

# Franklin Gazette

Volume 19, Number 2, Summer 2009

Friends of Franklin, Inc. P.O. Box 40048, Philadelphia, PA 19106

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*"Plough deep, while Sluggards sleep; And you shall have Corn, to sell and to keep."* Poor Richard, August, 1756

## President's Message

By Roy E. Goodman

The "greening of America" is capturing the attention of Americans and the rest of the world in more significant ways than ever before. If Franklin had his wish realized of being able to visit, 200 years after his death, and experience the 21<sup>st</sup> century, what observations on science, technology, agriculture and medicine would he make?

Friends, I encourage you all to respond to this query, for a future article in the **Gazette**. There are no right or wrong suggestions or answers, merely opinions that will serve as a springboard for exploring a different facet of Franklin we don't often consider. Of course, economics, education, health care, communication, think tanks, learned societies, government and community based organizations may and probably should impact your opinions.

During the recent Franklin events in June at the Conococheague Institute in Mercersburg, Pennsylvania (Franklin County), I observed a highly productive agricultural region of the state where communities appear to be fairly affluent and somewhat self sufficient. Ben was certainly a promoter of buying local and promoting home grown talent and resources. There were many farms exploring new technologies and welcoming visitors to learn about these changes. Agriculture is an often under appreciated yet vital sector of the American economy, and one that occupied much of Franklin's attention and many of his colleagues.

In a letter of September 20, 1788, to Benjamin Chambers and others of Chambersburg, (the Franklin county seat), Dr. Franklin commented diplomatically on "what was suppos'd a new Invention, the



*Detail from Bowles' Moral Pictures, Broadside Collection  
c. 1796. Courtesy of American Philosophical Society*

blowing of Furnaces by a Fall of Water." As it happened, several books in Franklin's library actually "describ'd the same contrivance." He reassured his correspondents, "It is however not an uncommon thing for ingenious Men in different Ages, as well as in different Countries, to hit upon the same Contrivances without knowing or having heard what has been done by others." The American "inventor" had "the Merit of having introduc'd the Knowledge of this useful

Invention into this Part of America, and of demonstrating by his own Example its Practicability." Here is yet another example of Franklin's support for problem solvers and ingenious members of a community.

I know that the Friends of Franklin can promote these vital Franklinian qualities of intellectual curiosity and the practical application of new ideas through a variety of means to folks pondering America's future.

## Franklin Gazette

*published quarterly by:*

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### **Publication schedule:**

March, June, September and December. Newsletter submissions are encouraged. Deadlines are the 15th of the month preceding publication. Submissions by e-mail or computer disks (text-only format) are preferred.

# Letter to the Editor: Franklin, Agriculture and the Physiocrats



As a professional economist, I'd like to take exception to Franklin's comments on agriculture in the Spring 2009 issue of *Franklin Gazette* (p. 7). Overall Franklin was a superior economic thinker, ahead of his time in his rejection of mercantilism and the labor theory of value, and his advocacy of free trade, low taxes, new technology, and laissez faire. Franklin is considered the father of America's capitalist growth machine.

However, Franklin, under the influence of the French physiocrats (Dupont, Turgot, Quesnay), wrongly stated that "agriculture is truly productive of new wealth" while commerce and manufacturing were not. Of all people, Franklin, who was a printer, should have known better. In fact, it is clear that technology, inventions and new machinery have transformed agriculture. Since Franklin's time, manufacturing has been far more productive than agriculture. Modern-day economists have proven that both commerce and manufacturing (especially of capital goods) are highly productive.

Best wishes, AEIOU,  
Mark Skousen

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## ***How Would Franklin Respond to Mark?***

Of course, we don't know.

But he might observe, as did Sidney Sherwood, in his *Tendencies in American Economic Thought*, that Franklin was "half physiocrat before the rise of the physiocrat school" (p. 9).

Mostly, though, Franklin was focused on what was the most appropriate direction for the America of his own time, and he would probably agree that we should do the same.

Franklin noted what was worth preserving in American society, and gave thought to how it should be

perpetuated. He wished to avoid the pitfalls of other nations, and maximize the natural advantages of his own country. In his day probably close to ninety per cent of the population made their living from agriculture. Franklin was no enemy of manufacturing or innovation, but he saw things he disliked in Europe, where he discovered a large, poor, underclass. Wasn't it better, he reasoned, to achieve "a general happy Mediocrity"—with few great landed proprietors, and most people cultivating their own lands?

With the great wealth of natural resources in America, might not the broad adoption of scientific farming methods, and the study of the same lead the country in a proper direction? Wouldn't maintaining a system of agricultural opportunity through a democratic disposal of land and land tenure ensure prosperity?

In all things he sought to balance interests fairly. Hence, in his November 27-29, 1766 letter to the editor, signed "Arator," he protested favoring the interests of manufacturers over those of farmers. As Earle D. Ross observed in his essay, "Benjamin Franklin as an Eighteenth-Century Agricultural Leader," published in *The Journal of Political Economy* (xxxvii, 61), "the small independent farmer appeared to [Franklin] as the basis of social and political security alike in the colonies and in the new nation."

Franklin's public celebration of agriculture, scientific farming, and the training of future farmers, gave voice to a segment of society that could not effectively represent itself at the time. These small proprietors provided value to America through their industry, which Franklin encouraged as the way forward for the new nation.

Kate Mearns Ohno  
Associate Editor  
The Papers of Benjamin Franklin



# Friends' News from Around the World



*Friends of Franklin at Craven Street event, Washington DC*

**From the Benjamin Franklin House web site:** Several **Friends** gathered in Washington, D.C. on June 3 for a gala fundraising event for The Benjamin Franklin House. "The Newseum, which stands, like Franklin, for free speech and a free press, was the perfect venue for the gala. As Franklin noted in 1776, "the people have a right to freedom of speech, and of writing and publishing their sentiments, therefore the freedom of the press ought not to be restrained." Over 175 guests, including sponsors KPMG, joined us for the sparkling evening proceedings. Mr. Robert H. Smith, a Newseum founding partner, and a key supporter of Benjamin Franklin House, for whom their Scholarship Centre is named, opened the dinner. He noted Benjamin Franklin House's mission in sharing Franklin's spirit of humanity, dignity, and

honesty, and his unique legacy in London, still has much to teach us today. The Ambassador made an amusing and apt comparison between Benjamin Franklin and Sir David Frost, two icons treasured on both sides of the Atlantic, before Sir David entertained all with tales of his amazing life as *the* interviewer of Britain and America's leaders over the last forty years." Friend Cecilia Brauer entertained with a brilliant performance on the glass armonica. Shown in the photograph here are: left to right Teo Molin, Cecilia Brauer, Lee Knepp, Anne Boswell, Marty Mangold, Jackson Boswell, Jane Mangold, Jessica Beinecke, Marshall Lilly, and Delaware Congressman Mike Castle. See the Benjamin Franklin House's website for information on programming and upcoming events: [www.BenjaminFranklinHouse.org](http://www.BenjaminFranklinHouse.org)



*Dave Wang at Benjamin Franklin House in Craven Street*

**Friend Dave Wang** reports that his works on Benjamin Franklin and China have recently been warmly received in Hawaii where his work is recommended for history classrooms and in India where The Indian Institute of Oriental Studies has published his article in its journal, *The Historical Review: A Biannual Journal of History and Archaeology*. This brings the number of countries to seven that have either published his papers or invited him to deliver lectures on his research: Australia, China, India, Italy, Portugal, the United Kingdom and the United States of America. In April 2009, he was invited to present his work on Benjamin Franklin and the Great Wall of China at Benjamin Franklin House in London (seen above). More information is available at: <http://foundingfathersandchina.blogspot.com/> Dave has also had another paper, "Benjamin Franklin, George Washington, Thomas Jefferson and Chinese Civilization," reproduced in the online publication of the 2009 issue of the *Virginia Review of Asian Studies* which can be accessed electronically: <http://virginiareviewofasianstudies.com/current3.html>

**Friend Carla Mulford** was elected to membership in the American Antiquarian Society last spring, a singular honor bestowed on a very select number of individuals. She also took part in a program sponsored by the National Archives last fall available in video on the web at <http://www.archives.gov/nae/news/featured>. Scroll down to "The Men Who Signed the Treaty of Paris." For more complete information on Dr. Mulford's accomplishments see Penn State's website: <http://live.psu.edu/story/40532>. Carla writes that she only wishes "Leo Lemay were here to help celebrate!"

## Twitter



Imagine if Franklin were alive today, surely he would be "tweeting" information to what we would imagine to be a multitude of followers. Now you can join the Friends of Franklin on Twitter by following FranklinFriends. Enjoy our occasional tweets of Franklin quotes, updates on the Friends, and other interesting commentary from our followers.

## Annual Appeal

*The Friends of Franklin's annual appeal is ongoing. Your contribution helps with the Friends' general operating support and, as always, is tax-deductible. Please be as generous as you can.*

# Franklin and Mortgages

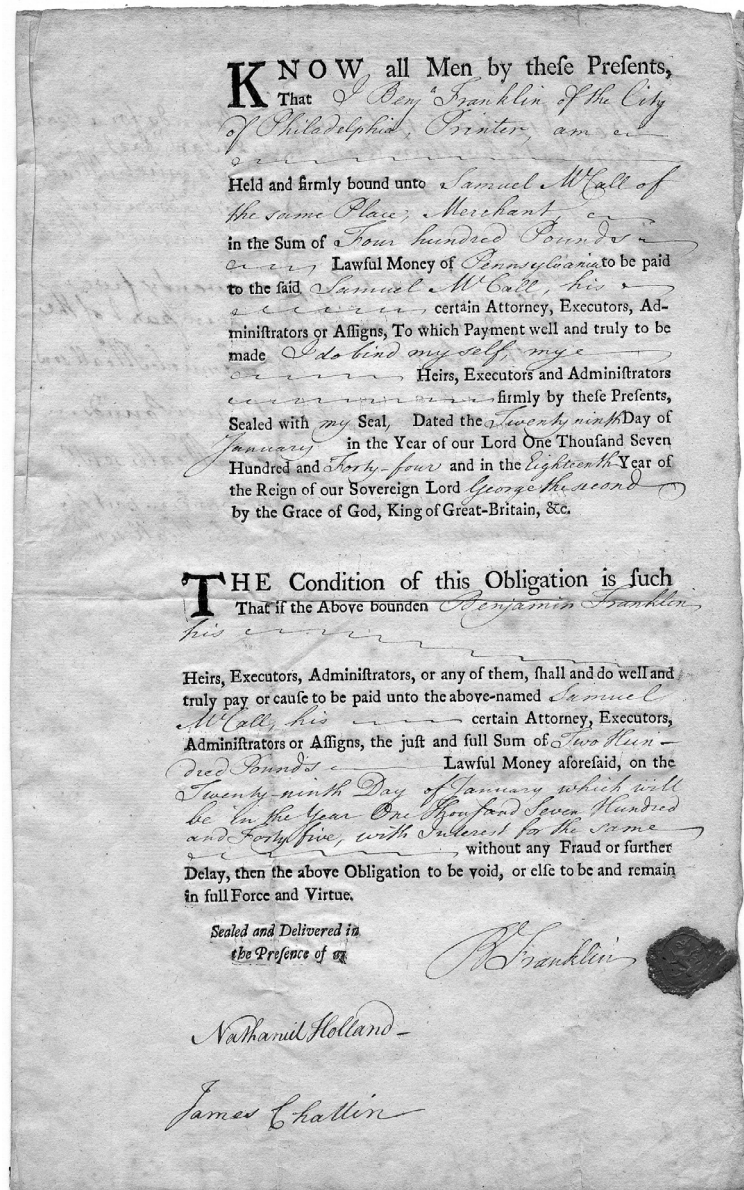
By Robert E. Wright  
Stern School of Business  
New York University

## Part I

Once again, *finance* is a dirty word. Oh, a certain segment has always scoffed upon it but the sentiments of the average American, Joe and Josephine the Depositors if you will, are generally pro-cyclical. When employment and the market are up, finance is grand. When they are a little down, finance is tolerated. When the financial system appears to have cost Joe and Josephine their jobs and savings, financiers can't duck low enough. The pro-cyclicality of sentiment is lamentable because it leads to lax public regulation and private monitoring of financial institutions and markets in boom times, precisely when supervision should be at its peak, and to onerous regulation and monitoring in hard times, just when the financial system most needs to be cut a little slack.

Americans' love-hate relationship with the financial system is so hoary and so deeply ingrained that most observers doubt it is possible to alter it much. Financiers, regulators, and policymakers should therefore take the procyclicality of sentiment as a given and plan accordingly. That means they need to work together to avoid, or at least moderate, the excesses associated with speculative asset bubbles and the crashes that inevitably follow. One major tool in that endeavor, hitherto barely touched even within the ivory towers of academia, is financial history. Only a handful of us study the subject with alacrity but even our paltry output evades the notice of those who should be most conversant with it. Did you know that the subprime mortgage debacle of 2007 was the *seventh* time in American history that a mortgage securitization scheme blew up? Of course not. The amazing thing is that the leaders of the big banks, the GSEs, and the major regulators didn't either, even though it was their business to know. Joe and Josephine the Depositors could know more about financial history than they do too. Sure, financial history *sounds* boring, mind numbing in fact, but it doesn't have to be.

One non-boring approach to financial history is to view it through the lens of great financiers like J.P. Morgan, Anthony Drexel, Jay Cooke, Stephen Girard, Alexander Hamilton, and, *finally* you may be thinking, Benjamin Franklin. Franklin was many things: a bureaucrat and



Franklin's loan agreement with Samuel McCall.  
Courtesy of the American Philosophical Society.

diplomat, an economist so skilled -- or at least slippery -- that both Adam Smith and Karl Marx lauded him, an entrepreneur, inventor, militia commander, part-time nudist, partisan politician, philanthropist, postmaster, printer, psychologist of considerable merit, a quartermaster, rake, scientist, and statesman. He was also a financier, of the most creative variety. A leading proponent of paper money, an innovative way of financing colonial governments, Franklin was also in the vanguard of colonial America's most serious flirtations with fire and life insurance. Out of necessity, he was also quite an expert in foreign exchange, including the local value and availability bills of exchange and foreign coins. In March 1741, for example, Franklin informed James Alexander of New York that "no Carolines" -- gold coins

of Germanic origin -- "have passed here of late." Franklin believed them then worth only 32 shillings Pennsylvania currency, down from the 34 shillings that they had earlier commanded. The low rating of the Carolines in Philadelphia of course explained their absence in that market.<sup>1</sup> He also posthumously developed a form of microfinance that did not catch on globally until just a few decades ago.<sup>2</sup>

Franklin had little to say about mortgages but as usual what he did utter was quite brilliant. He knew that his fellow Philadelphians had two options for acquiring land, leasing it or buying it. He also knew that the latter was preferable when it could be accomplished and in fact explicitly argued as much. The tenant was of course to some extent under the sway of the landlord. Franklin experienced that tyranny



firsthand because his landlord in Paris “was forever renewing old demands or inventing new ones.”<sup>3</sup> Tenants were less productive than freeholders, moreover, because the tenant’s incentive to improve the property was directly proportional to the length of his tenure, which was usually short.<sup>4</sup>

The difficulty was that, then as now, few people had enough cash saved up to buy a substantial home or lot outright. Some type of financing was usually necessary and generally speaking there were three types available, government mortgages, of which more later, private mortgages callable by the lender after at most a few years, and private perpetual interest only mortgages called ground rents. To your ears, the last mentioned type probably sounds disturbingly modern and unpleasant, even subprime-like. In fact, a large percentage of the Alt-A and subprime

means that borrowers will be willing to take on much greater levels of speculative risk as all they have to fear is losing a property they personally have invested little or nothing in.

None of this is to say that Franklin and his fellow Philadelphians enjoyed mortgage markets that were superior to ours in every way. The short-term callable mortgage, the other type of private mortgage product available to Franklin and other Philadelphians was, in fact, a disaster waiting to happen. And happen that disaster did, in the 1760s. The callable mortgage was so bad, in fact, it played a major if hitherto unappreciated role in the Imperial Crisis that ultimately ended with the Declaration of Independence.

As I will show in a forthcoming book called *Fubarnomics*, and as Ron Michener and I will demonstrate in a forthcoming book on the economic causes of the American

*to me, stopped one day at my door, and asked me if I was the young man who had lately opened a new printing-house. Being answered in the affirmative, he said he was sorry for me, because it was an expensive undertaking, and the expense would be lost; for Philadelphia was a sinking place, the people already half-bankrupts, or near being so; all appearances to the contrary, such as new buildings and the rise of rents, being to his certain knowledge fallacious; for they were, in fact, among the things that would soon ruin us. And he gave me such a detail of misfortunes now existing, or that were soon to exist, that he left me half melancholy. Had I known him before I engaged in this business, probably I never should have done it. This man continued to live in this decaying place, and to declaim in the same strain, refusing for many years to buy a house there, because all was going to destruction; and at last I had the pleasure of seeing him give five times as much for one as he might have bought it for when he first began his croaking.*

Apparently, most people, except for a few “croakers” like old Sam Mickle, expect housing prices to always rise. In the long term, they are undoubtedly right: more people and higher productivity combined with fixed quantities of land means price appreciation. But that does not mean that price movements will be monotonic – ever heading in the same direction. They could very well experience increases and declines with eventual reversion to an upward trend line. The lesson here may be that public schools have to do a better job teaching students about rational investment strategies. Filling them full of stories of the failed optimists would certainly help. Vicarious pain is not as effective as real pain, but it is cheaper and can be inculcated through repetition. We just have to be careful not to create too many croakers in the process.

The colonists had no such aid. Stories of the South Sea Bubble cast doubt upon stock markets and corporations, not land. Like other asset bubbles, however, the colonial real estate bubble could not last. Economic conditions soon completely reversed. The bulk of the military left, the privateering harvest ended, and, due to unprecedented exertions by the British Navy and customs officials, the lucrative trade with the enemy, and even lawful trade, declined dramatically. But large orders for imports had already been placed and were not easily remanded. The colonies therefore suddenly found themselves running big trade deficits. Exchange rose and specie flowed out. At the same time, bills of credit were paid in as taxes and retired at a rapid rate, dropping

*continued on p. 6*

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## ***“Franklin had little to say about mortgages but as usual what he did utter was quite brilliant.”***

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mortgages that began defaulting in 2007 were “IO” or interest only. The funny thing is that in Franklin’s time, ground rents were considered gilt-edged securities, as safe as British, and later U.S., government bonds. How can that be?

Before anyone embarrasses themselves with fruity cultural pseudo-explanations, I should point out that ground rents differed from subprime IO mortgages in two important respects. First, ground rents had a much lower loan to value (LTV) ratios – from 25 to 75 percent generally -- so borrowers lost a bundle of their own money if they defaulted. Second, ground lords, the owner of the ground rent payment stream, had substantial recourse, including writs that empowered sheriffs to enter the property and take away and auction off goods to the value of the debt owed. If necessary, the ground lord could take title to the land and imprison the debtor until all debts and damages had been repaid. Few people were so daft as to suffer such a melancholy fate by defaulting on a mere interest payment.

The lesson that I take away from this, and hope that policymakers will too, is that interest only loans *per se* are **not** evil and hence should **not** be banned or regulated into obscurity. Rather, the real culprits are high loan to value mortgages, regardless of the amortization schedule, and the lack of recourse in case of default. High loan to value means that even modest decreases in prices give borrowers ample incentive to default. The lack of recourse

Revolution, the French and Indian War fomented an economic expansion in the colonies, especially the Middle ones. After an initial period of adjustment, the colonial economy rapidly expanded during the war. Legislatures emitted large quantities of paper money known as bills of credit, stimulating demand. The British military also spent huge sums, much of which flowed in from London in the form of gold and silver coins. Colonial privateers – legal pirates -- plied the seas, seizing and selling numerous French ships and their lucrative cargos. Trade, especially illicit trade with the foreign West Indies, expanded to unprecedented proportions.

Because the Middle Colonies were on fixed exchange rates and had plenty of foreign exchange, the prices of traded commodities remained tied to world markets and showed only a 20 to 30 percent increase during the war. Prices of non-traded goods and real estate, by contrast, enjoyed no such tether and soared by 200 to 300 percent. Why people were willing to pay so much for houses, shops, lots, and farms isn’t clear. Investor mentality never is, especially during asset bubbles. However the following story, related by Franklin, may give us a clue:

*There are croakers in every country, always boding its ruin. Such a one then lived in Philadelphia; a person of note, an elderly man, with a wise look and a very grave manner of speaking; his name was Samuel Mickle. This gentleman, a stranger*

from about £2.50 sterling per capita in 1760 to £1.05 in 1763.

A nasty bout of deflation occurred next. Business conditions throughout the colonies were dismal in 1764 and worse in 1765. As the monetary contraction continued, bills of credit became almost unattainable, even among wealthy merchants. In February 1764, New York merchant Gerald Beekman reported that “all the money seems to be vanished out of our City and C[o]untry.” Despite having more than £12,000 due to him on bond, he confessed to being unable to raise even £500 at any rate of interest. Trade suffered as a consequence. “Commerce is so stagnated here,” New York merchant John Watts reported, “that little or nothing sells.” “Trade in this part of the world,” wrote another New Yorker, “is come to so wretched a pass that you would imagine the plague had been here, the grass growing in most trading streets; and the best traders so far from wanting assistance of a clerk, rather want employment for themselves.”

Throughout the colonies, tight money and depressed business conditions brought a wave of bankruptcies. Watts reported in August 1765 that business in New York was “very languid, the weak must go to the Wall, frequent Bankruptcys & growing more frequent.” Another source noted that high flyers were also laid low: “People were not afraid of entering into deep Engagements equivalent to our Circulation, which being since called in by Taxes or remitted for Goods occasioned a sudden Stagnation, and by calling upon and suing one another brought many to ruin.”

Those who had borrowed to buy real estate during the bubble were especially hard hit. The scarcity of money precipitated a collapse in real estate prices from the high levels they had reached by the end of the French and Indian War. It wasn't the falling real estate prices per se that hurt, it was the fact that many people had borrowed to buy what would soon be grossly overpriced assets that led to bankruptcy. Recently in a county in China's Yunnan province a bubble in a special type of tea called Pu'er burst – please forgive me if I just inadvertently swore in a foreign language. The local farmers' aspirations were shattered and their cash flows crimped but their balance sheets remained intact. They complain, for example, of owning fancy automobiles that they cannot afford to put gasoline into and having to shift production to corn and rice. Because they were largely free of debt, however, they still have their farms, much improved during the boom, and can sell their fuel-less cars for cash. As Mark Skousen points out, Franklin dodged “the

general wreck of credit in 1772” during his second mission to England by not being in debt. “Being out of debt myself my credit could not be shaken by an run upon me: Out of debt, as the proverb says, was being out of danger.”<sup>5</sup>

Many, nay apparently most, American colonists were in a much more leveraged and hence dangerous position. The collapse became more pronounced as the tight monetary conditions persisted. In 1765, the editor of *The New York Gazette* claimed that “there is such a general scarcity of Cash that nothing we have will Command it & Real Estates of Every kind are falling at least one half in Value.” That was a major problem because “Debtors that were a year or two ago responsible for £1000 can not now Raise a fourth part of the sum . . . . Men of the best Estates amongst us can Scarce Raise money enough to defray the Necessary Expences of their familys.” Later that same year, William Donaldson described the situation in New York in yet starker terms:

*The face of money is hardly to be seen in this Country, every man is suing his Neighbour which produces daily Bankrupts & the most pitiable scenes of distress; a Farm in this Neighbourhood was sold a few weeks agoe by the sheriff for £350 which the owner refused £1200 for 18 [months] agoe, which is the alteration of times here, owing chiefly to the scarcity of money & distress on Commerce.*

Such scenes became commonplace. “I know of sundry Estates that has been taken by Execution,” a New York merchant reported late in 1766, “and sold for not more than one third of their value owing to the scarcity of money” and concomitant high rates of interest. And yet British policymakers did nothing to alleviate the colonists' plight and in fact worsened it with very strict trade regulation enforcement, the Sugar Act, which constrained colonial trade yet further, and the Currency Act, which prevented the colonists from printing legal tender bills of credit.

Not that the British were entirely to blame. The private callable mortgage exacerbated the situation. Today, in the vast majority of cases, mortgages are not callable. Homeowners who continue to make scheduled payments cannot be evicted from their homes, no matter how low the market value sinks. Similarly, those with fixed rate mortgages need not worry about facing higher payments should interest rates increase. Colonists who borrowed on callable mortgages, by contrast, faced both risks. “Creditors are a kind of People,” Franklin wrote in his “Advice to a Young Tradesman,” “that have the sharpest Eyes and Ears, as well as the

best Memories of any in the World.”<sup>6</sup> As the value of lands began to fall, lenders felt the mortgages were undercollateralized and began to call for the principal. As interest rates increased, they also began to call simply to reinvest the principal at higher rates. Yes, there were usury laws or interest rate caps but they were as about as effective as our own drug laws. The result was a rash of lawsuits that led borrowers to press their debtors in turn. Soon, a vicious cycle haunted many colonists. Pressed to pay a debt in cash or suffer the loss of their estates, men responded defensively by pushing their friends, neighbors, and business associates to pay up or face the sheriff. In a 1768 pamphlet published in London, Stephen Sayre recounted an instance in New Jersey “of one merchant suing seventy shopkeepers for debt; the seventy had lands, and their lands were sold at public auction for no more than the sum owing, by which means seventy families were deprived of their substance.” That story sounds exaggerated if not outright apocryphal but private correspondence and sheriff sale advertisements were replete with similar tales of monetary woe.

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## Endnotes

- 1 Benjamin Franklin to James Alexander, 6 March 1740/1, Reel 1, No. 199, Rutherford Collection, New York Historical Society, New York, N.Y. This letter will be published in the addenda to the *Papers of Benjamin Franklin*.
- 2 Bruce Yenawine, *Benjamin Franklin and the Invention of Microfinance*, ed. by Michele Costello, (London: Pickering & Chatto, 2010). This book was born of a conversation that I had with Roy Goodman after my speech. Tragically, Dr. Yenawine passed soon after completing his dissertation, relegating it to an undeserved obscurity from which we hope to rescue it with this publication.
- 3 BF to Jonathan Williams, Jr., June 13, 1782, quoted in Mark Skousen, ed., *The Completed Autobiography by Benjamin Franklin* (2 vols., Washington, D.C., 2007), ii, 273.
- 4 BF “Observations on America,” 1766, *Papers of Benjamin Franklin*, xiii, 353.
- 5 BF to Richard Bache, Oct. 7, 1772, quoted in Skousen, ed., *The Completed Autobiography by Benjamin Franklin*, ii, 74-75.
- 6 As quoted in Alan Houston, *Benjamin Franklin and the Politics of Improvement* (New Haven: Yale University Press, 2008), 49.

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## Editor's Note

*Part II of Robert Wright's lecture given at the Friends of Franklin symposium in April 2009 will be printed in the fall issue of the Gazette. For purchase of the symposium CD see p. 9.*

# In His Own Words

## *Benjamin Franklin, Creditor:*

### *“The Affair requires immediate Care”*



On July 23, 1753, Franklin wrote from Boston to his son William on a matter of family business. Benjamin's brother John, the postmaster at Boston, was attempting to settle their father's estate, and one of the estate's debtors, Joseph Grant, had just gone bankrupt. In order to secure that debt, now due to John Franklin and Jonathan Williams, Sr. (nephew by marriage to both John and Benjamin), his brother Benjamin suggested sending a power of attorney to William Franklin so that an attachment could be placed on some property on which Grant held a mortgage in Philadelphia. To avoid Grant's other creditors having first claim, John Franklin suggested to his nephew that he register the attachment before distributing the mail from Boston—which might tip off Grant's other Philadelphia creditors. Here is the relevant portion of Benjamin Franklin's cover letter to his son, which shows one way that ordinary American Colonists found themselves among the ranks of mortgage lenders:

“Enclosed you have a Letter from your Uncle [John Franklin], with a Power of Attorney. The Affair requires immediate Care, and I write at his Request, to desire you would do what is proper in it before you deliver the Letters that come by this Post, because otherwise others may be beforehand. The Case is this.

“You remember Pitts that married Molly Yeldhall. He was a factor for this Joseph Grant, and fell into his Debt. I forget how much. Grant su'd him, and he gave Grant a Mortgage on a Piece of Ground and House in Walnut Street [Philadelphia] that lets for £15 or 20 per annum. It was before mortgag'd to Capt. Greenway for £100 who was to take Principal and Interest out of the Rent as they arose, so I suppose the £100 is now near if not quite paid in its Turn. The Land was entail'd [entailed] by Molly's Father, so it can not be held by Virtue of the Mortgage after her Son comes of Age, but that will not be these 9 or 10 Years. The Design of this Power is, that

you may attach for Franklin and Williams, Grant's Right to that Land by Virtue of his Mortgage. I suppose the Mortgage is recorded. I recommend this Affair to your Diligence which I hope will be effectual. Your loving Father

BF

“Pitts and Wife join'd in the Mortgage, and I think I was an Evidence [a witness to the document] it must be about 8 or 9 Years ago. Isaac Griffiths was Grant's Attorney.”

Ten years later, Benjamin Franklin believed that Grant's debt to John Franklin and Jonathan Williams, Sr. was still unsettled. John Franklin had died in 1756. Trying to help the owner of the land and house so it could be sold, Franklin wrote to his nephew Williams on April 13, 1763:

“Loving Kinsman,

You may remember, that about ten years since, when I was at Boston, you and my brother sent directions here to attach on Grant's right to some land here, by virtue of a mortgage given him by one Pitt. Nothing effectual could be done in at that time, there being a prior mortgage undischarged. That prior mortgage is now near expiring, and Grant's will take place. Pitt's widow is desirous of being enabled to sell the place, which cannot be done, without paying off Grant's mortgage. Therefore, if your old demand against Grant still subsists, you may empower me in any manner you think proper to recover it.

“Is Grant living? Or, if dead, are there any of his representatives among you? Inquire. Because here is a person desirous of purchasing, who, perhaps, may inquire them out, and get a discharge from them, before your claim is brought forward, unless the attachment formerly made in your behalf is still good, which I am inclined to think may be.

“I am going in a few days to Virginia, but expect to be back in three or four weeks. However, send what you have to say on this subject to my

son, at Burlington, who was formerly empowered by you, and he will take the steps necessary, if I should not be return'd. I am your loving uncle,

B. Franklin”

Franklin must have bought out his nephew's second mortgage on Mrs. Pitt's house on Walnut Street, for on June 18, 1767, he wrote from London to Joseph Galloway, his attorney in Philadelphia, “I never have heard from you what was done in the Affair of Mary Pitts, which I left in your Hands.” Galloway's answer has not survived, but on Oct. 13, 1767, Franklin's wife, Debbie, wrote that Galloway told her that he had answered Franklin's query. “Polley Pitts” [Polley was a nickname for Mary] was visiting Debbie while she was writing to Franklin, and sent “her Dutey” to him. Writing again to Franklin on June 30, [1772], Debbie had bad news, “Polley Pitts” was dead. Answering her letter on Aug. 22, 1772, Franklin asked for clarification; was it true? He added, “I hope not. Pray tell me.” By Dec. 1, 1772, Franklin had confirmation and reminded Debbie, “I suppose you know that we have a Mortgage on her Lotts. Mr. Galloway took it for me. You do not tell me whether any thing has been done about it; or whether any Interest was ever paid. ...I wish you would.”

The settlement of Pitts's estate dragged on, and on Oct. 14, 1776, when Franklin was making a big effort to settle his affairs before leaving for Paris, he was able to secure final payment, totaling more than £502, from Pitts's representative. The discharge of the mortgage is among Franklin's papers at the American Philosophical Society.



# The Papers of Benjamin Franklin: Meet the People

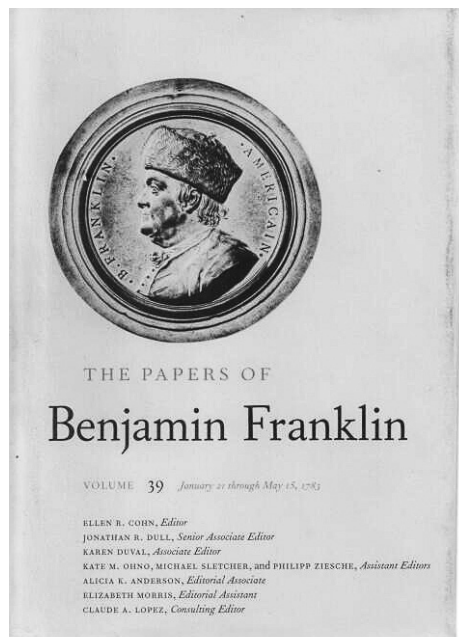
By Kate Mearns Ohno

The project to publish a modern comprehensive edition of Franklin's writings and correspondence was first discussed in 1953, and was officially launched jointly by the American Philosophical Society and Yale University on the great man's next birthday, January 17, 1954. Thirty-nine of a projected forty-seven volumes are in print. Many have worked on the Franklin edition since 1954, and the volumes are still being published by Yale University Press. Here's a snapshot of the current staff.

Editor-in-Chief Ellen Cohn has worked on the edition since 1979, and she was selected to direct the project in 1999. Her many publications are the gold standard of Franklin scholarship. She is much sought after as a lecturer, but she is currently resisting all such appeals and is hard at work finalizing the manuscript for volume 40. Her name has been on the title page since volume 24, and she was hired by William B. Willcox, the second editor-in-chief.

Kate Ohno, an associate editor, has been happily employed on the project since 1990. She is interested in all things Franklin, and has taken responsibility for Franklin's port and commercial correspondence for recent volumes. Kate is busy chronicling the financial tribulations of Jonathan Williams, Jr., Franklin's great nephew, an American merchant in France, who was forced into bankruptcy at the close of the Revolution. Readers of the volumes undoubtedly will want to know if Franklin helped him out, and how. She is joined by her colleagues in forging ahead with research for volume 42.

Assistant Editor Alicia Anderson first came to the editorial project as a graduate student intern in 2005. The project's most important mission is to supply accurate texts for the documents that are published in book form or on line; her passion for deciphering



*Cover of The Papers of Benjamin Franklin*

impossibly difficult manuscripts, and dating the undated ones, has made her absolutely invaluable. She heads up proofreading for English language texts. She is known for her unflagging devotion to accuracy, thorough research, and clear language. She is currently documenting Franklin's relationship with his grandson, William Temple Franklin, through the lens of their exchanges during Temple's 1784 visit to England.

Philipp Ziesche came on board as an assistant editor in 2006, after receiving his doctorate from Yale in history and pursuing post-doctoral work at the International Center for Jefferson Studies. Philipp has forged ahead on important scientific threads in Franklin's correspondence, like French experiments in ballooning, and has headed up the work on Jefferson's collaborations with Franklin. His co-workers will rely on his broad and deep knowledge of Philadelphia during

the Early Republic for future volumes covering Franklin's return home.

The project's French specialist is Assistant Editor Adrina Garbooshian, who joined the project as a post-doctoral fellow in 2007, after receiving her doctorate in French from Wayne State University, and teaching French language there. She brings to the Franklin project experience as a graduate assistant on the project to publish the correspondence of Caron de Beaumarchais, the well known playwright and entrepreneur of the American Revolution, whose business affairs remained a headache for the American minister for years. In addition to other French documents, Adrina has taken on drafting annotation on Franz Anton Mesmer's hypnotic method, which was investigated by a body of scientists that included Franklin.

The newest member of the team is Alysia Cain, editorial and administrative assistant *extraordinaire*. Alysia joined the Franklin team in 2008 after earning a masters degree in Library Science with a specialty in archives and spending a year in France. In the Franklin office she has contributed her special expertise in computers, French language, and librarianship. She is the first person to greet visitors to the Franklin Collection and the one who fields phone requests for information about the great man. Alysia has taken Franklin enthusiastically to her heart, learned the intricacies of deciphering 18<sup>th</sup> and 21<sup>st</sup>-century handwriting (the latter of her co-workers), and is a willing worker in the field of Franklin studies.

Last, but certainly not least, the editorial project benefits from the continuing wisdom and advice of Claude-Anne Lopez, who joined the project in its first years and retired from full-time work in 1987, and Jonathan Dull, who retired in 2008 after 30 years on the Franklin edition.



## Reading Franklin

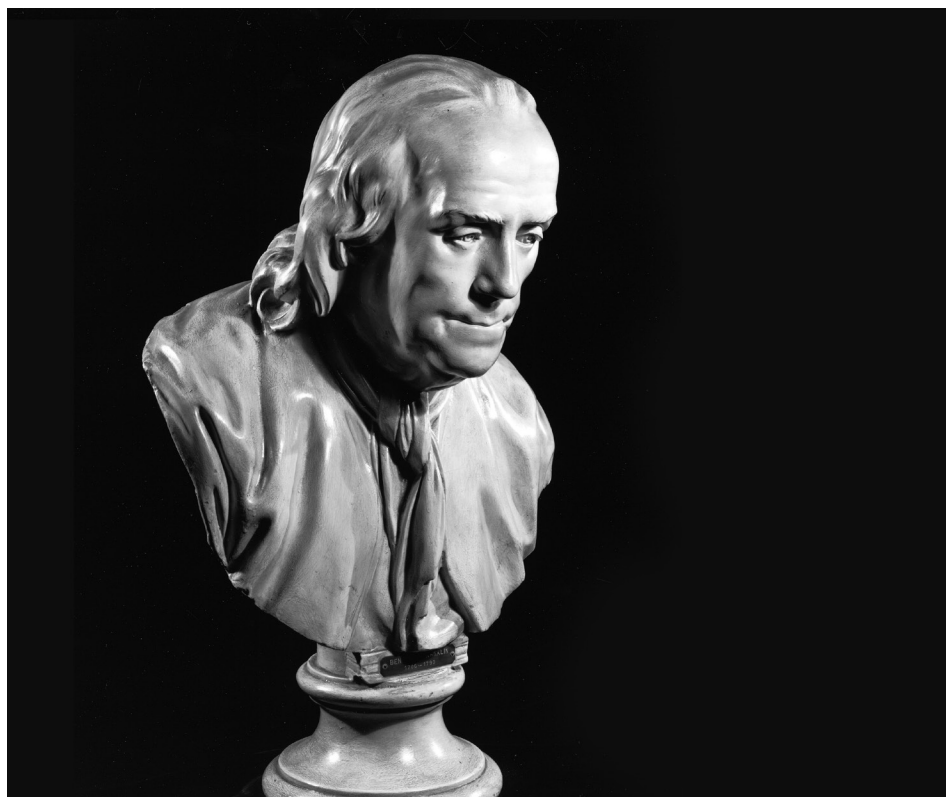
Richard Beeman, *Plain, Honest Men: the Making of the American Constitution* (Random House) Publishers' Weekly claims that "this account is now the most authoritative, up-to-date treatment of the Constitutional Convention...it's unlikely to be surpassed."

Edmund S. Morgan, *American Heroes: Profiles of Men and Women Who Shaped Early America* (Norton). Morgan is one of the most distinguished and influential historians of Colonial America, and this book, published in his 93<sup>rd</sup> year, collects 17 essays written over a 70-year period. It is his 18<sup>th</sup> original work. In it he claims that Washington and Franklin were the two men most responsible for the creation of the American republic. Both, he says, possessed "a talent that enabled them to accomplish what they did where others might have failed....the talent for getting things done by not doing the obvious, a talent for recognizing when not doing something was better than doing it, even when doing it was what everyone else wanted."

David Waldstreicher, *Slavery's Constitution* (Hill and Wang) traces "slavery from before the revolution, through the Constitution's framing, and into the public debates that followed." By the author of *Runaway America: Benjamin Franklin, Slavery, and the American Revolution*.

Thanks to Friend Charles Hargis, who sent a copy of an article from the Father's Day issue (June 20-21) of the *Wall Street Journal*. The piece, by Barbara Dafoe Whitehead, one of the co-editors of the recent volume, *Franklin's Thrift: the Lost History of American Virtue* (*Gazette* readers were alerted to its publication in the last issue), is entitled "Founding Fathers" and describes the challenges of being the paternal figures in the lives of "Revolutionary Kids". Whitehead tells her readers "Founding a nation meant more than winning a war. It also called upon the nation's Founders to pass on the passion for freedom, educational excellence and civic virtue to their children and grandchildren."

A forthcoming issue of the online journal *The American* [<http://www.american.com/>] will feature Franklin's London home, now known as Benjamin Franklin House.



## Friends' Trip to Albany



Join The Friends of Franklin for an exciting September 30-October 4, 2009 visit to scenic Hudson Valley. We will explore the New York connections Franklin made and visit places such as Clermont, the home of Robert R. Livingston, who had much correspondence with Franklin. We will visit Schuyler Mansion, where Franklin visited in 1776 and enjoy a visit to Saratoga Battlefield. From historic homes and mansions to the phenomenal scenery—this area of the Hudson Valley invites us to an enjoyable and memorable New York experience. Highlights will also include a specially guided tour to Johnson Hall, lectures by community historian, Stefan Bielinski who has studied Franklin's time in Albany and Kate Ohno, associate editor of the Franklin Papers. Kate, who will be spending Saturday with us, will help synthesize our trip with a presentation at our concluding dinner, "Four Seasons: Franklin and Albany". This promises to be a trip to remember. More specific program information has been mailed to each Friend, but inquiries can also be addressed to: Kathy DeLuca, Executive Director, at 856-833-1771. Reserve early to guarantee your space.

Plaster bust after Jean-Jacques Caffiéri  
c.1800. Courtesy of American  
Philosophical Society

## "Ben Franklin Goes to Wall Street: Money, Investing, and the Good Life"

CD Available  
\$30 plus \$5 shipping and handling

If you missed the 2009 symposium, a recording of the morning sessions held on Friday, April 17 at The National Constitution Center is now available. CD includes opening remarks by Roy E. Goodman, President; "Ben Franklin's Three Financial Virtues: Industry, Thrift, and Prudence" by Blaine McCormick, Ph.D., Baylor University; "The American Revolution and Financial Crisis: How Franklin Survived and Prospered" by Mark Skousen, Ph.D., Grantham University; and "Ben Franklin on Real Estate Bubbles, Inflation and Central Banking" by Robert E. Wright, Ph.D., New York University. The luncheon and afternoon panel sessions were not recorded.

To order your CD, please email [kathydeluca@friendsoffranklin.org](mailto:kathydeluca@friendsoffranklin.org) for an order form or call 856-833-1771 to obtain the form.



## Calendar of Events

### September 9, 2009

Benjamin Franklin House Annual Symposium, 6:30 PM at the British Library, London. Paul Smith, director of Kew Gardens' Millennium Seed Bank will speak in celebration of Kew's 250th anniversary and in memory of Franklin's friendship with Kew founder Joseph Banks. Tickets £8/£5, include a pass to Kew Gardens. The Seed Bank aims to collect 10% of the world's plant species seed by decade's end. The varieties sought include seed from the world's rarest, most threatened, and most useful plants.

### September 14, 2009

Lady Joan Reid, "Herbs, Horticulture and Health: Franklin's Botanical Pursuits," Benjamin Franklin House, 36 Craven St., London. Tickets £5/£3.50. Reserve a place by emailing [info@BenjaminFranklinHouse.org](mailto:info@BenjaminFranklinHouse.org)

### October 1-4, 2009

Friends of Franklin trip to the Hudson Valley. Contact Kathy DeLuca, 856-833-1771.

### November 2009

The Minnesota Historical Society is mounting a small version of the Franklin tercentennial exhibit, "Benjamin Franklin in Search of a Better World" and the Bakken Museum in Minneapolis is reviving their exhibit on the Franklin and lightning rod.

### December 3, 2009

Lady Joan Reid, "Franklin the Spy" Benjamin Franklin House, 36 Craven St., London. Tickets £5/£3.50. Reserve a place by emailing [info@BenjaminFranklinHouse.org](mailto:info@BenjaminFranklinHouse.org)

### January 15, 2010

Celebration! of Benjamin Franklin, Founder. Contact Carol Smith, [cwsmith@verizon.net](mailto:cwsmith@verizon.net) for more information or visit: [www.ushistory.org/celebration](http://www.ushistory.org/celebration).

## Ongoing:

The traveling exhibit, *Benjamin Franklin in Search of a Better World*, may be coming to a location near you.

**Aug. 26-Oct. 9** Laramie County Library System, Cheyenne, Wyoming; Urbana University, Swedenborg Memorial Library, Urbana, Ohio.

**Oct. 21-Dec. 4** Yakima Valley Regional Library/ Sunnyside, Yakima, Washington; Martinsburg Public Libraries, Martinsburg, West Virginia.

For future locations see: [www.benfranklin300.org/traveling\\_library\\_exhibit.html](http://www.benfranklin300.org/traveling_library_exhibit.html).

## Franklin Tidbits

**Franklin in the Digital Medium:** In late March the Franklin Papers office received a call from Michael Everson. Everson, an American currently living in County Mayo, Ireland, requested information about unique characters in Franklin's phonetic alphabet so that they could be encoded into Unicode, the universal computing standard specifying the representation of text in all modern software. Everson, like Franklin, is keenly interested in the aesthetics of the printed word, and writes of himself, "My life's work and my dharma is to ensure that the Universal Character Set (Unicode and ISO/IEC 10646) supports all of the writing systems of the world. To accomplish this and to pay the bills, I seek funding for encoding projects, I design and sell fonts, and I typeset books, chiefly in Irish." For more information on Everson's work with Unicode, click on <http://www.evertype.com>

If you search the **World Digital Library** for Franklin, one of the images displayed is the American Philosophical Society's publication of Franklin's Gulf Stream map. <http://www.wdl.org>

**Franklin in the Flesh:** Rock star Benji Madden of the group Good Charlotte has a tattoo of Benjamin Franklin on his back.

The New York Historical Society offered a chance to meet Benjamin Franklin and his wife, Deborah Read Franklin (AKA Jack and Celeste Sherry), at a celebration of Independence Day. The Sherrys are high school teachers. How does one become a Founding Father? Click on <http://www.hvlifeonline.com/articles/article.aspx?id=1156> to read Jack's story.

**Franklin in the Garden:** This summer, if you visit Bartram's Garden in Philadelphia, be sure to see the late summer flowering tree that Bartram named for his friend. Bartram collected the first specimen in the wild. The last wild *Franklinia alatanamaha* was seen in 1803; all the current specimens are cultivated.

**Franklin on stage:** John Bett's new play, *According to Ben*, debuted this spring in Glasgow. The story portrays the trials of a down-at-heel actor during the exceptionally cold winter of 1947, who arrived at the BBC to make a play about Benjamin Franklin. The actor encounters mass absenteeism of the facility's staff due to fuel shortages and power cuts, and copes with an inept producer and a Scots stage master with a whistle.

**Secrets of the Founding Fathers** is airing on the History Channel. Described on the organization's website as an investigation of "the history and symbology so prominent in the creation of the United States," it is said to trace "the intimate connections of the Founders with Freemasonry" and other secret organizations. The History Channel encourages potential viewers to "explore the secret (and secretly dark) sides of the men responsible for laying the foundation of the United States." However, viewer beware, as there have been serious complaints about the accuracy of the show. To read some of them, click on <http://boards.history.com/topic/Other-Programs-On/Secrets-Of-The/520057822>.

**Franklin in the imagination:** Thanks to the editors of the *Papers of Thomas Jefferson* who forwarded a cartoon by Amanda Coppedge and Jesse Reklaw, from the "Slow Wave" series which was published in the June 25-July 1, 2009, issue of *The Hook*. It imagines that time travel is possible and illustrates a visit to Franklin by a twenty-first century woman who shows the great man her laptop and teaches him to play Spore. Some things, however, never change...

**"And I don't think he was ever bored..."** For more new graphic representations of Franklin, click on Maira Kalman's illustrated blog, "And the Pursuit of Happiness". (On the New York Times site: <http://kalman.blogs.nytimes.com/2009/07/30/can-do/>) In her July 30 column, subtitled "Can do," she ponders the great man's legacy.



*Editor's Note: Here is another Franklin themed math puzzle presented by Aziz Inan ([ainan@up.edu](mailto:ainan@up.edu)) and the solution to the problem posed in the Spring issue of the **Gazette**.*

If Ben Franklin (1706-1790) lived longer, what would have been the earliest cube date in his life and what would be his age on that date? Note that a cube date in a four-digit year is defined as an eight-digit full date number MMDDYYYY (where the first two-digits correspond to the month, the next two to the day, and the last four to the year numbers) that equals the cube of an integer number.

Solution: If he lived longer, the first cube date in Ben Franklin's life would have occurred at age 86 on March 24, 1792 represented by the full date number 3241792 since  $3241792 = 148^3$ .)

A biography book about Ben Franklin has  $x$  number of pages. If ten less than ten times the sum of the digits of  $x$  equals their product and if five times  $x$  equals the square of the birthday number of the author in the year he died, what is the number of pages in this book?

William Anderson, Jr. Wichita, KS	William Greer, Jr. Chevy Chase, MD	Lee Knepp McClure, PA	Gregg & Laverne Orwoll Rochester, MN
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Volume 19, Number 2, Summer 2009