The man overseeing these improvements was the new Governor of Fiume, Count Pál Almásy von Zsadány who thought the Simpson-Wouters expedition offered Hungarian farmers a renewed opportunity. Almásy requested the pair gather tobacco seeds from Virginia and Maryland so that they might be used and tested in Hungarian fields where, he hoped, the better American species would thrive and could compete in European markets. Though Almásy got his seeds, it was too late. The tonnes of tobacco leaf Simpson and Wouters brought back confirmed the insurmountable inferiority of Hungarian tobacco. The new direct trade between Trieste and America guaranteed the plentiful and cheap supply of American tobacco and ensured that Hungarian production would only serve smaller domestic and regional markets within the Habsburg lands and Central Europe. Fond memories of the boom times during the American Revolution remained firm in many Hungarian minds into the nineteenth century and many hoped to still challenge the American predominance in European markets. By then, however, Southern politicians and planters sent out “special tobacco agents” to ensure their hegemony continued in places like the Habsburg Monarchy.

Although results of the Simpson-Wouters mission proved hard for Hungarians, it was an all-round achievement for Triestine merchants. The quartet was keen to continue their exploits and so, as 1785 began, both ships again sailed for Philadelphia and Baltimore, reaching their destinations by March 1785 with a similar but more refined cargo. This was the first time Trieste merchants had directly exported to Baltimore and before the year was out, advertisements for Bohemian glassware appeared in the city’s newspaper. Triestine merchants now had a foothold in two ports of the United States. Based on this success, there was enough conviction to form an entirely new company specifically
designated for transatlantic trade. In July 1785, Belletti, Simpson, and Strohendorf formed a new “quartet” alongside newcomer Karl von Maffei, the Maltese and Papal consul in Trieste. Together they established the Compagnia di Commercio per l’America Settentrionale also known as the Compagnia Austriaco-Americana (Austrian-American Trading Company), and served as its board of directors.\textsuperscript{140} Announcements reverberated across Austria and America that summer.\textsuperscript{141} The founding of the Society was a massive undertaking with an initial fund of 500,000 florin divided into 1,000 shares costing 500 florin each. Participation in such a firm was therefore restricted to the wealthy mercantile and noble classes. The first general assembly took place in Trieste in November 1785. The founding of the Austrian-American Trading Company and its stock offer made news in Vienna and across continental Europe.\textsuperscript{142}

In order to establish such an undertaking, privileges and permission had to be obtained from the Aulic Chamber. The quartet submitted a charter for approval at the same time they went public with the initiative. Governor Brigido supported their application. In August, Brigido wrote to the emperor personally about the company and petitioned him to grant them official privileges. Brigido explained in the most positive terms how the “several well-meaning, intelligent and experienced merchants” came together to form the company after the successful Philadelphia mission, which had “by no means completely satisfied their patriotic zeal.”\textsuperscript{143} In addition, Brigido stressed how the firm’s previous mission had “exported almost exclusively domestic products, of which there is the greatest abundance” and added,

The important utility of [this] impending enterprise, and the honesty with which the direction of the new commenced trading society is arranged, impresses me so much that I cannot refrain from recommending this new enterprise of the highest grace and mercy unquestionably.\textsuperscript{144}

Brigido went a step further than simply endorsing the latest mercantile project with the United States. Given the numerous applications, missions, and ferment then present in Trieste, he advised the emperor,

A new commerce on such firm grounds and for the greatest mutual utility may not fail, especially if Your Majesty, with all righteousness, permits maximum protection, and in the meantime achieves at establishing friendly agreement with the Republic of the United States of America much wanted on the most permanent footing.\textsuperscript{145}
“A New Set of Merchants”

The application met with success in Vienna. Joseph sanctioned the status of a privileged company in early September 1783, thereby acknowledging their endeavours as something of value to the state. In essence, the conferment seemed a realisation of Joseph’s original aim of extending trade with the Americans back in 1783. By 1785, he had been fully convinced of the merits of such a trade. At the same time as Joseph received Brigido’s petition, he held an audience with Gilbert du Motier, marquis de Lafayette, who later, with joy, informed Jefferson that American commerce “was a great object” in the emperor’s mind. Indeed, Joseph was not the only one in Vienna fixated on this topic. Lafayette also informed Jefferson of a visit from Kaunitz who had come to speak to him “very willingly” about the substance of American trade. Lafayette’s visit was coincidental; the court had already set on the priority of trade with the new United States, and Trieste had played a fundamental role in establishing that conviction.

The maturity of direct trade between Trieste and the United States represented a fundamental cornerstone in the Habsburg attitude towards pursuing a political connection between the two states. Triestine merchants had been equally tenacious as Ostend and Livornese traders in forging direct ties with North America and, crucially, in convincing local and Viennese officials of the worthiness of their endeavours. The Austrian-American Trading Company
embodied the new, emboldened spirit of transatlantic opportunity rife in Trieste and with official imperial support of its missions. The rapidity and intensity of transatlantic trade with the United States in these postwar years ensured the United States remained one of the most valuable commercial routes outside of the Mediterranean for the imperial entrepôt on the Adriatic.

Conclusion

The development of postwar commerce between the Habsburg lands and the United States of America took place in the three major ports of Livorno, Ostend, and Trieste. In those towns, new merchant adventurers aimed to profit from the opportunities ushered in by American independence. Major American ports, from Charleston to Boston, became targets of Habsburg mercantile ambitions. In several cases, Habsburg merchants established considerable footholds in the American economy by sending representatives, entering partnerships, and creating contacts with American businesses. Though in some cases these connections proved short-lived, their existence testifies to the extensive commercial spaces in which both the Habsburgs and Americans operated.

In spaces beyond the Atlantic—in the Mediterranean, the Adriatic, and the North Sea—merchants created new trade flows, and, in the case of Tuscany, expanded upon the earlier trading scene. The effects of this postwar commerce emanated from these centres and affected wider regional markets. In the Habsburg Monarchy, this produced positive and negative effects. The hopes of reviving a Hungarian tobacco market crashed after the reintroduction of cheap, popular American tobacco. Yet, in Transylvania, new ventures inspired local businessmen to seek out their own routes to American markets. As Franklin had put it, a “new set of merchants” had come into existence. The zeal and determination of the mercantile classes to exploit the new situation in North America impressed the ruling elites who supported such initiatives at the state level. In Trieste, officials even wrote to the emperor in support of the newly established trading company. The belief in an independent United States as a source of economic potential emerged from the mercantile world, moved into the political realm, and combined to create an urgency to nourish this nascent trade.

In the postwar aftermath, the question of American commerce loomed large in the minds of administrators across the Habsburg Monarchy. Emperor Joseph II pondered its “greatest importance” already in 1783 and Prince von Kau- nitz sought out Lafayette to parley with him about the subject a few years later. The successful missions of traders both during and after the war convinced a
previously hesitant bureaucracy of the need for a political connection in order to defend and sustain the profitable commercial ties to the United States. The emerging urgency was, however, one-sided. Although American merchants attempted trade with Habsburg markets such as Ostend, these efforts paled in comparison to the overwhelming interest of Habsburg merchants and administrators in the United States. It was a significant development given the American insistence on brokering contact with the Habsburgs during the War of American Independence and the mission of William Lee in 1778. During the American Revolution, the question for Habsburg officials had been how to mitigate against the negative effects while profiting from the neutral carrying trade. Now, in a time of peace, the question had become how to secure Habsburg trade as one among equals. The time for action had arrived.