THE MARKET REVOLUTION IN THE BORDERLANDS: GEORGE CHAMPLIN SIBLEY IN MISSOURI AND NEW MEXICO, 1808-1826

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A pivotal year for the United States and for the Native Americans who lived in the borderland regions of the early republic was 1803. The most significant and best-remembered event was Jefferson's purchase of the Louisiana Territory from France. Historians often note that the purchase doubled the territory of the United States, but in 1803 Spain disputed the extent of Louisiana, arguing that the territory amounted to nothing more than a narrow strip of land on the west bank of the Mississippi River between St. Louis and New Orleans. Britain, for its part, had not recognized the Spanish retrocession of Louisiana to France in 1800, and thus questioned the legitimacy of the American purchase altogether. The purchase, in short, did not guarantee American control of the West. Rather, in 1803 the United States entered into a complex competition for sovereignty in the trans-Mississippi West with Britain, Spain, and the Native Americans whose commercial and political allegiances were to these European powers.

One of Jefferson's institutional efforts to extend American sovereignty into the Indian borderlands was the so-called "factory system," a network of federally owned trading posts, or factories. By subsidizing the operations of the factories, the federal government hoped to detach Native Americans from their commercial ties to foreign fur traders. Beyond this goal,}

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The author thanks Jeremy Adelman, Stephen Aron, Ari Kelman, John Murrin, and Sean Wilentz for their comments.

Jefferson hoped that the factory system would be a means of shifting lands from Indian to American control. In February 1803, two months before finalizing the Louisiana Purchase, Jefferson wrote an infamous letter to William Henry Harrison, then governor of the Indiana Territory, suggesting that the government factories would “be glad to see the good and influential Indians among them run into debt, because we observe that when these debts get beyond what the individual can pay, they become willing to lop them off by a cession of land.” Suggestions such as this one prompted the anthropologist Anthony F. C. Wallace to criticize “a degree of ruthlessness in Jefferson’s dealings with the Indians, the ruthlessness of a benevolent zealot who would do virtually anything to insure that his new, free, American republic survived and grew.” However ruthless Jefferson’s designs may have been, in the multilateral borderlands of the Louisiana Territory where Native Americans could seek commercial and political alliances with Britain or Spain, Jefferson and his subordinates in the factory system could not enforce their will. Rather, in the borderlands, compromise and accommodation was the rule.

Or, at least, compromise and accommodation ruled until the market revolution overswept the borderlands in the aftermath of the War of 1812. The changes that the market revolution wrought in the Louisiana Territory were best exemplified by George Champlin Sibley, Jefferson’s chief factor in the region. Initially appointed to manage the factory at Fort Osage on the Lower Missouri River, Sibley embraced important aspects of Jefferson’s political economy and Indian policy; he believed that commerce between natives and unscrupulous fur traders—especially noncitizens—corrupted the virtue of Indians and the national interests of the United States. In the early years of his career, Sibley enthusiastically pursued his mission to regulate trade in order to stabilize relations between Indians and Americans in the Lower Missouri borderlands. Notwithstanding Jefferson’s musings about land cessions, Sibley and most of his superiors in the Indian service believed that American expansion would be best accomplished by a measured progression of American influence in the region that integrated

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4 For classical republican political economy, see Drew McCoy, The Elusive Republic: Political Economy in Jeffersonian America (Chapel Hill, 1980).
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Indians into a pastoral economy, rather than a headlong rush for the profits of the Indian trade in furs and pelts.

By the mid-1810s, however, Sibley began speculating in lands and dabbling in trade. His personal transformation paralleled a societal shift in the United States in the years immediately after the War of 1812, as piecemeal regional markets cohered into a national economy based on commercial agriculture, exploitation of natural resources, and fledgling manufacturing. By the early 1820s, he had fully accommodated to the economic mores of the emerging market society in the United States. His reconciliation with the market was complete by 1825, when he was appointed by the federal government to survey a road from Missouri to New Mexico—the Santa Fe Trail—in order to facilitate the expansion of U.S. trade. By the time of the survey, federal officials such as Sibley no longer regarded private commerce as a hindrance to national interests in the borderlands, but as their vanguard. The commercial revolution had a profound effect on Indian policy: rather than accommodating to the presence of Indians, Sibley and others sought their removal to reservations. Sibley, once an opponent to unregulated commerce in the borderlands, had become its apostle.

In recent years, historians have taken stock of the remarkable degree of regional variation that characterized the United States' transition from agrarianism to market capitalism. They have paid little attention to the West, however, where commerce had a unique cast, quite different in character from both the manufacturing Northeast and plantation South. Chief among those differences was the prominent role of the federal government in the West. In the East, state governments were primarily responsible for economic regulation and promotion; in the West, the federal government was at the forefront of commercial expansion, in the hope that U.S. trade would neutralize and, later, marginalize Indians and European imperial competitors. That competition was another distinguishing feature

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5 For the market revolution, particularly for the view that the War of 1812 was a crucial moment in the rise of commerce in the United States, see Charles Sellers, The Market Revolution: Jacksonian America, 1815-1846 (New York, 1991); and Steven Watts, The Republic Reborn: War and the Making of Liberal America, 1790-1820 (Baltimore, 1987).


of the market revolution in the West; in the borderlands, the emergence of the market was directly implicated in the contest for territory among Indians and several Euro-American imperial powers.

Yet historians have minimized the enduring complexity of that competition. Drew McCoy, for instance, one of the few historians of republican political economy to address the West at all, focused on the so-called "Mississippi crisis," the American negotiations with Spain and, later, France, to secure navigation rights on the Mississippi River. The Louisiana Purchase, McCoy argued, resolved the crisis, allowing trans-Appalachian farmers to ship their goods to market. Yet by pursuing commercial alliances with the Indians of the Mississippi and Missouri river valleys, Britain and Spain successfully contested American sovereignty in the Louisiana Territory for a decade or longer after 1803. The extension of a "republican political economy" and the "maintenance of a virtuous people" in the West, as McCoy termed it, was hardly guaranteed by the Louisiana Purchase.8

Perhaps in tacit recognition of the complicated territorial competition in the West, historians of the market revolution have largely conceded the region to western historians and concentrated their energies on the urban corridor from Boston to Baltimore.9 Few western historians have stepped into the vacuum, however. Dominated in recent years by a regionalist interpretation that draws the eastern boundary of the West in the shortgrass plains, they have implicitly argued that a market society was born in the East and arrived in the West already fully matured.10 A full understanding of the rise of the market in the West, however, should encompass both the history of the market revolution and the study of borderlands.11 Seen from

8 McCoy, Elusive Republic, 196-99.
9 There are a few exceptions. For the market revolution in the Trans-Appalachian West, see John Mack Faragher, Sugar Creek: Life on the Illinois Prairie (New Haven, 1986); Stephen Aron, How the West was Lost: The Transformation of Kentucky from Daniel Boone to Henry Clay (Baltimore, 1996); and Alan Taylor, William Cooper’s Town: Power and Persuasion on the Frontier of the Early Republic (New York, 1995).
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this perspective, Fort Osage, first an outpost of Jeffersonian political economy and later the gateway to both the Missouri River bison robe trade and the inland trade with New Mexico, was a locus of complex commercial and territorial competition among Indians, Spaniards, Britons, and U. S. agents such as Sibley. The Lower Missouri borderlands were the crucible in which merchants and government officials forged the commercial revolution in the West. Commerce, in turn, became the engine of further U. S. expansion.

Sibley’s early years typified the geographical mobility of western families in the late eighteenth and early nineteenth century—a process that was itself a consequence of the emerging market in land and labor. He was born in Great Barrington, Massachusetts, in 1782; his family migrated to Fayetteville, North Carolina, a Scots-Irish settlement on the Yadkin River, in 1788. By 1800, Sibley’s father had removed to the Lower Mississippi, where he entered government service as an Indian agent. Sibley eventually followed his father to the Lower Mississippi, a borderlands society characterized by extensive cultural borrowings among Indians, Euro-Americans, and African Americans. Several years’ experience as a clerk in a Fayetteville mercantile house and the likely intervention of his father secured Sibley an appointment as an assistant agent at the Indian trading factory in St. Louis in 1805. Three years later, the government closed the post and appointed Sibley to open a new factory, Fort Osage, at the westernmost extent of U. S. influence: three hundred miles up the Missouri River from St. Louis, below the mouth of the Kansas River.

The factory system was a federal quasi-monopoly on the trade in furs with American Indians. The system provided both for the licensing of private traders and the establishment of government trading posts in the Indian borderlands. The United States inherited the system from colonial authorities in the Ohio Valley and Great Lakes, who had facilitated their alliances with Algonquin Indians through a diplomacy of gift-giving and subsidized trade. The French had created the system in the late seventeenth century and maintained it for nearly one hundred years. French-Indian cultural borrowing and the Indians’ diplomatic language of fictive kinship undergirded the alliance. The British grudgingly adopted the system to

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12 For geographical mobility, see John Mark Faragher, Women and Men on the Overland Trail (New Haven, 1979), 16-18; for Sibley’s youth, see Kate L. Gregg, ed., The Road to Santa Fe: The Journal and Diaries of George Champlin Sibley (Albuquerque, 1952), 9-13.

placate rebellious Algonquins after acquiring France's North American possessions in 1763.14

The Federalists who established the factory system in 1795 were as unenthusiastic about the program as the British; they were concerned primarily with offering an alternative to European commerce, which they (correctly) feared might dispose Indians toward alliance with imperial rivals. The election of Thomas Jefferson in 1800, however, brought into power an administration far more enthusiastic about a program whose broad outlines resonated with the suspicion inherent in mainstream republican ideology of the corrupting social effects of commerce. Jeffersonian administrators transformed the factory system into an institution that regulated commerce in the national interest so as to promote agrarianism and Indian assimilation and to counterbalance the political weight of foreign and monied interests.15

Jefferson's administration set about expanding the factory system. By the end of the first decade of the nineteenth century, the system included factories not only at Fort Osage but at St. Stephens on the Mobile River; Chickasaw Bluffs on the Mississippi River; Natchitoches on the Red River; Fort Wayne on the Maumee River; Chicago; Detroit; and at Michilimackinac, at the tip of the Michigan peninsula. The posts traced a crescent through the borderlands of Indian territory and the converging American, British, and Spanish empires, from the shores of the Great Lakes in the Northwest Territory, to the Lower Missouri Valley, to banks of the Mobile and Mississippi rivers in the Southwest Territory.16

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16 Coman, "Government Factories."
The mission of the factories was anomalous, if not contradictory; they were business enterprises designed, in large part, to restrain trade. In exchange for furs, the factories provided Indians with goods—among them firearms, ammunition, woven cloth, knives, and other tools—at cost. At Fort Osage, Sibley added a mere twenty-five percent to the wholesale cost of goods in order to cover the costs of their transportation and the maintenance of his post. The factories neither sold alcohol (a commodity that symbolized the corruptibility of Indians and the unscrupulousness of private traders) nor typically extended credit (a practice that, according to many republicans, created venal relationships of dependency). The directors of the factory system hoped to undercut private fur traders—many of whom were British or French—and force them out of the market. John Mason, the first superintendent of the factory system, described private fur traders as persons "of desperate character, who are debasing the habits of the Indians—and at the same time cheating them of their little earnings by constantly dealing out to them spirituous liquors." Sibley agreed, arguing that unregulated trade was responsible for violence in the borderlands: "The extortion of the traders are always so exorbitant that 'tis not at all surprising the Indians sometimes resort to robbery." However, "the Factory System as established by Jefferson, was designed to obviate this end, and to a great extent it has had that effect." For these reasons, in January 1803, Jefferson commended the purpose of the factory system to "undersell private traders, . . . drive them from the competition," and thus, win "the goodwill of the Indians."18

The system reflected the conflicted character of early nineteenth-century Jeffersonian republicanism. Jefferson's party was a coalition including free traders and idealistic adherents to pastoralism. Republican ideology reflected these differences, remaining committed to agrarianism as the social basis for liberty, while accommodating to entrepreneurialism as the guarantor of that liberty.19 Moderate republican political economists

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17 For the role of alcohol in commerce between Indians and Euro-Americans, see Peter C. Mancall, Deadly Medicine: Indians and Alcohol in Early America (Ithaca, 1995).
compromised by welcoming commercial activity in the belief that the widespread pursuit of property would ensure against the concentration of wealth in the hands of an elite. They insisted, however, on the regulation of commercial activity in order to synchronize individual and national interests.

The authors of the factory system, uncomfortable with having established a state monopoly that closely resembled British mercantile companies, made a gesture towards free trade by licensing private traders to operate alongside, and in competition with, the factories. (Licensing served another purpose in the borderlands: many of the traders were British, Spanish, or French, and the licenses thus served as an assertion of U. S. sovereignty.) The explorer, Indian agent, and ardent Jeffersonian William Clark took advantage of this provision; he was one of the founders of the Missouri Fur Company in 1809. Clark believed that the interests of his firm, the factory system, and the nation could coincide. Like John Jacob Astor, whose fur-trading business was concentrated in the Great Lakes, Clark argued that the Missouri Fur Company would, like the factory system, attach Indians' commercial loyalties to the United States.

Having licensed private fur traders, however, adherents to republican ideology harbored misgivings about its effects, fearing it would undermine economic independence and equality. Federal officials repeatedly questioned Clark about his dual role as Superintendent of Indian Affairs and as a fur trader. They were still more suspicious of Astor. Apart from his dealings with British merchants, he was an ardent Federalist. DeWitt Clinton, the Federalist nominee for president in 1812, had introduced the act to incorporate Astor's American Fur Company in the New York legislature in 1808.20

Republican suspicions of private fur traders peaked in early 1810, during the period when the United States had suspended trade with Britain and France in protest of interference with American merchants on the Atlantic. The embargo was a hardship for the factory system, which depended on the British market to absorb its furs. Faced with the prospect of its stocks of furs rotting in warehouses, Mason pleaded with Secretary of War William Eustis to permit the sale of the system's stock of furs to the American Fur Company, at thirty to forty percent below their market value.

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Eustis tersely refused the request. In these dealings, the supervisors of the factory system struggled with one of the central dilemmas of republican political economy: recognition of the necessity of commerce (in this case, with Indians) and a determination to control its political and social effects.

For adherents to republicanism, the Indian borderlands were a sort of commercial laboratory. Many believed Indians to have been exemplars of an ideally virtuous and independent precommercial Arcadian pastoralism. John C. Calhoun described Indians before contact as living “in a state of the most perfect commercial independence.” Their farming, fishing, and hunting, according to Calhoun, “was commensurate with their wants and desires.” Trade with Euro-Americans, however, had undermined Indians’ self-sufficiency. “Helplessness has succeeded independence,” wrote Calhoun. Dependent on “the axe and the hoe, by which they now clear and cultivate the soil, and the gun and ammunition, by which they take their game,” the Indians had become “wholly dependent” on traders who supplied these goods. Indians, in the republican worldview, were thus both potentially virtuous—if their self-sufficiency could be restored—and easily corruptible.

The supervisors of the factory system particularly intended to lure the Indians of the borderlands away from the commercial influences of Britain and Spain. Those influences were extensive: in the late eighteenth and early nineteenth century, British merchants based in Montreal collected between one-half and two-thirds of their furs from Indians in the United States. The supervisors of the factory system feared that Indians’ extensive commerce with British traders undermined American claims to sovereignty. In a letter to all factors in 1811, Mason warned that “British agents and Traders with the Indians may attempt to excite in their minds prejudices and hostile dispositions toward the United States.” Therefore, “you will redouble your efforts to satisfy the wants and conciliate the minds of the Indians within your reach.” Spain was no less a threat. In 1809, Sibley suspected that Spain would join Britain in war against the United States in order to regain the Louisiana Territory. He mused on the possibility that Fort Osage could become a “rallying post” from which to attack the Spanish at Santa Fe: “we could march there and seize their rich mines in less than twenty days.” He continued to keep an eye on the Southwest; in 1811, he

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23 Haeger, John Jacob Astor, 51.
reported ominously that the Pawnees west of Fort Osage had "been much courted by the Spanish authorities of New Mexico at Santa Fe."\textsuperscript{24}

The Osages had their own political and territorial ambitions that impelled them to seek a commercial alliance with the United States. In the eighteenth century, the Osages dominated other Native Americans of the Lower Missouri Valley in part because they craftily sought commercial alliances with European imperial authorities in St. Louis. The alliances, first with the French and later with the Spanish, allowed the Osages direct access to European trade goods and freed them to expand their hunting territories to the west. By the late 1770s, the Osage dominated the fur trade of St. Louis and Spanish Illinois, supplying licensed traders with nearly two-thirds of their deerskins.\textsuperscript{25} After the establishment of Sibley's factory, the Osages largely shifted their politico-commercial alliance to the United States.

The factory system sought to retain the commercial loyalties of the Osages and other Indian societies. Mason wrote to Sibley in 1808, "The principle object of the government in these establishments being to secure the Friendship of the Indians in our country. . . . [L]et every transaction with them be conducted as to inspire them with full confidence in its honor, integrity, and good faith." Mason counseled his factors to adapt to the Indians' custom of enveloping exchanges in promises of fidelity. He advised: "be conciliatory in all your intercourse with the Indians, and so demean yourself toward them generally and toward their chiefs in particular as to obtain and preserve their Friendship and to secure their attachment to the United States." The factors obliged by presenting gifts—combs, mirrors, tobacco, and honey—to Indian leaders.\textsuperscript{26} For their part, the Osages regarded the factory as an institution designed to reward them for their commercial loyalty to the United States. In 1808, when the Osages agreed to cede territory to the United States, they insisted that the federal government maintain the post as one of the conditions of the treaty. There


\textsuperscript{25} For the Osage, see Willard H. Rollings, The Osage: An Ethnohistorical Study of Hegemony on the Prairie-Plains (Columbia, MO, 1992), 124-38; and Gilbert C. Din and A. P. Nasatir, The Imperial Osages: Spanish-Indian Diplomacy in the Mississippi Valley (Norman, 1983), 3-119.

\textsuperscript{26} Mason to Sibley, May 24, 1808, Superintendent of Indian Trade. Letters Sent, vol. A., 144-47. For Sibley's distribution of presents, see "Document 87," May 7, 1809, Superintendent of Indian Trade. Letters Received.
was little mystery to the Osages’ position; according to Sibley, Indians obtained goods at Fort Osage “at prices less than half what the traders extort from them.”

The Indians’ commerce at Fort Osage was no less valuable to the administrators of the factory system. Strategically located on the Lower Missouri River, Sibley’s post collected furs from the vast region of the Upper Missouri Valley and surrounding Great Plains. Between November 1807 and September 1811, Sibley handled more merchandise than any other factor. Thomas L. McKenney, who assumed control of the factory system in 1816, rated Fort Osage, together with Tombigby in the Mississippi Territory (where the deerskin trade flourished) and Prairie du Chien in the Northwest Territory (where muskrat pelts were the primary commodity of trade), as the best posts in the system. Drawing on the vast resources of the Missouri and its tributaries, however, Fort Osage between 1817 and 1819 collected nearly twice as many beaver pelts—the most valuable commodity in the North American fur trade—as all the other posts in the factory system combined. Fort Osage’s deerskin trade was also expanding, from just over 10,000 hides in 1816 to over 33,000 in 1819.

Beyond a vigorous trade and commercial alliance, the administrators of the factory system hoped that American commerce would transform Indians from hunter-gatherer-gardeners to yeomen farmers. Proponents of the system envisioned regulated trade as a mechanism of assimilation. McKenney wrote to all factors in 1816 that “the Government, and Society in General, would be happy to learn that our border neighbors were quickening in their advances to a start of civilization.” While restraining trade, the factors nonetheless attempted to instill in Native Americans an appreciation for Euro-American manufactured goods and a commercial economy in order to uplift them from their presumed savagery. “There can be no doubt but that time will be required to divert [the Indians] from the chase, and to introduce them into the practise of agriculture, and the arts of

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28 For the volume of trade before the War of 1812, see Document 157, “Amount of Merchandise Furnished Each Trading House, Nov. 1807-Sept. 1811,” Superintendent of Indian Trade. Letters Received. Following the war, see McKenney to Calhoun, Mar. 17, 1818, Superintendent of Indian Trade. Letters Sent, vol. E, 7-10. For the volume of trade after the war, see “Statement showing the amount and costs (including transportation and other charges) of the goods furnished annually to each factory or Indian trading-house since the peace of 1815,” Apr. 12, 1820, American State Papers: Indian Affairs, 2: 208.
civil life," McKenney wrote to Sibley in 1816. "But much may be done to facilitate the progress. It is certainly of importance to give them a just conception of the value of goods." Calhoun imagined that the factories might eventually become centers of Indian settlement, "which, by giving greater density and steadiness to their population, will tend to introduce a division of real property, and thus hasten their civilization."29

Jefferson and some of his subordinates may have intended their policies ultimately to bring about the assimilation of the Osages and other Native Americans and the settlement of their lands by Euro-Americans, but they could not dictate the course of events in the contested borderlands. So long as British and Spanish competition provided the Osages and other Indians with alternatives to American political and economic alliance, the United States could do no more than preserve their tenuous alliances with the Indians and their even more tenuous claims to sovereignty in the region.

Sibley, at least, grasped the intricacies of borderlands commercial politics. In 1811, accompanied by several Osage leaders, he embarked on a two-month tour of Kansa and Pawnee villages in the Lower Missouri River Valley. Consciously aping the examples of the explorers Zebulon Pike, Meriwether Lewis, and William Clark, Sibley not only covered some of the same territory that Pike had traced in 1805, but in his diary pointedly compared himself to the explorer. While mimicking Pike, Sibley paralleled the efforts of the Shawnee leader Tecumseh. At the same time that Sibley pursued his mission to the Pawnees and Kansa, Tecumseh was traveling throughout the trans-Appalachian West seeking to create a pan-Indian coalition that, in alliance with the British, would expel the Americans from the region. Like Tecumseh, Sibley's diplomatic mission concerned sovereignty and alliance, the central issues in the borderlands. He saw his mission as an extension of his mandate as factor at Fort Osage: to demonstrate to the Kansas and Pawnees the United States' sovereignty in the Louisiana Territory, and to incorporate them into a commercial alliance.30

When he arrived at the Pawnee villages, however, Sibley discovered the fragility of the American claim to sovereignty in the region: a Spanish expedition had recently visited the region. Spain had maintained since the Louisiana Purchase—and would continue to maintain until the Adams-Onís

30 James P. Ronda, Lewis and Clark among the Indians (Lincoln, 1984).
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treaty in 1819—that the territory Jefferson had purchased from France was limited to a two-hundred mile-wide belt on the west bank of the Mississippi. Conversely, until 1819, the United States maintained that the Louisiana Territory extended to the Rio Grande, including the Spanish settlements in Texas and New Mexico. Both Spain and the United States sponsored expeditions into the disputed territory as demonstrations of their sovereignty. The explorations of Pike on the Arkansas River, Lewis and Clark on the Missouri and Columbia rivers, and Thomas Freeman and Peter Custis on the Red River all in the first decade of the nineteenth century were part of the competing efforts to exert authority over the contested borderlands. The Spanish party that visited the Pawnees, led by Facundo Melgares, distributed flags and medals—the usual symbols of allegiance in European-Indian diplomacy—and secured the Pawnees’ promise to protect the route to New Mexico from American incursions. A Pawnee leader, Cher-a-ta-reesh, expressed his disappointment to Sibley that when Pike had visited in 1806, he had promised to return with medals and other tokens of allegiance but had never done so.31

The provident Sibley was prepared. “I had been careful to provide myself amply with American flags and medals,” he wrote triumphantly in his diary. He pronounced himself ready to make good upon Pike’s promise. Cher-a-ta-reesh, in return, proclaimed Sibley to be Pike’s “brother,” and accorded him every diplomatic consideration. Sibley convened a “grand council” of Pawnees, Kansas, and his own delegation of Osages, and distributed gifts as well as the flags and medals. The Pawnees reciprocated with a gift of thirty horses to Sibley’s party. Upon his return to Fort Osage, Sibley reported to William Clark, the superintendent of Indian Affairs in the Louisiana Territory, that he had not only secured the formal allegiance of all the groups but that they had sworn peace amongst themselves. The Osage, moreover, promised to permit the Pawnees and Kansas to traverse their lands to reach Fort Osage and take advantage of the subsidized prices there. The event was a moment in which the Indians’ and Euro-Americans’ commercial and diplomatic cultures briefly aligned. In order to secure the allegiance of the Indians of the Lower Missouri Valley, Sibley, knowingly or not, adopted the Indians’ practice of gift-giving to demonstrate and formalize alliance. Indians in the Lower Missouri Valley maintained

trading relationships with erstwhile enemies by enveloping exchanges in father-son adoption ceremonies that constructed trade as the exchange of gifts between kin. The agreement, like the factory system itself, also adopted, intentionally or not, the Indians’ long-standing practices of observing a “market peace,” during which enemies renounced violence in order to trade. The promises of peace that Sibley secured in 1811 endured during the War of 1812, when most of the Osages, Pawnees, and Kansas remained neutral.\(^{32}\)

Despite the success of Sibley’s mission, the war was a turning point for Fort Osage, the factory system, and Sibley himself. The Treaty of Ghent not only ended the war but marked a rapprochement between the two preeminent market societies of the early nineteenth century. Following the peace, the British significantly reduced their support of Indians who resisted the U. S. claims to sovereignty in the West. The postwar settlement thus largely removed the threat of an Indian-British military alliance, which had been one of the primary justifications for the factory system. The federal government, accordingly, began to shift from the accommodationist policy that had underscored the factory system to a policy of Indian removal. The Senate first articulated a removal policy in 1817; political support for removal culminated in the 1830s with the forced migration of thousands of Indians to reserves in the West.\(^{33}\)

No longer able to play off the British against the United States in order to gain concessions, the Osage were unable to prevent the surge of Euro-American settlers into the Lower Missouri borderlands. The population of Missouri mushroomed from roughly 25,000 at the end of the war to over 66,000 by 1820. The population increase created a rapid rise in land prices and opportunities for commerce. In 1813, Sibley, who had temporarily relocated to St. Louis, reported to his brother, Samuel, that he had acquired 1,600 acres near St. Louis, and that he would continue to devote as much of his salary to land purchases as he could afford. While avowing that “I do not mean tho by any means to become a land speculator,” he reported triumphantly to Samuel in 1816 that he had received an offer of $8 per acre


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for the lands he had purchased for a mere 60 cents an acre three years earlier.34

After his marriage in 1813, Sibley and his wealthy father-in-law tried to draw Samuel into a planned mercantile business in St. Louis, which they proposed to start with $30,000 worth of goods. By 1819, Sibley had returned to his post at Fort Osage, where he began raising hogs and cattle, and constructing a saw- and gristmill. "An outlet and good market for vast quantities of Flour, Pork and Whiskey will exist for many years to come among the numerous Traders, Garrisons, &c. on the Missouri, above this," he wrote. "As soon as I get my Stock Farm & Mills going, I shall hope to furnish from two to three thousand Doll's worth of Provisions which I shall count on Selling at my door."35 In short, between the Treaty of Ghent and the end of the decade of the 1810s, Sibley steadily accommodated himself to the demands and opportunities of a market society.

Sibley's accommodation to trade was grounded in a profound irony: the success of his mission to befriend the Indians of the Lower Missouri Valley and maintain their neutrality during the war had helped make possible the tide of Anglo-American settlement. With his role as a broker between Indians and settlers made irrelevant by the shift in population and power, the once-ardent Jeffersonian increasingly adapted himself to commercial life. In a letter to a fellow merchant in 1818, Sibley summed up the changes in his economic philosophy, articulating both his repugnance for commerce and his resignation to it. In response to his friend's lament that he was unfit for business, Sibley wrote: "You are too generous by half, and if I mistake you sell your Goods too low. You ought to consider yourself embarked in a very disagreeable and perilous trade. . . . There is a relation (or ought to be) between Man and Man that should divest itself of every interested motive. . . . But between Merchant and Merchant, Trader and Trader, interest and interest alone gives the nod."36 As the borderlands—characterized by compromise and accommodation—gave way to a frontier—characterized by the marginalization of the Indians—Sibley's economic philosophy evolved from regulated trade to outright commercialism.

Political changes reflected the rise of the market, as the Missouri Senator Thomas Hart Benton emerged as an ardent proponent of Jacksonian

36 Sibley to John O'Fallon, Dec. 19, 1818, ibid.
democracy and commercial and territorial expansion. One of Benton's first legislative endeavors was to open the fur trade of the trans-Mississippi West to private enterprise. From its inception in 1795, Congress had rechartered the factory system every two or three years. Alone among the factories, Congress accorded Fort Osage special status. A treaty with the Osage Indians signed in 1808 and ratified by the Senate in April 1810, guaranteed the continual maintenance of the post. In return for the cession of two hundred square miles of land, the federal government promised to pay the Osages an annuity of $1,500, and, at the factory, "permanently to continue, at all seasons of the year, a well-assorted store of goods, for the purpose of bartering with them on moderate terms for their peltries and furs."37

In 1821, McKenney precipitated the conflict that ended with the dissolution of the factory system by proposing to raise the factories' capital from $300,000 to $500,000 in order to establish posts on the Upper Missouri. Private fur trading outfits, particularly Astor's American Fur Company, organized to resist this effort to regulate their exploitation of fur-bearing game. The American Fur Company's chief advocate was Senator Benton of Missouri. During the debate over the system's charter, Benton presented as evidence the testimony of Ramsay Crooks, an executive in the American Fur Company, and Benjamin O'Fallon, an Indian agent appointed at Astor's insistence. The disinformation campaign of Benton, Crooks, and O'Fallon charged the factories with corruption and inefficiency. When Benton's efforts caused the system to lose its charter, Crooks congratulated him: "You deserve the unqualified thanks of the community for destroying the pious monster."38

The Osages greeted the disestablishment of the factories with dismay. When they had traded their furs at Fort Osage, they had done more than acquire manufactured wares. Their transactions had formed the basis of a commercial and diplomatic alliance with the United States. With its subsidies on Indian furs, the federal government had reciprocated the Osages' friendship. Indeed, the two parties had formalized the relationship in the treaty of 1808 and at Sibley's "grand council" of 1811. When

Congress voted to disband the factory system, Sibley wrote that the Osages "were very much dissatisfied and displeased." They had lost their "former unbounded confidence in us, in consequence of what they alleged to be a failure on the part of the United States to fulfill the treaty." Yet the closure of Fort Osage was not simply an instance of the government's failure to abide by its promises to Native Americans. It demonstrated that in the West, the republican values that the factory system embodied were contingent upon a tenuous balance among Indian, British, Spanish, and U. S. interests. When the balance tipped in favor of the United States, Anglo-Americans, even devout republicans such as Sibley, lost any impulse toward commercial restraint.

When the federal and state governments abandoned economic interventionism in the 1820s, they opened the field not to individual traders but to a handful of powerful corporations that rapidly consumed supplies of game. The most influential of these fur-trading companies was Astor's American Fur Company, which formed a Western Department to exploit the resources of the Upper Missouri in 1822. By 1826, the American Fur Company, having absorbed or underpriced its various rivals, dominated the market. McKenney complained bitterly in 1818 that the large fur companies like Astor's possessed "a complete ability to keep out of the trade all individuals—yet, those very men are foremost in the clamour for a privilege for individual enterprise, whilst they all testify their hostility to Government Policy. I wonder how many individuals enjoy the benefits of Mr. Astor's wide extended, and may I add very fruitful trade?" The Upper Missouri trade had significant environmental and political consequences. Between 1832, when an American Fur Company steamboat ascended the Missouri to the mouth of the Yellowstone River, until the 1860s, the firm collected about 100,000 bison robes every year. By the late 1870s, the diminution of the bison caused the western Great Plains nomads to submit to the reservation system.

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Sibley, whose accommodation to unregulated commerce had already started during the War of 1812, continued to change with the times. Following the dismantling of the factory system, he purchased the remaining stock at Fort Osage and became a borderlands trader. Although the business was not a success, Sibley's engagement in it attests to his transition to commercial life. He had become a merchant: exactly the sort of person he had once dismissed as inimical to national interests in the borderlands. By 1825, his business failures left him eager to accept an unexpected appointment from the federal government to survey a road from Fort Osage to Santa Fe, New Mexico. Senator Benton, who had been instrumental in destroying the factory system, was the principal sponsor of the bill authorizing the survey of the trail. The survey was, however, ideologically bipartisan; it combined the interests of emerging Jacksonian Democrats in western expansion with the National Republicans' interest in federally sponsored road-building to promote commercial growth and economic integration.\footnote{Sellers, Market Revolution, 76-82, 97-100; George Rogers Taylor, The Transportation Revolution (New York, 1951), 17-28.} It also marked a complete departure from the former policy of regulated trade. Though the United States had once pursued a policy of restrained state-controlled commerce to extend its sovereignty over the borderlands, by the 1820s it looked to the expansive energies of private traders to extend American influence.

Merchants began to filter from the United States into New Mexico shortly after it became independent from Spain in 1821. By 1825, merchant caravans had marked the Santa Fe Trail with deep ruts that cut an unmistakable path through the southern plains. Rather than a survey of the already established road, Sibley's mission was, as Benton put it, to negotiate "a right of way through the countries of the tribes between Missouri and New Mexico." Accordingly, near the site where he had convened his "grand council" of Osages, Pawnees, and Kansas in 1811, Sibley and the other commissioners met with the Osages in August 1825. Fourteen years earlier, Sibley had persuaded the Osages to allow the Kansas and Pawnees to traverse their territory in the interest of restraining private traders. Now, in exchange for $800 worth of goods, he extracted from them a different concession: permission for private traders to traverse Osage territory in order to reach New Mexico.\footnote{Thomas Hart Benton, Thirty Years' View (1854-56; rep., New York, 1861), 41-44; Gregg, ed., Road to Santa Fe, 57-59.}

After the council, Sibley continued toward New Mexico, arriving in October 1825. In Santa Fe, the New Mexican governor, Antonio Narbona,
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treated Sibley and his small party to a round of parties and fandangos. Sibley's sojourn in New Mexico was hardly the diplomatic success that his mission at Fort Osage had been, however. In Missouri, he had accommodated to the Indians' practice of gift-giving in order to secure their alliance. By contrast, he was contemptuous of the officials he met in New Mexico, repeatedly hectoring them for what he viewed as their petty corruption.

Two conflicts between Sibley and his New Mexican hosts demonstrate the changes in his diplomatic demeanor. The first occurred in March 1826. Sibley had contracted with a Taos ranchero for lodgings for himself and his men, and stables for his horses. Shortly after settling in, the alcalde (mayor) of Taos interjected himself into the arrangement, imposing an ad hoc fee. The alcalde insisted that the bargain be committed to paper by a New Mexican bureaucrat and authorized, a process that Sibley calculated would cost him two dollars. Upon meeting with the alcalde about the matter, "I immediately discovered that the plan was to get a fee out of me for the Alcalde," Sibley wrote in his diary in indignation. "I told them at once I would submit to no such imposition... & that I would sign no paper but of my own writing." At Fort Osage, Sibley had regarded such transactions not as bribery but as a diplomatic nicety. Indeed, at Fort Osage, all commerce was subordinated to diplomatic concerns. In New Mexico, however, he was determined that U.S. interests lay not in accommodating to political regulation of business activities but in resisting them—even when the matter was as petty as a two-dollar fee.

Sibley's second conflict with his hosts occurred shortly before his return to Missouri in August 1826. The alcalde of Taos sent him a summons to appear before him to address the matter of a local man who had been beaten by one of Sibley's men. Sibley refused to appear. Instead he delivered a written account of the events to the alcalde: the local man had attempted to steal one of Sibley's horses from the pasture where the animal had been tied to graze. Sibley's man had tried to retrieve that horse, a fight resulted, and the local man "got what he richly deserved." Sibley closed his account of the events to the alcalde with a pointed assertion of the sacredness of property rights: "I will not suffer any person, Spaniard, French, or American, or Indian to take liberties with me or my Property."

As in the earlier case, Sibley's refusal to submit to any legal authority other than that of the United States was a pointed departure from the diplomatic

44 Gregg, ed., Road to Santa Fe, 157-58.
45 Sibley to the "Principal Alcalde" of Taos, Aug. 19, 1826, William Gillet Ritch Collection (Huntington Library, San Marino, California).
compromises of the Missouri borderlands. Moreover, his statement was an embryonic articulation of U. S. policy in the West that would endure for the rest of the nineteenth century: the national government would assert American economic interests over those of both Indians and competing Euro-Americans.

Despite Sibley's diplomatic miscues, the Santa Fe Trail was a remarkable economic success for the United States. As a Spanish and, after 1821, a Mexican province, New Mexico had remained an underdeveloped hinterland, locked in a relationship of debt and dependency with the more populous and productive city of Chihuahua to the south. Between 1824 and 1846, however, the value of U. S. merchandise entering New Mexico averaged $190,000 a year. By the 1830s, American commerce entering New Mexico along the Santa Fe Trail had transformed the New Mexican economy, reorienting trade away from Chihuahua and toward Missouri. In the 1830s and 1840s, American manufactured goods increasingly by-passed New Mexico to reach markets in the Mexican interior, but New Mexico remained not only the closest province to the U. S. but one of its largest and longest-standing markets. New Mexico's close commercial ties to the United States—and increasing economic detachment from Mexico—facilitated the nearly bloodless occupation of Santa Fe by the United States during the Mexican War. The Santa Fe Trail was as a result arguably the most successful of the early nineteenth-century federal road-building programs, which sought to expand commerce and integrate distant regions into the national market economy.46

The road from Fort Osage to Santa Fe covered over 800 miles. Longer still, however, was Sibley's journey from Jeffersonian republican to proponent of the market. He helped to shape the emergence of the market in the western borderlands, where commerce came to be oriented toward the marginalization of Indians and competing Euro-American empires. It was not always thus, however. For a brief moment, between the Louisiana Purchase and the War of 1812, the United States, bolstered by the prevailing political ethos, pursued a policy of restraining trade in the interest of securing the allegiance of Indians in the borderlands. The multilateral competition for sovereignty in the borderlands set the terms for resistance to unregulated commerce in the West. When the success of the

factory system helped to resolve the dispute for sovereignty in the borderlands in favor of the United States, the path was clear for the rise of the market. Later conquests in the West—particularly in the Great Plains and New Mexico—relied heavily not on the restraint of trade but on its exercise.