

British versus American Interests in Land and the War of American Independence

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1. Introduction

The Seven Years War that concluded in 1763 resulted in the British having a massive empire in eastern North America stretching from Canada to Florida. Britain was now the supreme imperial power of the eighteenth century. Yet in little more than a decade the American colonies were in open revolt the end result of which was not only the loss of the colonies but also the entire territory west to the Mississippi River. The revolt occurred at the same time that the colonies were the beneficiaries of a long period of economic growth enabling them to be a part of "... one of the most dramatic success stories of the preindustrial world." Furthermore, the colonists were also the beneficiaries of protection from invasion by the most powerful and successful military establishment at the time.¹ And yet they decided to undertake a war for independence. The fundamental question addressed by scholars has been and continues to be why did they do it?

The War of American Independence has been the subject of inquiry of scholars for generations. Beginning with the works of William Gordon and David Ramsay published only a few years after the war there has been a voluminous literature generated in the pursuit of trying to understand just what this revolution was really all about.² Despite all of

¹ Quote is from p. 207 of Galenson, "Settlement," which gives an overview of colonial economic development. How the British became the dominant military power is examined in Brewer, *Sinews*.

² Gordon, *History*. Ramsay, *History*. For a measure of the extensive literature on the American Revolution see the bibliography compiled by Gephart, *Revolutionary America*.

this effort no clear consensus has emerged. It remains one of the enduring mysteries in British and American historiography.

Given the numerous factors involved, each playing its own role, it is not surprising there is a wide range of views. The difficulty of generating a single comprehensive explanation led John Adams to observe, "Who shall write the history of the American revolution? Who can write it? Who will ever be able to write it?"³

In the attempt to respond to this challenge one of the major intellectual battlefields among historians has been whether the war of American independence was the outcome of an ideological and constitutional struggle or a conflict of economic interests between Britain and the colonialists. Over the course of the nineteenth and early twentieth centuries scholars generally took the position that the Americans had rebelled to preserve their own freedoms. At issue were individual rights, liberty, freedom from arbitrary power, and the distribution of sovereignty between the British government and the colonies. The war was brought about, they asserted, by the encroachment of the British government upon colonial rights and liberties.⁴ This accepted view was challenged by a new generation of historians during the early twentieth century that argued that the revolution was really all about a conflict of economic interests.⁵ "The popular view of the revolution as a great forensic controversy over abstract governmental rights," declared one of these scholars, "will not bear close scrutiny."⁶ Since World War II, however, the ideological and constitutional view has re-emerged in the historical literature.⁷

Nevertheless current research by economic historians generally reflects the position that somehow the key was a conflict of economic interests. The approach is to assess the costs and benefits to the Americans of British trade and tax policies. Consideration is given to the importance

³ Cappon, Adams-Jefferson letters, Vol. 2, p. 451.

⁴ Bancroft, History. Fiske, American Revolution. Andrews, "American Revolution."

⁵ Schlesinger, Colonial Merchants. Charles and Mary Beard, American Civilization, vol. 1. Hacker, Triumph.

⁶ Schlesinger, "American Revolution," p. 76.

⁷ Palmer, Age. Bailyn, Ideological Origins. J. P. Reid, Constitutional History.

the colonists placed upon past or prospective effects of these policies at the time of declaring independence.⁸ Despite these insights there remains to be made a convincing argument that the revolution was primarily about a conflict of economic interests. To do so requires a general economic framework within which one can tie together the rationale of British economic policies prior to and during the war as well as how these policies conflicted with American economic interests.

This article will attempt to construct such a framework by focusing on the role of one particular conflict of interest between the British and the Americans. It was a conflict where the outcome potentially had far greater economic repercussions for the participants than in the conflicts over trade and tax policies and yet has been largely neglected in recent research by economic historians. It is the contest over land.⁹ The approach to be taken here is to use a rent dissipation model to pursue a theme of conflict over land that provides a coherent synthesis of the major economic conflicts of the revolution. Although their causal arguments may differ there is general agreement among scholars that the War of American Independence was a reaction to changes in British policies following the conclusion of the Seven Years War. With its victory over France, Britain had acquired Canada and all of the land between its colonies in North America and the Mississippi River. The North American theatre of the war is viewed in this paper as essentially a conflict over land. It is then argued that in an attempt to capture the maximum economic benefits from the newly acquired territory, the British began to systematically change their colonial policies across the board. This involved not only a significant change in land policies but in military, trade and tax policies as well.

Furthermore by viewing subsequent events through the lens of land conflict considerable insight can be attained into some of the major actions taken by the Continental Congress before, during, and after the revolution. These reflected the importance of the trans-Appalachian territory to the

⁸ Sayers, "Navigation Acts." Reid, "Economic Burden."

⁹ This neglect by economic historians is somewhat surprising in that the acquisition of land is such an integral part of what has become a standard model used to explain economic development throughout the colonial period. The model is the staple thesis, a concise statement of which is offered in Galenson and Menard, "Approaches."

Americans. An assessment will be made of their effort to acquire this vast region lying between the Appalachian Mountains and the Mississippi River or what will be simply be referred to in this paper as the West. The contest between the Americans and the British over the West provides a foundation for a conceptual overview of a conflict of economic interests interpretation of the war of independence.

2. The Mercantile War

The Seven Years War was the fourth major war the British and French had fought against each other since 1689.¹⁰ Out of all these wars it was the only one that had started in North America. While the British had fought the French here during the previous war, it was merely a sideshow to the far greater war in Europe and the results proved inconclusive. This time Britain allocated a six-fold increase in expenditures for war in America. What was at stake? The initial issue was the control of land westward from the established British colonies. The reason it had arisen had to do with the manner in which the land provided rent for the various British and French economic interests.

By claiming the vast interior of North America the French had sought by the mid-eighteenth century to establish a monopoly of trade with the native Americans. Its trading system was based upon a series of military posts.¹¹ For the most part these posts were leased to individuals by the French government or were royal posts where trade was conducted on behalf of the King. In some cases local post commanders formed companies with merchants to manage the trade with the native Americans. Each post had exclusive trading rights to the area assigned to it by the government allowing rent to be extracted. Rent accrued not directly from land but rather from the exclusive trading rights with the native Americans who occupied the land. While the latter both purchased goods from and

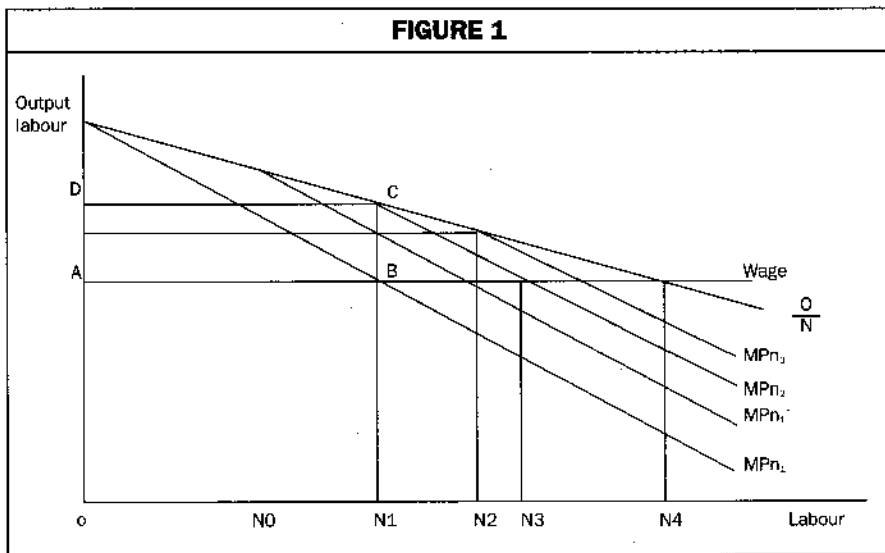
¹⁰ Not surprisingly the literature on this war is extensive. See Lydon, *Struggle*. A recent contribution to this literature has been made by Nester in his *Great Frontier War* and his *First Global War*.

¹¹ For a summary of the French trading system see Eccles, "Fur Trade" and Stevens, "Organization."

sold goods to the posts they did not have exclusive rights to the land. Without having the right of exclusivity, the native Americans were using land as though it was a common resource.¹²

During the first half of the eighteenth century the French trade monopoly did not go uncontested. Some of the British colonies made their own claims to large portions of the area. Colonial land companies were granted claims. Individuals as well as companies began to undertake trade with the Native Americans. Settlers began to push into the area. For the French, the loss of the right of exclusivity would mean the loss of the ability to extract rent. This then became the basis of the conflict involved between the economic interests of the British and French in the area west of the British colonies.

By viewing the ownership of exclusive trading rights to a trading area as belonging to firms and using a rent dissipation model, one can better understand the economic stakes involved for the French by the intrusion of British colonial traders and settlers. Figure 1 depicts the situation.¹³ Land is held constant. Trading effort or labour (N) and output (O) per unit of labour are measured on the horizontal and vertical axes respectively. Both



¹² Carlos and Lewis have an excellent discussion and analysis of Native American property rights to land in their "Property Rights" and "Indians."

¹³ This figure is an adaptation of the analysis of the dissipation of rent to a common resource found in Baack, "Testing the Impact."

the average (O/N) and marginal product (MPn_1) of labour decline as labour increases. Confronted with a given wage rate, a single firm with exclusive trading rights would extract the maximum rent (ABCD) by employing N_1 of labour. If a second firm begins to trade in the area with the first firm employing N_1 of labour, the marginal product of its labour will be MPn_2 . The second firm would extract maximum rent by employing N_1 to N_3 of labour. The effect of this is to lower the marginal product of labour for the first firm which will then reduce its trading effort. In turn this will increase the marginal product of labour for the second firm and lead to an expansion of its trading effort. In equilibrium the marginal product of labour for the second firm will be MPn_2^* . Total labour employed will be N_2 with N_0 labour working for the first firm. The two firms will now share equally the lower rent. If a third firm entered the area the marginal product of its labour would be MPn_3 . Continued entry of firms would eventually dissipate all of the rent.

The restriction of entry to trade in the west became a major issue between the British and the French during the 1740s and 1750s. During this period the British government pursued a policy of promoting the expansion of trade and settlement. In 1747 members of the Ohio Company petitioned the government for five hundred thousand acres in Ohio for the purpose of engaging in settlement and trading with the native Americans. Following approval of the petition by the British Board of Trade, King George II granted the land to the company. Soon thereafter the King instructed the colony of Virginia to make additional land grants in the west. This was done.¹⁴ For the French to protect its economic interests it was imperative not to allow the entry of traders and settlers. In an effort to contain the British along the Atlantic seaboard the French government built a chain of forts along the St. Lawrence River and the Great Lakes, southward into the Ohio and Mississippi valleys all the way to New Orleans. By the mid-point of the latter decade the French military was used to drive British traders out of the Ohio valley.

In response Governor Dinwiddie of Virginia a leading shareholder in the Ohio Company sent George Washington, whose two brothers were

¹⁴ For a discussion of the additional grants see Alvord, *Mississippi Valley*, Vol. 1, Chapter 3 and Abernethy, *Western Lands*, Chapter 1.

also shareholders, on a campaign that he envisaged would drive the French out of Ohio. The war for the west had begun. In turn the British government responded by sending its own troops.¹⁵ What had started as a series of frontier skirmishes within two years became a worldwide war involving most of the European powers. During the course of the war, the geopolitical goal of the British government became the dismantling of the French empire. The British military strategy under the direction of William Pitt would be to focus upon achieving a total victory in North America while maintaining a defensive posture in Europe. With the surrender of the French army at Montreal in 1760, the French military presence collapsed. France had been routed from North America.¹⁶

3. Rent Seeking and the Spoils of War

Under terms of the subsequent Peace Treaty of 1763 Britain acquired control of all the territory between its colonies and the Mississippi River as well as Canada. Now the British government confronted the issue of what was to be done with this substantial addition to its empire. Prior to and during most of the war the British government had encouraged colonial settlement. This struck at the very heart of the economic model the French were using to extract rent from the area. Now that the west was part of the British Empire, any continued colonial settlement would undermine the trade with the native Americans that had been taken from the French.¹⁷

By now, however, the Americans had accumulated their own stake in the west. Through their charters various colonies had made claims to tracks of land in the area. The British policy of encouraging settlement had generated a host of additional land claims by land companies, speculators, settlers, traders, and veterans of the war who had been promised land as partial payment for their services. Furthermore, the colonies had provided troops and material during the war. The British Parliament had adopted a policy of securing their help by making financial reimbursements to the colonies. As indicated in Table 1 these

¹⁵ For an overview of the contest between the British and the French see Eccles, *The French*.

¹⁶ See Nester, *First Global War*, for an excellent account of the war.

reimbursements covered less than half of the colonial expenditures. Having covered these costs by colonial taxes the Americans now had made a financial investment in the taking of the west. From their point of view, victory had opened the west for settlement. The area would become the granary of the empire while Britain could focus on manufacturing.¹⁸

Historians have argued at length over the reasons for the various British post-war colonial policies. However, the reasons for many of these policies become clear once viewed from the perspective of the British confronting a contest with the Americans over the control of land. The Americans wanted to exercise their claims to the land by settlement and the establishment of private property rights. By its nature such a development would eliminate the source of rent available for the British as demonstrated by Figure 1. Having begun the war to capture the French monopoly of trade, the British sought to develop a set of policies that would protect their interests in the newly acquired territory. In order to attain this goal the set of policies had to pursue three critical objectives. First of all, it had to restrict the entry of American settlers to the west. Second, the restriction of entry had to be enforced. Third, enforcement had to be financed. When viewed from this perspective the British colonial policies adopted during the 1760s and 1770s appear to be internally consistent and relatively straightforward.

This section of the paper will briefly examine each of these three objectives and the policies developed to meet them. The subsequent section will turn to an explanation of the observed American reaction.

The British policy of restricting entry to the west was initiated for the most part by the Board of Trade.¹⁹ Following the fall of Quebec and

¹⁷ Those British mercantile interests that had supported the war and indeed influenced the terms of the final peace treaty opposed settlement. Gough, *British Mercantile Interests*.

¹⁸ Greene, "Seven Years' War."

¹⁹ King William III created the Board of Trade in the aftermath of the 1688 revolution to maintain royal control over the colonies as he confronted the growing powers of Parliament. The Board was established in the spring of 1696 and charged with among other things the promotion and regulation of trade with the colonies. A detailed history of the Board is offered in Basye, *The Lords Commissioners*. For other accounts covering the history of the Board and its western policies see Abernethy, *Western Lands*, Alvord, *Mississippi Valley*, and Sosin, *Whitehall*.

TABLE 1. Colonial expenditures on seven years war

Colony	Expenditures (£)	Reimbursements (£)	Net Expenditures (£)
Massachusetts	818,000	351,994	466,006
Virginia	385,319	99,177	286,142
Pennsylvania	313,043	75,311	237,732
New Jersey	204,411	51,321	153,090
New York	291,156	139,468	151,688
South Carolina	96,656	10,226	80,430
Maryland	39,000	0	39,000
Rhode Island	80,981	51,480	29,501
Connecticut	259,875	231,751	28,123
North Carolina	30,776	11,010	19,766
New Hampshire	53,211	47,030	6,181
Georgia	1,820	0	1,820
Total	2,568,248	1,068,769	1,499,479

Source: Greene, "Seven Years' War," Table p. 98.

the capitulation of Montreal it had set about the task of incorporating the former French monopoly of trade into its empire even though the war was not officially over. The Board in assessing the appropriate strategy realized that the development of trade in the west presented some very difficult problems. One was that to a significant extent the native Americans had supported the French during the war. This had been due in large measure to the view encouraged by the French that the real reason for the war was the British and Americans wanted to take their land. This notion was being substantiated in that with the west now cleared of the French the colonial land companies began to press the British government for renewal of their land grants. The Board of Trade would have to address this conflict of interest over land if the British were to establish a trading relationship with the native Americans.

The Board confronted two additional problems also originating from the settlement of the west by the Americans. The British were now in much the same position the French had been in prior to the war. Colonial settlement meant the potential loss of rent from trade with the native Americans. Then there was the concern that, as the colonists pushed into the interior increasing the distance between the settlers and the eastern ports of entry, the Americans would ultimately begin to

manufacture their own goods. If this occurred it would to the detriment of British manufacturing interests.²⁰

It became increasingly clear to the British government including the King, ministry and Board of Trade that the common element to the solution of all of these problems was the restriction of entry of American settlers into the newly acquired land. The Board responded by overturning its old and implementing a new set of policies dealing with the West. It issued a report in 1761 saying its previous policy of encouraging settlement by promoting land grants to colonial land companies was no longer in the interests of the England. The granting of land claims would now cease for the duration of the war.²¹ This was followed with an instruction to the governors of the colonies to stop making grants of land in the West. Existing grants were not to be renewed. The effect of this instruction was to halt the formerly sanctioned operation of the colonial land companies. Furthermore, the instruction ordered colonial governors to remove all persons currently occupying land claimed by native Americans.²²

The end of the war brought continued development of British policy toward the west. The Board of Trade was directed by the King in the spring of 1763 to prepare a report on postwar North American policy. The Board drew up a series of recommendations which it suggested be issued by the King in the form of a proclamation. It outlined a plan for the British military to take over the captured French forts that could then become centres for regulated trade with the native Americans. In turn the Board recommended the West be officially reserved for them so as to enhance their loyalty and facilitate trade by restricting western settlement.²³ After some discussion with the King

²⁰ In May of 1763 Secretary of State Egremont formally asked the Board to address this problem. He suggested a policy of not allowing colonial settlement in the west so that "... instead of planting themselves in the Heart of America, out of the reach of Government, and where, from the great Difficulty of procuring European Commodities, they would be compelled to commence Manufactures to the infinite prejudice of Britain." Crain, "Hints," p. 371. Ben Franklin who was an advocate of colonial settlement sought to allay British concerns of this ever happening. Smyth, *Writings of Franklin*, vol. 4, no 290.

²¹ O'Callaghan, *Documents*. Vol. 7, pp. 472-476.

²² *Ibid.* pp. 478-479.

²³ The logic of the argument had been offered to members of the Board and other top government officials by William Knox. "Every New Settlement we make cuts off the means of the Indians subsistence in proportion to its extent, as it circumscribes their Hunting grounds within so much narrower Limits,..." Barrow, "A Project," p. 116.

over details, the Board wrote a rough draft of what became the 1763 Royal Proclamation on North America.²⁴ The following year it issued a plan aimed at refining how trade with the native Americans would be regulated.²⁵

In 1768, the Board sent to the King a comprehensive account of its strategy to enhance the value to the nation of the colonies and captured French territory. It reiterated that the object of colonizing North America had been to improve the commerce, navigation, and manufactures of the empire. The report argued that the plan for the West fit perfectly into this exercise. By restricting settlement the following goals would be attained. Restriction would enable the capture of the fur trade. Expansion of this trade depended entirely upon the native Americans maintaining possession of their hunting grounds. Capturing this trade would promote the sale of manufactured goods to the native Americans. Settlement restriction would also keep the colonists along the coast thus maintaining a market for manufactured goods. All of this together would promote navigation within the empire. Finally, any settlement in the interior inaccessible to shipping would only provide the colonists with an incentive to engage in manufacturing. Restriction of entry would suppress such a development.²⁶

With the issuance of its report to the King in 1768, the British Board of Trade had finally addressed all of the problems it perceived in assimilating the captured French territory. The plan for the west according to the Board was an internally consistent one to capture the spoils of the successful war with the French.

To be effective new rules require compliance. With the Americans making claims to and settling land beyond the Allegheny Mountains, the British realized they had to enforce their restrictions on settlement or the plan would unravel. What had once been a conflict of interest with the

²⁴ The correspondence between the Board of Trade and the Crown is given in Short and Doughty, Documents, pp. 127-163. The Proclamation follows on pp. 163-68.

²⁵ For the intent of the plan see the letter from the Board of Trade to the Superintendent of Indian Affairs in O'Callaghan, Documents, Vol. 7, pp. 634-636. The evolution, details and execution of the Plan of 1764 are discussed in Alvord, Mississippi Valley, Vol. 1, Chapter 8.

²⁶ O'Callaghan, Documents, Vol. 8, pp.19-31.

French over land in the west was now becoming one with the Americans. Four days after the Proclamation had been issued several copies were sent to General Amherst who was at the time Commander in Chief of British forces in North America.²⁷ Amherst was put in charge of implementing the provisions of the Proclamation. He was ordered to use the army to pacify the native Americans, enforce the regulations of trade, and prevent the illegal settlement of land.²⁸

In order to support this effort British army sent about 7,500 regulars into the West beyond the frontier of the established colonies. For the most part the troops were garrisoned at former French forts although new ones were also built. Trade with the native Americans was to be confined to these posts. The West was divided into military districts with each having a series of forts. In the Detroit district, for example, British forts were established at the mouth of the Illinois River, Michilimackinac, Miami, as well as Detroit.²⁹

The order to Amherst to keep out any new as well as remove any illegal settlers from the west had been sought by the Board of Trade. While preparing a rough draft of the Proclamation the Board had recommended to the King that the Commander in Chief of the army in North America be ordered to send any illegal settlers back to the colonies.³⁰ The stationing of the army in the territory reserved for the native Americans put it in position to carry out this mission. The British army had now been given the task the colonial governors had failed to carry out when ordered to do so by the Board in 1761.

²⁷ Amherst had earlier been informed of the King's intention to increase the size of the army in North America to 20 battalions comprised of 10,000 men. A source of considerable speculation by historians has been exactly how and when the King made this decision. Shy, *Toward Lexington*, Chapter 2 and Knollenberg, *Origin*, Chapter 6 provide reviews of the literature. Recently discovered documents show that the King had made the decision for a large standing army in America before the end of 1762. Bullion, "Ten Thousand." This makes it clear that the decision was not in response to Pontiac's rebellion as many historians have argued. Not only was the decision made prior to the rebellion but also well before news of the rebellion reached the British government in London. Redington, *Calendar*, Vol. 1, p. 229. For an account of the rebellion see Peckham, *Pontiac*.

²⁸ Carter, *Correspondence*, Vol. 2, pp. 1-3.

²⁹ These sites are taken from the deployment of the British army as discussed in Alvord, *The Mississippi Valley*, Vol. I, pp. 131-32

³⁰ Shortt and Doughty, *Documents*, p. 152.

In a portent of things to come the British army found that its mission of keeping the Americans out of the west was not an easy one.³¹ General Thomas Gage who had replaced Amherst as Commander in Chief in late 1763 confronted a host of problems. Colonial land Companies continued to make claims to land and sponsor settlement. Other Americans on their own initiative streamed into the area. All of this led in turn to frequent conflicts between settlers and native Americans. To stem the settlement tide the British army by 1767 had resorted not only to evicting settlers but also burning their cabins. Responding to orders from London, Gage ordered the Commander of Fort Pitt to attack two settlements along the Redstone Creek and Cheat River that had violated the boundary proscribed by the Proclamation. Only a few months later it was reported that the settlements had been rebuilt.³² After five years of dealing with illegal settlers Gage concluded by 1769, "I am fully convinced that the Boundary Lines never will be observed."³³ However, the clash between the British army and the Americans in the west was only the first wind of an approaching storm.

The standing army charged with enforcing the restriction of entry to the west had to be financed. At the time the funding decision was made the government found itself confronting extraordinary financial circumstances. As a result of the Seven Years War the national debt had almost doubled from 74 million in 1756 to 133 million in 1763. Interest payments on this debt were consuming between 47 and 48 percent of the government's annual revenue.³⁴ In light of this a decision was made to fund the army in a manner that would not exacerbate the budgetary problems. It was to have unintended consequences.

During late 1762 and early 1763 the King outlined to the members of

³¹ This was the case despite the fact that the Native Americans were often engaged in the same mission. For example, Amherst was ordered to remove an illegal settlement of the Susquehannah land company. Before the order could be carried out, however, the settlement was overrun by the Delaware. As one observer put it concerning the settlers, "I am sorry for their misfortune, but understand it saved the government the trouble of driving them off." Boyd, *Susquehannah Company*, Vol. 2, Document No. 230, p. 290.

³² Carter, *Correspondence*, Vol. 2, pp.44-46. White, *Middle Ground*, pp. 319-20. Johnson, *Papers*. Vol. 12, p. 374.

³³ Johnson, *Papers*, Vol. 12, p. 709.

³⁴ Brewer, Chapter 4.

the cabinet not only his plan to station an army in North America but also how it was to be funded. His decision was that the army was to be financed by the American colonies having an average per capita tax rate significantly below that in Britain.³⁵ While debate continued through January and February over the exact size and therefore the cost of the army to be deployed, there was general agreement among the ministers that the Americans should pay.³⁶ The Secretary of War introduced the King's plan to the House of Commons on March 4, during his annual presentation on the status of the British army. In his remarks, Welbore Ellis informed the members of the intent to have the Americans begin paying for the army in 1764.³⁷

It took a while for the government to sort out just how this would be accomplished. On March 18, the President of the Board of Trade Charles Townshend proposed to fund the army by revising the Molasses Act of 1733.³⁸ The House tabled the motion. In May the Secretary of State asked the Board of Trade to devise a new plan which would be the "... least burthensome and most palatable to the colonies..." After considering this for a month the Board under a new president replied that "... it is intirely out of our Power to form any opinion..."³⁹

With the issue back in its court, Parliament proceeded to debate and passed tax legislation to have the colonies fund the army. It began by reconsidering the proposal made by Townshend. The result was the Revenue Act (Sugar Act) of 1764. The following year Parliament passed the Stamp Act. Meanwhile General Gage was encountering difficulties garrisoning his men in New York. He sent a report to Secretary of State Halifax outlining the problems as well as the possible solutions.⁴⁰ His report became the genesis of the Quartering Act of 1765 that imposed essentially a tax in kind on the colonists. In 1766, Townshend became Chancellor of the Exchequer the same year Parliament repealed both the

³⁵ Palmer, *Democratic Revolution*, pp. 153-57.

³⁶ Bullion, "Ten Thousand." Bedford, *Correspondence*, Vol. 3, p. 210. Thomas, "Notes."

³⁷ For notes taken on the speech by Ellis see Thomas, "New Light."

³⁸ Bullion, "Ten Thousand," p. 649. Simmons and Thomas, *Proceedings*, pp. 562-3.

³⁹ Short and Doughty, *Documents*, pp. 128, 147.

⁴⁰ Carter, *Correspondence*, Vol. 1, pp. 47-49.

Sugar and Stamp Acts. To compensate for the loss of these revenue measures he proposed and successfully sought passage of the Revenue Act (Townshend Duties) of 1767.⁴¹

The series of British tax legislation to fund the army served to generate grievances among a variety of interest groups in the colonies. The manifestation of these grievances took on various forms from anti tax literature and economic boycotts to the formation of covert resistance organizations and the issuance of constitutional rhetoric questioning Parliament's right to tax. The latter as pointed out by Reid in his thought-provoking paper on the revolution was low in cost and had potentially high returns. Among other things it might serve to dissipate support in Britain for the colonial policy, unify colonial protest, and, if the British government relented, bring to an end the new colonial taxes.⁴²

All of this was the unintended consequence of the British desire to have the Americans pay for a standing army in the west. Despite all the problems of generating revenue from the colonies, the British government placed enough importance on restricting entry that the army was maintained even though it was largely at its own expense. And expensive it was indeed. British spending on its army in America was running at an annual rate approaching sixty percent of what it had been during the war with the French. (Table 2.)

Though largely unsuccessful in generating new tax revenue from the colonies, Parliament kept up the pressure. It continued to counter the American constitutional rhetoric against taxation with its own rhetoric as

Years	Total	Average Annual
1756-63	5,489	686
April, 1763-April, 1769	2,336	389

Source: Gwyn, "British Government" and Peter Thomas, "Cost."

⁴¹ While the tax incidence varied across the three tax acts Parliament used almost the identical phrase in each to state their purpose - defraying the necessary expenses of defending, protecting, and securing the said colonies and plantations. Jensen, *Historical Documents*, pp. 645, 656, and 701.

⁴² Reid, "Economic Burden."

in the case of the Declaratory Act of 1766. Members also tried to counter the colonial economic arguments. A case in point was when Ben Franklin testified before Parliament while it was considering passage the of the Stamp Act. He was asked how the colonists could be against the proposed Stamp Act when all the revenue would be spent in America. "I know it is appropriated by the act to the American service," he admitted, "but it will be spent in the conquered Colonies, where the soldiers are, not in the Colonies that pay it."⁴³

4. Institutional Conflict Turns to Open Warfare

While the British had constructed what appeared to be a reasonably coherent western policy it had generated a conflict of interests that was to become a revolution. A series of developments in North America began to converge to undermine the policy's long-term viability. Confronted with organized protests in the colonies against the Stamp Act, Quartering Act and the Townshend duties, the King in turn ordered General Gage to withdraw troops from some of the smaller forts in the west and reposition them in or near the urban centres along the coast.⁴⁴ The purpose was to quell protests and strengthen law enforcement. The impact in the west, however, was to reduce the effectiveness of British regulation of trade and restriction of entry.

The government was also confronted by emerging instability in Canada. Under the terms of the Proclamation of 1763, Quebec had been made a separate province to be governed by Britain and subject to English law. Increasing turmoil within the economic, legal, political, and religious life of the French community followed. By 1773, the French were petitioning the British government for provincial representation in government and recognition of French law, customs, and religion.⁴⁵ Viewed as being measures that would bring stability to the fur trade these requests were supported by the British fur-exporting firms in Quebec. Furthermore, in light of the declining British military presence in the west

⁴³ Smyth, *Writings*, p. 415.

⁴⁴ Carter, *Correspondence*, Vol. 2, pp. 61-66.

⁴⁵ Short and Doughty, *Documents*, pp.495-498, 507-508, and 510-11.

these firms were petitioning to have provincial control extended to the Ohio River Valley.⁴⁶

Despite the emergence of political protest against its policies in both Canada and the American colonies, the British government was determined to maintain the economic model its western policy was based upon. One result of this effort was passage of the Quebec Act on June 22, 1774.⁴⁷ To enhance the allegiance of the French in Quebec and thereby bring more stability to and control of the fur trade, concessions were made to most of the requests made in their petitions.⁴⁸ The territory north of the Ohio River and east of the Mississippi was annexed to Quebec. Provincial control would bring stability to the fur trade and satisfy the requests of the British trading companies. Annexation would also help deter colonial settlement since all American land claims would now be legally extinguished. And there would be the further deterrence effect of the area being subject to French law, customs, and religion. William Knox who was influential in the drafting of the Quebec Act put it this way. Annexation of the territory between the Ohio and Mississippi Rivers was "with the avowed purpose of excluding all further settlement therein, and for the establishment of uniform regulations for the Indian trade."⁴⁹

Passage of the Quebec Act led to a relentless decade-long effort by the Americans to unravel what appeared to be a consolidation of the British position in the west. It began at the meeting of the First Continental Congress during September and October when the Americans pursued two different diplomatic tracts. One was directed at Britain. In a petition sent to the King, Congress listed a series of grievances that included arguments against the British taxes, standing army, Quartering Act and Quebec Act. Congress then composed an address to the people of Great Britain wherein it made a case against their government imposing taxes to pay for the standing army. Congress appealed to the British people to "Place us in the same condition that we were at the close of the last war,

⁴⁶ *Ibid.* pp. 498-501.

⁴⁷ *Ibid.* pp. 570-576.

⁴⁸ See Sosin, Whitehall, Chap. 10.

⁴⁹ Knox was one of two under-secretaries of the American Department. His quote is taken from Alvord, Mississippi Valley, Vol. 2, p. 242.

and our former harmony will be restored.” The second tract was directed at Canada. In a letter to the inhabitants of Quebec it asked them to join the Americans in protesting against British policy and to choose and send delegates to the Second Continental Congress to be held in May of 1775.⁵⁰ All these measures failed.

What it could not achieve by diplomatic means, Congress turned to the use of force. While the First Continental Congress had been primarily a forum for the protest of British policies, the Second Continental Congress was a very different matter. Within a week of its first meeting, Congress recommended that all Americans who were able set about becoming armed and preparing for the defence of the colonies.⁵¹ Although not officially declaring independence, Congress began to undertake activities usually associated with a sovereign national government. Over the course of June it established a national army and a national currency as a source of revenue to finance the operations of the government. Underscoring the importance of the West to the Americans the very first order the new government gave to its army was to invade Canada. On 27 June Congress resolved that Major General P. Schuyler “...do immediately take possession of St. Johns, Montreal, and any other parts of the country....”⁵² The new Commander-in-Chief of the Continental Army also ordered a second force under Benedict Arnold to attack the city of Quebec.⁵³

Why was this done? A successful invasion of Canada would have served two purposes in undermining British western land policy. First, according to the provisions of the Quebec Act the territory north of the Ohio River and east of the Mississippi River became a part of the Province of Quebec. A conquest of Quebec would in effect overturn the British claims to the Old Northwest as stipulated in the Quebec Act and transfer it to the Americans. Second, from a military point of view a defeat of Quebec would sever the

⁵⁰ Ford, *Journals*, Vol. 1. List of grievances, pp. 64-73. Address to the people of Great Britain, pp. 82-100. Quote, p. 89. Letter to inhabitants of Qubec, pp. 105-113.

⁵¹ Ford, *Journals*, Vol. 1, p. 64.

⁵² Ford, *Journals*, Vol. 2, p. 110.

⁵³ Washington told Arnold that the possession of Canada was critical. “If it is in ours, success I think will most certainly crown our virtuous struggles. If it is in theirs, the contest at best will be doubtful, hazardous, and bloody.” Ford, *Writings*, Vol. 3. Letter, pp. 379-381. Quote, p. 381.

major British supply line to its army posts scattered throughout the western interior. Cut off from supplies and reinforcements the British army would become vulnerable and over time unable to sustain the enforcement of British policy toward the West. Eventually the army would either have to evacuate the West or succumb to attacks by American armed forces.⁵⁴

Just prior to the invasion of Canada, Congress made one more diplomatic attempt to have the British change their western policy. In July it sent the "Olive Branch Petition" to the King. Here, among other positions taken, the Congress argued that since the colonists had made a substantial contribution to the success of the war with the French they were entitled to share in the spoils of the conquest.⁵⁵ Congress received no response and the army proceeded to attack. In a speech to Parliament, the King asserted that the colonists were now in open rebellion with their goal being full independence. He declared all measures would be taken to suppress the rebellion.⁵⁶

Following the American invasion of Canada, Congress began to lay the initial institutional foundation for the incorporation of the West. By the spring of 1776 with the American army in possession of Montreal and laying siege to the city of Quebec, Congress sent a three-man commission headed by Benjamin Franklin to Canada. The commission was instructed to encourage the Canadians to establish their own government and "... in the strongest terms, to assure them, that it is our earnest desire to adopt them into our union, as a sister colony..."⁵⁷ Both the diplomatic and military missions collapsed from the reluctance of the Canadian clergy to accept the American proposals and the arrival of British troops in Quebec.⁵⁸ Undeterred by this failure Congress proceeded to establish an institutional framework for a future incorporation of Canada. The same month that Congress declared independence it issued its first draft of a constitution in the Articles of Confederation. The Articles specified that

⁵⁴ Higginbotham, *War*, Chapter 5, has an excellent discussion of the causes, consequences, and military history of the American invasion of Canada.

⁵⁵ Ford, *Journals*, Vol. 2, pp. 158-162.

⁵⁶ Jensen, *Documents*, pp. 850-52.

⁵⁷ Ford, *Journals*, Vol. 4. Instructions, pp. 215-219. Quote, p. 216.

⁵⁸ An analysis of the failure of this mission is provided in Riddell, *Franklin's Mission*, pp. 129-142.

if Canada agreed to do so it "...shall be admitted into and entitled to all the Advantages of this Union." Furthermore, other new colonies could be added to the Union if "...agreed to by the Delegates of nine Colonies."⁵⁹

Although Congress at this point had failed in its diplomatic and military efforts to take Canada it was not about to give up. It turned out that France and the United States had a common strategic interest in forming an alliance against the British. After its defeat in the Seven Years War, the French government was eager to salvage the previous tripartite balance of power between France, Spain and England. It had concluded that not only were the American colonies a fundamental source of British power but that one day they would revolt. Such a loss to the British Empire, it was thought, would restore the power of France.⁶⁰ The Americans, in turn, believed that an alliance with the French was critical for their success. Accordingly, during the spring and summer of 1776 Congress worked on a treaty to be proposed to France. John Adams considered this effort to be one of the "...three greatest measures of all..." undertaken by Congress at the time. The other two were the Declaration of Independence and the consideration of Articles of Confederation.⁶¹

While Congress wanted an alliance with the French, it insisted upon an important condition. Congress wanted the West. This point was made clear early in the negotiations. Two months after it had declared independence the Continental Congress resolved a plan to be offered to the French government. France was not to invade or take possession of any part of North America. Rather, all the territories currently under the jurisdiction of Britain would become the sole possession of the United States "...whenever they shall be united or confederated with the said United States."⁶² The Americans continued to negotiate with the French until an agreement was finally reached in February of 1778.⁶³

⁵⁹ Ford, *Journals*, Vol. 5, p. 554.

⁶⁰ Savelle, "Balance of Power." For a summary of the explanations historians have offered for why France wanted to join the Americans against the British see Darling, *Rising Empire*, pp. 22-26.

⁶¹ Adams, *Works*, Vol. 2, p. 510.

⁶² Ford, *Journals*, Vol. 5. Plan, pp. 768-778. Quote, p. 770.

⁶³ See Bemis, *Diplomacy*, Chapters 3-5 for a history of the negotiations.

The convergence of French strategic interests with its own had enabled Congress to attain most of what it wanted in a treaty. France would now be allied with the United States against Britain. The French would renounce forever the possession any territory in North America held "...under the power of the king and crown of Great Britain." If the Americans conquered the territories currently held by Britain in North America, they would "... be confederated with, or dependent upon, the said United States." Furthermore, the French government would guarantee that the United States would possess forever "... the additions or conquests that their confederation may obtain during the war, from any of the dominions now or heretofore possessed by Great Britain in North America."⁶⁴ With the signing of this treaty the French not only joined the Americans in their war of independence but also guaranteed they would not interfere if the Americans conquered the West.

5. A Test for the Revolution

The major defeat at the battle of Saratoga in 1777 and the prospect of the French entering the war on the side of the Americans led the British government to change the fundamental basis of its strategy.⁶⁵ The government developed an entirely new diplomatic policy that it hoped would bring about an end to the war and in turn avoid one with the French. The revised plan was to offer the Americans major concessions on the grievances that they had made from the beginning of and throughout the war. A new military strategy was also developed to complement this effort. The previous strategy of isolating and then defeating the Continental Army in New England was scrapped. The British army in New England would shift from an offensive to a defensive mode. Some troops would be withdrawn and sent to the southern colonies. Here the British believed the military environment would be more favourable and the troops would be in closer proximity to any future French offensive in the Caribbean in the event that the diplomatic efforts failed.

⁶⁴ Ford, *Journals*, Vol. 11. Treaty of Alliance, pp. 448-453. Quotes, pp. 450 and 452.

⁶⁵ For a discussion of the significance of Saratoga see Ketchum, *Saratoga*.

The offer of concessions to the Americans turned out to be a test of what the American war of independence was about. The concessions to be made came to fruition five months after the defeat at Saratoga when Parliament passed bills of conciliation sanctioning the government to enter into peace negotiations with the Continental Congress. Negotiation instructions were given to a peace commission headed by the Earl of Carlisle that was then sent to the colonies.⁶⁶ The government was now willing to return to the colonial policies it had in place at the conclusion of the Seven Years War.

It being to be understood that the design expressed by our subjects in America, to return to their condition in 1763, is the principle of the present negotiation....⁶⁷

This was exactly what the First Continental Congress had wanted in 1774 when it sent the King its list of grievances. It was the failure of the British government to respond to these demands that had led to the war. Now in 1778 the British were offering to accept what the Americans prior to the war had explicitly stated they wanted.

In 1774 Congress had objected to the presence of a large standing British army. Now after four years of war the British were prepared to negotiate the withdrawal of all of their forces. In turn, the Americans would be given the right to establish their own army made up of American troops. The funding of any such army would be the responsibility of the Americans. The peace commissioners were also prepared to negotiate issues that had emerged as a result of the war. All American prisoners of war would be released. Without exception, all of those Americans who had participated in the rebellion in any capacity would be granted a full pardon.

In order to fund the army sent into the West, the British Parliament had passed a series of legislation to tax the Americans. The First Continental Congress had not only objected to this legislation but that it had been enacted in the absence of colonial representation in Parliament.

⁶⁶ Royal Instructions. An excellent discussion of the peace commission is to be found in Fisher, *Struggle*, Vol. 2, Chapter 69.

⁶⁷ Royal Instructions, p. 192.

Taxes had been imposed upon the Americans without their consent for the purpose of generating revenue for the British government. Now in 1778 the British government was prepared to repeal all of the tax legislation still in force that had been passed since 1763. There would be no further British taxation of the colonies. They would now be free to tax themselves. In addition, the Continental Congress would be recognized as a legal entity. Furthermore, the colonists would be given the right to have representatives in Parliament. Now there would be no basis for the Americans' complaint of taxation without representation.

Finally, the peace commissioners were given some additional latitude in negotiating with the Americans.

If there should be a reasonable prospect of bringing the treaty to a happy conclusion, you are not to lose so desirable an end, by breaking off the negotiation on the adverse party absolutely insisting on some point...

Having anticipated the possibility that despite all of its concessions the Americans might insist upon independence the commissioners were instructed "But in such case you will suspend coming to any final resolution till you have received our further orders thereupon."⁶⁸ In short, the peace commissioners could not offer independence to the Americans but in the final analysis Parliament would consider it.

How did the Americans respond to this fundamental change in British policy? In June after having considered the bills of conciliation passed by Parliament and the terms of the proposals made by the peace commissioners, the Continental Congress rejected the British offer.⁶⁹ The peace commissioners remained in the United States despite the rejection and continued lobbying the members of Congress to reconsider their decision. In response to this political pressure the Continental Congress in August articulated its final position on the British offer in unambiguous terms. "Resolved, that Congress will not, in any degree, negotiate with the present British commissioners in America, for restoring peace."⁷⁰ The

⁶⁸ Both quotes are taken from Royal Instructions, p. 203.

⁶⁹ Ford, Journals, Vol. 11, p. 615.

⁷⁰ Ford, Journals, Vol. 11, p. 773.

commissioners then returned to Britain. So why did the Americans reject the British peace proposal addressing all of the issues which had led to the war of independence in the first place? It could be argued that Congress was not in a good position to reject it. After all, Parliament was now conceding to the demands made upon it by the Americans. In addition, rejection of the offer would mean continuation of the war. To do so would severely strain the revenue-generating system constructed by Congress that at this point was already confronting severe problems. As it turned out the decision to reject led to the war lasting another five years. For the Congress about sixty percent of the cost of the entire war was incurred after it had turned down the British proposal.⁷¹ Rejection of the peace offer proved to be a very expensive decision.

One way to answer the question of why the Congress rejected the British peace offer is to consider the question of what the Americans had to gain by continuing the war. Close examination reveals there was nothing in the British peace offer that would have allowed the Americans to exercise their claims to the West. All the concessions being made by the British were those that in their view applied directly to the American colonies. British policy in the West was not open for negotiation. Regardless of the outcome of the peace negotiations, the British planned on maintaining their monopoly of trade in the West. If on their part the Americans had accepted the peace offer and were put back in the position they were in as of 1763, the West would have remained off limits. If on the other hand, the Americans had accepted the offer and under its terms were able to negotiate independence, the West would still be off limits because it would have remained a part of the British Empire. By rejecting the peace offer, the Americans kept open the option of taking the West from the British.

6. The Americans take the West

The Congress now intensified its military, institutional and diplomatic efforts to take the West. It undertook measures on the military front even

⁷¹ For an analysis of the Continental Congress and the financing of the war see Baack, "Forging a Nation."

as the British commissioners continued lobbying during the summer of 1778 for a peace treaty. In mid-June Congress passed two resolutions to support this effort. The first was to request an expedition of three thousand men to capture the garrison of Detroit. To facilitate this mission a second resolution ordered the Continental Army to conduct a wide-ranging attack into the Old Northwest from New York and Pennsylvania.⁷² Later in the month on the same day that it rejected the British peace offer, Congress ordered the money for this mission to be transferred to the Board of War and Ordinance.⁷³ This was the same month as George Rogers Clark began his overland expedition from the Ohio River to drive the British from the West. Within a year he had captured three major British forts in the Illinois country.

In October Congress once again drew up a plan to capture the Province of Quebec.⁷⁴ It was a massive and complex effort to be undertaken by thousands of troops of the Continental Army to capture territory from Halifax to Niagara. Congress expected that a successful execution of the plan would bring "The accession of two states to the union."⁷⁵ Worried that he did not have the necessary men and supplies General Washington later led a successful effort to have the plan abandoned.⁷⁶ In place of it Washington developed a plan for a campaign into western New York which Congress authorized in February 1779. The goals were to drive out the native Americans, cut off the food supplies to British forces, and take and hold as much western territory as possible given the American army's limited resources.⁷⁷

The Continental Congress, as it attempted to gain military supremacy in the West, spent considerable time and effort working on an institutional framework for its incorporation into the confederation. It was a politically

⁷² Ford, *Journals*, Vol. 11, pp. 588-91.

⁷³ *Ibid.*, pp. 614-15.

⁷⁴ Ford, *Journals*, Vol. 13, pp. 1042-48.

⁷⁵ *Ibid.*, 1778, p. 1046.

⁷⁶ Letter from Washington to the President of Congress. Ford, *Writings*, Vol. 7, pp. 239-259. He later proposed two smaller scale missions into the province of Quebec in 1780 and 1781. Higginbotham, *War*, Chapter 5.

⁷⁷ Ford, *Journals*, Vol. 13, pp. 251-252. For an excellent account of the campaign see Division of Archives, Sullivan-Clinton Campaign.

difficult and time-consuming process in that Congress had to sort out all the conflicting claims made by a variety of interests. The effort expended to reach a consensus was the primary reason for the delay in having the states agree to and ratify the Articles of Confederation. Three fundamental questions had to be resolved. The first was who owned the land? When states were added to the confederacy how were they to be governed? Once admitted would these states have all the rights and privileges of the original states in the confederacy? How these questions were resolved would establish the fundamental principles of the institutional system for the annexation of the West.

In 1780 a consensus was reached in Congress on a resolution of the three fundamental questions. It came after concessions by the key states holding out against giving up western claims. New York offered to relinquish its claims and Virginia agreed to consider doing the same. Following this breakthrough on ownership, Congress in October resolved that land in the West ceded to the government by any of the states

... shall be granted and disposed of for the common benefit of all the United States that shall be members of the federal union, and be settled and formed into distinct republican states, which shall become members of the federal union, and have the same rights of sovereignty, freedom and independence, as the other states: ...⁷⁸

The principles to be followed for western annexation were now established.

The importance attached by Congress in reaching such an agreement can be appreciated when put in the context of the war. At this point in time Congress did not have either legal or military possession of the West. Furthermore the final effort to reach an agreement had been made during a year of major military defeats. In December of 1779 the British had launched a major southern campaign. It was their largest offensive since 1777. Eight thousand men having been withdrawn from New York laid siege to Charleston where later in May the entire defending army surrendered. In

⁷⁸ Ford, Journals, Vol. 18, p. 915.

August the army suffered another major defeat at Camden. For the Americans the southern front was in jeopardy of total collapse. Despite the dire military situation Congress had pursued a resolution of how to annex the West.

Concurrent with its military and institutional efforts, Congress pursued diplomacy to secure its position on the West. With France now in alliance, Congress turned its diplomatic focus to Spain. One object of the exercise was to bring the Spanish navy into the conflict. As George Washington put it, 'If the Spaniards would but join their fleets to France and commence hostilities, my doubts would all subside.'⁷⁹ In his view the French navy did not match the power of the British fleet. However, Spain opposed American possession of the West. It would only sign a treaty of alliance on the condition that it got substantial territory east of and exclusive navigation rights to the Mississippi River.

Despite the perceived military importance of an alliance with Spain, Congress would not yield its western claims.⁸⁰ Then in June 1779 Spain declared war on Britain. Congress reacted by sending a commission to Madrid with instructions to increase the number of conditions for a treaty of alliance. Now Congress wanted not only Spanish recognition of its western claims but also navigation rights to the Mississippi as well as favourable trading privileges and a loan of five million dollars.⁸¹ Spain refused the request. Nevertheless, for the Americans Spain was now in the war and the French were allies who guaranteed that the West was open for conquest.

All of the efforts by Congress to secure the West came to fruition following the surrender of the British army in the south at the battle of Yorktown in October of 1781. Shortly thereafter the diplomatic process of sorting out the terms of a peace treaty began in Paris. The head of the British team of peace negotiators was Lord Shelburne. His influence on the formulation of British policy toward the West had been considerable dating, back to his experience as President of the Board of Trade, when the government issued the Proclamation Act of 1763. At the onset of the negotiations John Jay who was one of the American peace negotiators

⁷⁹ Wharton, Vol. 1, p. 360.

⁸⁰ Bemis, *Diplomacy*, Chapter 8.

⁸¹ Ford, *Journals*, Vol. 14, pp. 920-921, 958. Vol. 15, pp. 1118-1120.

laid out the American position regarding the West. He began by reiterating the legal case.⁸² Jay then argued that it was both in the economic and military interests of Britain to relinquish the trans-Appalachian territory. First of all, he asserted it was inevitable that Americans would continue to settle and gradually take possession of the land. For the British this would ultimately mean the loss of the wilderness trade as well as the ability to govern the region. These events would only sow the seeds of a future war during which the Americans would be forced to forge permanent commercial and military alliances with other countries. Alternatively, with the west in American possession not only would a future war be avoided, its settlement would open up a vast market for British commerce. Combined with an American assurance of free inland navigation rights the British would be in a strong position to eventually monopolize this trade.⁸³

The war officially ended with the signing of the Treaty of Paris in 1783.⁸⁴ Under its terms Shelburne had accommodated the Americans by having Britain cede the territory stretching from the western border of the newly recognized independent states to the Mississippi River. The war for the West was over. An incident occurred following the signing of the treaty in Paris which offers some further insight into the importance of attaining the West for the Americans. It turns out that Jay travelled to Britain from Paris following the signing of the treaty and once again talked to Shelburne. At one point Shelburne asked Jay what would have happened if at the negotiations Britain had not ceded the West. "Would you have continued the war?" Jay replied, "I believe so, and certainly should have advised it."⁸⁵

Once the treaty was signed Congress moved quickly and systematically to assimilate the land it had acquired from the British. It undertook a two-track approach to address the two major issues that remained unsettled. The first issue involved a resolution of a residual of conflicting claims. These included those originally made by various land

⁸² For the entire legal case see James Madison. Ford, *Journals*, Vol. 18, pp. 935-947.

⁸³ Wharton, Vol. VI, pp. 30-2.

⁸⁴ The treaty ratified by Congress is given in Ford, *Journals*, Vol. 26, pp. 24-28.

⁸⁵ Quotes taken from Morris, *Peacemakers*, p. 364.

companies prior to the war. In addition there were the claims by the native Americans who occupied the West. This issue was addressed by the use of nullification and treaties. In the autumn of 1783 Congress passed a resolution that annulled all of the existing private land company claims.⁸⁶ It then pursued a series of negotiations with the native Americans to sort out land claims. Six treaties were signed between 1784 and 1786. Under the terms of the first one that was signed at Fort Stanwix the Six Nations ceded nearly all of their western lands to the United States while being assigned to reservations. The following year the Wiandot, Delaware, Chippewa, and Ottawa nations relinquished their claims to most of Ohio. Treaties were subsequently signed with the Cherokee, Choctaw, Chickasaw, and Shawnee nations.⁸⁷

The second issue was the formation of an institutional arrangement whereby the West would be brought into the confederation consistent with the principles agreed upon by Congress in 1780. On the very day it learned that the preliminary peace treaty had gone into effect Congress considered a motion to undertake "... the measures proper to be taken with respect to the Western Country."⁸⁸ However, Congress confronted a problem. Any such measures would be ineffective unless enforced. According to the Articles of Confederation ratified in 1781, the United States was merely a league of friendship between states each of which retained its sovereignty, independence, and every power not explicitly delegated to Congress.⁸⁹ At this point Congress had not been given the power to enforce any measures dealing with the West. A solution was proposed to Congress in a report of a committee headed by Thomas Jefferson. It suggested that the principles agreed to in 1780 become the foundation of a charter that would stand as a fundamental constitution between the states.⁹⁰

The proposed solution was accepted by Congress and became the basis of a series of western land acts. Less than two months after the

⁸⁶ Ford, *Journals*, Vol. 25, pp. 560-564.

⁸⁷ These treaties are reprinted in Kappler, *Treaties*, pp. 5-18.

⁸⁸ Ford, *Journals*, Vol. 25, p. 955.

⁸⁹ Ford, *Journals*, Vol. 19, pp. 213-223. See Articles 2 and 3.

⁹⁰ Ford, *Journals*, Vol. 26, pp. 118-120. For a discussion of the work of the committee see Berkhofer, "Jefferson," pp. 231-62.

Jefferson committee issued its report the Congress enacted the Ordinance of 1784. It called for the land north of the Ohio River and east of the Mississippi River to be divided into separate states with each having the right to draw up its own constitution.⁹¹ This was followed by the passage of the Land Ordinance of 1785 that allowed and set up standards for the sale of land in the Northwest Territory.⁹² The final implementation of the principles agreed to in 1780 came with the passage of the Northwest Ordinance of 1787. With minor adjustments it completed the institutional framework for the admission of all future states into the Union.⁹³

The sum of these actions taken after the conclusion of the war indicates the importance of the West to Congress. As the representative assembly of newly independent and sovereign states it confronted a wide variety of economic and institutional issues.⁹⁴ States pursued their own individual commercial policies which included setting tariffs on goods from other states. They had their own currencies. Together these posed impediments to interstate trade. Congress had to deal with a substantial war debt. Paying off any of this debt was indeed going to be difficult in that Congress under the Articles of Confederation was not given the power of coercive taxation. However, out of all the major issues it was the western land issue that was first addressed and resolved by Congress. Only then were the other fundamental issues to be seriously addressed at a convention in Philadelphia to amend the Articles of Confederation.⁹⁵ Interestingly enough when the delegates to that convention did address the remaining issues they resorted to a national solution similar to that which they had used to resolve the land issue.

⁹¹ Ford, *Journals*, Vol. 26, pp. 275-279.

⁹² Ford, *Journals*, Vol. 28, pp. 375 - 81.

⁹³ Ford, *Journals*, Vol. 32, pp. 334 - 43. For a discussion of the land ordinances see the essays by Hughes, "Great Land Ordinances" and North and Rutten, "Northwest Ordinance."

⁹⁴ Stanley Engerman and Robert Gallman in a review of the literature covering the period observe "...that the war (and perhaps the 1780s, as well) was truly disastrous, from an economic point of view." "Economic Growth." p. 19.

⁹⁵ Congress resolved to hold the convention "...for the sole and express purpose of revising the Articles of Confederation and reporting to Congress...such alterations and provisions...adequate to the exigencies of Government and the preservation of the Union." Ford, *Journals*, Vol. 32, p. 74.

7. Conclusion

The argument of this paper has been that we can attain considerable insight into the nature of the War of American Independence by viewing it in the context of the conflict of interests over control of the West. The use of a rent dissipation model illuminates the essence of the interests at stake first between the British and the French and later the British and the Americans. For their part the British attempted to extract the benefits of their victory over the French in the West by restricting entry enforced with a large standing army to be paid for by the Americans. With their own interests now in jeopardy the Americans undertook a relentless military, diplomatic, and institutional effort to acquire the West. After their defeat at Saratoga the British, fearing a renewed war with France, offered the Americans a peace proposal that addressed the economic and constitutional grievances articulated by the First Continental Congress. It was rejected, as the British would not cede the West. The British in turn expanded the war with an invasion of the southern colonies. Despite a rapidly deteriorating military position in the south, Congress pursued a political consensus on the incorporation of the West. After the British had been defeated at Yorktown the Americans demanded the acquisition of the West as a condition for their signature on a peace treaty. While successful at the peace conference, Congress confronted an array of economic and institutional problems at home. Out of all these Congress chose to focus its attention on creating an institutional arrangement whereby the West would be brought into the confederacy.

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