The Early History of Iowa (pt. 13)

Charles Negus
The propriety of assuming the responsibility of a state
government was discussed at an early day; and this question
was brought before the legislature, and on the sixteenth of
February, 1842, a law was passed providing for a convention,
and the taking of the necessary steps for the establishing of a
state government. The convention was to consist of eighty-
two members, and to meet on the first Monday of the next
November; but before the law was to be in force it was to
be submitted to the vote of the people.

But it seems that the people did not at that time feel dis-
posed to assume the responsibility of a state government; for
at the next election the proposition was voted down.

In the fall of this year there was another treaty held with
the Sac and Fox Indians. At their agency, and on the eleventh
of October, 1842, an agreement was signed for the purchase
of all of their lands in Iowa.

By the provisions of this treaty the Indians retained the
right to occupy all that part of their lands ceded: “which lies
west of a line running due north and south from the Pointed
or Red Rocks on the White Breast fork of the Des Moines
river, for the term of three years.”
In consideration of the grant of lands, the United States agreed to pay the Sac and Fox Nations, yearly, an interest of five per cent on the sum of eight hundred thousand dollars, and pay all their debts, which at that time amounted to two hundred and fifty-eight thousand five hundred and sixty-six dollars and thirty-four cents.

The United States was also to give the Indians a tract of land suitable and convenient for their purposes; some were on the Missouri river, or its waters, and "establish and maintain two blacksmiths' and two gunsmiths' shops convenient to their agency, and employ two blacksmiths with necessary assistants; and two gunsmiths to carry on said shops;" one of each for the Sacs, and one of each for the Foxes, the expense of which was to be paid out of their annuity, except such aid as the United States were under obligations to do by previous treaties.

The President of the United States was to have the line run from Red Rock, north and south, so soon after the ratification of the treaty as was practicable; and have it marked so that the Indians and whites might readily know the boundaries which were to separate their possessions, till the Indians moved to their permanent homes. The Indians were to give possession of all their lands east of Red Rock on the first of May, 1843, and move west.

When their new hunting grounds were allotted to them, on the west side of the Missouri, and the Indians prepared to move, it was incumbent on the United States to take them to their new homes, provided they moved within three years; if not, they were to go at their own expense.

It was also stipulated, that each of the principal chiefs of the nation should have out of their annuities, five hundred dollars, annually, to be expended by them, with the approbation of their agent, for such purposes as they might think proper. It was further provided, that there should be a fund amounting to thirty thousand dollars, retained at each annual payment in the hands of their agent, to be spent by the chiefs, with his approbation, for national and charitable pur-
poses, such as the support of their poor, burying their dead, and such other purposes of a general utility, as their chiefs might think proper.

The eighth article of the treaty sets forth, that “the Sacs and Foxes have caused the remains of their late distinguished chief, Wapello, to be buried at their agency, near the grave of their late friend and agent, General Joseph M. Street, and have put into the hands of their agent the sum of one hundred dollars, to procure a tombstone, to be erected over his grave, similar to that which has been erected over the grave of General Street; and because they wish the graves of their friend and chief, to remain in the possession of the family of General Street, to whom they were indebted in his lifetime for many acts of kindness; they wished to give to his widow, Mrs. Eliza M. Street, one section of land, to include the said graves, and the agency house and enclosures around and near it.”

The provisions contained in this article of the treaty, were the occasion of much discussion. Reservations heretofore made had been the occasion of much trouble, and the instructions to Governor Chambers in holding this treaty were to allow no reservations to be made, and it was strongly urged on his part, that there should be none.

The chiefs claimed other reservations, which they were induced to yield; but they said that they had promised the family of General Street that his grave should be respected, and they most positively refused to make any cession of land unless this reservation was made. After much delay, and finding it useless to contend, Governor Chambers consented that this reservation should be included in the articles of the treaty. And for fear this might be rejected, Keokuk caused another article to be added to the treaty, which provided: ‘That, should the senate disagree to, and reject, alter, or amend any portion or stipulation thereof, the same must be again submitted to the Sacs and Foxes, and assented to by them, before it should be considered valid, and obligatory upon them.”
Under these circumstances, the treaty was ratified by the senate without any alterations, and patents were issued to Mrs. Street to six hundred and forty acres of land, "in such legal sub-divisions as included the burying ground, the agency house, and improvements around and near it, as was selected by Mrs. Street."

As soon as it was known that this treaty had been made, there was a great rush of immigration to Iowa, and large numbers marked out and made temporary settlements near the boundary line of the Indian country, so as to be ready on the first day of the next May to move into the new purchase, and select choice locations for their claims.

The winter of 1842 and 1843 is noted as the cold winter. There was a snow about a foot deep fell on the night of the ninth of November, most of which lay on the ground till the next April. During most of the winter the snow was from two to four feet deep, and a great portion of the time the thermometer was about twenty degrees below zero.

On account of there being a large immigration to the territory the previous fall, and the long and severe winter, there was a great scarcity of provisions and feed for cattle; so much so, that many horses and cattle died, and many farmers were very much incommoded by losing their stock.

The wolves, that winter, were unusually thick, probably being driven from the Indian country into the settlements on account of hunger, to find something to live upon. And so thick and troublesome were the wolves that parties were formed in almost every neighborhood to hunt them. The mode of hunting wolves was, whenever there came a snow, to gather up a party of men on horseback, sometimes as high as twenty or thirty, and go out on the prairies with a pack of dogs. When the snow was light, the wolves would sink into it, and could not run as fast as a horse. The dogs were sent out to hunt up the wolves and the horsemen followed slowly after them till they started one, when the horsemen gave chase at the full speed of their horses, and would run over the wolf, or turn his course, and thus delay his flight till the dogs
came up, and in this way they were almost sure to kill the wolf. Sometimes a wolf would get into a beaten track, when they were closely pursued, and would not leave it, and in this way they were frequently driven into the towns and killed in the public streets.

The prairie chickens and other game died from the cold or starvation, or were destroyed by the wolves, so that for a year or two there was hardly any to be found.

The wolves, though they suffered from the chase in the fore part of the winter, when the snow was light, in the latter part, when the snow became compact, had a season of ease and plenty; for the snow became so solid that it would bear them up, and they could run on the crust, while a horse or man would sink into it, and the wolves could easily get out of the way of those who attempted to pursue them. But the snow was not solid enough to bear up a deer, and while in his leaps the small feet of the deer penetrated the snow, the wolf not being thus impeded, could easily outrun him, and from this cause the carcasses of many deer were found which had been killed by the wolves.

The Mississippi river was frozen as low down as Ft. Madison, so that they crossed over with teams on the ice till after the first of April.

Across the prairies, over which the wind had a fair sweep, it kept the beaten track even with the surface of the unbeaten snow, and, the track becoming compact, in the spring when the snow melted away, it did not go off in the roads till long after it had disappeared in places where it had not been tramped. And where there had been a beaten track there was a solid bank of snow or ice from two to four feet high, which looked as if some one had attempted to fence up the lands with solid walls.

When the legislature met at Iowa City on the first of December, 1842, the place had so far improved that the members of the legislature and other visitors found very comfortable accommodations. There had been, during the summer, a large brick house put up on the south side of the Cap-
itol square, called the "Globe House," but generally known among those in the city as the "Brick Dust." Swan had built an addition to his hotel, so that by these additional hotel facilities, visitors to the city had no occasion to complain of their accommodations.

The walls of the capitol had been carried up to the square, and all the mason work of the south gable completed. The roof was on, and the north gable boarded up with rough boards. The cupola was finished to the first contraction and the top temporarily inclosed; the two large rooms on the east side and two small ones on the west, in the second story, were so far finished that they were occupied by the legislature and officers of the territory.

At the commencement of the year of 1842 there was a great crisis in money matters. Most of the banks through the country had suspended specie payment in the fall of 1840, and many of them at this time were afraid to make their accustomed loans. For several years previous to 1840 there had been carried on through the whole country a wild species of speculation, and real estate everywhere increased in value, and particularly the lands in the west had gone up to very extravagant prices. Owing to the excitement in speculation, most everybody had become more or less in debt. The banks were not able to keep out their usual circulation, but were compelled to call in their outstanding dues to enable them to redeem their returning bills; money everywhere became scarce, and property went down in value faster that it had gone up, and it was almost impossible to sell at any price.

General Harrison, who had been elected President in the fall of 1840, almost as soon as he had been inaugurated into the presidential chair, issued his proclamation for an extra session of Congress. At this special session of Congress almost the first act passed was a law establishing a uniform system of bankruptcy through all the states. And a great many of those who had involved themselves in debt by means of speculation or otherwise, availed themselves of this mode of paying off their debts. Such was the number of those who went
into bankruptcy that there seemed to be a universal distrust among business men; and no one who had been engaged in business where it required him to purchase and sell on credit, was able to tell whether he could close his business and be able to pay his liabilities.

In addition to the general crisis all over the country, early in the year of 1842 all the Illinois, Wisconsin, and a great portion of the Michigan and other western banks failed. The Illinois banks were estimated to have over three millions of dollars in circulation, which, in the market, was only worth from thirty to forty cents on the dollar, and the notes of these banks soon went out of circulation, and most everybody in the west lost more or less on these bills.

The loss sustained by the failure of banks, and the hard times occasioned by the general panic in the money market, created a great prejudice against all banks, and the sentiment prevailed, to a great extent, in favor of a strictly hard currency, and this was made, to a certain extent, in many parts of the country, and particularly in the west, a political issue.

The Miners' Bank, of Dubuque, which was chartered by the legislature of Wisconsin, and the only one at this time in Iowa, suspended specie payment the last of March, 1841, and refused to redeem its bills with specie till the first of July, 1842. As soon as the bank resumed specie payment, the demand for specie was so great that in about a week it again suspended, and the result was that the value of the notes of the bank became greatly below par. The course pursued by this bank was such that the legislature, which met on the first Monday in December; 1842, thought proper to make an investigation of its affairs.

This bank, like many others, had been started on fictitious capital. The stockholders, instead of paying their stock in money, when the bank commenced business, executed their notes, and among the number was a man by the name of Saint John, who resided in St. Louis. Saint John had become a stockholder to the amount of forty thousand dollars by executing his notes to the bank, and afterwards became in-
debted to it by borrowing money to the amount of fifty-seven thousand dollars, and, before he had paid any of this indebtedness, failed, and took the benefit of the bankrupt act. And the whole of the indebtedness was a loss to the bank.

Thomas Rodgers, a member from Dubuque, in the early part of the session, gave notice of his intention to introduce a bill to repeal the charter of the bank, and provide for winding up the affairs of the same; which was subsequently done, and the whole matter of the bank was referred to a select committee of one from each senatorial district, of which committee George H. Walworth was appointed chairman.

Richard F. Barrett and Thomas Marther, of Springfield, Illinois, the former a wealthy man, and a large land holder in Iowa, and the latter the president of the State Bank of Illinois, had become interested in the Miners’ Bank of Dubuque, for they saw that the banks of Illinois, and many other of the western banks would have to be closed up, and, thinking that a bank at Dubuque would, probably, be a profitable institution, made their arrangements to buy up the stock and secure its charter. They had so far secured the control of the bank at Dubuque, as to deem it advisable to make an effort to preserve the institution by advancing funds, and using their influence to prevent the legislature from repealing its charter. The democrats had the ascendency in the legislature, and any measure which could be adopted to cripple or break down banks was, at that time, in Iowa, considered good democratic doctrine. Barrett knew, in order to carry out his plans and revive the bank at Dubuque, he must have the sanction of the legislature, and that it was necessary for him to bring some influence to bear on the democratic members of the legislature to get a favorable action of that body. Barrett selected a man by the name of Morbley, and sent him to Iowa City as a lobby member, to look after the interest of the banks, and he brought with him several letters from Barrett to some of the prominent members of the legislature. Morbley did not manage his cause with as much skill and caution as prudence for his cause demanded; for, when there seemed to be a dis-
position among the members to sustain the banks, *Madame Rumor* soon had it reported to the public breeze, that there was some improper means being used to obtain a favorable action of the legislature in behalf of the Miners' Bank, of Dubuque.

The *Iowa Capital Reporter*, then conducted by Jesse Williams and Thomas Hughes, speaking of the action of the legislature in relation to the Miners' Bank, said:

"To justify those gentlemen in a little better manner than they have done in the article in question, and to show that they are not altogether fools, it is necessary for us to state and inform the public that they have a much more substantial argument for so sudden and great a change. Some offer and promises of a personal reward and private advantage have, it is well known here, been made from a certain quarter, to certain members of the legislature, in consideration that they will interpose to save the bank. There might have been some delicacy in putting this into the manifesto, but it undoubtedly had more weight in the change of opinion, than an expectation that the State Bank of Illinois, unable to redeem its own bills, can spare fifty thousand dollars to carry on business abroad."

This article in the *Reporter* produced much sensation among the members of the legislature, and, in the house, a resolution was adopted:

"That a committee of five be appointed, with instructions to cause Jesse Williams and Thomas Hughes, editors of the *Reporter*, to appear before said committee, and to them give testimony, under oath, in relation to said charge; also, to send for such other persons and papers as they may deem proper, relating to the subject of said charge, and report to the house without delay."

Walworth, Bunker, Falkner, Hepner, and Newell, three whigs and two democrats, were appointed the committee, and immediately proceeded to investigate the matters referred to them. The result of the examination showed that Barrett had employed Morbley to come to Iowa City to use his influence
to get the legislature to sustain the bank, and had sent by him
four letters to members of that body. One was addressed to
James Morgan, the speaker of the house; as follows:—

"[Confidential."


"Dear Sir: — The Dubuque Bank charter is owned by the
Gas Light Company, in St. Louis, and I am in treaty for it.
If I get it, a company of us will put in from fifty thousand to
one hundred thousand dollars capital, in specie, and we will
make it one of the best banks in the Union. I see the charter is
menaced; now, I ask your kind offices in preventing its de-
struction, until I can have time to consummate my arrange-
ments. You know my attachment and interest at Burlington,
and, if I succeed, the institution can and shall throw benefit
to that city and the whole territory, and upon you, too, indi-
vidually, if an opportunity should offer.

"I shall write to Leffler, Springer, and Patterson on the
subject, and will, also, try and have the Dubuque delegation
influenced. All I want is six or eight months to make ar-
rangements, and clear incumbrances from the bank. The
capital to start it can be got at any time.

"Your friend, truly,

"Richard F. Barrett."

The letters to Leffler, Springer, and Patterson were of the
same character as the one to Morgan, except there was no
offer to bestow upon them individual favor.

Nearly all of the members were examined, but there was
no positive proof of any direct attempt to bribe any of them.
Morbley, however, soon found that Iowa City was not a very
pleasant place for him, and, suddenly, was among the missing.

The committee to whom the matters of the bank had been
referred could not agree, and brought in two lengthy reports.
Hepner, on behalf of the majority, reported in favor of repealing
the charter of the bank, and providing for winding up the
affairs of the institution, and, as a part of his report, sub-
mitted a bill to carry his recommendations into effect. Wal-
worth, a leading whig in the house, as chairman of the committee, made a lengthy report, discussing the constitutionality of the bill reported by Hepner, and, in his report, he tried to put as favorable an aspect on the doings of the bank as they could, and took grounds against a "full and unconditional repeal of the charter," as aimed to be done by the majority report, principally for the reason that the property of the bank would "revert to the grantors of the charter, or escheat to the people," and deprive those interested in the institution of their just rights, but wound up their report by saying that they "deemed all banks which do not, at all times, and under all circumstances, pay specie for all their liabilities, as unsafe, and dangerous to the best interests of the community; and, in order to protect the community against unsound and spurious currency, they deemed it inexpedient to legalize or justify bank suspension, and, therefore, have prepared a bill providing for closing and winding up the affairs of the bank, in such manner as will secure the assets of the bank to its creditors."

The minority report did not meet with much favor with the democrats of the house.

Walworth and the other whigs offered several amendments to Hepner’s bill, but they were voted down, and the bill finally passed, very nearly as it came from the hands of the committee, by a unanimous vote of the house, many, probably, voting for it against their real sentiments, fearing, on account of the rumor of bribery which had been circulated, that they might be liable to the charge of being influenced through personal consideration. The bill went to the other branch of the legislature, and was delayed by the friends of the bank so that the council adjourned without taking any action on its merits, and thus, for a while, the existence of the bank was prolonged.

The committee to whom was referred the article in the Iowa Capital Reporter, like the committee on the bank, could not agree in their conclusions, making the question a political issue.

Walworth and his two whig associates made a lengthy re-
port, in which they included all the testimony they had taken, and concluded their report by recommending the passage of resolutions of censure.*

Hepner and Falkner were opposed to that part of the majority report in relation to the editors of the *Capital Reporter*, and took the ground that the matter was not "within the authority or jurisdiction of the house," and "that the public and the press had a right to speak of the conduct of members of the legislature as well as others"; "if the press transgressed its limits, the judicial tribunals of the land are open for redress of the injured party; "but the legislature cannot punish or censure an individual for speaking against members." These reports were laid on the table, and thus the matters ended, as far as the legislature and the editors of the *Reporter* were jointly concerned.

The result of this investigation was, that the bank, which, at the first of the session, had many warm supporters, and, at one time, had a strong probability of being sustained by the legislature, became more odious in the estimation of the public than ever.

The contest about the bank was not confined to the halls of the legislature. The report made by Walworth, and the resolutions concerning the editors of the *Capital Reporter*, though not adopted by the house, so much incensed the conductors

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*The resolutions were as follows:—

"Whereas, It appears by the testimony herewith submitted, that overtures highly improper have been made by Richard F. Barrett, of Springfield, Illinois, to a member of this legislature; and, whereas, it has been represented by an article in the *Iowa Capital Reporter*, that members of this legislature have been influenced by such overtures; and, whereas, it appears from the testimony that such reports are untrue; therefore—

"Resolved, That we regard the communication of Richard F. Barrett to James Morgan as highly improper, and unworthy of a gentleman or an honorable man."

"Resolved, That we deem the delivery of the letter by Mr. Morbley to Mr. Morgan, the contents being known to Morbley, as rendering him, to some extent, culpable or accessory to the offense committed by Mr. Barrett."

"Resolved, That we regard the course pursued by James M. Morgan, in relation to said communication, as indicating no disposition to be influenced in the slightest degree by overtures therein contained."

"Resolved, That we regard the charge contained in the *Iowa Capital Reporter*, of the 21st instant, implicating members with having been influenced in their legislative action, by promises of personal reward and private advantage, as entirely untrue, and highly reprehensible in its character, and, therefore, we deem the editors justly deserving the censure of this house."
of that paper that they made a poignant attack upon Wal- worth, and very severely criticised his course in the legisla-
ture. Walworth, being a spirited man, did not quietly rest under the castigation given him by the Reporter, but, meeting Williams, who was understood to have charge of the editorial department of the paper, one day in the library room, made an attack on him, and, being much the stronger man, threw him upon the floor and commenced beating him. Williams, being spunky, and not wishing to acknowledge himself whipped by crying enough, continued the tussle, and Walworth kept on beating him till the floor and carpet were be- smeared with a puddle of blood. While the fight was going on, Secretary Stull, who had just fitted up the room with a new carpet, came into the library, and, seeing how his carpet was being soiled, feeling, doubtless, more anxiety for his new carpet than for the bruised forms of the combatants, cried out at the top of his voice, in an angry tone, “You d—n scoun-
drels! what are you spoiling my carpet for?” and instantly seized hold of both of them and put them out of the room. Williams, not being satisfied from the pounding he had re-
ceived to let the matter drop, as soon as he had recovered from his wounds so as to be able to be about, seeing Walworth in the post office one evening, come up behind him, and, be-
fore Walworth knew what he was about, struck him a severe blow over the head with his cane. But, in this contest, as in the other, Williams got the worst of the encounter, and this closed the contest about the Miners' Bank for that session of the legislature.

About the commencement of the year 1873, there was one of the hardest times in the money market that had ever been known in the west. All the Illinois, and a great portion of the other western banks' paper, had gone out of circulation; land and everything had gone down in value to almost nomi-
nal prices; corn and oats could be bought for from six to ten cents per bushel; pork at a dollar a hundred; and the best kind of a horse which the farmer could raise would only bring from fifty to sixty dollars. Most everybody was in debt, and
the sheriff and constable, with a legal process, trying to collect debts, were common visitors at almost every man's door, and much property was sold on execution at very reduced prices. To try to alleviate the general financial distress of the territory, was a question of much consideration before the legislature at that time. To accomplish this, they passed what was generally known as the valuation law. This law provided, that when an execution was issued to be levied on property, that the officer should take such property as the defendant might direct. If the levy was made on real estate, the officer was required to call an inquest of three disinterested men, having the qualification of jurors, who were to value the land under oath, and if the land did not sell for two thirds of its value, then the sheriff was to offer it to the plaintiff, and if he would not take it at two-thirds of the appraised value, there was no sale, and the land could not be offered again for twelve months, only at the costs of the plaintiff, unless, when offered, it should bring more than two-thirds of its value, then the cost was to be paid by the defendant. In relation to personal property, the officer was to select two disinterested persons, who, with himself, were to appraise the property, and if it did not sell for two-thirds of its value, then he was to offer it to the plaintiff, and if he did not take it at two-thirds of its value, the officer was to return no sale, and it would not be offered again, unless at the cost of the plaintiff, for six months. This law, to some extent, worked a relief to those who were in debt, by preventing their property from being sold at a sacrifice, for, after the passage of this law, debts were mostly settled without legal process.

This financial distress of the country was attributed to the banks by the democratic political party, and, assuming this to be the cause of this depression in business, this party, particularly in the west, were hostile to all banking institutions, and in favor of a specie currency; and almost the first move that was made in the Iowa legislature, which convened on the first Monday of December, 1843, was the introduction
of a bill to repeal the charter of the Miners' Bank, of Dubuque. Numerous petitions were sent from all parts of the territory, some for sustaining the bank, others for repealing its charter, and this institution was the great question of the session. The citizens of Des Moines county, and, particularly, those of Burlington, to whom Barrett, the previous winter, had made proffers of personal benefit if the bank could be sustained, were the most active in showing their hostility to this institution. They got up a letter of instruction, which was signed by eleven hundred and seventy-two citizens of the county, nearly as many as they had voters, instructing their member "to vote for the passage of a law compelling the Miners' Bank of Dubuque to resume specie payment within thirty days, and, in case of a refusal, to authorize the judge of the district court to appoint commissioners to wind up the affairs of the bank." This letter of instruction was presented to the house by Grimes, when Hackleman, of Des Moines county, raised a question of order, insisting that, inasmuch as the letter was addressed to the members of Des Moines county, and not to the legislature, that they had no right to receive it. This excited much feeling, and, after a long debate, the speaker decided that the letter could not be received, inasmuch as it was directed to the members of a county, and not to the house, or to the legislative assembly. But, on reflection, the speaker changed his opinion, and, the next day, the letter was received by the house and reported to the proper committee.

The bill for repealing the charter of the Miners' Bank of Dubuque, and providing for winding up the affairs of the same, passed the house and was sent to the council. In the council, the bill was amended by striking out all after the enacting clause, and providing, among other things, that the bank should resume specie payment within thirty days after the passage of the act, and should make its notes redeemable in specie, at Burlington, St. Louis, and New York, and the cashier was required to make out, under oath, once in every ninety days, a statement of the financial condition of the bank, and publish the same in some paper; and, in case the bank refused to
comply with the provisions of this act; or at any time refused to pay any of its liabilities in specie, at any of the places where its bills were made redeemable when demanded, then the district attorney of the third judicial district was required to immediately sue out a writ of *quo warranto*, and prosecute the same to final judgment, in accordance with the provisions of the law of the territory. It also provided that the stockholders should be individually liable to the amount of their stock, and that the bank should not issue its own, or the notes of other banks, of a less denomination than five dollars. The bill so amended was passed by the council with only three dissenting votes, and sent to the house for their concurrence. The house refused to concur, and sent the bill back to the council, when Joseph B. Teas moved to lay it on the table till the fourth of July next, which motion was decided in the affirmative. And thus ended the contest for that session of the legislature, about the Miners' Bank of Dubuque.

To a disinterested observer, it might appear singular to see the zeal manifested by the members of the legislature to destroy this banking institution, because it did not promptly pay its notes in specie, while at the same time, the territory was owing the bank for money borrowed to expend in completing the capitol, in the sum of five thousand and five hundred dollars, besides interest, which amount was borrowed and became due before the bank suspended specie payment. And it was shown by the committee appointed to investigate the affairs of the bank, that this sum, together with the specie on hand at the time of the investigation, would have been sufficient to "redeem all the bills the bank then had in circulation not in the hands of the stockholders." And, while it was well known to the members of the legislature that the bank wanted this money, they made no provision to pay the bank its just dues.