When Thomas Jefferson resigned as secretary of state in 1793, President Washington asked him what he thought of his proposed successor, Edmund Randolph, who was to assume his new duties on January 2, 1794. Jefferson replied in August 1793: “I knew that the embarrassments in his private affairs had obliged him to use expedients which had injured him with the merchants and shopkeepers, and affected his character for independence . . . these embarrassments were serious, and not likely to cease soon.”

Jefferson may have been referring to Randolph’s association with John Nicholson, Pennsylvania land speculator and entrepreneur, for the new secretary of state had many private entanglements with him. In 1792, Randolph had purchased 100 shares of stock in Nicholson’s Pennsylvania Population Land Company which were secured on credit, and by September 4, 1794, Nicholson held notes of Randolph’s totaling $8,150. In addition, the Virginian also agreed in 1795 to purchase stock and to serve as a trustee in Nicholson’s Asylum Land Company in Pennsylvania and also to be a trustee in the Territorial Land Company which covered lands in the Southwest Territory (Tennessee). In return for these services, the Pennsylvania speculator gave land to Randolph, such as 300,000 acres in the Southwest Territory, and loaned him money. Randolph was tardy in making repayments, and Nicholson urged in 1795 that “any money you can give me today be the same more or less on acct. you
may class as given to Charitable uses — do let me have a check from you for some for I am in great distress.”

As of May 1795, Randolph had not paid for his stock purchases. Nicholson kept prodding him for it: “If you can help me to the 3,000 dollars this morning you relieve me, if you give me any part you serve me so far.” One historian cited the fact that Randolph owed Nicholson money for Asylum shares and other debts as the basis for a claim that Randolph misused his office in an attempt to satisfy Nicholson’s demands. This view is erroneous, and a fresh interpretation of the Nicholson manuscripts exonerates Randolph in this and other instances that have tarnished the Virginian’s reputation.

Specifically, the historian contended that Randolph, in order to pay the $3,000 owed the speculator, permitted Nicholson to use a letter of credit in favor of Thomas Pinckney, American minister in London, for $6,000.

It would appear that the only way Nicholson could have gotten money under the letter of credit was to have forged Thomas Pinckney's name on a draft. It seems likely that he took the credit to some second-rate dealer in commercial paper, telling him with much eclat that he was now the issuing agent for State Department funds abroad and casually getting a note of his own discounted while he talked.

So it has been suggested that Randolph improperly “loaned” Nicholson a Pinckney document and that when it was alleged later that the secretary of state had $49,154.89 unaccounted for in his accounts, the transaction with Nicholson was responsible for part of his shortage. Finally, it has been maintained that the Pinckney-Nicholson credit “was hanging” over the head of Randolph, and this, coupled with the Fauchet affair, discussed below, led to his resignation as secretary of state.

The Pinckney-Nicholson credit did not result from debts Randolph owed Nicholson. The whole matter devolved from the fact that President Washington, Secretary of the Treasury Oliver Wolcott, and Randolph all desired to relieve Madame Lafayette, wife of “the hero of the American Revolution,” who was in dire financial straits in France. Randolph wrote to Minister Thomas Pinckney:

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5 May 27, 1795, ibid., 404.
6 May 30, 1795, ibid., 446.
7 Howard Swiggett, The Forgotten Leaders of the Revolution (Garden City, N.Y., 1955). His allegations are made on 123-42.
8 Ibid., 127-28.
9 Ibid., 128-29.
10 Ibid., 134.
For this purpose and to save time, I have determined to remit and have prepared for a remittance a Specie Bill on Paris for Six Thousand Dollars and shall send it to Col. Monroe [Minister in Paris] by the first opportunity. To enable me to pay for this Bill, I shall deliver this Letter to John Nicholson Esquire who will furnish me with the amount here, with an Assurance that you will pay to him on this order the Sum of Twelve hundred eighty five pounds 14/3 Sterling which calculated at 75 per cent the prevailing rate of exchange will amount to Six Thousand Dollars. . . .11

This letter indicates that Randolph asked Nicholson to loan him money to forward to Paris, with Nicholson being reimbursed later by Pinckney. However, Randolph already owed Nicholson $3,000 for stock purchases and Nicholson wanted the Virginian to pay before he would make the loan.12

On June 2, 1795, Nicholson informed Randolph: "I find it will be an advantage to me to have the Bill on Mr. Pinckney which I did not consider when I saw you — therefore you will let me have it if you please." 11 And on the following day he wrote: "if you will prepare the Bill for the 6000 Doll. in the morning, I will thank you as I want it for the Wm Penn [packet], & on your giving me your note for the stock I will pay you 3000 Doll." 14 On June 5, the Philadelphian notified Randolph that the letter bag of the William Penn was to leave at 12 o'clock, and again asked him to send the letter of credit.15 Nicholson had raised $3,000 in cash and needed the specie bill on Paris that Randolph had prepared and in order to raise the balance desired by Randolph from Nicholson’s creditors and friends in Philadelphia. Nicholson also wanted the secretary of state to send him his notes for the $3,000 he owed for the land company stock and would not complete the specie bill transaction until this was done.16

When Randolph replied that he could not deliver the bill until Nicholson forwarded at least $3,000 of the amount he had requested, Nicholson told him that he depended on the bill to raise part of the money he had promised to supply. His failure to get it meant that he could not send the money to Pinckney as planned via the William Penn on June 5. Randolph sent him the bill of credit that evening.17

Nicholson had written earlier in the day to his London agent, John


13 Nicholson to Randolph, June 2, 1795, Nicholson Letter Book, 2: 2, HSP.

14 June 3, 1795, ibid., 13.

15 June 5, 1795, ibid., 28.

16 Ibid., 40.

17 Ibid., 34, 36, 37, 40.
Henry Cazenove Nephew and Company: “I shall also forward a Letter of Credit from Mr. Randolph, Sec. of State, on Mr. Pinckney our Minister at London for the Value of 6000 Doll. I have purchased which I am now waiting for & will inclose in another letter.”

On June 6, Nicholson forwarded the letter of credit, “which I request you to present and receive the amount of placing the same to my Credit,” and on the same day Nicholson wrote to Pinckney directing the $6,000 to be paid to his London broker. Also on June 6, Nicholson forwarded to Randolph $3,000 in cash and his note for $3,000 payable in sixty days to cover the specie bill. By July 2, Nicholson had paid all but $295 of the $3,000 note, and on August 13, the Philadelphian sent Randolph a statement of moneys due him by the secretary of state for stocks and a “balance of the bill acct. of Mr. Pinckney . . . .” In the final analysis, Randolph owed Nicholson $347.70. This was the extent of the so-called “improper” use of the Pinckney-Nicholson credit. Nicholson did a favor for Randolph and in return asked Randolph to pay for the stock he had subscribed in Nicholson’s land company.

It was true that Randolph was financially embarrassed, that he was heavily in debt to Nicholson, and that the latter applied pressure in order to collect. But there is no evidence to suggest that Randolph improperly let Nicholson use a Pinckney letter of credit for personal gain. Later, when the alleged shortage in Randolph’s official accounts was being investigated, Nicholson testified in Randolph’s behalf that he had sold him “while he was Sec. of State, bills of exchange . . . for which you [Nicholson] received payment and that you sold him other bills which he returned to you.”

Connected with the Whiskey Rebellion and Jay Treaty episodes of the Federalist Era was another alleged conspiracy involving the secretary of state, this time with the French minister to the United States, Joseph Fauchet. Once again, Nicholson was deeply involved in this alleged plot, although no account in print relates his role nor

18 Nicholson to John Henry Cazenove Nephew and Company, June 5, 1795, ibid., 42.
19 June 6, 1795, ibid., 48.
20 Nicholson to Thomas Pinckney, June 6, 1795, Nicholson Gen. Corresp., PHMC.
21 Nicholson to Randolph, July 1, 1795, Nicholson Letter Book, 2: 189, HSP.
22 July 2, Aug. 13, 1795, ibid., 189, 329.
even mentions his name. The story of the conspiracy originated when George Hammond, the British minister to the United States, began to worry about the fate of the Jay Treaty. One of the officials suspected of delaying the ratification was Secretary of State Randolph, who Hammond thought was an enemy of Britain. The British frigate Cerberus had captured a French ship bearing dispatches written to the French government by Fauchet. Eager for a weapon to use against Randolph, Hammond acquired the dispatches and waited until the Jay Treaty was hanging in the balance to release them through Oliver Wolcott. Both Wolcott and his accomplice in the incident, Secretary of War Timothy Pickering, were enemies of Randolph.

According to Wolcott's interpretation of Fauchet's Dispatch Number 10 written October 31, 1794, at the time of the Whiskey Rebellion, Randolph had suggested that the Frenchman give him and certain other American politicians money so that they could fan the rebellion into a civil war. Governor Thomas Mifflin of Pennsylvania, whom Fauchet said of all the governors of the states "enjoyed the name of republican," and the secretary of the commonwealth, Alexander James Dallas, were the alleged politicians. He also maintained that Randolph held up the treaty by advising the president not to sign it in order to extort more French money for himself and his friends. Wolcott continued his accusations with "Mr. R., I have no doubt has been unfaithful to the government, and has actually made treasonable or corrupt overtures to the late French Minister." Fauchet seemed to lend some credence to these assertions when he concluded his Dispatch Number 10 with, "Thus with some thousands of dollars, the republic could have decided on civil war or peace! Thus the consciences of the pretended patriots of America already have their prices." It was all Hamilton's fault that Americans had their price, wrote Fauchet: "He has made the whole nation a stock jobbing,


26 Ibid., 256. See also Baldwin, Whiskey Rebels, 269.
speculating, selfish people."  

Wolcott showed the dispatches to Washington in August 1795, following which the president confronted Randolph with the notes before the full cabinet. When Randolph failed to convince them that he was innocent, he resigned as secretary of state.

What was the truth of these allegations against Randolph? Fauchet, in his Dispatch Number 6, reported that Randolph, who had opposed using force in the Whiskey Rebellion, approached him and told him that he feared a revolution was brewing over Hamilton's funding system and excise, the policy of appeasement of Britain, and the official unfriendliness toward France. Randolph further asserted that the Washington administration, with British support, was encouraging the Whiskey Rebellion in order to strengthen the administration and to forestall the coming storm. According to Wolcott's interpretation, and the one that Washington accepted, Randolph told Fauchet that four men could stop the rebellion and prevent a possible civil war but that they needed money to prove that England was behind the troubles on the frontier. Dallas and Mifflin, supposed to be two of the four, offered no formal defense of themselves because they felt the publication of Fauchet's dispatches exonerated them from all guilt. But Dallas did write an article in the General Advertiser denying that he or the governor had anything to do with the affair. Randolph, after some months delay, caused by what he alleged was the need to examine the records since 1794 and the translation of Fauchet's letters into English, wrote a Vindication of his activities that was published on December 28, 1795.

In his Vindication, Randolph asserted that he had been eliminated from the president's cabinet by the British and their allies in the cabinet because he almost persuaded Washington not to sign the treaty. He accused Pickering of stealing from his files evidence that
would have helped him exonerate himself. Attacking Washington, he maintained that he had tried to save republicanism in the United States from the aristocratic and pro-British "Father of His Country." Randolph further divulged that Fauchet explained his Dispatch Number 10 in a subsequent letter. It appeared that Fauchet had been hiring agents to purchase flour in America. In this regard, Randolph had suggested that three or four flour merchants with contacts in the frontier regions might uncover evidence that the British were inciting the western rebels. However, since they would be reluctant to reveal this information for fear of retaliation by their British creditors, Randolph asked Fauchet to advance money on account to them so that they would be free from British recriminations. If British complicity could be proved, the administration would be discredited and bloodshed averted. Fauchet averred that Randolph was not to receive the money nor was the money to be used to corrupt American politicians.

When Washington read Randolph's *Vindication*, he reportedly told Secretary of War Pickering that Randolph was "the damnedest liar on the face of the earth." Oliver Wolcott's father sarcastically remarked that Randolph's *Vindication* was not of his conduct but of his resignation. And the Federalist newspapers ridiculed the story of the flour merchants as a fabrication to cover up illicit activities. Randolph's version of what happened was probably correct and Nicholson's correspondence provides evidence, albeit circumstantial, to support his assertions.

Nicholson and his partner Robert Morris, the "Financier of the Revolution," were flour merchants and they were probably two of the merchants to whom Randolph referred in his *Vindication*. It was a fact that Nicholson and Morris made contracts with Fauchet in August 1794, in the midst of the Whiskey Rebellion. Captain Benjamin Feltknapp of the ship *Mihitable*, carrying one of the cargoes, reported to Nicholson that the British were stopping ships bound for

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35 Rufus W. Griswold, *The Republican Court or American Society in the Days of Washington* (New York, 1855), 305.
37 *Gazette of the United States*, July 7, 1796.
France and sending them to Halifax. Nicholson's name was on a British list of persons in the trade with France and all his ships were to be stopped. When Feltknapp was intercepted by the British frigate Resolution of Hull, the American captain sank his passport from the French minister and all of Nicholson's papers relative to France, knowing the British would send him to Halifax if these incriminating documents were found.\(^\text{38}\) Could these papers have included, in addition to the French contracts, information relative to British activities in Western Pennsylvania? Nicholson had friends keeping him informed of activities there.\(^\text{39}\) At all events, Feltknapp showed his captors a forged logbook revealing that he was bound for Falmouth; it also showed that his last voyage was to that port and that he landed flour there. So the British released him. But on October 17, 1794, he was stopped by a French ship which, flying British colors, fired on him. When boarded, he pretended that he was headed for Falmouth, until, discovering that his adversaries were French, he explained his true mission. The French captain, nevertheless, took Feltknapp and his ship to the port of L'Oviant in the French West Indies, from where Feltknapp wrote Nicholson, asking him to forward, as soon as possible, certificates from the French Minister to prove that he had actually been bound for France.\(^\text{40}\) Nicholson and Morris requested Fauchet to intervene.\(^\text{41}\)

Under another contract, Nicholson and Morris shipped 20,103½ barrels of flour and Fauchet allowed them $92,243.85 for a profit to each of about $10,000.\(^\text{42}\) But their other cargoes were being detained, and France did not pay for these shipments promptly. Since the merchants purchased the flour with notes, any delay brought their creditors to their doors.\(^\text{43}\) In fact, one of Nicholson's flour ships had already been attached by creditors in Virginia.\(^\text{44}\) Another creditor alleged that Nicholson had received "a considerable sum of money

\(^{38}\) Captain Benjamin Feltknapp to Nicholson, Oct. 26, 1794, Nicholson Gen. Corresp., PHMC.

\(^{39}\) For examples see Alexander Wright to Nicholson, Aug. 6, 1791, William Budden to Nicholson, Sept. 29, Nov. 19, 1794, Samuel Baird to Nicholson, Oct. 8, 1794, John Kittera to Nicholson, July 26, 1793, ibid.

\(^{40}\) Ibid. See also Feltknapp to Nicholson, May 2, Nov. 25, 1795.


\(^{42}\) Morris to Nicholson, Jan. 22, 1795, ibid.

\(^{43}\) Morris to James Vanuxern, Jan. 31, 1795, ibid.

from France” and wanted to be paid.45 In April 1795, the harassed trader decided to claim demurrage from the French government for his vessels detained in France with cargoes of flour shipped under the “Special Contract with his Excellency the Minister of France” [italics added], and also that he should receive from the government “all sums which may be due for the avails of any Cargo or Cargoes, Shipped by me for France in the year, 1794.” 46 Then, in May 1795, Captain Feltknapp informed Nicholson that the British had captured his ship, taken him to Bermuda, confiscated Nicholson’s money, and condemned the ship “for being a Long time in the Service of the Convention of France. . . .” 47 Nicholson’s reaction was to request Randolph to get the government to intervene on his behalf.48

Thus, it is evident that Nicholson and Morris were flour merchants working under “special contracts” with Fauchet formulated in 1794 during the period of the Whiskey Rebellion, and that Nicholson had contacts in Western Pennsylvania keeping him informed of the British-fomented Indian disturbances there which were disrupting his land operations with his Pennsylvania Population Company.49 These disturbances also were delaying the laying out of the town of Presque Isle by the state, which Nicholson wanted established in order to promote land sales in the Pennsylvania northwest. Many Pennsylvanians feared that the British were planning to build a fort there. Governor Mifflin was also disturbed at the Presque Isle situation and wrote to Washington, complaining about the “machinating efforts of the agents of a foreign nation in the neighborhood of the United States. . . .” 50 Mifflin was a stockholder in Nicholson’s Population Company and anxious for its success.51 Andrew Ellicott, surveyor of the Erie Triangle, and a friend of Nicholson, was another

45 James Smith to Nicholson, Apr. 18, 1795, Nicholson Gen. Corresp., PHMC.
47 Feltknapp to Nicholson, May 2, 1795, Nicholson Gen. Corresp., PHMC.
49 See Nicholson to Aaron Burr (a stockholder and manager of the company), June 29, 1793, Nicholson Letter Book, 1779-1793, ibid.
51 Entry for Apr. 16, 1792, Diary of John Nicholson, Jan.-July 1792, Box 3, Public Records Division, Pennsylvania Historical and Museum Commission, Harrisburg.
who blamed the British for the difficulties in the Pennsylvania northwest. General Walter Stewart, a business partner of Nicholson, maintained that there was not an Englishman who did not find satisfaction in distressing the people of the United States, and suggested that he meet with Nicholson to form some plan respecting "the Infamous treatment." Samuel Flagg Bemis has proved that it was part of British policy to create an Indian buffer zone which would block United States expansion in the Great Lakes region. In view of these opinions it is clear that Nicholson had excellent reasons, as well as contacts, to keep the French government informed of British activities.

Randolph in his Vindication asserted that he asked Fauchet to advance the flour merchants money so that they would not face retaliation from British creditors to whom Morris and Nicholson were heavily in debt. And, as we have seen, Fauchet did advance Nicholson and Morris money. When they failed to deliver all of their cargoes, the government of France asked them to repay $50,000 of that advance. As late as 1797, Nicholson and Morris still had not repaid the money advanced by Fauchet.

From the evidence presented above, it seemed that Wolcott's unproved charge that Randolph was seeking to foment civil war with French money was false and that the Federalists' charges that the "flour merchants" were a fabrication were equally untrue. As for the shortages in his diplomatic and counselor funds, Randolph pleaded his innocence, and it has been suggested that Pickering and Wolcott tampered with Randolph's accounts after the secretary's resignation. Again, Nicholson's correspondence helped to validate this contention. Moreover, the Philadelphian appeared as a witness in Randolph's hearing in 1798 to show the charge that Randolph had misused public funds was false.

58 Brant, "Edmund Randolph, Not Guilty!" 180-81.
Edmund Randolph has never been completely exonerated of the charges that have injured his reputation since the 1790s. Perhaps John Nicholson's associations with him have contributed to a re-evaluation.