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INDIAN TRADE IN NOVA SCOTIA TO 1764

By R. O. MacFarlane

Almost invariably trade has formed one of the earliest, and most important, bonds between native races and Europeans when the latter have moved into a section of the world hitherto unknown to them. So important have these contacts proved that it has frequently been necessary to regulate such commercial transactions with considerable rigour, in order to secure the safety of the newcomers. The experience of the British in Nova Scotia, after the acquisition of that colony from the French by the Treaty of Utrecht, was no exception to this generalization.

The purpose of this paper is to attempt to trace the various schemes which were devised to regulate trade with the natives of Nova Scotia, and more especially to trace the rise and fall of the system of trade monopoly, in which trading posts were publicly owned and operated, a system which was set up primarily to secure the goodwill of the Indians.

From the earliest days of the British régime, considerations of trade were influential in shaping such Indian policy as existed in Nova Scotia. In spite of official efforts to encourage traffic with the natives, trade in the early years was light and was confined, almost entirely, to the regions near the coast.[1] The repercussions of New England's Indian Wars, and the activities of renegade traders from that section, further bedevilled this commerce in the first quarter of the eighteenth century.[2]

In addition, throughout the province, French influence over the tribes remained strong for a half-century after the Peace of Utrecht. This was due in part to the exhortations of French priests, resident among the natives, and in part to a judicious distribution of presents from French posts in Cape Breton.

One of the first attempts to undermine French dominance over the Indian trade was made by the local British officials in 1732. Governor Armstrong was convinced that the influence of the French over the Indians was due largely to their trading contacts. He found that even English merchants employed Frenchmen as middlemen for the traffic: he wrote to Belcher of Massachusetts, "The French keep us at a distance, make the Indians depend on them, engross the whole management of the fur-trade and run away with the profits. If the French were cut off from these advantages, the profit would go to the Indians, who would thereby be bound to us by the strong ties of self-interest."[3] His solution of the problem was the establishment of additional truckhouses, especially one on the St. John River, where the most powerful tribes dwelt. These posts, he contended, should be publicly owned and operated, on the same basis as those used by Massachusetts in the trade with the Abnaki. This policy of Massachusetts had been reasonably successful

[1]Archibald MacMechan (ed.), *A Calendar of two Letter-Books and one Commission-book in the Possession of the Government of Nova Scotia, 1713-1741* (*Nova Scotia Archives*, Halifax, 1900, vol. II), pp. 1, 6.

[2]*Nova Scotia Papers*, in the Public Archives of Canada, A 17, pp. 97-8; A 20, p. 1. *Nova Scotia Archives*, vol. I, pp. 61-2; vol. III, pp. 87-8.

[3]*Ibid.*, vol. II, p. 86.

in winning and retaining the friendship of the eastern tribes, but it had always resulted in a substantial financial loss to that province, and, therefore, as Governor Armstrong did not have funds available for such an expensive policy in Nova Scotia, he sent his agent, Paul Mascarene, to Boston to persuade Massachusetts to extend her chain of public truckhouses to the St. John. Governor Belcher agreed to present the case to the Assembly at its next session. That body, however, refused to incur such additional responsibility, because the proposed truckhouse would be outside the jurisdiction of Massachusetts. Belcher then advised Armstrong to approach the Crown with his proposal, adding that he was "very Sensible nothing would so tend to the tranquillity and Good Establishment of the King's Government among you". The only positive assistance that Massachusetts would render was to send a sloop, spring and fall, to trade with the Indians about the mouth of the St. John.[4]

When Armstrong carried his proposal to the Lords of Trade, they politely, but firmly, refused to advise the necessary expenditure. "Although this proposal may have a very good effect," they stated, "yet we think it should be postponed till there are Inhabitants enough in your Province to compose an Assembly to bear the expence of it."[5] Nothing further was done at this time, and the French continued to enjoy the profits of the Indian trade, as well as the close friendship of the natives.

During King George's War the importance of a generous trade policy in winning the Indians' support, again became apparent. Governor Shirley of Massachusetts urged the establishment of a truckhouse at Menis which was "to be well Stock'd with all proper Supplies for the Indians to be sold or barter'd to 'em for Furrs etc., at the most Reasonable Rates; and some presents annually distributed to 'em".[6] Shirley felt certain that such a trading house, "would create in the Indians a firm Dependence upon, and attachment to, His Majesty's Government".[7] Although this view was supported by Sir Peter Warren, the commander of the British fleet before Louisburg, nothing was done to put these suggestions into practice.[8]

In the negotiation of the treaty with the Micmac Indians in November, 1752, trade concessions were a primary consideration. The object of George Scott, who acted as agent for Governor Hopson, was to effect a trade agreement which would make it profitable for these Indians to remain friends with the British.[9] The treaty gave the Indians complete liberty to hunt and fish; Governor Hopson agreed to build them a truckhouse wherever they desired it; and the Indians were to be free to market their supplies anywhere in the colony.[10] The Lords of Trade, however, refused to recommend the expenditure necessary for the construction of the trading posts promised in the treaty, until a general peace was made with all the Indians of the province, though Hopson was instructed to investigate the value of the Indian trade within his jurisdiction. The outbreak of the last Indian War cut short any promise this traffic

[4] *Nova Scotia Papers*, A 21, pp. 70-1.
[5] *Ibid.*, A 23, pp. 54-5.
[6] C. H. Lincoln (ed.), *Correspondence of William Shirley* (New York, 1912), vol. I, p. 337.
[7] J. P. Baxter (ed.), *Documentary History of Maine* (Portland, 1889-1916), vol. XI, p. 348.
[8] *Nova Scotia Papers*, A 27, p. 201.
[9] *Ibid.*, A 49, pp. 8-9, 75.
[10] *Ibid.*, B 5, p. 167.

might have had, and the project for a public truckhouse was again dropped.[11]

The treaty made with the St. John and Passamaquoddy tribes in January, 1760, again opened the question of the government's participation in Indian trade. Governor Lawrence, in his report to the Board of Trade, stated:

> One of the chief Articles in these Treaties is that of Commerce, on which the Fur trade is established. In settling this Article I took particular Care to shew and convince them how much more profitable and beneficial the English trade wou'd prove to them than the French, by receiving from us a higher price for their Furrs and the cheapness of the Commodities we give in Exchange, and in order to draw the greatest advantage from this Article which is the friendship of these Indians, all private trade is excluded, and none to be carried on but in the Truckhouses established by the Government where they will be dealt with on fair terms, according to the prices established, and none of that fraud can be practised, which has, on several parts of the Continent, been so much the cause of bloodshed—for that purpose I have appointed Mr. Benjamin Gerrish Commissary for the Trade in General, and am establishing Truckhouses, and I have likewise prevailed on the General Assembly to pass a Law, with severe penalties on any who shall attempt a private Trade.[12]

Governor Lawrence found little difficulty in winning the support of the Council for his scheme for conducting Indian trade. A truckhouse was to be built at Fort Frederick, and at such other places as were deemed necessary for an efficient conduct of the traffic. The trade was to be managed by "Persons on whose Justice and good Treatment they might always depend".[13] The Indians, on their part, agreed to deal exclusively at the government posts. The truckhouses were to be built at the public expense, and the salaries of the officials were to be met from the same source. Goods were to be sold to the Indians at prices which were adequate merely to meet expenses. It was hoped that a five per cent. premium on the price of goods at Halifax, and a two and one-half per cent. discount on the price of furs at the same place, would be sufficient to defray the costs of transportation and administration. Experience, however, was soon to prove that these margins of profit were too small to make the scheme self-supporting.[14]

The Assembly was less willing than the Council to adopt the Governor's suggestion. In his message to the House in February, 1760, Lawrence pointed out all the benefits which he hoped would ensue from his project, and begged that the necessary funds should be advanced. The Assembly gave what appeared to be, in general, a favourable reply, but refused to commit itself to any expenditure until a committee had investigated the scheme more carefully. This committee reported that there were no funds available to conduct a trade on this basis, but it also expressed its approval of the Governor's purpose.[15] On the basis of this report, the Assembly passed a statute prohibiting any private trade or commerce with the Indians.[16]

The most solid opposition to Governor Lawrence's plan for the conduct of Indian trade came from the Board of Trade. When the statute mentioned above was sent to London for concurrence, the Lords

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[11] *Ibid.*, A 52, pp. 96-8; A 54, p. 79.
[12] *Ibid.*, A 64, pp. 144-6. For full text of the above treaties, see *ibid.*, A 64, pp. 20-3.
[13] *Ibid.*, B 10, p. 17.
[14] *Ibid.*, B 10, pp. 20-31.
[15] *Ibid.*, D 3, pp. 20-2, 26, 53, 55-7.
[16] R. J. Uniacke (ed.), *Statutes at Large . . . Nova Scotia* (Halifax, 1805), p. 62.

of Trade expressed their disapproval, because it was "inconsistent with the Principles of Commerce and Freedom which Your Majesty's Subjects ought to enjoy therein, and introductory of an Heavy Expence to the Public". But since the trade had already started under conditions laid down in the statute, and because loss and confusion would follow a summary disallowance, the Board contented itself with forwarding its objections to the act to the Lieutenant-Governor of Nova Scotia, advising him to "put a speedy end to all Proceedings under that Act", and to devise some better plan for regulating Indian commerce.[17]

The Lords of Trade explained their position further in a letter to Lawrence's successor, Belcher, in March, 1761. The basic objection to public truckhouses was the expense involved, but they also protested against such an interference with freedom of trade, and they tended to discount the value Lawrence had placed on trade concessions as a factor in winning and holding the friendship of the tribes. Their Lordships then advanced their own proposals for regulating trade with the Indians:

> With respect to any subsequent Regulations which may be necessary for carrying on that Trade, without alienating the affections of the Indians, we are of Opinion, that a Tariff may be settled, and an Act be passed prohibiting all persons under a very severe penalty, from supplying them with Goods at any other Rates, than those which have been mutually agreed on; That no person should trade without a Licence from the Governor, but that every person should be entitled to a Licence after having given that security which shall be thought necessary by the Legislature of the Colony for the Observance of the Law. Regulations of this sort, we apprehend, would lay some Restraint at least, on the abuses of private Traders, and would not leave at the same time an absolute Power in the Governor, from Partiality or from worse Motives, to admit or exclude whomsoever he thought proper, from participating of the Advantages of that Trade.[18]

In June, 1761, the Lords of Trade repeated to Belcher their objections to a system of publicly owned truckhouses, and expressed their faith in public control of private trade as being adequate to meet the requirements of the Indian situation. Meanwhile the Nova Scotia statute prohibiting private trade, which was to lapse in May, 1761, was re-enacted for an unlimited period of time. When this act was submitted to their Lordships, they advised the King to exercise his power of disallowance.[19]

This attitude of the Board of Trade toward private commerce with the Indians was unpopular in certain quarters in Nova Scotia. Benjamin Gerrish, in charge of the new government trading posts, pointed out that even under the best of licensing systems, "there will be many little Traders, who have not much Regard to Reputation, who will make the Indians drunk and then take from them more than they have a right to, depending that these Indians know not how to make any sufficient proof in Courts of Law, and who will be prompted to take revenge somehow or other, and embroil the Province in mischiefs".[20] He also drew attention to the success of the public management of the trade in Massachusetts in retaining the friendship of the Indians, and in maintaining peace among the tribes. Governor Belcher himself defended the Nova Scotia statute, on the ground that it had kept the peace with the Indians, and had, in general, been acceptable to the tribesmen, because it greatly

[17] *Nova Scotia Archives*, vol. 430, doc. no. 19.
[18] *Nova Scotia Papers*, A 65, pp. 97-8.
[19] *Ibid.*, A 66, pp. 25, 28.
[20] *Ibid.*, A 66, p. 106.

reduced the number of frauds in the traffic. While he agreed to carry out their Lordships' instructions, he made it clear to them that he did so under protest.[21]

The following year, 1762, Belcher sent a message to the Assembly inviting it to consider new legislation for the regulation of Indian trade, which would correct outstanding grievances, and yet not conflict with the principle of freedom of commerce as set forth by the Board of Trade. The Governor proposed that prices be fixed by agreement between the tribes and the government, and that no trade should be permitted with the Indians except on the terms of this tariff; that the Governor should be empowered to issue licences for the trade, only when a bond had been deposited with him, to secure adherence to regulations; and that all persons trading without a licence should be fined heavily.[22] After more than two months of bickering between the two Houses of the Legislature, a new statute "for preventing fraudulent Dealings in Trade with the Indians", was passed. By its terms a definite price tariff was set up, and all trade was open to government inspection; a commission was created to act as guardian of the Indians' rights in trade disputes, and empowered to sue for them in any court; licences were to be granted only when surety of £250 was deposited; and the penalty for trading without a licence was set at £250, and confiscation of goods.[23]

While the compromise which was effected in the Act of 1762, and finally absorbed in the regulations of 1764, was being worked out between the Nova Scotia Legislature and the Board of Trade, public truckhouses had been set up under the Act of 1760, before the disallowance became effective. These posts were located at Saint John, Piziquid, Lunenburg, Eastern Battery, Chignecto, and Annapolis.[24] Furs sent in during the first year included beaver, otter, marten, fischer, mink, bear, red, black and silver fox, muskrat, moose, deer, and ermine. European goods to the value of over £1000, which were traded for these furs, included rum, duffils, blankets, strouds, shot, drums, lancets (for bleeding), powder, pots, kettles, beaver-traps, broadcloth, trunks, earrings, brooches, and bracelets. In the autumn of 1760 Gerrish asked for similar goods to the value of £1500 for the next year's trade.[25]

When Governor Lawrence first set forth his proposals for managing the Indian trade in 1760, he had no intention of making a profit for the province from such a venture. Prices charged for goods were so low that, although the Governor said he expected to make ends meet, he pointed out that if the trade did not carry itself, the advantages of maintaining peace with the Indians, and of furthering colonization, would more than offset any loss that might be incurred. He had no idea of how large the deficits were to prove.[26]

Benjamin Gerrish had been appointed by Lawrence in the spring of 1760 to be "Commissary of Indian Trade". When the provincial acts to regulate trade were passed at Lawrence's request, the Assembly refused to vote the sums demanded, because funds were not available. It proceeded, however, to pass legislation prohibiting private trade, so

[21] *Ibid.*, A 66, p. 136.
[22] *Ibid.*, D 4, pp. 26-8.
[23] *Ibid.*, A 68, pp. 19-31; Uniacke, *Statutes at Large*, p. 78.
[24] *Nova Scotia Papers*, A 64, p. 256.
[25] *Ibid.*, A 64, pp. 252-3; A 71, pp. 80-2; B 10, pp. 29-30.
[26] *Ibid.*, A 71, pp. 90-1.

that the Governor's scheme might be put into force, whenever sufficient money was available.[27] The Council then loaned £950, from the funds at its disposal, on condition that repayment be made from the sale of furs at the close of the season.[28] In November, 1760, Gerrish wrote to Belcher claiming that Lawrence had promised him £3000 for the construction of truckhouses and for working capital. Since only £950 had actually been paid over, Gerrish sent in his accounts, showing a debt of £2000 which he claimed was still owing to him. As he had borrowed the money to conduct the trade during the summer of 1760, and as repayment had to be made before returns from the sale of furs would be in, he asked the Governor to make application to the Board of Trade for assistance, if the Assembly continued to refuse to vote the necessary amount.[29]

The large deficit incurred by the end of 1760 led the Council to set up the first of a series of committees to investigate the conduct of the trade. It was found that Gerrish had received, in addition to his two and one-half per cent. on all the furs sent in from the government truckhouses, five per cent. on all the goods sent thereto. To this latter arrangement Governor Lawrence had "inadvertantly agreed". The result was that Gerrish had received, on a turnover of some £7500 a year, about £562.10. This was more than the commerce could bear, especially when several competent persons were willing to manage the trade for ten shillings a day.[30] In addition to receiving a double commission, the committee found that Gerrish also enjoyed other revenues:

> Money was issued from the Treasury and impress'd into his hands for the purchase of Goods; Goods were purchased at Boston and paid for by the Government, whereon, nevertheless, he has charged his Commissions; and a great quantity to the amount of between 3 & 4000 £ he furnished himself from his own shop at a high advance (which however he has declined to discover the extent of) and has charged his Commissions even upon these, together also with the Commissions upon such Articles of provisions as were furnished out of the Government Stores.[31]

The committee's report showed that the deficit arising from the Indian trade was over £2000 in April, 1761, and that if prevailing methods of management continued, the losses were likely to increase. It was shown that the profits of the dealers, from whom the goods were bought, were excessive, and that further losses were due to the fact that the truckhouses did not have the goods required at the proper season. But the greatest leakage arose from the mistake in allowing the Commissary to act both as buyer and seller, which gave him ample opportunity to plunder the public.[32] To correct this last abuse the office of "contractor" was separated from that of "commissary" and tenders were called for to fill the former office. A committee of the Council, after reviewing the proposals of Alexander Grant, Michael Franklyn, and Joseph Woodmass, entered into an agreement with Grant.[33] He was to advance £2000 as working capital, on which he was to receive six per cent. interest, and he was to be allowed forty-five per cent. profit on all

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[27]See above, p. 59.
[28]*Nova Scotia Papers*, B 10, p. 59.
[29]*Ibid.*, A 64, pp. 258-9.
[30]*Ibid.*, A 71, pp. 93-4.
[31]*Ibid.*, A 71, p. 94.
[32]*Ibid.*, A 65, pp. 169-70.
[33]*Ibid.*, B 10, pp. 184-203.

goods delivered, out of which he was to pay all expenses of sale and transportation.[34]

At the same time that Grant was appointed contractor, certain economies were introduced in the management of the trade. Truckmasters were paid five shillings a day, with an additional allowance of 2*s.* 6*d.* for an assistant. The two and one-half per cent. commission which they had formerly enjoyed was abolished, since no authority, beyond that of Gerrish, could be found for such payment.[35] The truckhouses at Annapolis Royal, Piziquid, and Lunenburg were closed because sales at these posts had been less than the truckmasters' salaries.[36]

In spite of these economies, the trade continued to accumulate deficits. Falling fur prices in 1761 and 1762, and the failure to readjust the prices paid to the Indians, increased the net loss. When the question of prices was discussed by the Council in September, 1761, it was felt that an adequate readjustment would have unfortunate results on Indian relations. It was decided that

> the Truckmaster should have discretionary orders given him from time to time to put such further advance on the Articles not ennumerated as he shall discover in the course of his Trade with the Indians may be done without alarming them and this upon such Articles and in such Proportions only as he shall find most convenient and practicable and attended with the least danger of Complaint, Reporting from time to time to the Commander in Chief in the most explicit manner his proceedings therein.[37]

The provision of presents out of the stock in trade was a further cause of the financial difficulty. The large number of small tribes that inhabited the region made the number of presents that had to be given more numerous than would otherwise have been the case. The presents given to the first tribes to make peace in 1760, the St. John and Passamaquoddy, were too large, and later the other tribes demanded like amounts. The large sums paid for the support of destitute Indians during negotiations at Halifax also helped to create an expenditure which the trade could not carry.[38]

Further loss was incurred by the unseasonable termination of trade at the government posts when the statute prohibiting private trade was disallowed by the British government. It was contended that if the government posts had been allowed to enjoy their monopoly for another six or eight months, "the most part if not the whole of the Government's effects at the different Truckhouses would have been sold off at the Stipulated prices; whereas a large expense was incurred in bringing them again to Halifax, where they were sold at public sale, in which cases goods seldom bring more than half their value".[39] It may be said that the losses incurred in the Indian trade were partly unavoidable, owing to the political as well as the economic basis on which the trade was conducted. Nevertheless there was gross mismanagement and the losses were unreasonably large, totalling in all £1918.7.1¼.[40]

The application to the British government for financial support, the disallowance of the statute giving the province a monopoly of Indian

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[34] *Ibid.*, B 10, pp. 188-91, 201-3.
[35] *Ibid.*, A 71, p. 98.
[36] *Ibid.*, A 71, pp. 97-8.
[37] *Ibid.*, B 10, pp. 264-5.
[38] *Ibid.*, A 71, pp. 100-2.
[39] *Ibid.*, A 71, p. 97.
[40] *Ibid.*, A 71, p. 99. See below, p. 65, for a detailed statement of this amount.

trade, and the resignation of Gerrish in November, 1761, led to the abandonment of Lawrence's scheme for government control of trade. All that remained of his project was the bad odour of scandal; and to the cleaning up of the mess the province now turned its attention.

The accounting system of Benjamin Gerrish seems to have aroused some suspicion almost from the beginning of his service as Commissary for the Indian trade. In May, 1760, within a few months of his appointment, he was not furnishing satisfactory statements of his transactions, and the Council ordered him to submit an audited account within five days.[41] This demand does not appear to have been followed up, and it was not until after Gerrish's resignation that a thorough auditing of his books was carried out. In 1762 an order requiring all the officers engaged in the Indian trade to render their accounts, proved equally ineffectual, and it was repeated in December of the same year.[42] Meanwhile the tide was running against Gerrish, and in October he was suspended from the Council and dismissed from the Court of Common Pleas.[43]

Gerrish did not accept these humiliations without a protest. He pointed out to the Council that he had observed the prescribed forms for accounts for over a year, except in a few minor particulars which he was prepared to explain, but he claimed that he had never been given an opportunity to do so. He had protested, he said, against the Board of Auditors, but to no avail; and since the Lieutenant-Governor had refused to hear his case, he had written to the Board of Trade. He refused to attend any further hearing on the question, or to give any evidence, until he had their Lordships' answer.[44]

The Lieutenant-Governor denied the charges made by Gerrish. In its attempt to sift the truth from conflicting stories, the Council set up another committee to investigate the trade accounts. When this committee demanded a statement from Gerrish, he referred it to the one already given to the Clerk of Audits, "which accounts upon examination appeared to the committee to be drawn up in a confused and irregular manner". The investigation disclosed that the accounts were not in the prescribed form; that about half the goods supplied for the trade came from Gerrish's own store; and that he had refused to state what rule he had followed in setting the price of articles obtained from this source. On certain items, such as powder, of which the committee knew the price, they claimed that he had charged one hundred per cent. over cost, and fifty per cent. above the price charged by others. He had also charged a five per cent. commission on goods supplied by himself, which he was not entitled to, as he was paid a salary for his services. The committee was unable to give a more detailed report as Gerrish steadfastly refused to give evidence.[45] A copy of this committee's report was forwarded to Gerrish, and he was invited to answer the charges contained therein. His defence was that he had already offered his accounts, and that any further explanation had to await the pleasure of the Board of Trade. Meanwhile Governor Belcher wrote to their Lordships informing them of the report of the committee, and stating his case against Gerrish.[46]

[41] *Ibid.*, B 10, p. 182.
[42] *Ibid.*, B 12, pp. 6, 129-30.
[43] *Ibid.*, B 12, pp. 107, 111.
[44] *Ibid.*, B 12, pp. 140-2.
[45] *Ibid.*, B 12, pp. 134-7.
[46] *Ibid.*, A 70, pp. 73, 155, 180; B 12, pp. 137, 140-3.

The committee of the Council which had been set up in January, reported in April, 1763, on the accounts of the Indian trade from 1760 to 1763. A summary of the financial statement was as follows:

Trade is in debtor	£18462.12.01¾
Trade is in creditor	14377.12.04¾
Balance	4084.19.09
Presents to the Indians from trading stock	2166.12.07½
Net balance of loss to trade	1918.07.01½
Indian presents as above	2166.12.07½
Ditto & expenses wherein the trade was not immediately concerned	2211.14.06
Total deficit	6296.14.03[47]

Even this audited statement of accounts left a good deal to be desired. For instance, the first item, trade in debtor, did not include £855.19.6½ which Gerrish claimed was still owing to him by the province, and which had not been disposed of by any legal action.[48] The second item of trade in creditor included £2166.12.7½ for presents to the Indians, and this amount was later charged a second time,[49] so that the real loss from Indian trade was not £1918.7.1½ but £4084.19.9.

Lieutenant-Governor Belcher was forced to go to the British Treasury with a request for assistance to wipe out these obligations of the province. In his statement to their Lordships in July, 1763, he analysed the £1918.7.1½, which was held to be the actual loss in the Indian trade proper, as follows:

Salaries at unnecessary truckhouses	£474.10.00
Truckmasters' commissions	211.10.03¾
Difference between Mr. Gerrish's commissions and 10/per day	462.05.05½
Interest on Mr. Gerrish's advance for want of money to pay Mr. Gerrish when due	800.00.00
Loss on trade and on goods	826.00.10½
	2774.06.07¾
Less Mr. Grant's balance to be settled at the Board	855.19.06½
	1918.07.01¼[50]

In spite of this statement Belcher had to admit that the real deficit was £6296.14.3, and it was to meet this last amount that he sought aid from London.[51] At the same time he was able to point out that, since Alexander Grant had replaced Gerrish as contractor for the trade, the only increase in the debit balance was the interest on the earlier obligations, and that there was no demand from the province for any other assistance.[52] He also showed that the expenses of administering Indian affairs had been greatly reduced in the preceding year, and that the budget for the current year called for only £115.19.6½.[53]

[47] *Ibid.*, A 71, pp. 104-5. For a detailed statement of accounts, see *ibid.*, A 71, pp. 80-9.
[48] *Ibid.*, A 71, pp. 88-9; A 72, p. 11.
[49] *Ibid.*, A 71, p. 86.
[50] *Ibid.*, A 71, p. 99.
[51] *Ibid.*, A 71, p. 105.
[52] *Ibid.*, A 71, pp. 17, 162.
[53] *Ibid.*, A 72, pp. 27, 30; *cf.* A 77, pp. 172-5, which shows a much larger actual expenditure.

In spite of the best interpretation that Belcher could put on the Indian trade, and in spite of the best appeal of the chief creditor, Alexander Grant, the Board of Trade was reluctant to meet the bills that emerged from such chaos.[54] On March 20, 1764, the Board wrote to Wilmot, Belcher's successor, complaining of the irregularities in drawing bills on the British Treasury. Their Lordships advised the curtailment of all expenses, especially those incurred in the Indian trade; they also pointed out that the bills drawn by Belcher during his administration greatly exceeded the sums voted by Parliament. These bills even exceeded the vouchers that Belcher had transmitted by £11,174.24.19, "over and above the demands on account of the contract irregularly and unwarrantably made with Mr. Grant for the supply of goods for the Indian trade". A warning was issued to Wilmot against "such exceedings in future".[55]

Wilmot replied to these charges of the Board, maintaining that some strict regulation of Indian commerce was necessary to the safety of the province:

> Were a regulated commerce to be established in proper places under the publick management, these people [Indians] might be fairly dealt with, and by having their wants supplied at accustom'd places, by means of the Commodities procurr'd by their own Industry, perhaps a considerable part of this expense might be saved; but until that can be done I know of no other method consistent with the publick safety, for the management of them.[56]

He showed also that New England traders were coming into the province and by their sharp practices were arousing the animosity of the natives against all whites. He could see no other method of overcoming this difficulty than by conducting trade at government-owned truckhouses, located at convenient points, where these New Englanders could be undersold and driven from the field.[57] Meanwhile another £3011.10.9 had been added to the debt of the province for Indian supplies, mostly presents and entertainment.[58]

The two largest creditors of the province were paid off in 1765 and 1766. In February of the former year, the Board of Trade advised the Treasury that if "Grant had suffered loss, he should receive equitable consideration, although the transactions of Lawrence and Belcher in conducting the Indian trade had not been sanctioned by their Lordships".[59] Gerrish's account was likewise paid the next year, and the outstanding obligations of the province for the conduct of Indian affairs, mostly small accounts for entertainment and presents, were reduced to £4329.1.4.[60]

While the irregularities in the conduct of Indian trade in Nova Scotia were being straightened out, the Board of Trade in 1764 drew up a plan, in accordance with which all commerce with the natives in North America was to be conducted. The more important features of this scheme were that trade was to be free and open; in the Northern District (north of Maryland) it was to be conducted only at fixed posts; all existing laws relating to Indian trade in the colonies were to be repealed; all trade was

[54] *Ibid.*, A 72, pp. 11-2, 100-3.
[55] *Ibid.*, A 73, pp. 90-4.
[56] *Ibid.*, A 74, pp. 128-9.
[57] *Ibid.*, A 71, p. 103; A 74, pp. 141-2; A 76, p. 93.
[58] *Ibid.*, A 77, pp. 172-5; A 78, pp. 91, 93.
[59] *Ibid.*, A 76, pp. 5, 7-10, 14-9.
[60] *Ibid.*, A 77, pp. 25-34, 42-3, 169; A 79, p. 7.

to be under the direction and inspection of the agents or superintendents, or their subordinates; all traders were to be licensed and were compelled to deposit a bond to insure good conduct; all transactions were to be at fixed prices; no liquors and only certain types of fire-arms were to be traded; and credit was to be limited to fifty shillings.[61]

Lieutenant-Governor Wilmot approved of this plan for regulating trade with the Indians, but he thought that the number of posts suggested for Nova Scotia—three, to be located at Halifax, St. John River, and Fort Cumberland—was too small. He recommended that additional posts be established at Canso, to serve the Indians of the eastern part of the province, and at Merlinguish Bay, near Lunenburg, to serve those of the western part. Both of these suggestions were carried out later.[62] On the whole the conduct of the trade under the plan of 1764 was uneventful. It appears to have pleased the Indians, to have aided in securing the safety of the province, and to have been economical enough to satisfy the Board of Trade.[63]

In its problem of controlling Indian trade, Nova Scotia was very much an outpost of New England. From Massachusetts came the idea that a trade conducted honestly, and at a low rate of profit, would win the friendship of the natives. But while in Massachusetts the Assembly had to defray all the expenses, in Nova Scotia there was always the expectation that the London authorities would come to the rescue in case of a deficit. The result was that, in the former case, careful scrutiny was exercised over the appointment of officials, and over the auditing of accounts. Although losses resulted, the province was wealthy enough to meet the bills, and far-sighted enough to realize that such expenditure was cheap insurance against Indian wars. In Nova Scotia, however, a small group of officials seized the opportunity presented by Governor Lawrence's plan of 1760 to use government-controlled trade for their own purposes. They filled their own pockets, but they brought down the wrath of the Board of Trade, which led to the disallowance of the monopoly-trade acts, and eventually to the return, in 1764, to a system of government regulation, rather than a public monopoly, of Indian trade. The whole experiment with government-owned truckhouses in Nova Scotia was a dismal failure, as the result of bad management and corruption, and is to be remembered more as the cause of one of the worst scandals in the early history of the province, than as a contribution to the solution of the Indian problem.

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[61]For full text of this plan, see J. R. Brodhead and E. B. O'Callaghan (eds.), *Documents Relating to the Colonial History of the State of New York* (Albany, 1856-61), vol. VII, pp. 637-40; and *ibid.*, pp. 661-6 for Sir William Johnson's comments thereon. Note the similarity of the plan to the Nova Scotia Statute of 1762.

[62]*Nova Scotia Papers*, A 75, p. 101; B 13, p. 95.

[63]*Ibid.*, A 81, pp. 52, 58, 61, 63, 65, 68, 71-9; A 82, p. 35; A 83, pp. 21, 29; A 86, p. 86; A 99, p. 140.