

Chapter 5

The Colonial Land Speculations

The colonial land system was essentially English. Despite subsequent political changes and upheavals, it has been largely maintained and only little modified. Such modifications as have been made were due not so much to a desire or movement for land reform as for adjustment to prevailing political and economic conditions. Thus the development of fee ownership in preference to a tenancy or quitrent system may be ascribed more largely to the early abundance of land rather than to a positive move to do away with the evils of the latter system. As stated by W. A. Phillips, a western congressman, in 1885 in his book, *Labor, Land and Law*, "The essential feature of the land policy seemed to be that in this New World each man should get as much land as he could, and if he did not sell it to some successor, his family should have the exclusive right to use it forever. Escaping from the aristocracy and despotism of Europe, each man hoped he could found an aristocratic family of his own. Tenure was not based on a recognition of human rights, but on privilege. The richer and more aristocratic colonists desired great estates and the spread of an aristocratic landed system. Such institutions met the favor and received the patronage of the home governments. Poor settlers and colonists had little power and were anxious to secure all the land they could."¹

From the preceding chapters it is apparent that the conveyance of unoccupied lands to chartered companies, private groups and individuals with an agreement to undertake the management, settlement,

¹P. 319.

not set up a demand for restraint on land concentration in the colonies, it undoubtedly had an influence on some of the fathers of the Revolution as well as on the French physiocrats and classical British economists. Both Thomas Jefferson and John Adams, as shall be shown later, were opposed to large individual landholdings. And Benjamin Franklin, though a participant in colonial land-grabbing, denied that the right to private property was absolute. But it was only after land was well settled and tended to become scarce, as a natural monopoly, that property ideas expressed by John Locke and his followers in later years took root on our continent. This development will also be discussed in a later chapter.

Summary

In summing up the role of landownership and land distribution as related to the colonial grants, it may be stated that, in origin, though the colonial charters were based largely on the concept of the trading companies then existing in Britain, they were, in essence, land-speculation ventures. This motive was stimulated by the rise of the British mercantile classes during the period and their gradual assumption of a predominant role in British politics. The absence of any elaborate details regarding land distribution in the colonial charters indicates that landownership, as a political factor, had already lost much of its effect in governmental matters, while its economic aspects, as a factor in providing for human existence and as furnishing a means of social aggrandizement, was becoming more important. The economic conditions in England at the time were such that the new "landless" classes, created by the disintegration of feudalism and the growth of the enclosure movement, led to economic misery and political discontent. The effort to establish colonies was the outcome of this situation. But land-grabbing was also an important motive. As already pointed out, the rising mercantile classes were eager to be landlords. Absentee ownership of large areas was a badge of social prestige.

and resale was a common practice throughout the colonial era. Practically all of the early English land settlement of America was conducted on this plan. The effect was to originate a process of land speculation and landlordism that persisted throughout the whole period of settlement and continues to this day. Though land speculation fostered land settlement and scattered the population throughout the boundaries of the royal grants and even beyond, the result was not always in the best interest of orderly political and economic development. Indian warfare, disregard for the common rights of mankind, and frontier hardships marred the history of one of the greatest and most important episodes in the movement of human population.

During the first hundred years of North American colonization, economic and political conditions within and without the colonies gave little encouragement to private land schemes. Land was too plentiful. But as population began to fill up the accessible regions within charter grants, and good tillable land became scarcer and more valuable, the move to obtain unsettled regions for pecuniary gain came more into vogue, and land-grabbing, by both fair and foul means, became an occupation as well as an activity of the colonial "adventurer."

Toward the end of the eighteenth century, wealth had accumulated in the colonies. Free land, obtained under crown grants or "head-rights," had practically ceased. Cities and channels of trade were established and population had gradually pushed forward to and beyond the Alleghenies. The vast unoccupied tracts beyond became a speculation lure. The main objectives were the large unsettled tracts lying within or adjacent to the charter limits or boundaries of the various colonies.

The Early Maine Speculation

Among the early enterprises undertaken with the motive of land speculation were two companies organized in the Massachusetts Colony to acquire large tracts in Maine. In 1661 the Massachusetts Colony sold to several individuals for £400 a large tract on the Kennebec River. This became known as the Kennebec Purchase. The heirs held this territory, largely unsettled, for nearly a century. In 1753 they in-

corporated as the Proprietors of the Kennebec Purchase and proceeded to dispose of their holdings. The corporation continued in existence until 1816.²

Another early Maine land company was the Pejepsicut Company. Neither of these early projects held any promise of profit to proprietors until about a quarter century before the Revolution, and it was not until after the Revolution that actual disposal of these outlying areas was actively put into effect.

The Early Southern Land Companies

We have pointed out that proprietorship of large landed estates was highly regarded by the colonials. As in England, it was an emblem of nobility. It carried with it political as well as pecuniary preferment. This was particularly characteristic of the southern colonies. There during the colonial days the presence of large landed estates, engrossed in comparatively few hands, fostered a landed aristocracy. It was further abetted by the system of Negro slavery and indentured servants. The "plantation system," with emphasis on a single crop, became the rule and crowded out the landless "freeman," who sought refuge in the back country or less accessible regions, or who was forced to reside as a laborer or mechanic in the towns and cities. This gave rise to a class of "poor whites," in contrast with the landowning class, which largely controlled the suffrage and dominated the political life of the period. Landownership was desirable, therefore, for economic and social as well as for political reasons. The Virginian was not much of a "gentleman" unless he lived in the midst of his countless acres. If he was a non-resident owner or a large "patentee" of the Crown, he employed land agents on the spot to look after his estates or to lease or sell his holdings. Grants of land in the southern colonies were a fertile source of political intrigues. The local gentry were frequently in conflict with the Crown-appointed governors regarding land questions. In fact, land-grabbing in the South began before the importance of either Negroes or tobacco was recognized.

As the areas east of the Allegheny Mountains were gradually en-

²See *Maine Historical Collections*, Vol. II, pp. 269-94.

crossed, and as plantations and towns spread out beyond the piedmont sections, covetous eyes were pointed toward the vast unsettled areas to the westward. It was not until after the French and Indian War that the political sovereignty and administrative control of the territory were established. Various colonies claimed a share of the westward area as parts of their original charter grants, or as claims under the right of "discovery," or through "purchase" from the Indians. As the charter limits of each colony were not definitely fixed, their claims overlapped and there were conflicts, amounting in some cases to open warfare, over the jurisdiction of unsettled areas. Inter-colonial jealousy and territorial greed led the rival claimants to take measures, secretly and openly, to assert their rights by actual occupation or by royal conveyances.

The first definite move to obtain a large grant of western land was made in 1748, when a group of Virginian gentlemen, styling themselves the Ohio Company, obtained a crown grant of 500,000 acres west of the Alleghenies adjacent to Virginia. The next year another group of forty-six Virginians, styling themselves the Loyal Company, received an additional 800,000 acres nearby. Both grants were made by the governor and Council of Virginia. The locations were not surveyed, nor, for that matter, definitely marked out. That of the Ohio Company was to be located "south of the Ohio River," and the Loyal Company's grant was to be "in one or more surveys beginning on the bounds between Virginia and South Carolina and running westward to the North Seas." Both companies were to locate their lands and make return of surveys within four years' time. At this time, it should be noted, the areas in question were under the disputed ownership of the English and the French, while the actual possession was held by the Indians, who acknowledged the suzerainty of neither of the disputing European powers. But such disregard of the rights of others was an insignificant obstacle to the land-grabbers of the period.

The grants undoubtedly had a political significance. Without this western territory, the southern colonies would be confined to the area east of the Alleghenies and without an outlet to the Ohio and Mississippi rivers. The French blocked this by pushing their settlements southward and by establishing Fort Duquesne at the present location of

Pittsburgh. The conflict was finally decided by the treaty of peace which ended the bloody French and Indian War. This treaty recognized the claim of the British to the territory.

Despite the dangers and difficulties involved, both the Ohio and the Loyal companies set about to secure their grants. Christopher Gist, one of the noted surveyors of Virginia, was sent in October 1750 to "search out" and to discover the Ohio Company's lands. He went down the Ohio River as far south as the present site of Louisville, Kentucky. During the journey he made strong overtures of friendship with the Indians. He was enthusiastic about the project. "Nothing," he said, "is wanted but cultivation to make it a most delightful country." In the meantime the Loyal Company group was not idle. Its proprietors sent Dr. Thomas Walker of Albemarle, Virginia, to make a reconnaissance and to discover a proper place of settlement. As might be expected, the two "companies" then became involved in a controversy, and neither made an actual survey or fixed the bounds of their respective grants.

The ease with which they obtained their grants, however, and the glowing accounts of the potential values of the vast area led to other land-settlement schemes and aroused an epidemic of interest in these wild outlying lands. The interest was intensified by the outbreak of the French and Indian War, at which time volunteers were promised land in the new territory, ranging from five thousand acres each for high-ranking officers down to fifty acres for each private. At about the same time, Governor Dinwiddie, who arrived in Virginia in 1751, granted land to applicants in the regions—in all, more than a million acres.

These grants of western lands in large tracts brought protests from the commonalty. The Virginia House of Burgesses expressed their disapproval and requested that in the future the governor make small grants and thus curb the land monopoly of the large companies.³

Some of the speculators in these western lands sought not only to acquire the ownership of the land but also to establish new colonies, with separate and distinct governments. They sent lobbyists to London to obtain the Crown's sanction to land-grabbing schemes, and thus the

³See Kenneth P. Bailey, *The Ohio Company of Virginia*.

question of the disposal of the vast western domain, lately won from the French, infested British politics and induced corruption and favoritism in the colonial governments themselves. One half of England is "Now Land Mad," wrote George Croghan of Philadelphia, one of the land schemers, to Sir William Johnson, British Indian agent for the colonies, on March 30, 1766, "and everybody there has his eyes fixed in this country."⁴

The Indian Line

The British authorities, despite the corruption and greed of its members, who were oppressed with the burdens left by the wars with the French and Indians in America, desired an era of peace in the dominions overseas. They therefore sought to curb the system of land-grabbing. A royal order was issued in 1763 prohibiting the colonial governors from granting land patents beyond the headwaters of the streams running into the Atlantic, and barring land "purchases" by individuals from the Indians in the area. This resulted in the drawing of the "Indian Line," which extended along the Allegheny Mountains through central Pennsylvania and southward along the line of the Blue Ridge Mountains of Virginia and the Carolinas. This decree created serious opposition from the land-hungry colonists, among whom were George Washington and a number of other Revolutionary compatriots. Despite the opposition, however, the order was not rescinded, and to make matters worse for the land engrossers, Parliament in 1774 enacted the Quebec Bill, which annexed the crown lands northwest of the Ohio River to the royal province of Quebec. This measure was among the grievances cited in the Declaration of Independence. The Revolutionary Congress never recognized the Quebec Act as valid.

There were at this time in Virginia many prominent persons engaged in land deals, including George Washington and his brothers. These banded together in groups or in "companies." There were the Lees, the Nicholsons, the Carters, the Masons, and the Byrds, all large landholders. Patrick Henry, along with Peter Jefferson, a surveyor, father of Thomas Jefferson, were also deeply concerned in land deals.

⁴*Sir William Johnson Papers*, Vol. V., p. 129. See also C. W. Aevord, *The Mississippi Valley in British Politics*.

Farther south, in the Carolinas, and to the north, in Pennsylvania, there were also prominent colonists who eagerly grasped for the fertile regions sloping toward the Mississippi.

The Transylvania Company

Judge Richard Henderson of North Carolina, the employer and backer of Daniel Boone, the pioneer, promoted the settlement of the Kentucky region and claimed ownership of a vast unsettled tract there. He organized a group of speculators under the name of the Transylvania Company. Ignoring the British Government's interdiction against Indian land purchases, he "bought" from the Cherokees in 1773 about one half of the present state of Kentucky and immediately began settling the land. He advertised widely for pioneers and "shareholders." In his announcements, Henderson waxed enthusiastic. "The country [Transylvania] might invite," he wrote, "a prince from his palace merely for the pleasure of contemplating its beauty and its excellence, but only add the rapturous idea of property, and what allurements can the world offer for the loss of so glorious a prospect."⁵

Henderson and his associates ran into a noose of inter-colonial conflict regarding the jurisdiction of the region. They endeavored during the Revolution to get the Continental Congress to erect their territory into another state, but Patrick Henry and Thomas Jefferson, in the interest of Virginia, had their Indian purchase declared illegal. The Kentuckians then threatened to fight, and to appease the irate speculators, Virginia made grants to actual settlers and finally closed out the Transylvania claim by giving Henderson's Company 200,000 acres. Land-grabbing soon became widespread in this new territory, and the engrossment of large tracts resulted in large importations of slaves into Kentucky, the redundant descendants of which, in later years, had to be "sold down the river."

As Kentucky was settled by zeal for landownership and by the greed of land-grabbers, so also was Tennessee. John Sevier, a hero of the Battle of Kings Mountain, the colonizer of the new "State of Franklin"

⁵See A. Henderson, "A Pre-Revolutionary Revolt in the Old Southwest," in *Mississippi Valley Historical Review*, Vol. 17, p. 198 *et seq.*

(which later became Tennessee), claimed title to immense tracts in that region and, still unsatisfied, continuously grasped for more.

George Washington's Interest in Western Lands

Like many of his compatriots, George Washington, along with his half brothers, Augustine and Lawrence Washington, were concerned in western land speculation. They were participants in the Ohio Company and other land-grabbing ventures. As a surveyor and as land agent for Lord Fairfax, whose estates in northern Virginia comprised 5,000,000 acres, Washington, early in his career, was brought into contact with "absentee landlordism" and at this time appears to have become infected with the "wild land" virus. He, indeed, was one of the most active land speculators of colonial times. He took an active part in pressing the claims of the Ohio Company and, together with his neighbors, the Lees, formed the Mississippi Company and petitioned in 1768 for an additional large land grant. After the French and Indian War, in which he took a prominent part, he entered wholeheartedly into western land acquisitions. He treated as "a scrap of paper" the British edict forbidding the colonial governors from granting patents for land lying beyond the Alleghenies. He was not discouraged by it. He wrote to his friend and agent, Captain William Crawford, whom he employed to seek out and pre-empt the best lands in this region:

I can never look upon that proclamation in any other light (but this I say between ourselves) than as a temporary expedient to quiet the Minds of the Indians and must fall of course in a few years especially when those Indians are consenting to our Occupying the Lands. Any person therefore who neglects the present opportunity of hunting out good Lands and in some measure marking and distinguishing them for their own (in order to keep others from settling them) will never regain it.⁶

In October 1770, Washington set out on a journey to inspect the lands he was bent on acquiring for himself and others—land which had been set aside by Virginia as bounties to officers and soldiers. He made

⁶John C. Fitzpatrick, *The Writings of George Washington*, Vol. 2, p. 469. See also Herbert Baxter Adams, *Maryland's Influence in Founding a National Commonwealth*, appendix, "Washington's Land Speculations."

notes on the territory, and after acquiring part of these "soldier lands" he inserted the following advertisement in the *Maryland Journal and Baltimore Advertiser*, August 20, 1773.^{6a}

Mount Vernon, in Virginia, July 15, 1773

The subscriber having obtained patents for upwards of twenty thousand acres of land on the Ohio and Great Kanawha (ten thousand of which are situated on the banks of the first-mentioned river, between the mouths of the two Kanawhas, and the remainder on the Great Kanawha, or New River, from the mouth, or near it, upward in one continued survey) proposes to divide the same into any sized tenements that may be desired, and lease them upon moderate terms, allowing a reasonable number of years rent free, provided within the space of two years from next October, three acres for every fifty contained in each lot, and proportionately as above, shall be enclosed and laid down in good grass for meadows, and, moreover, that at least fifty fruit trees for every like quantity of land shall be planted on the premises. . . . To which may be added, that as patents have now actually passed the seals for the several tracts here offered to be leased, settlers on them may cultivate and enjoy the lands in peace and safety notwithstanding the unsettled counsels respecting a new colony on the Ohio; and, as no right-money is to be paid for the lands, and quit rent of two shillings sterling a hundred, demandable some years hence, only, it is highly presumable that they will always be held on a more desirable footing than when both these are laid on with a heavy hand.

It appears from the foregoing announcement that Washington proposed to settle the lands and not to sell them. He wished settlers to clear, fence, and till the tenements. How like the English practice! And how much opposed to democratic principles! In fact, Washington, until he set out to lead the embattled farmers in the struggle for political freedom, was a Virginia landlord. These gentry were fast assuming all the traits, characteristics, and privileges of the landed aristocracy of the mother country. There, land was not only the badge of wealth, it was the emblem of nobility. The first families of Virginia not only sought land, but they sought to retain it. When the King's proclamation re-

^{6a}Phillips, *Labor, Land and Law*, p. 323.

stricting settlement of western lands was issued, it created the political resentment of the Virginia aristocracy that led to revolt, but it also gave an opportunity to the common folk, the landless yeomanry, to assert themselves and take a hand in the determination of the popular will. The Revolutionary War eventually resulted in the abolition of landownership as a basis for political prestige and preferment, and to this movement Washington, Jefferson, and other landed associates slowly and calmly yielded. As true patriots they sacrificed personal interests in the common cause. But they continued to hold property in land as a sacred right.

Another of Virginia's "Revolutionary Fathers" who was steeped in western land speculation was Patrick Henry. There is strong historical proof that Henry was engaged in land speculation both before and after the Revolution. Jefferson described Henry as being "insatiable in money," and his participation in the Georgia land frauds (see p. 78) and other western land schemes may bear this out.

Thomas Jefferson, a large landowner on his own account, who later in life frowned upon speculation and land-grabbing, expressed the view in 1774 that the land never belonged to the British King and it was time for the colonies "to declare that he has no right to grant lands of himself," and listed this privilege, when he wrote the Declaration of Independence, among the British King's usurpations, stating, "He has endeavoured to prevent the population of these States; for that purpose obstructing the Laws of Naturalization of Foreigners; refusing to pass others to encourage their migrations hither, *and raising the conditions of new appropriations of Lands.*" (Italics inserted.)

Franklin's "Vandalia Company"

Another great American of the colonial era also was a victim of the western land fever. Benjamin Franklin's many-sided occupations included gainful pursuits and desire for pecuniary profit. Be it said of him, however, that he was not the originator of a bold scheme to obtain a vast territory, one of the largest land deals ever concocted on the American continent. He merely aided in its promotion.

When Franklin was in London in 1766 as an agent of Pennsylvania,

his enterprising son, William Franklin, then governor of New Jersey, conceived the idea of buying the claims of French settlers to land in Illinois—a scheme later expanded to a proposed purchase of an immense tract lying northwest of the Ohio River. Associated with him were Sir William Johnson, the British Government's Indian agent in the northern colonies, and several wealthy Philadelphians. They wrote Franklin, requesting the use of his influence to get the approval of the British Government.

Franklin was for it. "I like the project of a colony in the Illinois country," he wrote his son, "and will forward it to my utmost here." His reward for his services would be a share in the deal and a limited right to nominate others. Knowing the frailties of politicians, Franklin sought to gain approbation of the project by distributing among them "shares" in the project.

He interested a prominent London banker, Thomas Walpole, who became the nominal head of the affair, and the deal became known as the Walpole Grant. But in Philadelphia it was called the Vandalia Company. While shares were being distributed in the ownership of the "new colony," the petition, which was referred by the British Cabinet to the Board of Trade, was not acted on for six years and was finally disapproved by Lord Hillsborough, the head of the Board, much to the disgust of Franklin. However, Franklin, possibly through his remarkable arguments printed in reply to the Board of Trade's decision, finally won out. The British Cabinet eventually gave its approval to the scheme, but this was undoubtedly due to the belief that the action would appease the revolting colonies. The grant, however, came too late, and when Franklin returned to Philadelphia in 1775, the colonies were already in revolt and the scheme of a "new colony" was dropped.^{6b}

There were a number of other land-grabbing schemes in the Northwest, but space does not permit giving the details. Since the Revolu-

^{6b}Letters of Franklin to his son, William Temple Franklin, of 1766-68, in John Bigelow, editor, *The Complete Works of Benjamin Franklin*, Vol. 4, pp. 136-45. See also Thomas Perkins Abernethy, *Western Lands and the American Revolution*.

tionary War put a curb on them and since those currently in existence were not recognized as valid by the Continental Congress, they, for the most part, lapsed or were later invalidated by Congress or the courts.

Population Pressure as a Factor in Westward Movement

The struggle for the western lands, with the accompanying speculation fever, was undoubtedly caused by the pressure of population and the consequent rise in land values in the settled areas. Several decades before the Revolutionary War, the settled portions of New England had already become overcrowded. Connecticut, in particular, felt the need for an outlet for surplus population. Packed within narrow limits and confined to rocky hills, the sturdy Yankee farmers looked with envious eyes upon the rich unoccupied lands to the westward. As already noted, this adventuresome pioneer spirit was fostered by the fever of land speculation as well as by need and desire for new land. Silas Deane, who as a young man collected material for a history of his native state of Connecticut, repeatedly urged an outlet for her people and pointed to the need of western lands for this purpose. The Susquehannah Company, organized in 1753 by a group of Connecticut capitalists, purchased from the Indians a tract of land in western Pennsylvania (the Wyoming region) and, despite the armed opposition of Governor Penn, made settlements in what now constitutes the anthracite region of the United States. The disputed area was held, notwithstanding the invalidity of Indian purchases and the terrors of the French and Indian War, though its development was greatly retarded by an attack of the Indians in 1778, known as the Wyoming Massacre.

There were other and similar movements by local population groups in New England and elsewhere which sought to establish actual settlements beyond the "Indian Line."

Summary

From the foregoing brief account of land schemes and land engrossment in the early westward movement, it should be noted that land hunger and the desire to reap the profits of the unearned increment arising from landownership through population growth were manifest

among early colonists. These characteristics have never been lost or discarded. They have continued throughout the whole period of our national history. The colonial precedents enumerated herein formed the background for movements along the same lines, but of somewhat different character, as shall be shown later in these pages.