THE PENNSYLVANIA POPULATION COMPANY*

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HE Pennsylvania Population Company from the time of its incorporation in 1792 until its liquidation in 1812 owned approximately 483,000 acres of land in that portion of Pennsylvania bounded by the Ohio and Allegheny Rivers and Conewango Creek. The company was controlled almost entirely by eastern capitalists who, by taking advantage of the Act of April 3, 1792, hoped to realize a profit through speculation in the unsettled lands of western Pennsylvania. The Holland Land Company also owned large areas of land in the same section of the state. The two companies were quite similar in their purposes and administration.

To understand the story of the Pennsylvania Population Company it is necessary to examine briefly the history of the area north of the Ohio and west of the Allegheny Rivers and Conewango Creek. Up to 1792, the state had surveyed 720,000 acres of this territory to redeem the Depreciation Certificates which it had issued in payment of its bills during the Revolutionary War.¹ Approximately 700,000 acres were surveyed and set apart to be donated to the officers and soldiers of the Pennsylvania Line in the Revolutionary War.² Three-thousand-acre reservations for quick sale had been set aside at Presque Isle, Le Boeuf (now Waterford), Venango (now Franklin), and at the mouth of Conewango Creek (now Warren).³

These arrangements served patriotic purposes but left large sections of this territory for future disposal. All the Western territory, excepting a small portion on the eastern side of the Allegheny River

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²S. J. Buck and E. H. Buck, Planting of Civilization in Western Pennsylvania (Pittsburgh, 1939), 206.

³A History of Ellwood City, Pennsylvania (Butler, 1932-42), 49-50.

⁴Western Pennsylvania Historical Magazine, XXI (June, 1938), 119-138.
near Fort Pitt, was wild and uninhabited, and was subject to hostile Indian raids. From 1780 to 1795 there was no safety from pillage and massacre. Colonel Crawford's cruel fate, the ravage of Hanastown, and the defeats sustained by General Harmar and General St. Clair were well known incidents of this period. In 1792 General Wayne was beginning preparations for a campaign which lasted till 1795.4

The General Assembly of Pennsylvania, deciding in 1792 that the time had come to open the unoccupied lands in this territory to general sale and settlement, passed the act of April 3, 1792, entitled "An Act for the sale of vacant lands within this Commonwealth." The Act offered all the lands lying north of the Ohio and west of the Allegheny Rivers and Conewango Creek to persons who would cultivate, improve, and settle upon the same in tracts of 400 acres, plus an allowance of six per cent for roads and highways, thus allowing a maximum of 424 acres per settler. The price was seven pounds ten shillings per hundred acres.5

In framing this act, the Assembly enacted a dual and conflicting system of acquiring title, which placed land office rights and settlement claims in direct opposition to each other. One method was the purchase of a warrant at the land office for a tract of land to be surveyed, not exceeding 400 acres and the allowance of six per cent, for which the warrantee paid the purchase money and fees into the State Treasury. This land had to be settled and improved within a two-year period. The other method was by actual settlement and improvement, in the first instance, made upon a tract not exceeding 400 acres and allowance, by any person desiring to settle in the new lands. In both instances a survey had to be made and recorded in the books of the deputy surveyor of the respective district. To be sure, the law prohibited the location of warrants on tracts containing any improvements, and forbade settlements on tracts, for which warrants had been entered for survey. But in a country as wild as was this western area, with such large districts for each deputy surveyor, these restrictions could not well be enforced.

The act further stated that, "No warrant or survey should vest any title to the lands therein mentioned, unless the warrantee had

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prior to the date of said warrant, made, or caused to be made, or should within two years next after the date of said warrant, make, or cause to be made, an actual settlement thereon, by clearing, fencing and cultivating at least two acres for every hundred acres contained in one survey, erecting thereon a messuage, that is a house, for the habitation of man, and residing, or causing a family to reside thereon for the space of five years next following his first settling of the same." A forfeiture of the warrant was provided for non-compliance with the above. 6

The land companies later used as their main support the next proviso of the act: "Provided always nevertheless, that if any such actual settler, or any warrantee in any such original or succeeding warrant, shall by force of arms of the enemies of the United States, be prevented from making such actual settlement, or be driven therefrom, and shall persist in his endeavors to make such actual settlement as aforesaid, then, in either case, he and his heirs shall be entitled to have and to hold the said lands, in the same manner as if the actual settlement had been made and continued." 7

While the Indian War delayed those who desired to secure land by actual settlement and improvement, the capitalists, having money and being near the land office in Philadelphia, secured their warrants and forwarded them to the deputy surveyors for execution. On April 14, 1792, just eleven days after the act became effective, John Nicholson, then Comptroller General of Pennsylvania, took out 390 warrants to be located in the Erie Triangle and 250 warrants to be located on the waters of Beaver Creek—640 in all—using a different name on each warrant. 8 Later on, the Population Company took out 500 additional warrants to lie on the waters of French Creek and in the Donation Lands, and again used fictitious names. 9 The use of fictitious names was condoned by the courts. These 1,140 warrants, with allowances, totaled 483,000 acres. Large numbers of warrants were also taken out by the Holland Company, as well as by various individuals. Before paying for his

7 James Dunlop (comp.), General Laws of Pennsylvania 1700 to October, 1852 (Philadelphia, 1853), 190.
warrants, Nicholson transferred his rights to the newly formed Pennsylvania Population Company of which he became president and a prominent shareholder.\textsuperscript{10}

The principal reasons for founding the Population Company, so far as they were expressed publicly, were stated in the preamble to the organization's Plan of Association:

\begin{quote}
Whereas the forming settlements on the Western Boundary of Pennsylvania will establish a barrier to the frontiers and enable the settlement of the other lands to be made in safety, and will promote and expedite the population of the same, and therefore promises great public utility; and whereas it is expected such settlements may be formed by an association so as to reward the undertakers of so useful a work. . . .
\end{quote}

The real reason, however, as proved by the previous records of the principal shareholders and by the administration of the company through the years, was to make a profit by buying the lands and holding them until they increased in value. The efforts made to settle the company lands abundantly proved that speculation was the major purpose of the company.\textsuperscript{13}

The men who formed the Pennsylvania Population Company held responsible positions in the state, both civil and military. They had secured large amounts of bills of credit and depreciated certificates with which they paid for their warrants at the land office. Alleged illegal dealings in "New Loan" certificates led to Comptroller General John Nicholson's impeachment in 1794.\textsuperscript{12} Robert Morris, Revolutionary War financier, and James Wilson, supreme court justice, served as managers in the early years of the company.

Theophilus Cazenove, chief agent of the Holland Land Company, controlled 1,000 shares of the 2,500 which made up the holdings of the Population Company, in the name of his Dutch principals, and served as a manager until his return to Europe in 1799. He was succeeded in both positions by Paul Busti.\textsuperscript{13}

\begin{thebibliography}{9}
\bibitem{10} Ibid., I, 7.
\bibitem{11} Minute Books of Pennsylvania Population Company, I, 1.
\bibitem{12} Edmund Hogan, \textit{Impeachment, Trial and Acquittal of Francis Hopkinson and John Nicholson, Esquires} (Philadelphia, 1796), I, 68-70.
\bibitem{13} Rayner W. Kelsey, Editor, \textit{Cazenove Journal 1794} (Haverford, 1922), IX-X.
\end{thebibliography}
General William Irvine, one-time commander at Fort Pitt, who directed the donation surveys and well knew the location of the best lands in northwestern Pennsylvania, was a founder. Tench Francis, agent at Fort Pitt for the William Penn heirs, was cashier. General Walter Stewart, Revolutionary War leader, controlled 247 shares. Aaron Burr was on the board from 1794 to 1796, while in Philadelphia serving as senator from New York. Captain Ebenezer Denny, of the well known Pittsburgh family, was a shareholder and company agent on Beaver Creek until he was appointed to head the state militia. Daniel Leet, who had surveyed District No. 2 of the Depreciation Lands, bought shares in the organization. Owner of a hundred shares was George Mead, brother of David Mead of Meadville.

John Hoge, Washington County land baron, was serving in the state senate at Philadelphia when he purchased his stock in the company. John Hoge was still in the company when as state senator in 1794 he participated in the impeachment trials against the company president, John Nicholson. The records show that Hoge voted “not guilty.” In the early years of the company western Pennsylvanians were prominent in its activities. From 1797 onward, however, they were supplanted by wealthy easterners like John Field, William Crammond, Attorney James Gibson, and Henry Drinker, Jr., prominent Quaker merchant. Drinker was the husband of Elizabeth Drinker whose famous diaries illuminate our Revolutionary period.

Surveys on the company’s warrants were generally carried out in 1794 and 1795. As a consequence, they would have given undoubted titles to the lands had it not been for the provision of the Act of 1792 which demanded actual settlement within two years after the date of the warrant.

Inasmuch as the treaty ending the Indian War was not ratified until December, 1795, the spring of 1796 was the first period for safe entry and settlement. The Population Company had engaged

14 Meadville (Penna.) Tribune Republican (Centennial edition), 89 (May 12, 1888).
15 Ibid., 1, 56 and 215.
16 Ibid., 1, 9 and 59.
18 Minute Books, I, 8.
20 Minute Books of Company, I, 274.
the services of the Deputy Surveyors, Thomas Rees in the Triangle, and William Power on French Creek, to act also as their land agents. Ebenezer Denny was in charge on Beaver Creek. In 1796 a total of 113 sales of some 26,000 acres, averaging one dollar per acre, were consummated.

The largest rush of settlers occurred in 1797 and 1798 under the plan which gave the settler 100 acres gratis and sold him 100 more at one dollar per acre. In these years Judah Colt, the chief agent, was located at Greenfield, now known as Colt Station, Erie County. His extensive diary covers the years 1796-1811.

The Quaker Ennion Williams conducted sales on Beaver Creek. In 1797, 397 sales disposed of approximately one and three quarter million acres at an average of one dollar per acre; 1798 saw 171 sales convey 17,000 acres of land for the same average price. The gratuities practically equalled the number of acres sold. However, on these sales only $21,000 was paid into the company coffers while about $71,000, in interest and principal, remained on the books in 1812 when the company was dissolved. The volume of sales dropped rapidly in the ensuing years while title rights were being argued in the courts.

Company settlers, where possible, were placed one on each 400-acre tract where the boundary lines of four tracts came together. Each settler signed a contract with the company by which he was to clear ten acres and erect a dwelling house within two years. Interest and payment were usually suspended the first year but the total amount was to be paid at the end of five years when the settler received his deed to 200 acres which included the 100 acre gratuity and the 100 acres purchased. Only under exceptional conditions were more than 200 acres of each 400 acre tract sold. Thus the settler’s improvement satisfied the settlement provision of the Act of April 3, 1792, on the whole tract and also, the share-holders

21 Ibid., I, 48.
22 Judah Colt Diary. J. C. Spencer Collection, Erie.
23 Barbara Peters, an Erie teacher, recently wrote on Judah Colt’s activities in her thesis at the University of Pittsburgh entitled, “A Connecticut Yankee in the Erie Triangle.”
24 Jabez Colt, brother of Judah, was located at Meadville where the Minute Books of the Population Company are now held by the Crawford County Historical Society. The Reynolds Collection, illustrative of land dealings subsequent to 1820, and relating to early railroad development, is now in the Allegheny College Library.
hoped, would double or triple the value of the remaining 200 acres. The company agents extended on credit, or sold at cost, necessary provisions and farm implements.\textsuperscript{26}

The State Board of Property ruled that the two years time within which actual settlements were to be made should begin with the cessation of Indian hostilities. This would make it necessary to have the settlements completed by the end of 1797. The companies petitioned the legislature for an extension of time, but the request was refused.

Rebuffed by the legislature, the companies concentrated on the Board of Property, and in December, 1797, the board announced that patents would be granted where proof existed that a settler had been driven from his improvement or had been prevented from making one “by force of arms of the enemies of the United States” and had persisted in his efforts. In the next three years numerous so called “Prevention” patents were granted to the Population Company and the Holland Company.\textsuperscript{27}

However, the situation changed completely in 1800. The Republicans overthrew the Federalists and took control in Pennsylvania. Tench Coxe, the new secretary of the land office, refused to issue more patents unless actual settlement and residence were certified. Moreover, he threatened to open the question of the validity of the “Prevention” patents and to have them declared forfeited.

The news soon reached the frontiers that the land office favored intruders against the warrantees, and that the titles of the Population and Holland Companies were not good. The Population Company had previously compromised with the leading intruders. To a group headed by Watts, Scott, and Miles, they had deeded 24 tracts of land and paid Watts $3,500;\textsuperscript{28} to the McNairs of Pittsburgh they had turned over a half interest in 232 tracts of land in Erie county and had loaned Dunning McNair approximately $23,000 to satisfy a court judgment held against him.\textsuperscript{29}

The companies had their backs to the wall, and unless they could overcome this decision of Coxe, they stood to lose all they had invested in this section. They therefore appealed to the courts, and

\textsuperscript{26} Minute Books, I, 167.
\textsuperscript{27} Tiffany & Tiffany, Huidkoper, 343-44.
\textsuperscript{28} Minute Books, II, 43-65.
\textsuperscript{29} Ibid., I, 301-308.
asked the Supreme Court of Pennsylvania for a writ of mandamus to compel Coxe to deliver patents for tracts not yet settled, but which could be patented under the ruling of the Board of Property in 1797. The decision went against the companies.\footnote{4 Dallas Pa. Rep. 170.}

The court battle continued through the Sunbury trial of 1802,\footnote{4 Dallas Pa. Rep. 237.} and reached a climax in the case of Huidekoper's Lessee vs. Douglass argued before the Federal Supreme Court in 1805, in which Chief Justice Marshall delivered the decision in favor of the companies over the actual settlers.\footnote{4 Dallas Pa. Rep. 392.} Although the Holland Company took the initiative in these cases, the Pennsylvania Population Company was an active partner and shaped its course by the precedents established.

With title rights more clearly settled, land sales advanced somewhat in the years 1808 to 1811, but they never approached the volume of 1797 and 1798. It became apparent as the years went on that the company was never to realize the handsome profits visualized at the beginning. Heavy assessments were necessary to meet warranting and patenting fees and surveying expenses. Large amounts were expended to improve unsettled tracts in order to obtain patents on them. In 1797 and 1798, Judah Colt had from fifty to one hundred men busy, at company expense, improving tracts and resisting groups of intruders. Ennion Williams superintended twenty to thirty men on Beaver Creek. Provisions and equipment were issued to settlers on credit, and these obligations remained on the books. Ejectment suits were numerous and costly. In several years, sales were not sufficient to provide the salaries for the agents. From 1792 to 1812, each share of stock was assessed a total of $95.50, and there is no evidence that the company ever paid any dividends. No salaries were paid to any of the board of managers except Attorney James Gibson who from 1801 acted as combination president and legal advisor. Interest in the company waned and from 1805 to 1811 inclusive, no new election of managers was held, and meetings were often several months apart. Through these years the company took in only $50,585.12, while $168,988, plus all the unsold lands, remained on the books in 1812. When the decision was finally reached to liquidate the company, it was necessary to borrow $500 to cover the expense.
The decision to dissolve the company was reached in January, 1812. Judah Colt and Enoch Marvin were authorized to draw up a catalogue of the company’s assets, including bonds and mortgages, and to evaluate the tracts of land still owned by the company.

Thomas Passmore auctioned the bonds, mortgages, and securities of the company at the Merchants’ Coffee House in Philadelphia, on the evenings of June 29 and 30, 1812. Cash realized amounted to $70,739, which was divided among 2,222 shares, all that remained in circulation, and amounted to $31.83 per share.

In disposing of the allotments of land, a card was prepared for each of 68 allotments, and these cards were drawn alternately by the stockholders. If any received more than his proportion according to the shares he held, he could return the card and draw again, or he could pay the difference at fifty per cent of Colt and Marvin’s evaluation, in 6-12-and 18 months. These lands were evaluated at $344,855.

The shares represented were: John B. Wallace and Wm. Griffith together, 1,014 shares; Thomas Astley, 646 shares; Robert Bowne, 165; James Gibson, 100; and James Gibson, to protect a judgment, 90 shares; Hartshorne and Lindley, 90; Jacob Rhinelander, 89; and John Waddington and Thomas Astley, 26. Total 2,222 shares. It should be noted that Paul Busti had sold the extensive Dutch holdings in the Population Company to John B. Wallace of Philadelphia and Judge William Griffith of New Jersey, in 1811, for $60,000.33

As a result of the complex nature of the Act of April 3, 1792, which included two methods of acquiring title as well as a settlement clause, land titles in northwestern Pennsylvania remained undecided from 1795 to 1805. If the settlers could have moved in and taken up land and obtained absolute title, the section would have filled up rapidly. The Pennsylvania Population Company and the Holland Company through long litigation kept the land titles in a state of uncertainty, thus causing many of the best settlers to seek lands further west. Despite the company policy of subsidization, many of the settlers who were obtained were of inferior quality. Company ownership of lands retarded the development and prosperity of northwestern Pennsylvania for many years.

33 Minute Books of Company, II, 268-293.