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The Potomac Ploy: George Washington’s Secret Scheme That Shaped the Nation’s Capital

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For over 200 years, historians have glossed over blemishes on George Washington’s reputation, transforming the president into an almost mythological figure of the United States’ national identity. This paper brings into focus one of the more overlooked narratives about the president, revealing that his choice of Washington DC and the Potomac River as the location for the national capital was driven by financial self-interest and not by a prescient vision of future national unity.

Overwhelming evidence demonstrates that Washington knew the Potomac River could not serve as a national waterway; he was well aware of impassible rapids, sudden drops that totaled 874 feet, and large mountains that completely obstructed the river. Despite this, Washington continued to pursue development along the Potomac for personal financial gain. By the early 1790s, the country had sent thousands of dollars to his private river company, promoted settlement in areas near Washington’s land holdings, and begun the creation of a major city within walking distance of Mount Vernon.

The revelation of Washington’s true motivations for choosing this location for the national capital complicates the myth of this founding father as the epitome of a perfect leader. It calls into question the legitimacy of the political, racial, and economic hierarchies that have transformed a self-interested slaveholder into a centerpiece of modern democracy.
In 1790, in his second year as president, George Washington was practically a living saint among Americans. Newspapers, speeches, celebratory toasts, and sermons attesting to his virtue filled colonial publications, with one minister, the Reverend Samuel Stillman, describing millions pledging their unanimous love and gratitude for the first president, a “visible manifestation of…divine munificence” and a “happy union… [of] Genius and… candour.”¹ Washington’s alleged effectiveness as a visionary extended beyond guiding the country through daily politics; the president also had the prescience to predict the expansion of the country and capital along the Potomac River. With his prophetic wisdom, Washington asserted that the Potomac was a national “blessing,” writing in 1784 that development of the river held “vast commercial and political importance” for Americans, and in 1791, chose a site along the Potomac to be the national capital.² Newspapers quickly heeded Washington’s words, with one Wilmington writer, John O’Connor, struck by the power of the Shenandoah Valley floods that dwarfed the Thames or the Seine in size and swelled before converging into the Potomac. O’Connor stated that these waters “could contain the fleets of the universal world,” and that “Providence has created…the illustrious President, [the] cause of every blessing of the human race…to make these waters navigable.”³

But the true cause of Washington’s Potomac fixation was not a divine premonition of Potomac-centered national development. Since his boyhood, Washington’s life had revolved around the river, including his childhood plantation in Westmoreland County, the Ohio land

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³ John O’Connor, "Description of the Potomac." Delaware Gazette (Wilmington, Delaware) V, no. 256, February 20, 1790. Readex: America's Historical Newspapers, 1.
speculation company that his family invested in, and the nearby city of Alexandria that his brother Lawrence had founded. When Lawrence died four years after founding the city, the financial responsibilities of the Washington family lay in George’s hands: maintain the city of Alexandria, develop the Potomac region, and keep the Ohio Company profitable.\textsuperscript{4} By 1749, at the age of 17, Washington owned over 40,000 acres of Potomac-adjacent land; if the region succeeded, his personal finances would directly benefit.\textsuperscript{5} Despite multiple warning signs that the river was treacherous and impassible, Washington relentlessly pursued government support for his unattainable vision over the next 40 years, receiving investments from Maryland and Virginia in 1784, and by 1791, was granted unrestricted federal power to choose a capital city at any location he desired along the river. In contrast to his popular portrayal as a figure of divine wisdom, George Washington’s use of government funding to develop the Potomac River and place the national capital on its waters was motivated by self-interest, with the president circumventing democratic political processes and sharing hypocritical public messaging in an attempt to transform his geologically impossible Potomac dream into reality.

Washington grew up in a family with a long history of western land speculation. In the 1740s, his brothers Lawrence and Augustine helped found the Ohio Company to invest in lands west of Virginia and eventually connect them with the rest of the colony.\textsuperscript{6} Lawrence believed that western development along the Ohio River could provide Virginia with more direct access to the northern fur trade and strengthen the colony’s economic power. If Lawrence could encourage families to settle in the Ohio River Valley, his company’s men would get a return on their investment. To the east, Lawrence founded the city of Alexandria in

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1749 near his new home at Mount Vernon to connect the developing western lands with a prosperous coastal city. But later that year, Lawrence contracted tuberculosis and died. In the years after his death, George Washington took on the work that Lawrence had started, surveying the river, making frequent trips to Alexandria, and developing Potomac navigation legislation until he was interrupted to command the Continental Army in the 1770s. The frequency of his writings about the Potomac diminished during that time period, with the general sending 113 Potomac-related letters from 1762-1770 and only 21 from 1775 to 1783. But after the war, his Potomac activity reignited. Just three months after resigning his commission as commander-in-chief of the army, he sent a message to Thomas Jefferson with a detailed explanation of “the advantages of that communication [the Potomac] & the preference it [should have] over all others...in this State, & Maryland, to adopt & render it facile,” claiming that Potomac River development was urgently needed to aid the nation’s new economy. He then began to pressure legislators in Virginia and Maryland to pass Potomac legislation, writing to Virginia governor Benjamin Harrison in October 1784 that the creation of Potomac canals under Washington’s direction would “mark [Harrison’s] administration as an important era in the Annals of this Country.”

While Washington portrayed his choice of the Potomac to state legislators and individual citizens as a venture that was economically sensible for the country during its early expansion, the former general knew that the river was inherently a geographically and financially disastrous place to attempt construction, with Washington’s only reason for


encouraging river development being his nearby land investments. For one, the Potomac River was unnavigable for most ships; soon after Washington created the Potomac Company (a group of surveyors, politicians, and laborers tasked with clearing the river for commercial travel), the company’s members reported back to Washington with accounts of treacherous rocks, the unpassable Great Falls, and sudden drops that totaled 874 feet as they attempted to fulfill the general’s wishes.\textsuperscript{11} Washington, as an experienced land surveyor in the Potomac region, was well aware of the rapids and sudden descents a few miles upstream from his birthplace; his omission of this detail to Virginia legislators was an act of deliberate negligence. As a result of the river’s inherent destructiveness and impassibility, the project put an immense financial burden on the various organizations involved in its development. The Potomac Company, by 1799, shared in an address to stakeholders that nearly the whole stock of the company had been expended on rock removal and lock construction, yet much of the river still remained impassable. The state governments of Virginia and Maryland also squandered large sums by investing in river construction, allocating around $48,000 in 1785 to fund tentative plans for Potomac tolls and canals that remained uncompleted in 1812.\textsuperscript{12}

Washington faced an uphill battle against these political, financial, and geographical roadblocks to Potomac River expansion, a project that was so physically improbable that his bills for the project consistently failed in the Virginia and Maryland assemblies for almost 20 years. In 1770, Washington’s first Potomac bill, a joint effort with Richard Henry Lee, did not pass the Virginia Senate.\textsuperscript{13} In 1784, Washington’s dual bills in Maryland and Virginia were

\textsuperscript{11} James Keith, \textit{Great Falls, July 2, 1799: Entrusted as We Are ... to Give You, as a Stockholder, as General a View of Those Interests}. Georgetown, D.C., 1799.
\textsuperscript{12} The investment was $220,000 shares, of which the Virginia and Maryland legislatures invested 10%, which is a $44,000 stake. Washington urged several additional investments; the total reached around $48,000. Keith, \textit{Great Falls}, and Corra Bacon-Foster, “Early Chapters in the Development of the Potomac Route to the West.” \textit{Records of the Columbia Historical Society, Washington, D.C.} 15 (1912): 96–322. p. 148, 203.
\textsuperscript{13} Bowling, \textit{The Creation of Washington D.C.}, p. 111.
both deemed unsatisfactory. Privately, Washington expressed frustration with the lethargy of the two legislatures, writing an exasperated letter to James Madison about his discontent with the “limping conduct” and maddening delays of the public hearing process as the lawmakers discussed his untenable proposals. Washington knew that his bills would never pass without external coaxing. So he decided to interfere, using his reputation as a nationally-renowned war hero to his advantage.

The speed with which Washington developed his multi-pronged approach to persuade the Virginia and Maryland legislators in 1784 was nearly unfathomable. To convince the two legislatures to adopt his Potomac resolutions, he arranged a conference of delegates outside of official assembly hours, personally beseeched the state governor, and, along with local political allies, rushed the bill through both Virginia legislative houses in one day with, as he described, more “hurry than accuracy” for "fear of not getting the report to Richmond" in time. After the sixth night of proceedings in Annapolis, Washington wrote to Madison and complained of an "Aching head" due to his relentless dedication to the passage of these proposals. The initial resolutions passed, but for Washington, the speed was still not enough. In what is now known as the Mount Vernon Conference, Washington brought the legislative proceedings inside his own home in early 1785. The multi-state group of representatives at his estate soon authorized unrestricted Virginian access to Potomac navigation in a move that Washington veiled as a method of expanding interstate commerce.

Washington was quite satisfied with the success of his lobbying efforts in the Maryland and Virginia legislatures. By December 1784, the former general achieved monumental gains;

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18 Bowling, The Creation of Washington D.C., p. 120.
the committees had chartered Washington’s Potomac Company, authorized state-funded
surveyors to begin examining land around the Potomac, and invested $44,000 in the Potomac
Company to develop roads and canals leading westward from the Potomac. Each of these
committees, of course, was no independent body; their members consisted of men like Samuel
Chase, Horatio Gates, and John Calwader, who had served under Washington during the war
and presented almost no opposition as Washington redirected thousands of state dollars
towards his pet project. Washington had almost everything ready to ensure his Potomac
venture succeeded. All that remained were the people who would populate the river valley.

The future president’s furious scramble of Potomac-related letters once again quieted
down in the late 1780s as the Potomac Company commenced operations and Washington
tended to governmental affairs as president of the Constitutional Convention. But five years
after his resounding success in the Annapolis legislature, President Washington received the
news he was looking for. On July 12th, 1790, he was presented with a bill from Congress that
authorized him to locate the capital city anywhere he wanted along a 68-mile stretch of the
Potomac. Using his political and geographical expertise, Washington selected a site, created
a commission of experienced local politicians, lawyers, and land dealers for land
development, and, after an exhaustive tour through the local towns of the region in October
1790, chose a site near the Anacostia fork of the river. Washington’s choice was commended
both at the time and by many later historians, with many considering it highly beneficial for
the country that our capital was chosen by Washington himself. Douglass Southall Freeman,
in his 1948 biography of the President, wrote that “The wisdom of this counsel, with the

weight of Washington’s popularity behind it, was…irresistible.”

But as in 1785, Washington, in reality, prioritized his financial interests when locating the capital, deciding, before he surveyed the land and obtained congressional approval, that the district would be located adjacent to Mount Vernon, encompass the city founded by his brother, and be developed by a commission of Virginia landowners who had invested in his Potomac Company. In the summer of 1790, three months before surveying the land for the capital city, Washington met with Madison and Jefferson to ask their advice about how to choose a capital given the restraints in the bill that Congress had passed. Several weeks later, the two responded with a set of recommendations for the president, which included methods for including his brother’s city of Alexandria in the district’s jurisdiction without directly violating the law. Madison, for one, noted that the Residence Bill passed by Congress did not specifically exclude the Western bank (Virginia) of the river where Mount Vernon is located, it just implied that, writing, “The legality of this seems to be decided by the clause confining the purchase…‘to the East side of the river’… which imply that the whole district was not necessarily to be on that side.” Jefferson, too, in his letter, heartily endorsed Washington’s inclusion of Alexandria within the district, recommending that Washington extend the district as far east and south as possible, with the new district encompassing all of Alexandria, incorporating more Virginian territory than was initially intended by the law, and ending with a border less than four miles away from the town of Mount Vernon. By March of the following year, Washington had surveyed the new location with his hand-picked commissioners, one of whom, Charles Carroll, allowed Washington to bypass the legal ambiguities of the Residence Act by introducing an amendment that extended the capital to

23 Bowling, The Creation of Washington D.C., p. 120.
Alexandria and greater Virginia. Carroll, of course, did not choose the updated location solely to support the president’s vision of a more united nation. He, along with the other commissioners, was a major investor in the Potomac Company.

Perhaps the most surprising aspect of Washington’s self-described “scheme” was that it went largely unnoticed by most of the oft-critical newspaper editors and politicians of the time. Washington, especially in his most ambitious career undertakings — fighting the Revolutionary War and navigating the sectional divides of the late 1790s — faced intense scrutiny from pamphleteers, newspaper editors, army officers, and politicians, receiving criticism about his foreign policy, military tactics, and interpretation of the Constitution. But in 1784 and 1790, during the creation of the Potomac Company and Washington DC, respectively, Washington was at two of the apexes of his public image; any editorial attack on him was more a character judgment of the writer than it was on the national hero. In 1784, Washington had recently submitted his humble resignation as commander-in-chief of the army, and in early 1790, he had just returned from his October tour the previous year to “cordial enthusiasm…love and admiration” across the Eastern seaboard. Washington was in such a position of national reverence that he could chuckle over the complaints of northern traders who were furious that their states would lose commerce to the new waterway. In November 1785, a merchant who dined at Mount Vernon described Washington nonchalantly shrugging off their criticism, writing, “he is quite pleased at the idea of the Baltimore

merchants laughing at him, and saying it was a ridiculous plan, and would never succeed.”

Washington was not seriously concerned about minor political complaints; they were to be expected in any extensive land negotiation.

But perhaps the most compelling reason for the lack of criticism that Washington received for his Potomac scheme was that Potomac development appeared to be a genuinely beneficial political, economic, and military investment for the country made by the respected president, even if it also served his own interests. In September 1789, former army colonel Thomas Hartley summarized the situation succinctly, stating: “It is true he has a strong bias for the Potomac, but the rules of candor and honors which have ever governed him in life would not have been deviated from upon this occasion.” Modern historians continue to adopt this viewpoint, including biographers Edmund S. Morgan, Joseph Ellis, and Ron Chernow. Morgan, for instance, wrote that “Washington believed that as a private citizen pursuing his own interests he could still be working for the good of the nation.” Indeed, a successful capital at the nation’s geographic center would provide the political and economic unity that the fragile country needed. Despite Washington's war victories, the nation was still surrounded by hostile enemies, with Great Britain, Spain, and Native Americans all encroaching on the country’s borders. One writer for the Pennsylvania Mercury placed high stakes on the success of Washington’s plan, stating on June 19th, 1790, that “the disputes of the residence of Congress...[are not] of a trifling nature. They amount to this: whether the United States shall be governed by Great Britain, or whether the middle states shall be sacrificed.”

31 "It is an egregious error." Pennsylvania Mercury, and Universal Advertiser (Philadelphia, PA), no. 563, June 19, 1790. Readex: America's Historical Newspapers, 1.
In addition, the benefits of river construction extended beyond national security; it could also encourage and strengthen western settlement that would support the new country. As a property owner of western and eastern lands, Washington understood Americans’ desire for an independent lifestyle out West but saw firsthand how disjointed the country’s two halves could become if they waited for the federal government to provide a sense of national unity. As a result, he supported a policy called progressive seating, where Americans would rapidly settle Western lands with the support of private investments (like those of the Potomac Company) before sluggish federal bureaucracy had officially made that territory into a state. Many historians, including Joseph Ellis, connect Washington’s westward-facing governmental policy with his private business ventures, suggesting that “The Potomac River Company…was a private model for what the federal government should be doing publicly.”

Washington also hoped that a large, central river, in addition to encouraging Western settlement, could help address the growing divide between Western settlers and the Eastern urban elite, writing in a diary entry in 1784 that “To restrain the extension of the navigation of these rivers…would be a separation of the Western Settlers from the old and more interior [elite-led] government,” thereby causing a gradual breakdown of American unity. A large, powerful river blossoming with commerce could foster continuous connection between the West and the East, preventing the creation of even more geographically-based political divides that could plunge the nation into bloody conflict (as they did by the end of his presidency).

Washington’s decision to invest in westward-facing Potomac River projects seemed to be chosen at an opportune moment in the nation’s history, arriving at the convergence between a new era of American industrialism, expansionism, and political development. The

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combination of the first national peace in more than a decade, the development of new transportation technologies, and the western boundaries of the nation no longer being dictated by the British meant that a flood of western American settlement was likely. In the fall of 1785, when the engineer James Rumsey presented a rapidly-moving paddlewheel steamboat to Washington, the future president was ecstatic, recognizing his invention as “one of those circumstances which have combined to render the present epocha…favorable above all others for securing…a large portion of…the Western Settlements,” and soon hired Rumsey to work at the Potomac company.\(^\text{34}\) If there were to be any waterway to the west that Rumsey’s boat would traverse, the Potomac was the clear choice; Pennsylvania rivers, according to Washington, appeared to be filled with “rocks and rapids,” and New York was facing “insurmountable” political obstacles at the time.\(^\text{35}\)

However, Washington’s internal letters highlight that the future president knew the reality of the situation: the Potomac was inordinately expensive to develop and impossible to be used as a gateway to the West. As early as 1770, he remarked that “the channel of commerce between [the colonies] and that immense tract of country...through illtimed [sic] Parsimony and supineness may be wrested from us & conducted through...the Susquehanna,”\(^\text{36}\) suggesting that any frugal citizen would recognize the Susquehanna project’s financial advantage over the Potomac. By late 1785, the Potomac Company’s efforts to clear the river had rapidly deteriorated; their expenses sharply increased as they searched for alternative methods of river traversal. When Washington realized that Rumsey’s steamboat was unable to navigate the challenging waters of the Potomac’s Great Falls, Washington began desperately developing a plethora of proposals in response that spanned everything from procuring slave


laborers and hiring a European construction superintendent to purchasing “chains floated by
buoys” to slowly pull boats up the river at a high expense.\textsuperscript{37}

In addition to the Potomac’s financial disadvantages that Washington failed to publicly
admit, Washington also omitted many of the physical impediments within the river. In October
1784, he dismissed the mountains that obstruct the Potomac as a minuscule triviality, writing
that “The only difficulty in the way (and that a very trifling one) is…[that] the River is
hemmed in by…Mountains on each side.”\textsuperscript{38} Washington also privately acknowledged to
Jefferson, too, that the river was not clear of obstacles, stating that in its present state,
“navigation of Potowmac… [seems] impracticable, on account of the many falls, rapid water,
and rugged banks which are to be found in its course.”\textsuperscript{39}

To the public, however, Washington described difficulties rapidly vanishing, writing to
several senators in 1785 that “We have got the Potomac navigation in hand;” “no man who has
any knowledge of the river Potomac, harbours a doubt of the practicability of its navigation,”
and began to ask for government funding for canals and locks, while just months earlier, wrote
extensively about the expenses and impracticalities that would be incurred with canal
construction.\textsuperscript{40} “Canals & Locks, besides the natural decay of them,” he had written in
September 1785, would probably be…“choaked with drift wood—Ice—and other rubbish
which would be thrown therein.”\textsuperscript{41}

Perhaps the biggest obstacle to Potomac expansion was that the river simply did not
extend very far west, a problem that even the most cutting-edge paddlewheel steamboat could
not solve. While his company could construct financially burdensome canals and locks to

\textsuperscript{37} Washington, “To Benjamin Harrison, 10 October 1784,” in \textit{The Papers of George Washington}. vol. 2, pp. 250-252. \\
\textsuperscript{38} Washington, “Diary entry: 4 October 1784,” in \textit{The Diaries of George Washington}. vol. 4, pp. 57-71. \\
\textsuperscript{39} Washington, “To Thomas Jefferson…13 February 1789,” in \textit{The Papers of Thomas Jefferson}, vol. 14, 8 October
\textsuperscript{40} Washington, “To Robert Morris, 1 February 1785,” in \textit{Papers of George Washington}, vol. 2, pp. 309-315. \\
traverse the existing river, no amount of investment would create Washington’s powerful Appalachian floods and “great avenue into the western country” from the Potomac’s true westward terminus of a stagnant creek that never extended outside of Virginia. Today, the source of the Potomac remains nearly identical to how Washington would have seen it. Just one stone marks the river’s northern limit, with the creek slowly trailing off into an uninhabited dead-end at the edge of a remote West Virginia forest.

Overall, a more careful analysis of Washington’s involvement in the development of the Potomac reveals that our country’s most revered founding father, at the height of his national popularity, was engaged in a scheme to redirect state funds towards his private investments. To the president, his Potomac land venture was merely an extension of his typical business dealings; it did not matter that he now carried the authority of the most powerful man in the country. Like Washington, many modern scholars dismiss the implications of his failed pet project, remaining firm in their belief that he was “incapable of illusion, fully attuned to the specter of evil in the world.” However, Washington’s desire to put personal profit over the country’s financial interests reflects more than just on his leadership in the 1780s, that the acclaimed “wonder of a world” and an “interposition of providence” would prioritize his own wealth over the nation’s investments. As the questionable business dealings of the nation's highest executive and judicial leaders increasingly come into question, Washington’s Potomac scheme of 230 years ago highlights that our even wisest leaders today need to be reined in with checks on their power. Perhaps our founding days are not as distant as we make them out to be.

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