BRITISH WESTERN POLICY AND
THE VANDALIA COLONY

by

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The study of the development of American colonial history must also be the study of English history. To understand the former without a knowledge of the latter would be a most difficult task and infinitely subject to error. For that reason, the present study which was originally meant to be an examination of the plan to found a fourteenth colony in America named Vandalia was expanded to include the British policy in regard to the Ohio Valley. It is to gain in the light of that policy that the causes of success and failures of the intended colony can be determined.

By the very nature of this investigation, it must of necessity be limited in scope. To follow every avenue opened in research would present a herculean task and must be left to more comprehensive studies. The paths which have been followed are the ones which available resources tended to indicate as the best. Additional research may prove that the wrong path was followed or that uninvestigated trails lead more readily to the destination. As Thomas Babington Macaulay once said: "History has its foreground and its background, and it is principally in the management of its perspective that one artist differs from another."
The study of nearly every phase of American colonial history must also be the study of English history. To understand the former without a knowledge of the latter would be a most difficult task and infinitely subject to error. For that reason, the present study which was originally meant to be an examination of the plan to found a fourteenth colony in America named Vandalia was expanded to include the contemporary British policy in regard to the Ohio Valley. It is only in the light of that policy that the sequence of successes and failures of the intended scheme can be comprehended.

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It is to be hoped that the perspective used here provides the best representation.

In presenting the topic "Vandalia and British Western Policy," it is necessary to answer various questions. The first of these is why did the plan for a fourteenth colony fail to materialize? Secondly, what was the British Western policy between 1763 and 1775? In the third instance, what aspects of this policy were antithetical to the establishment of a new colony in the west? And lastly, what methods were used by the advocates of western colonization which nearly allowed them to achieve success? It is the author's belief that in the answer to these questions will be found a partial answer to an even greater question: Why did the American Revolution take place?

The problem which now faced the British government was what course to follow in the administration of this newly acquired territory. A solution depended on how members of the ministry answered two very important questions. Was the new territory crown land, or was it simply an extension of the western frontier of existing colonies? How was settlement in the area to be regulated? The answer to the latter was dependent on the answer to the former. However, prior to 1763, no one, all-encompassing policy was developed which attempted to answer both questions.

Numerous impediments stood in the way of formulating an imperial policy, foremost of which was the kaleidoscopic nature of the American Revolution. The final solution arrived upon by the British government was the "Constitutional Government in the Western Districts," as the British colonial officials called it, which was finally formulated in 1774.

CHAPTER I

FORMATION OF WESTERN POLICY, 1763-1768

In 1763, the Seven Years’ War, known in America as the French and Indian War, was officially brought to a close. By the Treaty of Paris of that year, a vast expanse of land lying between the Allegheny Mountains and the Mississippi River, and previously claimed by the French by right of exploration and colonization, came under British dominion.

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Numerous impediments stood in the way of formulating an imperial policy, foremost of which was the kaleidoscopic change of ministers, bringing in its wake a period of political anarchy during the years succeeding 1763. Politics throughout the early period of the reign of George III were chaotic and cannot be explained in terms of Whigs and Tories. An ever-increasing number of rival factions maintained an attitude toward colonial expansion conditioned solely by self-interest. In consequence, various plans were adopted and discarded, depending upon which faction controlled the reins of government at any given time.

change of ministers, bringing in its wake a period of political anarchy during the years succeeding 1763. Politics throughout the early period of the reign of George III were chaotic and cannot be explained in terms of Whigs and Tories. Instead of two parties, there existed a number of rival factions maintaining an attitude toward colonial expansion conditioned solely by self interest. In consequence, various plans were adopted and discarded, depending upon which faction controlled the reins of government at any given time.²

The necessity of some policy and plan of action was, however, of paramount importance. During previous years, the management of Indian affairs had been conducted under the auspices of the several colonies. Lacking foresight and imagination, relations with the Indians had been so administered as to produce discontent among the natives and the consequent uprising known to history as Pontiac's War. Of particular annoyance to the Indians were the irregular practices of the traders and the encroachment upon their lands by the colonists.³

The personnel of the Board of Trade involved in working out the administrative details for governing the new


territory were numerous, and the final outcome cannot be attributed to any one man. The first indication of what might be attempted was contained within a paper entitled "Hints relative to the division and Government of the newly acquired Countries in America." The paper was written by Charles Wydham, Earl of Egremont, and was submitted by him to the Board of Trade early in 1763. At that time, the President of the Board of Trade was Lord Shelburne, and it remained to him during the summer of 1763 to define the details based on this plan. In June he drafted a report in conformity with the "Hints" wherein he recommended the establishment of three new colonies in the ceded area. A definite boundary line, he felt, should be drawn separating white settlement from an expanse of land which was to be reserved for the Indians until the Indian titles had been purchased by imperial officials.

In October, from the groundwork already established, the Board of Trade took its first definitive action by issuing the Proclamation of 1763. It was the supposed purpose of this instrument to help maintain justice in Indian relations. A definite boundary line was to be drawn

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4"Hints relative to the division and Government of the newly acquired Countries," Mississippi Valley Historical Review, VIII (1922), 367-373.

along the Appalachian divide, beyond which settlement would be prohibited; the land lying to the west was to remain as an Indian reserve. In addition, three new distinct and separate colonies were to be erected in East Florida, West Florida, and Quebec.⁶

As seen above, Shelburne's two recommendations were incorporated into the Proclamation. However, to accept the contention that "The whole later history of British western policy can be understood only in the light of decisions reached by this young minister in 1763" seems to overemphasize his role.⁷ Though accepted by Shelburne, the ideas certainly did not originate with him, and that they became part of the Proclamation does not mean that all members of the Board of Trade interpreted them the same as he, or even wished to do so. At a later date, the meaning of these ideas was to become a source of bitter debate.

By the end of the summer of 1763, Shelburne had been replaced at the Board of Trade by Lord Hillsborough.⁸ It is quite probable that the Proclamation as finally formulated corresponded significantly with Hillsborough's own views. He posed no opposition to the establishment of the new colonies, and with regard to the boundary line, his

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sentiments were definitely in accord with his predecessor's. Shelburne undoubtedly thought of the boundary only as a temporary expedient until the Indians could be pacified. That he considered future purchase by imperial officials as part of his report seems to evidence a view of eventual expansion beyond the line. Hillsborough's acceptance of this interpretation appears conclusive. The actions involved in clarifying the statements pertaining to the permanency of the boundary as well as the distinctness of the statements in the document itself could hardly have escaped his notice.

John Pownall, Secretary of the Board of Trade, upon examining the draft, made slight alterations stressing the temporary nature of the limit to expansion. The final draft of the Proclamation was to state explicitly that no warrants for surveys or patents were to be passed for lands between the Alleghenies and the Mississippi River "until our further pleasure be known." Furthermore, that land was to be reserved to the Indians "for the present." Thus, by the end of 1763, the two men most involved in western policy, Shelburne and Hillsborough, had agreed on two major aspects of that policy: the desirability of establishing new colonies to the north and south, and the


temporary reservation of a vast section of land to the west for the Indians until such time as a purchase could be made. However, neither man had yet come to grips with what was to be the greatest source of controversy in the future. For the present, both seem to have accepted the view that the land in the west was part of the imperial domain. The question of the method of settlement, as well as the concomitant question of ownership, would not become important until such time as a new boundary further west was actually determined upon. For the present, the rapid succession of ministries prevented any change in the Proclamation line.

Before Hillsborough could initiate the next phase of western policy by bringing about negotiations with the Indians for extending the western boundary, the Rockingham ministry had gained control of western policy. After less than two years as President of the Board of Trade, Hillsborough was replaced in July, 1765. It was to be the policy of the Rockingham ministry to interpret the Appalachian divide as a permanent boundary. It was not until 1766 that Hillsborough again entered the ministry as President of the Board of Trade. By this time, Shelburne had been elevated to the position of

\[11\] Watson, op. cit., p. 575.

Secretary of State for the Southern Department, that department which possessed control of colonial affairs. That Hillsborough would accept the position subordinate to Shelburne is somewhat surprising, as the two were not on the best terms. It is even more surprising, unless Hillsborough is viewed as believing himself to hold opinions quite in accord with those of Shelburne, that he agreed to accept the Presidency only on condition that all of the executive functions remain with the Secretary. By doing this, Shelburne would be allowed a free hand in the execution of a western policy.

It was in 1766 that Shelburne began to define his plans for the west in more explicit terms. To understand fully how he arrived at his final conclusions, it is necessary to consider the financial situation in Britain at that time. Since the failure of the Stamp Act as a revenue measure there had been a demand for economy in all departments, and a search was being made for new sources of income. One of the departments hardest hit was that in control of colonial affairs. The charges for America in one year alone to £ 428,000. Soon after entering office, Shelburne began to read dispatches from American agents to his predecessors. To aid

13 Watson, op. cit., pp. 576, 578.
15 Watson, op. cit., p. 189.
him in the formation of a well-rounded American policy, he requested the opinion of General Gage in America. He desired to know Gage's thoughts upon the "raising of an American fund to defray American expenses in whole or in part." The most obvious manner of raising such a fund, he thought, would be through a more effective collection of quit-rents from those persons having received grants of land in America from the Crown. As to the manner in which future grants of land would be made, he wrote:

I could wish to have the best information possible, so that such a system might be adopted for that purpose, particularly in the new and conquered provinces, as would at the same time serve to promote the good of the colonies, and lighten the burden which lies upon the mother country.

Writing to William Pitt in February of 1767, Shelburne further outlined his plan for raising a fund. He again expressed the view that quit-rents from new grants of land would add to the revenue, and that the granting of land would also "give infinite satisfaction to America." Finally, in April of 1767, General Gage dispatched a series of reports to Shelburne as had been requested.


The suggestions as offered by Gage appear to have been of little value. He did express it as his opinion, however, that quit-rents could be raised through more efficient collection.

During the period in which Shelburne was in the process of formulating his policy, he was also being influenced by the activities of Americans. Foremost among those who probably contributed to the crystallization of his attitude was Dr. Benjamin Franklin. Some time after arriving in England as agent for Pennsylvania, Franklin received a request from his son, William Franklin, and a group of Pennsylvania merchants asking him to use his influence to help attain a grant of land on the Ohio. In September of 1766, Franklin mentioned the scheme to Shelburne, who at that time approved of it, but held reservations as to the probability of the government's approval. Franklin met again with Shelburne in October. Shelburne again expressed his approval, but pointed out that the expense of such a project would cause it to meet with great difficulty.

Throughout the first part of 1767, Shelburne continued to give a great deal of consideration to the west. As a result of his investigations, he undoubtedly felt by the end of the summer that he had arrived at a proper solution, and a plan was submitted to the Cabinet Council. As part of the

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plan, there was envisioned the establishment of two new colonies in the west. On September 11, the Cabinet Council resolved that Shelburne's recommendations be referred to the Board of Trade. Such a line would not have been behind Virginia. Such a line would not have been.

On October 5, Shelburne drafted a letter to the Board of Trade in which he outlined recommendations made by Generals Amherst and Gage for establishing further new governments "on the Mississippi, the Ohio, and at Detroit." It was pointed out that such settlements would secure the fur trade, promote population expansion in the area, increase the demand and consumption of British manufactures and promote agriculture. The new colonies would act as a line of defense against the Indians and, thereby, reduce the cost to Britain. Shelburne suggested to the Board of Trade that if it should be found expedient to establish such colonies, it should be done in such a manner as to avoid any great expense to Britain. The organization of new colonies presupposed the drawing of a boundary line farther to the west. At the time of his communication to the Board of Trade, this aspect of

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21Ibid., p. 21.

his policy had not been clearly formulated. In November, he wrote a letter to Governor Fauquier of Virginia. Here he recommended that the boundary line already begun in the south be extended north behind Virginia. Such a line would not have been consonant with the establishment of new western colonies. If new colonies were to be established, it would be necessary that the boundary line be drawn further to the west.

Shelburne was extremely desirous of completing a line between what would be the limit of westward expansion and the Indian hunting grounds. On December 19, he transmitted a letter to Superintendent of Indian Affairs, Sir William Johnson, in which he expressed his hope of effecting such a boundary change without loss of time, and he appeared somewhat chagrined at the fact that the Board of Trade had delayed its report so long. He was, however, confident that his proposed course of action would be approved so that work could begin in the early spring of 1768.

At the same time, Shelburne informed General Gage of the delay and expressed it as his opinion that the running of the boundary

23 Letter, Shelburne to Fauquier, November 14, 1767, in Alexander Flick (ed.), The Papers of Sir William Johnson (Albany: The University of the State of New York, 1928), V, 793; for a discussion of events in America in connection with extending the boundary line, see Max Ferrand, "The Indian Boundary Line," American Historical Review, X (July, 1905), 782-791.

24 Letter, Shelburne to Johnson, December 19, 1767, in Flick, op. cit., VI, 22.
line was essential to the preservation of peace.  

The report of the Board of Trade was finally forthcoming on December 23, 1767. It was felt that the establishment of the line would in all probability have the effect of preventing the fatal consequences of an Indian war and advised that orders be sent to Sir William Johnson to call a congress to be held with the Indians for the purpose of making a final settlement. Shelburne's error in describing the boundary line in his previous letter to Governor Fauquier soon became evident to him when the limits proposed by the Board of Trade were discovered to be substantially west of what he had earlier envisaged.

The Board's report made no mention of new colonies, and from the tenor of the document, it is quite clear that the boundary would simply extend the western frontier of established colonies. Though this was to be of major importance later, Shelburne seems to have taken no notice of it at the time. Thus, in January, 1768, he wrote to Johnson that the boundary between the several provinces and the Indian lands should be completed without loss of time "conformable to a report of the Lords Commissioners for Trade and Plantations."
Before any further action was taken in regard to Shelburne's plan, there occurred another change of ministry which removed the management of colonial affairs from Shelburne's hands. In the process of changing the ministry, it was also determined to divide the Secretaryship of State for the Southern Department, placing colonial affairs under a separate secretary.\(^2\) The division was executed for two reasons: first, because of the excessive duties incumbent on one man; and second, in order to create a new position in the ministry for a friend of the Bedfords. The latter was necessary because the Duke of Grafton, who headed the new ministerial combination, had been forced to unite with the Bedford faction in order to attain political ascendancy. The new post was thus part payment for the Bedford faction's aid.\(^2\)

The Duke of Grafton, however, once in power, urged Shelburne to take charge of the newly created department in order to keep the Bedford faction out. Shelburne preferred to retain control of European affairs and the office fell to Lord Hillsborough.\(^3\) From this time on, the British policy

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toward the west must be considered as Hillsborough's.

As pointed out earlier, Hillsborough had twice held the Presidency of the Board of Trade, but in neither instance did he formulate an independent western policy. For the most part, he had been content to continue along the lines already laid down by Shelburne. As to the policy he would now follow, it was generally felt it would be somewhat conciliatory to the colonies. At least, this appears to be what the Duke of Grafton expected when he made the appointment.

It was clearly Grafton's intention to keep the Bedfords from office, as they were known to be extremely hostile to the American colonies.

This change of ministry brought the necessity of resubmitting the question of western policy to the Board of Trade, which produced a comprehensive report on March 7, 1768. The report was undoubtedly predicated upon the views of Hillsborough. Nevertheless, a great deal of Shelburne's plan was contained within the report. The representation of the Board of Trade provided that Indian trade was to be regulated by the colonies, while leaving other matters of Indian relations to the Superintendents of Indian Affairs.

George III, January 20, 1768, in Fortescue, op. cit., II, 4-5.

Bigelow, loc. cit.

It was to remain the duties of the Superintendents to make land purchases from the Indians and lay down boundaries between Indian lands and white settlements. Last to be considered in the report was colonization in the west. The Board of Trade wrote:

The proposition of forming inland colonies in America is, we humbly conceive, entirely new; it adopts principles in respect to American settlements different from what has hitherto been the policy of this kingdom, and leads to a system which, if pursued through all its consequences, is in the present state of this country of the greatest importance.33

On March 12, Hillsborough informed Sir William Johnson that the boundary was to be laid out in accordance with the Board of Trade Report,34 A month later, he confirmed his earlier letter and stated that "That line described in the Report of the Board of Trade shall be ratified and confirmed in every part and the colonies required to enact the most effectual laws for preventing all Settlement beyond such line."35 Thus, the idea of colonies in the west had been abandoned.36

The evidence, however, does not support a conclusion that Hillsborough had become an anti-expansionist. Instead, his concept of the method of western settlement had come to

34 Letter, Hillsborough to Johnson, March 12, 1768, in O'Callaghan and Broadhead, op. cit., VIII, 35-36.
35 Letter, Hillsborough to Johnson, April 15, 1768, in O'Callaghan and Broadhead, VIII, 57-58.
36 Letter, Benjamin Franklin to William Franklin, in Bigelow, op. cit., IV, 128-134.
be structured on entirely different reasoning from that of both him and Shelburne at an earlier date. No longer did Hillsborough conceive of western land as part of the imperial domain, subject to complete control and sale by the home government. It is quite possible that he had come under the influence of General Gage, who now felt that more of the expense and burden should be thrown onto the shoulders of the colonies. He was now convinced that western land belonged to the colonies by virtue of the colonies' sea-to-sea charters. In writing to Sir William Johnson in October, 1768, he stated:

... it becomes highly expedient that the colonies interested in the measure, and whose limits of settlement are extended by it, should be early apprized of what will be required, in order that they may make timely provision in proportion to the benefit they are respectively to receive from it; for it cannot, upon any grounds of reason or justice be expected that this kingdom should take upon itself the whole, or indeed any part, of the expense of a measure calculated for the local interests of particular colonies.

The policy of establishing new colonies would have been entirely inconsistent with a belief that western lands were colonial. Only if the territory were part of the imperial domain would the home government possess a right to grant large tracts for colonization. Equally consistent with such a belief in colonial possession was the plan for


turning the regulation of trade in the area over to the colonial governments. Thus, by 1768, a policy had been formulated for the west which was to be put into effect.

CHAPTER II

The cardinal questions demanding answers since 1763, ownership of land and method of settlement, were at last confronted. The validity of the answers was soon to be tested.

While the British government was striving to formulate a policy in regard to the west in the years preceding 1763, the land west of the Alleghanies was becoming a focal point of colonial interest. It was not until the middle of the eighteenth century that the colonists began to apprehend the potential wealth to be had through the exploitation of the western domain. However, once the unsuspected value was recognized, one scheme for utilizing the region for profit began to closely follow another. Only temporarily did the Proclamation of 1763 dampen the ardor of that class of men who have always been prompt to risk the entirety of their worldly possessions on projects promising great financial returns.

Taking the lead in promoting speculative schemes were the men of Virginia and Pennsylvania. In a letter of 1763 which discusses the desirability of investment in America, one finds the statement "It is almost a proverb in this Neighborhood (Philadelphia) 'that Every great fortune made here within these fifty years has been by land.'" At

1Clarence W. Alvord, "Virginia and the West," Mississippi Valley Historical Review, III (June, 1916), 19-38.
CHAPTER II

THE AMERICAN EPISODE, 1763-1768

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one time or another, practically every one of the prominent
men of the colonies as well as numerous British ministers
entered upon some get-rich-quick scheme. It has been said
that the chief power of the English ministers lay in
Philadelphia, where a great number were intent upon
establishing feudal domains, in the tradition of earlier
times, to serve the interests of the proprietors. It is
quite probable that it was the vacillations within the
British ministry over the question of western lands which
in turn amplified even more the general atmosphere of
excitement.

Caught up in the whirlwind of speculative intoxication,
those soldiers of Virginia who had been promised grants of
land by Governor Dinwiddie in return for military service in
1754 soon united to promote their claims which had lain
dormant during the French and Indian War. Colonel George
Washington, having his own interests at stake, assumed the
leadership of this group known as the Ohio Company. The
company then renewed its claims, based on Governor Dinwiddie’s
proclamation in 1754, and sent George Mercer as its
representative to England.

Another venture of an entirely different nature, but
equally important, was that associated with the advance of

2Marc Anthony Lewis, “Jefferson and Virginia’s
Pioneers, 1774-1781,” Mississippi Valley Historical Review,
XXXIV (March, 1948), 557-558.

3Alvord, Mississippi Valley in British Politics, II,
94-95.
the fur trade into the western region. In 1754 and 1763, extensive losses to the Indians had been incurred by the merchants trading in the trans-Allegheny area. It was hoped that some form of restitution might be procured from the Crown. The guiding light of the enterprise in 1763 was George Croghan, Deputy Indian Agent and leading authority on the west. Meeting with Sir William Johnson, he obtained letters of introduction to Lord Halifax, who was in charge of American affairs, and Secretary of the Board of Trade, Thomas Pownall. 4 The patronage of these men was sought in his endeavor to attain compensation for his own personal losses to the Indians claimed to be £4,500. 5

After securing the letters from Johnson, Croghan returned to Philadelphia in December, where he began to frequent a series of meetings with other merchants who had sustained losses to the Indians. Present at these conferences besides Croghan were William Franklin, Robert Callender, Samuel Wharton, and William Trent among others. 6 Shortly, it was decided to organize the "suffering traders" into a company, and articles of agreement were drawn up. 7


6 Wainwright, loc. cit.; Bailey, loc. cit.

7 Alvord, Mississippi Valley in British Politics, II, 94-95.
was also devised by Samuel Wharton and William Trent; it was
to be presented to the Crown soliciting relief for losses
totaling £86,000. Chosen as spokesmen for the group were
George Croghan and Moses Franks. Their commission was to
present the memorial to the Board of Trade in England and
to try to convince the most influential men of the realm to
countenance their bid for restitution. For their efforts,
each was to receive £200 plus ten percent of all sums
recovered. Upon arriving in London, Croghan was confident that
the losses would be redeemed, and he hurried about the city
contacting those persons he felt would be most helpful in
his endeavors. But despite his energetic efforts, little
progress was made. Finally, after several months of
unavailing effort, Croghan left for America in September.

Returning to America, Croghan went to Philadelphia
where he paid a visit to Samuel Wharton, one of the original
members of the company of "suffering traders" and a member
of the trading firm of Baynton, Wharton and Morgan. At
this time, Croghan informed Wharton that it appeared the
only manner of attaining restitution was from the Indians
themselves. As land was the only thing of value held by


9. Albert T. Volwiler, George Croghan and the Westward

the Indians, they would have to attempt to acquire a land grant directly from the natives.\(^{11}\)

The members of the company thus began to turn their thoughts to the upper Ohio Valley, where Sir William Johnson was in the process of negotiating with the Indians for an extension of the boundary line. If a grant of land was to be obtained directly from the Indians, it would have to be as part of the larger cession to the Crown made with the extension of the boundary. That the attainment of such a grant be attempted was suggested to Sir William Johnson early in 1765.\(^{12}\)

In May, Johnson conferred with a number of Indian representatives at his home, Johnson Hall, in western New York. The suggestion previously made to him was taken up, and he informed the Indians that:

Certain individuals have applied to me desiring that I would lay before you their distresses, that you might give them a tract of land to compensate in some measure for their great losses. I need not tell you how incumbent it is upon you to agree to their desire as you must all be sensible that they were ruined by some of your people in a time of peace.

A tentative boundary was worked out which was agreed to by the Indians.\(^{13}\)

\(^{11}\)Ibid., p. 211; Bailey, loc. cit.

\(^{12}\)Bailey, op. cit., p. 263.

\(^{13}\)Samuel Wharton and Edward Bancroft, View of the Title to Indiana, a Tract of Country on the River Ohio (Philadelphia, 1776), p. 4; Samuel Wharton, Facts and Observations Respecting the Country Granted to His Majesty
With the possibility of achieving their aim now much more certain, the "suffering traders" reorganized the earlier company into what was to be known as the Indiana Company. The company now came to be composed of seven men who held shares in the venture: John Baynton, Samuel Wharton, George Morgan, Robert Callender, William Trent, George Croghan, and William Franklin. The fact that Croghan as well as William Franklin were shareholders was kept secret, as neither one had been a trader in 1763, and their shares were assigned to other members of the company.\(^{14}\)

If Croghan had any legal basis for a claim, it was probably as recompense for destruction to part of his home in western Pennsylvania, Croghan Hall, not as a loss in a trading enterprise. The claim of William Franklin is even harder to ascertain. It is probable that he was simply asked to join the company as he could open up lines of communication which would otherwise have been closed to the company. It was also decided at this time that claims for a cession of land would be based entirely on the losses which had occurred in 1763, completely disregarding all

by the Six United Nations of Indians (London, 1776), p. 59;

\(^{14}\) Wainwright, op. cit., p. 254; Volwiler, op. cit., pp. 266-267.
claims to losses in the Indian War of 1754.15

In March, 1766, Captain William Trent, as attorney
and agent for the Indiana Company, began to make proposals
for buying up the land claims of the traders who were not
included in the company. Wharton urged him to work
energetically toward this end as speed was essential.16
The traders were offered thirty and sometimes fifty percent
of the value of their claims on condition that the grants
of land were obtained and received the confirmation of the
King. These entire proceedings were carried out in a
clandestine manner, and no publication was made to the
traders that the possibility of a grant was imminent. A
number of traders who had received word of an impending
grant sent their claims to Trent in an attempt to have them
incorporated into the negotiations, but these were returned
when the owners refused to sell their claims for one-third
of the original value.17

Between the spring of 1766 and the fall of 1768, no
definite action was taken in regard to completing the
boundary line in conformity with the tentative agreements
reached with the Indians at Johnson Hall in May, 1765.

15 Letter, Moneton to Hoops, February 22, 1769, in
Aspinwall Papers, Vol. X of Massachusetts Historical Society
Collections (Boston: by the Society, 1871), 506.
16 "Memorandum for Mr. Trent," in Kenneth P. Bailey
(ed.), Ohio Company Papers, 1755-1817 (Los Angeles:
17 Letter, Moneton to Hoops, February 22, 1769, loc.
cit.
because of events which were occurring in London. However, during this entire period a very close liaison was carried on between the members of the Indiana Company and Sir William Johnson. It was recognized that if their ambitions were to materialize it was necessary to have the complete cooperation of Sir William.

In the spring of 1768, Johnson received commands and instructions to complete the purchase of the lands from the Allegheny Mountains to the Ohio River in conformity with the plan laid down by the Board of Trade in December, 1767. A preliminary conference was scheduled with the Indians for March, 1768. At that time, the subject was broached in regard to granting a tract of land as remuneration for losses by the traders of 1763.

Following the conference Johnson met with Croghan, Wharton, and Trent at Fisher's Island at the mouth of New London Harbor. Sir William assured the Pennsylvanians of his complete cooperation in seeing to it that the Indians made the grant they sought.

Johnson spent the summer and the early fall preparing for the major Indian conference which was to be held at  

18 Wainwright, op. cit., p. 255.
19 Letter, Gage to Johnson, April 18, 1768, in Flick, op. cit., VI, 200; Wharton, Facts and Observations, p. 68.
21 Wainwright, loc. cit.
Fort Stanwix in the colony of New York. The congress which was originally scheduled for July was twice delayed by the late arrival of instructions from England and the tardiness of the Indians. Events were moving so slowly that Johnson found it necessary to dispatch messengers to prompt the Indians. Close to a thousand natives who had to be provisioned from the stores available at the fort had already arrived. It was feared that by the time the congress convened supplies would have run so low as to cause dissatisfaction among the Indians. The conference was finally commenced on October 26, attended by approximately 3,000 Indian representatives, the largest congress assembled up to that time. In addition, shortly after the conference opened, a number of those present were there not in an official capacity, but simply to protect their interests as members of the Indian Company. This is especially so of Wharton and Trent, neither one of whom was
the type to leave such matters to others if it could be helped. On his way to Fort Stanwix, Wharton, along with Trent, had spent several weeks visiting the various Indian villages, doubtless to persuade the Indians to make the desired grant.25 Wharton was soon to become spokesman for the group, and it is quite evident that he was staking his future on the outcome of the conference. His financial situation was such that he was almost certainly looking for some windfall. In the latter part of 1767, the firm of Baynton, Wharton, and Morgan had been forced to place the conduct of its affairs under the direction of trustees until such time as its creditors had been satisfied.26 In addition, shortly after their affairs had been turned over to the trustees, Wharton received word that an investment of £3,000 sterling had been lost when one of their trading parties was attacked by the Indians. The loss was considered extremely severe "Especially when added to the vast sum, we lost the last Indian War, and no Retribution received for them."27 In May, 1768, a letter was addressed to Sir William Johnson asking his aid in soliciting a warrant "as We were in Extreme Want of [Money].--Just Now."28

26Letter, Galloway to W. Franklin, September 6, 1768, in Alvord and Carter, op. cit., p. 9.
Acting in the dual capacity of Indian Agent and representative for New York, Johnson opened the negotiations by explaining to the Indians that the time had come to run the boundary which had been agreed upon in 1765. At first there was opposition to granting all that Johnson asked, but he was finally able to convince them to cede a section of territory in the north behind New York. The running of the boundary line to the south presented another kind of problem. Johnson had been instructed to extend the line south until it intersected that line which had already been drawn by John Stuart, the Indian Agent in the south. Stuart's line ran in almost a straight path northwest, starting at about where the Great Kanawha touched the southern border of Virginia to where that same river flowed into the Ohio. However, the Six Nations claimed an extent of territory lying between the Ohio and the Tennessee Rivers, an area behind the line drawn by Stuart. The Six Nations claimed the land by right of conquest over the Cherokees, yet the Cherokees still asserted their right to the land. The Indians at Fort Stanwix "demanded" that Johnson accept this land as part of the grant, but in receiving the cession, Johnson was establishing an overlapping instead of a continuous boundary in the area as he had been instructed. This was to be a source of friction at a later date.

29 Wharton, Facts and Observations, pp. 9-10. See map, Appendix A.

30 Ferrand, loc. cit., p. 788. See map, Appendix A.
The members of the Indiana Company were temporarily to have reason to rejoice. As part of the Treaty, the Indians "demanded" that they be allowed to give a grant of land to the traders who had suffered at the hands of the Shawnees and Delawares in 1763. William Trent, as attorney for the company, was empowered to receive the cession for the members. In legal form, the cession was to the King, George III, "but to and for the only use, benefit and behoof of the said William Trent, in his own right and as attorney aforesaid, his heirs and assigns forever." The tract was to be a very large one situated in what is today West Virginia. The Indians further "demanded" that George Croghan receive an additional grant within the total area to be ceded to the King in compensation for the land he had previously bought from them and which was found to lie in the province of Pennsylvania. It is interesting to note that both of these grants were dated two days prior to the formal signing of the Treaty on November 5.

The deed of land to the Crown, containing the aforementioned private grants, included all lands in New York east of a line beginning at Canada Creek east of Lake Oneida and ran south to the New York-Pennsylvania border. It gave to the proprietors of Pennsylvania all of the lands to the east and south of a line striking the east branch.

31 Wharton and Bancroft, op. cit., pp. 16-21. See map, Appendix A.
32 Ibid., pp. 30-32.
of the Susquehanna River, running in an irregular fashion down the west branch to Kittanning where it intercepted the Ohio River. It then followed along the Ohio until it intercepted the Cherokee or Tennessee River, some distance below the Great Kanawha. The deed for this immense expanse of land was made in consideration of £10,460.33

Just what made the Indians agree to a treaty so advantageous to the English is difficult to determine. It may in part have been due to the ostentatious manner in which the formal proceedings of the congress were conducted. This included an extravagant display, throughout the conference, of the presents which were to be given to them with the signing of the treaty. It had taken twenty boats to transport the presents from Albany to Fort Stanwix. It was more likely that the Indians were convinced by special inducements offered to them in private conferences held prior to the formal negotiations.34 Possibly, the Virginia agents influenced Sir William Johnson to permit the Iroquois to cede all claims to lands south of the Ohio as far west as the Tennessee River. By doing this, the most important Indian claim to the area of Kentucky was extinguished, and it partially opened up lands west of the Virginia Indian boundary which had previously been drawn by Stuart. It was asserted a few years later by Colonel Preston, who was

33 Ibid., pp. 38-41.
34 Letter, Johnson to Hillsborough, November 18, 1768, in Flick, op. cit., VI, 918.
in a position to know, that Walker and Lewis, the Virginia agents, had secretly purchased the territory from the Indians before the convening of the congress.\(^{35}\) If this were the case, the Treaty was merely a cover to protect the agents, as the British government had forbidden any private purchases from the Indians.

If it is difficult to determine the Indians' motives for making the cession, it is even more difficult to determine Johnson's reasons for accepting the grant. His motives may have been as he explained them to both General Gage and Lord Hillsborough after the conference. On November 18, he wrote:

> Notwithstanding that the Report of the board of Trade spoke of the Great Kanawa [sic] River as their southern bounds I found from what passed at several private Meetings, that I could not deny them the liberty of asserting their pretensions to the Southward without highly disobliging them, and preventing the Settlement of the rest.\(^{36}\)

It is also possible that he felt by opening a greater extent of land for settlement by Virginia than was originally contemplated, that the Virginia agents would more readily acquiesce in the private cessions to his friends of the Indiana Company. The cession to the company, as well as the personal grant to Croghan, lay within the traditional claims of Virginia. While the Virginia agents were to sign the final treaty, they certainly did not look upon it with favor. Some years later it was stated:

\(^{35}\) Alvord, *Mississippi Valley in British Politics*, II, 70.

\(^{36}\) Letter, Johnson to Hillsborough, November 18, 1768, *loc. cit.*
The whole transaction wore the face of mystery and knavery; for although Dr. Walker was there as a public commissioner for Virginia, he was refused access to the conference, the greatest caution was used to conceal from him what they were about; and everything until the Business was finished, was conducted privately with the Indian chiefs, by Sir William Johnston [sic] and the traders. The substance of these facts was proved by the oath of Dr. Walker, on his examination in the House of Delegates, upon the hearing of the Indiana Company's title.

Regardless of the clandestine and under-handed methods which may have been used, the Indians had agreed to make the cession, and the grants to both Croghan and Trent were incorporated into the final treaty. The task now remaining was to gain confirmation from the Crown for what they had attained from the Indians. Wharton and Trent were to be sent to London, and their expenses were to be paid by a small inner circle of five men. Croghan was to contribute three-tenths; William Franklin, two-tenths; Baynton, two-tenths; Morgan, two-tenths; and Callender, one-tenth. Before leaving, Wharton made it a point to attain letters of introduction to anyone who might be of assistance to him upon his arrival in London.


38 Wharton and Bancroft, op. cit., p. 37.


Wharton had contemplated departing from England during the first part of January, 1769. He was, however, delayed until sometime in February. The reason was most likely financial, for on January 26 he asked Sir William Johnson to help expedite the payment of a draft by one Colonel Cole on George Croghan. Wharton was in need of the promised remittance from Croghan before he could sail.\footnote{Letter, Wharton to Johnson, January 26, 1769, in Alvord and Carter, op. cit., p. 487.}

Upon Wharton's departure, it was generally understood that Lord Hillsborough, the Colonial Secretary, approved of the transactions of the Treaty and that all that was left for Wharton to do was to make the formal application to the Crown. For that reason, Wharton contemplated a short stay in London, expecting to return home quickly in order to settle his financial affairs.\footnote{Letter, W. Franklin to B. Franklin, February, 1769, in Ricord and Nelson, op. cit., pp. 112-113.} His stay in London was to exceed six years.

Arriving in England in April, 1769, Samuel Wharton was furious with William Treat for not embarking with him. He explained to Wharton, Sir William Johnson had been sharply criticized by Lord Hillsborough for accepting the treaty of Port Stanwix. On January 4, 1769, Hillsborough urged Johnson to persuade the Indians to accept back the session. The Secretary remained indifferent to Johnson's explanations, and continually refused to condemn his actions. Hillsborough's recalcitrance may be attributed somewhat in part to what he discovered to be misinformation he had.
CHAPTER III

THE WALPOLE COMPANY AND THE COLONY OF VANDALIA

Arriving in England in April, 1769, Samuel Wharton was furious with William Trent for not embarking with him and thereby prolonging the former's delay in America. He was to discover soon that the difficulty of the task which lay before him was to prove much greater than at first contemplated. Unknown to Wharton, Sir William Johnson had been sharply criticized by Lord Hillsborough for accepting the cession of land south of the Great Kanawha and for allowing the traders' grants to be incorporated into the Treaty of Fort Stanwix. On January 4, 1769, Hillsborough urged Johnson to persuade the Indians to accept back the cession.2

The Secretary remained indifferent to Johnson's explanations, and continually refused to condone his actions. Hillsborough's recalcitrance may be attributed somewhat in part to what he discovered to be misinformation he had


2 Letter, Hillsborough to Johnson, January 4, 1769, in O'Callaghan and Breadhead, op. cit., VIII, 144-145.
received from Wharton upon his arrival regarding the
territory in question. With Hillsborough presiding, on
April 25, the Board of Trade censured Johnson and reported
that:

The claims and interests of private persons, not
stated to or approved by your Majesty, have been
allowed to mix themselves in this negotiation, and
be introduced, not as propositions submitted to
your Majesty, but as rights derived from the Indians,
your Majesty's acquiescence in which is demanded by
them, as a condition of the treaty.

Wharton thus encountered his first major obstacle.
However, the Board of Trade had neither confirmed nor
rejected the traders' grant, and Wharton considered this
to mean that Hillsborough had been overruled and that
Johnson would in consequence receive only a letter of
disapproval. Wharton was partially correct in his
assumption because on May 3, 1769, Johnson was informed
that a decision on the private grants would be forthcoming
when a formal application for title to the land was
submitted. However, that Hillsborough was ready to accept
all facets of the Treaty remains much in doubt. Hillsborough
was definitely in favor of extending the boundary, and it is
likely he was contemplating a legal means by which the

3 Thomas Perkins Abernethy, Western Lands and the
1937), p. 43.

4 "Report of the Board of Trade, April 25, 1769," in
O'Callaghan and Broadhead, op. cit., VIII, 158-163; quoted

6 Letter, Hillsborough to Johnson, May 3, 1770, in
O'Callaghan and Broadhead, op. cit., VIII, 166; Marshall,
loc. cit.
Treaty could still be accepted in toto, while maintaining the necessity that there be a separate application for title to the private grants at which time the grants could be rejected. While accepting this part of the Treaty, Hillsborough made no objection. While the opinions of Hillsborough and the Board of Trade were for the most part in accord, Hillsborough was to find that his colleagues in the Cabinet disapproved of his actions when the report of April 25 came before that body for consideration. On writing to George Croghan, Wharton informed him that he had heard from Benjamin Franklin that Hillsborough's objections were "... entirely disapproved by the rest of the Councillors as well as most of his clear American conduct, [and that] several wish to get rid of him." Lord Camden, a member of the Cabinet, gave it as his opinion that there was not a single member of the Cabinet Council who did not think Hillsborough "mad in his Objections." Hillsborough's associates voiced their disapprobation of the Secretary for rebuking Johnson prior to consulting the Cabinet. Faced by the opposition of his colleagues, Hillsborough began partially to reverse his previous stand. He notified Johnson on May 13 that the ministry had decided to accept the cession below the Great Kanawha if the Indians could not be induced to accept it back. However, the

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6"Extracts from London Letters," in Flick, op. cit., VII, 16-17. The extracts are apparently from letters of Wharton to Croghan which were transmitted by the latter to Sir William Johnson.
Secretary pointed out that the disputed territory was to remain free of settlement and that such settlement would not be countenanced by the government. It should be noted that while accepting this part of the Treaty, Hillsborough made no mention of the private grants. It appears that for the time being that subject was to be laid aside.

Johnson had been so adamantly criticized by Hillsborough that he was ready, as instructed, to try to convince the Indians to accept back the grant of land in the south. But, on receiving the encouraging letters from his American friends in England, Johnson began to adhere more firmly to his former position. In August, he made it clear that to coerce the Indians into receiving back the grant would bring about trouble. Johnson had now cast the responsibility for any future Indian disturbances on to the shoulders of the British government. He no doubt felt this would be a strong inducement to the ministry to ratify the Treaty as it stood.

By December 9, it was decided that as Johnson had not thought fit to mention to the Indians the King's desire not to accept the cession below the Great Kanawha, Johnson should proceed with the ratification, "with an exception however to the private grants to the traders, and to Mr.

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7Letter, Hillsborough to Johnson, May 13, 1769, in O'Callaghan and Broadhead, op. cit., VIII, 166.
8Letter, Johnson to Hillsborough, August 26, 1769, in O'Callaghan, op. cit., II, 950.
Croghan until such time as the interested parties applied to the King for confirmation."^9

By this time, Hillsborough was probably more convinced than ever that the private grants should be negated. His earlier opposition was most likely buttressed by information he had received from General Gage. He was informed that it was rumored the private grants were obtained by unwarrantable practices and private intrigues with the Indians, before as well as at the time of the Treaty.10

In the meantime, Samuel Wharton, prevented from pressing the traders' claims until William Trent should arrive, and spurred on by the Board of Trade report of April 25, proceeded to establish social and political connections which it was thought would be of value in promoting his objectives. As mentioned earlier, Wharton had acquired numerous letters of introduction to prominent individuals in England. Governor Franklin wrote on his behalf to William Strahan, the London printer. Sir William Johnson provided a note of introduction to Lord Shelburne, in which he characterized Wharton as a man "well acquainted with American affairs." George Croghan introduced him to Clotworthy Upton, a businessman and speculator in New York.

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9Letter, Hillsborough to Johnson, December 9, 1769, in O'Callaghan, op. cit., II, 960.

lands. Before all, his most invaluable guide and advisor was Benjamin Franklin. Franklin by this time was probably the most well-known American in England, and through him various other valuable acquaintances could be readily made. It was most likely through Franklin that Wharton was introduced to Thomas Walpole, a London Banker known and respected in both financial and political circles, and a cousin to the famed Horace Walpole. Wharton met Walpole on June 14, 1769. Possessing vast political influence, Walpole was to prove, along with Franklin, an invaluable aid to the neophyte in British politics, Samuel Wharton.

By the time William Trent arrived on May 25, Wharton had undergone a remarkable transformation and had become well entrenched in contemporary London society. Early in June, Wharton had been advised by Lord Camden, who was later to become a firm supporter of the company, that the grant to the traders did not have to be confirmed by the King to be valid. It was therefore decided not to press for the grant to the Indiana Company.

Instead, Wharton was soon to discard the original project

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12 Abernethy, op. cit., p. 414.


for which he had been sent, and a much grander scheme was devised. Exactly where or when the idea was conceived is impossible to determine. It may have originated with Walpole or Franklin, or possibly within the fertile mind of Wharton himself. Regardless, a new company was formed including British speculators and incorporating both the claims of the traders and George Croghan. The company presented a petition to the Treasury on July 24, wherein it was proposed to purchase a tract of land from the Crown. The petition, in the name of Thomas Walpole and others, offered to purchase a tract estimated to contain 2,500,000 acres, "out of a tract sold to his majesty by the Iroquois, Shawnees, Delawares and Mingoes on 4 November, 1768." The petitioners agreed to pay the exact amount expended by the Crown during the negotiations for the Treaty of Fort Stanwix. They were doubtless playing on the hopes that with the extreme demand for economy by the government and the criticism of the cost of the Treaty, the ministry would be more readily induced to agree. On August 4, the petition of July was referred to the Privy Council where it was to remain until November 20 without any decision being reached.


Concurrently, Wharton was continuing to expand his circle of acquaintances. In August, he boasted to Croghan that he was on the best of terms with Lord Hertford, Lord Shelburne, Lord Falmouth, Lord Camden, John and Thomas Pownall, Grey Cooper, Thomas Bradshaw, and Richard Stonehewer, in short, with the first ruling characters in administration and Parliament.18

His social ascendancy, however, did not come cheap. For him to meet his living expenses, he found it necessary to write George Croghan, asking for £200 to tide him over. Instead of receiving assistance, he was presented with bills drawn on him by Croghan amounting to £5,000. In patenting his lands on the Ohio, Croghan had run short of money and had drawn the bills on Wharton hoping Wharton would then sell part of his Ohio lands to cover the bills. It so happened, however, that the political situation in England was such in regard to western lands that Wharton was left without a market in which the lands could be put up for sale.19

On November 20, the petition was referred from the Privy Council to the Board of Trade. Those named in the petition were Wharton, Thomas and Richard Walpole, Benjamin Franklin, Thomas Pitt, Thomas Pownall, and Anthony Todd.20

On December 20, the petition was brought up for consideration by the Board of Trade, presided over by Lord

19 Wainwright, op. cit., p. 268.
20 Gipson, loc. cit.; Marshall, loc. cit.
Hillsborough. Walpole and his companions were present, but refused to discuss the area or plan of settlement until it was determined if the principle of "purchase" was acceptable. Hillsborough recommended to the petitioners that they endeavor to contract for sufficient land to form a colony and set up a separate government, and in case of the Treasury's agreement, he would aid them in attaining a good charter for the government. The petitioners readily acceded to Hillsborough's suggestion, and the latter offered to go immediately to the Treasury and present the case. This he did, asking the petitioners to wait his return. After a short interval, Hillsborough returned and notified the members of the company that he had applied on their behalf to the Duke of Grafton, Lord North, and others at the Treasury and that they had signified a desire to receive a formal proposal from the petitioners. This was the first definite suggestion for establishing a new colonial government in connection with the scheme. The suggestion had come in a very practical way from a man very prominent in the British government. That the members of the company had hoped to bring about in some way the establishment of a new government in connection with the scheme appears quite likely in light of

21 Gipson, loc. cit.
the previous interest surrounding such an undertaking. However, the first petition had been for a relatively small tract of land, with no thought of any new colonial government.

In eagerly accepting Hillsborough's offer, Wharton and his associates failed to realize the true motives of the Secretary. Hillsborough had changed his tactics, not his attitude. The explanation of William Knox that Hillsborough hoped the grant would become so impossibly large that the petitioners, for financial reasons, would be forced to abandon their project seems valid. 23 Hillsborough was simply taking one more step in an attempt to abrogate the private grants in the Treaty of Fort Stanwix which had been incorporated into the petition of July, 1769. That Wharton and his colleagues accepted Hillsborough's proposal at face value can only be attributed to a belief that the Secretary would be willing to accept a purchase of land which would be financially advantageous to the Crown in contrast to the outright grant which was the original proposal of the Indiana Company. All failed to realize Hillsborough's true motives in light of his western policy and its various implications. This was to make itself manifest only at a much later date.

Thus encouraged, sixteen members of the company met on December 27, 1769, at the Crown and Anchor Tavern. At

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that time, Wharton proposed that in consequence of the attitude displayed by Lord Hillsborough, the company should purchase, not 2,400,000 acres, but 20,000,000 acres. The new plan called for a reorganization of the company, and this was agreed upon. The new company, known officially as the Grand Ohio Company, but more commonly called the Walpole Company, offered to pay the exact amount of the cost of the Treaty of Fort Stanwix and a quit-rent of two shillings for every hundred acres of cultivable land after an expiration of twenty years. The boundaries of the land to be purchased were described as follows:

Beginning on the south side of the river Ohio, opposite to the mouth of the scioto, thence southerly through the pass in the Quasioto Mountains, to the south side of the said mountains northeasterly to the fork of the great Kanawa [sic] made by the junction of the Green Briar and new River, thence along the said Green Briar river on the easterly side of the same into the head or termination of the north easterly branch thereof, thence easterly to the Alleghany Mountains to Lord Fairfax's line, thence along the same to the spring head of the north branch of the river Potosomack, thence along the western boundary of the province of Maryland to the southern boundary line of the province of Pennsylvania, thence along the said boundary line of the province of Pennsylvania to the end thereof, thence along the western boundary line of the said province of Pennsylvania until the same shall strike the river Ohio, thence down the said river Ohio to the place of beginning. 24

Within the bounds thus described, there was to be set up a proprietary colony eventually to be called Vandalia.

There existed a great deal of vacillation in regard to what

24 "Address to Congress," loc. cit., pp. 348-349; Wharton, Facts and Observations, pp. 156-160; Alvord, Mississippi Valley in British Politics, II, 104. See map, Appendix B.
the colony was to be named. At first, it was to be called Pittsylvania after the popular idol, William Pitt. Some perceived, however, that by naming it Charlotte after the Queen a more potent political force would be invoked. That name was criticized because of lack of originality. A means of paying a more subtle compliment to the Queen was soon discovered. In 1766, there had appeared a book by one Thomas Nugent, entitled History of Vandalia, in which Queen Charlotte's heritage was linked to the Vandals. The name Vandalia thus became the accepted name for the proposed new colony. 25

Since the area of the new colony encompassed the grants to both the traders and George Croghan, it was proposed that as soon as the company obtained title to the whole tract from the Crown, it would release the respective grants to the traders and Croghan.

The company, as it was reorganized, was to issue seventy-two shares of stock. Over the next few months, these shares were to be judiciously distributed in such a manner that there was to be brought about a political alignment of the company. The three most important factions in British politics at the time were the followers of the King, the Pittites, and the Grenvillites. In addition, the Pittites were divided into an administration and an opposition group under the respective leadership of the

25 Alvord, Mississippi Valley in British Politics, II, 120.
Duke of Grafton and the Earl of Chatham. It was with the two factions which were supporters of the King that the company began to align itself. Among the administration Pittites who were to come to hold shares in the company were Lord Camden; Richard Jackson, Counselor of the Board of Trade; Laughlin Maclean; and Richard Stonehewer, Under-Secretary of the Treasury. The most prominent Pittite in the company was Thomas Walpole. Also holding a share was Thomas Bradshaw, a political healer of the Duke of Grafton and at the time of the formation of the company, Under-Secretary of the Treasury and suspected of being the true power in the administration.26

From the court faction and holding a share in the company was Lord Hertford, who as Lord Chamberlain was in a position which gave him direct and frequent access to the King. There was also John Robinson, Under-Secretary of the Treasury and in charge of the government corruption fund which was used to obtain votes from the opposition. Robinson was ably assisted by another shareholder, Grey Cooper, Joint-Secretary of the Treasury. Both Robinson and Cooper functioned uniquely as Treasury Secretaries. Lord North as Prime Minister was pliable and weak, and often quite willing to let others attend to the necessary business. Consequently, Robinson and Cooper frequently functioned as de facto Prime Ministers.27

Two important Grenvillites were to enter the company: Thomas Pitt and Thomas Pownall. Though at the time the company was formed the Grenvillites had been in the ranks of the opposition, they shortly after abandoned the opposition and joined the administration forces. 28

Once the company had been officially organized, the financial terms could be presented to the Treasury, and this was done in a memorial to the Treasury on January 4, 1770. The memorial was in the names of Thomas Walpole, Thomas Wharton, Benjamin Franklin, and John Sargent. Sargent was a London merchant with American interests. He was an old friend of Benjamin Franklin and had been prominent in agitation for the repeal of the Stamp Act. 29

The Treasury took the memorial under consideration and agreed to accept the offered price if the other departments of government, who were the proper judges of the policy of the grant, should approve it. However, with respect to the quit-rents proposed to be reserved, and the periods at which they should commence, further decision was postponed until Lord Hillsborough should furnish them with information as to what quit-rents had been reserved on grants lying nearest to the land in question. Hillsborough was also requested to provide information as to the normal

periods elapsing before quit-rents were usually begun. On January 19, Hillsborough gave to the Treasury an account of the quit-rents, and on April 7, the Lords of the Treasury signified their acceptance of the offer. However, they insisted on an insertion in the proposal of a statement that the civil establishment of the colony was to be supported by the company.

The land for which Wharton and his associates were petitioning was considered part of the colony of Virginia by most people of that colony and by some persons in the British government. The colonists of Virginia were already in the process of trying to exploit the area, and the swift success of the Walpole Company brought the aims of the two groups into sharp conflict. Both had legitimate hopes that the lands in question would be delivered over to them. Both had their patrons among the politicians of Great Britain, although those supporting the Virginians worked much more indirectly, and, for the most part, it is difficult to discover who they were. Regardless of identity, their influence was great, and Wharton and other members of the company met with numerous difficulties which can be attributed only to their opposition. The establishment of such a colony would have severed Virginia's direct contact


31Wharton, Facts and Observations, p. 142.
with the west, and the plans of the planters of Virginia to exploit the vast region would have been wrecked.

CHAPTER IV

LAND HILLBROOK AND THE OHIO GRANT

The Walpole Company's memorial for a grant of land which was presented to the Treasury on January 4, 1770, struck squarely at the vital interests of certain individuals in the colony of Virginia. Edward Montagu, Virginia's agent in England, was readily informed by a member of the Treasury of the proposal of the Walpole Company, and immediately entered a caveat at the Board of Trade against the company's petition. Montagu called attention to the fact that no less than 1,350,000 acres of the land petitioned for had already been granted to the Ohio Company. It was further pointed out that interested parties in Virginia were ignorant of the application of the Walpole Company, and Montagu desired that before any additional proceedings take place notice be given to Virginia so that objections could be offered. ¹

After entering the caveat, Montagu hastened to bring the proceedings to the attention of the Virginia Assembly. On January 8, he wrote: "A Body of very respectable and

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Gentlemen have made a proposal and offered a satisfactory sum for the Grant of Lands in your Colony which form the Frontier." The attempt, so he asserted, was conducted with so much secrecy that no one knew of it until the Treasury agreed to the consideration. Montagu concluded by stating that it was the intention of the Walpole Company to establish a separate government in the area, and if it should be thought to operate to the injury of Virginia, objections should be made.²

In order to counter Montagu's caveat, Thomas Walpole informed Osgood Hanbury, one of the London members of the Ohio Company, that he was authorized to state there was no intention of the Walpole Company to interfere with persons having legal claims from the British government.³

On January 19, 1770, the members of the Walpole Company were informed that both Arthur Lee and George Mercer had entered petitions with the Lords Commissioners for Trade and Plantations, and that the petitions had been transmitted to the Treasury for the purpose of staying the grant.⁴

Arthur Lee had presented a petition in December, 1768, signed by George Washington, to the King asking for a grant

²Letter, Montagu to Virginia Committee of Correspondence, February 6, 1770, in Kennedy, op. cit., p. xviii; Marshall, loc. cit.; Abernethy, op. cit., p. 47.


in behalf of himself and forty-nine others, forming the Mississippi Company. The petition was for 2,500,000 acres located between the 38th and 42nd degrees of north latitude, the Allegheny Mountains to the east and the new Indian boundary to the west. The petition had been referred to committee on December 16, 1768, and to the Board of Trade on March 9, 1769, where it remained. Lee had been acting lethargically, and in November, 1769, he wrote his brother that the Mississippi affair rested entirely, and had to do so, until the present ministry was removed. However, two months later he was requesting the Board of Trade not to make the Walpole grant until his company could be informed of the terms on which it would be completed. In 1754, Virginia After the close of hostilities on the frontier, the Ohio Company had sent George Mercer to London to renew the company's old charter. On December 18, 1769, Colonel Mercer had addressed a petition to the Board of Trade requesting no grant be made within the limits prescribed in the original Ohio Company grant. He then hastened to publish the Case of the Ohio Company, tracing the history of the company down to December 18, 1769.

5Wharton, Plain Facts, pp. 70-71.
6Marshall, loc. cit., p. 723.
The petitions of Mercer and Lee did not represent the only rival claims with which the Walpole Company would have to deal. There still remained the claims of the "suffering traders" of 1754, which had been neglected in the organization of the Indiana Company. Also, in February, 1770, the proprietors of Pennsylvania inquired of the location of the proposed grant and were informed that if their interests appeared threatened, they would be immediately notified as soon as the petitioners stated the definite boundaries.\(^9\)

The one other conflicting claim of importance was that of the Loyal Company, composed of Virginia soldiers having served in the French and Indian War. In 1754, Virginia made a grant of 200,000 acres on the Kanawha River, and George Washington had become the agent for the claimants. Washington is found writing to his brother in late January, 1770, that it would shortly be known if the officers and soldiers would be coming by their land.\(^10\) On April 15, 1770, he wrote Governor Botetourt that the bounds of the proposed colony of Vandalia would comprehend at least four-fifths of the land for which the Virginia government had lately voted £2,500 for the purpose of purchase and survey. If the grant were obtained, it would be a fatal blow to Virginia and would

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destroy the hopes of the soldiers. He referred to the order in council of February 18, 1754, and to Governor Dinwiddie’s proclamation and asserted that the soldiers had enlisted in accordance with these, and that the establishment of the colony of Vandalia would deprive them of their just rewards. 11

On April 4, 1770, the members of the Walpole Company represented to the Treasury that as they had agreed to the sum offered to be paid, and as nothing was wanting to complete the transaction except for the fixing of the time of commencement of the quit-rents, it was hoped that a conclusion would not be delayed because of the requests of the petitioners. 12

Several members of the Walpole Company were present before the Lords of the Treasury on April 7, 1770. At that time, to protect themselves from any charges of injustice, the Treasury informed the company that the matter contained in the petition of Colonel Mercer related singly to the question of how far the grant to the memorialists could be made consistently with justice. The question before them, they alleged, was only of a financial nature, and their


actions could extend no further than a consideration of the financial aspects.\textsuperscript{13}

The rival claims were providing Hillsborough with an excellent delaying device which could be used until the Walpole Company demonstrated prior grants were not affected.

Further difficulties arose when the Duke of Grafton and Lord Camden, both staunch supporters of the company, left office. The only outstanding difficulty was the negotiating of the quit-rents with the Treasury. However, the claims of Lee and Mercer had to be quieted before this could be accomplished.\textsuperscript{14}

The petition of Arthur Lee was of lesser significance, and its importance began to fade when that agent did nothing more to promote his claim. The remaining petition, that of George Mercer, was the one which would have to be dealt with. The task was not to be as difficult as at first imagined.

Mercer had already recognized that there was little chance of the Ohio Company scheme succeeding against the claims of the Walpole Company. He had written various letters home asking instructions, but had received no reply. Becoming convinced that a merger was the only alternative, he communicated to his colleagues that the Walpole Company was so "united with such of the nobility and Ministry ..."


\textsuperscript{14} Marshall, \textit{loc. cit.}, p. 723.
as left little hopes of the Ohio Company's succeeding . . . " Therefore, when he was approached regarding a merger of the two companies, he readily accepted. The agreement was drawn up on May 7. By it, the Ohio Company was admitted as a purchaser and was to receive two shares of the Walpole Company stock. One of the shares went to Mercer personally. In consideration of the merger, Mercer was to withdraw his application for a separate grant within the proposed boundary of Vandalia. As further inducement, the Ohio Company agent was given to believe he would become governor of the new colony.

On May 8, 1770, a petition was presented to his Majesty in Council asking that a grant of lands be made, "reserving therein to all persons their just and legal rights to any parts or parcels of said lands which might be comprehended within the tract prayed for by your memorialists." At the same time, George Mercer apprised

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15 Letter, George Mercer to Several Members of the Ohio Company, January 9, 1772, in Mulkearn, op. cit., pp. 312-315.


17 Abernethy, loc. cit.

the Council of his agreement to join with the Walpole Company and requested the withdrawal of his caveat so as not to interfere in the purchase of the lands by the company. By preserving the rights of all prior legal and equitable grants, it appeared that all conflicting interests had been satisfied. However, despite the fact that Mercer had taken steps to withdraw the petition of the Ohio Company for a regrant of lands as well as the caveat against the Walpole Company, the company still was not to attain its objectives unimpeded. Among other things, the petition of Montagu which had gone before the Board of Trade on January 31 had been referred to the Treasury and was still pending.

In April, Thomas Pownall had confidently written to Sir William Johnson notifying the latter that he along with George Croghan had been made original partakers of the company. He made it known that a bargain had been concluded with the Treasury. It was expected there would be opposition and some objections arising from the opposition. Yet, he felt their point would be carried. Little did he realize the force the opposition was to have behind it.

The petition of May 8 was taken up by the Lords Committee of Council for Plantation Affairs on May 24 and

20 Gipson, op. cit., p. 466.
referred to the Board of Trade on May 25. On June 7, the memorial was reviewed and formally considered by the Board of Trade, and on June 15, it was decided the question was of too great importance for them to consider without having the advice and assistance of the great officers who were members of the Board of Trade and who were not then present. It was not until July 2 that the question again came up for consideration. Wharton and Walpole were both called before the Board and informed of the proposed means of proceeding.

The Virginia protests now presented Hillsborough with an excuse for further delay. In December, 1769, the Governor of Virginia, Norborne Botetourt, had forwarded the minutes of the Council and House of Burgesses concerning the purchase of Indian lands. Hillsborough had acknowledged their receipt in February and sent them on to the Board of Trade. In March, the Board of Trade had requested the Governor to report on all grants west of the proclamation line of 1763. The correspondence was shown to Walpole in the middle of May, at which time he was told objections from Virginia would have to be considered. In consequence, when Walpole learned on July 2 that a decision would have to await the convening of a full Board of Trade, he tried


23 Marshall, loc. cit.

24 Ibid.; Gipson, loc. cit.
to urge Hillsborough to consider the justice and propriety of a speedy determination. To support the company's case, Walpole forwarded an anonymous letter to the Board of Trade in which aspersions were cast upon the activities of the Ohio Company, and an attempt was made to show inconsistencies and delinquencies on the part of the Virginia government in the granting of western lands. The letter alleged that the Governor and Council of Virginia had made large and immoderate grants west of the Alleghenies and that many such grants were made to members of the Virginia Council themselves. Walpole and Walpole were both now called before the Board of Trade to answer the allegations. At that time, Hillsborough announced that he had received information that settlement had already commenced in the valley on a large part of the tract being petitioned for. He asserted that Virginia ought to be informed of the contract made by the company with the Treasury and given time to be heard from before there were any further proceedings. Walpole replied that the King had purchased and paid for the lands and that Virginia had contributed no part. Hillsborough, however, remained obstinate and demanded the negotiations be suspended. He acted candidly in that he took care to assure the petitioners that neither the Governor nor Virginia nor any

of his friends would be allowed to avail themselves of the opportunity afforded by the suspension to take the best lands or pass warrants for them "either under the character of grants to Provincial Officers or Soldiers, or otherwise."\(^2\) Hillsborough further asserted that regardless of Virginia's claims, he could not prevail upon either Lord North or Lord Gower to attend a full meeting of the Board until October, and for that reason a formal decision could not be forthcoming.\(^2\)

In accordance with this statement before the Board of Trade, on July 31 Hillsborough addressed a letter to Governor Botetourt, entering the enclosures pertaining to the Walpole Company petition. He made it clear that the King was in support of the Board of Trade and had ordered him to signify that no further grants of land were to be made beyond the proclamation line of 1763 until his Majesty's pleasure would be made known.\(^2\)

Further delay foreshadowed financial ruin for Wharton. Nothing had been sent by his partners, and by September both he and William Trent feared arrest as they could not raise sufficient funds to pay their tailor, shoemaker, and other tradesmen.\(^2\)


\(^2\) Marshall, loc. cit.

\(^2\) Gibson, op. cit., p. 469; Wharton, Facts and Observations, p. 28.

\(^2\) Marshall, loc. cit.
Prior to the arrival of Hillsborough's letter, Governor Botetourt had forwarded to the Board of Trade a list of Virginia land grants west of the Appalachians. Included among them were thirty-two orders in council issued by the provincial government for grants of land as well as petitions for grants which had not been acted upon.

Hillsborough's letter arrived in Williamsburg on October 18, 1770. However, Governor Botetourt had died just three days earlier, and it was left to the President of the Council, William Nelson, to formulate a reply. Evidently, Nelson was unaware of Botetourt's earlier correspondence regarding land grants, and a large part of his letter presented contradictory information.

In penning his reply, Nelson was undoubtedly influenced by a letter recently received from George Washington. Earlier in the year, Washington had made a personal inspection of lands on the Great Kanawha and Ohio Rivers. On his way home he visited Colonel Cresap who had recently returned from London with the latest news of the Vandalia colony. Washington immediately wrote several letters to Botetourt pleading for justice for the defenders of Virginia's frontiers.

30 Gipson, loc. cit.
31 Ibid.; G. H. Alden, loc. cit.
32 Letter, Washington to Botetourt, October 5, 1770, in Fitzpatrick, ed. cit., pp. 26-29; John C. Fitzpatrick (ed.).
were incorporated into Nelson's letter.

The reply to Hillsborough was made on the same day as the receipt of his letter. Nelson acknowledged the propriety and justice of delaying a report in favor of the Walpole Company until Virginia had been acquainted with the negotiations and allowed to enter objections.

Nelson answered the charges contained within the anonymous letter Walpole had presented to the Board of Trade in July by stating the Virginia Council had made many large grants of the western lands after the Proclamation of 1763, but not one of the grants had been approved. He cited the grant of 200,000 acres to the Ohio Company in 1749 as one which had been conditionally approved by George II. As to the Ohio Valley lands promised by Governor Dinwiddie in 1754 to the officers and soldiers, he pointed out that the land was being currently surveyed and would comprehend 200,000 acres. Another 200,000 acres was destined for new volunteers. Admitting that he had not seen a copy of the Treaty of Fort Stanwix, he stated it was known that Colonel Croghan as well as the Pennsylvania traders had received 100,000 acres each. According to Nelson, all of the acreage granted to the northward thus amounted to 800,000 acres.

Of other Virginia grants, he pointed out that all earlier


ones had lapsed, or were about to expire. Two were being settled. One was to the Loyal Company, in which Colonel Washington was interested, and the other was to James Patton and others, both of these together comprising 900,000 acres. Both grants were located well within the limits of the territory which the Cherokee were in the process of ceding in consideration of £2,500, voted by the Virginia Assembly and approved by Lord Hillsborough. Thus, according to Nelson, 1,700,000 acres of land had been granted to individuals whose rights, "whether Equitable or legal," should be preferred before the claims of any new adventurers.

Nelson also brought charges against the Walpole Company by asserting that the paying of quit-rents for cultivable lands as cited in the company's petition meant sterile mountains or rocky lands would be free of such quit-rents. Furthermore, the company's request that quit-rents be suspended for twenty years was longer than had ever before been allowed. He concluded by stating:

We do not presume to say to whom our gracious sovereign should grant his vacant lands. All that we can consistently with our duty hope for is that all prior rights, whether equitable or legal, may be preserved and protected. 34

In view of the contents of Nelson's letter, it is not difficult to see why Hillsborough was to voice misgivings.

at completing the Walpole grant. The letter further strengthened his already skeptical attitude. His reservations were to be further substantiated by a letter from his close friend Governor Dunmore. Dunmore, who was shortly to leave his post as Governor of New York to take up the position of Governor of Virginia, addressed himself to Hillsborough on November 12, 1770. He asserted he had made it his business to inquire into the opinions of the people in regard to establishing a colony in the west. He declared the scheme extremely alarmed the settled parts of America, the people of property being justly apprehensive of the consequences which would inevitably ensue. The draining of population would be accompanied by a fall in land prices and default of quit-rents. The general consensus, so he asserted, was that the expense of transport from the region would raise the cost of produce. Furthermore, the expense of maintaining troops in the area would be a dead weight to the government, and settlement would most likely bring on an Indian war.

Upon receiving Nelson’s letter, Hillsborough replied on January 2, 1771, acknowledging its receipt and observing that copies of the letter were to be sent to the

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36 Ibid.
Board of Trade. He had no doubt that consideration would be given to equitable claims.

On January 24, Walpole heard that the dispatches had arrived from Nelson, and he applied to Secretary Pownall to know whether any observations had been made by Nelson on the papers transmitted by Hillsborough in July, 1770. Pownall advised him that the letter was shortly to be laid before the Board of Trade and that he would request a copy from Hillsborough to be placed at Walpole's disposal.

A month having elapsed, Walpole still had not received copies and addressed himself directly to Hillsborough, repeating his request. Hillsborough replied he had directed copies of the pertinent parts to be made and forwarded to him. Also, as soon as a full Board of Trade could meet, a report on the application would be made.

Having finally secured copies of Nelson's letter, a reply was prepared by Walpole on March 5. It was based to a large extent upon a refutation of the well-known adverse opinions submitted by Wharton to Walpole in January.

37 "Address to Congress," loc. cit., p. 354.


40 Bailey, Ohio Company of Virginia, p. 245; Wharton, Plain Facts, p. 151.

41 Gibson, op. cit., p. 471; Marshall, loc. cit., p. 726; Abernethy, op. cit., p. 50.
At that time, Wharton asserted that migration to Nova Scotia was not obstructed by the prospect of a settlement in the interior; that there was not a plentiful supply of land vacant along the sea coast; that British manufactures would not be excluded from the Ohio Valley by distance of carriage and cost; and that to prevent settlement in the area would only unite the colonists against the imperial government. In the reply of March 5, it was attempted to show that the company had no intention of interfering with legal titles or possessions of any persons as to any parts of the land for which they had contracted. As to the money voted by the Virginia Assembly for the purpose of purchasing the Cherokee lands, the company promised to reimburse that colony. It was thus desired that in the memorial of May 8, 1770, there be inserted a clause "reserving to all persons their just and legal rights to any parts or parcels of land which might be comprehended within the tract they prayed for." The clause to be inserted was meant to encompass all possible legal claims which might arise, and thereby remove any obstacle which might stand in the way of the company achieving its objective.

Having met the arguments of Nelson, Walpole requested that the grant be made without further delay.

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42 Marshall, loc. cit., p. 725. in British Politics.
43 Gipson, loc. cit.; Wharton, Facts and Observations, p. 33.
44 Bailey, Ohio Company of Virginia, p. 245.
The Board of Trade, however, still failed to take any action. Nevertheless, in April Benjamin Franklin was writing his son that the Ohio affair seemed near settlement. And, William Strahan, who stood close to the inner circle of administration, wrote on March 1 to his friend, David Hume, that he thought the grant would surely be made.

Wharton no doubt sincerely hoped his friends were correct in their estimates. His financial position had not at all improved since the preceding September. Furthermore, he was beginning to have doubts about the value to the company of certain individuals he had recruited. In the light of the antagonism between England and the colonies, some of the members appeared to be more of a hinderance than an aid. The presence of Thomas Pownall in the company was no longer desired as it had previously been because he was a conspicuous supporter of colonial rights. Benjamin Franklin's part had been obscured for the same reason. John Sargent was also being kept at a distance because of his American interests. Wharton feared the support of these men would give offense to the friends of the company in the Cabinet and further irritate Lord Hillsborough.

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By June, the optimism earlier exhibited by members of the company was beginning to wane. On the 18th, William Franklin was writing to Strahan that "I have for some time past settled my mind with regard to the affair of the Ohio, and have almost given up all expectation of its taking place while Lord Hillsborough presides at the Board of Trade."\(^4\)

However, Wharton was not one to give up easily. He determined to secure allies in the Cabinet by sacrificing embarrassing associates so that a firm decision on the grant might be obtained. Though Benjamin Franklin and Sargent were to remain members of the company, Pownall, by early 1772, was selling his interests to Sargent.\(^4\)

Throughout July, Wharton worked to establish a majority in the Cabinet. The Earl of Rochford, Secretary of State for the Southern Department, emerged as a firm supporter of the company. Lord Sandwich, an ardent supporter of westward expansion, had already been won over, and at a meeting of the Cabinet on July 11, Wharton approached Lord Apsley, the Lord Chancellor, bringing that minister securely into the fold.\(^5\)

The meeting of the 11th had been called by Rochford to press the issue of the grant before the summer recess.


\(^{49}\) Marshall, \textit{loc. cit.}, p. 727; "Memorial of Thomas Pownall, April 29, 1772," in Munro, \textit{op. cit.}, VI, 518.

\(^{50}\) Marshall, \textit{loc. cit.}
put an end to all negotiations. Only four members attended the meeting, however, and only three, Rochford, Apsley, and North spoke in favor of the grant. Rochford promised to call another meeting, but Hillsborough had departed for Ireland before it could be assembled. Wharton's immediate reaction was to return to America, but he was persuaded not to do so by his friends in the ministry.51

At a secret meeting of the company on July 20, it was decided to present George Croghan with instructions to procure signatures of from two to three hundred settlers in the Ohio Valley in an attempt to support the company's claim. It was believed that this would destroy Hillsborough's argument that the country could not be populated unless encouraged to do so by an established government. It would also act as a counterargument to the claim that such settlements were out of reach of the mother country and that settlement in the interior would bring about an Indian war.52

The company members were working tirelessly to gather their support before Parliament met. The return of Grafton to the ministry appeared a favorable omen, for it had been he who as First Lord of the Treasury originally approved the financial terms of the grant. Thomas Bradshaw was charged with seeing that Grafton remained a supporter of the company, and this he did to good effect.53

51 Ibid.
52 Ibid., p. 728.
53 Ibid.
On December 1, it was agreed that the Cabinet would meet on the 12th to make a final decision. Hillsborough's opposition was well known, but it was also known by now that he lacked support. When the Cabinet met, the Secretary defended his position, but was overruled by North, Gower, and Rochford who defended the grant. Hillsborough was instructed to make an immediate report on the application. That he had no intention of doing so was soon made evident.54

With the suicide of William Fitzherbert, a member of the ministry, the Board of Trade was prevented from meeting until January, 1772.55 The question of the Walpole grant, however, did not come up for discussion again until March 25, when Hillsborough again offered the excuse that the matter was of too great importance to be discussed without the advice and assistance of the great officers.56 March 28 was set as the date for a hearing at which time the company would be allowed to present additional arguments. The opportunity was declined by Walpole, and, instead, he merely requested a copy of the Board of Trade report when it should be made.57 Evidently, it was felt that at last the forces of the company had been marshalled to such an extent that no further persuasion by the company was necessary.

54 Ibid., p. 729. 55 Ibid. 56 Ibid. 57 Ibid.
Hillsborough, being no longer able to delay his report, presented it in draft form on April 15. In opposition to the desires of the Cabinet as expressed on December 12, 1771, Hillsborough reported unfavorably on the issuance of the grant. His report was then forwarded from the Committee of Council for Plantation Affairs to the Board of Trade. 58

The problem which now faced the company was how to find a means whereby the reply could be made to the Board of Trade so as to overrule the decision of the Committee of Council for Plantation Affairs. They achieved the objective when, with the aid of Lord Gower, it was decided that a formal rebuttal of the report could not be heard, but that a hearing of further arguments in favor of the original petition could be considered. 59

On June 5, Samuel Wharton, in a long and eloquent speech, presented the arguments for the company. To the objection that the tract contained within its bounds part of the dominion of Virginia, 60 Wharton replied that "no part of the above tract is to the eastward of the Alleghany Mountains, and that those mountains must be considered the true western boundary of Virginia." 61

60 "The Settlement on the Ohio River," in Bigelow, op. cit., v. 3.
61 Ibid., p. 20.
Hillsborough had contended that part of the region was beyond the boundary established at Fort Stanwix and was Indian land. Wharton replied that the Treaty of Fort Stanwix vested complete title to all of the lands petitioned for in the Crown, and if there ever existed an agreement with the Indians not to settle any particular part of the area ceded, an arrangement could be easily made, whereby settlement on the land would be prohibited until such time as the Indians gave their consent. Hillsborough had also argued that establishing such a colony was contrary to the principle adopted by the Board of Trade following the Treaty of Paris which confined western settlement to such a distance from the sea coast as would allow it to remain within reach of commerce and trade with the mother country. Wharton replied to this by affirming that settlement over the Alleghenies and on the Ohio was not understood, either before or after the Treaty of Paris, to be out of reach of trade and commerce with England.

To the argument that other propositions for colonies had already been denied, Wharton explained that not more than one proposition for the settlement of land in the area in question had been presented to the government, and that had been the petition of Arthur Lee for the Mississippi Company. However, the group represented by Arthur Lee had

62 Ibid., p. 3.
63 Ibid., p. 31.
64 Ibid., p. 4.
65 Ibid., p. 32.
not proposed to purchase the lands, pay quit-rents, or in any manner take upon themselves the expense of establishing and maintaining a civil government in the area. 66

Hillsborough had declared the object of colonizing to be the improvement and extension of commerce, navigation, and manufacture of the mother country:

1. By promoting the advantageous fishery carried on upon the Northern Coast.
2. By encouraging the growth and culture of naval stores and raw materials, to be transported hither in exchange for perfect manufactures and merchandise.
3. By securing a supply of lumber, provision, and other necessaries, for the support of our establishments in the American islands. 67

Wharton admitted the foregoing, but asserted the Vandalia colony would promote fishery. The lands, he declared, were excellent, the climate temperate, and the natural resources of the valley were abundant. As to the colonists' ability to transport the products, he argued that produce could be sent cheaper from the Ohio country to Alexandria on the Potomac than it could be from Northampton to London. 68

Wharton concluded by declaring that there were already 30,000 British subjects on the Ohio lands and asked if it was "fit to leave such a body of people lawless and ungoverned." Virginia law would not be capable of extending into the region because capital crimes must be tried in Williamsburg, a city 400 miles away. 69

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66 Ibid., pp. 5, 44.  
67 Ibid., p. 5.  
68 Ibid., pp. 47-48.  
69 Ibid., pp. 73-74.
The Council was convinced by Wharton's remarks and the Committee of Council for Plantation Affairs reported to the King on July 1, 1772, that it was their opinion a grant should be made to Walpole and associates and that the area should be erected into a separate government. It was further suggested that the Superintendent of Indian Affairs be ordered to apprise the Indians of intended settlement.70

The Lords Commissioners for Trade and Plantations were to be directed to prepare a clause or clauses to be inserted in the grant reserving to respective occupiers all prior claims. The petitioners were also prohibited for the present from settling or occupying any part of the lands lying between the new Indian boundary line and the proposed western boundary of the new colony.71

Following the favorable report of the Board of Trade, Lord Hillsborough resigned from office on August 1. Thus, two questions are raised in regard to the panoply of events between January, 1770, and August, 1772. First, why did Hillsborough continually and obstinately oppose the grant to the Walpole Company, and second, why did he feel he had to resign in 1772?

Hillsborough's intractability in regard to accepting the petition of the Walpole Company may not be attributed to any one single consideration. Instead, his motives ranged

71 Ibid.
from the very sublime and theoretical to the very petty and personal.

The duplicity displayed by the Secretary in December of 1769, when he feigned to promote the cause of the Indiana Company by suggesting the company apply for a grant of land sufficient to form a colony, was simply one more step in an attempt to maintain the consistency of his western policy.

He continually adhered to one policy in regard to the west from early in 1768 until his resignation in August, 1772. That policy was that western land was by right colonial land. The land was, however, under the control of the imperial government until such time as the imperial government saw fit to open it to settlement. This was perfectly in accord with a thorough-going system of mercantilism. Settlement was not prohibited, but regulated in such a manner that the land would be opened up only at such time as it would be financially advantageous to the mother country. When that time should arrive, the colonial government would meet the expense of settlement and extend the jurisdiction of colonial laws into the region. Both private grants obtained directly from the Indians and the establishment of a colony were antithetical to such a concept of western policy. The former denied the right of the imperial government to decide of the secretary, now governor of New York, in 1768, had when and which lands would be opened for settlement; the latter denied the legal possession of the lands by the colonies themselves. In light of this policy, Hillsborough, had urged the several colonies to meet the expense of
removing the boundary line to the west in 1768 as the home government should not "take upon itself the whole, or indeed any part, of the expence of a measure calculated for the local interests of particular colonies." It was also in light of this policy that Hillsborough authorized the purchase of lands from the Cherokees at the Treaty of Lochobair in 1770 for which the government of Virginia voted £2,500. And finally, it was in maintaining the consistency of this policy that Hillsborough opposed the Walpole grant.

Not only would the erection of a colony be inconsistent with Hillsborough's western policy, it would also entirely sever Virginia from the west, and, in the process, erase the possibility of numerous influential Virginians to realize their aims in the region. The series of events between 1770 and 1772 seems to show that the Secretary favored the interests of Virginia above others. Throughout the period, he had done everything in his power to see that Virginia was apprised of her rights and given the opportunity of entering objections to the Walpole grant. In the latter part of 1770 when Dunmore became Governor of Virginia, Hillsborough was given an added inducement for preferring the Virginia claims. Dunmore had long been a close friend of the Secretary and as Governor of New York, in 1768, had

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72 Letter, Hillsborough to Johnson, October 12, 1768, loc. cit.
73 Alvord, Mississippi Valley in British Politics, II, 83-85.
been the only one to exhibit energy in pushing Hillsborough's objective of colonial control of trade in the west.\footnote{Ibid., p. 58.}

The final reason for Hillsborough's opposition may be found in his personal dislike for Benjamin Franklin. Though Franklin was for the most part kept in the background, his membership in the company as well as his great influence were widely known. As early as 1768, friction between the two men had begun to develop. In letters published in the London newspapers during August, 1768, Franklin had harshly criticized the Secretary as many as three times in one week.\footnote{Open Letter to Dennys DeBerdt, August 31, 1768, in Verner W. Crane (ed.), \textit{Benjamin Franklin's Letters to the Press, 1758-1775} (Chapel Hill: University of North Carolina Press, 1950), p. 125.} Early in 1771, Franklin wrote that Hillsborough was "not a bit better liked by his colleagues in the ministry than he is by me, that he cannot probably continue where he is much longer."\footnote{Alvord, \textit{Mississippi Valley in British Politics}, II, 128.} In February, 1771, Franklin wrote to Samuel Cooper. Referring to Hillsborough, he wrote:

\begin{quote}
His character is Conceit, Wrongheadedness, Obstinacy, and Passion. Those, who would speak most favourably of him allow all this; they only add, that he is a honest man, and means well. If that be true, as perhaps it may, I wish him a better Place, where only Honesty and Well-meaning are required, and where his other Qualities can do no harm.

\ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots

I have since heard his Lordship took great Offence at some of my last words.\footnote{Letter, B. Franklin to Samuel Cooper, February 5, 1772, \textit{loc. cit.}}
\end{quote}
There can be no doubt of the antipathy between Hillsborough and Franklin. If Franklin's characterization can be accepted, Hillsborough might well have tried to strike back at Franklin by opposing a scheme in which the latter was much interested.

In regard to Hillsborough's reasons for resigning, they ran much deeper than the mere fact that he had been overruled by his colleagues. Franklin was one of the few who recognized his true motives. Writing to William Franklin shortly following the Secretary's resignation, he observed that Hillsborough had for some time been strongly disliked by his colleagues, and that they had used the Vandalia scheme as the means of bringing about his removal. The King himself held Hillsborough in disfavor, and this united the ministers in their resolution of disgracing the Secretary. Wharton's energetic efforts in gaining the support of Lord Rochford and Lord Gower had probably been done with much more zeal than was in reality necessary. The two ministers readily accepted shares in the company, but not so much with a view to pecuniary gain as to seeing in it a means by which Lord North could be overthrown. Hillsborough was considered by North to be his right-hand man. It was hoped that by forcing Hillsborough's resignation, North would then in consequence resign his office, in which case Lord Gower would most likely be made First Minister.

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Minister. Though Wharton had created a strong political alignment against Hillsborough, it was probably one man, Lord Gower, who forced the Secretary's resignation.79

With Hillsborough now out of the way and with what seemed to be the support of the majority of the ministry, the Walpole Company, by the fall of 1772, appeared at last to have achieved its objective. However, the negotiations in London were to continue for two more years.

In August 1772, the prospects for Lord Hillsborough, had been forced to resign, and on August 3, the Prime Minister, Lord North, offered the Colonial Secretaryship to William Legge, Earl of Dartmouth. American affairs now came under the control of a man whose sympathetic attitude toward colonial interests was well known. Lord Dartmouth's only reservation in regard to western expansion seems to have been a sincere desire to protect the Indians. Induced with the notion of the noble savage, Dartmouth, as a private citizen, contributed extensively to the Indian Charity School of Dartmouth College. His primary wish was that the government in the west would act as a restraining influence on the whites and protect the Indians.2

CHAPTER V

DEFEAT THROUGH DELAY, 1772-1775

By the middle of August, 1772, the prospects for the Walpole Company could not have appeared brighter. The major opponent of the plan, Lord Hillsborough, had been forced to resign, and on August 3, the Prime Minister, Lord North, offered the Colonial Secretaryship to William Legge, Earl of Dartmouth. American affairs now came under the control of a man whose sympathetic attitude toward colonial interests was well known.1 Dartmouth’s only reservation in regard to western expansion seems to have been a sincere desire to protect the Indians.2

On August 14, it was ordered that the proposals in the report of July 1 be put into effect so that the new colony could be established as soon as the administrative details were completed.3 Accordingly, on September 2, the two Superintendents of Indian Affairs, Johnson and Stuart, were notified by Dartmouth to assemble the Indians and make known to them the intent to begin settlement in the area. Stuart was unable to assemble the southern tribes until April. However, by the middle of August, 1772, the prospects for

1 Gipson, op. cit., p. 473.
2 Bargar, op. cit., p. 70.
details were completed. Accordingly, on September 2, the
two Superintendents of Indian Affairs, Johnson and Stuart,
were notified by Dartmouth to assemble the Indians and make
known to them the intent to begin settlement in the area
ceded by the Treaty of Fort Stanwix in 1768. Stuart was
unable to assemble the southern tribes until April. However,
Johnson met with the northern Indians in November and
reported that he had demonstrated to them how settlement
would be to their advantage, as it would bring the unfriendly
English under control. He asserted that the Indians had
accepted what he had to say, and appeared quite favorably
disposed toward seeing a new government established. No
doubt Johnson did his very best to convince them of the new
colony's desirability, as he possessed a decided financial
interest in the eventual outcome.

In the meantime, the Indians were not the only ones
in America to receive news of the intent to establish a
colony in the west. The American newspapers were printing
the reports which crossed the Atlantic, and placed the seat
of the new government at the mouth of the Great Kanawha.

3Munro, op. cit., VI, 208.
4Address to Congress," loc. cit., p. 359; Wharton,
Facts and Observations, p. 153; Letter, Dartmouth to
Dunmore, September 2, 1772, in O'Callaghan and Broadhead,
op. cit., VIII, 311.
5Letter, Johnson to Dartmouth, November 4, 1772, in
O'Callaghan and Broadhead, op. cit., VIII, 314-317; Gipson,
op. cit., p. 475.
6Frederick Jackson Turner, "Western State Making in
the Revolutionary Era," American Historical Review, I (1895),
73.
Even before the report of July 1 had been framed, George Washington was writing that "the report gains ground that a large tract of country on the Ohio, including every foot of land to the westward of the Allegheny Mountains is granted to a company of gentlemen in England, to be formed into a separate government." 

Excitement continued to build as time passed and the news spread throughout the colonies. George Croghan was now certain that shortly he would have sufficient funds to meet all of his debts which had accumulated throughout the years while he was waiting for the land scheme to succeed.

Expecting the return of Wharton to the colonies in a short time, Croghan proposed that they commence establishing a land office for the sale of the Ohio lands. Within the limits of the new colony, which he now estimated to contain 40,000,000 acres, Croghan considered the value of the land to be £10 per hundred acres. In ten years time it would "sell for more than the best bring now." 

While the partners of the company in America were hurriedly preparing to undertake the business involved in erecting the new colony, their associates in London were working toward the consummation of their affairs in that

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7Quoted in G. H. Alden, op. cit., p. 28.

8Wainwright, op. cit., p. 234.

part of the world. Walpole and Wharton requested approval from their partners to continue in the management of the affair until final success was achieved. They contemplated calling a general meeting to inform all members of the company of the progress of affairs in late August, but as many of the members could not be present it was postponed until the middle of October. 10

On November 2, the Board of Trade received an order in council asking that the necessary reservations to be inserted in the grant be drawn up, and that the terms of settlement be agreed upon. A plan for establishing the government of the new colony was to be prepared and submitted to the King. 11

Once the Board of Trade had taken note of its instructions, Walpole and Wharton decided the time had come to expedite the matter with all possible speed. In consequence, Walpole was to visit Lord Gower and Wharton was to call on Lords Rochford and Hertford for the purpose of prompting them into immediate action. Walpole also met with Lord Dartmouth, who expressed a desire to see the business ended as soon as possible. 12

Throughout the month of November, Walpole continued to exert pressure on Dartmouth, and in December Wharton was

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11 Gipson, op. cit., p. 476.

introduced to the Secretary by Walpole and Thomas Pitt. At that time, Dartmouth promised action shortly after the holidays. Rockford urged all possible dispatch on the Secretary to ensure a conclusion as to the final details of the form of government. Thomas Bradshaw was also engaged in insuring the final success. However, no action was to be taken until April.

The majority of the Board of Trade were in no hurry, and although Dartmouth appeared favorable and continually voiced a willingness to hasten matters, he was more inclined to let the subject of Vandalia follow its own course than to probe his fellow ministers into action.

The evidence seems to indicate that Dartmouth was beginning to feel a certain amount of trepidation in carrying the colonial scheme through. In October he had received an anonymous letter insisting that the colony would face such difficulties in carrying on trade that the settlers would become savages and be lost to Great Britain in the commercial sense.

Added to the anonymous letter was the influence of Hillsborough, who was now in the House of Lords, and his circle of political allies in the ministry. This small group was urging Dartmouth to continue Hillsborough’s policy.

Bamber Gascoyne, who represented the former Secretary’s

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13 Ibid. 14 Gipson, loc. cit.
position at the Board of Trade was instrumental in postponing action until April, 1773.15

During the entire period while the members of the company were waiting for some definite action, Wharton and his associates remained confident. Following the summer of 1772, Wharton and Trent, who just shortly before were sure of financial ruin, began to drive hard bargains with their partners in an attempt to increase their own number of shares in the company. Sir Matthew Fetherstonhaugh, another member of the company, worked toward forming a closer association with Wharton and was placing ample funds at his disposal. In June, 1772, he advanced £2,105 to be used for the purchase of Indian presents which were to be delivered to Wharton for distribution following the formal confirmation of the grant. In November, Fetherstonhaugh was allowed to purchase a half share for £2,000 and an additional half share belonging to Trent for £3,000.

Wharton's own funds were now sufficient to permit him to purchase four of his partners' shares, giving him a total of nine out of seventy-two. Walpole and Trent were each able to increase their shares to eight and four respectively.16

While the members of the company attempted to prompt Dartmouth into action and Wharton and Trent were

15Barger, loc. cit.; Steuart, op. cit., I, 305.

trying to increase their shares in the company, Wharton was also striving to complete a plan of government for the new colony. In light of the difficulties the company had already had to overcome, Wharton attempted to formulate a system of administration conservative enough in nature to be readily accepted. Taking the Massachusetts Bay charter as his model, Wharton began to develop the plan. The government was to adhere to the usual form for royal governments.

Within the colony, the company would possess a privileged position for ten years in the sale of the land, and in return was to pay the salaries of the principal officers. Certain predetermined tracts were to be reserved for public buildings and facilities. When the company should be dissolved, all remaining property was to be divided into seventy-two shares and distributed to the shareholders by lot. A committee of seventeen was to be appointed by the company to meet regularly and maintain contact with the imperial officials.

Finally, on April 1, 1773, the order in council of the previous August was taken into consideration and the petitioners were directed to appear before the Board of Trade on the 5th. On the latter date, Wharton was present, and it was agreed that a representation embodying his Council when in reality it is a document of the Board of proposals for the establishment of the colonial government would be prepared.

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18 Munro, *op. cit.* VI, 541.
When the representation was finally completed on May 6, it was read by Lord Dartmouth before the Board of Trade. The Secretary asserted that the establishment of a colony was founded principally upon the necessity of introducing some regular form of government in a country incapable of participating in the advantages arising from the civil institutions of Virginia.

In light of this purpose, it was also found expedient to expand the boundaries of the colony considerably from those originally contemplated. The new bounds were based on a map purported to show the true line which had been agreed upon between Virginia and the Cherokee. The line varied from that submitted immediately following the Treaty of Lochabar and added a large area to that supposed to have been ceded. It was Dartmouth's recommendation that the new colony include all of this land.

The area of the colony was now to be bounded by the Ohio River to the north. The western boundary was to be the Kentucky River from its springhead to a point on the Holsten River where it intersected the North Carolina boundary. On the south, the boundary was to run in a

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21 Abernethy, op. cit., p. 54.
straight line to a point where it intersected the Great Kanawha, also called the New River. The eastern boundary was determined by a line running north from the North Carolina boundary to the mouth of the Green Briar River, then east to the Allegheny Mountains. The Alleghenies were then to be followed northward to the head of the north branch of the Potomac River. From there, the line ran along the western boundary of Maryland to the southern boundary of Pennsylvania which it would follow west to where it intersected the Ohio River. 22

Though the limits of the colony were to be extended, the land granted to the Walpole Company was to remain the same. The colony was to be "separated from Virginia," and a royal type government was to be erected. There was to be a Council appointed by the Crown and an elected House of Representatives. The entire colony was to be divided into twelve counties each returning two members to the House of Representatives. The Governor, appointed by the Crown, was to possess the right of veto over all laws. Also laid down were the freehold and religious qualifications for the franchise. The established religion was to be the Anglican Church. The cost of supporting the government as well as paying the salaries of the various officials, totaling £2,500 a year, was outlined. 23

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22 "Address to Congress," loc. cit., p. 363; Gipson, loc. cit. See map, Appendix C.

23 Gipson, loc. cit.; "Address to Congress," loc. cit.; Munro, loc. cit.
By the agreement of April, 1772, the company had
consented to a purchase price equal to the cost of the
Treaty of Fort Stanwix. It had also agreed to take upon
itself the expense of supporting the new government. The
Board of Trade in its representation now recommended the
appointment of five company members to be responsible for
these financial details. The committee of five, after
1771, Dalhousie offered the governorship to his kinsman,
giving security in the amount of £10,000, was to see that
Francis Louis, but it was refused. 26 Wharton, evidently
semiannual payments were made to the royal Receiver
General against the annual expense. An additional £500
was to be provided as a contingent fund until such time as
be proceeded with elaborate plans for a suitable substitute
by an act of the General Assembly of the new province the
residence, sending instructions to Croghan to erect a
financial responsibilities could be assumed by the
inhabitants. 24

The lands which the company had requested by its
petition of January 1770, and which lay within the area
Following the recent success of Bay, Wharton had little
reason to doubt that soon he could be administering the
affairs of the new colony from his Pittsburgh mansion.
little did he realize the difficulties lying ahead,
those having equitable and legal claims were to be
protected. Likewise, the grant of 200,000 acres in 1754
to the Virginia officers was to be recognized by the
company. 25

In view of these facts concerning the form of
government, it is easily seen that the colony was not to
be proprietary, as originally expected. None of the
thirteen colonies was more dependent on the Crown than was
to be the colony of Vandalia.

24 Ibid.
25 Ibid.
Having decided on the form the government was to take, many began to indulge in speculation as to who would be appointed the new governor. As pointed out previously, George Mercer had been led to believe, as early as 1770, that the position would be reserved to him. George Croghan definitely expected appointment in some office. In March, 1773, Dartmouth offered the governorship to his kinsman, Francis Legge, but it was refused. Wharton, evidently unaware of Dartmouth's action, assumed he himself would be had appeared to be a more permanent, however, unexpected governor and began making preparations for the office. He proceeded to develop plans for a suitable gubernatorial residence, sending instructions to Croghan to erect a large building at Pittsburgh to be used temporarily until a more convenient location could be established. Following the company's success of May, Wharton had little reason to doubt that soon he would be administering the affairs of the new colony from his Pittsburgh mansion.

Little did he realize the difficulties lying ahead.

The report of May 6 was referred to the Privy Council in the 19th. After some prompting from Wharton, it was dispatched from committee on July 3 to the Attorney and Solicitor Generals for the purpose of preparing a draft

26 Bargar, loc. cit.
27 Toner, loc. cit.
of the charter along the lines already proposed by the Board of Trade.

With the grant to the company nearly completed, the necessity of raising money to meet the purchase price now occupied the time of the company members. On July 10, William Walpole, a company member and London banker, provided receipts to forty shareholders for amounts ranging from £200 to £400, amounting to a total of £8,200.

The referral to the Attorney and Solicitor Generals had appeared to be a mere formality. However, unexpected obstacles now arose. General Gage, a long time opponent of westward expansion, had returned to England in 1773, and was actively opposing the Walpole grant. At the same time, opposition was again mounting from the colony of Virginia where Governor Dunmore, himself avidly interested in western expansion, was favoring the Virginia promoters. His influence was bound to tell in Great Britain.

However, even though such opposition was manifestly apparent to members of the company, the report of July 17 by Alexander Wedderburn and James Thurlow, the Attorney and

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29 "Address to Congress," loc. cit., p. 366; G. H. Alden, op. cit., p. 34.

30 "List of Receipts Signed by Mr. Walpole, July 10, 1773," in Bailey, Ohio Company Papers, p. 280.

31 Letter, Gage to Barrington, August 5, 1772, in Carter, op. cit., p. 615.

Solicitor Generals respectively, came as a surprise. It was presented as the opinion of the two attorneys that as the grant to the company was proposed to be held in joint-tenancy, it would render it difficult, if not impossible, to give the purchasers complete title to the region. It was also contended that the royal quit-rents were not well secured and could present difficulties in collection in the future. The chief criticism was the boundary description.

As they stated:

The bounds are described to cross an indeterminate number of mountains, and then run by the side of such mountains, and along other mountains, and by the north branch or northeasterly branch of rivers, which in maps appear to have several branches corresponding to those descriptions.

We take it to be of the essence of his Majesty's grants that his Majesty should appear to be informed of what he bestows.33

The attorneys' report was forwarded to Dartmouth on September 7 by Lord Rochford, who urged the Secretary to initiate action favorable to the Walpole Company. Dartmouth appeared to agree with Rochford, but departed to the countryside, not returning until the end of October. The issuing of instructions was thus delayed until October 28, at which time Dartmouth took the position that the bounds were clearly described, at least to the extent that knowledge of the country would permit. The greatest difficulty was thereby obviated, and the necessity

33 Munro, op. cit., VI: 543; "Address to Congress," loc. cit., p. 367; Gipson, op. cit., p. 479.
of delaying action indefinitely until a survey could be made was alleviated. The attorneys were then directed to redraft the grant, providing that quit-rents would be payable by the under-tenants as well as by the original members of the company. It was now felt that all of the criticisms of the lawyers had been met and that it would be only a short while before the formal draft would be completed. However, Wharton became ill and Rochford was busy preparing for the coming election. Without pressure on the ministry, affairs lagged. Finally, in December, Dartmouth promised that immediately following the holidays the law officers would be prompted into completing the charter.

Thus, in the fall of 1773, the objectives of the company again appeared to be in jeopardy. As events drifted in England, problems began to mount in America. There was confusion in the colonies because the Governor and Council of Virginia were granting patents to Colonel Washington within the boundaries of the proposed colony. By December, Dunmore was claiming the grants were as good as the King's titles.

Additional difficulties arose when in the fall the Indians began to assemble to meet with the new governor of

35 Marshall, loc. cit.
the colony as they had been requested to do by George Croghan in the previous spring. Croghan was unaware of the ministerial delays. He wrote to Thomas Wharton in October that one hundred Wyandot, Ottawa, Chippewa, and Delaware chiefs had arrived to meet with the new governor and were eating all of the provisions he had stored for his family's winter use. He pleaded for £500 in cash and 2,000 worth of presents for the Indians to aid him in his situation.38

His request was not granted, and Croghan was finally reduced to pawning his silver in order to raise enough money to supply the Indians with presents. Since the early spring he had received no word in regard to the land scheme, but had been assured at that time that all was settled and that the grant would pass the seals within a few days. By December, 1773, word was circulating throughout the colonies that there was to be no new colony, because of General Gage's opposition to it on his return to England.39

In England, the Christmas holidays passed and still the affair of Vandalia lay neglected. It was generally believed that all legal arguments which could delay final acceptance had been overcome. Yet, one of the lawyers then declared that the final document for executing the grant could not be prepared until the form of government was

39 Letter, G. Croghan to T. Wharton, December 9, 1773, in Letters of Colonel George Croghan, "loc. cit."
adopted. The Board of Trade had agreed on the form of
government as early as May, 1773, but it had not yet been
approved by the Privy Council. Dartmouth then declared he would see to its
immediate approval. A means was devised whereby it was
proposed that the form of government recommended by the
Board of Trade would be referred to a committee of the
Privy Council, and then the action of the Council would be
submitted directly to the King in Council. Adoption by the
latter body would be simply a matter of form, and an order
could be issued to the Board of Trade to prepare a commission
for the governor in which there would be inserted the form
of government. Finally, this commission would be referred
to the Attorney and Solicitor Generals as to legal form,
without the question of policy being brought before them.
Thus, the opposition of the law officers would be circum­
vented. This plan, however, was never initiated.

In order to gain the favor of public opinion and
the political opposition, it was decided to issue a number
of pamphlets promoting the western lands in general and
the project of the Walpole Company in particular. Won to
the side of the Company was Arthur Young, a noted economist
and promoter of agriculture. Lending his pen, he wrote

*Observations on the Present State of the Waste Lands of
Marshall, loc. cit., P. 736; Alford, Mississippi
Valley in British Politics, II, 163.

Ibid.*
Great Britain: Published on the Occasion of the Establishment of a New Colony on the Ohio. His major contention was that Great Britain would not suffer from emigration.\(^4^2\)

Samuel Wharton also printed his Considerations on the Agreement of the Lords Commissioners of his Majesty's Treasury with the Honourable Thomas Walpole and the Associates to defend the undertaking against the accusation of it being simply political graft. From the themes of the two above pamphlets, it would appear that only two arguments remained to be used by the opposition to prevent the finalization of the project.\(^4^3\) However, no further action was taken in 1774 by the British government. The political situation in regard to the colonies was becoming so critical just prior to the Revolution that all other business was entirely laid aside.

One final attempt was made to revive interest when the company presented a memorial to the government in August, 1774. As added inducement to action, the memorial stated:

By recent advices from the Ohio that they have the strongest reasons to believe, that, from the gross irregularities and riotous behavior of many of your Majesty's numerous subjects in that quarter . . . the peace and harmony between them and the native Indians . . . will be unhappily interrupted and destroyed . . . if the government of the new colony destroyed . . . if the government of the new colony aforesaid is any longer delayed.\(^4^4\)

\(^4^2\)Ibid. \(^4^3\)Ibid. \(^4^4\)Munro, \textit{op. cit.}, VI, 557.
The memorial stirred the government enough that in the early spring of 1775, a draft of the charter was prepared. It underwent examination and correction by Lord Camden, but the petitioners were then requested to wait for approval until cessation of hostilities with the colonies.

The question of Vandalia was never to be revived within the ranks of the British government. However, the company lived on for a number of years, and after the Declaration of Independence directed its efforts toward purposes, entirely directed. The final collapse, however, was no more than the last of a series of failures which were interspersed with periodic visions of success on the part of the company's members.

Various factors contributed to the destruction of the company's objective. However, the most immediate reason in 1775 was the delaying tactics of James Thurlow and Alexander Weddell. The latter of the two attorneys had more than one reason to oppose the Walpole grant. In December, 1772, Benjamin Franklin, serving in the capacity of agent for Massachusetts in London, sent to the Committee of Correspondence of the Massachusetts Assembly private letters written by Governor Hutchinson to various members of the British ministry. In the letters, Hutchinson castigated the Massachusetts radicals for their conduct. On sending the letters, Franklin had explicitly stated that they were not to be published. Franklin's confidence was, however, misplaced, and the letters found their way into

45 "Address to Congress," loc. cit., p. 370.
CHAPTER VI

CONCLUSION

The grand design of the Walpole Company, begun under such auspicious circumstances with the representation to the Treasury in January, 1770, was by 1775, for all practical purposes, entirely defeated. Its final collapse, however, was no more than the last of a series of failures which were interspersed with periodic visions of success on the part of the company's members.

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In the process, the attorneys vehemently attacked Franklin for his actions, especially on the grounds that Franklin was interfering with the company's objective. However, the most immediate reason in 1775 was the delaying tactics of James Thurlow and Alexander Wedderburn. The latter of the two attorneys had more than one reason to oppose the Walpole grant. In December, 1772, Benjamin Franklin, serving in the capacity of agent for Massachusetts in London, sent to the Committee of Correspondence of the Massachusetts Assembly private letters written by Governor Hutchinson to various members of the British ministry. In the letters, Hutchinson castigated the Massachusetts radicals for their conduct, and the letters found their way into print. On January 29, 1773, Franklin was called before the Privy Council to answer for his actions. It was exactly at this time that the attorneys, Thurlow and Wedderburn, were to be in the process of redrafting the grant to the Walpole Company in accordance with instructions given them on the previous October 28. As was often the case, the court would have it for members of the company. Alexander Wedderburn was called before the Privy Council to defend Governor Hutchinson.

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The above, however, does not account for James Thurlow's opposition to the grant. That he considered the whole project nothing more than political graft was well known.\(^2\) Yet, this does not sufficiently explain the alliance of the two attorneys against the plans of the Walpole Company. The two men had always been in diametrically

\(^1\) J. R. Alden, op. cit., pp. 196-197.

\(^2\) Bargar, op. cit., p. 73.
opposite political camps. And, it does not appear reasonable in view of their political alignments that they would combine their interests unless they saw in the completion of the company's grant much more than a contribution to political graft, or the defeat of a favored scheme of Franklin. An acute apprehension of the consequences of western expansion seems to have been the only factor salient enough to bring Thurlow and Wedderburn into the same fold. They possessed a common fear that in completing the grant to the Walpole Company, the first step in the destruction of the contemporary western policy would be initiated. The effects could only be detrimental to British interests.

The harm foreseen in western expansion, not only by Thurlow and Wedderburn, but by numerous others opposing western advance, was that it would inevitably lead to a break down in the traditional system of mercantilism. Intrinsic in the mercantile system was the concept that colonies existed for the benefit of the mother country. The function of the colonies was to furnish the mother country with the raw materials she did not herself produce. The need for imports from rival countries would thereby be reduced, allowing the mother country to attain a favorable balance of trade. The monetary difference could then be collected from the rival nation in hard cash.

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For the most part, mercantilism was designed to benefit both the mother country and the colonies. This it did so long as the colonies remained in their political and economic infancy. Mercantilism, however, did not take into account the various ramifications once the colonies attained adult status. The once beneficial restrictions then tended to become oppressive, and the natural reaction of the colonies was to attempt to escape the restraint. Such was the situation in America in 1763. The colonies were virtually independent politically, and were fast approaching economic independence. With the removal of the French menace from the Ohio region, the Americans began to apprehend the glorious economic future awaiting them across the Alleghenies. If they could only acquire a foothold in the area, their economic independence would be assured.

It was in light of the mercantilist system that the successive British ministries between 1763 and 1775 had to formulate a policy in regard to the west. Two alternatives were open. Western settlement could be allowed. Or, western expansion could be restricted, and a thoroughgoing system of imperial control instituted. The first alternative would have promoted conditions antithetical to mercantilism. It would have allowed the growth of an independent power in the interior which England would have been hard pressed to control. The multiplication of colonies in favor of settlement in areas where the
defiant legislatures across the continent was not conformable with an empire of trade. The second alternative may now appear shortsighted, but it appealed to those advocating restraint of the colonies and also to those who viewed the whole concept of the colonial structure from a strictly pecuniary vantage point.

As seen in Chapter I, Lord Shelburne was the first to depart from the strict policy of imperialization of the west. Shelburne was, however, no advocate of a system of laissez faire whereby the colonies would be left free to do as they desired in the west. On the contrary, he was a firm believer in mercantilism. He visualized a policy by which Britain and the settlers would march together into the wilderness for the mutual benefit of both.

Before Shelburne's plan could be inaugurated, he was replaced by Lord Hillsborough at the Board of Trade in 1768. Hillsborough clearly recognized the inevitability of western expansion and he realized the potential value of the Ohio Valley to the empire. That he was not averse to new settlement is attested by his continual encouragement of emigration to West Florida. For the most part, Hillsborough continued Shelburne's policy. He did not take a radical new approach, and only one modification of significance was instituted. Whereas Shelburne viewed western settlement as taking place within the boundaries of newly established colonies, Hillsborough abandoned colonies in favor of settlement in areas where the
The policy of 1768 took into consideration the fear in England that loyalty to the mother country would be undermined by colonization. It was felt by many that as colonization spread, the area to be governed by England would become too extensive to be controlled adequately. Expansion was to be allowed, but it was to be limited to time and place so as to insure England of the greatest possible commercial advantages.

The policy as it was instituted by Hillsborough was to the satisfaction neither of opponents nor of advocates of expansion. Those countenancing restraint were horrified at the perpetual disorder and lawlessness on the frontier. Many of these persons believed that fur-producing hunting grounds were much more profitable to England than farms. They were dissatisfied with a situation where the undefended frontier was increasingly ignored by the advancing settlers and land-jobbers. On the other hand, powerful groups in the colonies and in the British ministry itself had plans for new settlements on a large scale and were becoming irked by being made to mark time.

Thus, a policy of gradual expansion satisfied none. However, it was to be the policy adamantly adhered to by Hillsborough until he was forced to resign in 1772. With the accession of Lord Dartmouth to the Colonial Secretaryship, it was generally believed the western policy would undergo changes more favorable to the colonists. Dartmouth
himself held a land grant of 100,000 acres in East Florida and was ardently supporting its settlement. Yet, even Lord Dartmouth was controlled in his view of the west by mercantilism. Any new colony to be erected was to adhere strictly to the royal form of government. Tight administrative control was imperative if a new colony was to be prevented from becoming politically and economically independent, thereby negating its value to the mother country. But even this policy was too "liberal" for those who opposed the opening of the west.

Though the Secretary endeavored to institute his policy, powerful political supporters of Lord Hillsborough still remained in the ministry. Not only did Bamber Gascoyne, Hillsborough's close friend, practically control the Board of Trade, a department whose approval was necessary before the Walpole grant could be completed, but General Gage returned to England in 1773 and was actively opposing any form of western expansion. Gage's contrariety was predicated on both military and economic principles. As long as British troops had to be stationed on the frontier to prevent conflicts between advancing settlers and Indians, the troops could not be used on the sea coast where the established colonies were becoming daily more revolutionary. Gage considered it best to restrict settlement to the sea coast where easier control would be
facilitated. In particular, it was necessary, he felt, to control the colonies' trade rigidly, because trade created cities to which tradesmen could migrate and begin to produce goods of their own. There would no longer be the need to import goods from England. Gage's opinion was generally held in high esteem, and it is only reasonable to assume that many persons had second thoughts about opening the west to settlement when confronted with the General's ideas.

The common element embodied in the numerous variations of western policy between 1763 and 1775 was mercantilism. It was this single element with which all efforts to establish the colony of Vandalia had to struggle, from the time of its inception in 1769 until its demise in 1775. But most of those who favored the completion of the Walpole grant and the erection of the colony of Vandalia seem never to have realized exactly what they were struggling against. Their actions were guided solely by a desire for personal gain. They saw in the obstructive tactics of their opponents only the tactics used by political factions in a fight for position and particular benefit. The proponents of the grant played the game accordingly and essayed to align the factions in their favor. Money and promises of money flowed freely in an

Letter, Gage to Barrington, February 8, 1773, and Gage to Barrington, August 5, 1772, in Carter, op. cit., II, 636-637, 615-616.
endeavor to acquire support. What the advocates of western expansion failed to apprehend was that though British politics were factional, chaotic, and corrupt, there still remained within the government persons who were willing to forego personal gain for matters of great enough importance. The question of western expansion was of sufficient import to unite persons of all factions in opposition, as they saw in the movement west of the Alleghenies elements detrimental to the traditional system of mercantilism.

In hindsight, the convictions of the opponents of the march westward may seem shortsighted. Yet, they appeared to those who held them at the time to be of the utmost consequence. However, just as the advocates of expansion failed to comprehend that the true struggle was with the mercantile system, the opponents of expansion failed to comprehend that mercantilism was a dying system. Settlement in the west was inevitable. It was just as inevitable that over a period of time the new colonies as well as the old ones would reach such an advanced state that imperial control would have to be relaxed. Instead of accepting the inevitable and striving to develop a policy consistent with it, they attempted to delay the final outcome by stringently adhering to mercantilism, and tried to bring even the seaboard colonies under tighter control. In the process, they contributed to the destruction of the system they were working to preserve.

After 1775, the west was no longer to be a problem for the British government. It then became the role of the new American government to decide the fate of the Ohio Valley.
APPENDIX A

APPENDIX

PROCLAMATION LINE, 1763

TREATY OF FT. STANNIX, 1768

JOHN STUART'S LINE, 1768
APPENDIX A

PROCLAMATION LINE, 1763

TREATY OF FT. STANWIX, 1768

JOHN STUART'S LINE, 1768
APPENDIX C

PROPOSED BOUNDARY OF VANDALIA, 1773
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