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THE ANIMATING PURSUITS OF SPECULATION: LAND TRAFFIC IN THE ANNEXATION OF TEXAS

BY

ELGIN WILLIAMS

The Animating Pursuits of Speculation

Land Traffic in the Annexation of Texas

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To
COLLEEN

Last night, I had the pleasure of passing with your brother, and his company . . . I remained with them, until this morning; when we parted, for various routs and pursuits—I to my *law business* and *they* to the more animating pursuits of speculation.

—Sam Houston to John A. Wharton.

PREFACE AND ACKNOWLEDGMENTS

THE annexation of Texas has long attracted the attention of historians; indeed, few events in our national life have received more study. It would be presumptuous and perhaps superfluous to offer another history of annexation. The present study does not pretend to be such a history, nor even an "economic interpretation" of that famous transaction. Rather it is a study of the attitudes of some of the prominent men of affairs in Texas and the United States who were "interested in" Texas lands during the period of annexation. The story focuses on the public actions and reactions of these men on the annexation and related questions, and it is told as largely as possible in their own words. As the main interest of the study is the philosophy and psychology of the businessmen involved, actions and events have been chronicled only in that detail which is essential to set the context of the contemporary comments. It is hoped that the summary historical paragraphs in each chapter will protect the writer from presuming too much knowledge of the period on the part of the reader while leaving the ruminations of the businessmen at the time unblessed by the hindsight afforded to the present day.

That the annexation of Texas was "caused" by land speculation has often been alleged but it has been found impossible either to verify or refute this allegation, at least in the form it has heretofore taken. Instead the data seem to show that to speak in terms of something else—land speculation, slavery, or whatnot—as "causing" annexation is to attempt to apply mechanical concepts (of an obsolete mechanics, at that) to social phenomena. If anything, the annexation of Texas *was* land speculation, at least in one aspect. This was true of both the annexation resolution under which Texas entered the Union in 1846, and that part of the Compromise of 1850 referring to Texas which provided for paying the Texas debt —which latter legislation may be described as the "com-

pletion of annexation." The men involved drew no dividing line between the economic and the political.

While it is hoped that this investigation will be a contribution to the understanding of American economic life in the mid-nineteenth century, it is also hoped that the data presented will be of interest to students of general economic theory. Most important along this line, it seems to the author, is a contribution to the redefinition of the entrepreneurial function. Unless the American businessman has changed greatly in the last one hundred years his portrait is sadly in need of retouching. Far from being the means to an end which economic theorists have made it out to be, traffic in values appears a self-sufficient, fascinating, and colorful end-in-itself. The speech of businessmen, to judge by the Texas sample, far from being dull and dry is notable for its turn of phrase and for its ironic and subtle character. That the subtlety is interested and the irony unconscious does not detract from their beauty.

A second contribution has to do with what is usually termed "the relation between government and business." The facts investigated in the present study seem to show that this is a false problem since what have been thought to be two disciplines are substantially one. Although a Texas executive said that he regarded "the execution of the laws for the vested rights of property . . . as much a part of my constitutional responsibility as the supervision of the army, the navy, or the maintenance of public order" it was clear from his actions and from his other statements that these four activities were but one complex of execution. As Sam Houston said, "Without a government, the government creditors must remain unpaid," and "What would a league of land have been worth if I had been prevented from intercepting Santa Anna at San Jacinto?"

Among the many obligations which the writer owes the greatest are to Professors Carter Goodrich and Joseph Dorfman. A host of librarians were helpful, of whom Miss Winnie

Allen of the archives division of The University of Texas and Miss Harriet Smither of the Texas State Library must be singled out. It was my very good fortune to have Ona Kay Stephenson bring her extraordinary powers to the preparation of the manuscript. Finally, there is a special debt to my wife, Colleen Ingram Williams, who, happily ignorant of the tradition that the professor marries his secretary, did not do any revising, did not try to be "loyal," and, unless it was on the sly, did not even read these chapters.

ELGIN WILLIAMS

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CHAPTER I

THE SPIRIT OF THE AGE

> My claims to land in Texas were all honestly acquired by purchase previous to the revolution, nor can I believe that my conduct in our struggle ought to impair any rights which I at that time defended . . . .
>
> —A president of the Republic of Texas.

> I regard nations as corporations, on a large and sometimes magnificent scale, but no more than this.... They have no soul, and recognize no *mentor* but interest.
>
> —A president of the Republic of Texas.

I

An eminent American economist, writing in 1852, remarked in some pique that Texans knew all about land speculation but could not understand bond speculation.

There is no doubt that the men William M. Gouge had in mind were sagacious land speculators. Indeed, he and many other observers credited them with the feat of taking Texas away from Mexico and adding it to the United States, all in order to increase the value of their lands.

What worried Gouge was the reluctance of the Texans, once they had accomplished these objectives, to redeem the obligations which had been sold to finance their revolution against Mexico. For this reason he said that Texans did not "understand" bond speculation. But not only did the Texans of the annexation period understand this variety of speculation—except when they were on the redeeming end of the bonds. Before the annexation of the Lone Star Republic was effected not even an economist could *distinguish* bond from land speculation, nor either from political enterprise, for the magic of the international entrepreneur had blurred all the conventional boundaries.[1]

1 W. M. Gouge, *A Fiscal History of Texas*. See bibliography for complete references.

For this reason it is perhaps wisest, in approaching the study of the annexation of Texas, to clear our minds. We must forget the traditional distinctions between various types of business and between business itself and politics and the military life. The nineteenth century was an age of enterprise and operations, its men were men "on the make," and the roles they assumed in their activities and the functions they effected are not to be neatly pigeonholed.

Thus, for instance, Nicholas Biddle, one of the key figures in the annexation drama, was president of the Bank of the United States of Pennsylvania. It would never do, however, to speak of him as an "economic" figure. The achievement of annexation belies that, as does the fact that Biddle himself remarked that he was accustomed to the daily exercise of more power than any president of the Federal government possessed. Like caution in classification must be exercised in the case of one of the Texans Nicholas Biddle dealt with in both "political" and "business" capacities: the "Father of Texas," Stephen F. Austin. Austin's genius and interests have been thought to lie in colonization, in "redeeming a nation from the wilderness." Without denying this it is interesting to note what Austin himself thought. "One of my first objects," he wrote at the outset of his career, "will be to get a *Bank* underway." Not twenty years later, after an interim in which as colonizer millions of acres had indeed "passed through his hands," Austin also had his "*Bank*," held a generalship, dealt with the affairs of diplomacy as befitted a secretary of state, and was the leading land operator in the Republic of Texas. What shall such a man be called? "Colonizer" is too narrow. Perhaps the general term "Father of Texas" is more appropriate, or Austin's Mexican title: Empresario.[2]

The man who defeated Austin for the first presidency of the Texas republic was also typical of the times. Sam Houston

2 Austin to William M. O'Hara, April 5, 1819, in E. C. Barker (ed.), *The Austin Papers*, I, 341, hereafter referred to as *AP*.

in a busy life combined "among other things town or city making," as he put it, with the careers of Indian contractor, corporation lawyer, land and gold-field speculator, "Indian commissioner," who, according to the custom of the day, looked after the American fur trade, military man and statesman.[3] But this breadth of interests has been forgotten by those who have characterized Houston as a political schemer who "stole" Texas from Mexico. It is true that Houston came out to Texas in the eighteen-thirties with "a somewhat shadowy connection with stockholders" of a New York corporation with "claims to large grants of Texas lands." Houston's correspondence with one of the officers of this corporation provides some basis for the charge that he went to Texas to "steal" it. "This correspondence gives just a tinge of color to that rumor," Professor E. C. Barker writes, but notes the easy confusion of politics and business in this period: "It seems more probable. . .that Houston's object. . .was to secure. . .Texas lands for speculation." But here again we must remember that land speculation and acquiring an empire were not easily separable. Land values depend on population and thousands of Americans would flock to Texas "if the Government were settled," as Houston wrote his New York friend at the time.[4]

A blow in the interests of settling the Texas government, in other words, appeared as a blow in the interests of land speculation—and vice versa. In the light of such situations the terms "political," "economic" and "military" became

3 A. F. Muir, "Railroad Enterprise in Texas, 1836-41," *Southwestern Historical Quarterly*, XLVII (April, 1944), 340-2; Houston to Prentiss, March 27, 1832, in Amelia Williams and E. C. Barker (eds.), *The Writings of Sam Houston*, I, 197-8; Houston to Raguet, February 8, 1839, *ibid.*, II, 310; Houston to Ellsworth and others, February 13, 1833, *ibid.*, I, 273; Marquis James, *The Raven, passim. The Writings of Sam Houston* are hereafter referred to as *WSH*.

4 *WSH*, I, iii; I, 205, and Agreement between Houston and Prentiss, June 1, 1832, *ibid.*, I, 229; I, 205, and Houston to Prentiss, August 18, 1832, I, 203.

very blurred indeed in nineteenth-century Texas, and they were blurred still more when General James Hamilton, another great operator of the period, turned down the post of commander-in-chief of the army of the Texas republic to become its foreign loan commissioner. Moreover, when General Hamilton got to Paris, he divided his time between selling Texas government bonds and securities of the James River and Kanawha Company, securing, in fact, one issue with the other.[5] It was natural for men like General Hamilton to speak of economic affairs in the language of diplomacy. "Mr. Burnley and myself have opened a Treaty," he wrote Mirabeau B. Lamar in 1841, "with a large and most respectable Banking House here, for an advance on our bonds. . . ."[6]

It likewise came natural to men of this age to refer to a diplomatic credence as a "letter of credit" and to discuss military affairs in business terms. "The General is rather under par at this time in the official market," Sam Houston wrote of one of his peers, "inasmuch as he says he is 'a Major General,' and the law says he is not. . . ."[7]

Again, when Nicholas Biddle wrote General James Hamilton in 1837 that he hoped he would take the presidency of Texas, he said, "I . . . shall not be exceedingly surprised to hear before long that while the junior member of the firm is diligent at the counting house in Charleston, the Senior Partner is meeting 'both houses'" at the Texas capital.[8]

Nevertheless land was the grand theme running through all these activities, as William Gouge recognized. After all the Texas government itself was in effect a huge real estate corporation, and its promises to pay were in effect mortgages

5 Resolution of Directors of James River and Kanawha Company in Polk Papers. See bibliography for location of manuscript collections cited.

6 Hamilton to Lamar, January 4, 1841, in G. P. Garrison (ed.), *Texas Diplomatic Correspondence*, II, 927, hereafter referred to as *TDC*.

7 Houston to Raguet, February 1, 1838, *WSH*, II, 192.

8 Biddle to Hamilton, October 25, 1837, Biddle Papers.

and deeds.[9] The importance of generals lay in the fact that they won "title by the sword." The purpose of promoting the Texas Railroad, Navigation and Banking Company was neither banking, navigation nor railroading but the premium lands which went with its charter. This was the case with the other railroad and navigation companies of the time. When tracks were actually laid down or "rafts" actually cleared out of rivers, the end in view was usually the enhancement of land values in the vicinity.[10]

The Father of Texas with all his other activities was primarily a land operator; indeed, he had come there in the first place on the rebound from a disastrous venture in "New Madrid" certificates. As an "empresario" Stephen F. Austin was of course technically not engaged in selling lands; the settlers were charged "registration fees," that was all. But a president of the Texas republic said of his headright from Austin: "From me he obtained a very fine horse and I received in exchange League No. 3 in his colony." [11]

The Galveston Bay and Texas Land Company with which many leading advocates of annexation were associated did not limit itself to land operations.[12] Its activities were listed as including the "acquiring of titles to land and other property in Texas . . . procuring laborers from Bermuda and other places, and employing them upon the lands so purchased, the

9 One is reminded of certain governments of a later day, with their tax-free "municipal" bonds.

10 Mattie A. Hatcher, *Letters of an Early American Traveller: Mary Austin Holley, Her Life and Works, 1784-1856*, pp. 73, 71, 78; Power of Attorney, Stockholders of San Luis Co., July 20, 1839, Perry Papers.

11 Houston to Bryan, November 15, 1852, *WSH*, V, 364; see also I, 272. Austin was also an "agent of Mexicans to sell 22 leagues for $500 a league" and united with Sam Williams for the purpose of "getting lands from Mexicans and others and to locate them" in one of their colonies. Austin to Perry, January 16, 1830, *AP*, II, 322; Austin and Williams, Memorandum, August 4, 1830, *AP*, II, 357.

12 There is some evidence that this company was an adjunct to packet enterprise. See below.

erection of hotels, stores, warehouses . . . at the place called New Washington, the purchase of vessels," etc., etc.[13] But town promotion and the "acquiring of titles" was probably the main business of the Galveston Bay and Texas Land Company, and its land scrip was certainly its main claim to fame—or notoriety. Moreover, the prospectus of the company did not even mention another important note in the grand theme of land: the retention of lobbyists and government officials in its cause and in the cause of annexation, among them none other than President Sam Houston.[14]

The mixture of interests and the spirit of the age was demonstrated very neatly by a letter to the future leading American educationist, Henry Barnard, written by the future Texas ambassador Ashbel Smith, shortly after the latter arrived in that country. "I vested a large sum of money in public lands for myself and some friends," Smith wrote Barnard. "I think I have made an excellent speculation." In addition, "I purchased nearly a thousand dollars of the Funded Debt a few days since on our joint account for 50 cents on the dollar. It is now worth 75 cents and is rising." Smith wrote that he would embrace other good investments "whenever a safe occasion offers; I have however sagacious competitors in the same market." He had also bought three slaves in New Orleans. "They will clear their cost in one year. One of them is a good washer, and washing is $3 and $3.50 per dozen—" Finally, Ashbel Smith, who like Houston was also interested in gold mining schemes, had been offered "the situation of Surgeon General of the main Division of the Texan Army—with a salary per an. of $2500, rations etc. and 20,000 acres of land.—"[15]

13 "Articles of Association between Samuel Swartwout . . . James Watson Webb . . . *et al.*," October 23, 1835, Samuel Swartwout Papers.

14 Note dated February 14, 1840, in Samuel Swartwout Papers; Swartwout to Henderson, November 30, 1849, *ibid.*

15 Smith to Barnard, August 16, 1836, and May 6, 1838, quoted in I. F. Woestemeyer, *The Westward Movement*, 205-6; *WSH*, I, 198.

Another letter from Texas breathed a similar spirit. "You want to know 'what the Devil I am going to do in Texas'?" Sam Houston wrote a friend. "Part I will tell you, and the balance you may guess at." First, "I will practice law"—already "I have a retained fee of two thousand a year." Second, "with two other Gentlemen (who furnish the capital) I have purchased about 140,000 acres of choice land; in which I am equally interested." Besides, the new citizen of Texas went on, "I own and have paid for 10,000 [acres] that is, I think, the most valuable land in Texas" and "several minor matters I am engaged in." One of these was signing a new Constitution.[16]

Of Ashbel Smith or Sam Houston or any of their peers—physicians, lawyers, military men—it could be said, as one letter of introduction of the time put it: "His views are professional as well as speculative." [17]

2

It was land and especially land speculation which gave the tone to the whole period of the annexation of Texas. Contemporary observers therefore devoted much attention to activity in Texas "leagues." Texas scripholders and land-jobbers were large targets for charges of conspiracy by Whig newspapers (since annexation was officially a Democratic measure). And professional students and thoughtful men in public life often mentioned land before they cried slavery.

It is of course impossible to make a neat separation between the two issues. Such a list as can be made of that group Martin Van Buren described as "passionately bent upon the immediate acquisition of Texas"—those expecting financial profits from it [18]—indicates two things. In the first place none

16 Houston to Houston, July 31, 1833, *WSH*, V, 5-6.

17 Hunt to Hunt, January 28, 1839, Van Zandt Papers. *Cf.* Austin to Emily Perry, July 24, 1828, *AP*, II, 77: "... My object has been to settle the country more than to speculate."

18 Quoted in Justin H. Smith, *The Annexation of Texas*, 245.

of these men frowned at buying (or otherwise getting hold of) land cheap and selling it dear—after all they were the grandsires of the present race of American businessmen. And in the second place they believed that a good and profitable way to utilize land—although not on a par with selling it—was through bondmen. Many of them, as it was said of Captain Ben Fort Smith of the Texas army, "traded extensively in land, slaves and horses." [19]

This does not imply that all these entrepreneurs were calloused Southern Bourbons. They were not by any means. Professor Justin H. Smith, the historian of annexation, has commented incisively on the abolitionist interpretations of the project which put it down simply and easily as a plot of the slaveholding Southern states.

> Burnet [president pro tem of the Republic of Texas] came from New Jersey. Lamar, the second head of the nation, was not likely to be selected by practical men . . . and Anson Jones, the last president, was from Massachusetts. . . .
>
> Some signs of a colonization enterprise we do, to be sure, unearth; but we discover them in New York.[20]

Moreover many Southerners, restless within the Union, advised Texans that a brighter future awaited them without annexation and the Northern tariff system that entailed. In any case Texans could (and did) answer the charge that free Mexico had been robbed of her land to set up slavery by pointing out that it was not quite one-fourth of a century since Mexico had "perpetrated a similar robbery upon the rights of the crown of Spain" and by anticipating the arguments of Southern apologists who were before the Civil War to castigate wage slavery in the North. "It is not uncommon in Mexico," one Texan noted, "for one dignitary upon his hacienda to control from one hundred to ten thousand human

19 *WSH*, I, 341.

20 Smith, *op. cit.*, 30.

beings in a state of bondage more abject and intolerable than the negroes on any cotton plantation in this country." [21]

The point is that the spirit of speculation—"adventure," as they called it—was not sectional. It was the spirit of the age. Davy Burnet, Mirabeau Buonaparte Lamar, and Anson Jones were all associated with land companies; it is the accident of birth that of them only Lamar came from below the Mason and Dixon line. As everyone knows, the "Texas fever" was just one of many species raging in the eighteen-thirties and forties; indeed the (nation-wide) panic of 1837 is usually laid to "over-speculation" in land. Many operators in Texas lands were simultaneously involved in New York City lots, Pennsylvania coal districts, Florida lands, and the prairies of the mid-west which so attracted Daniel Webster of Boston. Sam Swartwout, Andrew Jackson's collector of the port of New York, was involved in "Texas lands, unprofitable coal mines, and various other doubtful enterprises." [22] General Thomas Jefferson Green left speculation in Florida lands to shift his scene of operations to Texas.[23] One of the Texas land promoters also promoted Jersey City. Others operating in Texas were also interested in Mississippi and Arkansas properties.[24] Nor did what Sam Houston called the "animating pursuits of speculation" stop with the national boundaries. A Texas diplomat arriving in 1844 in Frankfort, "the head quarters of the Rothschilds and Batemans and other Bankers, the real sovereigns of Europe," found a "Society for the Protection of German Settlers in Texas," which numbered among

21 Houston to Santa Anna, March 21, 1842, *WSH*, II, 524, 525. E. H. West, "Southern Opposition to the Annexation of Texas," *Southwestern Historical Quarterly*, XVIII (July, 1914), 74-82.

22 *WSH*, II, 164.

23 W. R. Hogan, *The Texas Republic*, 85.

24 Gustavus Myers, *History of the Supreme Court of the United States*, 411-12; "Anthony Dey," in *National Cyclopedia of American Biography*, XIII, 471. Stephen F. Austin continued his interest in Virginia, New Jersey, and Missouri properties while in Texas. See, *e. g.*, Perry to Austin, March 2, 1828, *AP*, II, 21; Austin to Perry, March 31, 1828, *AP*, II, 28.

its adventurers Prince Frederick of Prussia, Land Graff of Hesse Hamburgh, the Duke of Nassau, the three Princes of Solms, the Counts of Leinigen ("one of whom has been in Texas") and other assorted noblemen—more than twenty princes in all.[25] The same gentleman felt sure that the real cause of delay in negotiating a treaty between Texas and Belgium was "the timidity of the Minister who fears to give offense to the numerous parties interested in the scheme of Guatemala colonization."[26]

Certain other facts run counter to the charge that the annexation of Texas to the United States was a conspiracy of bloated capitalists, Southern or otherwise. The first of these is that most Texas land operators, from the President of the Republic down to the lowliest town promoter, were almost continually in debt. While in Washington, D. C., on a government mission Texas Surgeon-General Ashbel Smith was levied on by a creditor of North Carolina.[27] Sam Houston had to sell land to get his general's uniform and Stephen F. Austin counted on town lots to pay his board bill when he went to the United States as a special agent. It was this general indebtedness, in fact, which caused many Texans—"speculators without capital," as one of them said—to congregate beyond the Sabine in the first place.

Moreover the continual conflict among the various enterprisers—except, perhaps, when it came to annexation—rendered any sort of joint action almost impossible. All of them, needless to say, denounced each other's land speculation—in fact, the very word "speculation" took on an altogether different connotation at these times from that "magnificent" which applied to one's own operations. Again, one of the

25 Daingerfield to Jones, September 25, 1843, *TDC*, II, 1549.

26 Daingerfield to Jones, July 28, 1844, *TDC*, II, 1571.

27 March to Smith, March 5, 1839, Ashbel Smith Papers. On the general indebtedness see, *e. g.*, Houston to Harding, July 17, 1841, *WSH*, II, 10; Houston to Smith, May 31, 1838, *WSH*, II, 244.

chief industries in Texas was gulling "New York capitalists" and other newcomers with "moonshine titles." The Collector of the Port of New York spoke bitterly of a general in the Texas Army who sold shares "in a bank that *never* existed got paid for the half . . . and *sued* for the *rest* in the Courts of Texas!! So much for Texan justice." At another time "that most exalted person, Mr. Corcoran the American Rothschild" was boasting, according to Collector Swartwout, that he would hand down "50,000 acres of Texas lands for his children"—lands which rightfully belonged to Swartwout himself.[28]

In Texas, enterprisers were always too busy fighting over the location of the national capital, for instance, or whether to favor owners of bonds or owners of land claims, to act jointly on anything. The only groups where solidarity was to be counted on were the landed families. Stephen F. Austin, for instance, acquired eleven leagues of land each for his sister and her husband, a nephew, and two cousins, and these cooperated with each other after Austin's death. Mary Austin Holley in her books published in the United States on Texas took care to single out the family holdings as "the best in Texas." But even family ties were not always strong enough where land was concerned. When Mrs. Holley inadvertently sold one of her brother's "most prized Brazos River locations" this "unfortunate occurrence made a slight breach in the warm friendship that had previously existed between them and was destined to bring eventual separation." [29]

3

For the common man as well as the large operator the lure of the infant Texas republic shaped itself in the form of booming land values with the advent of annexation. The attorney

28 Memorandum dated February 14, 1840, Samuel Swartwout Papers; Swartwout to Henderson, November 30, 1849, *ibid.*

29 Hatcher, *op. cit.*, 36, 40-41, 58, 65, 123.

for the Galveston Bay and Texas Land Company, General Sam Houston, summed the situation up when he offered "liberal bounties of land" to volunteers in the war against Mexico and announced to prospective soldiers who were not even in Texas that "*War in defense of our rights* must be our motto!" [30]

Here as in other American revolutions the rights defended were, in the language of the day, "vested" or landed rights. It was no accident that Sam Houston likened a nation to a corporation. If his citizenship in the Texas republic was partly for business purposes it was not the first time: shortly before the Revolution he had taken an oath of allegiance to Mexico and before that he had claimed exemption from the prohibition against selling liquor to United States Indians on the ground that he was a citizen of the Cherokee Nation.[31]

Yet it is hard for one to survey the Texas scene of the nineteenth century and come away with pecuniary answers only in explanation of the motives of action. Terms like "brilliant" and "magnificent" as descriptive of particular operations in Texas land and paper occur so often as to suggest an esthetic side as well. In 1844, for instance, General Thomas Jefferson Green wrote a former loan commissioner of the Republic that he had just had a conversation with Abel P. Upshur, the United States secretary of state. He learned that a treaty was in the making to annex Texas to the United States. "I know moreover that one of the terms of the treaty is that the US are to *pay all the debts of Texas.* Texas bonds and treasury notes, that had been below 10 cents, will be par . . . .Now sir, was there ever such a chance for a magnificent speculation—Mr. Upshur used those words to me." [32]

Magnificent! Is there any other word? Let Mr. Jay Cooke with his banker's cynicism believe that the "opposition in

30 Houston to the Texan Congress, November 22, 1836, *WSH*, I, 489-90.

31 James, *op. cit.*, 153 ff.

32 Green to Burnley, February 15, 1844, Burnley Papers.

Congress to the addition of this large slave territory to the national domain was overcome through the selfish exertions in their own interest of the holders of the Texas debt certificates." [33] Thomas Jefferson Green and Abel P. Upshur knew different. And so does anyone with a knowledge of human nature: "selfish exertions in their own interest" are glamorous for very few men, and certainly not for the International Commercial Mind of the nineteenth century. Room must be made in the motivation for the joy of the speculative activity itself, the workmanlike overcoming of obstacles which registers not only in the bankbook but in the nerves and heart.[34]

4

A student of public finance has written that the land question is the key to all of Texas history.[35] This is true in more than one sense. More than one student of the period of annexation has written that *every* colonist was a land speculator just by virtue of being a colonist: "even the small farmers . . . hoped to recoup crop losses and ameliorate discomforts with the profits of land sales." [36]

Again land was in many instances the "circulating medium." Lawyers' and surveyors' fees were commonly paid in land and so were physicians'. Ashbel Smith wrote of attending a fever case, at the conclusion of which the patient "handed me title to one of the choicest lots in the city." The various Texas government obligations used as currency were also certificates to land.

Moreover the use of land for political purposes was com-

33 E. P. Oberholtzer, *Jay Cooke, Financier of the Civil War*, I, 74, quoted by Charles A. and Mary R. Beard, *The Rise of American Civilization*, I, 598.

34 "... Speculation in land and town futures was a common form of legal gambling."—Hogan, *op. cit.*, 128, in the chapter entitled "Fun and Frolic Were the Ruling Passions."

35 A. S. Lang, *Financial History of the Public Lands of Texas*, 90.

36 J. D. Hill, *The Texas Navy*, 5; Hogan, *op. cit.*, 86.

mon. One of the leading town promoters, who was also one of the leading merchants, wrote the President of the Republic in some agitation one day. They're trying to move the customs house from this place, he said in effect, after I've given the lots it stands on.[37] The location of the seat of government in Texas was subject to similar influences. "Soon after the first meeting of the first Congress, the Houston company located Houston, built the second Capitol [and] gave it to the government, which removed to Houston." Lots were also given away to induce prominent citizens to settle in towns undergoing promotion. As Mary Austin Holley travelled through Texas she found she was "growing rich in town lots." [38]

The influence of the dominating land traffic was felt even in the realm of entertainment. The dances and balls which enlivened the frontier routine were often associated with the opening of a new "city," and shares in race tracks were vended in the hope that the sportminded purchasers would also become interested in the adjoining real estate.[39] It is likely that such preoccupation with land at times got on the nerves of even those Texans so preoccupied. In Galveston it is very dull, one enterpriser of many and varied interests wrote in 1839: "No news, no amusements, and not much business . . . except the auction of houses." [40]

5

More important for the present study, however, is the fact that the makers of Texas—both as a nation and as a state in the American union—went out to Texas as adventurers in land in one way or another. "Who will come to Bexar with old Ben

37 Perry to Lamar, January 3, 1839, Perry Papers.

38 Hatcher, *op. cit.*, 73; Smith to Kincaid, May 24, 1830, Ashbel Smith Papers; W. S. Red (ed.), "Allen's Reminiscences of Texas, 1838-1842," *Southwestern Historical Quarterly*, XVIII (January, 1915), 296.

39 McKinney to Perry, February 9, 1839, Perry Papers.

40 Smith to ———, September 24, 1839, Letterbook, Ashbel Smith Papers.

Milam? " had been the cry which had wrested the Alamo from the Mexicans in the early part of that most romantic of all American wars for independence, the Texas Revolution. Ben Milam was one of the earliest Texas empresarios, involved in a host of land operations for years before the revolution and several new ones at the time of its outbreak.[41] The leaders of the martyred dead when the Alamo was retaken by the Mexicans were Jim Bowie, William Barrett Travis, and Davy Crockett. Bowie, to whom one of the chief Northern annexationists owed ninety-five leagues of his immense landholdings in Texas, had been involved in land speculations for years—along with duels, Indian fights, and slave smuggling.[42] Travis was that young lawyer from Georgia, Houston's friend, who like Houston " had brought with him . . . some forward ideas touching the future of northeastern Mexico." [43] Davy Crockett had hopes of getting the agency to settle the Red River country before his career was cut short at the Alamo. Before coming to Texas, incidentally, he had been famous in the United States as publicist for Nicholas Biddle's Bank of the United States, whose interests in the Texas debt made it a powerful Northern influence for annexation.[44]

Crockett's commander-in-chief, Sam Houston, expressed the sentiments of all his gentlemen contemporaries when he wrote to a United States representative in 1836: " By all means get Texas annexed to the U.S." And Houston had sold Texas lands to get to Texas, or tried to. It was a toss-up to the last minute whether he would go as a land agent for some Jacksonian bankers in New York or as Indian agent for

41 Lois Garver, " Benjamin Rush Milam," *Southwestern Historical Quarterly*, XXXVIII (October, 1934), 79-121, 177-202.

42 Amelia Williams, "A Critical Study of the Siege of the Alamo and of the Personnel of Its Defenders," *Southwestern Historical Quarterly*, XXXVII (October, 1933), 95-9.

43 James, *op. cit.*, 180.

44 H. R. Fraser, *Democracy in the Making*, 28-9; Williams, *op. cit.*, 110.

President Andrew Jackson himself.[45] "It is a fine field for enterprise," John Wharton, soon to be his adjutant-general, wrote Houston about this time. "You can get a grant of land, be surrounded by your friends, and what may not the coming of time bring about?" As one of the leaders of the Nacogdoches land clique, John Wharton should have known.[46]

Jared Groce, the Whartons' kinsman in whose house met the "war party" which invited Houston to come to Texas, was the largest Texas slaveowner and owned some of the choicest land. Groce furnished supplies for the Texas revolutionary army in its struggle to join the United States and sick soldiers took refuge at "Groce's Retreat."[47] Groce was one of Stephen F. Austin's best friends in Texas; the empresario made him large grants of land because he was "a man of capital and high character," possessed of slaves and "other valuable equipment." And Austin, the Father of Texas, had meditated much on the possibility of getting his child adopted. Even before the Revolution he spoke of the possibility of separation to save Texas from utter ruin: "I confess that I am beginning to doubt whether Texas will for a great many years be more than a depopulated state." Again in 1830 he wrote that "It is not our interest to separate [from Mexico] if such a thing can be avoided, *unless we should float into the Northern Republic*. . . ."[48]

As loan commissioner for the Republic in the middle of the Revolution Austin toured the United States with annexation foremost in his thoughts. "If he is not vested with the power of attaching Texas to the U.S.," a relative of Austin's wrote before this mission, "I think he won't go." After the Texas Revolution, Austin became a candidate for president of the infant nation "for only one reason, which is that I believe

45 See Houston to Jackson, July 12, 1832, *WSH*, I, 259, and I, *passim*.

46 James, *op. cit.*, 177.

47 *WSH*, I, 411.

48 James, *op. cit.*, 239; E. C. Barker, *The Life of Stephen F. Austin*, 120.

I can be of material service in procuring the annexation of Texas to the United States." [49] The facts, then, are clear. Austin owned and controlled a great deal of Texas land. It is certainly true that in time he would have been in a position "to make a profit out of others" who would be "driven to use it," as Henry George put it. It is also true that Austin believed annexation would change Texas from that "depopulated state" which he disliked, thereby increasing the value of agricultural holdings, and that he supported annexation.[50]

Again General James T. Mason of New York, former governor of the territory of Michigan, was connected with the Galveston Bay and Texas Land Company. He also claimed many leagues of land in his own right.[51] General Mason was, therefore, well enough known to receive an official request in 1836 to, as he put it, "associate myself, *privately*, with the Texan minister [at Washington] . . . and . . . use every exertion to effect the annexation of Texas to the United States." This request had been communicated from the President of the Republic, to whose Secretary of State General Mason promptly replied. "You justly estimate the deep interest I take in the prosperity of Texas," he wrote, "and as a sure guarantee of that prosperity, I have always ardently desired this annexation." [52]

Such data could be multiplied, and have been, for what they are worth. But it is also true that the men involved in the period of American history which saw the Lone Star of Texas added to the starspangled banner were of wider interests than a single-minded preoccupation with real estate values would suggest. They were all, for instance, politicians and

49 Barker, *The Life of Stephen F. Austin*, 425, 511, 318.

50 *Works of Henry George*, III, 126.

51 Kate M. Rowland, "General John Thomson Mason," *Quarterly* of the Texas State Historical Association, XI (January, 1908), 163-98.

52 Irion to Mason, June 22, 1837, I, 230, and Mason to Irion, July 15, 1837, I, 243, *TDC*.

officers of one or more governments national, state, and local. None of them in their political capacities, however, seemed utterly separate from the same men acting in the business field. Many of them as legislators passed legislation granting or securing lands to themselves; in fact almost every action of the government of the Republic of Texas fell in this category. Stephen F. Austin, who in many ways *was* the government in prerevolutionary Texas, could hardly help it if the same thing were true in his case; and he was awake to such patterns of activity on the part of others. He thought in 1835, for instance, that Mexico must be getting ready to sell Texas to the United States because members of the Mexican government were buying up lands in the state.[53]

However, landed interest and support of the Texas cause did not always coincide; when it came time for overt action against Mexico some interesting splits occurred. Lorenzo de Zavala, a Mexican of Yucatan associated with Burnet in his land enterprise in Texas, had also adventured with Ambassador Joel Poinsett when that gentleman was on a mission from the United States government to buy Texas from Mexico. (Poinsett had managed to combine some private business with his official business.) Zavala was Mexican ambassador to the Court of St. James when the Texas Revolution broke but he promptly joined the revolution and was made vice-president of the new republic. On the other hand his next-door neighbor in colonization enterprise, General Vicente Filisola, who like Zavala was involved with New York City land companies, led one of the columns which marched from Mexico City to put down the revolt.

The case of General James Hamilton and annexation is also revealing of the difficulties involved in a too strict application of traditional economic determinism to the present events. General Hamilton to the surprise of almost everyone was against the annexation project. This position, he explained quite frankly, was at opposite poles from his personal interests.

53 Barker, *The Life of Stephen F. Austin.*

> Independently of the pecuniary claims [he wrote] which I have on her Government, (and which I know will be ultimately discharged with the utmost fidelity and honor), I have a territorial and active interest in her soil, the safety of which depends on her security.

All of this was quite true. General Hamilton, the former governor of South Carolina, did have pecuniary claims on the Texas government, including a bill for a certain steamship sold that government by himself, acting as agent for a British gentleman. He and, as it happened, an official colleague were also associated in a plantation venture in Texas, naming as their executor Nicholas Biddle of the Bank of the United States of Pennsylvania. There were also official dealings with Biddle, as will appear. All of these ties, however, which might seem to others as they seemed to General Hamilton conducive to annexation sentiment, were nevertheless ineffective.

> I have [he explained] pecuniary claims on her Government... [and] a territorial and active interest in her soil.... But, what is far more deeply interesting to me, I have staked my reputation with the four principal Powers of Europe that she is not only *de facto* independent, but is capable and worthy of being so.[54]

Another striking case of opposition to the cause of annexation by one who "should have been" on the other side was that of Sam Houston. President Houston should have been for annexation (according to the economic theory of self-interest) for many reasons. He held land in Texas. He held land for his venerated "Old Chief," Andrew Jackson, in Texas. Jackson had contributed to his traveling expenses to Texas in the first place and also to the war chest of the Hero of San Jacinto, and Jackson passionately desired annexation. All these assets, including good-will, would rise in value upon

54 Contract for Steamboat *Charleston*, October 24, 1838, Burnley Papers; Release from Plantation Agreement, January 6, 1845, *ibid.; National Intelligencer*, June 25, 1844.

completion of the annexation negotiations. Yet at point after point Houston delayed and interrupted them. Some said in explanation that he was weighing in the balance Texas' existence as an independent nation with himself at the helm—*i.e.,* that there were motives of prestige and power. Others hinted that Houston rather expected an offer of a United States senatorship—*i.e.,* that there were bargaining motives. Perhaps the most likely explanation (in view of Houston's previous attitude) was that he really desired annexation and merely appeared to oppose it for diplomatic reasons. This is what he himself said and what his best friends thought at the time. At any rate the case of Sam Houston—like that of James Hamilton and many others—illustrates the lack of one-to-one correlation between Texas land speculation and annexation sentiment.[55]

6

So colorful are the men involved in the annexation of Texas that it is tempting to give accounts of the period a heroic bias. The standard biography of Stephen F. Austin, for instance, is one whose guiding principle is fairly indicated by the statement that " without Austin there is no reason to believe that Texas would differ today from the Mexican states south of the Rio Grande." Yet this emphasis on important individuals has never totally obscured larger social processes. The title of the Austin biography is nevertheless *The Life of Stephen F. Austin, A Chapter in the Westward Movement of the Anglo-American People.*[56]

Interestingly enough the same comprehension was current at the time when the events of annexation were taking place. Even the actors themselves, many of them, were vaguely conscious of larger social processes operating in what looked at first like a parade of strong men. Among others President

55 Morgan to Swartwout, February 1, 1844, Samuel Swartwout Papers.

56 Barker, *The Life of Stephen F. Austin,* 521.

John Tyler pondered the matter. Although many men, he noted, spoke of the "re-annexation" of Texas (figuring the Louisiana Purchase as the annexation), for some reason Texas had not seemed so important in Thomas Jefferson's time. It must be, the president concluded in a message favoring annexation, that since the Louisiana Purchase "the use of the steam-engine has brought the region beyond the Sabine, for all practical purposes, much nearer to the seat of government than was Louisiana in 1803." [57]

Thus the steam-engine was added to the cast of characters in the annexation drama. For there is no doubt that President Tyler's statement was true in the most literal sense. And not only was "the region beyond the Sabine" brought much nearer to the seat of government, although that is of course what interested those at the seat of government. For the practical purposes of gentlemen adventurers in town lots and land speculation it was also much nearer, and that is probably the explanation of the concentration of such an amazing array of business talent in Texas beginning in the 1820's. For if the railroads and steamboats were coming, the growth of population could not be far behind. And what is more magnificent than getting in on the ground floor! "Steam navigation has so diminished distance," as General John T. Mason wrote Nicholas Biddle in 1839, describing his Texas lands, that lands are of equal value wherever the market for produce.[58]

Of course it is perhaps not quite fair to put down as conspiracy the purchase of the lands opened up by the steam engine, as Henry George did.

> The expectation of profit from the rise in the value of land leads those who take up new land, not to content themselves with what they may most profitably use [this is George's explanation] but to get all the land they can, even though they must let a great part of it lie idle; and large tracts are seized

57 Quoted in Smith, *op. cit.*, 283.

58 Mason to Biddle, July 30, 1839, Biddle Papers.

> upon by those who make no pretense of using any part of it, but merely calculate to make a profit out of others who in time will be driven to use it.[59]

But it is certainly true that any value that any land had in Texas was dependent, as old Sam Swartwout put it, on "accessibility to and from the States."[60] Any growth in value by the same token would be a function of increases in this accessibility to markets not only in the "States" but in England and Europe. So it is easy to see how the situation could appear the way it did to Henry George (and to more than one Texas settler). The more immigrants streamed into the region beyond the Sabine, "the more certainly it is seen that a growing population needs the land," the higher went its price. "Thus the stronger the incentive to the use of the land, the higher the barrier that arises against its use."[61]

Henry George but put into theoretical form what Americans (especially American landowners) had been observing throughout the history of the country. Texas enterprisers were no exception. ". . .Population . . . will cause a difference in the value of . . . lands," Stephen F. Austin said, "even were there no other reasons for it."[62] The speculation which arises with the growth of population, even though it is a barrier to settlement, should cause the emigrant to rejoice, the Rev. Charles Newell pointed out in one of the "Emigrants' Guides" to Texas which appeared so frequently in the period of annexation. Speculation is "one of the best proofs [the emigrant] can have of the great excellence and value" of Texas lands; "for as men counterfeit the precious and not common metals, so they eagerly engage in speculations in the most fertile and valuable lands." Even the frequent land frauds are testimony to the opportunity that is the new republic. "It

59 Henry George, *Works*, III, 126.

60 Swartwout to Burnley, November 27, 1837, Burnley Papers.

61 Henry George, *Works*, III, 127.

62 Quoted in Hatcher, *op. cit.*

is evident," the Rev. Newell went on, "that the spurious land titles in Texas are very much the result of an eager and continuous speculation in those lands for years." [63]

7

President Tyler was not the only amateur economic historian at work to unravel the forces behind the annexation of Texas. As has been noted already, those men in and out of public life who put it all down as a plot of the slaveholders or the landjobbers and bondholders (or both) held theories of a sort. At least they felt it necessary to go beneath the verbiage about "manifest destiny," to put their ears to the ground until they heard the ring of hard cash. Even when the fates were invoked it was with a material interpretation: "it is impossible to look upon the Map of North America and not . . . perceive the Rationales of the [annexation] project," Sam Houston said first, even though he went on to say that these matters "are the results of destiny over which I have no control." [64]

For the map of North America was looked at with very special eyes. "You may escape the small pox, but you can never escape the contagion of land loving," a Texan told a meeting of New Yorkers.

> As sure as you live it will become a part of your nature. There is not an American upon earth but who loves land. Your ancestors when they landed in Plymouth upon that famous rock, were not long contented with that barren spot, but proceeded in their might, and went on progressing at Jamestown, as well as at Plymouth, till all the country was possessed by them.
>
> From the first moment they landed, they went on trading with the Indians, and cheating them out of their lands. Now the Mexicans are no better than Indians, and I see no reason why

63 Chester Newell, *History of the Revolution in Texas.*

64 Houston to Murphy, May 6, 1844, *WSH*, IV, 324.

we should not go on in the same course now, and take their land.[65]

Many men at the time, however, unlike President Tyler, overlooked the forces which determined what land the "contagion of land loving" would settle on—forces such as the steam engine. This emphasis on technical forces was naturally lacking among the main Texas operators themselves who saw the annexation movement as a personal achievement. But many of them were railroad promoters. Others were steamboat and cotton gin operators, and the list of inventions which must be taken account of in the westward movement certainly includes the steamboat and the cotton gin as well as the locomotive.

Moreover these inventions had already carried American "agricultural imperialism" into conflict with other continental claimants. As several historians have pointed out, the Texas revolution was a late battle in the War of 1812 (rather like New Orleans) and Stephen F. Austin and Sam Houston and the rest were belated "expansionists of 1812."[66] In fact the Texan Sam Houston had been involved personally in the 1812 attempt to push out the American frontier and so had James Hamilton: "I am a slaveholder," said General Hamilton, "and . . . in 1813 I joined that portion of the United States which invaded Canada because our marine was searched by British cruisers."[67] It may be that the technological and institutional continuity was even greater: "The American conquest of Texas and California," Professors Morison and Commager write, "was a large chapter in the volume that began with the settlement of Jamestown in 1607 and ended with the Spanish American War of 1898."[68]

65 Speech on the Boundary of Texas, February, 1848(?), *WSH*, V, 34-5.

66 C. A. and Mary Beard, *op. cit.*, I, 413.

67 James, *op. cit.*, 27 ff.; Hamilton to Lipscomb, January 4, 1841, *TDC*, II, 924.

68 S. E. Morison and H. S. Commager, *Growth of the American Republic*, II, 578. *Cf* Monroe to Gallatin, May 26, 1820 (*Writings of James*

Another contemporary explanation of the annexation of Texas seemed to get at the very nature of the capitalist economy itself: there was a great deal of talk about the "need for markets" and "economic stagnation" even in the eighteen forties. A petition from the free state of Maine injected into the annexation squabble stated that opening Texas would enlarge the market for American manufacturing. "There is reason to Fear," it was said on the floor of Congress, "that all the chief seaports of Texas will eventually—should she remain independent—be declared free cities. . . ." The support by Pennsylvania of the annexation position was explained by her "awakening to the loss of markets if the country [Texas] goes to England." It was averred that Great Britain would have no source of cotton outside the United States if Texas became part of that Union; nor would John Bull have illicit access to the United States market as was provided by the Gulf ports in the young republic. The finance minister of France declared that Texas was recognized by the United States to acquire "valuable markets." There is no wonder that a historian of annexation, Professor Smith, speaks of "the standard argument of the Texas 'markets.'" [69]

But the sword cut both ways. Sugar planters in Louisiana were reported to oppose annexation on the grounds that Texas sugar would thereby be added to *their* market. A Southern senator predicted that annexation far from strengthening the slave South would weaken it through Texas competition making Old South cotton unprofitable. One would think that at least beyond the Sabine such signs of economic maturity and stagnation would be absent. Yet officials both Mexican and "Anglo-American," among them Stephen F. Austin, justified the building of military outposts among the suspicious settlers

Monroe, ed. S. M. Hamilton, VI, 130-4): So strong is the inclination "to seize on Texas . . . so seducing is the passion for extending our territory, that if compelled to take . . . redress [against Spain] it is quite uncertain within what limit it will be confined." *Cf.* also Monroe to Jackson, May 23, 1820, *ibid.*, 126-30.

69 Smith, *op. cit.*, 262, 291, 301, 314, 323, 329.

by noting that the troops would provide a market for their surplus production.[70]

Observers at the time also knew well that it was depression resulting from the failure of agricultural markets which forced many Texans to emigrate from the United States. For the same technological advance which was opening Texas to settlement resulted in increased industrial productivity in the older regions and these "labor-saving" devices in a very real sense reduced opportunity (this was the period of the Luddites in England) and made the "lusty growing regions" such as Texas attractive as alternatives. These "technologically unemployed" included not only farmers but those politico-military-economic "speculators without capital" displaced by the financial and governmental integration which accompanied the technological integration. It was symbolic of the whole process that some of the great Texas land speculators had their claims challenged by later railroad corporations, and that some of these older speculators themselves were interested in land as an adjunct to their packet lines for emigrants.[71]

8

Such are some of the threads which went into the American and Texan social fabric of the mid-nineteenth century. The specific events of the chronicle of the annexation of Texas fall into three periods. First was the period of the Texas revolution, when the Anglo-Americans in northeastern Mexico broke away from the Mexican republic. Second was the period of independence, when the Texans sought to obtain loans in the United States and Europe. Third was the period of active annexation developments, culminating only in 1856 with the adjustment of the Texas boundary and the payment of the Texas debt. At no time, however, was annexation out of mind and at no time was it separable from land traffic, from the revolution on.

70 Barker, *The Life of Stephen F. Austin*, 375.

71 Myers, *op. cit.*, 412, 429.

CHAPTER II

THE ECONOMICS OF REVOLUTION

The Prisioners arrived This evening Mr Jack says he cannot take them . . . his time being entirely taken up with the Buisiness of the Land office.—A letter to the Texas commander-in-chief.

1

WHEN the American "settlers" in northeastern Mexico declared their independence as the "Republic of Texas" in 1836, the first thing they did was to petition to be annexed to the United States. The fact that it was a group of particularly vivid land speculators who started the movement for revolution and independence led contemporary critics to denounce the whole annexation project as a "gigantic land speculation." Even the abolitionist opponent of annexation at the time referred to these "Monclova" speculations only, denouncing them because they were "lawless."[1] But the "Monclova group" had rather inclusive connections with virtually all the Texas leaders and statesmen, and they themselves filled important governmental roles both before and after their open "land frauds" which precipitated the revolution. It becomes necessary, therefore, to begin the story of annexation with the "Monclova affair," indicating the connections of its participants with the annexation movement both in Texas and the United States.

2

In the spring of 1835, on the eve of the Texas revolution, there was a meeting of the legislature of the State of Coahuila

1 W. E. Channing, *A Letter on the Annexation of Texas*, 11. Interestingly enough the same is substantially true of the modern muckraker. Myers, *op. cit.*, 413 ff., speaks of the empresarios as "the real promoters of the movement for the independence of Texas; it was their interests that not entirely, but largely, engendered the struggle, and it was their capital, in part, that supplied the arms and ammunition." But he too condemns the group because "their frauds in seizing land were . . . gigantic and . . . flagrantly in violation of the Mexican laws."

and Texas in the little Mexican town of Monclova. Among other things the legislature was to concern itself with land. For some time there had been a movement afoot among the Americans in the state to set up the separate state of Texas, for with a state government, as Stephen F. Austin wrote General John T. Mason, "the company can make those colonizing contracts profitable," and without separation "I do not believe that anything will be valuable in Texas." Before this separation should take place, however, the Coahuilan government, also alive to the value of colonization, "wished to sell . . . large tracts of Texas land . . . to her own citizens that they might resell." [2] Moreover, the Mexican national government wanted land too (to defray a debt owed certain British bondholders) and claimed that certain Texas tracts were due it from Coahuila. "This did not answer the purpose of the State Legislature; it wanted money to defray its own expenses," and accordingly it passed a law in the spring of 1835 to sell to private individuals some 400 leagues.

> Speculators were present at Monclova to purchase the land; among them, unfortunately, were Texans, and they were the principal purchasers. The Texan land-speculators made their way home in all haste. They proclaimed war, separation, and independence.[3]

These "unfortunate" speculators included some of the leading Texas enterprisers, who were in attendance at Monclova in the capacity of lawmakers or lobbyists or both. Among them were Colonel Benjamin R. Milam, the empresario of East Texas and soon to be a hero of the revolution; General John T. Mason, who in his capacity as agent of the Galveston Bay Company was to hire Sam Houston shortly after the battle of San Jacinto, but now at Monclova in his

2 Newell, *op. cit.*, 40-1; Austin to Mason, April 17, 1833, quoted in Rowland, "General John Thomson Mason," *Quarterly* of the Texas State Historical Association, XI (January, 1908), 173.

3 Newell, *op. cit.*, 40-2.

private capacity; Jim Bowie, the leading speculator of West Texas and soon to be martyred at the Alamo; Colonel Green DeWitt, the empresario, whose lands adjoined the Austin colony, and his agent Thomas J. Chambers, soon to be General Chambers; and Samuel M. Williams, Stephen F. Austin's partner in a host of enterprises before and after Monclova and the holder of innumerable governmental posts in Texas both before and after that odious affair, including that of financier of the revolution. Events involving the names of this gathering were soon to make "Monclova" a term full of interest to all Texans, and not least to the Father of Texas himself, who probably lost the presidency of the Republic because of the widespread belief that he was associated in the doings there.[4]

3

The history of the men at Monclova is the history of Texas to that time. Ben Milam had come into Texas originally as a leader of a filibustering expedition. These had been sent out from the United States since the turn of the century; indeed, the administration of George Washington had come into some censure for its peaceful attitude toward the Spanish dominions west of the Mississippi. The Secretary of State, Thomas Jefferson, had informed the Governor of Kentucky that he understood an army was setting forth from that state for an attack on New Orleans, and asked the Governor to do something about it. The Governor replied that he did not know under what law he had authority to prevent emigration; besides, he felt "but little inclination to take an active part in punishing or restraining any of my fellow-citizens . . . to gratify or remove the fears of the minister of a prince who

4 E. C. Barker, "Land Speculation as a Cause of the Texas Revolution," *Quarterly* of the Texas State Historical Association, X (1906-7), 86; *The Life of Stephen F. Austin*, 511-6.

openly withholds from us an inalienable right." [5] The celebrated adventurer Miranda fitted out his expedition to South America in New York City and there enlisted his aide-de-camp, David G. Burnet of New Jersey, later one of the biggest operators in Texas land and the first president of the Republic.[6] Both Aaron Burr and Alexander Hamilton were interested in Miranda's schemes; one version of the famous duel between them holds that "Burr may have wished to forestall further unwelcome rivalry . . . on the Southwestern border." [7] Burr's adherents in his abortive filibuster included Dr. Branch T. Archer, later Texas secretary of war, and Sam Swartwout, leading Northern annexationist and absentee owner of Texas property. Moreover Burr's scheme involved a land operation with a certain Baron de Bastrop, later associated with Stephen F. Austin.[8]

The pattern of the expedition which first brought Milam to Texas, then, had become a part of the national tradition of the United States. All these filibusters had land speculation aspects. The particular filibuster in which Milam participated was that led by "the fabulous General Long." The object of the filibuster, according to Milam's biographer, "was to get possession of Texas, establish a government, and then open the country to Immigration." General Long, until the dawning of his Texas career a Mississippi planter and speculator (he owned the tract on which the city of Vicksburg stands), had resolved with other Natchez citizens "to make one more effort in behalf of that oppressed and bleeding province [Texas]." Long proceeded to Nacogdoches in Texas (the American authorities attempted to prevent his departure, "but

5 Henry Stuart Foote, *Texas and the Texians, or, Advance of the Anglo-Americans to the South-West, Including a History of Leading Events in Mexico* . . . , I, 424-5.

6 *Ibid.*, 135.

7 "Aaron Burr," *Dictionary of American Biography*, III, 318.

8 Foote, *op. cit.*, 148, 156.

the officers not being over-active and vigilant, their efforts were . . . eluded") and took possession. Prices were now set for the sale of the "public land" (General Long had been chosen president) and trading began with the Indians.[9]

But luck soon ran short; Long, invited to collaborate in the new Mexican government then being formed, went to the capital and was assassinated. His lieutenant, Milam, found himself in prison, and more than a year passed before the intervention of the United States minister, Joel R. Poinsett, also interested in Texas properties, effected his release in 1822.[10] After a visit home Milam turned up again in Mexico City with a letter of recommendation from José Felix Trespalacios, a professional revolutionary who had entered Mexico planning to collaborate with Long's efforts to the North, and now Governor of Texas.

This letter certified that Milam had served under Trespalacios' command during the glorious struggle for independence from Spain—during which struggle, by the way, Milam had been imprisoned for plotting the assassination of Trespalacios, whom he believed to have ordered the killing of Long. Armed with this letter and the good offices of a new friend, General Arthur G. Wavell, Milam began negotiating for a colonization contract.

General Wavell was an English soldier of fortune who had arrived in Mexico City on a government mission in his

9 An account of Long is included in Foote, *op. cit.*, 198-217, in "a chapter ... at once elegant and fanciful, and astounding with incidents which though related ... with a due regard to the strictest historical verity, have in them, notwithstanding, much of the body and complexion of well-imagined romance." This is the work of Texas President and General Mirabeau Buonaparte Lamar. One regrets that space prohibits dilation on the literary activity of the enterprisers who are so prominent in this study, all of whom in addition to their speculative, political, and military talents fancied their flair for phrase and metaphor. They were none of them mere money-grubbers. See also Mattie A. Hatcher, *The Opening of Texas to Foreign Settlement, 1801-1821*, pp. 269-71.

10 Lois Garver, "Benjamin Rush Milam," *Southwestern Historical Quarterly*, XXXVIII (October, 1934), 95.

capacity as general in the Chilean army and become associated with Stephen F. Austin in a Texas land enterprise, transferring his commission to the Mexican army. Wavell now obtained a contract for a colony in the Red River country and appointed Milam his agent. The two also became jointly interested in some silver mines in northern Mexico.

Milam also got a colonization contract of his own (R. M. Williamson, soon to be heard from, becoming his agent) and in 1823 almost sold it to Baring Brothers in London. Back in the United States, he joined a friend and former associate, David G. Burnet (soon to be President of Texas) and the two formed the Western Colonization and Mining Company, which dealt with Milam's mines and colony, some colonial projects of Burnet's, and some sawmill proposals. Milam felt that "wealth and enormous profits" were now near. Potential stockholders were urged to pledge $10,000 for operating expenses, "the *whole* of which, with *considerable increase,* would be refunded by settlers"—this from the prospectus.

Nothing came of this project and in 1835 Milam was again in Texas, this time taking the part of settlers who were having trouble getting their grants because of the activities of holders of a new kind of scrip who were locating their lands in Milam's colony. "These actual occupants," he wrote in a petition to the governor, "have been within the last year surveyed in and attempted to be dispossessed by foreigners and others under pretended eleven-league grants from Coahuila and Texas."

To remedy this situation Milam urged the election of land commissioners. As compensation for the commissioners Milam suggested that each citizen whose title was endorsed should pay them five dollars, and offered his services for one of the posts. He was a member of the gathering at Monclova for the purpose of pushing this candidacy, among other things, and afterwards announced that he had been appointed commissioner and had begun his labors to redress the settlers' griev-

ances. "I have also obtained other privileges," he wrote, "that will be of considerable advantage both to me and the country." [11]

4

To continue the roll call of the Monclova delegation. General John Thomson Mason, who had been in Monclova the year before to obtain three hundred leagues of land, was there to confirm the deal. This grant, which he had taken in the first place only at the Governor's "pressing solicitude," was later to be abrogated by a Texas Congress foreign to the spirit of the administration which had asked him shortly before that time to "associate myself, *privately*" with Texas representatives in Washington working for the "paramount object of annexation." [12]

This upset by the Texas Congress was only an incident in a colorful career. General Mason had come out to Texas originally as agent for Lorenzo de Zavala's and David G. Burnet's Galveston Bay and Texas Land Company, in which he was a scripholder. It was a source of conflict between him and the trustees of the company, in fact, that he had entered the three hundred leagues already mentioned for himself instead of for the company. His first instructions on becoming agent had been to proceed to Texas by way of Washington, and there to use his "wide and influential connections" for the annexation of that province. This was in 1830 and annexation seemed already in the air, especially in land circles. To further the project the trustees of the Galveston Bay Company proposed the cession of part of their own holdings to the Mexican government.

> Desirous as we are [General Mason's instructions read, in part] both from public and private considerations, that an at-

11 *Ibid., passim.*

12 Kate M. Rowland, "General John Thomson Mason," *Quarterly* of the Texas State Historical Association, XI (January, 1908), 194.

> tempt to obtain [Texas] should be made on the part of the United States . . . we have upon mature consideration determined that we will set an example of liberality in relinquishing one-half part of our grant in consideration of the security which would, in the event of a successful issue to the negotiations, be afforded to the other.
>
> If the same example should be followed by the other grantees, the government by a treaty of cession would acquire about two-thirds part of the territorial right of Texas and the jurisdiction of the whole. If the other grantees will be equally open, reserving to themselves only one-half of their grants, and ceding the other to Mexico with a view to its acquisition by the United States, we do not hesitate to say that under our jurisdiction, for the land which the United States Government would acquire by the treaty of cession, the sum of ten millions of dollars would be a compensation which our company . . . under proper time of payment, would willingly pay for the right of soil only.[13]

Provided with this offer of the trustees to cede half their lands to the United States if that government would agree to annexation, General Mason went to Washington and then to Texas. The two locales were tied together thus inextricably throughout General Mason's career, and his career was typical. " In New York, the business metropolis, as Washington was the political capital of the Union, General Mason was equally at home," his wide acquaintance " at these two centers thus embracing the leading men of his time." [14]

5

The next name on the Monclova roll call was that of Sam Williams. Shortly after Stephen F. Austin began his labors in Texas he realized the need for a recorder of deeds, transfers, and other land documents. The Mexican political chief asked Austin to be custodian of the archives until such an official could be appointed.

13 *Ibid.*, 165.
14 *Ibid.*, 164.

> Why, then, Austin asked, could he not in the meantime appoint a secretary for the colony with substantially the same duties that a secretary of ayuntamiento [the political district] would have? Saucedo replied that he might, and Austin appointed Samuel M. Williams. . . . He immediately assumed the duties which Austin had outlined for the recorder, charging fees approved by the political chief, and for the next eleven years was Austin's confidential and indispensable assistant. . . . [15]

Sam Williams thus grew up in the land business under Austin's wing. Austin advised him how an empresario should act in times of political difficulty: ". . . Do as I have frequently been compelled to do—play the turtle, head and feet within your own shell." " In these matters say little or nothing, and nothing definite—as many smooth words without meaning as you please." Some men, Austin wrote Williams, hold it " degrading and corrupt to use policy in anything." But, Austin said, he did not believe that there was " degradation in prudence and well timed moderation. . . . As a general rule all over the world *Language* and *Acts* must be regulated in a great degree by *circumstances* and *characters.*" [16]

Williams apparently was a good pupil. In 1830 a law limiting settlement in Texas was passed which cancelled several contracts then existing with American enterprisers. After unsuccessfully attempting to have these renewed, and when it looked as if one of the contracts would go to a Frenchman " and delay the peopling of the frontier for another six years," Austin and Williams took up the contracts themselves. One of the former contractors objected, an official ruled in his favor, and one of the grants was turned over to him. It was shortly restored, however, " in such a way as to save the face of the government "; this end was accomplished by what Professor Barker calls " a species of verbal gymnastics."

15 Barker, *The Life of Stephen F. Austin*, 132.

16 *Ibid.*, 283-4.

The areas acquired in this fashion were very extensive indeed, and the sale of "location privileges" (in effect the same thing as Austin's empresario fees) evidently so attractive that soon Austin was warning Williams about "land-jobbing," especially as murmurs of discontent were beginning to be heard. "Keep clear of speculations for the future. They are a *curse* to any country and will be a very *sore curse* to me individually. Cursed be the hour I ever thought of applying for that upper colony." [17] Williams noted that

> The law and the contract gave me the right of approving and disapproving. No man was compelled to locate his land within the limits of the contract. We could not compel any one to do so. If he desired to do so, it cost him $50 per league for permission. In no instance has any native Mexican been charged anything — but solely those persons who had bo't them up as speculation.[18]

As Professor Barker has written:

> As a legal defense this leaves nothing to be said. Nevertheless, the subsequent history of these grants brought great bitterness on Austin's memory. They became ... the basis of much litigation.... The losers in these suits, frequently small holders, blamed Austin.... [19]

Williams, although criticized, continued his grants on a respectably large scale, and at the opening of the Texas Revolution was at Monclova preparing to branch out still further. It was he who introduced the law authorizing the sale of

17 *Ibid.*; Chapter XL should be read in full. The *de facto* identification of sale by "location privileges" and empresario fees is at 362: "The sale of location privileges ... was perhaps abused by Williams, but, in effect, it was the same thing as the empresario's fees exacted of colonists for each league of land and this fee was recognized and permitted them by the colonization law."

18 Williams to McQueen, February 14, 1834, quoted *ibid.*, 370.

19 *Ibid.*

four hundred leagues of public land, and he shared largely in the sales under it.[20]

6

Another member of the Monclova delegation was Jim Bowie. From a Tennessee boyhood Bowie had gone to Louisiana to farm. " When his farm increased in value as the country settled up around it, Bowie sold it, and for a few months in the early part of 1819, he was connected with the Long expedition." [21] In the fall of 1819 he went for seven or eight years into the development of sugar plantations, with a brother as partner. " On their ' Arcadia' plantation they introduced the first steam mill for grinding sugar cane ever used in Louisiana."[22]

A sideline was the slave trade. The Bowies paid the pirate Jean Lafitte a dollar a pound for Negroes (captured mostly from Spanish ships in the Gulf of Mexico) and then shipped their purchases through the swamps of Louisiana and East Texas to a customhouse.

> The law of the day concerning the slave trade was rather irregular. Slave-trading was illegal, but smuggling was common, and the question what to do with the negroes after they had been smuggled into the United States was puzzling. Most of the southern states had laws that permitted such slaves to be sold by a United States marshal to the highest bidder; half of such sale price was given to the [informer].... Thus, the Bowie brothers would carry their slaves, bought from Lafitte, to a custom house officer and become informers. The marshal would then sell the negroes at auction, the Bowies becoming a second time their purchasers, but receiving back,

20 *Ibid.*, 471.

21 Amelia Williams, "A Critical Study of the Siege of the Alamo and of the Personnel of Its Defenders," *Southwestern Historical Quarterly*, XXXVII (October, 1933), 91.

22 *Ibid.*, 92.

> as informers, half the price they paid. After this . . . had been consummated, their title to the negroes was legalized and they were then free to sell them . . . anywhere in the South.[23]

With money thus earned Bowie began to traffic in Louisiana lands. In 1828, however, "he decided to go to Texas and play the land game in that newly-opened country."[24] In 1830 and 1831 he got Mexicans to apply for eleven-league grants permitted them and then bought the lands from them. "By this method he secured . . . nearly a million acres of land and in addition . . . bought headrights in all the empresario grants."[25] He was also involved at this period in a venture in cotton mills. In 1834 he acted as General Mason's agent in the 400-league land deals at Monclova. In 1835, as war slowly broke out, a contemporary met Mason and Bowie going up to Monclova "to pay up the last instalment on the 400 leagues when the Govt. people were clearing out for Bexar."[26]

7

Such, then, is the background of the group at Monclova, all of whom were to play important roles in the revolution and annexation of Texas. It is true that none of these roles was separable from an interest in land operations, as the data presented go to show. But it is also true that the interests of these men were simultaneously of broader compass; they were military and political figures, and they were interested in other businesses all along.

Thus Stephen F. Austin wrote in 1835 from Mexico City to Sam Williams at Monclova, where Williams was securing title to Austin's "upper colony" as well as transacting some business of his own.

23 *Ibid.*

24 *Ibid.*, 95.

25 *Ibid.*, 98-9.

26 "Diary of Adolphus Sterne," ed. Harriet Smither, *Southwestern Historical Quarterly*, XXX (April, 1927), 307.

> The Govt. are very friendly to me [Austin said] and to Texas, and if things are conducted with *Calmness* by the legislature at Monclova, all will go right—There is no danger of a change in the system of Govt.[27]

Austin at this time was under arrest for incitement to revolution. The letter goes on to say:

> ... I am offered a contract for twelve thousand arrobas of cotton delivered at Vera Cruz.... I think it is a good offer —what do you think of it? [28]

Austin hoped that " they have had enough sense at Monclova to take no part in the civil war that seems to be commencing." He thought the 400-league law of the year previous involved Texas affairs in a " beautiful tangle " and felt confident that Williams' opinions were similar.[29] He also showed insight into the requirements of internal affairs for foreign policy, especially when these are in the hands of men " on the make." Many of the rumors about Texas, he wrote Williams, " originate with persons who wish the Govt to send the most of the army there, so as to leave an open field for revolution here." [30]

In the meantime Williams had voted for what Austin called the " cursed 400-league law," received lands under it, and participated in " the civil war that seems to be commencing." " We have had one fight," one of the Monclova group wrote, ". . . not a gun fired nor were the contending armies at any time nearer each other than the short distance of three leagues—but the best of the joke, Williams, Peebles, Milam, DeWitt and myself were volunteers and like true patriots shouldered our guns and marched to the Govt. House to take orders." [31] Williams answered Austin's letter, saying he did

27 Austin to Williams, April 4, 1835, *AP*, III, 60.

28 *Ibid.*

29 Austin to Williams, April 15, 1835, *AP*, III, 62-3.

30 Austin to Perry, July 13, 1835, *AP*, III, 90.

31 Frank W. Johnson to Gail Borden, Jr., April 15, 1835, *AP*, III, 61-2.

not like "appearances" at Monclova but agreed with Austin that the outlook seemed hopeful. Also, "on the subject of the contract for 12,000 arrobas of cotton . . . you may include McKinney and Williams." He asked Austin for further information on this subject "so that we take advantage of the season, by purchasing small crops from needy planters." Also, "we have . . bot a steamboat." And "I have presented to Congress a plan for a Bank and asked for a charter for 30 years. . . ." In conclusion he reported on some business of Austin's he was attending to: "there is nothing to apprehend about a claim for fees in your old Colony. The present members are not of opinion that the State has any claim." [32]

Despite Williams' and Austin's optimism, however, events were moving toward war between Texas and Mexico. Shortly before Williams wrote the Legislature had passed the "cursed 400-league law" which Williams voted for and in the sales under which he shared. General Cos of the federal army declared the law contrary to the federal colonization law, instructed the political chief at San Antonio to prevent location of any land purchased under it, and ordered troops to Monclova to annul the sales. General Cos said that this movement, the first in what became the Texas Revolution, was directly stimulated by land speculation. It should be reported, however, that Monclova and Saltillo were at this time at odds over the location of the state capital and that General Cos was associated with the Saltillo faction. The land deal legislation might have been merely the pretext for deposing the Monclova government.

Upon learning that Cos' troops were on the march, the Legislature at Monclova passed another law authorizing the governor to raise militia and huge sales of land were made under this law to Dr. James Grant, soon to be important in the Texas revolution. At the same time Sam Williams, together with F. W. Johnson and another enterpriser, obtained

32 Williams to Austin, April 22, 1835, *AP*, III, 65-7.

400 leagues of land under an old law, agreeing to furnish 1,000 militiamen to the government in payment. These were to be fully armed and equipped, "except that the government was to provide food and horses—an obligation that it was totally unable to discharge and one that released the contractors . . . from making any return for the land." [33] At this time too Williams received a charter for a bank, which Stephen F. Austin was shortly to become interested in and which the Texas Congress recognized in 1841. Sam Houston was president at the time and jovially remarked, "I am sold to . . . Williams. 'tis said 'Houston will favor the *Bank that is,* and *oppose all* others.'" [34]

8

Such tasks completed, the governor at Monclova called on the citizens of Texas to resist the federal government, the Legislature adjourned to get out of town, and the Texas lobbyists (insofar as they constituted another group) did likewise, turning homeward to spread the news of threatened military despotism. These excited Texans returning from Monclova at first sought vainly to convince the people that the dissolution of the Legislature was Santa Anna's first step to make Texas a military colony. Their agitation was put down to personal interest. "There is an effort making for a new *fus,*" one stay-at-home wrote. A "firebrand circular" was being distributed, with Sam Williams one of the names signed to it. This circular and others have as their apparent purpose to "prevent the repeal of the 400-league law so that they may retain their speculation." It will be, the writer lamented, "a dead stopper to immigration and sales of land." The firebrands countered that their detractors were "disappointed land speculators." [35]

33 Barker, *The Life of Stephen F. Austin,* 471.

34 Houston to Williams, July 28, 1841, *WSH,* II, 369-71.

35 Henry Austin to James F. Perry, May 5, 1835, *AP,* III, 70.

Texans in general, however, paid little attention as yet to the rumors coming out of Mexico and went about their business. This business was of course primarily land business; the letters in the calendar of the Austin Papers for May, 1835, are concerned almost exclusively with titles, transfers, surveys, etc., and these represent the activities of people all over the region. About this time too the subcontractors of the Galveston Bay and Texas Land Company, in New York, wrote Santa Anna petitioning for an extension of their grant.[36]

Some letters, however, express concern over the speculators' agitation.[37] One planter objected to taking up arms and marching against the Mexican troops "for the only purpose of protecting a few unprincipled Land speculators, and resqueing one of the most depraved State Legislatures that ever assembled on the continent of North America."[38] Austin heard that an attempt was made by Williams "to get up an excitment in the Colony and to draw men from here under the pretext of defending the Governor," the men to count among those Williams had contracted to furnish as militia.[39] Another Texan, not perhaps fully alert to the possibilities of protecting one contract by filling another, wrote only that Williams and Johnson were attempting to raise men to release the governor "for the purpose of sustaining the *Mammouth* Speculation."[40] At least one of the gathering at Monçlova sided with the anti-war party who put the agitation down to speculation. This was Thomas Jefferson Chambers who urged moderation perhaps because he was now an official of the Mexican government, having at Monclova confirmed his appointment as circuit judge at a salary of thirty leagues of land per year. "They

36 Subcontractors of Galveston Bay and Texas Land Company to Santa Anna, July 25, 1835, *AP*, III, 94.

37 See Calendar, *AP*, vol. III.

38 Asa Brigham to J. A. Wharton, *et al.*, July 19, 1835, *AP*, III, 92.

39 Austin to Williams, October 12, 1836, *AP*, III, 435-6.

40 J. G. McNeel to James F. Perry, about June 22, 1835, *AP*, III, 77.

tell me," he wrote a friend, "*you* have given the war whoop; is it so Come now be quiet." [41] Chambers, whose interest in the Robertson colony, which Austin and Williams had had transferred to themselves, was a source of conflict between him and Austin, was soon in Kentucky, however, raising troops for Texas.[42]

War sentiment was slowly growing. A meeting presided over by R. W. Williamson, Ben Milam's agent, resolved to capture San Antonio and install a provisional government. In an oration on the Fourth of July, Williamson said the meeting was attended by some of the oldest citizens in Texas, men in no way concerned with the speculation, who on investigation declared that the country was menaced and should prepare for war. Williamson said he had "all to lose and nothing to gain by the disturbances of our country. . . . But . . . examine for yourselves the late movements of the general government. . . . For what, Fellow-Citizens, are they coming? In the name of God, say not speculation; they are coming to compell you into obedience . . . to give up your arms. . . to liberate your slaves . . . to pay tithes and adoration to the clergy." [43] On the other hand, some of those urging war explained that even if the general government were moving to counteract speculation, the opposition to resisting these movements merely came from disappointed land speculators.[44]

9

The late Mexican prisoner Stephen F. Austin was on his way home with news which gave credit to such contentions as Williamson's. "The fact is," he wrote in mid-journey at

41 Barker, *The Life of Stephen F. Austin*, 461-2; Chambers to Lewis, July 31, 1835, *AP*, III, 96.

42 Austin to Williams, February 14, 1835, *AP*, III, 42-4; Ficklin to Austin, August, 1836, *AP*, III, 426-8.

43 Barker, *The Life of Stephen F. Austin*, 475; "Land Speculation as a Cause of the Texas Revolution," *op. cit.*

44 Smith to Perry, August 15, 1835, *AP*, III, 98.

New Orleans, "we must, and ought to become a part of the United States." The means of achieving this object, he characteristically decided, should be "a great immigration," an immigration which would raise manpower and land values at the same time. Austin sent Sam Williams, then in New Orleans also, to New York with a letter of introduction to his relative Henry Meigs, brother-in-law of U. S. Secretary of State John Forsyth, who had aided in effecting Austin's release from Mexico. He wrote Meigs that Williams

> ... goes to the north on business of his own, but at the same time will contribute anything in his power for the general good.... Texas is improving very fast, and there is every prospect of a great emigration from the Western and Southern States this fall and winter....

He went on to say that "the New York land companies will of course not be idle so that I hope there will be a very great increase of population. . . ." In a letter of instruction to Williams which is characteristic in its mixture of business and politics, Austin noted that

> ... the New York folks have much at stake, and ought to exert themselves to send out families without delay — ... I wish to take a large interest in the bank, as I told you—This we will arrange when you return — ... Do not fail to call on ... my friends in New York, and be very prudent as to everything.[45]

Austin arrived in Texas just as a call was issued for a convention to take up the problem of Texas' future existence. Having tarried in New Orleans only long enough to buy "1 vol Scott" and "Sismondis Fall Roman Empire"[46] he came on the scene and approved the convention call without qualifi-

45 Austin to Mrs. Holley, August 21, 1835, *AP*, III, 101-3; Austin to Henry Meigs, August 22, 1835, *AP*, III, 104; Austin to Williams, August 22, 1835, *AP*, III, 104-5.

46 Austin in account with Hotchkiss and Co., August 19, 1835, *AP*, III, 101.

cation.[47] F. W. Johnson, back from Monclova and presumably still recruiting militiamen, greeted Austin's propitious arrival with "feelings inexpressible" and noted that everyone in Texas had long wished for him to be again at the helm "but the God of Nature seems to have arranged all things better than even men could have desired. . . ." Johnson urged that "our interest is a joint and common one and should be so regarded—"[48]

Austin now threw himself into the work of assembling the convention (he was put in charge of organization) and getting his own business affairs in order. "Stephen left last night," his cousin Henry Austin wrote,

> to be at San Felipe on the 12th when all the upper world is to be there. I stay to correct the proof sheets of the address [Austin's address favoring a convention] and then go to St. Felipe to close our land business—within a year every league will be worth 40,000$. . . .[49]

To the remonstrances of friends that he was working too hard Austin replied that "I must finish the land business and try and systematize our political affairs . . . otherwise we shall all go overboard." General Zavala "is here and will live with me. . . . The formation of a Govt (perhaps of a nation) is to be sketched out."[50] In addition "the daily progress of events is to [be] watched over and public excitement kept from going too fast or too slow."[51] Sketching plans for governments, systematizing with his fellow empresario Zavala the political affairs of Texas, selling lots to raise money,[52] Austin received the news that General Cos had issued an

47 Barker, *The Life of Stephen F. Austin*, 477.

48 Johnson to Austin, September 5, 1835, *AP*, III, 114-5.

49 Henry Austin to Mrs. Holley, September 10, 1835, *AP*, III, 119-20.

50 Austin to James F. Perry, September 30, 1835, *AP*, III, 140-2.

51 Barker, *The Life of Stephen F. Austin*, 483.

52 Austin to McKinney, September 26, 1835, *AP*, III, 137-8.

ultimatum calling for the surrender of Sam Williams and others of the speculators and the war party. "The final answer of Gen Cos has just been recd.," Austin wrote P. W. Grayson.

> ... The country will be invaded ... and the land business and everything else ... regulated by the military. Now my friend tell me what we can do except to fight—[53]

His rival General Houston felt the same way. Although Houston drafted a resolution nullifying the Monclova grants he appointed Sam Williams a captain in the army.[54]

"*I hope to see Texas free from Mexican domination of any kind,*" Austin wrote David G. Burnet of the Galveston Bay and Texas Land Company. "It is yet too soon to say this publicly, but that is the point we shall end at—and it is the one I am aiming at." [55] In a proclamation to the people Austin said that General Cos "intended to overrun Texas, and establish custom-houses and detachments of his army where he thought fit." [56]

A skirmish at Gonzales now put Texas at war and Austin found himself commander-in-chief of the Texan army.[57] "We ought," he wrote, "to get united to the U. S. as soon as possible." [58]

10

Led by Austin, who as senior Texas businessman was now first in the military realm, all the land operators of the region were now putting on their robes of war. Old Ben Milam had

53 Austin to Grayson, September 19, 1835, *AP*, III, 127-8.

54 Resolution to Annual Land Grants, before November 13, 1835, *WSH*, I, 306-7; Houston to Williams, December 15, 1835, *WSH*, I, 320.

55 Austin to Burnet, October 5, 1835, *AP*, III, 160-1, quoted by Barker, *The Life of Stephen F. Austin*, 483.

56 Austin to the People, quoting "a gentleman of unquestionable veracity," October 3, 1835, *AP*, III, 147-52.

57 Barker, *The Life of Stephen F. Austin*, 384.

58 Austin to Perry, November 22, 1835, *AP*, III, 262-4.

been captured in the runaway from Monclova. He now escaped and appeared in Texas in time to lead the attack on San Antonio.[59] Jim Bowie, late from Monclova, was a colonel with an army below Bexar, sharing command with James W. Fannin, a man of enterprise whose occupation up to the time seems to have been like Bowie's that of slave-runner but who was soon to be inspector-general of the army.[60] Thomas Jefferson Chambers was even authorized by the provisional government to hypothecate his Monclova lands to raise money for arms and men, and the public faith was pledged to repay the loan and any other obligations contracted in the undertaking. Moreover Chambers was to command the men enlisted as a major-general.[61] Sam Williams returned from one government mission to constitute with his partner a major part of the local commissariat (receiving land scrip for supplies), and soon went to the United States again to purchase a navy for Texas.[62]

The Galveston Bay and Texas Land Company of New York was in the thick of everything. James Morgan, the manager of the company's town, "New Washington," was a colonel in charge of the prisoners taken at the decisive battle of San Jacinto.[63] It has already been noted that "that distinguished and virtuous patriot Don Lorenzo de Zavala formerly governor of the State of Mexico and late Minister to France," as Austin called him—also the empresario whose lands the Galveston Bay Company was "developing," also one of the speculative ambassador Joel Poinsett's friends from Mexico City—was on hand.[64] While Austin was in the army Zavala served as his right-hand man at the provisional cap-

59 Milam to F. W. Johnson, July 5, 1835, *AP*, III, 82-3.

60 James, *op. cit.*, 216.

61 *WSH*, II, 231.

62 Hill, *op. cit.*, 61.

63 *Ibid.*, 62.

64 *WSH*, I, 281.

ital.[65] This presence of the leading Mexican land operator among the revolutionary government made the use of racial propaganda somewhat contradictory. In one address to the Texas army a commander said Texans would not "quietly watch the destruction of our property and the annihilation of our guaranteed rights. Nor will the vigor of the descendants of the sturdy north ever mix with the phlegm of the indolent Mexicans." But a moment later he noted that "even some prominent Mexicans" in Texas were proclaiming independence.[66]

Zavala's associate in the Galveston Bay enterprise, David G. Burnet, was the provisional president of Texas and incurred Sam Houston's ire for including such items in the ammunitions orders as "1 Demi john best Cognac Brandy, to be well sealed, 1 Demi john best Hollen Gin," etc. Houston thoughtfully did not raise this issue until many years later in a political campaign, when Burnet accused him of tippling.[67] His old associate in the Galveston Bay Company also delayed revealing that during the revolution Burnet arranged to transfer his lands nominally to a supporter of the Mexicans, for the purpose, he wrote him, "of *securing your property* in the event of Santa Anna's success!" In return, Houston alleged, Burnet's friend gave him a power of attorney "to be used by you if the Texans succeeded in defeating Santa Anna. . . ."[68]

Meanwhile Houston, another member of the Galveston Bay clique, had been appointed General in command of the forces

65 J. Fred Rippy, *Joel R. Poinsett, Versatile American*, 122. In one of the Mexican revolutions Zavala had sent a troop of cavalry to guard Poinsett's residence in the capital (p. 128) so it was fitting that the government in which the former ambassador was now Secretary of War should now aid Zavala's Texas government.

66 Houston to the Soldiers of Goliad, January 15, 1836, *WSH*, I, 338.

67 Burnet to Toby, June 23, 1836, Burnet Papers.

68 The Second Letter in Reply to "Publius," August 18, 1841, *WSH*, II, 384.

of the department of Nacogdoches. The chairman of the committee which appointed him was Phil Sublett, a great speculator and with Frost Thorn and Joseph Durst of "the local land clique" another good client of lawyer Houston.[69] Soon Captain Sublett himself left for the wars, leaving Colonel Thorn—who sent a substitute—to the chairmanship of the committee and other animating pursuits.[70] Among these was the sale of scrip deposited with him by General John T. Mason on his way back from Monclova.[71]

The Wharton brothers, about whom Sam Houston originally used the phrase "the animating pursuits of speculation," were of course in the fray. William H. Wharton, who as a leader of the annexation forces had been defeated by the pro-Mexican group led by Austin back in 1832, had been accused by Austin of conspiring to keep him in a Mexican jail until the annexation project could be consummated. He was now judge advocate-general of the army but before the year was out went to the United States as Texas loan commissioner—with one of his fellow commissioners, Stephen F. Austin. John Wharton was adjutant-general of Texas.[72] Colonel (later President) M. B. Lamar was appointed secretary of war and began buying up Texas land and land scrip in New Orleans, financed by the firm of the ubiquitous Sam Williams. Lamar had also become an agent in the early part of 1836 for a group of Georgia speculators.[73]

69 James, *op. cit.*, 202; Royall to Austin, October 13, 1835, *AP*, III, 179.

70 Royall to Austin, October 20, 1835, *AP*, III, 196.

71 Memorandum re General John T. Mason, February 2, 1836, Samuel Swartwout Papers.

72 James, *op. cit.*, 249, 194, 210, 215; Barker, *The Life of Stephen F. Austin*, 407.

73 McKinney & Williams to Toby and Brother, May 25, 1836, *The Mirabeau B. Lamar Papers*, I, 383; Hardy to Lamar, May 28, 1836, *ibid.*, 314; A. K. Christian, *M. B. Lamar*, 6. *The Mirabeau B. Lamar Papers* are hereafter referred to as *LP*.

II

As commander-in-chief of the army the Father of Texas underwent the trials of a military man dealing with military men of other interests. "The Prisioners arrived This evening," the leader of the acting government wrote him on October 16, 1835. "Mr Jack says he cannot take them he thinks you did not reflect on his unprepared situation to accomodate them and his time being entirely taken up with the Buisiness of the Land Office."[74] The next day a commander in another part of the field informed General Austin that he had some unpleasant news to communicate. "The negroes on Brazos made an attempt to rise . . . devided all the cotton farms, and they intended to ship the cotton to New Orleans and make the white men serve them in turn." A detachment had to be diverted to take care of this matter.[75] Austin's successor as commander-in-chief also feared a slave revolt. He reported that Santa Anna was "departing from chivalric principles of warfare" by ordering arms to be distributed "to a *portion of our population,* for the purpose of creating in the midst of us a *servile war.*"[76] But in reality there were no slaves in Texas, the Mexican constitution prohibiting their ownership; before planters came to the region they bound their Negroes to 99-year apprenticeships.[77]

The bad odor of the Monclova land deals still interfered with the war effort, especially, perhaps, among disappointed speculators. "Much is said about going home," the head of the provisional government wrote Austin, "[by men] not fully into the spirit of our times. . . .The land speculation subject is not yet satisfactorily settled. . . ."[78] A commission had to be dispatched to pacify the Texas Indians, now rumored

74 Royall to Austin, October 16, 1835, *AP*, III, 188-9.

75 B. J. White to Austin, October 17, 1835, *AP*, III, 190.

76 Proclamation to the Citizens of Texas, December 12, 1835, *WSH*, I, 317.

77 Hoevemeyer, *op. cit.*, 204, quoting a New Orleans newspaper of the day.

78 Royall to Austin, October 16, 1835, *AP*, III, 188-9.

to be anxious to get into the fray on one side or the other, by declaring the government's opposition to the "Great land speculation" and pledging respect to their rights of land.[79] Only "a few interested speculators about Nacogdoches" failed to acquiesce.[80] Colonel James Morgan reported, too, that overtures were being made to the Indians by Texas Negroes who wished to join the Mexicans.[81]

Dr. James Grant, enterpriser in lands and mines just below the Rio Grande, arrived in Texas from Monclova and began urging an expedition to Matamoras, on the border. The customs post there "properly and honestly superintended" would yield a very nice revenue, "at present said to be $100,000 per month."[82]

Local areas were tempting as well, and at least the surveying business was yielding a nice revenue. General Austin was urged to recommend that land entries be suspended for the moment because "Persons are engaged in taking up choice lands to the Prejudice of those in the field."[83] Among those thus inconsiderate to their brother speculators "in the field" were most of the Monclova group: General Mason, McKinney of McKinney & Williams, and John Durst, who as a representative at Monclova had also introduced laws and shared in the land sales under them. As extenuation of their action it could be said that all were serving on the home front, acting as chairmen of vigilance committees and so on.[84] Moreover, it was not until the late months of 1836 that Gail Borden, soon to be famed as the inventor of condensed milk, surveyed and laid out the town of Houston for the Allen

79 Royall to Austin, October 18, 1835, *AP*, III, 191-2.

80 Speech concerning the Cherokee Bill, December 4, 1840, *WSH*, II, 357. See also 358.

81 Morgan to ————, March 24, 1836, Burnet Papers.

82 Dimmitt to Austin, November 14, 1835, *AP*, III, 252-3.

83 Royall to Austin, October 27, 1835, *AP*, III, 215-6.

84 They also contributed to the sinews of war. See Chap. III, below.

brothers.[85] Both of the latter, who later located the capital of the new government on their townsite, were active in the Revolution.[86]

12

Help was on the way from the United States. General José Antonio Mexia, soldier of fortune, enemy of Santa Anna, accused by Austin of conspiring to keep him in a Mexican jail, and agent of the Galveston Bay and Texas Land Company, joined a force of filibusters in New Orleans to sail to the aid of Texas. Mexia decided "to gather some laurels on his own account" and landed instead on the Mexican coast at Tampico, only to be repulsed. He later showed up in Texas and asked for $10,000 to lead an expedition to Mexico. Austin, evidently by this time reconciled, recommended that Mexia be given aid and added that "whether he goes to Orleans, or wherever he may be, he wishes to be considered a citizen of Texas— He has a considerable interest in the country." General Mexia's soldiers had a similar "interest in the country." One of them wrote his wife that

> My object of Goin on this Exposishen was for you my Self and Son and all my femaley hearaftor. in the first place as soon as [I] took up arms in defence of Texes I became a Sitisan which by the Laws entiteld me as a man of famaley to one Lease of Land Square which is three miles or fore thousen, fore hundred acers of Land which when things are seteled will be worth Six thousen Dollars.[87]

Back in 1834 the Galveston Bay and Texas Company had thought General Mexia would be the next president of Mexico.

85 *WSH*, II, 253.

86 *WSH*, I, 433.

87 Austin to Williams, February 14, 1835, *AP*, III, 42-4; James, *op. cit.*, 219; Austin to Provisional Government, December 14, 1835, *AP*, III, 282-4; Dedrick to Dedrick, February 22, 1836, "New Light on the Tampico Expedition," *Quarterly* of the Texas State Historical Association, XI (October, 1907), 160.

That perhaps accounted for the company's delay in hiring Sam Houston to go to Texas.[88] Indeed the company was reluctant to put up funds to employ Houston until after the Battle of San Jacinto. A director regretted this delay, attributing it to the fact that "all things in Texas appear so dark and doubtful."[89] But before this Houston had noted that such was to be expected unless he were employed. ". . . Matters are fluctuating there every hour and will continue to do so until some character is given to them."[90]

Character was now being given to Texas matters not only by Houston but by his friends in the United States.[91] His old partner in gold mining enterprises, General Richard G. Dunlap, came to fight in the war and stayed to take the post of secretary of the treasury, which he left to sell Texas bonds in the United States.[92] On the other hand a Texas town promoter declined appointment to a captaincy in the army to raise troops at his own expense in New Orleans.[93]

So important was aid from the United States that General Austin's activities were now to turn from actual fighting to the sinews of war. Turning the army over to Sam Houston he set out with William H. Wharton, who said when he resigned his commission as judge advocate that "no good will be atchieved by this army except by the merest accident under heaven,"[94] and Dr. Branch T. Archer, the old Burrite, to borrow a million dollars in the United States and if possible

88 Prentiss to Houston, March 8, 1834, *WSH*, I, 280-1.

89 Houston to Prentiss, March 28, 1834, *WSH*, I, 283-4; Prentiss to Houston, April 1, 1834, *WSH*, I, 284-5; Houston to Prentiss, April 24, 1834, *WSH*, I, 290-1.

90 Houston to Prentiss, June 20, 1832, *WSH*, I, 244.

91 Houston to Prentiss, March 27, 1832, *WSH*, I, 197-8.

92 Houston to Dunlap, July 2, 1836, *WSH*, I, 431-2.

93 Houston to Wilson, December 28, 1835, *WSH*, II, 20-1.

94 Wharton to Austin, November 8, 1835, *AP*, III, 247.

get Texas annexed.[95] Their commission authorized them "if necessary to hypothecate the public lands of Texas."[96]

13

When General Sam Houston assumed control of the Texas army somewhat the same run of worries confronted him as had his predecessor. Barely had he started his career as commander-in-chief when Dr. James Grant proposed to run off with his troops—to the capture of Matamoras, on the border. (Dr. Grant was selling one-league claims—by agent—in East Texas at the time.)[97] General Houston "depreciated the idea of using the army to recover the confiscated estates of Doctor Grant."[98] The "Matamoras fever" had swept the men, however, and Houston had to send a counter-expedition under Bowie in the direction of the border to quiet things down.[99]

"Who is Dr. Grant?" the army-less Houston exclaimed in a pet. "Does he not own large possessions in the interior? is he not deeply interested in the hundred-league claims of land which hang like a murky cloud over the people of Texas?"[100] Houston thought this "unholy dictation of speculators and marauders upon human rights" worse than the tyranny of Santa Anna.[101]

Other land operators were not treated so harshly. The esteem in which the Monclova group continued to be held, at least for political purposes, was indicated by a "Proclamation to the Citizens of Texas" issued by Houston on December 12, 1835. "You have experienced in silent grief," the

95 James, *op. cit.*, 215.

96 Commission of Austin, Wharton and Archer, December 7, 1835, *TDC*, I, 51.

97 *WSH*, II, 37.

98 James, *op. cit.*, 219.

99 *Ibid.*, 220.

100 Houston to Smith, January 30, 1836, *WSH*, I, 348-9.

101 Houston to Smith, January 6, 1836, *WSH*, I, 332.

Raven reminded the citizens, "the expulsion of your members from the State Congress" and the deposition of "your constitutional executive"—who made the land contracts—"by the bayonets of a mercenary soldiery."[102] But F. W. Johnson, one of those deposed by the "mercenary soldiery," was with Dr. Grant.[103]

The inseparability of business and military affairs was also illustrated in the outfitting and officering of troops. When the chairman of the military committee interposed obstacles to the organization of the army, Houston urged his appointment as sutler.[104] On December 10, 1835, the provisional government authorized James W. Fannin and Thomas J. Rusk, General Mason's agent, to collect reinforcements, making them at the same time contractors to secure all supplies for their volunteers.[105] Another feature of the commissariat was demonstrated in a case involving McKinney and Williams, now the largest merchants in Texas as well as two of the largest operators in land. This firm was empowered in January, 1836 to handle loans for the government. Later a tariff was passed. Merchant McKinney (or agent McKinney) reported that

> ... he and Williams had devoted so much time to the service of the government, that they had delayed making their purchases, and found their goods subject to the tariff, while their competitors who had devoted no time to the welfare of the country, had stocked their shelves before the import duties became effective.

102 Proclamation to the Citizens of Texas, December 12, 1835, *WSH*, I, 315.

103 Houston to Smith, January 8, 1836, *WSH*, I, 334.

104 Houston to Smith, December 17, 1835, *WSH*, I, 321; Houston to Bassett, December 30, 1835, *WSH*, I, 327-8.

105 Ralph W. Steen, "Analysis of the Work of the General Council...," *Southwestern Historical Quarterly*, XLI (April, 1938), 327; Rowland, *op. cit.*, 196.

The government passed an act exempting McKinney and Williams from duties.[106] As his biographer says, Williams' "extensive land speculations . . made him temporarily unpopular in Texas" but his and McKinney's firm "served as the financial backer of the Texas revolution."[107]

Sentiment in the United States in favor of Texas grew. Meetings of support were held, especially in New York City, where shares in the Galveston Bay and Texas Land Company were widely held by friends of the Texas commander.[108] Samuel Swartwout was usually chairman of these meetings, with the Curtis brothers, trustees of the company, as sponsors.[109] At one meeting, in November, 1835, "the committee having the matter in charge had fitted out a brig, which sailed with two hundred emigrants in December." To aid the dispatch of these reinforcements to the army of independence an old Monclova operator, "General John T. Mason, an ardent champion of Texas," assigned nine-tenths of a certificate for eleven leagues of land.[110] General Mason, incidentally, had passed through Texas at the beginning of the Revolution, where he was made commandant of the Nacogdoches district by the vigilance committee. While in this capacity he wrote the commander of the United States Army post at Fort Jessup asking him to prevent Indians in that neighborhood from joining the war.[111] Members of the Nacogdoches land group petitioned President Andrew Jackson to keep the Indian tribes on the Texas border under control while the Texas army was occupied with the Mexicans.[112]

106 Steen, *op. cit.*, 234-5.

107 *WSH*, IV, 218-9.

108 James Winston, "New York and the Independence of Texas," *Southwestern Historical Quarterly*, XVIII, 368-85.

109 *Ibid.*

110 Rowland, *op. cit.*, 181.

111 *Ibid.*

112 Houston and others to Andrew Jackson, September 11, 1835, *WSH*, I, 299-301.

Commander-in-chief Houston seems to have been influenced in his movements also by the proximity of the United States troops beyond the Sabine. A recent student holds that the explanation of Houston's celebrated retreat from the Mexicans clear across Texas is to be found in the desire to furnish a pretext for American intervention.[113] "Jackson will protect the neutral ground," one Texan chortled hopefully, "and the beauty of it is he claims to the Neches as neutral ground." [114] If this interpretation had been followed the cause of Texan independence and annexation would have been still further indebted to the civilizing influence of land traffic. Jackson's claim was based on the fact that

> ... in the Year 1819 about the time Mr. Adams was negotiating... for the settlement of the boundary of the two countries United States & Mexico several persons from the United States passed over to Texas and purchased lands, lying between the Neches river and the Sabine in anticipation that the Neches would be the line.[115]

113 Richard R. Stenberg, "Jackson's Neches Claim, 1829-1836," *Southwestern Historical Quarterly*, XXXIX (April, 1936), 255-74.

114 Carson to Burnet, April 4, 1836, Burnet Papers.

115 Fortune to Swartwout, December 30, 1840, Samuel Swartwout Papers.

CHAPTER III

THE SINEWS OF WAR

> What New Country can win Empire and Independence without the use of Sinews of War . . . which money may well be called . . . .
>
> —A Texas loan commissioner.

> (Money makes the Mare go) and I hope you will send us Land Scrip immediately to enable us to raise some.
>
> —A Texas loan commissioner.

I

WHEN the independence of the Republic of Texas was achieved by revolution against Mexico it was thought that annexation to the United States would not be long in following. As Sam Houston said when he heard of American recognition of Texas independence, "This alone is cause for joy, but annexation wou'd have . . . secured all that we contended for." [1] Annexation had been long desired for with it, everyone felt sure, would come that increase in population which raises land values to respectability. Moreover the protection of the American army would eliminate the troublesome sallies into Texas the Mexicans kept making for years after 1836; nothing was more depressing to land sales than these attacks and rumors of attacks. Many could say with the President of the Republic that their only wish was "to see the country happy, at peace, and retire to the Red Lands, get a fair, sweet 'wee Wifie'"—this was the bachelor frontier —"and pass the balance of my sinful life in ease and comfort (if I can)." [2]

Paradoxically, however, the Texans had to protect themselves to get American protection, for annexation waited on, among other things, the clear demonstration that the Republic

1 Houston to Irion, March 19, 1837, *WSH*, II, 74.

2 *Ibid.*

was capable of maintaining *de facto* independence.[3] Conscious efforts were made, therefore, to obtain the sinews of war in such a way as to create American interest in annexation at the same time.

Henry Smith, secretary of the treasury and town promotor, put the whole matter very neatly. What Texas ought to do, he argued in 1838, is to issue stock which could be bought with the depreciated claims against the government already in circulation from the financing of the revolution. The shares created by this funding process " would float off to the United States, and even to Europe, and fall into the hands of bankers and capitalists." This would have the effect of " increasing a foreign interest in our favor," one which would not look with equanimity at Mexico's recurring efforts to regain her lost province. " For it is with governments as with individuals," Smith pointed out, " banking institutions will not permit a firm or an individual to fail who has become largely indebted to them, so long as it is possible to sustain them, or at least till they can be thrown off on some other institution." [4]

2

Henry Smith's scheme sounded reasonable because it was in fact what Texas had been doing all the time. From the first the financing of the Republic had the effect of " increasing a foreign interest " in the favor of Texas. The mechanism was, as might be expected, land speculation.

It will be recalled that Generals Stephen F. Austin and William H. Wharton left their military duties in 1835 to raise funds in the United States. They had proceeded no farther than New Orleans before they " readily found two groups of capitalists who were eager to speculate in Texas lands under the guise of loans." [5] The amount advanced was

3 Holley, *op. cit.*, 71, 73, 77.

4 Gouge, *A Fiscal History of Texas*, 85-6.

5 Barker, *The Life of Stephen F. Austin*, 499-500.

to bear eight per cent interest, repayment of principal and interest to be in land at fifty cents an acre—"in case they elected to take land—and all of them intended to." [6] Such was the eagerness of the New Orleans lenders that they immediately bound themselves by mutual agreement not to sell to any outsiders for less than $1.25 an acre and began to boom Texas lands by letter and in the public prints.[7]

The new investors were not unnaturally concerned about the political fate of Texas, which at this time had still not declared its independence from Mexico. "We could not have obtained the loan," Stephen F. Austin wrote home, "except on the firm belief by the lenders that a Declaration of Independence would be made. . . ." [8] "The capitalists have been awaiting the present Texas Convention," the loan commissioners reported about this time. "If that declares absolute independence all [*i.e.*, all sales of land scrip] will go right immediately." [9]

Those helping out the republic in her hour of need with cash were to be given priority in locating their lands over those furnishing materials or service in the field—which proviso caused an uproar when the people in Texas heard about it. But the contract which Austin and his fellow commissioners signed provided, of course, "that no vested right already existing to lands" should be interfered with.[10]

3

Personal business continued to make the revolution in its financial as in its military aspects a part-time affair. In Texas President David G. Burnet had to call the attention of the

6 Barker, "Texas Revolutionary Finances," *Political Science Quarterly*, XIX (December, 1904), 630.

7 *Ibid.*

8 Austin to D. C. Barrett, January 17, 1836, *AP*, III, 305.

9 Austin, Archer and Wharton to Bryan, March 31, 1836, *AP*, III, 319.

10 Jack to Marx, July 20, 1836, Burnet Papers.

Senate and House of Representatives to a serious problem. "Divers persons unknown to me," he said, "are actively engaged in making locations of land" forfeited by the flight of their owners from the country in face of war. "The rights of property are among the most sacred and affecting interests to civil society, and unless they are preserved inviolate no social compact can long subsist." These untimely locations on forfeited lands must cease, as it is unfair to the volunteers and citizen soldiers in the field and the public creditors abroad, who also have rights to the forfeited properties.[11]

With the Texas loan commissioners in the United States the story was the same. Throughout the bond-selling tour, for instance, Austin was occupied with land deals. One involved laying off a town in one of his grants (one which might be expected to be in the way of the tremendous emigration he foresaw) and selling lots. "[Sam] Williams is a good hand at arranging speculations of this kind," he wrote. "Others can make money in this way, and I see no just cause why I should not."[12] On the other hand Austin at times felt that his agent was *too* good a hand at "arranging" things, especially if Williams' private activity took precedence over that delegated to him by the loan commissioner. "No news from W. I fear he is dreaming somewhere. God grant that his dreams may be less injurious to Texas than some which were drempt at Monclova—"[13]

Austin's nephew was occupied at this time in averting any risk to his uncle's possessions which might result from the land office being in the hands of the government which had sent him to the United States. ". . . As Doct Peebles is one of the commissioners who were appointed to take charge of the papers I may perhaps get them from him long enough to

11 Burnet to Senate and House, October 17, 1836, *ibid.*

12 Austin to Perry, December 25, 1835, *AP*, III, 294.

13 Austin to McKinney, January 21, 1836, *AP*, III, 308.

take a copy of them without the knowledge of the council." [14]

Finally Austin's favorite project of "a *Bank*" continued to occupy his attention, and there were some "eleven-league tracts" to be disposed of.[15] He noted that some of the deeds for the latter were in his brother's name because at the time of registration "there was no other officer to acknowledge them before except me." [16]

4

The Texas loan (or land) commissioners proceeded from New Orleans to New York, first appointing a local merchant to attend to government war purchasing.[17] It should be William Bryan's duty, the commission read, "to supervise the filling of all orders" and "to accept generally for the Government so far as prudence will justify." Mr. Bryan has also, Austin wrote his friend and fellow land adventurer Gail Borden, Jr., publisher of a newspaper Austin owned in Texas, "promised to attend to your business." [18]

Several proposals for colonization enterprises were received by the commissioners on the road. One promoter wanted to bring emigrants from England to support the Texan struggle, in return for land and "military rank without pay." [19] Authority was given a sub-commissioner to begin negotiations for a $500,000 loan in New York and Boston—security to be a mortgage on a million acres of land.[20] Promoters raising troops to march to the aid of Texas were informed of land

14 Bryan to Perry, December 30, 1835, *AP*, III, 295.

15 Austin to Perry, March 4, 1836, *AP*, III, 317.

16 Austin to Perry, December 17, 1835, *AP*, III, 286.

17 Austin and Wharton [to Smith], n. d., *AP*, III, 303-4.

18 *Ibid.*; Austin to Borden, January 18, 1836, *AP*, III, 306.

19 Savage to Austin, Archer and Wharton, January 19, 1836, *AP*, III, 308 (not printed).

20 Austin, Archer and Wharton to Yates, January 21, 1836, *AP*, III, 312 (not printed). See also Austin to J. M. Wolfe, January 22, 1836, *AP*, III, 312.

bounties awaiting them.[21] "A fine field is presented for the enterprising," as Austin put it.[22]

At New York the second loan was arranged, the head of the Texas government being informed that no loan could succeed "except on the basis of a positive sale of land at a price not exceeding half a dollar an acre." The principal purchasers were Sam Swartwout and the Curtis brothers, trustees of the Galveston Bay and Texas Land Company, who continued their activities in behalf of annexation.[23] "Genl. Swartwout—the tried friend of Texas . . . presided," a relative of Austin wrote about an annexation rally in New York City. Swartwout addressed the meeting "much to the purpose" and another speaker said that Texas would be annexed because "fate has fixed it and Man cannot change it."[24] General Swartwout's "munificent donations, as disinterested as it was valuable" and "personal persistency in enlisting the sympathies" of his countrymen were to be rewarded by the government of Texas by the gift of Santa Anna's tent, after that "Hydraheaded monster of Tyranny" was defeated at San Jacinto. The memorialist who presented the tent on behalf of "the people of Texas" was fittingly James Morgan, Swartwout's land agent in Texas.[25]

But attempts to raise money by borrowing from Nicholas Biddle's Bank of the United States had for the moment failed, and so had a scheme to appropriate part of the United States Treasury surplus to the aid of Texas.[26] When further loans

21 See, *e. g.*, Austin to Owings, February 12, 1836, *AP*, III, 313.

22 Austin to Holley, February 16, 1836, *AP*, III, 316.

23 Subscriptions to a Loan, undated, *AP*, III, 342.

24 John P. Austin to Austin, July 29, 1836, *AP*, III, 407.

25 Morgan to Swartwout, September 5, 1836, *AP*, III, 429; also see John P. Austin to Austin, July 29, 1836, *AP*, III, 407.

26 Austin to Nicholas Biddle, April 9, 1836, *AP*, III, 328; Austin to Jackson, *et al.*, April 15, 1836, *AP*, III, 332.

were attempted Benefactor Swartwout sent the government sound advice.

> Nothing but Lands will satisfy the lenders, and that at a low rate.... Let your Lands pay the expences of the war, if you sell them for only 5 cents an acre. You must yet have large sums... and nothing else will bring them.[27]

The commissioners were "much gratified" to hear of efforts being made in New York "to raise a joint stock Steam Boat Company, and fit out a Steam Boat from this City for Texas, on the individual enterprise" of friends of the cause. They were unable, however, to purchase the steamboat for the government because of "the immediate and more important demands for money to be applied to sustaining the army already in the field." [28] There were complaints that the needs for "sustaining the army" were being broadly interpreted by the numerous receiving and disbursing agents laying in stores at New Orleans. "Champaigne and laced uniforms will not kill Mexicans. . . ." [29]

Besides negotiating loans, the commissioners engaged in annexation activity: indeed they had been sent to the United States to determine "whether by any fair and honorable means Texas can become a member of that Republic." [30] The combined (perhaps inseparable) effort to sell lands and effect annexation was carried on with such publicity that the Mexican ambassador was constrained to declare that Mexico would not recognize the debts the Texas agents were contracting, nor consider valid any land titles they promised.[31]

27 Swartwout to Austin, July 9, 1836, *AP*, III, 390; see also same to same, November 7, 1836, *AP*, III, 448 (not printed).

28 Austin, Wharton and Archer to Yates, April 23, 1836, *AP*, III, 338; see also Yates to Austin, *et al.*, April 1, 1836, on the "Milam Furtrading and Land Co.," *AP*, III, 323.

29 Henry Austin to Brigton and Byron, Delegates to the Convention, March 31, 1836, *AP*, III, 320.

30 Barker, "Texas Revolutionary Finances," *Political Science Quarterly*, XIX (December, 1904), 629.

31 J. W. Schmitz, *Texan Statecraft, 1836-1845*, p. 8.

The commissioners paid no attention and allowed the announcement to interfere neither with the work of selling land nor with "the paramount object of annexation." Public meetings were attended in Philadelphia and New York. Austin addressed a plea to Andrew Jackson, Martin Van Buren, Thomas Hart Benton and others to "let the war in Texas become a *National war, above board.*" [32]

The Father of Texas also pointed out in a letter to the United States Senator from Missouri which was published in the newspapers that a war of barbarism was raging in Texas, "waged by the mongrel Spanish-Indian and Negro race, against civilization and the Anglo-American race." The Anglo-American foundation in Texas which Austin had labored fifteen years to build up, this "barrier of safety to the southwestern frontier, and specially to the outlet of the western world—the mouth of the Mississippi," this "nucleus of republicanism is to be broken up, and its place supplied by a population of Indians, Mexicans, and renegados, all mixed together, and all the natural enemies of white men and civilization." Austin called for an "expression of opinion in Congress, or by the Executive *favorable* to *the cause* of Texas" for this would "open the ice-bound chests of money-lenders, and enable Texas to procure *funds.*" Such a step would prevent the "bloody tide of savage war and the horrors of negro insurrection" from spreading across the United States frontier.[33] Austin and Wharton also addressed gatherings to similar effect in Louisville and Washington.[34]

At this time, incidentally, Austin was engaged in a land purchase from Father Michael Muldoon of Mexico, the intermediary being a New Orleans counting house evidently untroubled by fears of savage encroachment.[35]

32 Austin to Jackson *et al.*, April 15, 1836, *AP*, III, 332.

33 Austin to Senator L. F. Linn, May 4, 1836, *AP*, III, 344.

34 *Ibid.*

35 Zacharie & Co. to Austin, May 5, 1836, enclosing Muldoon to Zacharie & Co., March 9, 1836 and Muldoon to Austin, March 9, 1836, *AP*, III, 348.

5

A cousin wrote Austin that she was making speeches and helping raise a "Ladies Legion" for Texas. "Mr. Edwin has made already $50,000 by Texas lands," she noted, and hoped that "Our time will come." [36] But she doubted that the ice-bound chests of the monied men would open to Texas' cause. "We must not look to them for generosity." [37]

Other bond-salesmen and land-jobbers were now in the field, even though the Mexican ambassador had declared that the titles being vended would not be recognized. "The influence of [the Mexican ambassador's declaration] on possible immigrants can hardly be determined, but it is certain that it did in no way influence the activities of the agents." [38]

George Childress and Robert Hamilton had set out for the United States in the early part of 1836, empowered to borrow money and effect recognition and annexation if possible. "Mr. Hamilton and I parted company at Natchitoches," Childress wrote early on the tour, "he having gone by his plantations on Red River." [39] Otherwise they had been endeavoring "and shall continue (through the press and otherwise) to *agitate* the United States as much as possible." A Tennessee general had made a proposal to them "to bring from Tennessee a force of two thousand men, provided he would have the rank he now has in Tennessee" and they wanted to know if they succeeded "in our pecuniary negotiations at New York" they "could take the responsibility of advancing a sufficient sum to Gen Dunlap to transport the Tennessee troops to the seat of war." [40] Before these developments could take place, however, General Dunlap "had a call from Genl Gains for a brigade to defend the Western borders." He therefore "joined

36 Mary Austin Holley to Austin, June 1, 1836, *AP*, III, 361.

37 Same to same, April 21, 1836, *AP*, III, 335.

38 Schmitz, *op. cit.*, 8.

39 Childress to Burnet, April 18, 1836, *TDC*, I, 84.

40 *Ibid.*; Carson to Dunlap, May 31, 1836, *TDC*, I, 93.

the volunteers with a full Conviction that we would not be detained long in the service of the U. Sts, and that in that event I could take the whole volunteer Corps with me to Texas." [41]

In Texas also the whole business of raising troops and equipment was inseparable from land traffic. The usual procedure in the early days of the republic was to give anybody who thought he could enlist a battalion or get somebody else to do so sufficient land scrip to finance the deal. This was true of agents leaving Texas to raise men, to purchase supplies, to make peace with the Indians, etc., etc. In fact scrip was placed in the hands of almost everybody who left Texas for the United States in the hope that something useful to the cause of the revolution could be thereby procured.[42] Most of the "generals" raising men and material were also operators in land as well, and this fact lent a further urgency to their missions. But Sam Swartwout's advice was still not implemented to the full. Two of Texas' agents wrote of an unsatisfactory interview in Philadelphia. They had "just returned from seeing Mr. Thomas Biddle and Mr. Hodge Capitalists of this place and from the bearing of their conversation they wish *Land,* not the *'hypothecation'* only, but the Land in fee, at a price to be negociated etc." [43]

In the midst of the "hypothecation" of Texas lands by a host of exuberant agents came bad news. One of the agents reported to the President of the Republic that a fellow was in Philadelphia, "feeling the pulse of the Capitalists," and it appears "that a recognition by this Government of our Independence is made a sine qua non by capitalists" for purchase of scrip.[44] The explanation for this is probably found in the fact that another competitor in lands had come into the field:

41 See Carson to Dunlap, May 31, 1836, *TDC*, I, 93.

42 Burnet Papers, *passim*, especially for September, 1836.

43 Carson to Burnet, July 9, 1836, *TDC*, I, 108.

44 Same to same, July 3, 1836, *TDC*, I, 101.

> We have learned that a minister Plenipotentiary has been sent by the Govt. of Mexico to the U.S. *Rumor* says that one object of this mission is to *sell Texas* to that Govt.

Envoys were instructed to enter "*solemn protest* . . . against the right of Mexico to sell or the U. S. to purchase, Setting forth in full the declaration of Independence." President Jackson, however, declared that all the United States wanted was a quit claim on Texas.[45]

6

The number of land-jobbers in the field seemed to the President of Texas to complicate matters so in the latter part of 1836 he proclaimed Thomas Toby, merchant prince of New Orleans, sole agent in the United States. Bonds to the value of $120,000 were sent Toby, endorsed but the rate of interest not specified; "Toby had full authority to fill out the blanks at the best rate of interest he could obtain and dispose of the bonds as he saw fit." The New Orleans merchant acted as purchasing agent for the Texas army and navy, advancing the money himself and "receiving as security large blocks of land scrip valued at fifty cents an acre." [46] The confusions of business and government continued with the sale by Toby's firm of a steamboat to itself as agents of Texas.[47]

The issue of land scrip had been recommended by Texas' first loan commissioners, Austin, Archer and Wharton, who found out very early that, as Wharton put it, "no money could be raised without giving away all Texas." [48] They urged that the government issue scrip in tracts of 640, 320 and 160 acres to be located on vacant lands after pre-existing claims had been allowed. They should, however, retain absolutely the right to decide disputes, "for otherwise the holders of

45 Carson to Childress, April 1, 1836, *TDC*, I, 76.

46 Schmitz, *op. cit.*, 18, 19, 20.

47 Irion to La Branche, December 30, 1837, *TDC*, I, 275.

48 Wharton to the Governor of Texas, April 9, 1836, *TDC*, I, 81.

scrip may possibly attempt to locate on lands deeded or equitably held by settlers on the pretext that the settler had not complied with all the minute conditions of settlement, improvement etc etc." All three commissioners were to devote a great deal of effort to the passage of a satisfactory land law dealing with these matters. At this time they also pointed out that

> Scrip, of this kind, struck off like bank notes handsomely engraved would serve as a circulating medium and be a much sounder currency than some of the bank notes for being a title to land at a low rate nothing but the total ruin and failure of the country by defeat would jeopardize its value or reduce it below par. . . .

In lieu of issuing scrip, "treasury notes might be issued to a limited extent payable in land at one dollr. pr acre. . . ." [49]

Both these expedients were resorted to, as it was obvious from the first that loans were sales of land anyway, in all but name. In 1836 agencies for the sale of scrip were opened in Mobile and New Orleans and more than one million acres passed into the hands of United States citizens by early 1837.[50] These agencies also helped to sustain Texas credit by redeeming treasury notes in land scrip.[51] Very little scrip was issued for cash, most of it going for payment for supplies at a fraction of its face value; this amounted to a land speculation on the part of the supplying merchants at a rate of ten cents an acre, more or less.

7

John K. Allen, friend and fellow-enterpriser [52] of Sam Houston and soon to promote the new capital of Texas, to

49 *Ibid.*

50 Miller, *op. cit.*, 54.

51 Gouge, *op. cit.*, 141.

52 A. F. Muir, "Railroad Enterprise in Texas, 1836-41," *Southwestern Historical Quarterly*, XLVII (April, 1944), 342.

be called "Houston," was in the field selling scrip.[53] The firm of McKinney and Williams was the main purveyor to the armies, and Sam Williams was simultaneously legislative representative, army officer, and loan agent. The war debt to the firm was eventually paid in land scrip.[54]

It was appropriate that McKinney and Williams, as the largest land speculators, should make the largest advances to the Republic in its travail, amounting to more than $150,000. "Neither partner was wealthy, but each was fortunate in having good credit and wealthy connections in the United States."[55] Sam Williams was appointed in 1838 to negotiate a five million dollar external loan, proceeds of which could be used to extinguish his and other Texas debts or at least provide a circulating medium for the want of which, as his friend Sam Houston pointed out, "our land could not be sold."[56] At one time Williams' firm owned more than one-fifth of the city of Galveston "but so anxious were they to see the city develop that they did not try to realize a big profit, but sold all their stock for from $160 to $200 per share."[57] McKinney and Williams were also shipowners and some of their vessels "played a conspicuous part in the Texas revolution, and they were cheerfully placed at the disposition of the government for the purpose of conveying troops and supplies to the army under Houston."[58]

At the height of the revolution, however, Thomas McKinney was fearful of the consequences of the growth of the na-

53 A. F. Muir, "Destiny of Buffalo Bayou," *Southwestern Historical Quarterly*, XLVII (October, 1943), 99; E. W. Winkler, "The Seat of Government of Texas," *Quarterly* of the Texas State Historical Association, X (January, 1907), 167 ff.

54 E. T. Miller, *Financial History of Texas*, 53.

55 *WSH*, IV, 35.

56 The Veto of the Bill for the Further Issue of Promissory Notes, May 12, 1838, *WSH*, II, 222; Houston to the Texas Senate, May 21, 1838, *WSH*, II, 235.

57 *WSH*, IV, 35.

58 *Ibid.*

tional debt which the prosecution of the war entailed, and called for measures short of independence. "I fear," he wrote Austin, "if a stand is not taken against self-dubed patriots all our labors in Texas are gone to the devil and me with it. Where is the money to come from to pay 10 or 15 million of Dollars with our present population." Although the money was being spent with him, McKinney viewed with alarm the "Red hot unthinking politicians whose business will be to spend money." He pointed out that "the burthen of paying it" will devolve upon the people and asked "when the devil will we be able to pay 3 or 400$ for every soul in Texas all for high sounding terms." When Austin joined the "Red hot unthinking politicians," McKinney broke with him, although he continued to accept government drafts. He also foresaw danger in building up a military power in Texas which might challenge that of the "old settlers." [59] Austin in his turn felt that McKinney and Williams instead of prosecuting the war forgot their duty to their country and "became wild and gambling land jobbers." [60] Before the year was out, however, Austin and McKinney were partners in "a Banking and internal improvement scheme, to be called the Texas Railroad Navigation and Banking Company." [61]

Meanwhile there were difficulties in selling land scrip because returning soldiers were selling their land bounties in New Orleans as soon as they landed, cutting under the government price of 50 cents an acre. In 1837 President Sam Houston pointed this out to the Texas Congress and urged that for the preservation of the public credit no more land warrants be issued to soldiers for the time being. The Congress, however, required that the warrants continue to be

59 McKinney to Austin, December 17, 1835, *AP*, III, 286; February 22, 1836, *AP*, III, 316.

60 Austin to Perry, October 25, 1836, *AP*, III, 438.

61 Austin *et al.* Partnership Agreement, December 10, 1836, *AP*, III, 472.

issued. "If they did this with a view of buying them up for themselves, at a low price, the journals do not reveal the fact." [62]

It was to be expected that the men operating in Texas land scrip should also be advocates of annexation. Thomas Toby and William Bryan, New Orleans merchants making advance of supplies to the Texans in return for land claims, were leaders in all pro-Texas movements in the city. They were sponsors of public meetings in October, 1835, and throughout 1836, including one in January at which Austin, Wharton and Archer espoused the "cause of truth, light and liberty, against tyranny, priestcraft and military domination." [63] The other New Orleans leader in the cause of annexation was Texas operator William Christy, who sponsored meetings, forwarded emigrants, and sponsored General Mexia's Tampico expedition.[64]

8

The sinews of war were also acquired by Texas in more informal fashion. William Christy, for instance, financed a freebooting cruise of the Texas Navy which was to pay its own way. Out of an estimated $800,000 profit, $400,000 was to be turned over to the Texas government headed by Christy's old friend, Sam Houston.[65] In this case the very navy was to engage in privateering, financed by Texas creditors and landholders. Another privateer was the *Thomas Toby* and another was owned by a Texas secretary of the navy.[66] Texas ships were liable at all times, however, to be levied on by

62 Gouge, *op. cit.*, 69-70.

63 James E. Winston, "New Orleans and the Texas Revolution," *Louisiana Historical Quarterly*, X (July, 1927), 330 ff.

64 *Ibid.*

65 James, *op. cit.*, 335.

66 Hill, *op. cit.*, 10, 39.

those who furnished the sinews of war; "the Navy is in the hands of creditors" was a sentence which more than once appeared in reports to the government.[67]

The interest taken in the fighting forces of Texas by land speculators amounted to direct protection of their investments. This sort of action was very attractive, especially since aid was acknowledged in the form of certificates of indebtedness which could be turned into more land. Thus Samuel Swartwout advanced $2,592 to the commandant of the *Invincible* at New York City on one occasion to get it out of the hands of the ship's chandlers there and later prayed to the government of the republic for repayment—with 10 per cent interest. It is not far-fetched to suppose that Collector Swartwout thought of this payment as similar to one of $2,000 which he made President Sam Houston "as the advocate and agent of our land business in Texas." The record of that payment in the Swartwout Papers is entitled: "Statement of Advances Made by Saml. Swartwout towards perfecting the title to lands in Texas."[68] This supposition is particularly relevant when it is remembered that some ardent Texans advocated the confiscation of property whose owners did not contribute to the war effort. "The land holders in Texas resident in the city of New York," young Memucan Hunt wrote, "with a few exceptions lend no pecuniary aid whatever to Texas. . . . I am an advocate for the confiscation of all property which has not been, or shall not be represented, directly or indirectly, by its owners during the war."[69]

The fact that all absentee owners of Texas lands were interested in "perfecting" their titles should not obscure the

67 *Ibid.*, 94; Bryan to Burnet, March 19, 1836, Burnet Papers.

68 Statement of Advances Made by Samuel Swartwout towards perfecting the title to lands in Texas under certificates purchased by John T. Mason, October 16, 1836, Samuel Swartwout Papers; Mason to Swartwout, June 4, 1836, *ibid.*; Receipt signed commandant *Invincible*, February, 1837, *ibid.*

69 Hunt also endeavored to get other American investors to participate in the "absentee westward movement." See, *e.g.*, Hunt to President and Directors of the Mississippi and Alabama Rail Road Banking Company, May 25, 1837, *TDC*, I, 224.

fact of conflict among them. Neither should the "high character as a capitalist and a financier" which commended each "to the entire confidence of the Govt.," as one commission of an agent ran.[70] The principal cause of conflict among the various sellers of scrip was that each resented the others. Thomas Toby summed the situation up when he said that placing scrip in so many hands "makes it too common."[71]

This overissue which caused land prices to fall led to a vigorous pamphlet warfare among the various sellers. Robert Triplett, the first agent appointed to sell scrip, resigned when the government authorized another merchant of New Orleans, Thomas Toby, to sell 500,000 acres at 50 cents an acre. Triplett had hoped to sell $100,000 worth of scrip easily but this became impossible, he said, with the new entry in the market.[72] Indeed, Triplett had planned to buy scrip himself and had made a down payment. But the advertisement in the New Orleans paper of 500,000 additional acres for sale "leaves no inducement to take the balance of the loan." He and his friends, he pointed out, after all "invest money . . . with a hope of profit—as 500,000 acres more have been offered, we have no reason to believe that 1,500,000 will not follow." Without "wishing to disparage the value of Texas land or complain of the Government," Triplett thought it due to candor "to say that my confidence is lost and that I shall sell my scrip as soon as I can find a purchaser." Not that he was going to begin running down Texas scrip: "It will be to my interest of course not to injure the credit of the Script, or of Texas. My own interest is a security against it."[73]

70 Burnet to Senate, October, 1836, Burnet Papers.

71 Toby & Brother to Burnet, November, 1836, *ibid.*

72 T. Urqhart and others to A. J. Dallas, May 9, 1836, W. C. Binkley (ed.), *Official Correspondence of the Texan Revolution*, II, hereafter cited *OCTR*.

73 Triplett to Burnet, June 13, 1836, *OCTR*, II, 780.

But more was involved than a personal quarrel, Triplett pointed out. "The hope of a good speculation in case Texas succeeded in her struggle" induced the first lenders to support the republic. "No enemy of Texas holds any of her stock." He knew as "second purchasers" many of the most wealthy and influential men in the Union. Any act on the part of Texas which would depress the value of their holdings "will cause innumerable disappointments, heart burnings, ill feelings, and enmity." Already he himself had withdrawn a loan of $4,000 he had made the government's agent in New Orleans (secured by a note which he had hoped, he said, to "pay myself" when he had sold enough land scrip). It was easy to see that others would be affected likewise. The present creditors of Texas "are able to give some sensation in favor or against the stock in every State in the Union." Their influence in its favor would make it worth much more than with their opposition and "as all value of land would seek its level" as much as fifty million of dollars would thus be lost to Texas as proceeds.[74]

"Your means of carrying on your war," Robert Triplett concluded, "must mainly be drawn from your land; if you create a disgust among your most generous advocates and they . . . declaim . . . they have unfaith in the government, and would give nothing for a title to land under it" as a matter of course others will acquire the same feeling. In such a case "you will not be able to sell land at any price, nor to raise money at all, confidence is a plant of slow growth and of a tender nature . . . and yet upon its life depends the existence of almost every government."[75]

William Bryan and Edward Hall were also annoyed at the scrip concession given Thomas Toby and Brother. Edward

74 Triplett to Burnet, June 8, 1836, *OCTR*, II, 759; Triplett to Secretary of State, August 19, 1836, *OCTR*, II, 948.

75 Triplett to Secretary of State, August 19, 1836, *OCTR*, II, 948.

Hall had taken the "Gallant Greys" of New Orleans to the Texas battlefield personally and presented them to the government. In return he was presented with a league of land. "All I ask now," he wrote shortly afterward, is for the government to send along the scrip.[76] But when he became a wholesaler of scrip he began asking the government to do something about his competitors as well. Hall and Bryan also objected to the government sending specie to Thomas Toby and Brother instead of to themselves; "this," they wrote, "has had the effect to impair the credit . . . of this agency." [77]

9

All the land agents of Texas were her creditors as well, and as such recognized her need for war supplies. "You must have a revenue," Robert Triplett wrote, "or your wheels of Government must stop."[78] "Necessaries that I know you are suffering for," Edward Hall said, must be dispensed with if scrip were not sent him.[79] "(Money makes the Mare go)," he wrote on another occasion to the secretary of the treasury, "and I hope you will send us Land Scrip immediately to enable us to raise some." [80] "We only want money and we can send men. No officers or Special Agents are required. 'Tis Money! Money! Money!" [81]

Yet this recognition did not blind the Texas creditors to all considerations of good business. Their loans to the government, Sam Williams and Thomas McKinney remonstrated,

76 Hall to Hardeman, June 8, 1836, *OCTR*, II, 762.

77 Hall to Hardeman, May 12, 1836, *OCTR*, II, 668. L. M. Nelson, "The Second Texas Agency at New Orleans," has an account of the dispute between the various agents, and the pamphlet warfare that raged on the subject, 35 ff.

78 Triplett to President and Cabinet, June 2, 1836, *OCTR*, II, 740.

79 Hall to Hardeman, May 18, 1836, *OCTR*, II, 668.

80 Same to same, June 8, 1836, *ibid.*

81 Hall to Burnet, May 1, 1836, *OCTR*, II, 762.

were "highly injurious to our private business." [82] "I cannot venture to involve my private fortune," Robert Triplett put it. "Common prudence and duty to my family forbid it." He was, however, "disposed to serve Texas as far as my private interest will allow" and would enlist the feelings and interest of the people of the United States in her favor.[83] The reform urged by each, of course, was that he be made sole agent for the sale of the scrip.[84]

10

Nothing brought out so clearly the nature of the Texas revolution and annexation movement as the attempt to raise money for the war effort by the negotiation of individual bonds. Many could say with Sam Houston that "in promoting the interests of my country I feel that I am promoting my own individual happiness. All that I have, either in reputation or in property, is in Texas." [85] Many of the leading land operators therefore gave the government authority to mortgage their real estate in an attempt to get money when the government's own credit was low.[86] A typical patriot donated a townsite on his holdings and supplied men and arms to defend it. As commander-in-chief Stephen F. Austin purchased supplies on "the joint obligation of myself and many others . . . in the room of money in hand." [87] Citizens

82 McKinney & Williams to President and Cabinet, May 15, 1836, *OCTR*, II, 681.

83 Triplett to President and Cabinet, June 2, 1836, *OCTR*, II, 740.

84 *Ibid.*; McKinney & Williams to President and Cabinet, May 15, 1836, *OCTR*, II, 681.

85 Address of General Sam Houston, President Elect, at Houston, November 25, 1841, *WSH*, II, 394.

86 See *WSH*, IV, 363-4; Burnet to Toby, September 22, 1836, Burnet Papers.

87 *WSH*, I, 293; Austin to Bowie and Fannin, October 24, 1835, "General Austin's Order Book for the Campaign of 1835," *Quarterly* of the Texas State Historical Association, XI (July, 1907), 30.

were also asked to sell their lands and raise equipment and men with a government guarantee of repayment.[88] " Send out the *Independence* [a ship of the Texas fleet]," the President of Texas wrote a New Orleans agent in 1837, " & if necessary, I authorize you to pledge a first rate League of land on Red River . . . belonging to me of undoubted Title." [89] At another time the President wrote an agent who was " authorized for supplies for the army to hypothecate all my lands amounting to 50,000 acres of the best land in Texas, of undoubted titles." [90] If supplies are not forthcoming " we must lose all we have gained, and our country." [91]

William Christy, with Adolphus Sterne, an East Texas land operator, had fitted out two companies for service in the revolution—the famed " New Orleans Grays." In his inaugural address President Houston called especial attention to Christy whose " purse was ever open to our necessities." [92] One of the Texas loan commissioners was Michael B. Menard, whose efforts if successful would aid the nation and also further the sale of stock of the Galveston City Company he was promoting.[93]

In return for their contribution of " sinews of war " Texas creditors received in all 1,329,200 acres of land scrip. The " Triplett loans " amounting to $20,000 were discharged for 53,357 acres and the " Erwin loan " of $45,820 for 121,381 acres, both in 1837-38. A debt of $54,508 to McKinney and

88 Burnet to All Citizens of Texas, undated [May, 1836?], Burnet Papers. An account of General Thomas Jefferson Chambers' private financing of the revolution may be found in *WSH*, II, 231.

89 Houston to Toby, February 1, 1837, *WSH*, II, 47.

90 Houston to Truston, March 17, 1837, *WSH*, II, 71. Other examples of private financing may be found in W. C. Binkley, ed., *Official Correspondence of the Texan Revolution, 1835-1836, e. g.*, 7-9.

91 Houston to Toby, March 17, 1837, *WSH*, II, 72.

92 *WSH*, I, 343-4; Houston's Inaugural Address, October 22, 1836, *WSH*, I, 451.

93 Houston to the Texas Senate, November 30, 1836, *WSH*, I, 490-1.

Williams was liquidated in land scrip in 1844. Moreover Professor Gouge points out that the land scrip served further by sustaining the value of Texas securities in the United States by absorbing some of the treasury notes and bonds thrown on the New Orleans market.[94]

But to focus attention on the larger operations does not do justice to the full flavor that land traffic imparted to the life of Texas as it struggled to become a part of the United States. For the common soldiers—who also provided, in a sense, the "sinews of war"—the Texas revolt was also probably a land speculation. As one student says, the young men who streamed to the aid of the Lone Star were actuated by brotherly love and rich Brazos bottom land.[95] Moreover the ordinary business of the day was carried on with land. "The bearer Mr. Burt S. Cole has sold to this Government a quantity of bacon. . . . You will please therefore to deliver to Mr. Cole, or his order, Scrip for 960 acres of land."[96] Orders on the treasury were paid in as land dues from the first.[97]

Persons in need of the essentials, especially soldiers, had to sell their land claims to get them. One individual was introduced to the President of the Republic as "almost naked"; he needed to have his claims against the government audited as he "understands that McKinney and Williams receive drafts upon the Treasury in payment for clothing."[98] But the commander-in-chief called attention to "the history of revolutions" and reminded those who suffered that "those who contend for liberty must be prepared for privations."[99] Besides

94 A. S. Lang, *Financial History of the Public Lands of Texas*, 42, quoting Gouge, *op. cit.*, 281.

95 Claude Elliott, "Alabama and the Texas Revolution," *Southwestern Historical Quarterly*, L (January, 1947), 315.

96 Burnet to Toby, September 2, 1836, *OCTR*, II, 978.

97 *E. g.*, Borden to Hardeman, March 24 and July 31, 1836, *OCTR*, I, 532, and II, 900.

98 Perry to Burnet, August 19, 1836, *OCTR*, II, 947.

99 The President's Message, May 5, 1837, *WSH*, II, 86.

the necessitous were annoying to the government in its own sale of scrip. Discharged soldiers receiving land certificates, the President of Texas reported in 1837, "immediately sailed for New Orleans; and, on their arrival there, finding themselves destitute of means, they found persons there already ready to purchase at a great sacrifice." Scrip sold for 20 cents an acre and under, and "speculators soon availed themselves of these facts." Thus it was that "when the Scrip of the Government was brought into market at 50 cents per acre, there were always persons who had purchased the soldiers' certificates, for a mere nominal amount," who were prepared to undercut the government price. This "rendered it impossible . . . to purchase supplies for the army, without paying from one to two hundred per cent advance for them." Of course it could be said that the government officials were disappointed land speculators themselves.[100]

By 1842 the President complained that hundreds of thousands of acres of scrip could be obtained "in quantities in the United States, at a price not exceeding twenty five dollars for six hundred and forty acres." If more scrip were issued to the militia "the certain prospect of purchasing these for a mere trifle would induce those who wish to speculate in Texas lands to husband their means, as they could render them more available by speculating upon discharged soldiers than by purchasing lands" of the government.[101] As a result Texas government drafts on New Orleans agents were sometimes protested.[102]

Again in 1838 the President said that "the Government will never be able, by all the issues it can make, to satisfy the demands of private speculation and interest. The vast

100 The Veto of a Joint Resolution of Congress, October 24, 1837, *WSH*, II, 145.

101 Houston to the House of Representatives, July 22, 1842, *WSH*, III, 118, 119.

102 Houston to Dimitt, March 26, 1837, *WSH*, II, 76.

issues of all the banks of the United States in their most expanded condition failed to attain this object." Currency issue is "the system which makes the rich richer, and the poor poorer," he said, because those who first receive paper from the Government "perhaps succeed in passing it off without loss, but who can expect that subsequent holders, the less wary and the less enterprising, will escape as well?"

But in holding that "increased depreciation is inevitable" President Houston, like other critics of paper money, overlooked the political possibilities available to the "enterprising." Like other "sound money men" before and since he did not follow through his studies of "over-issue" and "depreciation" to the frequent debt assumptions of which that part of the Compromise of 1850 relating to Texas is an example. In practice neither Sam Houston, who wrote assumption into the first annexation treaty, or Henry Clay, who opposed annexation because it was a project of Texas paperholders, believed that "increased depreciation is inevitable." [103]

II

Merchants, of course, were satisfied with goods in payment of their government claims. "There are various articles on board the prize *Comanche,*" one creditor firm wrote, "that will suit our purposes full as well as the money which we have been promised. . . ." [104] While the capture and disposition of naval prizes was thus well regarded in Texas, the same was not the case in New Orleans.

The New Orleans daily newspapers—five of the United States' twenty-five were in the city [105]—supported the Texas cause except when the Texas Navy began to prey on Mexican commerce. As much of this commerce was with New Orleans attacks on it were accompanied by a lessening of the en-

103 The Veto of the Bill for the Further Issue of Promissory Notes, May 12, 1838, *WSH*, II, 223.

104 Shreve and Grayson to Burnet, July 17, 1836, Burnet Papers.

105 Alex Denst, "New Orleans Newspaper Files of the Texas Revolutionary Period," *Quarterly* of the Texas State Historical Association, IV (1900-1), 140.

thusiasm shown by the *Commercial Bulletin* and other mercantile papers.[106] Henry Austin wrote the Texas convention of "the alarming excitement which the capture by one of our cruisers . . . of a schooner owned" by a New Orleans house "wearing the Mexican flag for the benefit of difference in import duty has produced in this city."

> If our armed vessels are to be employed to rob the very citizens of this city who furnished the money to purchase them, of the property which they think proper to ship to Mexico under cover of the Mexican flag for greater profit . . . the disposition to aid our cause which has been so ardently evinced by the citizens of New Orleans will speedily be changed to an extreme disapprobation.[107]

Not only were Texas creditors annoyed when the naval vessels they "furnished" preyed on New Orleans merchant shipping. The local insurance companies and the local representatives of Mexican creditors abhorred the practice. A delegation of the former asked the commander of the United States squadron in the Gulf of Mexico—himself an old Texas land speculator—to see to it that the Texans behaved themselves.[108] The latter not only approved of such action but tried to injure the credit of Texas in London. There Texas was included in the general "combination entered into by the London Bankers to discredit every thing American as long as the repudiating states refuse to pay."[109] One of the leading London bankers was the banker of the Mexican government and the leading New Orleans firm trading with Mexico.[110] Texans were consoled however when Mexico was also discredited because this London house issued £600,000 of Mexican bonds illegitimately. This, wrote the Texas ambassador, "Cannot fail to produce an injurious effect on the credit of

106 Winston, *op. cit.*, 117.

107 Henry Austin to Brigham & Byron, March 31, 1836, *AP*, III, 320.

108 See the Porter-Austin correspondence in *AP*, vol. II.

109 Smith to Jones, October 21, 1842, *TDC*, II, 1390.

110 Smith to Jones, November 30, 1842, *TDC*, II, 1482.

Mexico,—and to be indirectly serviceable to Texas by cooling the ardor of the friends of Mexico in England." [111]

12

There was thus a general recognition among the Texas leaders that it was the winds of the money market which would determine whether they would be able to maintain a *de facto* independent government, and therefore make themselves eligible for annexation. The landholders of Texas were therefore properly grateful to adventurers who engaged in a little land traffic themselves by lending them money to provide the sinews of war. "In times of general prosperity," the Texas secretary of the treasury wrote one of these, "the Capitalist who advances funds to a Government deserves nothing more than a fair remuneration for his loan." But when an infant republic, "just sprung into existence, without a Government at home or credit abroad, is compelled to carry on a . . . war against a powerful tyrant" the man who "like you could fearlessly step forward and risk his future and credit in our behalf deserves and receives a Nation's gratitude." Without such well-timed aid, the secretary concluded, "Texas . . . might now have been . . . a howling wilderness." [112]

But one far-sighted Texas landowner saw that an even broader base to the public debt would be desirable, so as to diffuse the landed interest Americans had in Texas. "The scrip should be made smaller, say half and quarter sections," James F. Perry wrote the President of the Republic, "and thereby be within the means of every drayman laborer and hodman in the country." These men who may now be enemies of Texas "would if they had a small sum invested in its soil become friends," he reasoned, "for 'wherever my treasure is there is my heart also,' this is, as near as I can recollect, the language of the Scriptures." [113]

111 *Ibid.*

112 Jack to Toby, May 28, 1836, *OCTR*, II, 712.

113 Perry to Burnet, July 23, 1836, *OCTR*, II, 890.

CHAPTER IV

THE MAGNIFICENT SPECULATION

> The annexation to the U. S. I think is very certain and then [Texas] Stock would be very valuable.
>
> —Stephen F. Austin.

> ... Instead of making the stock transferable by endorsement which clogs its negociability, it would be better to have it simply payable to bearer. I accordingly resume my recommendation to obtain the necessary changes in the law.
>
> —Nicholas Biddle.

I

The public debt of the Texas Republic by the time of annexation consisted of bonds, stock and promissory notes to the amount of about twelve million dollars. Speculators (or investors) in Texas paper, who according to Senator Thomas Hart Benton had to be cleared from the floor of the United States Congress at the time of the debate on annexation so interested were they in the measure, were divided into two groups. First were officials, agents, merchants and military outfitters who had furnished supplies or rendered services to the Texas government, or "second purchasers" who had acquired their certificates of obligation either in the form of promissory notes or funded stock or bonds. Second were holders of obligations for direct loans to the government, chiefly the trustees of the Bank of the United States of Pennsylvania.

The details and the outcome of these various transactions indicate that what was on the surface speculation in Texas paper amounted to land speculation in effect. Not only was the paper convertible into land scrip, but the creation of the debt and its redemption were incidental to "perfecting the title" of Texas soil.

This process of title-perfection fell into two periods. First was the period of the revolution which established claims of

$1,250,000 against the government at the same time that it raised the value of Texas lands, including those of government creditors who took land scrip instead of promissory notes for their goods and services. Second was the period after the revolution to 1846 when military and naval expenditures, on account of both Mexican and Indian threats to Texas "sovereignty of the soil," established claims of $10,750,000 against the government at the same time that they bulwarked these land values.

All the Texas debt, therefore, had the twofold character of creating one economic interest while protecting another; and many individuals involved combined debt and land ownership. Moreover quantities of the Texas debt were extinguished before annexation by the issuance of land scrip while the residue of twelve million dollars was paid from the proceeds of a gigantic land sale which was part of the Compromise of 1850 and an additional appropriation to reimburse Texas for her expenditures for defense against Indians.

Such is in summary the history of the debt of the Republic of Texas. The full flavor of these transactions is not preserved, however, in such *post facto* reconstruction of events. For that it is necessary to follow the day-to-day activities of some of the gentlemen of affairs making their way at the time.[1]

2

The maneuvering of many of the men purchasing Texas government obligations was lengthy, and most Easterners, in fact, did not purchase Texas paper until after annexation. Those that did were cautious about direct loans. One banking house kept a Texas loan commissioner in conversation for several days but he believed that the motive was "rather to

1 Gouge, *op. cit.*, and Miller, *op. cit.*, are the main histories of the Texas debt. Summaries may be found in histories of Texas, *e.g.*, Lewis W. Newton and Herbert P. Gambrell, *A Social and Political History of Texas*, 210 ff., 247 ff., 265 ff.

obtain all the information they could out of me as to the probability of my ultimate success in establishing [Texas'] public credit with a view to speculate in . . . Treasury Notes without any serious intention of advancing money on the 8 per cent Bonds." [2]

Chief among the pre-annexation purchasers of Texas paper were the Bank of the United States of Pennsylvania and its president, Nicholas Biddle, not that the accounts of the two are easily separable. Along with Biddle a leading figure was the great enterpriser James Hamilton, the Lone Star loan commissioner and, incidentally, engaged with Biddle in some other operations in his own right. But the fact that Biddle was a banker and Hamilton a Texas financial representative should not force the impression that their activities in the matter were of a narrowly economic kind. Biddle found himself constantly constrained to push the annexation cause politically and with political propaganda, and Hamilton found it necessary to make large excursions into statecraft. The latter's efforts to negotiate a Texas loan "took him over much of the United States and . . . northern Europe and brought him in contact with many financial and diplomatic men of affairs in these countries. At times his work was strictly and entirely diplomatic, so much so that his other activities faded in comparison. . . ." But Hamilton "never lost sight of the loan and all his other activities were only a means to facilitate it." [3]

The larger political sallies of Nicholas Biddle were of the same cast; in fact, his first overt connection with Texas was an attempt to get his friend Hamilton (from whom he was shortly to buy bonds) made president of that country.[4] Both

2 Hamilton to Lipscomb, April 19, 1839, *TDC*.

3 Schmitz, *op. cit.*, 140.

4 Biddle to Hamilton, January 23, 1838, Letter Book, Biddle Papers. All other letters to or from Biddle are from this collection unless otherwise noted.

Hamilton and Biddle were creditors of Texas and both engaged in correspondence with influential citizens of the United States whose efforts if successful would increase the value of their holdings. As Biddle himself said, he had "taken much pains to bring about a better state of feeling . . . with respect to Texas," talking with, among others, the President, Henry Clay, and Daniel Webster.[5] At one point, indeed, Biddle's interest in politics (of course not exclusively Texas politics) extended to the point of considering candidacy for the United States presidency. Texas loan commissioner A. T. Burnley, General Hamilton's partner, urged Biddle to run for president "against the abolitionism agrarianism & locofocoism of the times" as part of their plan to make "things go, *here & in Texas.*" [6] Ironically enough annexation of slaveholding Texas was to be brought about by the locofocos Burnley and Biddle feared.[7]

At the same time that President Biddle and the Texas loan commissioners were negotiating their loan, the bank official was involved in private deals with both. Commissioner Burnley had shares in Texas land companies to offer as well as government bonds.[8] Throughout the period of the loan negotiations Biddle and Hamilton were involved in cotton speculations of vast magnitude. A typical letter from the banker to the loan commissioner at this time would report that he had "talked over the whole matter of Texas with Mr. Clay at dinner" and that Hamilton's cotton firm had a million to draw on the Bank "if your company would be disposed to draw." [9] When Hamilton was appointed loan commissioner of Texas his partner Biddle (to whom he was shortly to sell

5 Biddle to Burnley, December 17, 1838, Letter Book.

6 Burnley to Biddle, December 5, 1838.

7 See Chapter V, below.

8 See this chapter, p. 118, below.

9 Biddle to Hamilton, December 2, 1838, Letter Book.

bonds and who had recommended him for the appointment) thought it a piece of good fortune for all parties.[10]

3

The appointment of General Hamilton as loan commissioner was one of two offered him by Texas. Known as one who had lent money to aid Texas in her revolutionary struggle, he was invited to become a citizen of the new republic and assume the post of commander-in-chief of the army. But one of Sam Houston's first acts as President was to appoint commissioners empowered to borrow five million dollars, and Hamilton declined the military offer and became the head of the bond-selling mission instead.[11]

Before beginning this international tour, the General tried to put before the South Carolina Senate the larger issues of the Texas question. "The cause of Texas," he said, "is identical with the cause which severed the colonies of North America from the parent country," the violation of chartered rights. Guaranties and charters for the encouragement of emigration and settlement allured an enterprising portion of the people of the United States to Texas, under the most solemn compacts. "These were violated without a color of justice." Texas responded with military action which has placed her in a position to attract "a stream of emigration . . . destined to make her a great state in our confederacy," and we of South Carolina have the "duty of looking well to our own interests: of husbanding the good will and nourishing the sympathy of those who may be in alliance with us on the vast and momentous relations of property, and social and political organization."[12] William H. Wharton, adventurer-speculator in Texas and now her minister to the United States, thought General Hamilton "completely nullified and repudi-

10 Biddle to Hamilton, December 16, 1838, Letter Book.

11 Schmitz, *op. cit.*, 48, 49-50.

12 *Niles Register*, LI, 277.

ated" an astonishing message in which the governor of South Carolina charged that the revolutionaries had gone out to Texas "as mere adventurers, speculating upon the chances of establishing an independent government in Texas, and of seizing that immense and fertile domain by the title of the sword." [13]

General Hamilton's friend Biddle was completely in agreement with Hamilton's judgment of the character of those involved in the Texas experiment. From 1836 to 1839 he had turned down several Texas agents trying to float a loan with the Bank but he did it always for business reasons, however happy he would be, as he wrote one, "to serve many of the gentlemen interested in the cause," gentlemen, incidentally, who were at the same time interesting him in Texas land.[14] Even in the latter part of 1838, when he had been in conference with the leaders of the United States government for some time, Biddle did not consider it "yet ripe enough to purchase the Texas notes." [15] He had, however, had a talk with the French minister and hoped to influence recognition in that quarter.[16]

Shortly after this talk Biddle had evidently received the assurances he needed for early in 1839 he requested General Hamilton not to conclude loan agreements that were in the making with the Girard Bank of Philadelphia and a London banking house. Biddle's instructions to Hamilton at this time also suggest that he was contemplating taking the loan personally and not in behalf of the United States Bank.[17] This was emphasized when Biddle resigned his presidency of the Bank shortly afterward. "What I could have done while in," he wrote, "I think I can do as well if not

13 *Ibid.*, 229.

14 Biddle to Gilmer, October 3, 1837, Letter Book.

15 Biddle to Hamilton, December 16, 1838, Letter Book.

16 *Ibid.*

17 Biddle to Hamilton, January 25, 1839, February 5, 1839, Letter Book.

better while I am out." Resignation gave him liberty to "widen the sphere of negotiation with other institutions" disposed to embark on the loan.[18] Throughout this time Hamilton and Biddle were, of course, interweaving their correspondence on Texas strategy with that on cotton and banking ventures, as well as indulging their joint interest in phrenology.[19] It also appears that Biddle was interested with Hamilton and the English banker James Holford in the sale of the steamship *Zavala* (formerly the *Charleston*) to the Texas government, which accounted for a sizable part of the Texas debt.[20]

At any rate, after consulting with several of the nation's political leaders, Biddle concluded an arrangement with General Hamilton for an advance of $400,000 to Texas. The bank received in exchange sterling bonds in the amount of £94,500 bearing 10 per cent interest. Payment was made in the post notes of the bank, which, General Hamilton wrote the President of Texas, would give Texas a currency better than the United States possessed.[21] Before he made the loan Biddle had asked the advice of, among others, the Secretary of State, John Forsyth; the Secretary of War, Joel Poinsett; the Collector of the Port of New York, Samuel Swartwout; and the Congressional leaders, Daniel Webster and Henry Clay.[22] Another project Hamilton had broached at this time to Biddle, that of purchasing a Georgia bank, did not go through, however.[23]

18 Same to same, April 11, 1839, Letter Book.

19 See Biddle to Hamilton, January 9, 1839, Letter Book; on the Georgia Bank deal, same to same, February 4, 1839, Letter Book.

20 Biddle to Hamilton, January 9, 1839, October 24, 1838, Letter Book.

21 Schmitz, *op. cit.*, 84.

22 Forsyth to Biddle, September 9, 1838; Webster to Biddle, September 9, 1838; Ogden to Biddle, September 10, 1838; Webster to Biddle, September 10, 1838; Clay to Biddle, October 14, 1838; Macalester to Biddle, November 30, 1838.

23 Biddle to Hamilton, February 5, 1839, Letter Book.

4

The fact that Biddle and Hamilton were both involved in other enterprises at the time of the Texas loan is important. William Gouge, for instance, thought that the loan was merely a maneuver on Biddle's part to strengthen the Bank's position, especially in Europe. The Bank needed gold badly, Gouge said, and Biddle and Hamilton hoped to lend notes to Texas, receive Texas bonds in exchange, and sell the bonds to the Bank's European affiliates for gold. Moreover the very fact of the Bank's lending Texas $400,000 would be construed abroad as evidence that Texas' credit was good, which might lead Biddle's Paris affiliate, Lafitte and Co., to put up the capital for a Bank of Texas and the French government to guarantee a five million dollar loan to the Republic.[24]

Biddle did hypothecate the bonds with a London banking house, and in 1841 Hamilton did suggest to the Texas authorities that " when the Loan is effected, you ought to have a National Bank—a real effective organ of public credit, not a mere paper manufactory." [25] He had heard from J. Horsely Palmer, the late president of the Bank of England, touching such an institution, and he also had a suggestion as to its head: Samuel Jaudon, Nicholas Biddle's London agent.[26]

Although the contemplated bank was never set up one lasting result of the plan was that a partner of the banking house of Lafitte and Co. became largely interested in Texas land enterprise.[27] Moreover the very rumor—propagated by Hamilton—that the French government would guarantee the loan caused Texas paper at one time to rise from 40 to 60 points.[28]

24 Hamilton to Biddle, April 24, 1837, quoted in Fraser, *op. cit.*, 95; also see Gouge, *op. cit.*, 107-110; Ree to Biddle, March 12, 1841.

25 *Telegraph and Texas Register*, February 22, 1843.

26 Hamilton to Lipscomb, February 7, 1841, *TDC*, II, 1287; Hamilton to Mayfield, July 16, 1841, *TDC*, II, 134.

27 *WSH*, II, 441.

28 Fraser, *op. cit.*, 95.

That the Texas loan had importance in its own right is shown, however, by a proposal President Biddle had made the Secretary of the Treasury during the loan negotiations. He offered to pay the Bank's debts to the government before they fell due in order to ease the tension between the government and the bank. "This business of Texas," he wrote, and another matter "which I project make me desire to close up these old sources of discontent. I am therefore singularly pacific and amicable just now." [29]

That this was indeed true was indicated by the fact that when Commissioner Hamilton sent the President of Texas the good news that the Bank had accepted the loan he admonished prudence in its circulation. "Such is the state of public sentiment here connected with slavery and the slave states," he wrote, "that Mr. Burnley and myself were compelled to pledge ourselves to Mr. Biddle that the aid and cooperation of the Bank in this matter should not be divulged either here or in Texas until we shall have completed our negotiation in Europe." But a few months later General Hamilton was going in for secrecy about the loan without involving his friend Biddle. "Although I think there is no danger of the sufficiency of the Bank of the United States," he wrote the President of Texas, yet I would advise that all the remaining post notes be discounted and the proceeds "lodged in a safe Bank . . . without loss of time." [30]

5

Although he seems to have been wary of public opinion at the time he made the loan to Texas, Nicholas Biddle was outspokenly in favor of the new state when the annexation fever began to rise. He probably felt about popular opinion with regard to the Bank's relation to Texas as he felt about that opinion with regard to the Bank generally. "Public meetings

29 Biddle to Forsyth, April 30, 1838.

30 Hamilton to Lamar, June 28, 1839, *TDC*, II, 453, enclosing Hamilton to Copeland, June 29, 1839.

of working people or other idlers," he had written on one occasion, "will not cause the bank to reverse its policies." [31] At any rate in his statements favoring annexation Biddle took delight in pointing out that John Quincy Adams, a leading opponent of the measure, had when president authorized Joel Poinsett (one of the adventurers in Texas whom Adams now denounced) to offer a million dollars to Mexico for her province.

Even earlier, Biddle noted, ex-President Adams had attempted annexation as Secretary of State. Biddle also said that "those who administer the affairs of the new Commonwealth are highly respectable gentlemen, who have been in the public employ of their native States, and who have carried with them those deep-rooted opinions of the sanctity of contracts and the value of public faith which characterize all the States of the Union"—whistling to keep up his courage.[32]

Biddle turned over his statement for publication in a volume on Texas by Captain Henry Stuart Foote, published in 1841, a passionate appeal for annexation. Captain Foote said that Mr. Adams should be interested in Biddle's statement, for it was by a gentleman "well known to him, and with whom he has had much correspondence in other matters. . . ." [33] In 1843, shortly before Secretary of State John Calhoun's treaty of annexation was prepared, Biddle enclosed Captain Foote's volume in a letter to President James Tyler advocating annexation. He told the President that as the acquisition of Florida was the glory of Monroe's administration and the Louisiana Purchase that of Jefferson's, so the annexation of Texas would give eternal significance to his own.[34]

31 Biddle to Poinsett, April 28, 1838.

32 H. S. Foote, *Texas and the Texans*, II, 388-403.

33 *Ibid.*, 392.

34 Biddle to Tyler, November 20, 1843. The Biddle statement had originally been sent as a letter introducing the Texas loan commissioners to Biddle's London partner. The arguments seem to derive from a speech of

Professor Smith notes that Biddle's influence on President Tyler, who ultimately effected annexation, was important because Biddle "was a Northern man . . . so that his influence was greatest where the President most needed it." But one argument Biddle used was that of a Southern man: he pointed out to the President that acquisition of Texas would give the United States a monopoly of cotton and a stranglehold on Great Britain.[35] This additional argument is especially apt in view of Biddle's own attempts to corner the American cotton supply needed by the English mills.[36]

That the argument advanced to President Tyler might have had still a third implication is suggested by the fact that Biddle had a direct interest in Texas land, the value of which could be expected to rise with her cotton exports. Texas land was the principal security of the Bank's loan to the Republic.[37] Again, Biddle contemplated seriously purchasing stock in another company promoting city lots in Galveston, although he finally backed out.[38] And his cousin, E. R. Biddle, wrote him at the time he was considering the Texas loan regarding a land operation. Sam Swartwout had suggested, E. R. Biddle said, "that if you intend taking the Texian loan, the Lands I once profer'd to you could be had still on favorable terms, & you might make it a part of your Bargain that the titles thereof should be confirmed by the Government." The result should be truly brilliant.[39]

Senator Preston in the Senate, April 24, 1838, a copy of which is in the Biddle Papers.

35 Biddle to Tyler, November 20, 1843; J. H. Smith, *Annexation of Texas*, 108-9.

36 Biddle Papers, *passim*; Joseph Dorfman, *The Economic Mind in American Civilization*, II, 938.

37 W. H. Johnson to Biddle, July 23, 1838; see also same to same, September 11, 1838.

38 Gilmer to Biddle, January 28, 1839.

39 E. R. Biddle to Biddle, June 12, 1838.

6

But to return to General Hamilton's bond-selling tour. After the loan from Biddle had been negotiated, the first installment of what Hamilton called a "better currency than United States possesses" was dispatched by James Treat of the Galveston Bay Land Company: $200,000 worth of post notes of Biddle's bank.[40] Hamilton notified President Lamar that he had sent the notes to the Merchants Bank, New Orleans, and "as the Merchants Bank is in fact a branch of the B. U. S. and as we are under infinite obligations to the Bank U. S." asked if it would not "be worth your while, to direct the Secretary of the Treasury, to open the a/c of the Republic with that institution." [41] He urged that the notes be used solely for the purpose of purchasing war supplies and not "hawked about the market in New Orleans" as they could be used at par in the one case and only at a 6 or 8 per cent discount in the other.[42]

"What New Country," Hamilton wrote, "can win Empire and Independence without the use of Sinews of War, and the Currency of peace, which money may well be called." [43] On this score encouraging news came from south of the border, also identifying money and materiel. A secret agent of Texas reported that the Mexicans "owe Great Britain 60 Million of dollars: they are paying France 200,000 dollars every two months . . . the American Minister . . . is to receive monthly from the custom house so much. . . . Where then are they to get money to annihilate Texas?" [44]

The agent who made this report was Barnard E. Bee, a relative of Hamilton's whom the General had sent out to Texas earlier that year. Bee found Texas money at 28 on

40 Bee to Webb, July 9, 1839, *TDC*, II, 460.

41 Hamilton to Lamar, June 28, 1839, *TDC*, II, 453.

42 *Ibid.*; also Hamilton to Copland, June 29, 1839, *TDC*, II, 454.

43 Hamilton to Lamar, June 22, 1839, *TDC*, II, 1255.

44 Bee to Webb, June, 1839, *TDC*, II, 455.

reaching New Orleans. "I instantly went to the Brokers and told them . . . there was every probability of our commissioners [Hamilton and Burnley] succeeding in Europe; today it is 40 cents" and the minute the advance from the Bank of the United States is known it will be higher.[45] Bee spread this news because he found that the "currency was sinking daily, and no persons decrying it more than Mr Irion and Mr Beile, who were yet secretly buying it up. Mr Irion knowing perfectly well that Gen'l H. would succeed."[46]

Bee went on to say that "if the Banks of this city were worth a farthing (and they are not) I would have obtained One hundred thousand Dollars, and bought up all of our money. . . ." Of course such a purchase would enhance the price "but many thousand dollars will be gained by the operation." This particular magnificent speculation, Bee said, he would engage in for the government.[47]

In the meantime he reported favorably on the scheme of a New Orleans financial house, which proposed to take the Bank of the United States post notes off the Government's hands—paying in Texas paper at the rate of three for one—as a means of preventing further depreciation of the paper. "I am no financier," the agent (who had been secretary of the treasury in Texas) wrote the Texas secretary of state, but this looks good.[48] The same financial house urged that stock be created for holders of paper to invest in and that Texas pledge "some particular branch of revenue for the payment of the interest."[49]

These and other exertions convinced Agent Bee that Texas was in his debt. "Texas will have to give me a domain at

45 Bee to Webb, July 6, 1839, *TDC*, II, 458.

46 Bee to Webb, July, 1839, *TDC*, II, 463.

47 Bee to Webb, July 6, 1839, *TDC*, II, 458.

48 Bee to Burnet, August 13, 1839, *TDC*, II, 472; Barker to Bee, August 12, 1839, *TDC*, II, 474.

49 Barker to Bee, August 12, 1839, *TDC*, II, 474.

Austin," he wrote the Secretary of State. "I am always on the stretch for her." [50]

7

In the meantime General Hamilton continued "on the stretch" for Texas, and in order to create conditions favorable for his operation in paper had to resort increasingly to diplomatic activity. He wrote Bee to let him know every "auspicious incident" for such news would favor his negotiations.[51] He therefore delayed his departure to Europe to confer with the Mexican minister at Washington, deeming this "too important a lever in my negotiation" to forego, explaining that the London stock market was depressed at the moment anyway. Besides, a friend, "an old and experienced Banker . . . acquainted with all the capitalists in London" had sailed and would take care of things until Hamilton got there.[52] The General was evidently right in this judgment of the banker for we find his house a few years later holding Texas bonds to the amount of one hundred thousand pounds.[53]

Hamilton also advised President Lamar on military matters so that the latter's conduct of the war against Mexico would not interfere with bond-selling. "Let me entreat you, neither to invade or blocade until you hear from me that I have succeeded in my loan—either measure would be fatal to my efforts." [54] But another great enterpriser, David G. Burnet, now Texas secretary of state, thought that invasion would secure the Texans in their possessions "at a less cost of treasure, than she is now willing to bestow in peaceful negotiation, and that the incidental expenditure of blood, will be richly compensated in her acquisitions of glory."

50 Bee to Webb, July 9, 1839, *TDC*, II, 460.

51 Bee to Webb, July 5, 1839, *TDC*, II, 457.

52 Hamilton to Lamar, July 8, 1839, *TDC*, II, 459.

53 Smith to Jones, September 19, 1842, *TDC*, II, 1015.

54 Hamilton to Lamar, August 1, 1839, *TDC*, II, 468.

Even Burnet, however, was not entirely loath to settle affairs with Mexico by an indemnity, especially if this could be paid in Mexican bonds to swell the nominal amount. "You will carefully abstain from agreeing to furnish any given amount of Mexican Bonds," he cautioned an agent, "until . . . those bonds can be purchased at or under the value you may put upon them—as we are not disposed to incur any hazard incident to the stock markets of Great Britain." General Hamilton should be able to advise on this score from London. In 1840 Hamilton did arrange a tentative treaty with Great Britain which provided that if she succeeded in mediating peace between Texas and Mexico within six months Texas would assume one million pounds sterling of the Mexican foreign debt.[55]

8

The British ambassador, Hamilton thought, would gladly further peace overtures as the London financial house of Lizardi, one of the biggest investors in Mexican securities, believed "the only means by which the . . . bond and shareholders would be paid, would be through the indemnity which Texas might be willing to give Mexico, for the disputed territory between the Rio de la Nueces and the Rio de la Norte." This disputed territory had been (or was) the security for the bonds (or scrip) the British held. Hamilton thought that the real reason Mexico persisted in attempting to recover her lost province was that it had been mortgaged, and attempts to get Great Britain to mediate peace between the two countries were unlikely to succeed so long as this meant that British bondholders would thereby forfeit their security.

There followed months of negotiation in which Texas agents tried to find whether the proceeds from the sale of Texas lands were specifically pledged for the redemption of the British-held bonds, and it was only natural that Hamilton, aided by James Treat of the Galveston Bay Company, took on

55 Schmitz, *op. cit.*, 148.

diplomatic missions. In December Hamilton was commissioned to treat with the holders of Mexican Bonds, at the same time being commissioned to treat with the Mexican government for peace and boundaries.[56] Hamilton wrote the British minister to the United States that

> If the Minister of Texas should conclude a Treaty with Mexico, authorizing the former to pay over the amount of the indemnity to the holders of the Mexican Securities in England, nothing could be more gratifying to me... as it would add another wreath to the glory of the descendants of the Saxon race, that after beating Mexico, despoiling her of one of the finest of her provinces, that a handfull of men should come under an obligation to pay her debts on change in London.

On the other hand, if Great Britain did not use her good offices to bring about such a gratifying result the people of Texas and indeed the whole South might find themselves "in spite of our deep interest to the preservation of perpetual peace with Great Britain, in the very unnatural position of allies with the people on your Canada frontier, in their seemingly implacable hostility to your country."[57]

Treat was meanwhile endeavoring to find out "the conditions on which the Old English Bonds were converted into new ones; that is, whether Mexico is bound by this new arrangement to pay to the Bondholders the proceeds of any Sale or cession of Texas." It appeared that 25 million acres of land in Texas was hypothecated to the bondholders, but later Treat gave as his interpretation that "no part of Texas proper . . . is absolutely hypothecated to the bondholders, and of course they are not entitled to any proceeds arising from sale cession or transfer. This may or can be the interpretation of

56 Commission of Hamilton, December 21, 1839; Lamar to Palmerston, same date, *TDC*, II, 576-7 (not printed).

57 Hamilton to Fox, May 20, 1839, *TDC*, II, 868-9.

the [Mexican] govmt. if they please to do so." [58] The British minister to Mexico, Treat reported, admitted that he would be most happy if he could obtain any indemnity Texas might pay Mexico for the British bondholders.[59] David Burnet, now secretary of state and soon to be president of Texas again, replied that

> This government can have no objection to the British holders of Mexican bonds deriving an incidental benefit from the negotiation. . . . But we believe that even great Britain has an eventual beneficiary interest in the success of your efforts (for recognition) which will be paramount to any present advantages that can accrue to those bond holders, and that therefore the appropriation of the instalments to *their* benefit should not be permitted to embarass seriously your principal operations.

In other words, if the Mexicans would rather have the money themselves instead of turning it over to the British bondholders, Texas would just as lief get its title that way.[60]

From the point of view of the enterprisers in Texas the strategy of the loan was something like this. The biggest obstacle to admission to the Union for Texas was her inability to make peace with Mexico—get a " quit-claim " from Mexico, as old Andrew Jackson put it. So long as Mexico claimed that she had been robbed, the Texas group could be made out to be mere adventurers and the action of the United States in taking them under her wing and protecting their claims equally unsavory. But recognition by Mexico of Texas independence eliminated these obstacles, and that is where the loan came in: the proceeds could be paid either to the British holders of Mexican bonds or to the Mexican government direct, and recognition would be forthcoming. Moreover if the bondholders converted their million sterling into land in

58 Treat to Lamar, December 31, 1839, January 18, 1840, February 5, 1840, *TDC*.

59 Treat to Lamar, February 5, 1840, *TDC*.

60 Burnet to Treat, March 12, 1840, *TDC*, II, 581.

Texas, it would, Hamilton wrote the Texas government, "so far from costing Texas a farthing" be "the source of wealth population and strength to her." For the bondholders would inaugurate an "emigration and colonization scheme" on the lines of South American colonization. The influence of these Texas land speculators would then "enable Texas to get means" and then "command peace on her own terms." Some idea of what these terms might be was suggested when Hamilton wrote his friend Joel R. Poinsett, former United States secretary of the navy, asking what size force he thought would be necessary to conquer the whole of Mexico.[61]

General Hamilton thought at this time that his letter to the Prime Minister suggesting this amelioration of the British scripholders' plight resulted in that gentleman's instructions shortly afterward to his Mexican ambassador to use his best efforts with Santa Anna to grant recognition, thus paving the way for Hamilton's own loan, for which the General's commission was to be 10 per cent of the money borrowed, to be split of course with his partner Burnley.[62] Hamilton also acknowledged aid toward recognition (and annexation) from Joel Poinsett, land-adventurer in Texas and former United States ambassador to Mexico, and James Treat, the New York partner of Sam Swartwout in Texas land deals, like General Hamilton a Texas creditor, and agent to the Texas armies.[63]

9

Biddle and Hamilton were together all morning before Hamilton took ship for the European stage of his bond-selling mission. It was decided to make an interest payment to one Texas creditor for its influence in Europe.[64]

61 Hamilton to Lipscomb, December 3, 1840, *TDC*, II, 917-8; Rippy, *op. cit.*, 225.

62 Hamilton to Fox, May 20, 1839, *TDC*, II, 867; Hamilton to Lamar, June 22, 1839, *TDC*, II, 450.

63 Schmitz, *op. cit.*, 82-3.

64 Bee to Smith, May 8, 1840, *TDC*, II.

Political difficulties had also to be overcome: lack of recognition of Texas by the French government was "materially retarding the negotiation of our loan. . . . ." The commissioners regarded recognition as certain "yet for the want of . . . douceur it may be delayed for six months." ". . . We may be kept six months dancing after France . . . when with fifty thousand dollars in hand, we may procure a recognition in six days." The question, they wrote President Lamar,

> resolves itself into this, as your recognition by England and Mexico, and the Negotiation of your Loan, may depend on this expenditure, whether you will give fifty thousand dollars for the consummation of these events. It may cost $100,000. But we will provide all over the fifty thousand dollars. . . .[65]

The government agreed to furnish $50,000 for absolutely necessary expenditures "in this odious way."[66] In addition to agreeing to write down their commission, if necessary, the bond-salesmen wrote that "we will moreover take upon ourselves the burden of subscribing the London Press, so as to have public opinion prepared" for the government's recognition of Texas.[67]

Public opinion necessary to subscription of the loan, however, was hampered because the various Texas officials followed contradictory courses. Thus in December, 1840, David G. Burnet became acting president of Texas and urged invasion of Mexico. "Texas, as defined by the sword, may comprehend the Sierra Madre," he said. "Let the sword do its proper work."[68] But James Hamilton's efforts to sell bonds were only hampered by the war news arriving in Europe.[69]

65 Hamilton to Lamar, June 22, 1839, *TDC*, II.

66 Burnet to Hamilton, August 19, 1839, Burnet Papers.

67 Hamilton and Burnley to Lamar, June 22, 1839, *TDC*, II, 1255.

68 Schmitz, *op. cit.*, 128.

69 *Ibid.*, 151-5.

Hamilton wrote Lamar that he knew the war news was unfounded yet "we are unable to persuade Bankers, who are the most nervously sensitive beings on the face of the earth. . . ." [70] Again, efforts to float the loan in France were interfered with by another sort of speculation going on in Texas. There the failure of the project of the French charge d'affaires to obtain three million acres of land for "colonization" apparently induced the French government to refuse to underwrite a Texas loan, whereupon it fell through.[71]

Hamilton went to England where, although his last sale had been to an ardent exponent of annexation, he urged prompt recognition of Texas by Great Britain lest the United States annex Texas.[72] Security for all the sales attempted, needless to add, was to be the public lands.[73] The state of the animating pursuits of speculation made James Hamilton sure that a Texas debt of ten million dollars could be paid in ten years "without imposing a dollar of taxation on her people, by a judicious sale of public lands in Great Britain, and on the continent." [74]

10

All this time, it should not be forgotten, the Texas loan commissioners were ceaselessly occupied in a myriad other affairs; in fact, to focus attention on the Texas enterprise does violence to the facts. It was but one of many occupying the members of the Texas government at home and abroad. Hamilton, of course, was principally occupied with Nicholas Biddle's scheme to corner the American cotton crop. In October, 1838, while carrying on his loan negotiations he reported to Biddle that he would give the cashier of the New York

70 Hamilton to Lamar, January 4, 1841, *TDC*, II, 927.

71 Schmitz, *op. cit.*, 153-61.

72 *Ibid.*, 162.

73 *Ibid.*, 165-6.

74 Hamilton to Lipscomb, February 1, 1841, *TDC*, II, 1283.

agency of the United States Bank a draft for a hundred thousand pounds on a British firm.[75]

Commissioner Burnley with General Thomas Jefferson Green was trying to sell some stock in Texas land to President Biddle.[76] "If we negociate the loan in England," Burnley wrote him, "I believe [the stock] will immediately enhance 100 per cent in value." As for his own commission, "Can it be thought extravagant to charge 10 shares . . . for introducing gentlemen into such a speculation. . . ?" There may be such a thing as the "Texas fever" and he may have caught it, but Burnley thought he had no judgment "if this is not one of the most splendid speculations I ever heard of."[77] Burnley was also occupied with Judge Beverley Tucker, an ardent annexationist, in a plantation enterprise in Texas.[78] Burnley and his father-in-law, the Chief Justice of Kentucky, had been largely interested in Texas lands for some time. As with other "Texans," however, Burnley's Texas enterprises were only a few among many; nevertheless "he spent six months of every year on his plantations in Mississippi and Texas."[79]

Again, General Hamilton had time to make some far-reaching plans for his adopted country. In January, 1839, the venerable Thomas Cooper wrote Nicholas Biddle introducing the former governor of South Carolina. "General Hamilton," he said, "has invited him to take the Presidency of the Bank at Texas."[80]

II

If annexation was from the beginning the prime object of the sellers of Texas obligations, it is not so certain

75 Extracts from letters to Hamilton, October 10 and October 5, 1838, on the cotton crop, Biddle Papers; Irving to Biddle, October 17, 1838.

76 Green to Burnley, June 28, 1840, Burnley Papers.

77 Burnley to Biddle, October 26, 1838.

78 Burnley to Biddle, December 5, 1838.

79 *WSH*, II, 80.

80 Cooper to Biddle, January 6, 1839.

that this was true of the buyers in the United States. Indeed Nicholas Biddle was instrumental in getting Texas to withdraw her first offer of amalgamation and the American holders of Texas paper in general did not push annexation until 1841, at least, when it appeared unlikely that Texas could ever redeem its obligations.[81]

The purchase of Texas paper was simply a business proposition. The Bank of the United States of Pennsylvania was the largest single purchaser but the Philadelphia and New York money markets were, in one faction at least, so close-knit that it is hard to separate the Bank's interest from various individual accounts. D. M. Brodhead, one of those who collected largely on the final redemption, was a Biddle friend and associate.[82] Charles Macalester, legislative representative for the Bank, was buying up Texas paper for his own and for Biddle's account over a space of seven years.[83] C. S. Boker, another legislative representative and ultimately a trustee of the Bank, was another Biddle partner who cashed in when the United States finally redeemed the Texas bonds, treasury notes and stock.[84] Another Philadelphia associate of Biddle's interested in Texas paper was W. B. Reed.[85] Again, Thomas Wickersham, James Schott, George Troutman, and the Gilpins were all stockholders of the Bank of the United States.[86] Altogether this group seems to have redeemed from one-third to one-half the Texas obligations finally accepted by the United States Treasury on behalf of the Republic.[87]

General Leslie Combs, another of the largest holders, had purchased his securities in 1839 as an investment—or at least

81 See Chapter V, below.

82 Brodhead to Biddle, May 16, 1838.

83 Burden to Biddle, June 25, 1838.

84 See, for instance, Vol. 83 of Biddle Papers, *passim.*

85 Vol. 79, Biddle Papers, *passim.*

86 " Stockholders in B. U. S.," Biddle Papers.

87 *34th Congress, 3rd Session House Executive Documents,* No. 86, 1856.

so he claimed when Senator Sam Houston later called him a speculator. "As *you* did not take their loan as I had hoped you would," he wrote Nicholas Biddle at the time, shortly before Biddle did take part of the loan, "I myself purchased some of the Texas consolidated debt—and you must give me a friendly lift." [88] General Combs went on to give news that showed the Texas enterprise to be a going concern. "I myself saw an official dispatch" from the Mexican forces suing for peace—and asked Biddle to sell his $50,000 purchase immediately "for a fair price." Although Biddle acted as Combs' broker from this time evidently nothing came of it for Combs collected about $100,000 when the United States government redeemed the bonds in 1856.[89] It may be also that the General had some influence on Biddle's purchase of part of the Texas debt shortly afterward. "I shall be mortified as a North American," he wrote Biddle, "if our young Sister has to go to foreign kingly courts for aid while we stand by with folded arms."

Combs also promised that under the new president "there will be no Quixotic war-like crusades from Texas & the weapons they are now using & *intend to use*—are the plough —the spade & the hoe." Moreover, General Combs wrote the banker, "locofoco-agrarians & loafers are altogether out of fashion." If he were not so planted in his native soil he would go to Texas and "perhaps be its President in less than ten years." In the meantime "I should like you to take the loans & have *me* as commissioner to negotiate it." The General believed he could do it at 80 for 8 per cent bonds and "have your notes made, *by law,* the circulating medium, at par with gold & silver, in Texas." [90]

The relation between Nicholas Biddle and his New York associate, E. R. Biddle, is also illustrative. It has already been

88 Combs to Biddle, January 16, 1839.

89 *Ibid.*

90 Combs to Biddle, February 11, 1839.

noted that E. R. Biddle suggested to his cousin that the latter buy some Galveston Bay and Texas land and make the validation of the titles part of the loan bargain. The Texas bonds played other parts in the innumerable sales and resales of stocks which went on between the two. For instance, in October, 1838, E. R. Biddle suggested that Nicholas Biddle take the Texan loan on his own rather than as the United States Bank—since the Bank could not do it constitutionally anyway. Or he himself would take the loan by selling Nicholas some Mississippi and Indiana stock.[91]

Again, in November, 1839, Biddle's New York partner wrote him on the subject of their Texas land ventures.

> It seems to me [Roswell Colt said] that Webb [James Watson Webb, editor of the New York *Courier and Enquirer*, Bank publicist, and outstanding advocate of annexation] has raised the price on that 100,000 acres. I certainly never understood that he expected 25 cents an acre—altogether too high in the present state of things.

On the other hand it might be a good idea to accept Webb's offer to get rid of his connection with the Bank.[92]

Another connection between the Bank and Texas concerned the Commercial and Railroad Bank of Vicksburg, to which Biddle was considering a loan. Biddle's investigator found that the president of the Vicksburg bank had bought an issue of Texas bonds from William Beale, the leading advocate of annexation in New Orleans. "After the loan had been agreed upon and Mr. Beale had recd $300,000 of the money," the investigator reported, "he assumed . . . the character not of negotiator but vendor of the bonds which was sanctioned by the President of the Bank" who continued to send notes and checks to the "agent" amounting in all to $812,000. Eventually the Vicksburg bank took $80,000 of the Texas

91 E. R. Biddle to Biddle, October 5, 12, 15, 1838.

92 Colt to Biddle, November 19, 1839.

bonds paying $35,000 in acceptances and $45,000 in bonds of the bank.[93]

12

The mode of payment in this latter case was typical—at least so the Texans claimed later when they tried to "scale" the debt. Determination of the value received at the time of the creation of the debt was difficult, however, because much of the Texas debt arose through purchases of war supplies—including "champaigne and lace uniforms."

A consideration of this class of debt does not reveal, however, any essential difference from the "negociable" or speculative bonds. As President Houston pointed out, a merchant

> . . . may say he will take a note, or any representative of value at any price, but it must be recollected that he pays in goods at his own price, without reference to the real value of what he receives. His own price and per cent when he says that he will allow seventy or one hundred cents on the Exchequer dollar, may be more than one hundred per cent more than his cash price for goods, and so reduce in effect the cost to him to thirty-five or fifty cents.[94]

Thus one component of the "naval debt" was the so-called "Dawson debt." This bulked so large in the annexation proceedings that one newspaper suggested that the annexation treaty be entitled "a treaty to provide for paying Frederick Dawson the sum of two hundred and fifty thousand dollars." Article V of that treaty did make special provision for Mr. Dawson in addition to the general guarantee for all creditors.[95] This sum had grown from the sale of some vessels to the Texas Navy, a sale, incidentally, in which Nicholas Biddle had a part even though Mr. Dawson's partner was the president of the rival Girard bank, James Schott. President Schott,

93 Hagerty to Biddle, March 16, 18, 23, 25, 1839.

94 Houston to Borden, February 24, 1843, *WSH*, IV, 168.

95 *New York Weekly Tribune*, May 4, 1844.

however, was a stockholder in Biddle's Bank of the United States.[96]

The size to which the debt had grown by the time of redemption is explained by the fact that the sale was speculative in character. The purchase contract provided for a forfeiture of a second bond if the first bond (representing the purchase price) was not redeemed within a year of the sale. This of course was not done, Mr. Dawson's holdings doubled at one swoop, and increased at the rate of 10 per cent annually until they reached quite respectable proportions—except that there seemed no possibility of realizing these paper assets until Texas was annexed.

The speculative character of the Dawson debt is further emphasized by the circumstances surrounding it at the time. Sam Williams, for the nonce Secretary of the Navy, was the agent who contracted for the vessel for the Republic. " S. M. Wms & Dawson," a contemporary wrote, " are quite provoked at the *publication* of the Navy contract made by W with D." [97] Williams' brother was Texas consul at Baltimore.[98]

The second component of the naval debt involved the sale of a vessel by the Englishman James Holford, acting through his agent, who was as it happened General James Hamilton. (Nicholas Biddle was also in on this deal.)[99] This sale was frankly consummated at double the market price, payment being made in Texas bonds. Although Mr. Holford upon annexation realized about 80 cents on the dollar on these bonds the situation was different at the time of the sale. Hamilton wrote President Lamar that Holford took Texas paper at 50 cents when it " would not have sold in Wall Street for 30." [100] In the letter announcing the sale Hamilton wrote the Presi-

96 " Stockholders in B. U. S.," Biddle Papers.

97 Morgan to Lamar, January 12, 1839, *LP.*

98 Houston to the Texas Senate, April 25, 1838, *WSH*, II, 206-7.

99 *Telegraph and Texas Register*, January 29, 1845.

100 Hamilton to Lamar, November 3, 1838, *LP.*

dent of Texas that Mr. Holford was accompanying him to Texas and asked that "Congress should pass an act giving him if not the Rights of Citizenship at least the power of holding Real Est. in your country." He added that "As I propose the ensuing month sending out a gang of Negroes to settle a Plantation in Texas I should like to be included in this privilege if there is nothing improper in my application." [101]

13

Texas agents continued their efforts to borrow money throughout the period of the Republic (not neglecting their other interests the while). There was some criticism of General Hamilton because he succeeded in effecting only the loan from the Bank of the United States of Pennsylvania and that for the purchase of the *Zavala*—in both of which he was interested.[102] But there was contemporary realization that success in the matter was not a matter of individual effort. A correspondent of President Lamar at this time worried about the fact that "our money is going down gradually" pointed to larger forces moving in the background as the cause. "The Banks dare not discount—'ain't got it.'—The People are all broke, & Nick Biddle has resigned.—to get along in the U. States they have worked all sorts of schemes." What is back of all this? The Texan grasped an economic root and characteristically urged a Texan solution. The fact of the matter is that "there is not Gold and Silver enough for the great commerce of the world, & without Texas can regulate the mines of Mexico there must be a dreadful revolution throughout Europe and the U. States." [103]

14

In Texas, eager to be annexed to the United States, the years 1836-46 were an era of speculation punctuated by a

101 *Ibid.*

102 *Telegraph and Texas Register*, March 8, 1843.

103 Plummer to Lamar, April 13, 1839, *LP.*

Mexican invasion, wars with the Indians, and internecine conflict among the speculators themselves.

The coalition of the Allen brothers and McKinney, Williams and Co. (of which the Allens were the company) continued to dominate much of the economy.[104]

The Republic's judges almost went on strike, because they were not paid in par funds.[105]

The French minister complained about a delay in funding some promissory notes he had left with the treasurer for investment for a friend. During the interval the bonds declined from 33 to 4 cents on the dollar.[106]

Monsieur Saligny was also trying to charter the "Franco-Texienne Company" to engage in "colonization." But it was a hard question whether this attempt to engross three million acres of Texas land was merely a land speculation. Some Texas officials thought of French imperialism.[107]

One Texan physician-speculator wrote an American partner in 1840 that he had bought some Texas stocks and 10 per cent bonds, had funded their promissory notes, and that the "reviews and medicines" were selling well.[108]

Anson Jones was trying to collect a commission of $10,000 on a loan he said he had negotiated for a million dollars, pledging certain lands of the Republic. The loan contract was never fulfilled, however.[109]

104 *WSH*, II, 181-3.

105 Houston to the Editor of the *Austin City Gazette*, December 29, 1841, *WSH*, III, 13.

106 *WSH*, III, 65-6.

107 Mayfield to Hamilton, February 12, 1841, Burnet Papers.

108 Smith to Barnard, April 2, 1840, Letterbook, Ashbel Smith Papers.

109 Houston to Jones, June 10, 1842, *WSH*, III, 66; Houston to House, January 27, 1844, *WSH*, III, 533.

The United States minister at Mexico was pressing his claims against Texas for "moneys advanced for the members of the late Santa Fe Expedition." [110]

The President of the Republic was posted in the newspapers for forfeiture of payment on a land deal, the papers for which, typically, had been witnessed by the promoter of the capital, a secretary of state, and a Texas minister to the United States.[111]

William Kennedy, the poet and British consul, indulged his interest in Texas colonization schemes.[112]

In New York the Texas consul-general was also mixing business and official duties, using "the influence of his position in order to sell unadjusted land claims." When he was removed from office the former consul-general did not push the cause of annexation so vigorously as formerly.[113] It was also said that the Consul collected five dollars each from some prospective Texans from England for "emigrants' passports."[114] But not only were the common folk of Britain having trouble. In 1842 the Texas ambassador to the Court of St. James relayed a query from the widow of the British actor Tyrone Power. "[She] wishes to know the condition and validity of title of a 'Certificate No 16 for 11 leagues of Land issued by the States of Coahuila and Texas to John T. Mason.'" [115]

It was proposed to grant headrights to members of the Texas Navy but the bill was vetoed on the grounds that the certificates would only wind up in the hands of "the

110 Houston to the Texas Congress, December 29, 1842, *WSH*, III, 255.

111 Houston to Bean, November 15, 1837, *WSH*, IV, 37-8, attaching contract between Houston and Bean witnessed by John K. Allen, R. A. Irion, and Nathaniel Amory.

112 Houston to Kennedy and Castro, February 5, 1842, *WSH*, IV, 73.

113 Houston to the Texas Congress, December 13, 1836, *WSH*, I, 504-5.

114 *Telegraph and Texas Register*, August 23, 1843.

115 Smith to Jones, November 11, 1842, *TDC*, II, 1394.

harpies that are usually found in sea-ports, and to whom seamen usually become indebted." Besides the public domain should be husbanded because some advantage might be realized from its sale.[116]

It was frequently charged that government officials were not immune to the lures of gambling in land futures and it was frequently alleged that officials, particularly collectors, were speculating in government paper.[117]

Gail Borden was general agent for the Galveston City Company, surveying and laying out the town and serving there as Texas customs collector as well—to say nothing of inventing the process for evaporating milk.[118] As collector Borden came in for some lecturing from the economist in the president's chair when he received Texas paper at par for government dues. The way to beat the "brokers and speculators," and bring the paper to par is, paradoxically, to refuse to accept it at par.[119] "Your advance at the Custom House gives none in the streets or in the shops," Sam Houston wrote Borden. "Had you come down to its market value . . . the same influence and means which had been employed to depreciate its value in the market, would have been united to enhance the same."

Collector Borden was also censured for placing government money in the hands of individuals "when if it had been deposited in the Treasury it would certainly [have] been as secure and would have incurred less individual responsibility to the collector." [120]

In 1839 the secretary of the treasury left his post to try to negotiate an 8 per cent bond issue in the United States. Henry

116 To the Texas Senate, January 31, 1842, *WSH*, II, 457-8.

117 *Telegraph and Texas Register*, December 3, 13, 1843.

118 *WSH*, IV, 147.

119 Houston to Borden, February 24, 1843, *WSH*, IV, 167; Houston to Borden, April 22, 1843, *WSH*, IV, 187-8.

120 Houston to Borden, April 22, 1843, *WSH*, IV, 189.

Austin said that through " his neglect, or *management, to depress the funds* for the benefit of his speculating friends " the office was bankrupt on the secretary's departure.[121]

William Little, agent for a financier of the revolution, was investing heavily in Texas stock and lands and had some dealings in 1843 with the President of the Republic himself.[122] The president was also engaged in buying and selling town lots—occasionally in the capital—and in various other ventures.[123] His chief justice invested considerable sums in Texas lands and Texas government securities.[124]

Texas government officials in Europe enjoyed other advantages. Although consuls might be prohibited from selling emigrants' passports, " the title, the uniform, the exemption from certain military duties which it affords are in the eyes of the most wealthy " attractions not easily outweighed.[125]

Sam Houston's enemies said that the president and the cabinet were speculating on the rise and fall of government paper. When there was a demand for currency, it was charged, the Raven closed the doors of the Treasury, customs houses, and all other outlets until the money rose in value. " Salaries are then drawn and particular friends paid." [126]

Ashbel Smith said in a public letter in 1839 that the president of the Texas Senate had an agent purchasing depreciated military scrip at the very moment he was laboring to have an act passed to pay off all claims on the government in promis-

121 WSH, I, 432; Austin to Perry, March 24, 1839, Perry Papers.

122 See Houston to Raymond, July 13, 1843, *WSH*, IV, 216.

123 *E. g.*, The Sale of a Town Lot to Dr. David C. Ker, June 24, 1837, *WSH*, II, 128-9; A Reply to Peter E. Bean's Charge of Breach of Contract, *WSH*, II, 150.

124 *WSH*, II, 197.

125 Daingerfield to Jones, *TDC*, II, 1570, quoted by Alma H. Brown, with other examples of consular speculation in Texas funds, in " The Consular Service of the Republic of Texas," *Southwestern Historical Quarterly*, XXXIII, 184-230, 299-314.

126 *Telegraph and Texas Register*, June 26, 1844.

sory notes; he had "fattened on the depreciated credit of this country." [127] Smith himself could hear from a New York partner in 1839 that "Our little adventure in paper got off very well." [128]

F. W. Johnson of the old Monclova group was reported in 1843 to be enjoying a "large estate" achieved by "successful speculation" but he was pursued by Texas creditors—one of whom wanted to collect that he might invest in lands in Pennsylvania.[129] Sam Houston, Memucan Hunt, and other prominent Texas officials were delinquent in taxes on their lots in Houston.[130]

In New Orleans in 1840 Texas money was at 22 cents on the dollar, Henry Austin reported, and "considerable has been purchased for the purpose of funding." [131] Shortly after this Moses Austin Bryan wrote that a local candidate in Texas "proposes taking Texas money for his fees which may elect him," and that he was selling lots to pay taxes.[132]

An educator wrote the President of Texas that the new Republic would need education and that he planned to devote his life to this work if the Republic would patent a small location for him.[133]

In December, 1840, Ashbel Smith heard that "the gentleman who carries out the Treaty to Texas . . . purchased up what Texas money he could get in New York at 22 cents in the dollar." His correspondent advised him to collect bills in Texas money and sell property for promissory notes at 5

127 Smith to Armstrong, June, 1839, Ashbel Smith Papers.

128 Seymour to Smith, March 14, 1839, *ibid.*

129 Dexter to Van Zandt, November 8, 1843, Van Zandt Papers.

130 *Telegraph and Texas Register*, February 22, 1843, and succeeding issues.

131 Austin to Perry, March 26, 1840, Perry Papers.

132 Bryan to Father and Mother, August 31, 1840, *ibid.*

133 Elmire to Houston, January 15, 1838, Raguet Papers.

to 1, for General Hamilton would succeed and "immediately your money will rise to par." [134]

The advice was not needed. Already, as Smith wrote Barnard E. Bee, he had taken "temporary charge of the *Morning Star*" and "advocated the loan policy." [135] With the proceeds of the loan, "five millions of dollars, we expect to purchase slaves in the United States and thus put our lands in a productive state," Smith wrote a New York friend for whom he bought Texas lands and paper. "The plan contemplated is to establish a Bank based on the loan and to discount the notes of citizens." The Executive wanted a national bank but "others, and I of this number, prefer a bank whose stock shall be owned partly by Government partly by individuals." [136] But when the five million loan failed of realization Smith saw no hope for land sales, he wrote an American correspondent, "unless by some legerdemain of your financiers, confidence . . . can be restored to the commercial world. We all regard ourselves rich and sure to be comfortable so soon as there shall be a currency once more on the Continent." In the meantime land sales could be made only at great sacrifices "so extreme a dearth of cash exists." [137]

15

Thus individuals in Texas occupied their time. But the largest land speculations still involved the government. William Gouge said that Sam Houston was "the state" in Texas but when it came to land speculation even he was powerless; this accounted for the Texas Congress passing a land office bill in 1837 over the President's veto.[138] In his veto message

134 Fisher to Smith, December 28, 1840, Ashbel Smith Papers.

135 Smith to Bee, January 15, 1840, Letterbook, *ibid.* See also Smith to Lamar, December 31, 1839; Smith to Starr, January 3, 1840, *ibid.*

136 Smith to Buckley, February 4, 1839, *ibid.*

137 Smith to Fisher, February 6, 1840, *ibid.*

138 Gouge, *op. cit.*

Houston said that "all the territory of Texas would not be sufficient to satisfy the claims that rapacity, speculation and perjury, altogether" would establish under the bill. But he hastened to add that he meant "no undue reflection on the integrity of the people of Texas"—the speculators would be "mock citizens of Texas" from the United States.[139]

The "people of Texas" had evidently changed since 1836, when the President had vetoed an act to create a general land office on the ground that it would "only serve to distract the public mind, and divert public attention from the defence of the country against the common enemy," directing it "almost exclusively to the location of land scrip, and to land speculation." Houston had said then that throwing open land offices would work a great injustice on those in the army and unable to locate lands at the time.[140]

The army itself was an adjunct to "location" in most cases, however. This was particularly true of the main military events in the period of the Republic. As local observers pointed out, military expenditures provided two speculations in one: appropriations for fighting the Indians, for instance, created claims on the government in the process of establishing land claims. Some taxpayers objected to programs "to involve the treasury of the country . . . for the purpose of individual speculation," such as providing armed escorts for surveying parties.[141]

Such objections were little heeded because the armed escorts were for the Indian lands and "the Indian lands are the forbidden fruit in the midst of the garden," as Sam Houston said. "Their blooming peach trees, their snug cabins, their well cultivated fields, and their lowing herds excite the

139 Houston to the Texas Congress, June 8, 1837, *WSH*, II, 120.

140 Veto of an Act to Create a General Land Office, December 21, 1836, *WSH*, I, 519-20.

141 Houston to the Texas Congress, November 19, 1838, WSH, II, 302.

speculators. . . ." [142] For this reason it was inevitable that strong agitation should arise to clear the remaining Texas Indians from the country, as menaces to civilization. The process was filled with contradiction.

It was pointed out, for instance, that one of the most ardent advocates of Indian removal had not always been so fearful of savage depredations. As an empresario he had once tried to sell Texas land to 24,000 "ferocious Creeks." But now this speculator "had made large locations" on the lands of the Cherokees.[143] Again, when a commander appealed for volunteers to march into the Indian territory at one time the citizens of one Texas county found themselves unable to go. "Some of them had not horses—and their families were in an exposed condition—and they could not leave home." But when the army marched these citizens "forgot the exposed condition of their families, and procured horses." Within one day after the army reached the territory "these same men, compass and chain in hand, were there, and like the bird which floats for offal, they pursued the marches of the army for—land!!!" [144]

President Sam Houston said that his opposition to the speculator interest in the Indian lands was in behalf of the creditor interest and other landed interests, and urged that if the Cherokees were expelled old claims be declared invalid and the lands located anew. Texas had "applied abroad for a loan of $5,000,000 and we must provide a sinking fund for the redemption of our bonds. What better sum could we appropriate to that service than the one arising out of the sale of the Cherokee lands?" [145] "It would be an additional motive

142 Houston to the Texas Senate, May 21, 1838, WSH, IV, 60.

143 In Behalf of the Cherokee Land Bill, December 22, 1839, *WSH*, II, 327-8.

144 *WSH*, II, 334; see also 336.

145 *WSH*, II, 341.

for the banker to open his vaults." [146] Such a move would be just and expedient and to oppose "an act of justice [which] would redeem our honor and increase our treasure" seemed very strange to all those who had made no surveys in the disputed lands.[147] Moreover Texans who had been in the army at the time of the locations should have their chance at the lands.[148] Again, sale of the former Indian lands would make citizens of the United States interested in the country.[149]

While the argument continued the Cherokees were driven out. One who participated in the expulsion described the reasoning of their chief. "Bowles preferred to fight for his country as he said his title was as good as ours and he was an older settler and had a bigger parchment title than any of us. He did fight bravely and was killed leading a charge." On the Texans' part "the plea was necessity" and "we acquired a territory as the fruits of our victory, which satisfied us at the time—and I have never yet heard any of our citizens in that section say that we 'paid too dear for the whistle.'" [150]

The second military operation which impinged on land speculation was the girding of the Republic to meet the Mexican invasion of 1842. It was easy to imagine the calamity which would overwhelm Texas credit and sympathy abroad if the news was flashed that "a Mexican force had taken the capital of the Nation and destroyed the archives." [151] To avert this calamity it was proposed to resort to credit: "Texas . . . when her lands are brought into market, will possess the means to compensate those who may render aid in her present circumstances." [152]

146 *WSH*, II, 334.

147 *WSH*, II, 336.

148 *WSH*, II, 334.

149 *WSH*, II, 347.

150 McLeod to Smith (1838), Ashbel Smith Papers.

151 Houston to Burleson, April 11, 1842, *WSH*, III, 24.

152 A Proclamation to all Texans, April 14, 1842, *WSH*, III, 28.

One of those who rendered aid, the large debtholder Alden A. M. Jackson, went into the field personally as colonel to sustain the government. What would the government creditors do, as Sam Houston had asked, if there were no government?[153] Houston himself offered his own promissory notes "to any one who will make advances in provisions to fit out the volunteers." [154] The Mills brothers, large land operators, were selling supplies to the troops, thereby increasing their claims to land and protecting their old claims at one stroke.[155] General Leslie Combs, the Texas creditor and prominent Whig politician in the United States, was asked to bring to the Texas standard "a few companies of the gallant sons of old Kentucky," but did not reply.[156]

Two friends of the President, engaged in establishing their title to large land dominions near Corpus Christi, undertook to make the troops there comfortable. For this action Houston felt, he wrote, "under two-fold obligation to you—one as a patriot, the other as a gentleman." [157] As befitted a patriot and a gentleman of the day, H. L. Kinney "froze out all small ranchers in his vicinity," led a filibustering expedition (financed by New York City land speculators) to Nicaragua, and was recommended for the post of Minister to Mexico.[158]

The Monclova alumnus Sam Williams, "Texas pioneer and Banker," visited Mexico in hopes of negotiating an armistice.[159] Stephen Pearl Andrews, the famous abolitionist who introduced shorthand into the United States, went to

153 A Proclamation Asking for Supplies for Troops, April 26, 1842, *WSH*, III, 36.

154 *Ibid.*

155 *Ibid.*; also III, 67.

156 Houston to Combs, May 11, 1842, *WSH*, III, 47.

157 Houston to Aubrey, May 26, 1842, WSH, III, 60-1.

158 *WSH*, VII, 442-3.

159 Houston to Williams, July 14, 1843, *WSH*, IV, 217; IV, 218.

the United States to solicit "such aids as may be contributed to the war of Texas by citizens of the United States." [160]

Other enterprisers were offered generalships in return for bringing companies of "emigrants" to meet the invasion; the field "for chivalrous and eminently useful enterprise" was open,[161] and it was thought that the enterprising would "reap a harvest alike profitable and glorious": remuneration was to come from the enemy.[162] "The Government will claim no portion of the spoils," the President of the Republic announced, "they will be divided among the victors. The flag of Texas will accompany the expedition." [163] The Texas Rangers, later to do battle in the United States' war with Mexico, were ordered into action to meet the situation on the frontier, which was "very unhappy in its influences upon the prosperity of individuals" as well as upon the settlement and growth of the country.[164]

The third major armed conflict raged among Texas "settlers" themselves. In 1842 a fugitive from justice came to Texas and, defeated in a local election, "began to expose the land frauds." When he was told that his meddling was resented the former candidate organized a society of "Regulators." This group "were the cause of a good many honest men losing their lands" and an opposition society of "Moderators" developed. "A kind of vendetta warfare went on between these factions for three or four years," at times flaring into open battle.[165]

160 Houston to Andrews, March 17, 1842, *WSH*, IV, 81.

161 *E. g.*, Houston to General Pickens of Alabama, May 1, 1842, *WSH*, IV, 92; Houston to Holliday, May 6, 1842, *WSH*, IV, 93.

162 Houston to O'Bannon, May 6, 1842, *WSH*, IV, 94.

163 Circular Letter Concerning the Campaign against Mexico, July 26, 1842, *WSH*, IV, 129.

164 Houston to Hays, September 14, 1842, *WSH*, IV, 144.

165 *WSH*, II, 460-1.

Thus land speculation was always to some extent a military speculation. "Those who do not defend the country cannot share the soil," as the Texas commander-in-chief proclaimed at the time of the Mexican invasion and freely translated in the next sentence: "The man does not deserve liberty who will not defend it." [166] As an example of what could be realized along the lines of the defense of liberty, the commander's own expense account was illuminating. Houston's claim for military services as major general for slightly less than a year amounted to about six thousand dollars, including "pay for myself" at $200 per month and "for 4 private servants (not soldiers)" at $10 per month, "forage for 7 horses" at $8 per month, and other incidentals.[167]

16

In 1843 there was some worry that Texas would repudiate her debt but the President denied rumors to that effect. After her revolution the United States repudiated and "certainly France consigned her 'assignats' to oblivion. These are illustrous examples" but Texas would not follow them.[168] By 1844 the Texans saw their "liberty" enhanced by prospects of a new development: the protection of the army of the United States. "For some days back," the editor of a New Orleans newspaper remarked early in the year, "there has been a stir among the knowing ones, and considerable enquiry for good titles to lands in Texas." A treaty of annexation was reported to be under way at Washington.[169]

166 Houston to the Citizens of Texas West of Red River, July 2, 1842, *WSH*, III, 84-5.

167 Amount Due to Houston for Military Services, 1835-1836, February 23, 1838, *WSH*, II, 198-9.

168 *Ibid.*

169 *Telegraph and Texas Register,* February 21, 1844, quoting New Orleans *Age.*

Promissory notes, bonds, and audited scrip were also looking up. "As the prospect of annexation brightens," the *Telegraph and Texas Register* said about the same time, "the rage for speculation in government liabilities constantly increases." Opinion was "prevalent" that the United States government would redeem the Texas liabilities at par.[170]

170 *Ibid.*, February 28, 1844.

CHAPTER V

THE DEMOCRATIC PROCESS

> Should annexation take place it needs no Prophet to tell the effect it will have towards enhancing the value of landed estate in this country and the immense emigration that will immediately pour in.—James Morgan to Sam Swartwout.

I

THE outlines of the annexation of Texas to the United States are simple. After the Texas Revolution of 1835-36 the new nation petitioned for admission to the Union. No definite action on the subject was taken, however, until a treaty was concluded between the executive departments of the two nations in 1844. The United States Senate rejected this treaty and the subject became an issue in the presidential election of that year. After the annexation candidate was elected, the United States Congress passed a resolution of annexation and Texas became a State in 1846.

Such a bare outline of course does not indicate the social forces and passions involved in these events. The annexation was carried out amidst a storm of protest, and much opposition was based on an economic interpretation of the transaction.

Jay Cooke's aphorism is a case in point. According to the great banker

> the northern opposition in Congress to the addition of this large slave territory to the national domain was overcome through the selfish exertions in their own interests of the holders of the Texas debt certificates, many of whom were influential northern men.[1]

This explanation has found favor with certain historians but it is possible that they have utilized it without that intimate

1 Oberholtzer, *op. cit.*, quoted by Beard and Beard, *The Rise of American Civilization*, I, 598.

personal knowledge of affairs at hand to Mr. Cooke. There is no doubt, of course, that many of the holders of the Texas debt were influential Northern men. Among them were E. W. Clark, with whom Jay Cooke began banking business, Jay Cooke himself, and the other great bankers of the East: Nicholas Biddle, Jeremiah Milbank, Cyrus Johnson, C. St. John Chubb, Thomas Biddle, Drexel & Co., and Corcoran and Riggs. Influential Northern debt holders more closely associated with politics than banking included Samuel Swartwout, the famous land speculator and Jackson's defaulting collector of the port of New York; Benjamin Tappan, abolitionist member of Congress who voted for annexation; and General Leslie Combs, hero of the War of 1812 and Henry Clay's campaign manager. One should not forget the eminent Northern journalist Francis J. Grund. And finally there were important specimens of that influential type, the enterpriser who defies location either in place or occupation: international operators like Gazaway Bugg Lamar, whose residence was "Atlanta and Brooklyn." All these were holders of Texas debt certificates, and presumably addicted to "selfish exertions in their own interests" as other men. Yet when we begin to trace their connections with the annexation of Texas we find a by no means simple story. For one thing most of the bankers did not acquire Texas obligations until after annexation was already accomplished—unless the Compromise of 1850 is counted as the annexation, and there is some ground for doing so.

2

The annexation issue entered the arena of public events in 1835 at the hands of the chief officers of the new Texas Republic, who were also its chief land operators and chief creditors. The idea of annexation had for many years been maturing in the minds of these men, although from time to time steps ostensibly at odds with such a program were taken as circumstances of strategy appeared to warrant. The positive steps taken were clearly understood. Thus the effort of

the United States to buy Texas from Mexico in 1828-29 was warmly approved by a Texas man of enterprise, Stephen F. Austin's cousin. Henry Austin wrote the empresario that he had submitted to Washington such a proposal as that made by the American ambassador shortly thereafter. "When I first proposed the purchase," he said, "I expected to have . . . extensive concessions in Texas." Although he had obtained a steamboat franchise, "as yet I have no land secured, at the same time I was influenced by the knowledge that If I obtained no land myself the success of the plan would secure to you a splendid fortune promptly." [2]

In 1835 the activities of the loan commissioners Stephen F. Austin and William H. Wharton, two of the leading Texas enterprisers, who visited the United States selling land and furthering the Texan cause, definitely made annexation a public issue there. It is noteworthy that they made annexation an issue in Texas at the same time. The next convention vote in the Republic "should be taken on whether they wish to be attached to these U States," Commissioner Wharton wrote the Texas secretary of state in February, 1836. "I prefer it 10,000 to 1." While the ground in Texas was thus being prepared other international entrepreneurs interested in Texas affairs were at work, and the activity of creditors of the new state added to the preparation for its absorption into the American union. Typical of these activities were those of Robert Triplett of New Orleans, agent in land scrip and government creditor, who also sent out volunteers to fight for the Texas cause. He wrote the President of the Republic in June, 1836, that he was holding up the letter of defense issued by the captured Mexican commander-in-chief "because of its effect on sentiment in the US and Congress." [3]

2 Henry Austin to Austin, December 29, 1829, *AP*, II, 300.

3 Wharton to Smith, February 7, 1836, *TDC*, I, 65. Austin's letters in United States newspapers as early as 1828 must also be credited with part of the general awakening. *Cf.* Parkman to Austin, August 1, 1828, *AP*, II, 85; Triplett to Burnet, June 8, 1836, Burnet Papers.

For about six years prior to 1835 the United States envoy to Mexico had been Anthony Butler, who had "a strong desire to see the United States obtain" Mexico's "disaffected province," and his activity provided further preparation for annexation. Interested in Texas lands and other projects—including a plan to obtain a monopoly of the Rio Grande fur trade [4]—Butler served in the governments of both the United States and Texas. Sam Houston thought men like Butler could destroy a country "but take my word for it, he will never gain one!" [5] But then Houston disliked Butler because he was in league with his rival for a position with a New York City land company.[6]

Also preparing the ground in the early days was Samuel Swartwout, collector at the port of New York and one of the leading figures in the Democratic party, who divided his time between land speculations in Texas and acting as agent for Nicholas Biddle, president of the Bank of the United States, one of the leading figures of the Whig party, and soon largely interested in Texas on his own account. It was to Swartwout that Sam Houston wrote early in 1837 that "if we are annexed next session, 'I will die appie,'" as it was for Swartwout's Galveston Bay and Texas Land Company that Houston practiced law when he came to the Mexican territory. "You must start the tone in public meetings," Houston said, referring to annexation, "and let it bear on the next elections for Congress." [7] But since Swartwout and Biddle were Northern men they do not bulk large in those accounts of annexation which put it down as a conspiracy of the Southern slaveholders, nor do Biddle and other Whigs (or Houston's later opposition to annexation)

4 Houston to Butler, December 25, 1845, *WSH*, IV, 446.

5 Houston to Prentiss, June 27, 1832, *WSH*, I, 247.

6 Houston to Prentiss, June 28, 1832, *WSH*, I, 249.

7 Houston to Swartwout, March 22, 1837, *WSH*.

come in for much attention in those other accounts which dispose of annexation as a conspiracy of the Democracy.[8]

Men on the spot, however, thought that even Sam Houston's devotion to Texas began not with "political" sentiment but with his acquisition of land there. James Prentiss, the New York City financier and director of one of the Texas land companies, wrote Houston that he had sold him lands to make him "interested as deeply as possible" in Texas grants.

> Lately [Prentiss pointed out] these lands are heer considered of nominal value only ... on account of the commotion in Mexico.... The purchaser values lands in proportion as he considers the probability of possessing them under the Mexican Government or that of the United States of N. A.[9]

But at this time Houston far from acting as an agent of the United States administration to acquire Texas feared that the Mexican province would become a bone of contention between the American and British governments. "Whichever power should succeed," he had written Prentiss, "would claim it by conquest" and landholders there "would be compelled to accept terms, and not dictate them! There is a better plan!" [10] To the New Yorkers' complaint that matters in Texas "are fluctuating every hour" Houston had replied that they would continue to do so "until some character is given to them." [11]

During 1836 and 1837 the tone was being set for annexation in private developments as well as in public meetings. As one of the first purchasers of Texas land scrip pointed out, "most of those loans have been divided among second

8 *E. g.*, James Ford Rhodes, *History of the United States*, I, 78: "In the summer of 1843 the intrigue began. Congress was not in session. The President, Upshur and the Southern schemers could pursue their machinations almost unnoticed."

9 Prentiss to Houston, June 4, 1832, *WSH*, I, 232.

10 Houston to Prentiss, June 9, 1832, *WSH*, I, 235.

11 Houston to Prentiss, June 20, 1832, *WSH*, I, 244.

purchasers" with a view "to strengthen the cause of Texas in the United States. The deepest, warmest and most devoted friends of Texas in the United States are holders (second handed)" of land scrip and they are among the most influential men in the United States. "We adventured," Robert Triplett went on, "in a desperate lottery. The prizes seemed all gone." But when the Mexican army was annihilated at San Jacinto, "in one day from considering our claim a blank it became a prize of inestimable value." [12] The Texas scrip agent in Mobile was helping to turn blanks into prizes by leading committees to popularize the Texas cause.[13] In Texas the interests of these creditors were being protected; a bill authorizing the president to select and survey lands to pay off land scrip was vetoed on the grounds that "the holders of that scrip have acquired it with the expectation of selecting their lands for themselves—in such parts of the Republic as *they* may choose, and not in such parts as the *Executive* may assign." [14]

Other lotteries were under way. Three New York City companies continued to sell stock and scrip based on Texas land. The son of DeWitt Clinton of New York was a director of one of these companies.[15] His appointment to political office in the United States would be "highly interesting," another director had written Houston in 1832, "to his friends and ours who are concerned in Texas affairs." [16] The tangle of these New York land companies was well illustrated by James Prentiss' financing of several of them and Houston's legal

12 Triplett to Houston, December 12, 1836, Treasury Letter Book, 1835-37, Archives, Texas State Library.

13 Claude Elliott, "Alabama and the Texas Revolution," *Southwestern Historical Quarterly*, L (January, 1947), 316-8.

14 The Veto of an Act Concerning Changes in the Law that Established the General Land Office, December 13, 1837, *WSH*, II, 170.

15 Prentiss to Houston, May 4, 1832, *WSH*, I, 206.

16 Prentiss to Houston, May 24, 1832, *WSH*, I, 226.

activity for one, ownership of shares in another, and attempt to purchase shares in still a third.[17]

A fourth company entered the field when the important entrepot of Galveston Island was bought in December, 1836, by the fabulous enterpriser M. B. Menard. In the next year Galveston Island stock began to be sold to influential American politicians, chief among them Thomas W. Gilmer, who served both as Governor of Virginia and member of President John Tyler's cabinet. Gilmer, whose "Texas Letter" as Tyler's associate was to be so important for annexation, began his connection with Texas in 1837 as a loan commissioner (with Albert T. Burnley) as well as town agent (with such Texans as M. B. Menard, Thomas McKinney, and Sam Williams). In Gilmer's case as so many others it is difficult to separate business and politics. Senator Thomas Hart Benton thought Gilmer's advocacy of annexation a scheme to elevate John Calhoun to the president's chair, but his biographer insists that he "simply found in the Tyler program an agency to carry through a project which he had cherished since visiting Texas in 1837."[18] Both Menard and Anthony Butler were members of the Texas Congress. It was perhaps natural, therefore, that when the critical period of annexation arrived the Congress forwarded its request for annexation to Thomas W. Gilmer.[19]

By January, 1837, a company had been formed in Columbus, Georgia, "united for the purpose of purchasing land in Texas." "Well aware of the great advantages that might arise from the purchase of well selected lands in that country," the members desired the participation of Mirabeau Buonaparte Lamar "in whatever advantages . . . might derive from such investments." Lamar was already well aware of these

17 See Prentiss to Houston, *ibid.*, and note on Prentiss, I, 198.

18 Houston to the Senate of Texas, *WSH*, II, 91; "Thomas W. Gilmer," *Dictionary of American Biography*, VII, 309.

19 Smith, *op. cit.*, 161.

advantages, as his land purchases for some time showed, and as vice-president and later president of the Texas Republic and as purchaser of lands from Lorenzo de Zavala was able to advance the cause of annexation and simultaneously that of the company he joined.[20] About this time the leading supporter of Texas in New Orleans, William Christy, was encouraged to continue his good work by his old friend President Sam Houston. "Salute my friend Col Christy," the President wrote the Texas consul there, "and say to him . . . for his comfort land has risen in value 200 per cent!" [21]

But whether blanks in the Texas lottery were to become prizes was to be affected by political considerations as well as interested propaganda. The Van Buren faction in Washington, one Texas enterpriser wrote another in February, 1837, are delaying annexation so that they can get the credit for it when their leader takes office.[22]

3

Van Buren became President in March, 1837, and in August the Texas envoy Memucan Hunt, later attorney for the creditors of the Republic, proposed annexation again. When the Texas debt, up till that time mainly in the form of promissory notes and currency, was funded a few months later, the development of annexation activity could be traced readily in the names on the funding list.[23]

Prominent among the creditors were members of the Groce family into which William Wharton had married and which Stephen F. Austin had tempted to settle in Texas with large

20 Urquart and Redd to Lamar, January 31, 1837, *LP*, I, 535. See also Redd to Lamar, March 15, 1837, *LP*, I, 542. For other of Lamar's speculations while holding various offices in the Republic see Zavala to Lamar, October 17, 1836, *LP*, V, 121; *II*, 40.

21 Houston to Toby, February 1, 1837, *WSH*, II, 47.

22 Wharton to Austin, February 2, 1837, *TDC*, I, 179-80.

23 Roll of Sedition Under Funding Act of June 7, 1837, Archives, Texas State Library.

land grants in recognition of Jared Groce's slaveholdings. It was a meeting at Groce's plantation which had invited Sam Houston to come to Texas to lead its revolution. Wharton had been writing the President and "my friends in Congress" urging annexation since early in 1836 and had directed the first vote of the Texas convention which asked for annexation.

Also included were various governmental officials, including Ashbel Smith, the Texas ambassador to England whose dispatches waving the flag of British interference counted for so much in 1844; the leaders of the New York land companies operating in Texas and their local representatives, among them Sam Swartwout and his Texas agent James Morgan, at this time consul at Galveston.

But also on the list were Nathaniel A. Ware, the writer on economics who opposed annexation as against the interests of the South, and the French envoy to Texas, certainly no friend of annexation. Indeed it was Count Alphonse de Saligny who upset Nicholas Biddle's plan to sell an issue of Texas bonds in France guaranteed by the French government, even though his original journey to Texas had been facilitated by a letter of credit from the banker. At the time of issuing the letter of credit Biddle had written his annexationist friends that he was combatting French influence in Texas in every way he could.[24]

The president of the Bank of the United States of Pennsylvania was in close contact with the leaders of the Texas venture throughout this period, both as creditor and political strategist, as this exercise in anti-French diplomacy showed. It was after he had sounded out American political leaders on the possibility of annexation succeeding and concluded that it would not, that Texas withdew her offer of union for the moment. Biddle's plan, adopted by the Texans, was to wait for a more favorable juncture. In the meantime educational work could go forward. The arguments to be used had

24 Wharton to Smith, February 7, 1836, *TDC*, I, 66.

been laid down by Senator Preston of South Carolina at a meeting sponsored by Sam Swartwout and his associates in New York City.[25]

The quasi-official position occupied by the Philadelphia banker in Texas affairs is further suggested by the fact that the leading Whig politician, Henry Clay, first learned that the annexation proposal had been withdrawn in a letter from Biddle.[26] It was not expedient to bring the question up at this time and as Biddle wrote General James Hamilton, he had got the government to do the important thing anyway: in appointing a commission to run a boundary line the United States admitted Texas' "right to dispose of the territory in question."[27]

Biddle had also written a cabinet member, Joel Poinsett, to have a "kind word about Texas" injected in the president's message. He had not been able "to see any good reason why Texas should not be admitted to the Union" but finding that "the feeling on the subject was very deeply rooted, I have incessantly advised the leading men of that country" not to ask to come in. "They have accordingly withdrawn their application." The next question was how the presidential message will speak of that withdrawal.

> The fate of Texas [Biddle went on] during a year or eighteen months past, has been very much dependent upon the negotiation of a loan, which has in great measure been in my own hands. I did not think that the country was yet sufficiently ripe for that loan. I wanted to see the country consolidate its institutions and obtain a more settled character. This was to be done by the election of Mr. Lamar, and the withdrawal of the proposal of Union—to be followed by some expression of opinion from the United States. . . .

25 Swartwout to Biddle, January 3, 1841, Biddle Papers; Green to Biddle, December 30, 1839, *ibid.*

26 Clay to Biddle, September 14, 1838, *ibid.*

27 Biddle to Hamilton, *ibid.*

The banker knew, he said, that the opposition was ready to adopt a conciliatory course and "what is now very important is that the President in his message should assume that language." This the President can do, Biddle assured Poinsett, "without any fear of encountering difficulty, and I think I will be responsible for the course of the chief leaders of the opposition."

The head of the Bank of the United States of Pennsylvania now played his trump card. "The advantage which I propose to derive from this course is this. You know perfectly the value of that immense cotton country to both France and England." England "but for this revolt in Canada" would already have taken "some marked step" with respect to Texas and the French "having now a common enemy" are much disposed to serve her. Already "Mr. Saligny, of the Washington legation, is appointed by the French Govt. to visit Texas, and I shall not be at all surprised at some more active encouragement or cooperation." Now these influences, Biddle concluded, "are precisely what I do not want." The presidential message should be prepared accordingly.[28]

Biddle also wrote the United States secretary of state on May 31, 1839, regarding Texas, again quasi-officially.

> You mentioned to me some time ago a negociation to which you were inclined, which depended in some degree on the success of the Texian loan. My impression is that the loan will succeed and I hasten to mention it to you the moment I have become satisfied of the result, that you may decide how it may affect your interests. . . .[29]

4

Between 1837 and 1841 the good work went forward. Interest in Texas must have been piqued in the summer of 1839 by the proprietors' notice of the "City of Sabine," the pro-

28 Biddle to Poinsett, November 27, 1838, Letter Book, Biddle Papers.

29 Biddle to Forsyth, May 30, 1839, *ibid.*

prietors including the famed Nacogdoches land operator Philip Sublett, his old friend General Sam Houston and other important Texans. The attention " of the adventurous, the enterprising, and the capitalist " was invited to a port which " Nature seems to have intended . . . for a great commercial mart. The trade of the country . . .must here pay tribute . . ." [30] Sam Houston was dividing his time between trying to sell land and appointing ministers to the United States to negotiate for annexation.[31] He went to Nashville and traded some of his scrip in the Sabine company for some blooded stock.[32]

At this time too both Duff Green, formerly the leading Democratic editor—described by a biographer as " Journalist, politician, and industrial promoter "—and Samuel Swartwout offered their services as propagandists to Nicholas Biddle in the cause of payment of the Texas debt.[33] General James Hamilton wrote the Texas secretary of state that he was going to publish an account of his ambassadorial activities in England " with a view to exciting sympathy in the United States." He thought that soon " the clarion shall summon your brethren and kindred on this side of the Sabine to the rescue." At this time, incidentally, General Hamilton was trying to get the British government to bring pressure on Texas to pay debts held for him in England.[34]

Ashbel Smith, whose interests in Texas ranged from town stock to the surgeon-generalship of the army, was publishing " Texas letters " in American newspapers, one through the agency of his friend and associate in Texas ventures, Henry

30 Proprietor's Notice Concerning the City of Sabine, May 1, 1839, *WSH*, II, 312.

31 See, *e. g.*, Houston to Wilson, July 1, 1838, *WSH*, II, 260.

32 Contract with Hickman Lewis for Blooded Stock, August 30, 1839, *WSH*, II, 313-4.

33 " Duff Green," *Dictionary of American Biography*, VII, 540.

34 Hamilton to Jones, November 25, 1842, *TDC*, II, 1045.

Barnard of Connecticut, prominent American educator.[35] The letters, Smith noted, "had excellent effect in elevating the credit of Texas funds and securities in New Orleans".[36] A fellow stockholder in the Galveston Bay and Texas Land Company, James Treat, was doing his bit as special Texas envoy to Mexico. Treat was trying to negotiate peace with the mother country that the way to annexation to the United States might be cleared.[37] So were Barnard E. Bee, James Hamilton, and M. B. Lamar, other large land operators.[38] Hamilton tried to bribe Santa Anna, who considered his offer "an insult and an infamy unworthy of a gentleman."[39]

General Leslie Combs, like James Hamilton an associate of Nicholas Biddle, was thinking of converting his Texas paper into lands, and was also trying to consolidate the American interest in Texas. "If the form of the [Texas] bonds is not the best," he wrote his friend Biddle, "any suggestions made by you . . . would be adopted by the Texan authorities."[40]

Biddle was also thinking of the Republic's future. "In all my calculations about Texas," Biddle wrote James Hamilton, "I have put in the front rank the advantages of your being made President. Could you not go?" The banker had a little advice on military matters as well. "If they [the Texans] would put all their resources into a little squadron and anchor it before Vera Cruz, their independence would be acknowledged by Mexico on board of the Commodore's ship and the whole affair would be at an end." This was important because Texas "credit in Europe must be the

35 "Journal" in Ashbel Smith Papers, entry of January 17, 1838; also January 27, 1838; Barnard to Smith, February 25, 1838, *ibid.*

36 Smith to Bee, January, 1838 (?), Letterbook, *ibid.*

37 Hill, *op. cit.*, 132, 136.

38 *WSH*, II, 527.

39 *WSH*, II, 528.

40 Combs to Biddle, May 17, 1839, Biddle Papers.

result of its credit here, and that credit must grow up here from the fact of its getting the better of Mexico—and its resolution to keep out of the Union." In the meantime he would not advise Hamilton personally to expect his commission from the sale of Texas bonds to come from the excess over par "for at this moment capitalists are making without any risk ten per cent." Finally he would be happy to go into another, private speculation with Hamilton but Congress had just adjourned and two members had persuaded him to go into an operation "north of the Ohio." [41]

Mary Austin Holley, cousin of Stephen F. Austin and jointly involved in numerous land affairs with her relatives in Texas, had published two books on the country which were typical of the annexationist literature appearing in the form of "Emigrant's Guides." [42] Sam P. Carson, a "man of capital" who before the revolution had tried to get an American consulship in Mexico in order to obtain a grant for navigation of the Rio Grande, now furthered the annexation cause as loan commissioner to the United States.[43] Captain H. S. Foote's *History of Texas and the Texans* appeared, including a letter favoring annexation by Nicholas Biddle. Captain Foote had lately become interested in a Texas "plantation," and was soon to forward the Texas cause in the United States Congress.[44] The Texas diplomatic staff also furthered the cause, so far as private business permitted. It was thought desirable that ministers to the United States should be "Gentlemen of fortune" who could pay their own expenses but there were disadvantages to this plan: the gentlemen of fortune frequently asked to leave their posts "alledging," as did William H. Wharton, "the condition of his private circumstances as the foundation of his desire." [45]

41 Biddle to Hamilton, January 23, 1838, April 29, 1837, *ibid.*

42 Holley, *op. cit.*, 60, 63, 86-7.

43 Houston to Prentiss, June 17, 1832, *WSH*, I, 242-3.

44 Smith to ———, August 24, 1839, Letterbook, Ashbel Smith Papers.

45 To the Texas Senate, May 25, 1837, *WSH*, II, 105.

In his presidential message of May, 1837, President Houston acted to keep alive the sentiment in favor of Texas on the part of American "lottery" adventurers. An official of the Rio Grande and Texas Land Company of New York had written him about the company's Texas claims. "No act of Congress . . . can divert a vested or valid right," he told the official and said he expected to call this to the attention of Congress. Shortly thereafter he did. "The claims of citizens of the United States who acquired, as they conceived, *bona fide* titles to lands in Texas" should be met, President Houston pointed out, because "their means have aided us in the darkest hours of our probation, and recently have aided in dispelling our embarrassments."[46] But in New York annexation sentiment received a slight setback despite the president's promises. There the former Texas consul, "forgetting that for five years his mouth had been filled with her praises," was now "laboring hard to traduce and defame Texas." The former consul had been removed from office for land speculation.[47]

5

Colonel Anthony Butler had consulted with the venerable Thomas Cooper of South Carolina about the advisability of the candidacy of Nicholas Biddle for president just before he left for Texas in 1839.[48] Biddle did not run but the Whig candidates, William Henry Harrison and John Tyler, were elected and annexation again became an issue. Harrison, incidentally, had thought of taking a party to settle in Texas at one time.[49] Moreover, the new president had according to his own estimate "personally obtained for the country

46 Houston to Sawyer, February 3, 1837, *WSH*, II, 48-9; The President's Message, May 5, 1837, *WSH*, II, 89.

47 Alma Brown, *op. cit.*, 58-9, quoting Ikin to Lamar, June 4, 1840.

48 Cooper to Biddle, February 22, 1839, Biddle Papers.

49 Freeman Cleaves, *Old Tippecanoe: William Henry Harrison and His Times*, 286.

from the Indians . . . millions of acres of land." [50] But more important for the cause of annexation, the Whigs were the Bank party and the United States Bank was largely interested in the public debt of Texas, woefully behind in interest payments and unlikely to improve so long as Texas remained independent. President Harrison's campaign manager was Charles Macalester, Biddle's associate and purchaser of Texas paper for his own and Biddle's account, as well as shareholder in the United States Bank. Harrison's nomination had been suggested by Biddle, and the president on election asked the banker to be his secretary of the treasury.[51]

Upon Harrison's death John Tyler assumed the presidency. Although Tyler was opposed to the recharter of the United States Bank his advisers included Samuel Jaudon, trustee of the old Bank and large holder of Texas paper. Jaudon had also been asked to be secretary of the treasury.[52] Other close advisers in Tyler's "kitchen cabinet" included Thomas W. Gilmer, Texas bond salesman and agent in Galveston city stock, and Duff Green and N. Beverly Tucker, writing men largely involved in Texas enterprises.[53] Finally there was Caleb Cushing, attorney for large Texas land companies.[54]

The stage was well set and the play was not long getting started. General Leslie Combs, the "Kentucky Rifle," wrote a series of important letters. One he addressed to the leading Whig journal, Henry Clay's organ. The Mexicans in warring against Texas warred against Kentucky herself—indeed Combs' own son was in a Mexican prison. "Will Kentucky and her Western Sisters remain idle and inactive, while the

50 *Ibid.*, 323.

51 *Ibid.*, 339.

52 Fraser, *Democracy in the Making*, 148, 119, 125, 147; Webster to Jaudon, January 7, 1841, in Fletcher Webster (ed.), *Private Correspondence of Daniel Webster*, 87-8.

53 Tucker's connection is mentioned in Dorfman, *op. cit.*, II, 915.

54 Gustavus Myers, *History of the Supreme Court of the United States*, 431-2.

women and children of their youngest sister are butchered by these modern Algernines. . . ?" Other "fiery communications" to the press followed, and later young Franklin Combs' narrative of prison life was serialized in the press, unbeatable annexation material.[55] The Kentucky Rifle also addressed President John Tyler, enclosing a Texas tariff bill adversely affecting Massachusetts and adducing arguments for annexation designed to appeal to the New England states. The President was not slow in forwarding these to Secretary of State Daniel Webster, and his Congressional representative stood in the House to speak for Texas.[56] Finally General Combs wrote Nicholas Biddle asking him to sell some Texas government obligations he had bought. No sale was effected for the moment, however, and the General added to his holdings.[57] His friend Joseph Eve of Kentucky was appointed chargé to Texas, where he worked zealously for annexation, and Combs continued his own efforts, although prominent in the Whig party.[58] Eve, incidentally, was speculating on the annexation movement in a unique way. He gave four drafts in anticipation of his Texas salary, three of which were protested by the State Department.[59]

Thomas W. Gilmer, agent for Texas bonds and lands in which Ashbel Smith and other prominent Texans owned stock, kept the ball rolling with a speech which declared that only by annexation could the free states ensure the continuance of the union.[60] Issac Van Zandt, the new Texas minister, began to devote his attention to a problem called to his attention by Secretary of State Daniel Webster. There was an opposition in the United States to ratifying any treaty with

55 G. R. Poage, *Henry Clay and the Whig Party*, 123-5.

56 *Ibid.*, 127-8; Smith, *The Annexation of Texas*, 130.

57 Combs to Biddle, February 11, 1839, Biddle Papers.

58 Smith, *op. cit.*, 107; Poage, *op. cit.*, 127.

59 *WSH*, III, 136.

60 Smith, *op. cit.*, 131-2.

Texas; "this opposition arose from the holders of Texas liabilities" which Webster was informed "had been repudiated by Texas." Van Zandt told the Secretary that the scrip, notes, etc., could now be received for lands at two dollars per acre and "Mr. Webster said he thought much good would result if it was generally known that we offered lands for our liabilities." [61]

The Texas ambassador to England began sending dispatches warning that emancipation was threatened by the British in Texas, and these seemed to have influenced President Tyler. The ambassador, Ashbel Smith, was a business associate of Gilmer and a large holder of Texas bonds and land, both in his own right and for absentee adventurers in the United States.[62]

At this time too Gilmer and Duff Green "framed up a situation," according to one historian, "in which Andrew Jackson . . . came out strongly for annexation on the grounds of military necessity." Gilmer did address a letter to the public reiterating views he had expressed favoring annexation as far back as 1837 and a friend sent the letter to Jackson whose letter of reply warmly endorsed Gilmer's arguments.[63] Whether or not it was due to Gilmer or Duff Green, Old Hickory did write the President and others urging annexation without delay. Letters from Jackson to President Tyler arrived in the same mails with those from his arch enemy, Nicholas Biddle, both advocating the same project.[64] The Whig opposition commented on this strange alliance of the Democrats:

61 Van Zandt to Terrell, December 7, 1842, *TDC*, I, 614.

62 For examples of Smith's activity as agent for speculators in the United States see Lupigne to Smith, January 2, 1846; Boyd to Smith, March 5, 1846; Hall to Smith, November 24, 1846; Brooks to Smith, November 28, 1846—all in the Ashbel Smith Papers. Also Smith to Hubbard, about May 2, 1840, Letterbook.

63 L. G. Tyler, *The Letters and Times of the Tylers*, II, 270.

64 R. G. Adams, "Abel Parker Upshur," in S. F. Bemis (ed.), *American Secretaries of State and Their Diplomacy*, V, 91.

> It is a singular fact [one Whig publicist wrote] that the... long time dominant political party of this country, which has always laid claim to clean hands and pure hearts in their aversion to and exemption from the influence of stock-jobbers, money capitalists, and a moneyed aristocracy, have at last formed an alliance with a stock-jobbing interest....[65]

Others interested in Texas lands maneuvered, perhaps unwittingly, to embarrass annexation. The *Telegraph and Texas Register* reported indignantly that General Charles Fenton Mercer, large Texas landholder, was making a tour of the United States *opposing* annexation.[66] And Stephen Pearl Andrews was unfolding of all things a project of emancipation in Texas, apparently with British backing. Andrews also went to London to push this project, which characteristically involved the sale of large quantities of Texas land to British investors. The proceeds were to be applied to the purchase of slaves who would then be freed.[67] In London on the same errand was the New York abolitionist Arthur Tappan, brother of the Whig senator from Illinois whose vote in 1844 was so important for annexation and who converted many Texas bonds when they were redeemed by the United States.[68] But Duff Green sneered at British interest in American abolitionists such as Tappan and Andrews: the British were interested because emancipation would destroy competition with British colonies where slavery existed but not in name.[69]

6

In May, 1843, Daniel Webster resigned from President Tyler's cabinet and he and Texas Minister Van Zandt agreed

65 Caleb Colton, "Annexation of Texas," reprinted in *Magazine of History*, XXIX (1926), 31.

66 *Telegraph and Texas Register*, March 19, 1845.

67 Smith to Jones, July 2, 1843, *TDC*, II, 1100-1; Smith, *op. cit.*, 112; *AP*, I, 912.

68 Smith to Jones, July 2, 1843, *TDC*, II, 1100-1.

69 Duff Green, *Facts and Suggestions*, 84.

that A. P. Upshur of Virginia was the man for the post. John Calhoun, worried over England's interest in emancipation, had written Duff Green that he was grooming Upshur for the secretariat. Upshur was also an intimate friend of N. Beverly Tucker, and both were ardent annexationists.[70] The need for quick work by the new secretary was rather clearly expressed at this time by another professed annexationist, Sam Houston, who was having difficulties with a debtor. "I thought Earl's note was for good money," he wrote a friend, "as it did not say *Texas money!*"[71]

During the summer of 1843 Secretary Upshur and President Tyler continued their efforts. The President's unofficial ambassador to Europe, Duff Green, was sending alarming news from London, news of British interference in Texas which was to be used as official support for the treaty of annexation. A New Orleans paper printed a letter from another Texas enterpriser further describing the British plot. These charges went uncontradicted in Texas, this being Houston's strategy which, he claimed later, "begat excitement" and "originated phantasies and conjured up notions of intrigues" on the part of England and France. Houston also said that "General Jackson's letters brought the subject (of annexation) before the American people" but he did not mention that the Old Chief was taken in by the "notions of intrigues" as much as President Tyler was.[72]

Ashbel Smith added his bit from London and Thomas W. Gilmer was at work in the Congress, at the request of Secretary Upshur. "Not only were sentiments investigated but efforts were made to influence them," Professor Smith writes of Gilmer's activity and as an example of what could be done, he cites the fact that Senator Thomas Hart Benton's son-in-law was appointed to lead an exploring party to Cali-

70 Adams in Bemis (ed.), *op. cit.*, 83; Smith, *op. cit.*, 110, 86.

71 Houston to Bagby, May 13, 1843, *WSH*, III, 383.

72 Houston to Hatch, July 18, 1847, *WSH*, V, 14-8, 20-7.

fornia at this time, partly to placate the Senator as regards annexation. The secretary of state was also telling friends that the Texas debt would be assumed when the Republic came into the Union, offering a magnificent speculation for bondholders.[73]

Along this line too was a report from Isaac Van Zandt, the Texas ambassador. If a treaty were made, he wrote, "some provision would necessarily be made for our Government liabilities—this would at once secure the influence of the holders thereof in this country." The influence of the old United States Bank agents "though the bank itself is dead in law, would prove a host in itself." Already some of the debtholders "have lately interested in a pecuniary way, a distinguished lawyer, a whig senator from one of the northern states, who if necessary would settle in Texas in order to prosecute measures to secure their claims."

A few months before, to show how times had changed, Van Zandt had written his government that "the old United States Bank, and some of its agents, who are in possession of certain Texian bonds . . . are making a heavy effort against the ratification of any treaty."[74] Van Zandt felt that it must be that certain sections of the North were not being informed of the benefits that annexation would confer upon them. He noted that "it is not in keeping with the genius of the northern people to sacrifice their interest to their sympathy." If they "can be induced to believe that their pecuniary interest would be promoted by such a step, they would at once leap the barriers erected by the fanaticism of abolitionists," and he set to work "to publish, under an anonymous signature . . . communications in some newspaper of general circulation."[75]

Whether due to Texas publicity or to their sectional genius Northerners were coming to see the light on the annexation

73 Smith, *op. cit.*, 127, 113, 117-8, 119.

74 Van Zandt to Jones, January 20, 1843, *TDC*, I.

75 Van Zandt to Jones, April 19, 1843, *TDC*, I.

question.[76] Nicholas Biddle's letter to Tyler was received in November and it is probable this evidence of Northern support gave the American secretary of state incentive to press for annexation. "In September he had suggested; in October he had proposed; and now in January he insisted."[77] After annexation was accomplished ex-president Tyler said that Nicholas Biddle should receive part credit for the deed.

The ex-president had been "sustained and encouraged" in his support of annexation (which he had tried to accomplish "before the speculators in Texan stock, or holders of Texas lands . . . heard of it") "by the opinions of . . . distinguished citizens among whom I take pleasure in mentioning the name of . . .the late Nicholas Biddle," who spoke from "the shades of Andalusia." Tyler said that he had differed widely from Biddle on the subject of the Bank of the United States but on this occasion Biddle's "bright and accomplished mind did not fail to embrace in its full extent the value of the virtual monopoly of the cotton plant secured to the United States by the acquisition of Texas—a monopoly more potential in the affairs of the world than millions of armed men."[78] Sam Houston thought that "for the Ex-President it was unfortunate that he alluded to the 'shades of Andalusia.'" "So far, at least, as he wished to vindicate himself from all connexion with Texas stocks and debts." The gentleman of whom Tyler spoke

> . . . in, no doubt, terms of merited praise, had been, if he was not at the time largely interested in Texas stocks; and whether his "bright and accomplished mind" did not cast a glance at the benefits which would be secured to him in the acquisition of Texas by the United States, I do not pretend

76 Van Zandt to Jones, October 16, 1843, *TDC*, I, 222-3.

77 Smith, *op. cit.*, 159.

78 Tyler to the Editors of the *Enquirer*, September 1, 1847, in Tyler, *op. cit.*, II, 231.

to say; but it was natural for him to feel a desire to secure or guard his interests.[79]

7

The annexation proceedings were being felt in the paper market. "There is some little movement in Texas bonds and notes," Charles Macalester wrote Nicholas Biddle, "arising it is said . . . from a prospect of Texas being annexed to our Union." He had sold a few of his notes at ten cents on the dollar "and would be glad to sell more at the same price. An opportunity may offer to dispose of your $100,000 at New Orleans" which "will be done if a good rate is possible."[80]

Another large debtholder was more ambitious. James Schott of the Girard Bank of Philadelphia was attempting to get the Dawson naval debt assumed by the treaty of annexation. "I am aware," he wrote the Texas minister, "that your Government is not at present in a situation to pay these Bonds, and may not be for some time to come, unless . . . Texas should be annexed to the United States" or make an arrangement with the British. If any negotiations are being entered into looking toward annexation, therefore, President Schott requested, "inform me, or my House, when, and where, such negotiation will take place."[81] Another creditor, James Hamilton, was annoyed by the special treatment shown the Schott-Dawson interests. If he had not been fearful of embarrassing the passage of the treaty, he said, he would have asked the inclusion of an amendment providing for payment of the war steamer *Zavala*.[82]

General Hamilton like President Tyler had received a letter from Biddle. The banker's first thought, he said, was that the general should go to Texas and "put yourself at the head of the Government," so that things would all go right at that

79 Houston to Hatch, October 20, 1847, *WSH*, V, 24.

80 Macalester to Biddle, October 3, 1843, Biddle Papers.

81 Schott to Van Zandt, June 14, 1844, Van Zandt Papers.

82 Hamilton to Van Zandt and Henderson, June 27, 1844, *ibid.*

end. "Sincerely anxious as I am to see your fortune retrieved," Biddle wrote, "and all our hopes of Texas realized in their original brightness, I could not let a mail pass without expressing my wish that you were on the spot to give a proper direction to this new movement." [83] Biddle also addressed his friend Albert T. Burnley, the loan commissioner with General Hamilton who had tried to sell Biddle some Texas lands, urging him also to "go to the spot." [84]

In Washington too important political spadework was still to be done and political difficulties to be overcome. In these tasks the Texas minister had the help of a former Tennessee judge famous for his decisions in land cases, who now sat on the Supreme Court. Justice John Catron worked with Van Zandt all winter, and it was he who roused Andrew Jackson to direct strong notes to Sam Houston when The Raven seemed overinclined to flirt with Great Britain.[85] And work had to be done because the events of 1836 repeated themselves: the friends of Henry Clay, almost sure to be the next president, were trying to postpone the annexation measure so that Harry of the West might get credit for it.[86]

8

Early in 1844 President Sam Houston, apparently reconciled to annexation, sent a special ambassador to the United States to make a treaty, registered eighty land patents, and wrote a letter to Andrew Jackson. He explained at the time that he was low in funds and that "I must lay about me and make all edges cut, or I will come out woefully in the vocative." [87] In March Jackson sent Houston's letter "to our

83 Biddle to Hamilton, July 11, 1843, Biddle Papers.

84 Biddle to Burnley, July 15, 1843, *ibid.*

85 Smith, *op. cit.*, 162-3; "John Catron," *Dictionary of American Biography*, III, 576.

86 Smith, *op. cit.*, 157.

87 Houston to Henderson, February 21, 1844, *WSH*, IV, 270; Houston to Ward, March 14, 1844, *WSH*, IV, 279; Houston to Jackson, February 16, 1844, *WSH*, IV, 260-5; Houston to Anderson, March 29, 1844, *WSH*, IV, 283.

mutual freind, R. J. Walker, and to Major Wm. B. Lewis (the confidant of Mr. Tyler) bringing to their mind the necessity of seizing on the present opportune moment to have the annexation carried into effect" lest Texas be forced to make arrangements with Great Britain.[88]

The new minister to Washington was J. Pinckney Henderson, who had begun his association with Houston in the "Texas Railroad Navigation and Banking Company" and was also a partner of the Allens [89] and a stockholder in "Sabine City" with Generals Houston and Hamilton.[90] Houston instructed Henderson to "endeavour to secure [justice] to our citizens whose land fell into the United States when the line was run. I am one, to be sure," the President went on, "but this fact ought not to be regarded, unless justice and correct principles accord it to me."[91] As the treaty conferences got under way, the Texas envoy was reminded to require that the national debt "shall be assumed by the government of the United States, to be repaid to the creditors . . . with interest not less than five per cent, or from time to time, so soon as the public lands of the Republic may be made available." General Hamilton's negotiations with the Mexican bondholders in London were not forgotten: "in the event Texas shall be called upon to pay any portion of the public debt of Mexico, the responsibility . . . shall rest upon the United States." All patents to land and private rights to real estate, "held by individuals or companies," were to remain inviolate.[92]

When the Texas envoys finally transmitted their treaty with Calhoun they noted that

88 Jackson to Houston, March 15, 1844, *WSH*, IV, 266.

89 *WSH*, II, 100.

90 Baldwin to Biddle, December 20, 1839, Biddle Papers.

91 Houston to Henderson, February 20, 1844, *WSH*, IV, 268-70.

92 Jones to Van Zandt, January 27, 1844, *TDC*.

> the manner in which our present debt is to be paid . . . did not entirely meet our sanction; especially as there is no distinction . . . between debts due speculators and the debts due to our own citizens, for civil, military, and naval service, or to persons who generously furnished money and supplies for our army and navy when we most needed them.

Of course it would be hard to tell into which category any given creditor would fall, so the failure to insist on such a distinction was understandable.[93] At any rate President Houston thought (sanguinely, as it turned out) that "the Assumption of our debts by the U.S., is a very trifling item," as the liabilities were incurred on the principle of equivalents and would not amount to five millions. "All our 10 pr ct bonds, as well as I am advised were issued at 6 for 1" and the treasury notes at 8 for 1. "Thus . . . the U.S. would not in equity be bound to redeem the liabilities of Texas at a higher rate than what they were issued." But Houston added that "these are suggestions which I have not made to the public, nor do I intend that they shall be. . . ."[94]

Houston and Jackson had gauged correctly the public outcry which would meet the plan of assumption; they did not foresee the strength of the creditor group. For although efforts continued to redeem the Texas bonds and stock in land scrip it became clear that the holders had lost their taste for land speculation. This came out when Secretary Calhoun transmitted to the Texas government a Senate inquiry: Has the Texas debt been increased since the signature of the Treaty of Annexation? and Have there been any additional grants of the public domain since that time? The Texas legation replied that a law was in effect authorizing the government to issue land scrip in redemption of its liabilities at the rate of two dollars an acre. But "only a few of the holders . . . have heretofore availed themselves of its provisions." There

93 Van Zandt and Henderson to Jones, April 12, 1844, *TDC*.

94 Houston to Van Zandt and Henderson, May 10, 1844, *WSH*, IV.

was nothing for it but to try to redeem the paper in cash. Secretary Calhoun probably thought it another case, as he penned the treaty sections calling for assumption of the Texas debt, where one had "to compel the parts of society to be just to one another by compelling them to consult the interest of one another." [95]

After the annexation treaty was rejected it was decided to insist that public liabilities be redeemed at the price at which they were issued, whether or not the United States assumed them. If it did not, Texas was to retain its public domain, in line with Andrew Jackson's advice to President Houston to "husband your vacant land to meet your national debt." [96]

9

The special envoy Texas had sent to complete the annexation treaty had told James Morgan, the agent of Sam Swartwout in Texas, what was up. He got off a delighted letter to his chief. "Should annexation take place," he said, "it needs no Prophet to tell the effect it will have towards enhancing the value of landed estate in this country and the immense emigration that will immediately pour in from the Southern States." Annexation, Morgan had written Swartwout earlier, "is the only thing that can save us from anarchy and confusion. . . . Every thinking man and every man of property in the Country will be pleased at such an event." Now that Texas was to be saved from anarchy, Morgan thought that Swartwout "or your Grand Children are destined to be rich." His town company had "weathered the storm and all is safe; which cannot be said of any other landed concern or association in the Country established as this was." Just to be sure, the Texas envoy extraordinary had been retained to look after Swartwout's landed interests in East Texas.[97]

95 Calhoun to Raymond, December 23, 1844, *TDC*, II, 330-1; Raymond to Calhoun, December 27, 1844, *TDC*, II, 331-2.

96 Jackson to Houston, March 12, 1845, quoted by Henderson Yoakum, *History of Texas*, II, 441-2.

97 Morgan to Swartwout, February 2, 1844, Samuel Swartwout Papers.

In the United States the press took up the issue. The New York *Courier and Enquirer* (edited by James Watson Webb, Swartwout's associate in the Galveston Bay Company and Nicholas Biddle's journalistic agent in the metropolis) came out for annexation. So did the Charleston *Courier,* as befitted the city which had contributed so many of Texas' most prominent enterprisers. Interestingly enough, the *Courier and Enquirer* had earlier denounced the Texans as a gang of land speculators.

As the opposition press "poured vials of wrath" on the appointment of Minister Henderson, he and Calhoun put the finishing touches on the treaty. As Calhoun signed the provisions calling for assumption of the Texas debt by the United States and entered into the fight against Henry Clay to make them law, he might recall his remarks in the Senate a few months before. "I assure the senator from Kentucky," he had said when Clay was trying to put through a new national bank, "that he is not any more anxious in urging a system of plunder than I shall be in opposing it." But then this treaty made no mention of plunder. Nor did the President's message accompanying the treaty, which he sent to the Senate April 22, 1844, although he included documents from Duff Green and Ashbel Smith which showed the danger of English encroachment in Texas. Although unmentioned, bond and land speculation were now to help shape the political contours as the debate over the first annexation treaty got under way.[98]

10

In March, 1844, a newspaper correspondent applied the economic interpretation to the annexation question by pointing out Charles Fenton Mercer, formerly president of the Chesapeake and Ohio canal; John Thomson Mason, an ex-Governor of Michigan; Duff Green and Senator Robert J. Walker of Mississippi as financially interested in Texas properties. "But," Professor Smith writes, "Walker promptly

98 Fraser, *op. cit.*, 173; Smith, *op. cit.*, 171, 192, 221-3.

denied the allegation—though he did not deny that his father-in-law had settled in the Lone Star Republic,—and possibly the others were mentioned with no more justice than he." [99] But the facts are that Mercer had contracted to "colonise" a large area of land in central Texas. Ex-Governor Mason was the agent of the New York enterprise, the Galveston Bay and Texas Land Company, in which prominent New York bankers were directors and Sam Swartwout a large stockholder, holding many leagues of land in Texas on his own account as well. Again, it is true that Senator Walker's father-in-law was in Texas; he cast the single vote against annexation in the ratifying convention in that country. And Charles Fenton Mercer was castigated in the Texas press at the time of annexation for opposing the measure.[100]

As for Duff Green the injustice may have been in calling a military enterprise a financial one, for at the period of the annexation of Texas the two were difficult to distinguish. General Green, appointed United States consul in Texas in 1844, improved the opportunity to seek charters for two land companies. The first, "to be styled The Texas Land Company," was to have the powers "under a perpetual charter . . . of acquiring, holding and disposing of real estate to an unlimited amount—connected with those privileges and rights usually enjoyed by Insurance, Rail-Road, Life-Insurance and Trust Companies . . . together with the power and capacity to monopolize the exclusive and perpetual use of all . . . navigable streams." The general-journalist's other project was the Del Norte Company, having "in part for its object the conquest and occupancy . . . of the Californias, and the Northern Provinces of Mexico, by means of an army aided by some sixty thousand Indian warriors, to be introduced from the United States. . . ." According to the Texas secretary of state, Green tried to induce "His Excellency [Sam Hous-

99 Smith, *op. cit.*, 189.

100 *Telegraph and Texas Register*, March 19, 1845.

ton] to exert his influence . . . first, by an offer of portions of the corporate stocks of the projected companies; and, secondly, by a threat to revolutionize the country and overthrow the existing government, in the event of His Excellency's refusing." Whereupon His Excellency was forced to withdraw Consul Green's exequatur.[101] When asked about all this the former consul merely replied that he had come to Texas to counteract British influence.[102]

Green had been counteracting British influence also as an important figure in the Democratic party and at the White House during the whole period of the annexation. In addition to the activities mentioned, he is credited with negotiating an alliance between President Tyler and the Wickliffes of Kentucky, friends of Calhoun and enemies of Clay, which helped the annexation program to pass. One of his friends in the Wickliffe family was appointed special agent to Texas to aid annexation. At this time too Green's son was appointed chargé to Mexico.[103]

When the annexation treaty went to the United States Senate other interesting events transpired. Five days after the treaty was received there it was published in the New York *Evening Post* against the rules of the Senate through the agency of Senator Benjamin Tappan of Ohio. As the Tappan brothers were prominent abolitionist leaders this action was interpreted as a move to embarrass the annexation proceedings, especially as the *Evening Post* was violently opposed to the project. But in 1845 Senator Tappan underwent a change of mind about annexation and it was said that he had been "bought" and that he refused to follow the instructions of the Whig Legislature of Ohio in opposition to annexation. "The fact was," Professor Smith has more recently written,

101 Allen to Donelson, January 4, 1845, *TDC*, I.

102 Green, *op. cit.*, 84 ff.

103 For Green's influence on Tyler see Tyler to Green, June 14, 1842, and another without date, Duff Green Papers. Green was working with Ashbel Smith in London. See Smith to Green, May 29, 1842, *et seq., ibid.*

" that the Ohio delegation had been instructed by their legislature to vote for annexation." It is also a fact that Senator Tappan collected $50,000 for Texas paper when it was redeemed by the United States, and this suggests that his exposure of the treaty may have been for strategic purposes.[104]

The same may be said for the opposition to the treaty of Senator Henry Clay. In April, 1844, Senator Clay said that he was aware that holders of Texas bonds and scrip and speculators in them were actively engaged in promoting the object of annexation. But he did not mention that he had advised one of the largest holders of bonds and promoters of annexation to make his purchase. Nicholas Biddle was no longer to be taken account of politically, however, since the Bank was dead and Biddle himself disgraced. But Henry Clay's campaign manager, General Leslie Combs the " Kentucky Rifle," was another matter and it was pressure from Combs which caused Clay to reverse his position on annexation shortly afterwards, another fact pointing to the strategic nature of the Senator's fight against the treaty.[105]

The senators voting for the annexation treaty were in many cases also reversing previous positions. McDuffie of South Carolina, a leading advocate of annexation, had shortly before as governor denounced the Texans as adventurers and speculators. Robert J. Walker of Mississippi had once rescued his land values by knuckling under to the United States Bank (in the panic of 1837) but when the Democracy had received him back had favored no Bank measures till annexation. But then Andrew Jackson said the diminutive statesman was involved with Wall Street speculators in Texas bonds. It might be expected that one of the senators from Alabama, with two sons in Texas, would vote for annexation. But Senator Crit-

104 Smith, *op. cit.*, 346; *Dictionary of American Biography*, XVIII, 300-1.

105 Clay's " non-commital policy as to Texas diverted so many New York votes to Birney, the abolitionist candidate, that Polk carried the state... ; and the thirty-six electoral votes of New York decided the contest."—Morison and Commager, *op. cit.*, I, 586. Poage, *op. cit.*, 87.

tenden of Kentucky also had a son there, and he voted against the treaty. In all twenty-eight Whigs and seven Democrats voted against the treaty while the annexationists could muster only fifteen Democrats and one Whig. The latter was the picturesque John Henderson of Mississippi, famous for his support of filibusters to Cuba as well as Texas. The prominent part given to lands and bonds in the treaty and the publicity given to speculation on annexation were reasons given for the defeat of the treaty, and the provision for assumption of the debt was dropped shortly afterward.[106]

II

After the defeat of the Calhoun-Henderson treaty the annexation question went into politics. President Tyler's messages in favor of the treaty had been accompanied by documents furnished by at least three of the leading Texas enterprisers: Ashbel Smith, operator in lands and bonds and ambassador to England; Samuel Houston, concerned especially over the fate of his lands on the Texas-American boundary; and Duff Green, whose activities in Texas were not clearly economic or military. These three now continued their various propaganda activities as did a host of other friends of Texas on both sides of the political fence. Mirabeau B. Lamar, representative of a Georgia land company, arrived to lobby in Washington, and Joel R. Poinsett called for annexation in a public letter. William Christy contributed to his own comfort in regard to Texas lands by addressing a large meeting of "Friends of Annexation" in New Orleans.[107]

Judge Beverly Tucker of Virginia, intimate of President Tyler and largely interested in Texas lands, told a meeting in Virginia that immediate annexation was necessary. He was joined by his friend Littleton Tazewell, former governor of the state and another member of Tyler's kitchen cabinet. The same issue of the *National Intelligencer* which carried the

106 Brewer, *Alabama*, 331.

107 *Telegraph and Texas Register*, May 8, 1844.

news of Judge Tucker's address carried a note from Gazaway Bugg Lamar, the cousin of the former president of Texas. "Mr. G. B. Lamar requests us to say that he cannot complain of use made of his name . . . by the Friends of Texas at this meeting . . . because he once engaged ardently in their cause. . . ." Time, reflection, and a more enlightened conscience had convinced the Texas bondholder and land speculator that annexation was not meet, however. The fact that Lamar had now played a part in floating a Mexican bond issue may have had something to do with it too. There was also in this issue of the *National Intelligencer* a quotation from a statement made by General James Hamilton in 1842. General Hamilton said at that time that in spite of the pecuniary claims he had on the government of Texas and his "territorial and active interest in her soil" he opposed annexation. But by 1844 the General had changed his mind.[108]

Other interesting positions on annexation were being taken. Anson Jones, associated with the Stephen F. Austin heirs in the "San Luis Company," as president of the Republic was opposing annexation, or seeming to. Some Texans became so enraged with him later that there was talk of seizing the customs houses of the nation and calling an annexation convention without governmental permission.[109] James Reily, a former Texas representative in Washington, also opposed the annexation measure, although two years before he had urged Isaac Van Zandt to get information about Texas in the *National Intelligencer* "if you have to pay for the publication." But the position he took now did not keep him from commanding a regiment of Texans in the Mexican War.[110]

108 *National Intelligencer*, June 25, 1844. This account evidently confused G. B. with M. B. Lamar in referring to him as "ex-president of the Young Republic." See also Edwin B. Coddington, "Activities and Attitudes of a Confederate Businessman: Gazaway B. Lamar," *Journal of Southern History*, IX (February, 1943), 3.

109 Memorandum of the San Luis Co., November 23, 1839, Perry Papers.

110 Reily to Van Zandt, December 22, 1842, Van Zandt Papers; *WSH*, II, 375.

The economist Nathaniel Ware, who had for years been purchasing Texas lands, was also opposed to annexation, on the ground that it was against the interest of the Southern states.[111] A Texas ambassador to Europe was also strongly opposed to annexation. But land was involved here too: George W. Terrell feared annexation would decrease European immigration.[112]

Others trafficking in Texas enterprises were apparently unconcerned about the fate of annexation, since the varying fortunes of the project provided opportunities for both bull and bear operations. The outstanding representative of this group was probably the journalist Francis J. Grund, credited by no less an authority than the banker Jay Cooke with knowing the slightest change in Congressional sentiment the moment it occurred—or slightly before. Sam Houston later had the journalist-speculator removed from a consulship because Grund said Houston had been bribed to release Santa Anna when that commander had been captured by the Texans in 1836.[113]

12

Other enterprisers in Texas land, scrip and bonds turned their attention to the election of James K. Polk as president of the United States. John Slidell, collector of Texas paper and later famous in the *Trent* affair of the Civil War, was credited with electing Polk in the key state of Louisiana. General Felix Huston, the law partner of the prominent politician S. S. Prentiss, former commander in the Texas Army, and former land operator with Generals Thomas Jefferson Rusk and Thomas Jefferson Green in Texas, was at work in Mississippi. He declared in 1844 that "he would make the

111 Joseph Dorfman, *The Economic Mind in American Civilization*, II, 941, 945.

112 *WSH*, III, 53.

113 Haight to Smith, April 25, 1846, Ashbel Smith Papers.

annexation ticket elect the President" and stumped the state for annexation.[114]

General James Hamilton likewise aided the Polk cause in between business activities, or at least tried to give the Democratic candidate the impression that he did. In October, 1844, he wrote the nominee that he had secured the state of Georgia for Polk and that he was now on his way to Texas. There, General Hamilton wrote, he was going to attend to private business and "with my friends (among the most respectable and influential men in that country)" aid the United States chargé to complete annexation. Hamilton's friend Duff Green also wrote the new president as a "citizen of Texas . . . largely responsible for your election."[115]

Although most students have made the success of annexation rest on such political activity, Nicholas Biddle took the position that it was a matter of form. He had no quarrel with Henry Clay for delaying annexation in 1838, he said, even though, "identified as I am with certain great interests" of Texas and wishing "to bring to an harmonious action in respect to those interests." Biddle wanted to succeed "in reference to the special interests" he was defending, as he put it to his friend Burnley, "but when my work is done Mr. Clay's may begin. If he can show how inconsistent or false or injurious" the conduct of his political enemies has been "and turn it their political injury, I have not a word to say. That is his business, and so we are very good friends."[116]

But Mr. Clay was having his own troubles. In the middle of his campaign against Polk for the presidency, with annexation the paramount issue, a Democratic newspaper published a letter his campaign manager had written in 1842 to President Tyler urging annexation. The resulting pressure

114 *WSH*, I, 516-7.

115 Hamilton to Polk, October 13, 1844, November 29, 1844, James K. Polk Papers; Green to Polk, January 20, 1845, Duff Green Papers.

116 Biddle to Burnley, December 17, 1838, Letter Book, Biddle Papers.

caused the manager, General Leslie Combs, and ultimately Henry Clay to admit that they would be happy to see annexation effected. Some students think this switch caused Clay to lose the election. General Combs, one of the most vociferous Texas bondholders, was still his campaign manager in 1848.[117]

13

Because of Clay's reversal on annexation in the middle of the campaign, a reversal connected with " the animating spirits of speculation," Polk won the election. With the victory of Polk the success of annexation was thought to be assured. The New York *Courier and Enquirer,* despite its former connections with Nicholas Biddle or perhaps because of its new ones with the Galveston Bay Company, showed the temper of the times by going over to the administration side, though formally Whig during the campaign. And the committee for foreign relations of the Texas Senate summed up the situation by pointing out that annexation would bring peace, security, American capital and population, and " increase of values." All in all " it was well understood that in the event of annexation lands would increase very rapidly in value and make their owners comfortable or perhaps rich." [118]

Sam Houston, as he now retired from the presidency of Texas, continued to look to his border lands when he drew up a memorandum which the American chargé to Texas urged be included in the bill of annexation. " In running the line between the United States and Texas," Houston wrote, " where lands fall into the United States by misapprehension of the claimants in their locations . . .they are to be reimbursed." [119] When Houston also said on retiring that he wanted to spend the rest of his life on his plantation and not

117 Poage, *op. cit.*, 144-5, 180.

118 Smith, *op. cit.*, 433, 323, 378.

119 Memorandum Setting Forth Terms for the Annexation of Texas to the United States, December 17, 1844, *WSH*, IV, 407-8; Donelson to Jones, January 21, 1845, *WSH*, IV, 408.

as United States Senator the chargé interpreted this as understanding what annexation meant to the value of his lands.[120]

The Raven made his point about lands in another way when he insisted that annexation should not be consummated on a basis "so indefinite, as to individual rights." But he was enough the Indian to avoid appearing over-anxious. The failure of annexation, he said, would not disturb Texas because Texas would inherit any future American wars. "Alone and independent . . . the causes of war to the U States would be a source of benefit and prosperity to her." No war could the United States get into "but what Texas would be the beneficiary," for "the encouragement given to us, by the demand for our Staples, would increase our individual, as well as our national wealth. The fleets of belligerants would be supplied with means from our natural pastures," and the "value of our staples would be inhanced. . . ." In short "calamity to other nations would be wealth and power to Texas." [121]

14

The success of annexation was not to be embarrassed this time with any provisions calling for payment of the Texas debt by the United States. One newspaper alleged that the holders of Texas scrip were not only willing but anxious that the debt should not be transferred. The explanation was found in the fact that the public lands were not to be transferred either. A bargain was to be made for the lands later, and the proceeds applied to the extinction of the debt. This seems to have been the strategy which resulted in Texas retaining control of her public lands, the only state in the Union which was allowed to do so.[122]

Although the election of Polk seemed to be a mandate from the people for annexation the bill which President Tyler

120 Smith, *op. cit.*, 371.

121 Houston to Murphy, May 6, 1844, *WSH*, IV, 321-2.

122 Smith, *op. cit.*, 333.

finally signed after the election was passed in the Senate by a narrow margin. The vote was 27-25, the Democratic senators and three Whigs voting for the measure. "It was surprising to find among the majority Senator Tappan"; but the instructions of the Ohio legislature and the bond list of 1856 probably account for this. Tyler said that in pressing annexation he had "acted upon information from London"; if this were the case land enterprise had again played a decisive role, for the outstanding speculative triumvirate of Ashbel Smith, Duff Green, and James Hamilton had carried on much of their activity in London.[123]

The annexation bill had to be approved by Texas and in that country the ground was being prepared. In March, 1845, Thomas Jefferson Rusk and J. Pinckney Henderson, among the leading land operators, were at work, assisted by former Governor Yell of Arkansas, the intimate of Polk. Duff Green had sent N. A. Wickliffe as a special envoy from the United States to assist annexation. The most rabid annexationist faction, led by an adventurer behind in the taxes on his city lots, suggested that the Galveston customs house be seized to help the Government make up its mind.[124] In the midst of it all, the dying Andrew Jackson warned the new president of the United States that measures being taken by Robert J. Walker, the new secretary of the treasury, in conjunction with Texas speculators would blow Polk's administration "sky-high" if not checked. But "Texas speculators" continued to quarrel among themselves to the last. Considerable stir was created in Texas when Sam Williams returned from Mexico with an armistice proposal—which called Texas a "department of Mexico." Since this was after annexation had been proffered Williams was accused of making this concession because of the Mexican bank charter "that he and his partner obtained to enable them to flood the country with rag

123 Tyler to Green, September 1, 1847, Duff Green Papers.

124 Hunt to Rusk, Henderson, and Anderson, April 18, 1845, Rusk Papers.

money." But that charter had been upheld by the Texas government.[125]

Although General Rusk was elected president of the convention accepting annexation, apportioning the delegates had been a ticklish business because the convention had to decide the capital of the new state as well. The annexation convention in Texas also passed an ordinance to revoke the recent colonization contracts entered into by the President of the Republic because these "would operate as a monopoly of upwards of seven millions of acres of the public domain of Texas, in the hands of a few individuals—when, in truth, the citizen soldiers, and creditors of the Republic . . .had . . . a clear and indisputable previously subsisting right to locate upon the public domain. . . ." [126] Ironically, the one vote against annexation at the convention was cast by Secretary Walker's father-in-law, and the only organized opposition to annexation in Texas came from land speculators. The Texas Emigration and Land Company feared abrogation of its contract granted by the Republic.[127]

There were other Texas enterprisers who saw their futures dimmed by the move, however. "In conjunction with a few of my friends," one erstwhile diplomat wrote the British chargé, "I have it in contemplation to decline any participation in the honors and advantages consequent upon the Annexation . . . and have turned my attention to a new Colonization." He would like information "relative to the Eastern Coasts of Central America" and a company of "British Capitalists" which had been formed to colonize them.

It was significant that this land operator addressed his letter to the British chargé. Whether annexationists or not the activities of men of affairs in Texas show that the question

125 *Telegraph and Texas Register,* March 25, 1846.

126 H. P. N. Gammel, *Laws of Texas,* II, 1514.

127 "Texan Emigration and Land Company," *Dictionary of American History,* V, 250.

of British interference was largely of importance for political campaigns. Toward the latter part of 1845, for instance, Democratic newspapers had fanned the flames of annexation by reporting that a huge land claim had been presented to the Texas government by the British on behalf of a British citizen. But New Yorkers were interested in this grant as well. Again, Duff Green was one of those who most loudly warned of British interference. But when the General "constituted himself President" of the Texas Trading Mining and Emigrating Company, the British representative in Texas felt called upon to write his government to help him in discouraging British participation. Not only were British subjects partners of Green in the venture but there was "reason to believe that it is intended to raise money in London as well as the United States." The British prime minister was urged to see that "some prudent . . . persons in the City of London . . . be confidentally advertised of the possibility of the attempt to raise funds . . . and of the very high probability that the result will be a dead loss." His Majesty's Government should act in every way to prevent "involvement of British Subjects and Capital in that web of political and commercial speculation against Mexico" countenanced by the United States.[128]

The claim of the Colorado and Red River Land Company, the empresario of which was a British subject but whose offices were on Wall Street, was pushed by the chargé, however.[129] And one of the empresario's partners was Dr. James Grant, one of the most active Texas revolutionaries.[130]

128 Hockley to Elliott, March 14, 1845, *TDC*, I, 567-8; Eliott to Aberdeen, February 17, 1845, *TDC*, I, 448-9.

129 Gustavus Myers, *History of the Supreme Court*, 412. There are shares in Beales' "New Arkansas and Texas Land Company" and "Colorado and Red River Land Company" in the Samuel Swartwout Papers. See also Jones to Elliott, September 19, 1843, *TDC*, II, 1135.

130 *WSH*, II, 49.

15

While many observers, like the British chargé, gave credit for annexation to "that web of political and commercial speculation against Mexico" which not even British subjects could be restrained from forming, here and there a voice called attention to forces outside the control of these individuals. One interpretation drew attention to the conservativism of the British bureaucracy, and said the United States got Texas by default from England.

> If... the British Ministry had found the wit to insist upon Mexico recognizing the independence of Texas, England lending the embarassed republic a million sterling to meet pressing wants, she could have staved off annexation.... But the ministry were taking care of Prince Albert's horses... and had no money to spare for... the protection of their cotton workers' interest abroad.[131]

Others pointed out that the speculators in Texas did no more than take advantage of the needs of settlers in the westward movement, many of whom fled Eastern panics and foreclosures to wind up in the toils of favored grants and debt charges.[132] The choicest Texas lands, as Sam Houston pointed out, had been "withdrawn from the common mass of public domain, and out of respect for the grants made, been passed over by the early settlers of the country. . . ." [133]

Whatever the underlying causes, however, it is clear that many initial supporters of the movement for the annexation of Texas were gentlemen adventurers in Texas land and securities. Broad political and economic developments brought annexation about but the idea originated among interested parties and was nurtured by them, as the political forces were turned to advantage. But in the democratic process the assumption of the Texas debt had been allowed to lapse tempo-

131 Newspaper Clipping, October 25, 1845, *LP*, VI, 9-10.

132 See Chapter VI, below.

133 See Chapter VI, below.

rarily, and the working out of that problem—what may be called the completion of annexation—is another chapter. In reality the struggle for the assumption of the debt which began in 1846 was an entirely different speculation, with a considerable part of the ownership passing into the hands of New York and Philadelphia bankers who specialized in government obligations. But many of the Texas gentlemen of affairs and their cohorts in the rest of the United States continued to play large and important roles.

Moreover they did not limit their activity to the matter of the assumption of the debt. It has been emphasized more than once in this study that to focus attention on "the annexation of Texas" in a sense does violence to the leading men involved, all of whom were all the time engaged in a host of operations, political, economic and military, of which Texas was only one and not always the most important. This combination of careers the most diverse and wonderful, with its concomitant of strange and often almost inexplicable shifts in intellectual viewpoint and political stand, continued as the republic of Texas began its own career as a state.

16

As an aftermath of political union all the Texas enterprisers were maneuvering for further economic objects. The new Texas delegation to Congress urged the application of Colonel E. H. L. Wheelock, the Monclova surveyor, for a federal position, referring to the "able & efficient manner" in which he had distinguished himself "in the *cause of democracy*." [134] Frederick Dawson, whose name had dropped out of the annexation resolution, became a familiar figure after annexation in the capital of the new state, visiting "regularly all Texas legislatures, still pressing his claims, memorializing the legislatures, etc." [135] A. T. Burnley received a note from his old

134 The Texas Delegation to President James K. Polk, March 1, 1847, *WSH*, V, 9-10.

135 *WSH*, III, 248-9.

partner in the Galveston City Company, General Thomas Jefferson Green. Cotton prices are low now but there is a rumor that the President is going to take a strong stand on the Oregon question.

> This strong ground [Green wrote] will create a great stir in England and cotton will rise accordingly—then we may get off the log. Now after viewing the subject in all the lights which present themselves I am willing to join you in an operation in cotton.... I propose further to join you in the purchase of Texas Notes and Bonds also — The President will recommend their payment by the U. S., as I have been told by one, who heard the President say so in effect, tho not in terms. This recommendation will cause an immediate rise. ... The purchase I think must be a good one, as in any view of the case the present prices are too low.[136]

Although the days of capital promotion were over there were still county seats to be located and it was fitting that one of the first new counties to be created after annexation was Upshur, with Gilmer the county seat. Wharton and Walker, Tyler and Calhoun and Henderson also appeared on the map, becoming part of the Texas heritage in this most appropriate geographical fashion with Austin, Houston, Crockett, Rusk, Zavala and Milam. The little town of Swartwout no longer flourishes, and there never was a Biddle, but the great banker's Paris house is commemorated in Castroville.[137]

The late diplomats Nathaniel Amory and Isaac Van Zandt were in 1846 locating lands while Ashbel Smith received an inquiry from his brother: "What do you think of Texas money now?" Might it not be a good speculation?[138] The year after that Smith was with the American army in Mexico,

136 Green to Burnley, November 23, 1845, Burnley Papers.

137 John Henry Brown, *History of Texas*, II, 317; Hogan, *op. cit.*

138 Smith to Smith, January 13, 1846, Ashbel Smith Papers; Johnston to Van Zandt, April 13, 1846, Van Zandt Papers; Starr and Amory to Van Zandt, February 28, 1846, *ibid.*

ruminating on the future of that country. It ought, he decided, to become a political dependency of the United States, controlled by the owners of the public debt incurred in the war. This debt would form the capital stock of a court of proprietors, organized on the lines of the East India Company.[139]

In the newly-created Second Congressional District of Texas Sam Williams, one of the principal local bondholders, was running for Congress. It was his opinion "that the best interest of our State will be promoted by a prompt arrangement of our public debt" and "to me no plan appears so feasible as that of contracting with the General Government for the liquidation of that debt, by a transfer in trust of our Public domain. . . ." Williams hoped that the old settlers would "recollect olden times and grant me the pleasure of their votes." Olden times were evidently recollected for Williams lost the election.[140]

The recurring combination of public and private business was also illustrated in the case of David Ayres, another local paper-holder. By 1847 he "had accumulated a considerable fortune in lands and stock and gave his time and attention to them, except so much as was necessary for his position as United States Deputy Marshall." Ayres was one of those who had sold out his paper to Eastern financial houses after annexation.[141]

Former President and General Mirabeau Buonaparte Lamar was with General Zachary Taylor before Monterrey, as the Mexican War wiped out remaining opposition to the transfer of Texas, but he did not neglect his land scrip and his eleven-league grant. In the fall of 1845, shortly after annexation had been completed, the former president was locating scrip in "several vacant sections of land in the midst of the settlements" in East Texas. There was also work to be

139 "Journal," May 12, 1847, Ashbel Smith Papers.

140 Williams to the Voters of the Second Congressional District, March 13, 1846, *LP*, VI, 17-9; Winfield to Lamar, December, 1846, *LP*, VI, 32.

141 *WSH*, IV, 377-8.

done for the Georgia land company with whom Lamar had been connected when he first came to Texas, and for Gazaway Bugg Lamar, the Southern businessman whose lands in Texas occupied only part of a busy life. Writing from Brooklyn Gazaway said he would sell out "for Cash only" if his lands would command two dollars an acre; in the meantime "if any one is settled on my land get a written acknowledgement & an obligation to give possession on demand or give him notice to quit forthwith." [142]

General James Hamilton was dividing his time between his plantation interests, efforts to collect his Texas debts, political sorties, and military projects. In 1845 he addressed President Polk "on the subject of a pacification with Mexico, which I believe can be affected thru the influence of the Banker of that Govt in London." A few years later he indicated his willingness to accept a major-generalcy.[143] In 1850 Hamilton was engaged in a scheme to annex Cuba to the United States—he proposed to send old Joel R. Poinsett to Madrid to negotiate the purchase and, he wrote Poinsett, he had a New Orleans banker lined up to finance the deal. The former secretary of war was enthusiastic.[144]

17

From the beginning of the revolution the leaders of Texas had bent their efforts toward bringing their acquisitions into the union of "the United States of the North," and it was upon annexation that the really spectacular feats in speculation were concluded. In their larger manifestations these had their locus in the public credit and the Northern money market. When it was seen that popular opinion would not

142 *LP*, VI, *passim*; *e. g.*, A. Younger to Lamar, January 23, 1848, VI, 162-3; H. P. Bee to Lamar, November 14, 1845, VI, 11-2; Lamar to Henderson, January 5, 1849, VI, 168; March 27, 1849, VI, 109; G. B. To M. B. Lamar, May 14, 1846, VI, 19.

143 Hamilton to Polk, May 6, 1845, Polk Papers; see also March 19 and 22, 1849.

144 Rippy, *op. cit.*, 230.

allow payment of the Texas debt as a provision of annexation the strategy of the public creditors changed. Efforts began immediately to realize the speculative value of Texas stocks and bonds in characteristic fashion: through a land sale, or, more properly, a land cession. General James Hamilton, large operator in Texas debt and Texas lands, wrote the newly-elected President of the United States, James K. Polk, in 1846 that he was on the way to Texas "to have the claims which I hold and represent against the late Republic recognized and placed in a train of adjustment." He had reason to believe that the Legislature would soon pass an act "which on the assent of the Congress of the U.S. will effect an entire cession of the public domain, on terms satisfactory to the public creditors, beneficial to Texas, and preeminently to the Govt of the U.S." The General asked President Polk not to communicate with the Congress until he heard from him—and also not to mention his object before either of the Texas senators. "Such is Houston's jealousy of me in reference to everything connected with this Country that to do anything effectual for it, I have to do it by stealth." [145]

The cession of land "on terms satisfactory to the public creditors" did begin at that session of the Legislature, as General Hamilton predicted. A committee of the House of Representatives thought such a sale necessary if the United States were to fulfill its high mission to the human race, especially since the lands could be sold profitably.[146] Since the sale contemplated was to include indiscriminately all unoccupied lands within the state, obvious difficulties delayed a definite offer. By 1848, however, the attorney for a group of the public creditors had come forward with a plan for selling the area now New Mexico, which Texas claimed. The attorney was Memucan Hunt, a creditor himself,[147] giving practical

145 Hamilton to Polk, March 2, 1846, Polk Papers.

146 Texas Legislature, House Journal, 1st Legislature, 302, quoted by W. C. Binkley, *Expansionist Movement in Texas*, 205-6.

effect to his view expressed during the Revolution that only those who helped Texas in her hour of trial should share in her land.[148] As it happened, however, the main creditors now were those who had come into possession of the debt since the revolution, having refused to open their ice-bound chests at the time.[149]

The land which eventually provided the creditors' money was the upper Rio Grande valley around Santa Fe, claimed by Texas and ceded to the United States as part of the Compromise of 1850. The measure was long debated. Texas had to prove New Mexico belonged to her and there was a movement there to set up an independent state. Defending the Texas claim to New Mexico, Senator Houston pointed to the gallantry of Texans in the Mexican war.[150] Moreover the independence movement was set afoot, Sam Houston said, by New Mexican land speculators "busily engaged in carving a new state within the limits of Texas."[151]

Texas officials thereupon themselves moved to establish claim to New Mexico, combining private with public enterprise. A Texas judge was sent to hold court in New Mexico but the citizens there prevented him from taking up his duties. "Consequently he turned his attention to the natural resources of the region, and in company with seven other Texans and Americans applied to the governor of Texas for authority to operate certain valuable saline deposits. . . ." The judge said the secret of the opposition to Texas by the people of Santa Fe "was a fear that grants of land which had been

147 Houston to Thruston, September 30, 1838, *WSH*, II, 286.

148 See above, p. 87.

149 Houston to the Editors of the Union, January 10, 1840, *WSH*, V, 112-3. Hunt addressed a circular letter to all the creditors, suggesting contributions proportional to the amount of each claim.

150 Brown, *The Life and Times of Henry Smith*, 341-2.

151 A Speech on the Texas-New Mexico Boundary, July 3, 1850, *WSH*, V, 186-8.

made previously would become void under Texas jurisdiction." [152]

Ultimately a compromise was concluded. The boundary finally agreed on, Professor Binkley says, "was far enough west to conciliate the Texans; far enough north to please various interests in the United States; and far enough east to satisfy the advocates of the Mexican rights; while the sum offered to Texas was almost the exact amount needed to cancel her public debt." [153]

18

This Compromise of 1850, as Senator Sam Houston pointed out, was the beginning of a new chapter in the "animating pursuits of speculation." Most of the Texas debtholders had acquiesced in the propositions the state had made after annexation to scale the debt but "they received a new impulse by the proposal of the Compromise." "We now find," Sam Houston said, "that hundreds came in who were not then interested in the debts of Texas." If the Compromise of 1850 had not passed all the Texas creditors would by now have received their money at the scaled rate, "each man consoling himself in the advantage of having made a handsome speculation upon his adventure." To assume the debt at par, moreover, would be unfair to those debtholders who had taken Texas lands for their promissory notes. "These gentlemen have gone quietly and located their lands, and now realize several hundred per cent," but this was less than now could be made.[154] Personally, the Senator said, he had no objection to the Texas creditors.

> I look upon them as I look upon other speculators. I look upon them as I do on men who go into the market every day

152 W. C. Binkley, "The Question of Texas Jurisdiction in New Mexico under the United States, 1848-1850," *Southwestern Historical Quarterly*, XXVI (July, 1920), 10, 22.

153 *Ibid.*, 38.

154 *WSH*, V, 385, 386.

> —men who wish to make, in their estimation, honest gains, and who would not have their consciences smitten if they made one hundred per cent every day. That would not involve their honor but it would, in their estimation sustain the honor of those on whom they made the one hundred per cent.

He did not want any more sympathizers with Texas, or any more appeals to the Congress "in behalf of Texas, to rescue her honor." [155]

The members of the Texas Legislature, predominantly landholders or land speculators (not that the two can be separated) and lawyers (law in Texas was by and large the title-perfecting side of land speculation),[156] had appreciated the fact that removal of New Mexico from the public domain for the benefit of the creditors would redound to their benefit also. After the transfer was made, moreover, the Legislature did not hurry to hand over the funds intended for the creditors. Instead the Texas government continued to talk of scaling.

Committees of creditors therefore began to memorialize Congress to adjust their grievances. In 1852 a committee led by Generals Leslie Combs and James Hamilton and the New York banker I. R. Milbank contended that "the only standard by which the debt of a State is to be paid, is, the manifest obligation on its face; in other words, what a State promises to pay, she is bound to pay." No evasion is tolerated by law, "much less approved by the sentiment of an enlightened and civilized age." The memorialists harked back to the situation Texas faced when, in the words of the Texas secretary of the treasury, they had "fearlessly stepped forward."

> If a State when poor, weak and hard pressed, [they asked] struggling for her very existence, is forced to pay a higher

155 *WSH*, V, 387.

156 "I do believe that a Lawyer would get rich by picking to pieces the property of one hundred Americans, where he would starve on 20,000 of any other people on earth."—Austin to Bell, April 4, 1829, *AP*, II, 203.

> bonus for money than a rich and powerful nation would be required to do, can she, therefore, fairly, when afterwards she becomes free, prosperous and powerful, cancel or impair the original obligation of her debts, and turn her back upon her creditors?

To the Texans who justified scaling because the paper was bought by its present owners at a few cents on the dollar, the committee replied: "The public securities of Texas were mainly regulated in their value by the ever-varying phases of her war with Mexico—as all such securities ever have been." In fine, the committee stood on the proposition—"as true as it is just"—that the United States government should pay them in full, "as our lien is an abiding one, through all time, until our debts, with interest, are fully and bona fide discharged." [157]

Senator Houston dealt specifically with the claim of his old friend Leslie Combs in a speech in the Senate in 1853. "The gentleman," Senator Houston said, "says that he is not one of the speculators. Then I do not know how to characterize a speculator." He ridiculed Combs' claim that he had invested $59,000 in good funds—"if he invested $25,000, it is the most extraordinary piece of stupidity that ever was in the world. He might as well have thrown the money in the bayous of that neighborhood, for money had very much depreciated there." [158] The Senator then made reference to a further point which General Combs had urged in behalf of his moral right to be paid at par: a son of his had served in an expedition to Santa Fe from Texas. "The young man was a gallant fellow," Houston admitted, "but he was engaged in that *unfortunate and lawless expedition*" not even countenanced by the Texas Congress.[159] At the time of this

157 *32nd Congress, 1st Session, Senate Miscellaneous Documents*, No. 72, 1852.

158 Remarks on the Texas Debt, and for the Issue of Certain Certificates of Stocks to Texas in Payment Thereof, March 1, 1853, *WSH*, V, 405.

159 *WSH*, V, 404-11.

expedition, however, Houston had written Combs: "The Santa Fe prisoners groan in bondage!" But then he had been asking the Kentucky Rifle to send troops to the aid of Texas.[160] As recently as 1846, too, the Senator had told General Combs that if it were in his power "you should not have the payment of your claim deferred an hour."[161]

In his speech to the Senate, Houston also referred to *A Fiscal History of Texas,* a recently published study of especial interest to Texas creditors. He did not know the author, Sam Houston explained, but his name was spelled G-O-U-G-E.[162]

In general Houston thought assumption of the debt would "surrender the government to speculators," and compared it to "the attempt of the Bank of the United States, to engraft a corrupt monied influence on the government."[163] He himself had been approached with a proposition to buy up the Texas liabilities by gentlemen who said that "It was a fine speculation." With the exception of New Orleans, "the great valley of the Mississippi does not at this hour contain fifty dollars of Texas's liabilities, and not one dollar held in the hands of those to whom they were originally issued." Who were their present holders?

> Are they men who have peculiar claims upon the confidence of Texas? Are they men who blended their destiny with hers in her hours of trial? Are they men who marched with her armies upon their marches?... Are they men who toiled or starved for her? No, sir. They have sprung up, like dragon's teeth, around this Capitol within a few years.... Sir, if these men were the assignees, or the descendants of Shylock, they would reflect just credit upon his reputation.

160 Houston to Combs, March 16, 1842, *WSH,* II, 504-5.

161 Houston to Combs, April 11, 1846, *WSH,* IV, 450-1.

162 *WSH,* IV, 404-11.

163 Houston to Pierce, January 28, 1853, *WSH,* V, 373.

But the Senator was at this time himself engaged in some dealings with one of the "Shylocks," W. W. Corcoran of Washington.[164]

Senator Houston pointed out that the debt was not in bonds —if it were then Texas could follow the illustrious example of her sister states who had repudiated. All but about a million dollars of the debt was created in the form of promissory notes.

> These promissory notes depreciated in the hands of the men who had toiled and fought in the revolution.... They were then thrown upon the market, they were seized upon by speculators. At auctions ... they were submitted to public sale and cried off at from three cents to five cents, "Going, going, gone." There were no bonds sold in market for what they would bring; but these were promissory notes sold for a mere song under the auctioneer's hammer, and "in quantities to suit purchasers," for they were piled up as large as cotton bales.[165]

Houston thought the bonds issued and the naval debt ought to be paid.[166]

19

An assumption bill was finally brought in supported by another memorial from the creditors which proposed to appropriate $8,500,000 to be paid pro rata among them. The memorial was signed by General Leslie Combs, Gazaway B. Lamar, the cousin of former Texas president Mirabeau B. Lamar with whom he was associated in many Texas land deals; and James S. Holman, Texas town promoter and partner with Houston, Austin, McKinney and Williams,

164 *Ibid.*; Speech on the Bill Providing for the Texas Debt, February 11, 1853, *WSH*, 375 ff.; Houston to Miller, October 7, 1853, *WSH*, V, 458; Same to same, February 6, 1854, *WSH*, V, 467; Same to same, March 2, 1854, *WSH*, V, 503-4.

165 *WSH*, V, 377.

166 *WSH*, V, 382, 385.

James Hamilton, and Thomas Jefferson Green in the old Texas Railroad, Navigation, and Banking Company.[167] Finally an act of Congress in 1855 appropriated $6,675,000 which amounted to about 77 cents on the dollar for the principal of the Texas debt and interest from ten to twenty years at 8 to 10 per cent.[168] This bill, which may be called "the completion of annexation," was like annexation a truly national project; committees of creditors which memorialized Congress included members from Delaware, Kentucky, Pennsylvania, and South Carolina.[169]

The payment marked the achievement at long last of what was a magnificent speculation for its day. Former Senator Benjamin Tappan was there at the finish, and so were John Slidell, Ashbel Smith, Gazaway Bugg Lamar and of course General Leslie Combs. Slidell's account was marked "Senate U.S." It was appropriate that the former commissioner to Mexico to adjust the Texas boundary had now as a member of Congress voted for legislation under which he redeemed his Texas notes.[170]

General James Hamilton was not on the list. Fifty-one bonds of £100 Sterling, his share of the proceeds of the sale of the *Zavala,* were redeemed however by the heirs of his partner James Holford, whose total receipts amounted to about $150,000. The bonds formerly belonging to Hamilton had been endorsed to Holford as collateral for a large cotton speculation. Hamilton had shortly before 1856 been drowned

167 *33rd Congress, 1st Session, Senate Reports,* No. 334, 1853.

168 Lewis W. Newton and Herbert P. Gambrell, *A Social and Political History of Texas.*

169 *33rd Congress, 2nd Session, House Miscellaneous Documents,* No. 7, 1853.

170 Texas Claim 94, General Accounting Office. The rest of the information in this chapter, unless otherwise noted, is taken from these G. A. O. records.

on the passage from New Orleans to Texas in a last attempt to redeem his Texas obligations.[171]

Hamilton's friend Nicholas Biddle had also died, but the former trustees of the Bank of the United States, including his London agent Samuel Jaudon, and Charles Macalester, speculator in Texas paper with Biddle and important lobbyist for annexation, carried off the biggest chunk of the appropriation. Macalester's redemption included paper sold him by James Hamilton.

The widow of John Birdsall, Houston's law partner and attorney general of the Republic, collected as befitted one of the important lobbyists for the appropriation. Judge Birdsall had acquired some of his Texas paper as salary and the act providing that salary had been deemed a penurious one because it paid judges at six for one instead of the going rate of eight for one.[172]

Part of Frederick Dawson's purchases of Texas stock had passed through the hands of Thomas F. McKinney, Sam Williams, and M. B. Menard. The latter had paid 21 cents on the dollar for them, in 1845. Other Texas patriots represented included Edward Hall, the New Orleans speculator whose worries over redemption had got for him the nickname of "Granny" Hall; José Antonio Navarro, a Mexican who fought for the Texans in their revolution; and H. H. Williams, Sam Williams' brother and Texas consul at Baltimore. The former diplomat and opponent of annexation, Nathaniel Armory, redeemed some notes, as did his partner James H. Starr. Some of those redeemed by Starr were signed by himself as treasurer of the Republic. Paper formerly purchased by William Bryan and endorsed by him as "Con-

172 Terms of the Law Partnership between Houston and John Birdsall, January 8, 1839, *WSH*, II, 308.

171 "James Hamilton," *Dictionary of American Biography*, VIII, 188.

sul R. T." was redeemed by the banking firm of C. St. John Chubb.[173]

The redemptions in the names of the large private bankers of New York, Washington and Philadelphia indicated that many of the holders of the Texas debt had sold out in the forties and fifties in despair of collection. At that time at least two of the banking houses had sent agents over Texas and the Southern states buying up the paper of the defunct republic.[174]

173 Houston to the House of Representatives, January 21, 1842, *WSH*, II, 434.

174 *34th Congress, 3rd Session, House Executive Documents*, No. 86, 1856.

CHAPTER VI

THE WESTWARD MOVEMENT

If any one is settled on my land get a written acknowledgement & an obligation to give possession on demand or give him notice to quit forthwith.

—G. B. Lamar to M. B. Lamar.

This is to inform you that my self and others is trespassing on your land... not of Choise but necessity compels us to try to raise some corn for our familys.

—A. Younger to M. B. Lamar.

I

As letters of both owners and "squatters" testify, usufruct of the land during the period of the annexation of Texas was tempered by the lack of effective means to make "squatters" respect the rights of ownership. At one time the President of Texas was assured that "military force would be necessary to give protection to the surveyors" in land occupied by "squatters," because "the people may think they have acquired a right to the soil by occupancy." [1] Even General Albert Sidney Johnston, who in 1846 was engaged in the Mexican war and a little land location with a diplomat of the Republic, felt especially fitted for the latter job because of "the friendly feeling on the part of the settlers toward me." [2] The removal of large blocks of land from the public domain and their concentration in the hands of absentee owners was not without effect on the westward movement, however. Immigrants who came to the new state after annexation found it encumbered not only with grants to individuals but with grants to "colonization" empresarios and corporations made both before the Revolution and under the Republic—as American immigrants had found the old states and colonies from the seventeenth century.

1 Houston to the Texian Congress, January 22, 1844, *WSH*, III, 524 ff.

2 Johnston to Van Zandt, April 13, 1846, Van Zandt Papers.

Moreover there were certain grandiose land speculations affecting the westward movement which become apparent on the "completion of annexation." [3]

From the point of view of the settler political annexation did not immediately make much difference. On arriving in Laredo on the Mexican border in 1846 one of General Zachary Taylor's captains wrote him that "the town is divided into distinct villages by the Rio Grande, both however . . . being governed by the same local authorities." [4] The case of Laredo was typical of the Texas settlements in that the local pattern of usufruct underwent no change with annexation: the *de facto* "local authorities" remained the large landowners. It did not matter that "the authorities of Texas have not taken steps toward extending the laws of the State." However, it is interesting to note that General Taylor's captain, who was former Texas President Mirabeau Buonaparte Lamar, thought the effect of the Mexican War on Texas was to strengthen the hand of the new state authorities. "The place here," he wrote the governor, "was garrisoned mainly . . . at your suggestion for the purpose of sustaining your excellency in the extension of the laws of the state . . . ." His "excellency" was James Pinckney Henderson, lawyer for General Lamar and the other adventurers of the Georgia Land Company.[5]

The new gubernatorial executive was a good Texan; he had taken the lead in the period of the Republic to redress injuries to absentee owners of Texas property. Plaintiffs should not have to answer defendants in open court, Henderson wrote Isaac Van Zandt in 1841, when they live in the United States or some remote part of Texas. By appealing to this rule, defendants "harass and sometimes defeat the honest claims of Plaintiffs." [6]

3 *WSH*, II, 474.

4 Lamar to Taylor, December 24, 1846, *LP*, VI, 70.

5 *Ibid.*

6 Henderson to Van Zandt, December 29, 1841, Van Zandt Papers.

2

The law which was to be extended over Texas was essentially the land law. As far back as 1836 Stephen F. Austin and William H. Wharton, two of Texas' leading proprietors and perforce two of her leading public figures, had hastened home from their efforts in the United States to finance the Texas Revolution through land sales to get appropriate legislation passed. In assuming the roles of legislators for this task they were only continuing the Texas tradition, a tradition which had been neatly expressed by Stephen F. Austin himself in the case of one of his tenants who was getting recalcitrant. "Tell the widow," he wrote Sam Williams, his agent and vice-executive of the immense domain which became Texas, "that she had better yield than have the LAW put in force against her, as I laid it down and left you to execute." [7]

The constant reiteration of such sentiments suggests, however, that enforcement of property rights was not always easy. Even during the Texas Revolution, for instance, Commander-in-Chief Sam Houston, large landowner in his own right, had to stay his lance to deliver a warning against disregard of land ownership. "Being the general conservator of the public interests of my fellow citizens," he proclaimed, it was his duty to spike the belief that "making what are called improvements on unoccupied land . . . or fictitious occupancy," gave any right to lands. He cautioned all whom it might concern "that there is no law to justify said acts, nor will said *surreptitious occupancy* give the least priority of claim." [8]

Surreptitious occupancy on the part of Texas Indians was also a problem. If this could be stopped it would be a great boon to land values, for when "surveyors pushed into the Cherokee settlements and began surveying land for white claimants," the Indians "retaliated with raids and depredations against the white men," including one rebellion in

7 Austin to Williams, May 8, 1832, *AP*, II, 772.

8 Proclamation, March 4, 1837, *WSH*, II, 62-3.

which they united with Mexicans.[9] "Our Indian difficulties have retarded the growth of this country a full twelvemonth by preventing emigration," Ashbel Smith wrote in 1839. But with an eye to present sales he always added that reports of Indian depredations had been greatly exaggerated in the American newspapers.[10]

3

In general the philosophy of the ruling authorities was hierarchical. In General Austin's words, the obstinacy of the common man was such as to require a general direction of morality by "men of capital and high character," and the other authorities like Austin thought of Texas as their ward. Although they were devoted to the interests of the settlers, many times these "creatures of passion" did not know what their own interests were, human nature being what it is. Because of this unruly character of frontiersmen, leaders were thought to be required who would take the place of fathers—most of the time "smooth words without meaning" would serve to keep truculent settlers in line, Austin said, but at times corporal punishment is necessary. Religion too is indispensable.[11]

One of the Texas land authorities summed up his creed (and his means) when he created a fellow town-promoter and statesman "a Knight of the Order of San Jacinto." This, the general said, "I have a right to create, and as I am a friend to 'Order,' I surely have a right to start an order, and then to create some reward for the *worthy,* as we have no cash, to encourage Gentlemen in preserving order."[12] But even this

9 *WSH,* II, 294-5.

10 Smith to Bulkley, February 4, 1839, Ashbel Smith Papers; 1839 Letterbook, *passim.*

11 Barker, *The Life of Stephen F. Austin,* 276, 203, 251, 270, 269, 294, 246, 123, 272, 283, 214, 229; Houston to Gillespie, May 16, 1842, *WSH,* III, 51.

12 Houston to Daingerfield, January 28, 1843, *TDC,* III, 310.

allegiance to class paled before the over-all rule for settling broad questions of politics: "to grasp firmly the administrative problem and urge the advancement of one's own enterprise as the obvious means of its solution." [13]

Government should protect property and "it would be vain to expect government" to alleviate "the calamities that fall upon men in civil society, such as ravages by flood, fire, pestilence, and the like." Victims of such misfortunes, Sam Houston said,

> are left out of the care of government... not because there is any want of sympathy or humanity for their sufferings, but because it is plain there is no public mode of administering to them the desired relief, without continually attacking the established foundations of property, and subjecting all that is in the hands of those that have anything at all, to new divisions of those who have nothing,—and this would immediately lead to a dissolution of society.[14]

In conformity with their political and economic philosophy the Texas leaders gave preference to men of their kind, except when this conflicted with individual personal interests. General Austin, for example, a debtor himself, favored abrogation of debts owed in the United States by people coming to Texas and tried to pass laws forbidding collection of debts in his colonies. He made it plain, of course, that such a measure would not apply to debts contracted within Texas. On the other hand some settlers could not understand Austin's large grants which, as Professor Barker says, "a few received in recognition of special equipment to develop them—such as Groce with his 100 slaves. . . ." [15]

Conflicts frequently arose between the Texas custodians of the public welfare and the American, and among the Texans themselves. People pinched by hard times in the United States,

13 Barker, *The Life of Stephen F. Austin*, 55.

14 To the Texas Congress, June 3, 1837, *WSH*, II, 112.

15 Barker, *The Life of Stephen F. Austin*, 223-4, 120.

one enterpriser complained, were often talked out of it; "the Merchants in particular are more opposed to people moving to that country or any other than ever I saw." [16] Whether or not merchants knew that debt-jumping was being considered for enactment into the law of the land, removal beyond the Sabine amounted to that *de facto* anyway—as the use of the phrase "gone to Texas" signified.[17] But while certain Texas land promoters sought to encourage immigration by protecting immigrants from American creditors, they did not encourage indiscriminate immigration, according to their competitors. The trustees of the Galveston Bay and Texas Company could not understand why rival enterprisers "instead of running down our company should not have seen that through our successful operations they would derive an immediate and direct accession to the value of their own domains which it will take them many years to gain without. . . ." [18]

4

While it is true that emigrants from Texas were often fleeing from oppressive economic conditions in the United States they did not always find the region the promised land of the enterprisers' advertisements. Complaints were heard as early as 1832 that exorbitant fees were being charged for location.[19] Once before the Texas Revolution the largest land-seller had found it necessary, in his political and military capacities, to take up arms against the squatters in East Texas. Again, an agent of the largest New York company doing land business in Texas arrived to find another agent "in a most deplorable condition. He had shut himself up in his house for several months as the resentment against the New

16 *Ibid.*, 96.

17 Hogan, *op. cit.*, 5.

18 Rowland, *op. cit.*, 189.

19 A. M. Sakolski, "The Texas Fever," in *The Great American Land Bubble*, 213-31.

York company had extended to him, the populace having made several attempts to take his life. . . ." [20]

The settlers in this case demanded "all the scrip I might have in my possession issued by the New York Company, stating that they were determined to send every man out of the country who should presume to come into it with scrip." The agent "of course explained to them that my intentions were none other than to give them their lands in accordance with the laws on the subject . . . that I had come into the country for their benefit as well as that of the Empresarios." [21]

While there seems to be in both these cases popular resentment against the land traffic, it should be pointed out that rival traffickers were involved in both. In the former case General Austin moved to put down a rebellion inspired by another entrepreneur.[22] In the latter case

> The attack was headed by . . . John Durst who has entered very deeply into the eleven league speculations and has them mostly located in our colonies. Thorn [another of Sam Houston's clients] has also gone deep into the same scheme . . . Their great object has been and still is to produce an excitement among the settlers to the prejudice of the company.

Another source of discontent against the New York company was "the arrival of several men from New York with large quantities of scrip and who have been so imprudent as to attempt the location of lands over the settlers. . . . This," the agent wrote, "as you will readily suppose has irritated the people to a very great degree." [23]

5

Throughout early Texas history Texas farmers like their fellows over the United States—this was the period of the

20 Rowland, *op. cit.*, 186-7.

21 *Ibid.*

22 Barker, *The Life of Stephen F. Austin*, Chapter XI.

23 Rowland, *op. cit.*

Patroon War in New York and the Dorr Rebellion in Rhode Island—continued irritated in greater or less degree. The Texas revolution itself was slow in getting under way because of the belief on the part of many settlers that it was all just a plot of the land speculators. The progress of the revolution and the make-up of the revolutionary government were frequently affected by the exigencies of land operations. Several proclamations had to be issued urging that land not be surveyed to the prejudice of those in the field with the armies and unable to do likewise. The commander-in-chief tried to deter "fictitious occupancy" and the provisional governor of Texas broke with his cabinet on the issue of opening the land offices.[24]

The problems arising from attempted engrossment of the public domain by men of enterprise continued with Texas independence. Spokesmen for the common man claimed that land bounties and soldiers' warrants were made difficult to sell in New Orleans so that land speculators could buy them up at a low price in Texas. As President, General Sam Houston had to put down a war arising out of land claims in East Texas. A partner in Nicholas Biddle's Paris house was charged with failure to provide emigrants with land after receiving passage money from them. In this case Ashbel Smith did not think the payment for passage from Antwerp to Galveston ($32) unreasonable but thought it perhaps imprudent to induce colonists to go at all "in the supposed exposed condition of the territory" involved.[25]

Some of the New York "colonization companies" were also adjuncts to packet schemes, and this was also true in England.[26] The Texas consul at New York collected money from some English emigrants who arrived to find that his claims to land in Texas were without basis. They appealed

24 John Henry Brown, *The Life and Times of Henry Smith.*

25 Smith to Jones, August 13, 1844, *TDC*, II, 1488-9.

26 Myers, *op. cit.*, 412.

to the government for headrights but this was considered unfair to the British enterprisers involved, "inasmuch as English emigrants must depend on their capitalists for the means of transporting themselves" to Texas.[27] One student considered Texas foreign trade itself a land speculation. "The people of Texas," wrote the Rev. Chester Newell in 1838, "cannot now afford the prices they pay for almost all articles of consumption and . . . they are only . . . *able* to pay such prices by disposing of their surplus lands." [28]

During the whole period the site of the capital of the Republic changed with the political success of rival town promoters, with consequent discontent, sickness, and Indian raids depending on whether the new plat was in a malaria swamp or hundreds of miles from the centers of population.[29] At one time the heirs of Stephen F. Austin, together with General Edward Burleson, were trying to promote the town of Bastrop as the national capital. "What do you say to the location of the seat of Govt on Stephens land above Bastrop," Henry Austin wrote James F. Perry.[30] Trouble arose, however, with the rival "prepriators" of Waterloo (later Austin) who were pirating their settlers. It all bore out the observation of one of the Bastrop promoters that "the Establishing the seat of Govt is calculated to be a speculation." [31] In like vein: "The removal of the Archives from Houston to the city of Austin has been commenced," Ashbel Smith wrote a friend in 1839. "The rapid growth of Houston will doubtless be impeded. . . ." [32]

27 Smith to Lamar, December 31, 1839; Smith to Houston, January 5, 1840, Letterbook, Ashbel Smith Papers.

28 Newell, *op. cit.*, 180.

29 *Ibid.*, 140.

30 Austin to Perry, March 24, 1839, Perry Papers.

31 Burleson to Perry, August 2, 1838, *ibid.*; Moreland and Poe to Perry, April 10, 1838, *ibid.*

32 Smith to Hubbard, September 4, 1839, Ashbel Smith Papers.

It was even given as an argument for moving the capital that profit would accrue to the government from the sale of lots. Sam Houston, an old town promoter himself, thought it "a ridiculous idea that a government should attempt to become a *speculator,* or think of growing rich by selling towns." [33] On the other hand Houston wanted to have the seat of government at Groce's Retreat, "but as I was interested in that place, I did not intimate my wishes on the subject." [34]

At times the determination of the seat of government caused violence. In 1842 Congress passed a law to remove the archives from Austin, "but Mrs. Eberly won't let them go," one Texan wrote. The doughty matron had the papers in her house "garded by a feeld piece." [35] The President sent a detachment to meet the threats he had heard made "that if the archives are ever removed they will be in ashes." In such an event the loss to the country would be "infinite and irreparable." Threats to burn the archives were explicable only in the light of "the exasperation of feeling pervading those who are directly interested in [Austin]." [36]

6

All of these disputes and conflicts among participants in what may be called the "absentee westward movement" affected the fortunes of the settlers participating in the actual westward movement. Especially were actual settlers affected by the annexation of Texas and by the boundary settlement of 1850. William Gouge wrote that "by these measures, taken together, the value of Texas lands had been increased many fold." And he went on to point out that the leading members

33 On the Removal of the Capital from Austin, *WSH,* II, 320.

34 Houston to Anna Raguet, January 29, 1837, WSH, II, 43. But see same to same, January 1, 1837, *WSH,* II, 30.

35 Holman to Van Zandt, January 20, 1843, Van Zandt Papers.

36 Houston to Messrs. Thomas I. Smith and Eli Chandler, December 10, 1842, *WSH,* III, 226-7.

of the absentee westward movement had helped bring about this manyfold increase in the value of Texas lands.

> . . . Neither of these measures could have been carried at the time and in the manner in which they were carried, if there had not been persons in the United States who had a deep interest in Texan securities.[37]

Texas landowners and creditors who could take up land at their option had foreseen this effect. From the first they had seen the primary effect of revolution to be a rise in land values. In 1837 Sam Houston echoed those other great entrepreneurs of the region, the Austins, as he wrote that his friend, the proprietor of a new town to be called "Houston," "says it is a clever place. Two days since refused $6000 for the present there that Wilson made me."[38] As President Houston also noted, lots were selling at $1,000 apiece, and, "the seat of Government will not be removed until it goes to Houston . . . ."[39] The year before Henry Austin had written his cousin Stephen F. Austin that people were arriving and that soon the family would be rich. Throughout the period of the Texas Republic and during the early days of statehood, one student writes,

> a disproportionate amount of the wealth of the area was to be found . . . along the lower Brazos and Colorado Rivers. This was due to the early concentrated settlement of Austin's Colony, for which the empresario had wittingly selected the most fertile and desirable land.[40]

Access to much of "the most fertile and desirable land" in Texas was in the hands of men of affairs, who had bought

37 Gouge, *op. cit.*

38 Houston to Irion, February 2, 1837, *WSH*, II, 48.

39 *Ibid.*

40 Andrew F. Muir, "The Destiny of Buffalo Bayou," *Southwestern Historical Quarterly*, XLVII (October, 1943), 91.

it up on speculation. The process had gone so far by 1880 that, in the words of Henry George, "although her population is as yet but a fraction more than six to the square mile the last acre of the vast public domain of Texas has passed into private hands . . . ." Indeed the "rush to purchase" was so headlong that "many thousands of acres more than the State had were sold." [41]

This result of 1880 was in the making in 1836, and the process was given greatest impetus by the movement for annexation. As far as the individual settler fleeing from the depressions of the rest of the United States was concerned, it all meant increased difficulty in getting a foothold in the new region.

Some idea of the rise in land prices is given by tax assessment records. During the ten years 1838-1848 Texas property valuation increased three-fold.[42] The rise in values during the period of the Republic was interrupted only by the two Mexican invasions of 1842—interruptions obviated by annexation and the protection of the United States Army.[43] As one student puts it, after 1842 there was a downward tendency in values, "which continued until annexation was an assured certainty." [44]

Even where the settler was able to take up public land it came by no means as a gift. "Those who received even nominally free land," the historian of Texas public lands says, "often gave half of it as fees to surveyors, to the General Land Office, etc." Again, land might be ceded to enterprisers who would pay registration fees. "Many of the settlers are poor," Stephen F. Austin wrote a relative he was urging to come to Texas with all the capital he could muster, "and will give one

41 George, *Works*, III, 26.

42 Muir, "The Destiny of Buffalo Bayou," *op. cit.*, 91.

43 Adele B. Looscan, "Harris County, 1822-45," *Southwestern Historical Quarterly*, XVIII (April, 1915), 408-9.

44 *Ibid.*

half to any one who clears out and pays the expenses on the whole League." [45]

For all these reasons government grants to settlers were not looked upon as radical or leveling, as later students have thought. Many Texas leaders thought headrights were sound business propositions: settlement (and rising land values) were delayed without them.[46]

7

Besides raising land values annexation impinged on the westward movement in at least two ways. When the leading men of Texas brought her into the Union they also brought her debt, which was finally paid off in 1855. This payment went into the hands of the trustees of the United States Bank and their associates in Philadelphia and New York. Since it was raised largely from customs duties the payment represented a redistribution of income from the lower- to an upper-income group. The new collectors in Texas contributed only $65,000 of this, however. One of them for the fiscal year ending June 30, 1856, was John Durst, whose land enterprises helped give Sam Houston his start in Texas.[47] But these customs houses had amounted to business ventures for the creditors of the republic even before annexation, of course; in fact, the Galveston collector was paymaster and banker to the officials of the Republic. "I send you a draft in my favor drawn upon my salary," one wrote the Collector in 1843. If it cannot be disposed of at ninety, "let the amount remain to my credit in the Custom house." [48]

The other meaning of annexation for the average Texas settler was the war against Mexico. When annexation was announced in Washington, the Mexican minister asked for

45 Lang, *op. cit.*, 61; Austin to Perry, January 3, 1830, *AP*, II, 317.

46 Favoring Homestead Grants in Oregon, September 17, 1850, *WSH*, V, 253.

47 *34th Congress, 3rd Session, House Executive Documents*, No. 86, 1856.

48 Houston to Cocke, December 27, 1843, *WSH*, IV, 231.

his passports and United States troop movements into Texas began. General Zachary Taylor, Commander of the Southern Division, interrupted the spare-time development of his Louisiana cotton plantation to take up a position at Corpus Christi with 4,000 men.[49]

The chief Texas leaders, so far from denying that annexation brought on the war, claimed the connection.[50] The chief function of the war, so far as Texas was concerned, was to extend the power of the new government over the state. The new governor was the lawyer for one of the great land companies operating in Texas so it is not surprising that the power extended included power to enforce legality in land matters. The chief instrument of the government in organizing the southern part of the state was appropriately General Mirabeau B. Lamar, now Captain in the United States Army, Governor Henderson's employer as agent of the Georgia Land Company. But even if the extreme view be adopted that the troops in the army against Mexico were fighting for the landlords (and absentee landlords) of Texas it is probable that they were better off than they would have been had there been no war. After all, the war provided opportunity for a young man to get ahead in the world, as one of them explained.[51]

8

The personal condition and motives of the great economic, political, and military enterprisers in the period of the annexation of Texas were similar to those of these privates and junior officers. Their enterprises provided great talents something to do, in an age where the values and mores channelled talent into enterprise, and where it was easy to identify individual interest with the public good. In January, 1839, one

49 *WSH*, III, 226.

50 *E. g.*, Speech on the Boundary of Texas, February, 1848 (?), *WSH*, V, 30; Speech in the United States Senate, May 8, 1848, on the Yucatan Bill and the Davis Amendment Thereto, *WSH*, V, 48.

51 Likens to Lamar, *LP*, VI, 35.

of Texas' men of affairs, an official of the San Luis Company, applied to his peer, the President of the Republic, for a position as peace commissioner to Mexico. His letter of application sums up the character of the period and may serve to illustrate the difficulties which beset the over-critical student of the passions and activities involved.

"I wish," he wrote, "to go to Mexico—firstly—to aid in obtaining peace." Of itself this "is a sufficient inducement to make me sacrifice one half of my possessions in this country."

> Secondly, I wish to regulate some unfinished business that I left there—& as I cannot go as a private individual would like to be associated with the commissioners.
>
> Thirdly, I wish to make an effort to engage the house of Manning & Marshall, the agents of the Barings, to aid me in my Rail Road operations.... I left Mexico in Oct'r 1835 to come to Texas under their auspices—the revolution prevented my carrying out their views... to advance money to the planters. Should the commissioners succeed, I feel assured that I can obtain again the protection of this house.

Finally, as the obvious means of making the trip to effect these great objects, "I wish now to refer to the purchase you contemplated making of me in the summer of 1837"—His Excellency the President was offered eleven leagues of land at 25 cents per acre.[52]

9

In the other large issues on which annexation impinged there was a similar mixture of social questions and individual interests. The reformer Stephen Pearl Andrews pursued his land operations and his abolition schemes on a large scale in Texas, the latter with such devotion indeed that he was made to leave the country by the outraged citizenry. He had been working on a plan to emancipate the Republic's slaves by a

52 Hammeken to Lamar, January 2, 1839, *LP*, II, 399-400.

sale of land to British investors, but he had to give up his own vast landed estates when he fled Texas.[53]

All the land operations of the Texans took place in this context of slavery and abolition, and one important effect of annexation was certainly that on the balance of power between North and South. In 1837 General James Hamilton thought that he and Nicholas Biddle could preserve the American Union by negotiating a loan to Texas. For such a loan would make it possible for the Texans to abstain from application for annexation and thus avoid upsetting the political *status quo*.[54] Again Daniel Webster opposed annexation because he thought it might interfere with the acquisition of California, so desired by the North and East. England, he wrote his son after the passage of the annexation resolutions, "will doubtless now take care that Mexico shall not cede California . . . to us." "You know," he went on, "my opinion to have been, and it now is, that the port of San Francisco would be twenty times as valuable to us as all Texas." Andrew Jackson and many Texans were not sure that Texas and California were alternatives, however. Not only did Duff Green and Anthony Butler try to buy both at one stroke, but their fellow land operator William H. Wharton found as Texas ambassador that President Jackson wanted the Texans to claim California within their limits "in order to reconcile the commercial interests of the north and east to annexation by giving them a harbor on the Pacific." [55]

American settlers thought the Pacific coast valuable too and it is perhaps no accident that the same period which saw Texas annexed saw "the little bastard government out in Oregon

53 W. S. Andrews, "Sketch of the Life of Stephen Pearl Andrews," *Woodhull and Claflin's Weekly*, December 9, 1871.

54 Hamilton to Biddle, December 26, 1837, Biddle Papers.

55 Webster to Webster, March 11, 1845, *Writings and Speeches of Daniel Webster*, ed. Fletcher Webster, XVIII, 203; R. G. Cleland, "Early Sentiment for the Annexation of California," *Southwestern Historical Quarterly*, XVIII (July, 1914), 12-17, 37-40.

. . . legitimized." Like the Republic of Texas, the " Provisional Government of Oregon " had been brought into existence by the westward movement, a movement not of conspiring Southerners but of the whole country. This Oregon government like Texas maintained independence a few years and then " infiltrated into the national body politic the flaming slogan of ' Fifty-four-forty or fight ! ' and made James Polk president." [56]

10

Not only sectional but international questions were involved by the events which made " Fifty-four-forty or fight! " and " Polk and Texas! " rallying-cries in the same political campaign. As Daniel Webster knew, the balance of power between England and the United States was affected by annexation, and this prescience was matched by Texas land operators. England, Duff Green wrote President Tyler, sent one of her ace diplomats to Texas to prevent annexation there. Green enclosed a letter from another land agent detailing the diplomat's intrigues in Texas and remarked, " You will recollect that this is the same Capt. Elliott who involved England in the Chinese War." [57] Old Andrew Jackson thought if England got Texas the gentry and aristocracy would " make the labourers of the country Hewers of wood, and drawers of water for the grandees of Texas, as the labourers of England are now for the grandees and aristocracy of England, Ireland and Scotland . . . ." [58]

Nicholas Biddle heard that his interest and that of Texas, identical as regards the value of land in the Republic, was also made identical by the role of England. England's attempt to abolish slavery in Texas, Duff Green wrote him, is part

56 Nard Jones, *Evergreen Land*, 22-3.

57 Green to Tyler, May 21, 1843, copying Yates to Converse, March 19, 1843, Duff Green Papers.

58 Jackson to Donelson, December 2, 1844, *Correspondence of Andrew Jackson*, ed. J. S. Bassett, VI, 335-6.

of the "war upon American credit and upon the Bank of the United States." To maintain her commercial and financial superiority, England "must enable her East India colonies to raise the raw material—cotton and sugar—cheaper" than is now possible in the slavery areas.[59]

II

The opening of Texas land also affected the structure of commercial and financial superiority within the United States itself. Such concerted action as there was from the "land-and stock-jobbing interests" in the cause of annexation represented only an uneasy truce in the continual internecine struggle well symbolized by the rival factions in Texas. To the citizens of a town he was promoting, Stephen F. Austin said that "every one who does or says anything to retard the advance of this place is actually doing an injury to himself." That is, he added, "with the exception of those who live near the St. Antonio road, for it is their interest to sink this place and raise up a town there . . . ."[60]

Such conflicts of interest existed among the business groups of the United States interested in Texas land and annexation, and some of the largest had been involved in Texas from the first. Austin himself had been financed in his first Texas enterprise by a New Orleans adventurer.[61] The magnitude and interlocking of these interests is suggested by a remark made by James Hamilton to Nicholas Biddle shortly before they engaged in their Texas venture. "I think between us," Hamilton said, "we may . . . absorb nearly the largest part of the exchanges South, Southwest, and West of [Charleston]."[62] The accounts of the Girard Bank, the Bank of the United States of Pennsylvania, and the leading private bankers and brokers of New York and Philadelphia—not to mention Eng-

59 Green to Biddle, January 24, 1842, Duff Green Papers.

60 Austin to Bell, March 17, 1829, *AP*, II, 187.

61 *E. g.*, Baker and Austin to Cox, March 10, 1829, *AP*, II, 187.

62 Hamilton to Biddle, February 12, 1836, Biddle Papers.

land—were so interlocked as to suggest the situation of the twentieth century.[63]

Perhaps the most important institutional change of which the Texas events were a part was this growth of investment banking in the United States; men like W. W. Corcoran, Jay Cooke, and the Drexels were adding to their United States and other bondholdings at the same time they were redeeming their Texas obligations, and the Texas stock-jobbing in the East and in Europe by men like Nicholas Biddle and James Hamilton was part of a movement soon to affect the whole American locus of power.[64]

12

But all lists of these larger changes miss inevitably their personal character. The men involved were more alive, saw more excitement, in a sense "had more fun" than any assignment to historic roles suggests. When he was writing letters to presidents, perhaps Duff Green did feel as if he were preserving the American union by annexing Texas; but such historic gestures occupied only a fraction of his time, time filled with promotion of railroads in Russia, canals in Texas, coal tracts in the Cumberland mountains, railroads in Texas, and activity as Texas land speculator and dispatch-bearer, United States government bond salesman, and international journalist.[65] At one moment Green wrote President-elect James K. Polk "as a citizen of Texas wishing annexation & one deeply responsible for your election" and at another Thomas F. McKinney received a draft of a charter for a canal company that "will be a fortune to several of us. . . . You must be sure to take up the entire or the greater part of

63 *Cf., e. g.,* Texas Claim 279, G. A. O.

64 On this point see the reports of the Treasury already cited and R. C. McGrane, *Foreign Bondholders and American State Debts.*

65 Green to Mrs. Green, August 1, 1859; Green to McKinney, January 9, 1846; Smith to Green, October 21, 1842; Green to Shever, April 25, 1843; Spencer to Green, April 26, 1843; Tyler to Todd, June 13, 1842. Duff Green Papers.

the stock for we must have the control." The canal was to be dug in a new way, Green's own invention.[66]

Such a range of activities was typical, the men of the time were ready to jump any way opportunity offered, and for this reason even the largest land speculators did not hold to annexation as a dogma. The idea of an independent Texas was weighed, and weighed again; Sam Houston seems still to have been considering the possibility of such independent existence even after annexation, when he refused to take the oath of allegiance to the Confederacy.[67] At one time before the Revolution Stephen F. Austin had also felt cool toward annexation. Texans had nothing to fear from any quarter, he said, " except from the United States of the North. If that govt. should get hold of us and introduce its land system etc. thousands . . . would be totally ruined." [68] David G. Burnet and Houston had also feared " the arch cupidity that has too often characterized our good *Uncle's* dealing with large land claimants," as Burnet put it.[69]

It was this willingness to jump in whatever direction appeared to offer the main chance which moralists waxing indignant over the " annexation plot " seemed at times to forget. Such a one was ex-president John Quincy Adams.

> The Texas land and liberty jobbers [he wrote in 1842] . . . spread the contagion of their land-jobbing traffic all over the free states throughout the Union. Land-jobbing, stock-jobbing, slave-jobbing, rights-of-man jobbing were all hand in hand . . . [70]

66 Green to Polk, January 20, 1845; Green to McKinney, January 9, 1846; Green to Henderson, May 26, 1846; Green to Commissioner of Patents, September 5, 1846, *ibid.*

67 James, *op. cit.*

68 Austin to Perry, March 28, 1830, *AP*, II, 352.

69 Burnet to Austin, December 4, 1829, *AP*, II, 297.

70 "Address to His Constituents," September 17, 1842, in Adrienne Koch and William Peden, *Selected Writings of John and John Quincy Adams*, 391.

It was true as John Quincy Adams said that "Texas bonds and Texas lands form no small portion of the fragments from the wreck of money corporations" then existing, and that these interests therefore "furnished vociferous declaimers" for the Texas cause.[71] But John Quincy Adams was surely wrong to speak of the Texas land fever as a "contagion"; "excitement" is perhaps the better word, and more respectful to the great of many nations who were caught in it. After all, even a resident of Mexico was one of those who finally redeemed the obligations of the title-perfecting Texas armies; and the more fitting that he was a Lizardi, of the English banking house and creditor of Mexico so opposed to "rights-of-man jobbing" that it built warships for the Mexican government.[72]

13

In short, it was that the pursuits of speculation were so animating. Tell me for how much land is selling, Henry Austin wrote his brother Stephen at one time. "The acquisition by settlement is too tedious a process for me to undertake—besides I detest every thing that brings me in contact with Mexican authority." [73]

"I presume," another caught with contagion said, "it is hardly necessary to name to you that we are all somewhat creatures of interest. I am so much so that I have thought proper to solicit from you a grant for a small piece of Land say a League. . . ." [74]

An American college president spoke for his countrymen when he sent a series of questions to a Texas empresario: Is there liberty of conscience in Texas, is land to be had cheap,

71 *Ibid.*

72 Claim 312, G. A. O., of Manuel Julian de Lizardi, Mexico, D. F.

73 Austin to Austin, January 29, 1830, *AP*, II, 328.

74 Stowers to Austin, January 26, 1830, *AP*, II, 326.

and " Will the Mexican government seriously oppose the U. S. extending to the Del Norte? " [75]

This spirit was natural in the nation which annexed Texas, from the father removing there who was told to " Bring Adeline, she can get a league of land and a husband afterwards " to the White House itself. It was natural that the foster-son of one of the greatest occupants of that mansion should have combined a special annexation mission to Texas with some private business for his famous guardian. Texas will come into the Union, Andrew Donelson wrote home, and he went on to assure old Andrew Jackson that Jackson's league of land there, which he was also looking after, was in a section " spoken of as one of the finest in the Territory." [76]

75 Blackburn to Austin, January 19, 1830, *AP*, II, 323.

76 Austin to Perry, January 3, 1830, *AP*, II, 318; Donelson to Jackson, December 24, 1844, in Bassett, ed., *op. cit.*, VI, 349.

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The character of this investigation placed the papers of the leading Texas men of affairs of the time in the position of first importance as sources. Research was greatly facilitated, therefore, by the fact that five of the leading collections are now available in printed form. The first to be published was the *Diplomatic Correspondence of the Republic of Texas*, edited by George P. Garrison in two volumes, the second in two parts, which appear in the Annual Reports of the American Historical Association for the Years 1907 and 1908 (Washington, 1908-1911). The *Austin Papers*, edited by Eugene C. Barker in three volumes, of which the first was in two parts, were published in the reports of the same association for 1919 and 1922 (Washington, 1924, 1928) and by the University of Texas (Austin, 1926). In 1920 appeared the first volume of the *Papers of Mirabeau Buonaparte Lamar*, edited by Charles A. Gulick, Jr. *et al.* in six volumes (Austin, 1920-27). The *Official Correspondence of the Texas Revolution*, edited by W. C. Binkley, is printed in two volumes (New York, 1936). Finally *The Writings of Sam Houston*, edited by Amelia Williams and Eugene C. Barker, have been published in eight volumes (Austin, 1938-43). The sketches of individuals mentioned make these latter volumes a dictionary of Texas biography.

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