ECONOMIC DEVELOPMENT IN TEXAS DURING RECONSTRUCTION, 1865-1875

DISSERTATION

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During Reconstruction, Democrats and Confederates in Texas saw nothing beneficial in military and Radical rule. Early historians neglected the positive contributions of Texas governments during Reconstruction, particularly of the Radical government. Recent historians have taken a more balanced approach in judging the governments in Texas during Reconstruction. The present study assesses the validity of traditional interpretations with the conclusions of recent scholars and with the author's own research in public documents, private manuscripts, and contemporary publications. Examined are some of the major charges which traditionalists leveled against the Radical administration, and evaluations of them are made against the goals the Radical government pursued and the problems it encountered.

The study challenges many traditional stereotypes of Texas during Reconstruction. Contrary to what Democrats charged, the Davis government did not levy exorbitant taxes. Radical taxes seemed high in comparison to antebellum taxes, because antebellum governments had financed operations with indemnity bonds, but they were not high in comparison to taxes in other states. Radical taxes constituted only 1.77
percent of the assessed value of property in Texas, which was lower than the average for the United States and about the same for other states undergoing Reconstruction. In Texas most of the tax increases during Reconstruction were made necessary by the Civil War and the increase in population. The tax increases paid for state and local governments, frontier and local protection, public buildings, internal improvements, and public schools. Edmund J. Davis, Radical governor, contributed significantly to Texas government when he attempted to focus attention on reforming the tax system, limiting state expenses to state income, limiting state aid for railroad companies, and protecting the public from railroad company abuses.

Contrary to what traditionalists believed, much economic expansion and development occurred in Texas during Reconstruction. Railroad companies recovered quickly from the damages they suffered in the Civil War. By the early 1870s, most railroad companies which had constructed track before the Civil War had secured new capital, had refurbished their railroads, and had renewed their construction. By the end of 1873, railroads crossed the eastern, central, and southern parts of Texas, and they connected to northern cities at two points in the state. Texas agriculture experienced some bad years immediately after the Civil War. The war caused deaths and dislocations among some farm families, and emancipation necessitated new relationships between white farm owners and
black farm workers. In the eastern, central, and southeastern portions of Texas, bad weather destroyed crops and put farmers into debt. In these areas, some planters refused to face their problems and declared bankruptcy, but many planters solved their problems and prospered. Through Reconstruction immigrant farmers put new land under production in Northwest and Central Texas. With this expansion and with the return of good weather in eastern and southeastern Texas, Texas production of cotton, corn, and wheat returned to prewar levels by the early 1870s. The cattle industry boomed in Texas through Reconstruction, as drovers trailed cattle to northern markets, as ranchers processed cattle in slaughterhouses, and as Texans exported cattle from Texas ports. The cattle industry offered opportunities for wealth to anyone who learned the cattle business.
PREFACE

During Reconstruction, Democrats and Confederates in Texas found nothing beneficial in military and Radical rule. Early historians neglected the positive contributions Texas governments made during Reconstruction, particularly the Radical government. Recent historians have taken a more balanced approach in judging the governments in Texas during Reconstruction. The present study assesses the validity of traditional interpretations with the conclusions of recent scholars and with the author's own research in public documents, private manuscripts, and contemporary publications. Examined are some of the charges which traditionalists leveled against the Davis administration, and evaluations of them are made against the goals the Davis government pursued and the problems it encountered. Challenged are the traditional views that Texas failed to recover its indemnity bonds during Reconstruction, that the Davis government levied unreasonable taxes, that the Davis programs wasted the state's resources, and that the Davis railroad policies hurt the state's railroad development.

Contemporaries of Reconstruction and traditional historians of the period saw no economic advancement occurring in Texas. To them the Civil War and Reconstruction disrupted the economy so greatly that it did not recover before
Reconstruction ended. The author challenges these views, and he studies in depth three major aspects of the Texas economy during Reconstruction, which include Texas railroads, Texas agriculture, and the Texas cattle industry.
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CHAPTER I

THE STATE AND THE ECONOMY

INTRODUCTION AND INDEMNITY BONDS

Ambiguity and equivocation might well be the central themes of Texas Reconstruction 1865-1874. Conditions were not as they seemed, persons were not what they said, events were not as they appeared, communications were not what were written or spoken, truth was not what was communicated, and reality was not what was shown. These facts pose a problem for the student of the Texas economy during Reconstruction. The student must use sources judiciously to separate truth from delusion, and he must maintain skepticism lest he become prisoner rather than student of the past. A partial solution to this problem lies in an analysis of the politics of Texas Reconstruction, since this reveals who was in which political party, who followed whom, what principles parties advocated, and which interests parties represented.¹

Changes contrasted with continuities in Texas politics during Reconstruction. Governor Pendleton Murrah's Confederate government collapsed in May, 1865, United States

¹The author analyzes in this chapter and the two which follow the economic policies of Texas governments during Reconstruction 1865-1874. Readers who desire a more detailed study of Texas politics during Reconstruction than this discussion provides may read the following works: Charles W.
General Gordon Granger's armies occupied the state in June, and Governor Andrew J. Hamilton's provisional government took office in August. Hamilton held a general's commission in the United States army but Texans knew him, since as a lawyer in the 1850s he had led Texas Democrats and Know-Nothings. He joined the unionists during the secession crisis, and as provisional governor he organized a government of Texas unionists. Most of these unionists supported the United States in the war, among them George Paschal, A. H. Longley, John L. Haynes, Edmund J. Davis, Elisha M. Pease, and James P. Newcomb. Some fought for the Confederacy, such as James W. Throckmorton, Ben Epperson, and John S. Ford. With the advice of these men Hamilton formed his government,

Ramsdell, Reconstruction in Texas (New York: Columbia University Press, 1910); James A. Baggett, "The Rise and Fall of the Texas Radicals, 1867-1883" (Ph.D. diss., North Texas State University, 1972); John P. Carrier, "A Political History of Texas During the Reconstruction, 1865-1874" (Ph.D. diss., Vanderbilt University, 1971).


enforced President Andrew Johnson's orders of Reconstruction, and changed as little as possible. He returned political rights to Confederates who took amnesty oaths or received pardons from President Johnson which Hamilton liberally recommended. Hamilton requested that the constitutional convention which met in 1866 fulfill the minimum of Johnson's instructions, i.e., declare secession null and void, repudiate Confederate debts, and free the slaves. He asked that the convention grant blacks the rights to sue in court, to own property, and to testify against other blacks. But he advised against Radical changes such as black suffrage. This convention divided into three factions, which included former secessionists, Conservative unionists, and Radical unionists. Only Radical unionists such as Edmund J. Davis and Edward Degener desired such social and political change as black suffrage. Secessionists and Conservative unionists united, outvoted the Radicals, and amended the 1861 constitution minimally so

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4 *Journal of the Texas State Convention Assembled at Austin 7 February 1866* (Austin: Southern Intelligencer, 1866), pp. 5-6.

5 Secessionists included those who had supported secession such as Oran Roberts, Hardin Runnels, John Ireland, C. A. Frazier and D. C. Giddings. Conservative unionists had opposed secession but joined the Confederacy, such as James W. Throckmorton and Ben Epperson. Radical unionists had opposed secession and joined the United States or remained neutral. Carrier, "Political History of Texas," pp. 49-66; Ramsdell, *Reconstruction in Texas*, p. 89; Ernest W. Winkler, ed., *Platforms of Political Parties in Texas*, Bulletin of the University of Texas, no. 53 (Austin: University of Texas Press, 1916), p. 93.
Texas could reenter the union. They declared secession null and void, they proclaimed debts in support of the rebellion uncollectible, and they declared slavery illegal. The controlling factions ignored Radical motions that declared secession null and void ab initio, that gave blacks civil rights including suffrage, and that divided the state.

When Radical unionists failed on ab initio, black rights, and state division in the 1866 constitutional convention, they caucused, nominated candidates for offices, and wrote a platform. Edmund J. Davis, Edward Degener, J. W. Flanagan, George Paschal, Andrew J. Hamilton, James M. Bell, and John L. Haynes organized this party. They nominated Elisha M. Pease for governor and Ben Epperson, a Conservative unionist,

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6 In addition to these changes the constitution of 1866 gave blacks the right to testify in court against other blacks and went beyond declaring Confederate debts null and void. It pronounced uncollectible all debts, civil and military, incurred between the day of secession and the end of the war.

7 Journal of State Convention 7 February 1866, pp. 32-38, 52, 60, 62, 97, 81-91, 117, 135-36, 180-81, 188-89, 202, 337; Texas, General Laws, 11th Leg., reg. sess., pp. 27, 33-34. Ab initio means from the beginning. Radicals wanted null and void all government actions between the dates of secession and the end of the war. In the 1869 constitutional convention they wanted null and void all actions between the dates of secession and the beginning of congressional Reconstruction, but thereafter, beginning in the 1869 elections, they dropped this demand. White Radicals believed if they achieved ab initio they could collect damages for outrages they endured in the war, while blacks thought they could collect wages for labor they performed after the Emancipation Proclamation. Radicals supported state division in the hope that they could divide Texas into disloyal parts which would be reconstructed and a loyal part which would not. Carrier, "Political History of Texas," pp. 219-66; Baggett, "Birth of the Republican Party," pp. 8-9.
for lieutenant governor. In their platform they supported both the President and the Congress in restoring the Union, and they urged that Texans recognize theirs as the only party loyal to the Union. They called for abolishing the Confederate debt ab initio, emancipating blacks, and granting blacks basic rights. Meanwhile secessionists and Conservative unionists nominated James W. Throckmorton for governor, and although this party adopted no platform, its candidates charged that Radicals would perpetuate military rule, would support black suffrage, and would confiscate property of former Confederates. Also its candidates staunchly supported President Andrew Johnson's policies. In the elections Throckmorton won the governorship and his supporters captured control of the legislature.8

With Throckmorton's election in 1866, Radicals took their case to Congress. They testified before the Joint Committee on Reconstruction that Texas still needed federal troops who could protect blacks and white loyalists. Congress judged Radical testimony valid after Throckmorton asked that

8Winkler, Platforms of Political Parties, pp. 95-99; Carrier, "Political History of Texas," pp. 84-96; Baggett, "Birth of the Republican Party," pp. 9-11. Whether these two groups, Radical and Conservative, could be named political parties is a matter of debate. Winkler and Baggett call them "Radical Caucus" and "Conservative Caucus." Carrier names them, from newspapers around the state, "Union Republican Party" and "Conservative Union Party." Baggett dates the first Texas Republican convention July 1867, when the "Radical Caucus" organized itself statewide.
the federal troops in Texas move to the interior, where they
could not protect blacks and loyalists, and after the Eleventh
Legislature passed laws which took away blacks' rights to
vote, hold elected offices, intermarry with whites, attend
public schools, occupy homestead lands, travel with whites
in railroad cars, and testify against whites in courts. In
addition the legislature rejected the Fourteenth Amendment
and endorsed President Johnson's supporters in the congress-
ional elections of 1866. As a result of these factors, with
similar reports from the other southern states, the Congress
of 1867 passed new Reconstruction laws in March 1867.9

The new congressional measures placed existing southern
state governments under control of military commanders who
replaced officeholders with loyalists. Commanders appointed
registrars who registered voters, black and white, and voters
had to take the oath prescribed in the law. Registrars
determined, from testimony of parties, whether persons could
register, even after they had taken the oath. These laws
placed Texas in the Fifth Military District, which General
Philip Sheridan commanded, and the District of Texas, which
General Charles Griffin commanded. Conflict occurred between

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9Texas, Legislature, House, Journal, 11th Leg., reg.
 sess., 9 August 1866, p. 18, 6 October 1866, pp. 528-33;
Carrier, "Political History of Texas," pp. 113-15, 119, 146;
General Laws, 11th Leg., pp. 76-79, 102-4, 131-32, 172, 97,
Griffin and Governor Throckmorton, when Griffin required that Throckmorton submit for his approval names of all potential officeholders. Griffin approved only persons who could take the "ironclad" oath, and this action prevented most Throckmorton appointees from holding office. When Throckmorton protested to Sheridan, Sheridan removed Throckmorton from office on 30 July 1867 and appointed Elisha M. Pease governor.\textsuperscript{10}

Republicans controlled, as a result of military occupation, most state and local offices and the constitutional convention which met in 1868, but they soon separated into two factions, Radical and Moderate. Radicals such as Edmund J. Davis, James P. Newcomb, Morgan C. Hamilton, George Ruby, and Edward Degener supported revolutionary goals: suffrage and political offices to blacks, permanent disfranchisement of Confederates, division of the state, confiscation of

\textsuperscript{10}H. P. N. Gammel, The Laws of Texas 1822-1897, 10 vols. (Austin: Gammel Book Company, 1899), 6:1-5; Carrier, "Political History of Texas," pp. 147-62, 198. Leaders of the "Radical Caucus" met in Houston in July 1867 and formally organized the Texas Republican party. They elected Pease president of the convention and John L. Haynes chairman of the party. Winkler, Platforms of Political Parties, pp. 99-102; Baggett, "Birth of the Republican Party," p. 16. A person had to swear, in the "ironclad" oath, that he had generally given neither aid nor comfort to the Confederacy during the Civil War; he could have borne no arms against the United States, given no aid, countenance, counsel, or encouragement to persons fighting against the United States, held or sought no office in a government hostile to the United States, and yielded no voluntary support to such a government. U.S., Statutes at Large, 12:502.
Confederate lands, and indemnity to blacks and loyalists who suffered during the war. Moderates such as Andrew J. Hamilton, Elisha M. Pease, and John L. Haynes favored black voting, but not officeholding, and they opposed all other Radical objectives. Division in the Republican ranks broadened in the constitutional convention 1868-1869. Radicals and Moderates disagreed on three issues—ab initio, disfranchisement, and state division. Moderates won all three issues. The constitution declared valid all government actions after secession except those which violated federal laws or aided the rebellion, it disfranchised from holding office only persons who could not qualify under the Fourteenth Amendment, and it contained a mild statement that the state ought to be divided. Radicals lost their motions declaring null and void all government

\[11\] Hereafter the author will call Radical Republicans, Radicals, Moderate Republicans, Moderates, and those who opposed the Republicans, Conservatives. He borrows these designsations from John Carrier. Actually the Republican party was a coalition of minorities: white unionists in northern Texas, black voters in eastern and central Texas, Germans in a belt from Galveston to San Antonio, and white unionists and Mexican-Americans on the Rio Grande. Intraparty warfare split the coalition into at least four factions, with individuals changing from one faction to another: a wing of state and local officeholders, a federal employee clique centered in Austin, a railroad subsidy group, and a group which sought to manipulate the Union League for its own purposes. Baggett, "Rise and Fall," p. 216.
actions of the previous seven years, establishing the "ironclad" oath as a basis for voting, and dividing the state into three parts.\[^{12}\]

Division among Republicans continued in the state elections following the constitutional convention. Radicals urged that voters defeat the constitution so Congress would continue military rule. They petitioned Congress that lawlessness prevailed throughout the state and that Congress should delay elections until federal troops could protect blacks and loyalists. They suggested that the military could more easily rule if Congress divided Texas. Moderates advocated that voters approve the constitution so military occupation could end and so they could conciliate with Confederates. Moderates countered the Radical petition with their own, stating that the state was ready for civilian control and that elections could be held in July, the date set in the constitution. After reviewing both petitions, Congress informed President Ulysses S. Grant that he could decide when Texas would hold elections. Then both Texas factions pressured Grant for recognition and patronage. Grant supported the

\[^{12}\]Carrier, "Political History of Texas," pp. 249-58, 269-72, 302-10, 312-16. Traditional historians such as Ramsdell, Nunn, and Wallace conclude that Radical-Moderate animosities resulted in an unworkable constitution. Revisionists Carrier and Baggett state that despite such animosities the constitution of 1869 inaugurated innovations which benefited the state. The constitution condemned secession and the states' rights philosophy, and it gave blacks full and equal citizenship. Under it they could vote,
Moderates at first, and he appointed some Moderates to customs offices, but ultimately he supported the Radicals. Grant's change of support was due to several factors. Conservative newspapers supported Andrew J. Hamilton, leader of the Moderates, for governor, hence Grant associated Hamilton with Democrats. Democrats had gained strength. They had nearly defeated Grant's election in 1868, and in elections in Virginia and Georgia, under circumstances identical to Texas, Grant had remained neutral and this had resulted in Democratic victories.

Andrew J. Hamilton also hurt the Moderate cause with Grant. Hamilton announced, from Washington, that he was the Republican candidate for governor without being nominated in a convention. The Radicals seized the initiative and called a convention in Houston, which Moderates boycotted. The Radicals nominated Edmund J. Davis for governor and adopted a platform aimed at conciliating Moderates. In this platform the Radicals supported the goals of the national Republican party, such as ratification of the Fourteenth and Fifteenth Amendments, funding of the national debt, and giving justice and equality to blacks. They did not mention the items which had formerly caused division, such as ab initio, disfranchisement, and state division. The Radicals in Houston even testify, hold office, own land, and attend school. Governors and legislators served four-year terms, and legislatures met annually. Finally the constitution created the first practical public school system in Texas and made school attendance compulsory.
nominated Hamilton for lieutenant governor, and when Hamilton refused the nomination the Radicals tagged him a pawn of the Democrats. Hamilton's refusal alienated General Joseph Reynolds, who had replaced Griffin as Texas military head. He wrote a widely publicized letter to Grant urging that Grant support the Radicals because Hamilton rebuked Davis's offers of conciliation. Thereafter Grant replaced Hamilton supporters with Davis supporters. Provisional Governor Elisha M. Pease, a Hamilton supporter, resigned in disgust.¹³

Conservatives also disagreed over the proper course of action when congressional Reconstruction began. James Throckmorton and Oran Roberts advised that Conservatives boycott elections for convention delegates and state offices. Conservative newspaper editors Willard Richardson and Hamilton Stewart urged that party members accept the constitution and elect a legislature they could control. Both Conservative groups believed a Democratic victory in the 1868 presidential elections would end congressional Reconstruction. Grant's victory finished this hope. As a result Conservatives did not officially nominate candidates for state offices. They might have won but feared this would only invite further military occupation. So they hoped Moderate Republicans

would defeat the Radicals, and they worked for Hamilton behind the scenes, but they directed their principal efforts at electing candidates to the legislature.¹⁴

Radicals and Moderates attacked and defended in a bitter campaign. Radicals labeled themselves defenders of blacks, foreigners, and poor persons, while Moderates tagged Radicals self-seeking opportunists. Hamilton took full credit for accomplishments in the constitution, whereas Davis held Hamilton responsible only for the favors in the constitution to Conservatives, railroad companies, and speculators. Radical newspaper editors contended Hamilton's limited disfranchisement scheme aided Conservatives, while Moderates professed it reflected Hamilton's lifetime dedication to universal suffrage. Voters approved the constitution of 1869, and they elected Davis governor and Radicals to all executive offices. But these Radical victories concealed some important facts. Radicals controlled the executive offices but not the legislature. Radicals and Conservatives

¹⁴Carrier, "Political History of Texas," pp. 358-73, 175-94. Conservative roles in future elections figured prominently in Republican strategy and further separated Radicals from Moderates. Radicals believed Congress would disfranchise Confederates long enough so Radicals could build a powerful Republican party of blacks, loyalists, and foreign immigrants. Moderates contended, on the other hand, that Confederate disfranchisement would be temporary, hence they could build a Republican party only if they conciliated with Democrats. So Moderates advocated in the 1869 elections only what they believed Democrats would accept--black suffrage.
constituted minorities in the legislature, and Moderates held the balance of power. Radical victory also augured ill for Republicans, both Radical and Moderate, in the future. Analysis of voting shows that 65 percent of eligible blacks but less than 51 percent of whites voted. Thus Hamilton barely tapped the white voter majority, while Davis exhausted his black resources. When white Democrats went to the polls in strength, they would easily defeat Republicans.¹⁵

In his first message to the Twelfth Legislature, Davis urged that it restore law and order, create a public school system, subsidize immigration and railroads, increase salaries of government officials, and reform assessment and collection of taxes. He expected new tax procedures would more than pay for new programs.¹⁶ The legislature, which Republicans controlled, accomplished Davis's goals. Thus when Davis's first year in office ended, state police and militia forces protected blacks and loyalists, a ranger force guarded the frontier, tax supported schools provided education for blacks and whites, a homestead system gave economic opportunities to blacks and whites, and geology and immigration bureaus advertised the state's resources. The legislature subsidized various newspapers and two railroads, the International and the Southern Pacific. It raised state taxes which financed


all these programs, and counties and cities levied special
taxes which paid for local internal improvements. In special
laws the legislature gave Davis powers to declare martial
law, to suspend the right to writ of habeas corpus, to pro-
tect citizens with state troops, and to appoint more state,
county, and city officials than any civilian governor who
preceded him. 17

Critics attacked Edmund J. Davis more than any other
Texas Reconstruction governor. Conservatives and Moderates
charged that Davis appointed immoral and corrupt men,
particularly to the state police, who robbed the state and
intimidated voters; repeatedly declared martial law and vio-
lated his opponents' civil rights; ran the school system,
indeed all county and city offices, from the governor's
mansion; and spent so much money that he placed a terrible
burden on taxpayers and left the state in debt for decades.
Traditional historians of the Davis administration accepted
unreservedly these criticisms. They concluded that the state
police terrorized Texans, that the militia suppressed whites
when they rebelled against injustice, that Davis tyrannically

17 Carrier, "Political History of Texas," pp. 428-37;
General Laws, 12th Leg., call. sess., pp. 33-34, 44-47, 68-70,
81-84, 113-18, 199-200, 140, 204-33; Texas, Special Laws,
12th Leg., call. sess., 1870, pp. 40-43, 104-10; General Laws,
12th Leg., 1st sess., pp. 16-17, 23-24, 29-32, 43-74, 93-94,
127-28, 135-36; General Laws, 12th Leg., 2d sess., pp. 34-36.
Davis appointed state policemen, rangers, militiamen, a superin-
tendent of public schools, heads of geology and immigration
bureaus, boards of directors in local school districts, and
all elected officials who left office between elections.
used powers the legislature gave him, and that Radical waste, corruption, inefficiency, and scandal wrecked state finances.\textsuperscript{18}

Revisionist historians distrusted Davis's critics and wrote more judicious interpretations of the Davis administration. They found little evidence in the programs of Davis which justified the charges of his critics. They found that state policemen performed admirably under difficult circumstances, that Davis preserved law and order with the militia, and that Davis and his appointees acted efficiently and with minuscule corruption. Further, revisionists concluded that Radical goals justified increased expenditures, particularly the public education program which no previous administration attempted. Revisionists asked if little corruption, tyranny, waste, and inefficiency existed, why did critics attack the

Davis administration? Their answer was that because its programs elevated two groups which most white Texans despised, blacks and Republicans. In addition, revisionists explained that Davis critics disagreed with the role which Davis believed government played in the life of the ordinary citizen. The Civil War showed Davis that the federal government must interfere in states where citizens did not enjoy guarantees of the Constitution, and as governor he applied this concept to Texas. He stated in his inaugural address that he would secure freedom, justice, and economic progress for all Texans, and the Twelfth Legislature legalized these goals. Conservatives and Moderates believed county and local authorities, not the governor, protected civil liberties and economic progress; hence in their view Davis exercised the powers of a tyrant. The Republican party never attracted the masses of white voters. Davis remained in power only until Congress

restored office-holding rights to Democratic leaders. Democrats controlled the Thirteenth Legislature, which met in 1873, and they abolished the state police and cut appropriations for the militia, the rangers, and the schools. Democrats elected Richard Coke over Republican Davis in 1873, though Moderate and Radical Republicans reunited. When President Grant refused Davis's request that he annul the election, Davis surrendered his office to Coke and Reconstruction in Texas ended.20

Thus post-war changes, which Republicans initiated in Texas, seemingly gave way to antebellum continuities when Democrats elected Coke. Future chapters of the present study will examine the major economic aspects of the Republican governments 1865-1874. However one issue, recovery of the Texas indemnity bonds, began in 1865 and continued through the various Reconstruction administrations of Hamilton, Throckmorton, Pease, and Davis, and into the Democratic administration of Coke. The story of the indemnity bonds began with the Compromise of 1850. When Texas surrendered its claims to the New Mexico territory, Congress paid to Texas $10 million

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20 Carrier, "Political History of Texas," pp. 519-23; Baggett, "Rise and Fall," p. 217. Carrier and Baggett conclude that the Republican party in Texas fell mainly because it could not generate broadly based support among voters. It was also badly divided, although by 1873 Moderate leaders such as A. J. Hamilton and Elisha M. Pease had reunited with Radicals, but this division was not the primary cause of the party's downfall.
in United States bonds bearing 5 percent interest redeemable in fourteen years. In the 1850s Texas received bonds worth $5,000,000—5,000 bonds worth $1,000 each. The United States treasury retained the remaining $5,000,000, raised to $7,750,000 in 1855, and with this amount it paid some of the debts of the Texas republic.21

Texas governments in the 1850s spent their $5 million. They paid debts of the Texas republic, financed state government, and established a school fund of $2 million. Railroad companies could borrow from the school fund, up to $6,000 at 6 percent interest for each mile of track the companies completed. As a result of these expenditures, the state treasury held only 634 bonds and twenty-five interest coupons, all in the school fund, when the Civil War began in 1861.

During the war the Texas State Military Board contracted these bonds and coupons to parties who negotiated them with European bankers for war materials. Table I on page 19 shows these parties, with the bonds they acquired and the face values of the bonds.22

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21 Texas, Comptroller's Office, Report, 1 September 1867-31 August 1869, pp. 10-13; Statutes at Large, 9:446-47; Gammel, Laws of Texas, 3:832-33; Comptroller's Report, 1 September 1869-31 August 1870, p. 11.

22 Statutes at Large, 9:446-47. The Republic of Texas paid its debts with paper money, and it pledged it would redeem some of the notes as it collected taxes on imports. Congress in the Compromise of 1850 appropriated $7,500,000 in United States bonds with which the treasury redeemed the notes on which Texas had pledged her imports. Texas governments in the 1850s redeemed the remaining notes with some of the $5 million it received in United States bonds. Edmund T.
Table I
PARTIES CONTRACTING TEXAS INDEMNITY BONDS*

<table>
<thead>
<tr>
<th>Party</th>
<th>Bonds</th>
<th>Value**</th>
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<tbody>
<tr>
<td>Pendleton Murrah</td>
<td>44</td>
<td>$49,750</td>
</tr>
<tr>
<td>Oliver and Brothers Company</td>
<td>20</td>
<td>27,500</td>
</tr>
<tr>
<td>(Matamoros, Mexico)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. B. Nichols</td>
<td>10</td>
<td>12,500</td>
</tr>
<tr>
<td>George W. White and John Chiles</td>
<td>135</td>
<td>156,275</td>
</tr>
<tr>
<td>W. L. Sloan</td>
<td>25</td>
<td>38,125</td>
</tr>
<tr>
<td>N. B. Pearce</td>
<td>4</td>
<td>4,550</td>
</tr>
<tr>
<td>James S. Holman</td>
<td>106</td>
<td>110,925</td>
</tr>
<tr>
<td>C. H. Randolph</td>
<td>15</td>
<td>19,050</td>
</tr>
<tr>
<td>John M. Swisher</td>
<td>300</td>
<td>357,175</td>
</tr>
<tr>
<td>**Total</td>
<td>634</td>
<td>$765,850</td>
</tr>
</tbody>
</table>


**These values include the values of the bonds and the values of the interest coupons.
Men always speculated with the indemnity bonds. In 1850, holders of securities of the Republic of Texas lobbied so strenuously for assumption that prices for the securities rose over 300 percent. During the war the parties who acquired the bonds paid far less than the face value of the bonds. Pendleton Murrah paid $38,033.50 for bonds worth $49,750.00 and Oliver and Brothers paid $287.62 and a few goods for bonds worth $27,500.00. E. B. Nichols paid $1,000.00 for $12,500.00 in bonds, while George W. White and John Chiles promised supplies for $156,275.00 in bonds. All these agents charged excessive fees. Murrah charged $1,133.50, and Oliver and Brothers charged $23,000.00, while Nichols, White and Chiles kept the bonds as their commissions. After the war Moderates speculated and charged exorbitant fees. Provisional Governor Hamilton agreed with White and Chiles that he would redeem their bonds at the United States treasury for $20,000


commission. White and Chiles paid Hamilton $10,000, but he never redeemed their bonds. Hamilton also supported White and Chiles when they negotiated loans using the bonds as collateral, assuring potential buyers that the bonds were valid and that the United States treasury would redeem them. Later, George Paschal, another prominent Moderate, recovered over $40,000 in bonds for the state of Texas, yet he kept them when Governor Davis would not pay Paschal's outlandish fees.24

While secretly aiding White and Chiles in redeeming their bonds, Hamilton publicly pursued a policy of recovering all outstanding bonds—including White's and Chiles's. Under authority of the Confiscation Act of 1862, he ordered that bondholders turn over their bonds to his agents, and in this way he collected and deposited in the school fund $136,875. This amount included the bonds of W. L. Sloan, N. B. Pierce, James S. Holman, and C. H. Randolph. Also Hamilton instructed George Paschal to block payment when bondholders presented Texas indemnity bonds at the United States treasury. Hamilton and Paschal immediately encountered a problem in blocking payment at the United States treasury. How could one identify legitimate bonds issued before the war from illegitimate bonds

24Texas, Office of Superintendent of Public Instruction, First Annual Report, 1871, pp. 16-17; William Whatley Pierson, Jr., "Texas versus White," Southwestern Historical Quarterly 19(July 1915):145-49; Texas v. White, 7 Wallace 738(1868);
issued during the war? Paschal had encountered this problem before, and in 1862 he had suggested a policy which Salmon P. Chase, secretary of treasury, had adopted. Paschal had known that an 1851 Texas law had required that the Texas governor sign bonds before holders redeem them, and he had known that an 1862 law had repealed this requirement. Therefore, he had suggested that Chase redeem only bonds which a Texas governor had signed.25

The treasury followed Paschal's rule through the war. In August 1865 it rescinded the rule, despite Hamilton's and Paschal's protests, owing to a report which R. W. Tayler, comptroller of the treasury, wrote after heads of the Southern Pacific Railroad presented bonds for redemption. Paschal protested this redemption. He argued, in his protest, that the governor did not sign the bonds, that the company secured the bonds after Texas seceded, and that Governor Hamilton rightfully owned the bonds under the Confiscation Act of 1862. Tayler denied in his report all of Paschal's points. He

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J. Richard Barrett to Hamilton, 25 September 1865, A. J. Hamilton Papers, Texas State Library, Austin, Texas. John L. Waller, Hamilton's biographer, strangely never mentions Hamilton's agreement with White and Chiles. John Carrier states Hamilton was not wealthy and he supplemented his income with such agreements.

declared that the holders could cash the bonds regardless of whether the governor signed them, since neither the statute requiring the governor's endorsement nor the law repealing this requirement legally affected the original character of the bonds or impaired their negotiability. Further, Tayler contended that although Texas seceded, the bonds in question contributed nothing to the war effort, therefore they were valid. Finally, Tayler asserted that the Confiscation Act of 1862 applied only to tangible property, not to money. Tayler concluded that Texas could acquire bonds presented at the treasury, but the burden of proving that the state owned them rested with the state.26

The United States treasury redeemed bonds under Tayler's rules and bondholders negotiated bond sales to other parties. Paschal protested again when parties presented some White-Chiles bonds to the treasury, arguing that White and Chiles never fulfilled their contract with the military board. He emphasized that indigent and fatherless children in Texas would suffer, and he linked recovery of the bonds to survival of loyal government in Texas. Thereafter Secretary of

26 Hamilton to Johnson, 30 August 1865, Hamilton to McCulloch, 30 August 1865, Executive Record Book, A. J. Hamilton Papers; Scarborough, "George Paschal," pp. 103-5; William Whatley Pierson, Jr., "Texas versus White." Southwestern Historical Quarterly 18(April 1915):345-46. Paschal's argument in his protest to Tayler presaged his view in Texas v. White, that secession was illegal and that all actions of seceded governments were illegal. Strangely he took this Radical ab initio view in Washington and at the same time supported the Moderates against the Radicals in Texas.
Treasury Hugh McCulloch required that holders of White-Chiles bonds deposit proceeds of redemption in a Washington bank, but otherwise Paschal's protests availed nothing. Ben Epperson, who replaced Paschal when Governor Throckmorton came to power, compromised the twenty bonds Oliver and Brothers Company held, and some White held, and he sued McCulloch when McCulloch redeemed more bonds. Epperson collected $7,453.26 from Oliver and Brothers, $12,000.00 and eight bonds from White, and he lost his case against McCulloch. In February, 1867, Epperson sued all holders of the White and Chiles bonds, including George White, John Chiles, John A. Hardenburg, Samuel Wolf, George W. Stewart, the Commercial Bank of Kentucky, Weston F. Birch, Byron Murray, Jr., and Charles P. Shaw. Paschal pursued this case, Texas v. White, in the United States Supreme Court, after Pease reappointed him. Texas v. White resolved the legal questions whether Texas could recover its bonds, and a state could legally secede from the union.  

The plaintiffs and defendants argued, in Texas v. White, the issue of whether or not a legal government existed after

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27 Huntington to Durant, 2 May 1870, E. J. Davis Papers, Texas State Library, Austin, Texas; Paschal to Tayler, 26 September 1865, 28 September 1865, A. J. Hamilton Papers; Throckmorton to Epperson, 25 December 1866, Executive Record Book, J. W. Throckmorton Papers, Texas State Library, Austin, Texas; Durham to Throckmorton, 3 August 1867, J. W. Throckmorton Papers; Comptroller's Report, 1 September 1869-31 August 1870, p. 15; Pierson, "Texas versus White," 18:359; Texas v. White, 7 Wallace 700 (1868); Paschal to Pease, 30 April 1869, Graham-Pease Collection, Austin Public Library, Austin, Texas.
a state seceded. This issue answered the principal question in the case of whether the military board made a valid contract with White and Chiles? Paschal and his associates argued that legitimate government ceased when Texas seceded; therefore state authorities illegally seized the indemnity bonds and illegally contracted them to White and Chiles. Moreover, they added, even if one distinguished between valid contracts, which did not aid the rebellion, and invalid contracts, which aided it, White and Chiles agreed they would furnish war materials which aided the rebellion; hence they negotiated an invalid contract. Paschal declared the contract illegal on two additional grounds. White and Chiles had not supplied the cotton cards and medicines the contract specified, and the governor had not signed the bonds which an 1851 law required.

Lawyers for the defendants argued that a legal government existed in Texas throughout the war, and it ceased only after a military government replaced it at the war's end. Thus Texas officials made a valid contract which they could not now repudiate. The lawyers countered Paschal's charges. White and Chiles did not void the contract when they did not deliver the supplies, since they could not control the conditions which caused their failure. Moreover, the governor did not sign the bonds because an 1862 law lifted this requirement. Finally, these lawyers explained that since
Texas remained militarily occupied it did not exist as a state, hence it illegally claimed the bonds.28

Texas won the case. Chief Justice Salmon P. Chase in the majority opinion first declared secession illegal, and then he distinguished between two actions of seceded states, illegal actions which aided rebellion and legal actions which did not. Chase applied this distinction to the military board and declared the board illegal because it aided the rebellion. Further he declared illegal, null and void the contract the board made with White and Chiles and all sales White and Chiles made with other parties. Chase ordered that White, Chiles and all men who held the bonds turn them over to Paschal. These parties included, in addition to White and Chiles, Birch, Murray and Company (eight bonds), George W. Stewart (four), and John A. Hardenberg (thirty-four). Paschal sued these parties, and he collected a total of $47,175 in bonds and coupons. Paschal also sued other holders of the White-Chiles bonds plus William S. Huntington and the National Bank of Washington, and he negotiated with Droege and Company of London for 151 of the original 300 Swisher bonds. Paschal could not complete these latter suits and negotiations, because in January 1870 Governor Edmund J. Davis revoked Paschal's appointment.29

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29Ibid., pp. 718-37; Texas v. Hardenberg, 10 Wallace 91 (1868); Texas v. Chiles, 10 Wallace 127-28 (1868); Paschal to
As soon as he became governor, Davis removed Paschal and appointed Thomas J. Durant state agent. Paschal protested, writing Davis that he was on the verge of recovering all outstanding bonds. Why did Davis remove Paschal? Paschal supported the Moderates in the Texas Republican party and Davis supported the Radicals. Paschal particularly antagonized Radicals when, in his bid for the United States Senate in 1869, he called Radicals carpetbaggers who promoted mob violence, anarchy, and social and economic ruin. Davis could not tolerate such a person representing Texas in suits before the United States Supreme Court. In addition Davis suspected Paschal would keep all the bonds he collected and not return them to Texas. Indeed recovery of the bonds must have seemed, to Davis, a Moderate conspiracy. Hamilton and Pease, the Moderate leaders who commissioned Paschal, gave him liberal terms. Paschal could collect the bonds and then determine his own commission. When Davis was inaugurated Paschal had collected bonds worth over $40,000, yet Paschal had returned nothing to the state.  

Pease, 27 May 1869, Graham-Pease Collection; In re Paschal, 10 Wallace 483-88 (1868).

30 Davis to Durant, 9 February 1870, E. J. Davis Papers; Carrier, "Political History of Texas," pp. 327-404. Pease exacerbated the Davis-Paschal dispute over fees. At first Pease denied to Davis that he had agreed with Paschal on fees, then, after corresponding with Paschal, astounding he remembered a verbal agreement he made with Paschal. Pease to Davis, 4 April 1870, E. J. Davis Papers; Paschal to Pease, 29 May 1870, Graham-Pease Collection.
Davis ordered that Paschal surrender to Texas the $47,175 he had collected. Paschal refused. Durant sued Paschal, and Paschal defended his actions before the Supreme Court in the case In re Paschal. In this case Paschal argued that under his commissions from Hamilton and Pease he could deduct his expenses from the bonds he collected. His expenses totaled over $120,000, thus he could retain the bonds he possessed. Justice Joseph P. Bradley decided that Paschal was guilty of no misconduct, and since a lawyer could retain money collected for a client if the lawyer had not been paid for his services, Paschal could retain what he had collected. If Texas thought the amount he retained was excessive it could sue Paschal.

In the same case Paschal claimed Davis removed him illegally. Paschal had not completed negotiations for the Swisher bonds which two parties held, George M. Peabody of London, England, and Droege and Company of Hamburg, Germany. Paschal argued that Hamilton and Pease by contract had set his commission at 25 percent of what he collected from Peabody and 20 percent of what he collected from Droege and Company. Davis's action interrupted his negotiations and thereby violated his contract from Hamilton and Pease. In addition, Paschal claimed he encountered high expenses in negotiating with Peabody and Droege and Company and now he had no recourse for collecting. On this matter Bradley supported the state, declaring that a state could remove its agent at any time
regardless of the commitments it made, and that Paschal could pay his expenses with the $47,175 he had collected.\textsuperscript{31}

Thomas J. Durant continued the suits Paschal began against William S. Huntington and the National Bank of Washington. The bank and its cashier, Huntington, possessed fifty-six bonds which the governor had not signed. Durant argued in these cases that Texas owned the fifty-six bonds, since \textit{Texas v. White} declared illegal the law repealing the governor’s signature, but Durant lost these cases. The Supreme Court decided that the governor’s signature did not distinguish legal from illegal bonds, since various Texas governments had legally transferred many bonds which the governor had not signed. Thus the Court established the principle that presence or absence of the governor’s signature could not distinguish legitimate from illegitimate bonds. Only the purpose for which the bonds were transferred could do this. If the bond transfer supported the war it was illegal; if it did not it was legal. The state legally transferred the bonds which the Bank of Washington and Huntington held, and they kept the bonds.\textsuperscript{32}

\textsuperscript{31}In re Paschal, 10 Wallace 483-97 (1868); Paschal demanded that Davis pay fees totaling $120,102, but later he lowered them to $75,881 which, subtracting the $45,175 he won in In re Paschal, amounted to $30,706. No record exists that Davis or any governor paid Paschal this amount. Paschal to Davis, 16 February 1871, E. J. Davis Papers.

Although the Bank of Washington and William S. Huntington retained their indemnity bonds, E. B. Nichols paid Governor Davis the $12,500 in bonds he owed the state. This left the only sizable amount unrecovered the 300 bonds the military board contracted to John M. Swisher. The military board in 1862 instructed Swisher, its agent, to negotiate 300 indemnity bonds in Europe and buy war supplies with the proceeds. Swisher placed the 300 bonds for sale in Droege and Company of Hamburg. This company sold 149 bonds to Peabody and Company of London. Peabody and Company placed the proceeds of the sale in Loyd, Entwistle and Company, a banking house in Manchester, England, in an account under Swisher's name. Swisher bought supplies and charged them to his account. Peabody and Company learned that the United States treasury would not redeem their bonds and considered enjoining the money Loyd, Entwistle held and the bonds Droege and Company held. Before Peabody and Company acted, the war ended and the treasury redeemed their bonds.

Texas Reconstruction governors could not recover the 300 Swisher bonds. All their agents, Morgan Hamilton, Ben Epperson, George Paschal, and Thomas Durant, negotiated fruitlessly. Paschal asserted he was settling when Davis removed

33Davis to Sherwood and Flourney, 15 December 1870, E. J. Davis Papers.

him, and perhaps he was. He was determining the legality of claims on the bonds, which was the major obstacle to settlement. White and Chiles claimed the 151 bonds at Droege and Company and the money at Loyd, Entwistle, but *Texas v. White* permanently enjoined White and Chiles from asserting their claims. In 1875 Chiles laid claim to seventy-six of the Droege bonds but the Supreme Court, in *In re Chiles*, ruled his claim invalid. It found him in contempt of the decree in *Texas v. White*, and fined him $250.35

With the conflicting claims resolved, the way was cleared so an agent of the state could recover the Swisher bonds. Governor Richard Coke appointed D. C. Giddings agent. Officials at the Manchester and Liverpool District Bank, to which Loyd, Entwistle had transferred the money in the Swisher account, answered Giddings's query. They would hand over the money to a legally entitled party. Giddings traveled to England with copies of *Texas v. White* and *In re Chiles*, and a draft in which Swisher signed ownership of the money to Coke and Coke to Giddings. Giddings executed a release which stated Texas would not sue the bank for damages and the bank paid the money to Giddings. This settlement in Manchester brought about settlement in Hamburg. Droege and Company paid Giddings 151 bonds with interest coupons. Droege and Company also paid Giddings 3,000 pounds sterling which Swisher had paid

the company for goods he had never received. Thus Giddings collected a total of $339,240.12 and, after deducting his commission, he returned $297,758.22 to the permanent school fund.36

Giddings's actions recovered the remaining Texas indemnity bonds. How much did Texas recover of the $765,850 the Confederates used? Hamilton collected $136,875.00, and Throckmorton recovered $27,453.26. Pease returned nothing owing to Paschal's successful suit. Davis secured $12,500.00, and Coke collected $297,758.22. In all these men collected $474,586.48, or 62 percent of the original. This sizable recovery occurred despite the fact that the United States treasury redeemed bonds after the war, that many participants including Hamilton speculated with bond recovery, and that no one except Davis cared about the original purpose of the bonds, a public school system in Texas. Also recovery transpired during a period in which Texas experienced vast social, political, and economic changes, and it united Moderates, Radicals, and Conservatives in a common accomplishment.

Although continuity ended Texas Reconstruction (Pease's and Davis's legal successes led to Coke's recovery of the indemnity bonds), ironic changes generally characterized the era. Unionists won the Civil War and Confederates lost, yet in presidential Reconstruction unionists lost control of Texas government and former Confederates won. Unionists

36 Ibid., pp. 10-13.
formed the Republican party which gained control when congressional Reconstruction began, but they divided into Radicals and Moderates and reduced their effectiveness. Radical Republicans under Governor Edmund J. Davis protected unionists and blacks, created public schools, and encouraged economic development, but they lost reelection in 1873. Former Confederates, when Congress restored their political rights, revived the Democratic party and charged the Davis administration with tyranny and high taxes, the same issues which divided Moderate and Radical Republicans. Democrats also appealed to public disdain for Republicans and white prejudice against blacks, and they took over state government in 1874.
CHAPTER II
THE STATE AND THE ECONOMY
TAXES

Governor Edmund J. Davis and the Twelfth Legislature, beginning in 1870, passed the Radical program. They organized the state police and public schools, created immigration and geology bureaus, established railroad subsidies, and financed county roads, bridges, and public buildings. Conservatives and many Moderates criticized this program, especially attacking the tax increases it required. These increases, critics argued, unnecessarily burdened taxpayers, squandered the state's resources, and encouraged waste and extravagance in government. Opponents expressed these ideas in public speeches, newspaper editorials, and legislative petitions. In the 1871 congressional elections, Davis's opponents protested tax increases at meetings they called in county seats and in a convention they held in Austin. At the Austin convention, a committee concluded that taxpayers could not pay Radical taxes, and it demanded that the legislature reduce taxes to levels of 1869.¹

Davis and his supporters defended tax increases by arguing that benefits of the Radical program justified them. They admitted some mistakes, and they reduced tax rates in 1871, but this action did not satisfy opponents. Unrest over taxes contributed to Republican defeats in elections of 1872 and 1873 and to general failure of Reconstruction in Texas.

Traditional historians judge Davis's opponents to be correct. They conclude that Davis wasted tax money, overburdened taxpayers, and caused economic hardship in Texas. Taxpayers rebelled, voted the Republicans out and Democrats in, and the Democrats lowered taxes and brought prosperity. This judgment justifies the Conservative rebellion against the Radicals, but it leaves unanswered important questions concerning taxes: what tax schedules existed during Reconstruction, how did these rates compare with figures before the Civil War and after Reconstruction, could taxpayers meet the payment, what problems existed in tax assessment and tax collection?

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When United States troops occupied Texas in 1865, federal agents assessed taxes that Congress had levied during the Civil War. They collected a direct tax on real estate figured at 59 cents per $100 valuation. Congress determined that Texans should pay $355,000 in taxes, but, in 1866, it suspended operations after they paid only $180,000. Undoubtedly Texans hated the direct tax. Federal officials represented a victorious enemy, and they ignored legal procedures in some cases. But Texas citizens hardly found the tax unbearable, since it represented only one-tenth of one percent of real property values of 1865-1866. All states, North and South, petitioned the Congress to refund the direct tax owing to irregular methods agents used in collecting it. In 1891 Congress refunded to all states what they paid in this direct tax, including the $180,000 from Texas.  

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United States treasury agents also collected a tax on cotton, two cents per pound in 1865-1866 and three cents in 1866-1868. They collected $5,500,000 from Texas cotton farmers, who paid the tax when they sold their cotton. Congress never refunded this tax, and it probably burdened Texas cotton farmers, especially after cotton prices fell in 1867. New York brokers paid for middling Texas cotton fifty-two cents per pound in 1865, thirty-six cents in 1866, seventeen cents in 1867, and twenty-six cents in 1868. Thus the tax lowered cotton farm profits by 6 percent per pound in 1866, 18 percent in 1867, and 12 percent in 1868. Nevertheless cotton farmers apparently accepted the cotton tax as a price for losing the war, since they did not condemn it in their correspondence nor debate it in the legislature before 1871. In 1871 the Texas legislature requested in a resolution that Congress refund the money from the tax. 4

Reconstruction governments in Texas levied ad valorem, poll, and occupation taxes. These were the same types of taxes antebellum and Redeemer governments levied. Ad valorem rates remained substantially unchanged from antebellum levels until 1870. In 1865 Provisional Governor Andrew J. Hamilton

reinstituted the antebellum rate, 12.5 cents on every $100 value of real and personal property. In 1866 the constitutional convention raised the rate to twenty cents, and in 1867 the Eleventh Legislature lowered it to fifteen cents. From 1867 to 1870 the military government retained the tax at fifteen cents. The Twelfth Legislature 1870-1871, which Republicans controlled, increased ad valorem rates substantially, to 33.33 cents in 1870 and to 50 cents in 1871. In addition, the 1870 legislature levied a special tax, 5 cents per $100 valuation, with which the comptroller paid the interest and sinking fund principle on frontier bonds. Subsequent legislatures, 1873-1876, which Democrats controlled, retained the rate which the Republicans established, fifty cents.

Poll taxes displayed the same trend as ad valorem. Hamilton instituted the antebellum rate, $1 for each adult male; succeeding governments retained this rate until 1870. In 1870 Republicans increased the poll tax to $2 and gave the additional revenue to public schools.5

Antebellum governments in Texas required that persons engaged in certain occupations buy licenses from the state

every year. In this way they taxed peddlers, brokers, auctioneers, and owners of theaters, museums, menageries, billiard and card halls, bowling alleys, restaurants, and race tracks. In addition, prewar governments taxed the receipts of loan brokers, liquor dealers, and auctioneers. Hamilton taxed these same occupations at the same rates. The 1866 constitution taxed the same occupations at double the rates, and it also taxed attorneys, physicians, and bar owners. In 1866 the legislature returned to the antebellum rates on owners of theaters, museums, menageries, billiard and card halls, and bowling alleys. In addition it taxed, for the first time, circus owners, concert artists, and lecturers, and it abolished taxes on all other occupations except peddlers. The 1866 legislature also levied an income tax on employees of one-half of one percent on annual salaries over $600. Military governments 1867-1870 retained these 1866 rates.

Republican legislatures 1870-1871 reinstated occupation taxes and rates which the 1866 legislature abolished. They taxed new occupations, photographers, barbers, salesmen, owners of hotels, livery stables, breweries, ferries, and toll bridges. They levied the first substantial taxes on merchants, retail and wholesale, and on speculative businesses such as land agents and stock and bond dealers. Republicans taxed for the first time gross receipts of
railroads, telegraphs, and insurance companies. Democratic governments 1873-1876 retained, with no important changes, Republican taxes on occupations and businesses.6

In addition to these ad valorem, poll, and occupation taxes which the state levied, counties levied taxes during Reconstruction. They levied an ad valorem tax of one-half the state rate for general revenue. They levied this same rate in antebellum and redemption periods, too. County governments also levied special taxes beginning in 1869. These special taxes probably resulted from the war, since counties spent little on maintaining roads, bridges, and public buildings during the war. Virtually every county petitioned the Eleventh Legislature for exemption from state taxes so they could rebuild. Although before the war counties had secured revenue for exceptional expenses in this way, the Conservative Eleventh Legislature refused all such requests, because the state needed all the tax money it could acquire. Many counties requested that military authorities 1867-1870 grant special taxes for rebuilding. In 1869 General Joseph Reynolds acceded to these requests, and he authorized a special ad valorem tax of 50 cents on

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$100 valuation. The 1869 constitution provided that the legislature could levy special taxes with which counties could pay debts and construct roads, bridges, and public buildings. The Radical legislatures 1870-1871 levied special ad valorem taxes that totaled 97.5 cents on $100 valuation. They levied 50 cents for county debts, 37.5 cents for roads and bridges, and 10 cents for public buildings.\(^7\)

Republicans in the second session of the 1871 legislature, following Governor Davis's recommendation, lowered special county taxes to twenty-five cents. They reduced such taxes more (by ten cents) than Davis requested. Democrats in 1873 lowered these taxes to five cents, and they also increased general revenue county taxes from half the state ad valorem rate to half the state ad valorem, poll, and occupation rates. Thereafter, Democrats increased special county tax levels, to twenty-five cents in 1874 and fifty cents in 1876.\(^8\)

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\(^8\) House Journal, 12th Leg., 2d sess., 14 November 1871, pp. 502-03; General Laws, 12th Leg., 2d sess., p. 50;
In addition to these special taxes, counties levied taxes to build and maintain public schools. No such taxes existed before the Civil War, although the 1845 constitution created a school fund of one-tenth of state revenue derived from taxes. In 1854 the legislature added to this fund $2 million in indemnity bonds and their interest. However these provisions created no free public schools; parents paid tuition, and if they paid none their children attended no public schools. School districts built and maintained school buildings with tuition money, since the state provided no revenue for this.9

After the war Conservatives continued the antebellum school system. They recreated the school fund in the 1866 constitution and authorized the legislature to finance school buildings with a special tax. Conservatives never levied such a tax in the 1866 legislature. Instead they authorized the school districts to construct school buildings with money from the school fund. Republicans created free public schools in the 1869 constitution and in the Twelfth Legislature. They increased the school fund, setting aside for it the revenue the state received from land sales,

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9Gammel, Laws of Texas, 2:1297; Gammel, Laws of Texas, 3:1461-64. Before the Civil War the state paid tuition, from the school fund, for orphaned and indigent children.
plus one-fourth the annual ad valorem and occupation taxes and all the poll tax. Under Republicans, counties levied ad valorem taxes of $1.125 on $100 valuation, which financed school buildings. Democrats in 1873, over Davis's veto, lowered the school building taxes to twenty-five cents, and they made this tax optional; counties levied it only if they desired schools. With this latter provision, Democrats abolished public schools in most Texas counties.¹⁰

Thus taxes climbed after the Civil War. Table II on page 44 shows the taxes which the state assessed in 1860 and 1866-1875. One sees in this table that taxes which the state assessed rose steadily through Reconstruction, from over $260,000 in 1866 to over $1,600,000 in 1871. They declined in the last two years of Davis's administration, 1872 and 1873, then they rose again under Governor Richard Coke to over $1,700,000 in 1875. The reports of the state comptroller contain the taxes which counties assessed only for 1871, 1872, and 1873. Figures for these years declined from nearly $3,000,000 in 1871 to just over $1,225,000 in

TABLE II
TAXES ASSESSED BY STATE AND COUNTY GOVERNMENTS
IN TEXAS, 1860, 1866-1875*

<table>
<thead>
<tr>
<th>Year</th>
<th>State Taxes</th>
<th>County Taxes</th>
<th>Totals During Reconstruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
<td>395,640.55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1866</td>
<td>264,250.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1867</td>
<td>528,537.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1868</td>
<td>445,248.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1869</td>
<td>459,231.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1870</td>
<td>538,478.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1871</td>
<td>1,646,524.17</td>
<td>2,291,849.27</td>
<td>3,938,374.44</td>
</tr>
<tr>
<td>1872</td>
<td>1,466,276.26</td>
<td>1,219,120.59</td>
<td>2,685,396.85</td>
</tr>
<tr>
<td>1873</td>
<td>1,286,187.85</td>
<td>1,231,206.21</td>
<td>2,517,394.06</td>
</tr>
<tr>
<td>1874</td>
<td>1,363,451.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1875</td>
<td>1,747,688.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Comptroller's Report, 13 October 1865-1 July 1866, pp. 71, 73; Comptroller's Report, 1 September 1867-31 August 1869, pp. 31, 90, Table 40; Comptroller's Report, 1 September 1869-31 August 1870, pp. 84-85; Edmund Thornton Miller, A Financial History of Texas, Bulletin of the University of Texas, no. 37 (Austin: University of Texas Press, 1916), pp. 409, 413; Comptroller's Report, 1 September 1871-31 August 1872, pp. 21, 57; Comptroller's Report, 1 September 1872-31 August 1873, pp. 42, 62; Comptroller's Report, 1 September 1873-31 August 1874, p. 67; Miller, Financial History of Texas, pp. 409, 413. The author took these figures from the Comptroller's Reports where he could. Where the reports are missing, he took the amounts from Miller's book, which is the standard work on Texas finances to 1916. Miller rounded his figures to the nearest dollar. State officials assessed taxes in specie in 1860, 1874, and 1875, and they assessed them in United States currency in all other years.
1873. Could taxpayers pay the taxes Republicans levied? Undoubtedly, cotton planters believed they could not. Cotton prices reached their nadir in 1871, the year taxes reached their zenith, and an era of low cotton prices followed. However, during Reconstruction taxes represented an insignificant portion of the state's wealth as measured in the assessed value of property in the state. Table III on page 46 shows the percentage of assessed property values which taxes represented in 1860 and 1866-1875. One sees in this table that the total percentage of taxes, state and county, rose slowly before the Radicals controlled the government, from 0.31 in 1866 to 0.71 in 1870. It increased sharply when Davis's program took effect, to 1.77 in 1871, and it declined when Davis's government reduced taxes, to 1.30 in 1872. Under the Democrats the total percentage fell in 1873 to 1.13, then it climbed to 1.22 in 1874 and 1.51 in 1875.

Thus, at their peak in 1871, state and county taxes represented only 1.77 percent of assessed property values. Moderates and Conservatives could condemn Radical taxes, but surely taxpayers could easily pay them. More than half of the collection (1.03 percent) paid for roads, bridges, public buildings, and services which declined during and after the war. Taxpayers petitioned legislatures for these public improvements beginning in 1866, and Davis's government finally heeded their petitions. The new county taxes also paid for a public school system which Democrats always piously
### TABLE III
PERCENTAGE OF ASSESSED PROPERTY VALUES WHICH STATE AND COUNTY TAXES REPRESENTED IN TEXAS 1860, 1866-1875*

<table>
<thead>
<tr>
<th>Year</th>
<th>State Taxes</th>
<th>County Taxes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860</td>
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*Compiled from the following sources: Comptroller's Report, 13 October-1 July 1866, pp. 71, 73; Comptroller's Report, 1 September 1867-31 August 1869, pp. 31, 90, Table 40; Comptroller's Report, 1 September 1869-31 August 1870, pp. 84-85; Miller, Financial History of Texas, pp. 409, 413; Comptroller's Report, 1 September 1871-31 August 1872, pp. 21, 57; Comptroller's Report, 1 September 1872-31 August 1873, pp. 42, 62; Comptroller's Report, 1 September 1873-31 August 1874, p. 67. In computing the percentages in this table, the author divided the assessed values of property, real and personal, into the assessed taxes in these years. Neither the Comptroller's Reports nor Miller's work have the county taxes for 1866-1870, 1874, and 1875. The author determined the percentages in the table for county taxes in these years in a sampling he made from the Tax Rolls in the Texas State Library, Austin, Texas. The sampling included seven counties, Anderson, Bell, Bexar, Galveston, Harris, Marion, and Travis. The author added the assessed values of property in these counties, and he added the assessed taxes. Then he divided the assessed values into the assessed taxes. Thus the percentages in the table give an idea of the taxes which counties levied 1866-1870, 1874, and 1875. 
supported but never implemented. In 1873 Democrats abolished the school taxes which lowered the tax burden somewhat, but by 1875 the burden climbed nearly to 1871 levels, and most counties still had no public schools.

The 1.77 percentage rate imposed by the Davis government becomes even less dramatic if one compares it to tax burdens in other states. In 1870 the United States averaged 1.97, the former Confederate states averaged 1.74, and the former Union states averaged 2.07. Texas's percentage pales into insignificance beside Arkansas's 3.03, Louisiana's 2.79, Mississippi's 2.11, California's 2.90, Kansas's 2.90, Illinois's 4.52, and New York's 2.47. In 1880 the comparison remains substantially the same. The United States averaged 1.88, former Confederate states averaged 1.72, and former Union states averaged 1.87. Arkansas, Louisiana, Mississippi, California, and New York had percents over 2.00, while Illinois and Kansas had figures over 3.00.\(^{11}\)

In 1871 the Davis government assessed taxes which represented 1.77 percent of property values, but it never collected this much wealth in revenue. The Davis government did not efficiently assess nor collect the ad valorem tax, but neither did any other Texas government in the nineteenth

century. State legislatures levied ad valorem taxes on all real and personal property in the state, and county voters elected officials who assessed and collected these duties. In theory, assessment and collection worked quickly. Assessors traveled in counties the first half of the year, calculated levies when owners rendered their property, and sent these calculations with lists of property and assessments to the state comptroller. Collectors, using these same lists, journeyed the same routes the second half of the year, secured payments the assessors calculated, and sent the money with lists of taxpayers and their properties to the comptroller.12

In reality the assessments and collections lasted several years, and they had inherent defects. Before the Civil War these defects did not matter, since legislatures paid expenses with indemnity bonds. In fact, from 1852 through 1857, the legislatures relinquished to counties nine-tenths the state duties they assessed. After the war, governments relied primarily on ad valorem taxes for revenue. Reconstruction governments 1866-1874 exposed the defects and collected 73 percent of the tolls they assessed. Post-Reconstruction governments profited from the experience of Reconstruction. They corrected more defects and collected 85 percent of assessments.13


13Miller, Financial History of Texas, pp. 405, 409. The author calculated the percents, 73 and 85, from Miller's
Under several defects in antebellum assessment and collection, land owners, especially wealthy ones, evaded taxes. They valued their own holdings. If the assessor disagreed with them, in law he could appeal the values but in practice he rarely appealed. In addition, owners could render all their wealth in the county where they lived or in the county where they owned property. Most owners rendered it where they lived. Since the assessor could not effectively determine the value of land in counties other than his own, taxpayers could undervalue the real estate they owned in other counties. Thus Texans evaded accurate valuation. For example in 1860 the United States census taker estimated that the true value of property exceeded the assessed value by 27 percent.¹⁴

Texas citizens did not render some lands for taxes. An 1846 law required that county assessors determine who owned

unrendered holdings, and that county collectors collect taxes on them. An 1850 law required that assessors send descriptions of unrendered real estate and taxes to the state comptroller. The comptroller determined owners from land titles; then he sent tax assessments to assessors in counties where owners lived. If owners did not pay the taxes, county collectors sold the properties at auction for taxes. Comptrollers and assessors 1846-1865 ignored these procedures. They did not collect taxes on unrendered lands, and by 1865 back taxes totaled over $1,160,000.15

A third problem concerned collectors. Laws required that they send the revenues they obtained to the comptroller by 31 December. Most officials ignored this, and they sent the money when they secured it, which might be years after the deadline. Some officers encouraged speculation with the money they acquired. They deposited the money, for a commission, with financial houses such as C. R. Johns and Company of Galveston. These financial houses held the tax money until the state treasury, its money supply exhausted, paid state expenses with warrants. The houses cashed the treasury warrants at a discount of 10 to 20 percent. They eventually forwarded the tax money to the comptroller, but they profited handsomely in the process.16


16 Miller, Financial History of Texas, p. 110; House Journal, 13th Leg., reg. sess., 14 January 1873, pp. 22-23;
During Reconstruction Texas governments took assessment and collection seriously for the first time. New conditions compounded traditional problems. Dead and dislocated owners could not render property, absent county officials could not assess and collect taxes, and owners filled with hate would not pay taxes. But the state government had no indemnity bonds, and it obtained revenue only through taxes. Willis Robards, Throckmorton's comptroller, recommended that the 1866 legislature change the system of assessment and collection so the government could enforce it. He suggested that the governor should appoint assessors and collectors. The Confederate States collector had done this during the war with efficient results, but the 1866 legislature failed to pass this recommendation. Robards also recommended that the state government collect back taxes. The comptroller should determine, from his records, the owners and the taxes they owed. He should send this information to counties where the owners lived. There the collector could either collect the back taxes from the owner or sell the owner's property at auction. The 1866 legislature passed this recommendation. Robards desired that owners render property in the county where their property was. However, he did not recommend this; he feared it would offend too many absentee property owners.17

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Texas, Comptroller's Office, Circular to the Revenue Officers and People of Texas, July 1871, pp. 3-15.

Problems with assessment and collection worsened under Governor Elisha M. Pease. Many assessors and collectors could not take the required oaths, and as a result 39 of 125 counties made no tax returns. In 1869, owners paid taxes on only 47 million of the 90 million titled acres in Texas. The procedures the 1866 legislature had established for collecting back taxes broke down. The practice for collecting taxes on unrendered lands disintegrated. The system of communications was so unreliable that Morgan Hamilton, the comptroller, could not receive lists of unrendered lands, and when he received them and determined that owners had paid taxes, he could not transmit their names to proper assessors and collectors. As a result, many owners who paid their taxes lost their lands at auctions. General Reynolds ordered officials to stop selling unrendered lands, but before his directive became known, officials had sold 31 million acres at auction. The state gained little money from these sales, because few persons bid and the state retained the lands.18

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18 Hamilton to Pease, 14 November 1867, Elisha M. Pease Papers, Texas State Library, Austin, Texas; Comptroller's Report, 1 September 1867-31 August 1869, pp. 4, 7; Pease to Reynolds, 1 November 1867, Elisha M. Pease Papers; Journal of the Reconstruction Convention Which Met at Austin, 1 June 1868 (Austin: Tracy, Siemering and Company, 1870), p. 260; Texas, Legislature, Journal Appendix, 12th Leg., 1st sess., "Message of Governor Edmund J. Davis," p. 4. Pease was not moderate on back taxes. He believed taxes on unrendered lands, 15 million acres, would be worth the efforts of collection, especially since secessionist planters owned most of them.
In 1870 Radical leaders believed they could efficiently assess and collect taxes if they could involve major county officials in elaborate checks. Owners rendered in counties where their land was. Justices of the peace assessed, sheriffs collected, and both officials maintained elaborate records in books for real property, personal property, poll taxes, and occupation taxes. Justices of the peace assessed property in property books, while county clerks checked the books against land titles. After county clerks approved assessments, sheriffs took the books and collected taxes. After the sheriffs finished, county clerks checked their work. County clerks and the state comptroller informed justices of the peace when land titles changed. Sheriffs and county surveyors determined unrendered lands and sold them at auction for taxes. The comptroller collected back taxes, but Davis vetoed appropriations for this. Davis labeled such collection, coming as it did in a time of revolutionary changes, expensive, unpopular, and oppressive.¹⁹

¹⁹Construction of the State of Texas Adopted Under the Reconstruction Acts, pp. 38, 20, 39, 21-22; General Laws, 12th Leg., call. sess., pp. 204-33; House Journal, 12th Leg., call. sess., 29 April 1870, p. 30; Bledsoe to Davis, 20 April 1870, E. J. Davis Papers. Until 1870 each county elected one assessor and collector who assessed and collected taxes. The 1870 legislature changed this; thereafter each county elected a justice of the peace and sheriff who, in addition to their other duties, assessed and collected taxes. This lasted until the legislature in 1876 returned to the old system; thereafter each county elected one assessor and collector.
The 1870 system's tedious records and complicated checks hindered prompt assessment and collection, and the 1871 legislature abandoned it for a simpler system. Owners rendered either where they lived or where their land was. Justices of the peace assessed and sheriffs collected, but county clerks did not scrutinize their work. Clerks, with the comptroller, furnished justices with changes of land ownership. Owners freed property from back taxes if they paid three times the current taxes. The comptroller issued further instructions which he believed necessary.

By 1873 Edmund J. Davis knew the defects of assessment and collection. He listed them in a message to the legislature—owners rendered property at low values, assessors accepted the low values, owners profited while the state sued them, and sheriffs speculated with tax money. He blamed state revenue losses on these defects and cited Galveston County where assessors valued $17 million in property at only $13 million. Corporations, he believed, especially evaded taxes; they rendered their property at its original value without improvements and not at its current value with improvements. Thus in 1872 Western Union Telegraph rendered its property at only $63,000, when the real value of its property was $250,000. Davis recommended that the 1873 legislature

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20 Comptroller's Report, 1 September 1869-31 August 1870, pp. 23-29; "Message of Governor Edmund J. Davis," pp. 4-5; General Laws, 12th Leg., 1st sess., pp. 48-56.
close tax loopholes, assess property at its true value, severely punish owners who did not render property or pay taxes, revoke charters of corporations which undervalued property, and punish sheriffs who did not meet payment deadlines. He did not feel the legislature could prevent sheriffs and other county officials from speculating with or misappropriating funds. Since it had no power over county officials, it could only report malfeasances to county voters. Finally, Davis recommended that the state collect only one year's back taxes from delinquents. He believed the state would not profit if it sued for more.\textsuperscript{21}

The 1873 legislature changed assessment and collection slightly. The comptroller prepared maps of titled lands in the state, determined average values of land in each county, and sent this information to assessors. Corporations rendered property to justices of the peace, the comptroller reviewed the values and raised them if he thought them incorrect, and third parties settled disputes that arose over values.\textsuperscript{22}

Davis left office in 1874, but problems with tax assessment and collection continued. In 1876, by law the comptroller collected back taxes. This system cost more money than it retrieved, and the legislature repealed it in 1879. The 1876


\textsuperscript{22}\textit{General Laws}, 13th Leg., reg. sess., pp. 129-41.
constitution provided that owners render property in the county where the property was, which probably explains why the percentage of assessed taxes collected increased from seventy-three in 1866-1874 to eighty-five in 1875-1883.\(^{23}\)

In addition to defects in assessment and collection, political squabbles hurt Davis's tax program. Conservatives especially hated the 1 percent tax, $1 on $100 valuation, which financed school buildings. Sheriffs in many counties did not collect it. County judges, believing the tax unconstitutional, enjoined its collection. The district court in Travis county dissolved one of these injunctions. The tax's enemies tested the tax's constitutionality before the Texas Supreme Court. They argued that the Twelfth Legislature, in enacting the tax, illegally delegated sovereignty to school officials. They also contended that two members of the state school board, the governor and attorney general, unconstitutionally held two offices at the same time. The Texas Supreme Court rejected these arguments. It declared that the 1869 constitution provided that the legislature could delegate tax sovereignty. Further the governor and attorney general, since they received no pay for services on the school board, violated no provisions of the constitution. Many sheriffs still did not collect the tax.\(^{24}\)

\(^{23}\)Gammel, Laws of Texas, 8:1091-95, 1461-64; Sayles, Constitutions of the State of Texas, pp. 404-5; Miller, Financial History of Texas, pp. 409, 405.

\(^{24}\)Austin Weekly State Journal, 4 July 1872; De Gress to Davis, 14 November 1871, E. J. Davis Papers; James C.
The Radical-Moderate cleavage hindered efficient tax administration. Moderate leaders Hamilton and Pease joined Conservatives in condemning Davis's taxes in the state taxpayers convention in 1871. Adolph Bledsoe, elected Radical comptroller in 1869, separated from Davis in 1872. Davis closely scrutinized the comptroller's office, and in 1872 he learned that sheriffs overcollected some 1871 taxes. In a terse letter he demanded that Bledsoe explain. Bledsoe answered by letter that rapid changes in tax rates confused collectors, and he refunded what they overcollected.\textsuperscript{25}

Newspaper editors made the Davis-Bledsoe letters an issue in the elections of 1872. Moderate and Conservative editors called Davis and Bledsoe incompetent and corrupt. Radical editors defended Davis and criticized Bledsoe. These editors accused Bledsoe of joining the Moderates, and of deliberately overcollecting in order to embarrass Davis. Thereafter Davis's relations with Bledsoe disintegrated. By the time the legislature met in 1873 Davis could not communicate with Bledsoe. When Bledsoe deliberately delayed in delivering his official report, Davis fumed and took offense.

\textsuperscript{25}\textit{Austin Weekly State Journal}, 3 October 1872.
to statements in the report. The 1873 legislature investigated the comptroller's office, and it reported the comptroller's books in some disorder, but it found no evidence of fraud or corruption. The Davis-Bledsoe feud disrupted communication between the governor and comptroller, and this feud complicated assessment and collection of taxes. This problem of intra-party disunity did not plague the Democrats after Reconstruction; Democratic unity probably helped increase collections 1875-1883.26

Thus governments in Texas during Reconstruction developed new tax programs which the Civil War necessitated. In 1865-1866 United States officials collected a tax on land which Congress had levied during the Civil War. Although Texans hated this tax, the $180,000 collected represented only one-tenth of one percent of property values and was refunded to Texas by Congress in 1891. From 1865 to 1868 federal officers also levied a tax on cotton which amounted to a total of $5,500,000. This tax was not refunded and probably was burdensome to cotton farmers, especially when cotton prices fell in 1867. Provisional Governor Hamilton reinstated the antebellum state taxes of ad valorem, poll, and occupation. Conservatives under Throckmorton continued antebellum taxes and established procedures for collecting back taxes. Davis

and the Radicals first encountered the problem of how they could finance state government in light of changes the war caused. They had no indemnity bonds, yet they wanted beneficial state and county services.

Davis's government increased ad valorem property taxes to a high of $2.125 on $100 valuation in 1871. Conservatives and Moderates could not tolerate this rate, but they could pay it. Owing to defective assessment and collection, officials never collected over 73 percent of assessed taxes; most taxes they collected paid for essential county services, roads, bridges, public buildings, and public schools. Assessed taxes constituted only 1.77 percent of property values, a figure significantly below the United States average in 1870. Moreover, the 1871 legislature, at Davis's request, decreased ad valorem taxes to 1.30 percent of assessed property values, lower than the percentage Democrats established in 1874.

Davis's government experimented with new procedures for assessment and collection. It enforced laws of assessment and collection; no Texas government before it attempted this. Political factors exacerbated enforcement; Davis could not unite Radicals and Moderates nor force cooperation from Conservatives. In 1870 Davis and the Radicals established a new system of assessment and collection. It proved too complex, and in 1871 they simplified it. In 1874 when the Democrats returned to power, they retained, for the most part, the 1871 system. Through his administration, Davis focused
attention on the need to correct the defects in assessment and collection, including the undervaluing of property by owners, the speculation with revenues by sheriffs, the evasion of taxes by corporations, and the collection of back taxes by the state. Thus Davis and the Radicals attempted to develop a modern tax system in Texas.
CHAPTER III

EXPENSE OF STATE FUNCTIONS

On 29 April 1870 Governor Edmund J. Davis presented his programs and goals to the legislature. Militia, state police, and rangers would protect life and property. Railroads, immigration and geology bureaus, and public schools would encourage immigration and stimulate economic growth. Increased aid to the penitentiary and the state asylums would convert inmates in these institutions to useful members of society. These programs, Davis stated, would increase government expenses, but the economic growth they would cause would more than justify their costs. Moderates and Conservatives charged that Radical programs needlessly wasted state finances, that Radical managers stole public money, and that Radical Reconstruction left the state with an unpayable public debt. These charges raise questions. What were the expenses of the Davis administration? Were the expenses justified? Was the Radical debt excessive? Was Radical management corrupt?

After the Civil War the expense of Texas government increased, regardless of which party or faction controlled

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the government. In the 1866 legislature the Conservatives appropriated $576,000, which exceeded the amount the Democrats had appropriated in the 1858 legislature by $200,000. From 1870 through 1873 Radical appropriations totaled $4,717,000, and from 1874 through 1877 Redeemer appropriations equaled $3,111,000. In assessed value of property, these appropriations represented .25 percent in 1858, .40 percent in 1866, and averages of .52 percent in the Radical period and of .56 percent in the Redeemer era. Thus although the Radicals increased appropriations above the antebellum level, they followed a trend which the Conservatives started and the Redeemers continued.2

The expense of government increased in most states in the United States in the 1870s and 1880s. In 1880 in the United States the expenditures of state governments equaled .73 percent of the assessed value of property in the states. By 1890 the expenditures of states had increased to .86 percent of assessments. In 1880 the expenditures of the

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Texas government constituted 1.78 percent of the assessed value of property in Texas. In 1890 Texas expenditures equaled .96 percent of assessments.³

Traditional items such as salaries of officials, budgets of departments, appropriations of state institutions, and costs of legislative sessions, accounted for 60 percent of expenses during Radical Reconstruction. Increases in these items could be expected as the state's population increased. Probably the increases were justified, since Redeemers retained most of them. After Reconstruction ended, Radicals had increased the salaries of major state officials by about 40 percent. They increased the salaries of the governor, secretary of state, comptroller, treasurer, land commissioner, and attorney general. Radicals increased the budgets of all government departments. They increased the budget of the executive department from $4,000 to $20,000, the state department from $40,000 to $50,000, the treasury department from $3,000 to $10,000, and the comptroller department from $9,000 to $45,000. Radicals expanded the district courts from nineteen costing $40,000 to thirty-five costing $188,000, and they changed the legislative sessions from biennial

costing $125,000 to annual costing $250,000. Party division, with debates between Radicals, Moderates, and Conservatives, prolonged the legislative sessions and added to the costs. Also Radicals created two new government agencies, the immigration bureau and the geology bureau, which increased government expenses.4

Radical Republicans increased appropriations somewhat for the lunatic asylum and the schools for the deaf, dumb, and blind. Appropriations for these institutions averaged .05 percent of property assessments during Radical Reconstruction. This average was higher than the Texas average of .02 percent in 1860, but it was lower than the United States average of .13 percent in 1880. Appropriations for these institutions had virtually ceased during the Civil War. The Radicals found the institutions disorganized, with roofs leaking, outbuildings and fences gone, and legislative appropriations uncertain. By December 1873 the Radicals repaired these institutions, increased their capacities, and made permanent their finances.5 Through the Civil War the state penitentiary at Huntsville profited. Prisoners made woolen and cotton clothing on machines which the

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5Computed from Eleventh Census of the United States, 25:59, 465-75; Texas, Lunatic Asylum, Superintendent's Report, 1 October 1870, pp. 23-25, 26-28; Texas, Institution for Educating the Blind, Superintendent's Report, 1869-1870,
legislature had bought in the 1850s. After the war, cotton prices increased and machines disfunctioned, and the penitentiary lost money. Between 1865 and 1869, it lost $300,000. Governors James W. Throckmorton and Elisha M. Pease recommended that the legislature lease the prison. Davis and the Radicals at first considered expanding the penitentiary and replacing its machinery. When they found these moves too expensive, they leased the penitentiary. Thereafter, the state paid only transportation expenses of law officers and of prisoners.  

In addition to traditional items, the Radicals spent sizable revenues on law and order. Violence did not start with Radical Reconstruction. Governors Andrew J. Hamilton, Throckmorton, and Pease received numerous reports of violence from every section of the state. In East Texas blacks and unionists complained that whites subverted their freedoms, while whites reported that blacks vandalized their property. From the frontier, settlers wrote that unreconstructed rebels, outlaws, and Indians attacked their homes and stole their livestock. In 1870 Governor Davis made law and order his

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primary goal. He believed economic growth could follow if he could accomplish this goal. To secure law and order, the legislature organized the state police, militia, and ranging companies.7

The militia included all able-bodied men ages eighteen to forty-five. The governor mobilized it when local authorities could not control lawless men. Militiamen paid for their clothing, and the state paid for their enrollment. It also fed, clothed, equipped, and compensated militiamen when Davis activated them. Although the militia nearly paid for itself, Davis levied a special tax in counties where he activated it. Otherwise the state paid only for enrolling eligible men. This sum amounted to a total of $23,641 by 1873, when the Democratic Thirteenth Legislature disbanded the militia. The militia enrolled, at its height, 74,000 men, 47 percent of those eligible, in forty-three counties.8

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The state police apprehended lawbreakers and it helped militiamen preserve order. While state policemen furnished their horses, arms, and equipment, the state maintained these items. It also fed, clothed, and compensated policemen. One finds difficulty in judging the effectiveness of the state police. In the three years, 1870-1873, that the organization existed, it arrested a total of 7,223 suspects, which exceeded the total number of suspects arrested in the previous five years. Grateful citizens from the Red River to the Rio Grande commended the state police. By 1873, when the Thirteenth Legislature abolished it, the police had cost the state $438,000. This expenditure seemed excessive, but it represented only .07 percent of the average assessed value of property 1870-1873. Most cities of the northeast probably spent a much larger portion of their resources for police protection. In 1869 New York City's police force cost $2,860,000, which represented .14 percent of the assessed property value in New York state. The peace which the state police sought still eluded Texas long after Reconstruction ended. Redeemers spent $361,000 on similar forces in the years 1879-1883. William Steele, Richard Coke's adjutant general, observed that in certain sections of the state the courts required military aid to punish lawbreakers. Steele recommended that Coke create a force which could overawe
lawless men. Without this force Steele could see no civil remedy to lawlessness.9

Davis raised twenty companies of rangers that protected frontier settlers. Each ranger furnished, initially, his horse, equipment, and revolver. The state furnished rifles and ammunition and also maintained horses and equipment and paid salaries. Davis divided the frontier into districts and named a commander for each district. Commanders concentrated their forces at posts; by the end of 1870 fourteen companies occupied a line of posts extending from the Red River in the north to the Rio Grande in the south. The forces chased marauding Indians all over the frontier, and they accumulated many expenses. In the years 1870 and 1871, the rangers cost $451,800. Davis did not anticipate such costs, since he believed the United States government would supply the rangers and would eventually protect the frontier. When federalis failed to do this, Davis cut expenses. He mustered out as many rangers as he could, limited remaining ranger companies to fifty men, and concentrated these companies where they were most needed.10


10Gammel, Laws of Texas, 6:5-8; Adjutant General's Report, 1870, pp. 6-7; House Journal, 12th Leg., 1st sess., 10 January 1871, pp. 13-14.
In 1871 the legislature replaced the rangers with less expensive companies of minutemen, authorizing twenty companies in frontier counties. The governor appointed captains who called men into service at the first sign of Indian danger. The state paid minutemen $2 per day when they served, and no company served more than ten days. Minute companies proved less expensive than rangers. Expenses for the two years they served during Reconstruction, 1872-1873, totaled $156,180.11

Davis's frontier policy proved ineffective in stopping Indian raids. Its failure was due to the enormity of the problem. The traditional hunting grounds of the Kiowas and Comanches extended into northern Texas. As whites moved into this area after the Civil War, conflict occurred. In 1867 in the Treaty of Medicine Lodge, the Kiowas and Comanches had accepted reservations which bordered, on the south, Texas at the Red River. The Indians ignored the treaty; Kiowas and Comanches hunted game and raided whites in northern Texas. In southern Texas, Apaches with Kickapoos raided from Mexico.12

11 Gammel, Laws of Texas, 7:34-35; Adjutant General's Report, 1872, pp. 6-9; Adjutant General's Report, 1873, pp. 4-5.
Hamilton, Throckmorton, and Pease petitioned the federal government for protection, and Davis inherited the problem. The United States government followed a defensive policy toward Texas Indians after the Treaty of Medicine Lodge. It did not furnish the money and troops which the reservations necessitated. Indians left the reservations with impunity, and they raided the settlers in Texas. These factors doomed Davis's frontier policies, since his rangers could not enter reservations nor cross the Rio Grande.13

United States military officials finally acted. In 1873 Colonel Ranald S. Mackenzie crossed the Rio Grande and defeated the Kickapoos and Apaches in Mexico. During the winter 1874-1875, Mackenzie and Colonels George P. Buell and Nelson A. Miles led columns through Indian country north of the Red River. This campaign was the beginning of the defeat of the Indians on the southern Great Plains. Even with these federal actions, expenditures for defense in Texas remained high. Expenditures in the years 1874-1877 totaled $801,561, while expenditures in the period 1870-1873 totaled only

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$607,988. The federal government partially refunded these expenses by paying Texas $1,071,157 in 1888 and 1891.\textsuperscript{14}

In addition to quelling violence and protecting the frontier, the Radicals established public schools. A board of education, consisting of the governor, the attorney general, and the superintendent of public instruction, supervised the state's school system. Two state funds financed the system, the permanent school fund and the available school fund. The permanent school fund consisted of indemnity bonds and of proceeds from the sale of public lands. The available school fund consisted of one-quarter of state income from ad valorem and occupation taxes and of all income from the poll tax. Jacob De Gress, superintendent of public instruction, presided over an educational bureaucracy. He appointed twelve supervisors, one in each judicial district. Supervisors divided their judicial districts into school districts, and they appointed five directors who presided over each school district. These directors established schools in each district. They located schoolhouses and levied a county tax which financed construction of schoolhouses.\textsuperscript{15} County treasurers collected schoolhouse taxes.


\textsuperscript{15}Constitution of the State of Texas Adopted by the Constitutional Convention Convened Under the Reconstruction
County assessors conducted a census of school children ages six to sixteen and sent it to the state treasurer. With these figures the state treasurer and the superintendent determined the money each district received from the available school fund. The state board of education possessed broad powers. It adopted rules for public schools. It examined, promoted, and compensated teachers, and it determined courses of study and textbooks. The board had only one restriction. It could not prevent local directors from segregating students of different races.16

The Davis administration overcame enormous problems in establishing a school system. The 1870 legislature appropriated no money for the system, and the system did not start until 1871. In 1870 county assessors conducted the first school census, and in 1871 De Gress apportioned state money to counties on the basis of this census. Owing to Democratic opposition to schools and to frontier conditions, sixty-three counties (40 percent) either compiled no returns or compiled inaccurate returns. De Gress used, for these


counties, the federal census of 1870. School age children in this first census totaled 227,615; 137,298 whites and 49,597 blacks.\textsuperscript{17}

School buildings posed a problem. The legislature authorized county officials to finance school buildings with a 1 percent ad valorem tax. Officials in many counties did not collect it, and many taxpayers did not pay it. Even where officials collected it, the tax financed only one or two schoolhouses per county. Many school districts leased buildings for schools. In some cases buildings lacked adequate furniture, space, ventilation, and a central location in the county. De Gress proposed that the legislature float $2,500,000 in bonds for schoolhouses. The house of representatives passed this, but the senate, which Conservatives controlled, defeated it. The problem of buildings affected the pay of teachers. In some counties where officials did not collect the school building tax, they financed buildings with state money which normally paid teacher salaries. Consequently teachers petitioned the governor for their pay.

\textsuperscript{17}Texas, Superintendent of Public Instruction, First Annual Report, 1871, pp. 5-9, 88-100. In 1870 legislators believed the one-quarter tax of the available school fund would be sufficient for public schools. However Davis refused to spend this money, stating that according to the 1869 constitution all money had to be appropriated for a specific purpose. He requested that the 1871 legislature appropriate money specifically for schools. House Journal, 12th Leg., 1st sess., 10 January 1871, p. 8.
but some did not receive it for years. Teachers faced, in addition, a hostile public. Black teachers and students in particular experienced threats, prejudice, ostracism, and insults. Whites refused lodging to black teachers, beat them, and burned their school buildings.  

Nevertheless in September 1871, public schools opened for classes in 123 Texas counties, with 1,578 teachers instructing 63,504 students. The school semester lasted into June with classes running six hours per day. Subjects followed traditional lines, with reading, writing, arithmetic, spelling, orthography, geography, and history. Teachers had to meet traditional qualifications, which included moral character and temperate habits, belief in the Supreme Being, and competence. Supervisors examined teachers and placed them in one of three categories which determined their salary. First class teachers received $110 per month, second class teachers received $90, and third class teachers received $75. Male and female teachers of the same class received equal pay.  

In a message to the Democratic Thirteenth Legislature, Davis declared the school system a success, and he begged that the legislature preserve it. The Democrats, however,

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19 Ibid., pp. 79-82.
decentralized the school system, replacing the state appointed supervisors with county elected directors. These county directors did what the state board of education did formerly. They determined courses of study, teachers pay, and rules for schools. The directors elected one of their number who examined teacher applicants. The 1873 school law confirmed compulsory education for all children ages six to eighteen, but it excepted children who lived more than two miles from a school. The law required that school districts levy a tax for school buildings, but it exempted districts which lacked school buildings and did not want them. In effect the law made public schools voluntary. Nevertheless, the 1873 legislature increased school financing, setting aside for schools one-half of all public lands granted to railroad companies.20

School attendance increased steadily while Radicals controlled government. The number of eligible scholastics in school increased from 23 percent in 1870, to 30 percent in 1871, to 56 percent in 1872, and to 60 percent in 1874. Then it declined to 59 percent in 1875 and 33 percent in 1880. State expenditures per pupil increased, then decreased, in the same pattern, from $3.98 in 1872 to $8.10 in 1874, and from $5.31 in 1875 to $4.44 in 1880. Texas expenditures

per pupil in 1880, $4.44, and 1890, $6.66, ranked far below the national average for these years, $7.99 and $11.03 respectively. Texas's $8.90 in 1874, the high during Reconstruction, exceeded the national average in 1880.21

The Davis administration laid the basis for state supported higher education in Texas. Antebellum governments had set aside various resources for a college, including fifty leagues of land, money from land sales, and $100,000 in indemnity bonds. These provisions never amounted to much. Legislatures never designated the land they set aside, preemption made the money from land sales insignificant, and Confederates disposed of the indemnity bonds during the Civil War. In 1862 the United States Congress offered land to states with which they could establish agricultural and mechanical colleges. In 1866 the Texas legislature accepted this offer, and it authorized the governor to receive land scrip on 180,000 acres, to sell the scrip, and to endow an agricultural and mechanical college. Davis fulfilled these provisions and sold the scrip. The 1871 legislature

appropriated $75,000 for construction of the college, and it authorized Davis to appoint a commission which could select a site and supervise construction. 22

Under the 1871 law, the governor could not control the commissioners. They submitted the costs of construction to the comptroller, the comptroller issued warrants which covered the costs, and the commissioners redeemed the warrants at the treasury. Davis could exercise little power over the commissioners. If he objected to their actions he could remove them and appoint new commissioners, but he could not supervise their expenses before they cashed their warrants. Nevertheless Davis pursued a frugal policy, demanding that commissioners waste no money and that they present vouchers with costs. The commissioners selected a site near Bryan after businessmen of that town wined and dined them. They selected an architect and spent $17,500 before construction began. Davis replaced the commissioners when they did not present vouchers for this amount. When the new commissioners continued the same practice, Davis suspended construction until the legislature granted him more control. 23


23 Davis to Commissioners of Agricultural and Mechanical College, 23 December 1871, 24 August 1872, E. J. Davis Papers, Texas State Archives, Austin, Texas.
The Thirteenth Legislature, which Democrats controlled, refused to grant Davis the authority he desired. It appropriated an additional $300,000 for the college, but Davis vetoed this appropriation, stating the commissioners would waste it unless he could control the commissioners. He also believed $300,000 was excessive. In his opinion the college could be completed for only $90,000. Contractors started again in August 1873, and they finished the foundation and walls of the main building by the time Davis left office. Coke and the Democrats appropriated an additional $123,000 for the college, and it opened in 1876.24

Radical programs, both traditional and new, required increased revenues. In 1870 Davis believed he could finance most of his programs with income from increased taxes. However before tax income entered the treasury he needed money for frontier defense. The Twelfth Legislature authorized Davis to sell 750 frontier defense bonds, worth $1,000 each, bearing 7 percent interest, and redeemable in forty years. It authorized the comptroller to levy a tax which paid interest and redemption. Davis believed taxes would pay frontier expenses by 1871 or, barring this, the federal government

would protect the frontier. Therefore in 1871 he offered for sale only 400 of the 750 authorized bonds. He arranged that R. G. Rolston, president of Farmers Loan and Trust Company of New York City, sell or hypothecate the bonds.25 Rolston hypothecated 125 bonds with M. O. Roberts, president of Southern Pacific Railroad Company, for $95,794. Farmers Loan and Trust loaned Roberts the money he paid for the bonds and accepted the bonds as collateral for the loan. Davis approved the price Roberts paid, eighty cents on the dollar, because he needed the money. Thereafter he demanded at least eighty-seven cents on the dollar. Later Roberts could not repay his loan, and Farmers Loan and Trust took possession of the bonds. Davis supported the price of frontier defense bonds with A&M scrip. He sold the scrip through Rolston for eighty-seven cents on the dollar; then he invested the proceeds, $156,600, in 172 frontier bonds at ninety cents on the dollar. Davis sold another fifty-three bonds to banks and companies which did business with the state, including Raymond and Whitis, Rhodius and Company, San Antonio National Bank, and Winchester Repeating Arms.

25 Davis might have financed his programs with taxes if he could have reformed assessment and collection procedures. As it was his expenses from 1870 to 1874 outran his revenues by more than $1,000,000. Miller, Financial History of Texas, pp. 395, 405; House Journal, 12th Leg., call. sess., 29 April 1870, p. 29; General Laws, 12th Leg., call. sess., pp. 45-46; James P. Newcomb, Texas secretary of state, to Rolston, 23 January 1871, E. J. Davis Papers.
Company. Of the 400 bonds he offered for sale in 1870 Davis sold 350 which brought $312,200 into the treasury. 26

In 1871 Davis realized that neither the tax revenues nor the federal government would pay for existing programs. The legislature authorized $400,000 in 10 percent revenue deficiency bonds redeemable in five years. Davis arranged that Raymond and Whitis Company of Austin market the bonds. Whitis took the 400 bonds to New York City and arranged a sale to William Conduit, who headed a financial house. Whitis deposited the bonds with Conduit. Davis rejected the terms of the sale and ordered that Conduit return with the bonds. Conduit refused to surrender the bonds when Whitis demanded them, but instead Conduit traveled to Austin and bargained with Davis. Davis rejected Conduit’s offers and demanded the bonds. Conduit returned 357 bonds but stated he left 43 in New York with McGeorge M. Vanderlip, his secretary. Later Davis learned that Vanderlip used the forty-three bonds as collateral for loans at two New York

26 Rolston to Davis, 23 February 1871, E. J. Davis Papers; Davis to Roberts, 7 February 1871, E. J. Davis Papers; Davis to Roberts, 25 February 1871, E. J. Davis Papers; Davis to Newcomb, 25 February 1871, E. J. Davis Papers; Davis to Rolston, 21 April 1871, E. J. Davis Papers; Davis to Rolston, 30 May 1871, E. J. Davis Papers; Davis to Rolston, 12 December 1871, E. J. Davis Papers; Davis to Bledsoe, 5 May 1871, E. J. Davis Papers; Rolston to Davis, 20 May 1871, E. J. Davis Papers; Journal of the Constitutional Convention of the State of Texas (Galveston: Galveston News, 1875), pp. 574-75.
banks. Davis repudiated the forty-three bonds, on the grounds that Vanderlip had fraudulently obtained them.27

In 1872 Davis hypothecated revenue and frontier bonds with T. H. McMahan and Company of Galveston. McMahan paid $326,370 for 100 revenue and 350 frontier bonds, and he agreed to sell additional revenue bonds in sixty days for at least ninety-three cents on the dollar. With the money he got from McMahan, Davis paid the interest on the frontier bonds, but he soon learned this money involved another company. McMahan arranged, without informing Davis, that Williams and Guion Company of New York City pay the money and take up the 450 revenue and frontier bonds. Davis learned of this arrangement when Williams and Guion demanded interest on the 450 bonds. Davis sold 257 revenue bonds in addition to the 100 he hypothecated with McMahan. He sold them at ninety to ninety-five cents on the dollar, raising a total of $229,376, after deducting expenses of the sales. About two-thirds of this total came from Texas merchants who exchanged state warrants for bonds.28

27 General Laws, 12th Leg., 1st sess., pp. 106-7; Affadavit of Isaac D. Weed, 7 October 1872, E. J. Davis Papers; Affadavit of William Conduit, 18 December 1872, E. J. Davis Papers.

28 Davis to Williams and Guion, 26 August 1872, E. J. Davis Papers; Davis to Honey, 27 August 1872, E. J. Davis Papers; Davis to Williams and Guion, 13 September 1872, E. J. Davis Papers; Davis to Williams and Guion, 14 October 1872, E. J. Davis Papers.
The market for Texas bonds declined after 1872, and Davis sold none of the $400,000 in revenue bonds the legislature authorized in 1873. Several factors account for this decline. The governments of South Carolina and Georgia repudiated their bonds, and this depressed the market for bonds of all southern states. Davis's repudiation of the forty-three fraudulent bonds made buyers especially suspicious of Texas bonds. Railroad entrepreneurs lost faith in Texas investments when the comptroller disapproved, on a technicality, land subsidies for which the International Railroad Company applied. Conservative newspaper editors contributed to the decline when they condemned Davis's spending and exaggerated the state debt. The growing depression in cotton prices, the shortage of money in the United States, and the panic of 1873 generally restricted the supply of investment capital. Davis could have sold bonds if he had lowered his price; investors offered seventy cents on the dollar, but he insisted on ninety cents. As a result Texas bonds always sold at prices higher than bonds of other southern states. While Texas bonds sold for ninety cents on the dollar, Georgia bonds sold for seventy-three cents, Louisiana and Tennessee bonds sold for sixty-seven cents,

29A. Somerville to Davis, 23 August 1872, E. J. Davis Papers; Spofford Brothers and Company to Davis, 26 October 1872, E. J. Davis Papers.
Arkansas and Virginia bonds sold for fifty cents, South Carolina bonds sold for thirty-four cents, and North Carolina bonds sold for twenty-one cents. In 1873 even with the depressed market, Davis sold $53,000 in bonds at prices he demanded.30

In 1873 Williams and Guion demanded that Davis recognize the 43 fraudulent bonds, let them sell the 450 bonds they held for prices they could get, and pay them exorbitant interest and commission rates. Davis presented these demands to the Democratic legislature, and it confirmed his policies. He was left free to bargain with Williams and Guion, and he could refuse recognition of the forty-three fraudulent bonds. After Davis left office, Redeemers faced the problem of inadequate tax revenues. They solved it the same way Davis had solved it, with bond sales. Davis sold $600,000 in bonds in the years 1870-1873; Redeemers sold over $2,000,000 in the years 1874-1875.31

Did Radicals leave Texas with an unbearable debt? E. T. Miller put the Radical debt, including bonded and floating
debts, at $2,172,262.31. This sum was only .97 percent of assessed value of property in Texas in 1874, and it was much lower than the average for the United States in 1870, 2.15, and 1880, 2.40. It was much lower than Texas's debt in 1880, 1.74. Texas's .97 was much lower than the average for the eleven seceded states in 1870, 7.50, and in 1880, 6.15. Texas's Reconstruction debt was much lower, proportionally, than Texas's debt as an independent republic. In 1849 the Texas debt was 24 percent of assessed property, excluding slaves, and in 1851 it was 18 percent.32

As state debts over the United States increased in the 1870s, so did county and city debts. County and city debts increased from $516,000,000 in 1870 to $821,000,000 in 1880. County and city debts constituted, on the average in the United States, 3.25 percent of property in 1870 and

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32 Miller sets the Texas bonded debt in 1874 when Davis left office at $843,800. In this total he included $99,354 in bonds sold before Davis became governor and $144,446 authorized under Davis but sold under Coke. Miller sets the floating debt in 1874 at $1,574,826. This floating debt consisted of warrants which the comptroller issued but which the treasurer could not cash because he had no revenue. Miller, Financial History of Texas, pp. 192-93; Comptroller's Report, 1 September 1873-31 August 1874, pp. 80-81. Computed from Ninth Census of the United States: 1870, vol. 3, Wealth and Industry (Washington: Government Printing Office, 1872), pp. 638-41 and Tenth Census of the United States, 7:1508-9, 1574-1621; Miller, Financial History of Texas, pp. 413, 426.
4.30 percent in 1880. Following the national trend, Texas county and city debts increased from .74 percent of property in 1870 to 1.88 percent in 1880. City bonds made up the lion's share of these debts. In the United States, outstanding city bonds increased from $51,000,000 in 1860 to $820,000,000 in 1880. These bonds paid for urban facilities such as trolleys, railroads, gas lights, and water works. The few large cities which existed in Texas during the 1870s floated bonds to pay for railroads, water and rail improvements, sewers, paved streets, bridges, sidewalks, and public buildings. By 1880 the bonded debts of Harris and Galveston counties were nearly $1,500,000 each. Bexar County's was nearly $500,000, while Dallas's, Travis's, Smith's, and Marion's were each over $200,000.33

Considering the large amounts of money changing hands in bonds, warrants, and taxes, surprisingly little corruption occurred in the Davis administration, although cases did occur. In November 1872 James Davidson, Davis's adjutant general, resigned and left Texas for a vacation in Europe. Frank Britton, the new adjutant general, discovered discrepancies in Davidson's accounts. Davidson had drawn $37,435 in warrants from the comptroller, had cashed them at the treasury.

yet he had not paid the money to the proper parties. Davis attempted to control the officers in his administration, although the constitution of 1869 and the division between Conservatives, Moderates, and Radicals hampered his efforts. The constitution had made elective the offices of comptroller, treasurer, and commissioner of the land office. If Davis should attempt to remove these officials from office through means other than impeachment, Conservatives and Moderates would charge him with dictatorship.34

One can see the difficulties which Davis encountered in attempting to keep his government honest in an episode involving Davis and George Honey, state treasurer. In March 1872 Davis learned that Honey and J. H. Burns, Honey's chief clerk, were shaving warrants. Davis ordered Honey to cash warrants by the order of dates the comptroller issued them. He also ordered Adolph Bledsoe, state comptroller, to issue warrants only if creditors held vouchers. Later Davis learned that despite his orders, Honey and Burns continued to shave warrants. Also Davis learned that Honey and Burns made personal profits in converting state funds from gold to United States currency. In May 1872 when Honey left Austin for a three-month vacation, he turned over the treasury to Burns. When Burns could not post proper bond, Davis declared

the office of treasurer vacant, and he appointed Beriah Graham to the position. He also appointed a committee which investigated Honey's accounts. When Honey returned, he refused to vacate his office, and he sued Davis to retain it. He vacated after the Texas Supreme Court decided the case in favor of Davis.35

Later a Travis county grand jury indicted Honey on eight charges of warrant shaving and embezzlement, and the District Court of Travis county tried him. The trial became a political circus, with the Democrats defending Honey and attacking Davis. William Walton, chairman of the Democratic executive committee, was Honey's defense attorney. The jury cleared Honey of all the charges. Honey sued Graham to regain his position. In October 1873 the Texas Supreme Court decided that Davis had removed Honey without constitutional authority, and it ordered that Davis reinstate him.

35 Davis to Honey, 18 March 1872, E. J. Davis Papers; Davis to Bledsoe, 22 May 1872, E. J. Davis Papers; Austin Weekly State Journal, 22 August 1872; House Journal, 13th Leg., reg. sess., 16 January 1873, p. 27; Honey v. Davis, 38 Texas 64-71 (1873). The state government paid its debts through the comptroller and treasurer. The comptroller issued warrants to holders of vouchers against the state. The treasurer cashed the warrants which the holders presented at the treasury. At times the treasury was empty, and the treasurer could not cash the warrants. The treasurer shaved warrants by cashing the warrants with his own money, paying less than the amount in the warrant. When revenue arrived in the treasury from tax payments, the treasurer cashed the warrants, and he pocketed the difference.
Traditional historians cite the "treasury muddle" as evidence that Davis's government was in chaos. Yet in removing Honey surely Davis acted in the public interest. The investigating committee which Davis appointed found a deficit in Honey's accounts of $77,000. Later Davis requested that the Thirteenth Legislature, which Democrats controlled, investigate further. A joint committee which the legislature created found that Honey and violated the public trust by shaving warrants and by misusing the state's money. In one instance it found that Honey had deposited over $50,000 of the treasury's money in banks, where he and his friends could use it for personal gain. The joint committee gave Honey credit for money he had withheld from the investigating committee, and it lowered Honey's deficit to $7,535.36

Thus the Radicals responded to growth and development in Texas after the Civil War. They created a modern government with annual legislative sessions and increased salaries, and they raised the budgets for departments and charitable institutions. They confronted the problems of law and order and frontier protection, and their solutions proved about as effective as those of antebellum and post-Reconstruction

governments. The Radicals established, in the face of massive problems, the first public schools and the first state supported college in Texas. Radicals financed their programs with increased taxes and bonds. Edmund J. Davis, Radical leader, approached financing with the principles of a businessman. He cut programs he could not pay for and sold bonds only after he exhausted alternative financing. He demanded high prices for bonds and honesty from state financiers. These principles kept the Texas public debt much smaller than most states in the 1870s. Davis held his administrators accountable for their actions, and he removed them when he judged them wasteful and corrupt even when it hurt him politically.
CHAPTER IV

RAILROAD DEVELOPMENT IN TEXAS
DURING RECONSTRUCTION

In their zeal to condemn the governments in Texas during Reconstruction, historians have discounted the developments which occurred in Texas railroads. Charles S. Potts did this in his 1909 classic Railroad Transportation in Texas. After summarizing the minor damage Texas railroads experienced during the Civil War, Potts wrote, "In spite of this apparent immunity from the worst consequences of the war, the Texas railroads suffered heavily and the development of a system of transportation facilities was put back for ten or a dozen years." Then Potts blamed the Davis regime for the "backwardness" of Texas railroads following the war. Potts's interpretation found its way into virtually every publication on the subject of Texas during Reconstruction, and the interpretation raises certain questions. How did the Civil War affect Texas railroads? How did the Davis government's policies affect Texas railroads? Did these effects indeed set back Texas railroads "... for ten or a dozen years"?¹

¹Charles S. Potts, Railroad Transportation in Texas, Bulletin of the University of Texas, no. 119 (Austin: University of Texas Press, 1909), p. 36. Potts's interpretation is found in the following works. Dudley G. Wooten, A Comprehensive History of Texas, 2 vols. (Dallas: William G. Scarff,
When the Civil War began in 1861, Texas had nine railroads whose lengths totaled 468 miles. Four railroads radiated from the city of Houston. The Texas and New Orleans ran east to Beaumont, the Houston and Texas Central ran eighty miles northwest to Millican, the Galveston, Houston and Henderson went south to Galveston, and the Houston Tap and Brazoria ran fifty miles southwest to the Brazos River at East Columbia. South of Houston, the Buffalo Bayou, Brazos and Colorado connected Harrisburg, on Buffalo Bayou, with Alleyton eighty miles away on the Colorado River. In southern Texas the San Antonio and Mexican Gulf connected Victoria to Port Lavaca twenty-eight miles to the south, and the Indianola Railroad joined Port Lavaca fifteen miles to Indianola on the Gulf of Mexico. Two railroad companies existed in northeastern Texas. The Southern Pacific ran from Shreveport, Louisiana, to a few miles west of Marshall, Texas. The Memphis, El Paso and Pacific was chartered in 1856, and in 1861 it prepared to build west from Texarkana.²

Armies during the Civil War damaged some railroads. Confederate forces under General John Magruder destroyed the Indianola Railroad, but United States forces under General Philip Sheridan rebuilt it. Confederates under Lieutenant Richard Dowling took up the iron of the Eastern Texas Railway, which was a branch of the Texas and New Orleans running from Sabine Pass to Beaumont. Confederate General Edmund Kirby Smith took up some of the iron of the Southern Pacific. He also seized iron with which the Memphis, El Paso and Pacific planned to begin construction. Although the Civil War destroyed few railroads, it caused conditions which wore out all of them. The war gave railroads more traffic than they could bear, and when their equipment deteriorated the companies could not replace it. Thus all Texas railroads were in poor condition by the end of the war, with ties rotted, bridges and culverts collapsed, rolling stock dilapidated, and debts unpaid. Few trains ran because most tracks could not withstand the weight. The comptroller described Texas railroads as so crippled they ceased to exist "... as living, organized bodies.3

The Civil War not only damaged and destroyed Texas railroads, but also it prevented railroad companies from paying money they had borrowed from the school fund. Under an 1856 law, railroads could borrow from the school fund at the rate of $6,000 in United States indemnity bonds for each mile of track they completed. The companies which borrowed the bonds had to repay them within ten years at 6 percent interest. For collateral on these indemnity bonds, the companies deposited with the Texas government enough of their own bonds to equal what they borrowed. The bonds they deposited constituted liens on the railroads, and the governor could seize the property of firms that did not repay their loans. Corporations had to pay interest and 2 percent of the principal in annual installments commencing the year after they received the loans. Six companies borrowed a total of $1,816,500 from the school fund. They were the Houston and Texas Central, Washington County Railroad, Buffalo Bayou, Brazos and Colorado, Houston Tap and Brazoria, Southern Pacific, and the Texas and New Orleans. 4

The Texas Central, Washington County, and Buffalo Bayou railroads had paid installments on their loans before the war, but the other three companies had paid nothing. The

six firms could not pay their installments during the war, and the legislature granted them relief in 1862. It extended the deadline for payment of the loans to six months after the war ended. After the war railroad officials petitioned the legislature stating that they could not pay the loans immediately. The Eleventh Legislature passed a relief law under which the companies paid what they owed in eight equal semiannual payments. If a railroad could not make a payment, the governor could sell the line at public auction for enough to pay the debt. Even with this relief, company presidents complained they could not pay their debts. Only one company, the Houston and Texas Central, paid as many as three installments. Possibly more companies would have paid if Governor James W. Throckmorton would have been less accommodating. He informed most company presidents that he would not sell their lines if they did not pay.5

The 1868-1869 constitutional convention investigated the railroad companies which owed money to the school fund. Based on its investigation, the convention declared the Texas and New Orleans and the Southern Pacific insolvent and ordered that the governor sell them at public auction for enough to

5Gammel, Laws of Texas, 5:481; Reconstruction Convention Journal, pp. 271-75; Texas, Legislature, House, Journal, 11th Leg., reg. sess., 9 August 1866, p. 23; Texas, General Laws, 11th Leg., reg. sess., p. 129; Throckmorton to Hutchins, 16 May 1867, Throckmorton to Gentry, 16 May 1867, Throckmorton to Sherman, 16 May 1867, Throckmorton to Waskom, 16 May 1867, James W. Throckmorton Papers, University of Texas Archives, Austin, Texas.
pay their debts to the school fund. Governor Pease refused to sell these lines, stating that the convention appropriated no money for the sales. The convention further declared the Houston and Texas Central, the Buffalo Bayou, Brazos and Colorado, and the Washington County Railroad solvent, and it approved relief measures for them. According to the relief resolutions, the Houston and Texas Central and the Washington County Railroad would merge and would exchange the 6 percent bonds they deposited in the school fund for 7 percent bonds the Houston and Texas Central issued in 1866. The Buffalo Bayou, Brazos and Colorado would advance $125,000 as security for its debt to the school fund. 

The 1870 legislature refinanced, on Governor Edmund J. Davis's recommendation, the railroad company debts to the school fund. All railroad companies avoided sale if they paid their school fund debts in installments. They made their initial payments by 1 November 1870. The payments consisted of six months' interest on the entire amount they owed plus a sinking fund of 1 percent of the entire amount. Thereafter they paid interest and sinking fund in semiannual installments. If a company missed a payment the governor would sell its railroad at auction. Only the Houston Tap

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6 Reconstruction Convention Journal, pp. 275-83; Gammel, Laws of Texas, 6:47-51; Reynolds to Pease, 30 October 1868, Pease to Convention, 17 December 1868, Elisha M. Pease Papers, Texas State Library, Austin, Texas; Gammel, Laws of Texas, 6:58-59; Reconstruction Convention Journal, pp. 491-93.
and Brazoria could not make the initial payment. Davis sold it at auction to officials of the Houston and Great Northern Railroad for $132,000, or about one-third of what it owed to the school fund. This was probably much more than the road was worth. Throckmorton had advertised the line for sale, and no one had responded. The Texas and New Orleans made its initial payment late, and Davis nearly sold it. Perhaps he should have, because the Texas and New Orleans was the only railroad company which did not eventually pay its debt to the school fund.\(^7\)

The Civil War caused another problem for railroad companies that borrowed from the school fund. Under a law in 1863, companies could pay their debts in state warrants and bonds. By the end of the war six companies had paid to the school fund $320,392.78 in state warrants and bonds. Questions as to the validity of these payments lasted long after Reconstruction ended. Conservatives under Throckmorton viewed as valid both the payments, which they subtracted from railroad company debts, and the warrants and bonds, which they prepared to redeem in specie. Moderates such as Pease interpreted the payments as valid and the warrants and bonds as

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invalid. So they subtracted the payments from the railroad company debts, but they refused to redeem the warrants and bonds in specie. Thus they prepared to write off more than $300,000 in the school fund. Radicals under Davis believed both the payments and the warrants and bonds were invalid. The Twelfth Legislature declared them invalid, and it held the railroad companies accountable for what they had paid in warrants and bonds.\(^8\)

Presidents of the railroad companies beseeched Davis to accept the payments in the wartime paper, but he adamantly refused. In the 1890s, the Houston and Texas Central completed its payments to the school fund, except for what it had paid in state warrants and bonds during the Civil War. State officials demanded that it continue payment, but it refused. The Texas government sued the company for payment, and won its case in a state court. The state court declared that payments in state warrants and bonds violated the Fourteenth Amendment, since they were issued in aid of the rebellion. In addition, it declared that such warrants and bonds violated the United States Constitution, Article I, Section 10, which prohibited states from circulating bills of credit. The Houston and Texas Central appealed to the

\(^{8}\)Gammel, *Laws of Texas*, 5:691; *Reconstruction Convention Journal*, pp. 271-75; Gammel, *Laws of Texas*, 5:878-79, 887-88; Pease to Reynolds, 5 October 1868, Elisha M. Pease Papers; Rice to Davis, 1 November 1872, E. J. Davis Papers, Texas State Library, Austin, Texas.
United States Supreme Court. In 1899 the Supreme Court overruled the decision of the state court, and it ordered that the Texas government recognize as valid both the payments and the state warrants and bonds.\textsuperscript{9}

The Civil War cast doubt on the effectiveness of ante-bellum land subsidies for railroads. Beginning in 1854, the Texas legislature granted sixteen sections of public land for each mile of track railroad companies constructed. When companies completed twenty-five miles of track they applied for the land. A state engineer inspected the lines, and, if he approved them, the land commissioner issued land certificates to the companies. The legislature hoped these land grants would encourage railroad construction. To encourage rapid construction it allowed companies only ten years to fulfill the law's construction requirements. The legislature also hoped that railroad companies which acquired lands would quickly open them to settlers. To promote this it required that companies alienate their lands within twelve years after they acquired them. When the 1854 land grant law expired in 1864, the legislature extended its deadline until after the war. After the war, railroad officials petitioned Governor Throckmorton and the Eleventh Legislature to extend further the 1854 law. Throckmorton opposed the extension, and he urged the Eleventh Legislature to subsidize only a few

\textsuperscript{9}Houston and Texas Central Railroad Company v. Texas, 177 U.S. 673-90 (1899).
companies building railroads across the state from north to south and east to west. The legislature repassed the 1854 law granting sixteen sections to all railroads building at least twenty-five miles of track. Throckmorton vetoed it stating that it wasted the state's resources. The legislature passed practically the same bill, and this time Throckmorton signed it. The new law required that companies alienate lands within twenty-one years after they received them, and it extended from twelve to twenty-one years the alienation deadline for companies which had received land under the 1854 law.\textsuperscript{10}

The 1869 constitution prohibited the legislature from granting lands to railroad companies. Some delegates who favored this provision associated past land grants with the rebel government which had extended them, while other delegates sincerely believed that land subsidies had not encouraged railroad construction. Edmund J. Davis believed the latter, since as governor he stated it in a message in the 1870 legislature. In this message, he reviewed the consequences of past railroad land grants. Railroad companies had used

\textsuperscript{10}Gammel, \textit{Laws of Texas}, 3:1455-59; \textit{Davis v. Gray}, 16 Wallace 203 (1873); \textit{House Journal}, 11th Leg., reg. sess., 9 August 1866, pp. 23, 705-6; \textit{General Laws}, 11th Leg., reg. sess., p. 212; Alienation is the process in which a railroad company disposes of land it receives from the state. The 1854 law required that companies alienate one-fourth of their lands within six years after they received them, three-fourths within ten years, and all within twelve years. The 1866 law required that companies alienate one-half their lands within fourteen years and all within twenty-one years.
state pledges of land more to float loans and to attract investors than to construct railroads. Land grants had neither stimulated settlement, since companies had not alienated their lands, nor encouraged railroad construction, as companies had built less than 500 miles of track. Davis expressed the belief that if companies would build railroads where the state needed them, through the settled portions in the east, they would require no state aid. Such companies easily could raise the capital they needed through the returns they could expect on their investments. Davis advised the legislature he would not veto a subsidy bill if the legislature would follow certain guidelines. It should subsidize one company whose proposed line should traverse the state and should connect the cities of Texas with the cities of the eastern United States. The company it aided should show evidence that it could comply with its promises.¹¹

The 1870 legislature chartered twelve railroad companies. It gave most of these companies only the traditional aids of 200 feet right of way across the state and the rocks, earth, and timber on state lands. It gave, in addition to these privileges, financial aid to one railroad company, the International, which planned a railroad conforming to the

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guidelines Davis had given. This company would construct a
trunk line from the Red River to the Rio Grande, and the
government would grant it $10,000 in state secured bonds for
each mile of track it constructed. When completed, the
International would connect at the Red River with a line
constructed south from Cairo, Illinois, and at the Rio Grande
with a railroad built east from the Pacific Ocean. Resent-
ment charged the debates over the International charter, as
Radicals and Moderates exchanged bribery accusations. Radical
Edward Degener complained of pressure from a railroad group
composed of Moderates Andrew J. Hamilton and George Paschal.
Sectional antagonisms prolonged the arguments. For example,
representatives from southern and southeastern Texas protested
the state aiding a railroad running through the northern part
of the state. The debates were so bitter that the Interna-
tional directors inquired of Davis if, in the light of the
charges and complaints, he would issue the bonds when the
company qualified for them. Davis replied that he would.12

The effects of the International controversy lingered
throughout Reconstruction. Later the legislators who opposed
the railroad introduced bills repealing the bonds, but their

12 Special Laws, 12th Leg., call. sess., pp. 40-43, 63-65,
81-83, 97-100, 104-10, 115-17, 143-46, 168-74, 176-81, 181-92,
296-303; House Journal, 12th Leg., call. sess., 29 April 1870,
pp. 21-23; Austin Daily Republican, 22 July 1868; House of
Representatives to Davis, 12 August 1870, Davis to Barnes,
17 February 1871, E. J. Davis Papers.
bills did not pass. Owing partly to the bribery charges, the International never received its bonds. The International charter required that the company construct twenty miles of railroad before it would apply for the bonds. The governor and treasurer had to sign the bonds, and the comptroller had to countersign them. When the company completed the twenty miles, it applied for the bonds, and Adolph Bledsoe, comptroller, refused to countersign them. He refused, he said, partly because the company had obtained its charter through bribery, and partly because the charter had required that he levy an unconstitutional tax to pay interest and sinking fund on the bonds. William Alexander, attorney general, had advised Bledsoe that the tax, 2 percent ad valorem, violated a constitutional provision prohibiting taxes which aided private corporations. The International sued the comptroller, and the Texas Supreme Court upheld Bledsoe. However by the time the court decided the case in 1874, the issue of the International bonds was dead. In 1872 the voters had approved a constitutional amendment which permitted the legislature to grant public lands to railroad companies. In 1873 the legislature had changed the International charter, substituting twenty sections of land for the $10,000 in bonds. 13

Davis approved the International charter, despite its controversy, because it conformed to the conditions he outlined in his message to the 1870 legislature. The International planned a railroad across the state connecting Texas cities with eastern cities, and, to Davis, the company seemed reputable. Davis vetoed a bill which would have aided the Southern Pacific Railroad because, to him, the company had proven it would not fulfill its promises. According to the 1870 bill, the Southern Pacific would pay $220,000 it owed to the school fund, and it would receive bonds for forty-six miles of track it had already constructed. Thereafter the company would receive state bonds at the rate of $16,000 for each additional mile of track it would build. The company would have to pay off the bonds, principal and interest, but it would not have to start paying until it completed the railroad. To Davis the bill seemed outrageous, because the Southern Pacific was unreliable. Before the war the Southern Pacific had received state lands which it had not alienated, and it had received state loans which it had not paid. Davis vetoed a similar bill aiding the Southern Pacific in 1871, but the legislature passed it over his veto. Thus Davis's railroad policy was much more prudent than the policy of Democrats before the war and of Redeemers after 1872. In 1873 the legislature returned to the ante-bellum system of
land grants, and by 1882 it had granted to railroad companies 8 million acres more than the state possessed.\footnote{Senate Journal, 12th Leg., call. sess., 18 July 1870, pp. 382-84; House Journal, 12th Leg., 1st sess., 24 May 1871, pp. 1687-92; Special Laws, 12th Leg., 1st sess., pp. 485-90; Potts, Railroad Transportation in Texas, p. 101. The traditional interpretation is that Southern governments during Reconstruction were extravagant in their aid to railroad companies, and governments after Reconstruction were penurious. Carter Goodrich studied railroad aid in the South and concluded that the traditional view probably applied in Louisiana, North Carolina, South Carolina, Florida, Alabama, and Georgia. However, he concluded that it did not apply in Texas, and that, in fact, nearly the opposite was true. The Davis policy was conservative, and the policies preceding and following his were extravagant. Carter Goodrich, "Public Aid to Railroads in the Reconstruction South," Political Science Quarterly 71(September 1956):414-16.}

Davis tried to control railroad companies by using his powers over taxes and land grants. In 1871 when the Houston and Texas Central refused to pay its assessed taxes, Davis forced the company to pay by threatening to seize its equipment. In 1873 when Davis received reports of exorbitant rates the Galveston, Harrisburg and San Antonio charged, he forced the company to lower rates by withholding its land certificates. Davis also focused attention on the need of the legislature to regulate railroad companies. He asked the Twelfth and Thirteenth Legislatures to exercise this authority, which they already had under an 1853 law. The legislatures ignored him, but obviously Davis, more than any previous governor, saw the need for the state to regulate railroad companies even as it encouraged them. Perhaps Davis was ahead of his time. It would be 1891, after a generation of
Granger agitation, before the Railroad Commission would begin to exercise the authority that Davis wanted in the 1870s.15

Texas railroads refinanced, rebuilt, and extended their lines during Reconstruction. Immediately after the war, railroad companies needed capital to rebuild their lines and to buy new equipment. The companies possessed many items they could use for collateral on loans, such as cars, iron tracks, and, most important, land.

In 1866, using these items, William J. Hutchins, president of the Houston and Texas Central, sold 7 percent bonds to Shepherd Knapp and David Dodge of New York City. With the $3,100,000 he raised, he consolidated the company's floating debt, bought new locomotives and cars, and renewed ties and bridges. Using convict labor, in 1870 he extended the railroad from Millican to Bremond. The company planned to lay track to the Red River and to join the Missouri, Kansas and Texas, which was building to the Red River from Fort Riley, Kansas. Hutchins secured more capital in New York, Galveston, Houston, and in towns along the proposed railroad, such as Bryan, Corsicana, Dallas, McKinney, and Sherman. The Houston and Texas Central built rapidly in 1872, reaching Corsicana in February, Dallas in November,

15 Davis to Bledsoe, 4 August 1871, E. J. Davis Papers; Davis to Bledsoe, 28 November 1871, E. J. Davis Papers; Attorney General's Report, 1872, pp. 6, 24; House Journal, 13th Leg., reg. sesa., 14 January 1873, pp. 39-40; Potts, Railroad Transportation in Texas, pp. 106-126.
and McKinney in December. In March 1873, it joined the Missouri, Kansas and Texas at Denison which was 253 miles from Millican. Thus it connected, for the first time by rail, Texas with her sister states, and it gave Texas, through Kansas and western Missouri, access to eastern markets.16

In addition to the trunk line from Houston to Denison, the Houston and Texas Central constructed several branch lines. In 1869 it bought the Washington County Railroad, which ran from its junction with the Central at Hempstead westward to Brenham. By 1872 the Central had extended this line to Austin. The Central did not go through Waco. Waco citizens chartered the Waco Tap to join the Central at Bremond. They went bankrupt, and the Central bought the Waco Tap and completed it. The Houston and Texas Central adopted the northern standard gauge of 4 feet 8½ inches. In 1872 it put into service the first Pullman cars in Texas.17

16 House Journal, 12th Leg., call. sess., 29 April 1870, p. 22; Reconstruction Convention Journal, pp. 276-77; William R. Baker, Statement on Behalf of the Houston and Texas Central Railway Company (Austin: Tracy, Siemering and Company, 1870), pp. 7, 10, 14-15; Hutchins to Throckmorton, 18 November 1866, J. W. Throckmorton Papers, Texas State Library; Sledge to Pease, 14 August 1867, 15 August 1867, Elisha M. Pease Papers; Dudley to Davis, 27 May 1870, E. J. Davis Papers; Special Laws, 12th Leg., call. sess., p. 63; V. V. Masterson, The Katy Railroad and the Last Frontier (Norman: University of Oklahoma Press, 1952), p. 63; Davis to Groesbeck, 12 February 1872, Davis to Glenn, 14 November 1872, Davis to Hutchins, 15 March 1873, E. J. Davis Papers.

17 The Houston and Texas Central Railway Company, Consolidated Mortgage 1872, unprocessed, Texas State Library; Masterson, The Katy Railroad, pp. 178-90; Statement on Behalf of the Houston and Texas Central, p. 4; Groesbeck to Davis, 8 March 1872, E. J. Davis Papers; Special Laws, 12th Leg.,
Two important companies organized after the war. The Houston and Great Northern received its charter in 1866. It planned to construct a railroad from Houston to the Red River at Clarksville. The company's board of directors included Galusha A. Grow, a Pennsylvania financier, William M. Rice and E. B. Nichols, prominent Houston merchants, and Moses Taylor, president of the First National Bank of New York. In 1870 the company started construction at Houston. In 1871 it reached the Trinity River, and in 1873 it reached Palestine, 151 miles northeast of Houston. The Great Northern worked convicts it leased from the state penitentiary at Huntsville. In 1872 a judge in Crockett wrote Governor Davis that the company worked the convicts beyond the limits of human endurance, fed them spoiled rations, crowded them into unventilated shacks at night, punished them with the whip and stocks, and worked them on the Sabbath. Davis sent the report to an inspector at the penitentiary. This was all Davis could do, because he had leased the prison in 1871. The Great Northern bypassed Huntsville by eight miles, so Huntsville citizens built the Huntsville Branch Railway, and joined it to the Great Northern. In 1873 the Great Northern bought this line. The Great Northern bought the Houston Tap and Brazoria, rebuilt it, and, using the Houston Tap and Brazoria, rebuilt it, and, using the Houston Tap and

call. sess., pp. 112-15; Davis to Anderson, 2 December 1872, E. J. Davis Papers; Houston and Texas Central Consolidated Mortgage; Reed, History of Texas Railroads, p. 209.
Brazoria facilities in Houston, joined the Galveston, Houston and Henderson. Thus the Great Northern connected, by rail, Galveston on the Gulf Coast with Palestine in the interior.\textsuperscript{18}

The 1866 legislature granted the Houston and Great Northern sixteen sections of public land, for each mile of track it completed, on the condition that the company complete twenty-five miles of track within two years. The Great Northern completed its first twenty-five miles of track in September 1871, and it applied for the land. Jacob Kuechler, land commissioner, refused to grant the land, maintaining that the Great Northern exceeded its time limit. Governor Edmund J. Davis and Attorney General William Alexander supported Kuechler. The Great Northern sued Kuechler for the land, and in 1871 the Texas Supreme Court decided the case in favor of the company. The court based its decision on the view that during the period of military occupation, 2 March 1867 to 3 March 1870, conditions in Texas were such that the company could not fulfill the conditions its charter prescribed. Therefore the court ordered that the state not include this period in calculating the company's

\textsuperscript{18} Attorney General's Report, 1871, Appendix A, Table 10; Alexander to Davis, 16 September 1871, Avery to Davis, 13 November 1872, Davis to Grow, 3 December 1872, Davis to Kuechler, 17 December 1872, Grow to Davis, 24 March 1873, E. J. Davis Papers; Reed, History of Texas Railroads, pp. 54-55; Davis to Randle, 11 June 1872, E. J. Davis Papers.
deadline. Kuechler's action and the resulting suit did not seem to hurt the Great Northern. It completed eighty-six miles of track while the suit proceeded.19

The International Railroad Company, which the legislature chartered in 1870, started constructing two branches. It built one branch southwest from Longview, and it built the other branch northeast from Hearne. In 1873 the company joined these two parts in Palestine and formed a continuous railroad of 177 miles from Longview to Hearne. The company extended the line west from Hearne. It reached Rockdale in 1874, Austin in 1876, San Antonio in 1880, and Laredo in 1889. In 1872 the directors of the International and the directors of the Great Northern voted to merge the two companies under the name of the International and Great Northern Railroad Company. The Texas legislature approved this merger in 1875. In 1873 the International and Great Northern completed a branch of forty-four miles from its station at Troup, through Tyler, to the Texas and Pacific Railroad at Mineola.20

19 Houston and Great Northern Railroad Company v. Kuechler, 36 Texas 382-448 (1871-1872).

20 Reed, History of Texas Railroads, p. 319; Potts, Railroad Transportation in Texas, p. 55; Davis to Anderson, 1 June 1872, Davis to Barnes, 12 December 1872, E. J. Davis Papers; By-Laws of the Houston and Great Northern Railroad and Report of Directors to the Stockholders (Houston: Union Steam Print, 1872), pp. 16-19; Annual Report of the President and Directors of the Houston and Great Northern Railroad Company (Houston: Mercury Steam Book and Job Printing, 1873), p. 4; The Lone Star Guide, International and Great Northern Railroad Company of Texas (St. Louis: Woodward, Tiernan and Hale, 1877), p. 17.
Another railroad, the Buffalo Bayou, Brazos and Colorado, survived the war and reorganized during Reconstruction. In 1866 Sidney Sherman, the company's president, acquired the Columbus Tap Railway, which ran from Columbus to the Colorado River opposite Alleyton. Sherman planned to bridge the Colorado River at Alleyton to join his road with the Columbus Tap, but he lost his financial sources. In 1868 William Sledge, who headed a group of Boston financiers, bought the Buffalo Bayou at a sheriff's sale. Sledge invested $120,000 in building a new bridge over the Brazos River at Richmond, and tried to pay off the company's debts. He failed in this last endeavor, and in 1870 Thomas W. Pierce acquired control of the railroad. Pierce owned, with merchant John Sealy of Galveston, a steamship company which ran ships from Boston to Galveston. In a new charter, Pierce changed the company's name to the Galveston, Harrisburg and San Antonio Railway, and he changed the company's destination from Austin to San Antonio. Pierce bridged the Colorado, joined the Columbus Tap Railway, and thus extended his line into Columbus. He gained control of the Galveston, Houston and Henderson, which joined his line at Harrisburg, and changed the gauge of all his railroads to the northern standard of 4 feet 8½ inches. By 1870 Pierce's trains ran from Galveston to Columbus.²¹

²¹Claude Elliott, "The Building of the Southern Pacific Railroad through Texas" (Master's thesis, University of Texas at Austin, 1928), pp. 40-58, 85-89; Potts, Railroad Transportation in Texas, p. 46.
Pierce wanted to connect Galveston, indeed the whole South, with San Antonio and the Far West, but he had problems. An epidemic, a flood, and a shortage of capital, delayed completion of the railroad to San Antonio. Pierce raised some capital by selling bonds in cities in Texas and Europe. In April 1873, contractors laid the first rail west from Columbus. Pierce reached Waelder, forty-nine miles, by December, but soon, owing to the panic of 1873, he suspended operations. Pierce found new capital in Europe and extended the railroad to Luling, seventy-one miles from Columbus, by 1 January 1875. After Pierce sold $800,000 in bonds to San Antonio citizens, his railroad finally reached San Antonio on 19 February 1877. There the line stopped until Collis P. Huntington, president of the Southern Pacific, bought it in 1881. Under Huntington's supervision, the Galveston, Harrisburg and San Antonio built west, the Southern Pacific built east, and in 1883 the two lines joined to form a transcontinental railroad.22

Three additional railroads refinanced, rebuilt, and expanded during Reconstruction, the Texas and New Orleans, the San Antonio and Mexican Gulf, and the Indianola Railroad. Charles Morgan controlled these railroads after the Civil War. He headed a New York steamship firm which carried trade

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22 Elliott, "Building of the Southern Pacific," pp. 89-100; Davis to Gray, 17 December 1873, E. J. Davis Papers; Coke to Gray, 7 July 1874, Richard Coke Papers, Texas State Library, Austin, Texas; Reed, History of Texas Railroads, pp. 194-97; A Description of Western Texas Published by the Galveston, Harrisburg and San Antonio Railway Company (Galveston: Steam Book and Job Office, 1876), p. 114.
between Galveston and New Orleans. Morgan saw the Texas and New Orleans as a potential competitor with his steamships, since, when completed, it would connect New Orleans and Houston by rail. So Morgan hindered the recovery of the Texas and New Orleans from the Civil War. He bought the Louisiana railroads which the Texas and New Orleans planned to join at the Sabine River. The Louisiana lines were not completed to the Sabine River, and Morgan refused to advance them. Without this connection to New Orleans the Texas and New Orleans Railroad appeared unprofitable to New Orleans and Houston merchants, and the company could not attract capital. In 1868 the company declared bankruptcy and a court appointed Judge John Crosby receiver. Despite Morgan's control over the Texas and New Orleans, Crosby borrowed $120,000, and he rebuilt the line from Houston east forty-eight miles to the Trinity River.\textsuperscript{23}

After the Civil War Morgan wanted to expand trade into the interior of Texas by connecting his wharves to railroads which ran inland. He tried to do this in Galveston, but he found that the Mallory Steamship Line, his leading rival, controlled Galveston through connections with the Galveston, Houston and Henderson Railroad Company. So Morgan established his connections at Indianola. In 1870 he bought the San

Antonio and Mexican Gulf and the Indianola Railroad at sheriff's sales, planning to refurbish them and to extend them to San Antonio. He acquired a new charter which joined the Indianola Railroad with the San Antonio and Mexican Gulf under the name, Gulf, Western Texas and Pacific. Morgan reconstructed the railroad and connected it to his wharves at Indianola. In August the first passengers traveled his railroad from Victoria to Indianola and traveled his steamships from Indianola to New Orleans. Morgan planned to extend his railroad to San Antonio and Austin, and he sold bonds in these cities. By 1873 he constructed the Gulf, Western Texas and Pacific twenty-eight miles to Cuero, but he built no farther. Morgan could not sell his bonds after the panic of 1873 hit, and after San Antonio citizens supported the Houston, Harrisburg and San Antonio. In 1875 a hurricane destroyed Morgan's docks and his railroad facilities at Indianola.24

The Texas and New Orleans ran trains from Houston to the Trinity in 1870, but without a connection to Louisiana it attracted little business. In 1872 New Orleans and Houston merchants who headed the New Orleans, Mobile and Texas Railroad Company bought the Texas and New Orleans.

Thomas W. House, Houston cotton broker, was one of the owners. He tried unsuccessfully to interest Boston capitalists in the company. After the panic of 1873 the New Orleans, Mobile and Texas sold the Texas and New Orleans to Charles Moran and C. C. Campbell. They nearly lost the Texas and New Orleans in 1874 when they could not meet a payment to the school fund, but Governor Richard Coke extended the time limit. Moran and Campbell constructed a new bridge over the Trinity and rebuilt the line from the Trinity to Orange. By 1876 trains ran from Houston to Orange. After San Antonio citizens refused to support the Gulf, Western Texas and Pacific, Charles Morgan invested in the Louisiana and Texas Railroad and Steamship Company to serve, by rail and steamship, the towns between New Orleans and Houston. He consolidated several railroad companies in Louisiana, extended a railroad to Orange, and joined the Texas and New Orleans. On 29 September 1880 Morgan's company opened the first all-rail line from New Orleans to Houston.25

The two railroads in northeastern Texas, the Southern Pacific and the Memphis, El Paso and Pacific, also reorganized and rebuilt during Reconstruction. They had a history of much speculation and little construction. In 1853 the legislature granted land, twenty sections per mile of completed track, to companies which constructed railroads along the

thirty-second parallel from the eastern border of Texas to the Rio Grande. The general railroad land grant act of 1854 offered sixteen sections per mile of completed track to companies which built trunk lines in the state. As a result of these laws, the legislature chartered a number of companies which planned to construct railroads west from the Arkansas and Louisiana borders. In 1854 a group of speculators purchased four of these companies under the mistaken belief that acquisition of the charters, instead of construction of tracks, would fulfill the land grant laws, and they would acquire lands for each company totaling eighty-four sections per mile. When the speculators learned they had to construct tracks, they reorganized two of the companies, thus creating in 1856 the Memphis, El Paso and Pacific Railroad Company and the Southern Pacific Railroad Company. They planned to construct the Memphis, El Paso and Pacific west from the Arkansas border at Texarkana, and they planned to build the Southern Pacific west from the Louisiana border near Shreveport. Problems occurred concerning ownership of the companies and transportation of materials and equipment from New Orleans. These problems delayed the companies, with the results that by 1861 the Southern Pacific terminated just west of Marshall, and the Memphis, El Paso and Pacific had not started construction.26

26Muir, "The Thirty-Second Parallel Pacific Railroad," pp. 18-175.
At the end of the war the Southern Pacific was bankrupt, worn out, and had some war damage. Using its equipment and land certificates as security, it attracted capitalists in Louisville, Kentucky, who invested $150,000. The investors hoped to extend the line and increase the value of land they owned in the Peters colony west of Dallas. They rebuilt some of the line, but in 1867 rains washed away much of it. In 1870 Robert Burton Hall, one of the Louisville investors, bought control of the company. He rebuilt the railroad and extended it, so that by 1870 trains ran forty-six miles from Shreveport to Longview. In 1865 the stockholders of the Memphis, El Paso and Pacific elected Benjamin Epperson president. Epperson attracted into the company John C. Fremont and other northern investors. Fremont raised enough money to help the company survive, but he did it through perpetrating a fraud. In 1868 Fremont offered for sale $10,000,000 in company stock, and he falsely advertised that the Texas and United States governments supported the stock with land grants and loans. He sold shares worth $2,050,000 before investors learned his advertisements were false. A scandal ensued, and, as a result, Fremont surrendered control of the company to John A. C. Gray. The Fremont scandal hurt the company's credit rating, but under Gray's leadership, in 1870, the company hired 2,700 workers, including 100 Chinese, and built 23 miles of railroad.  

The Fremont scandal depreciated the market for stock in the Memphis, El Paso and Pacific. The 1869 constitution probably had the same effect, because it opened the Memphis, El Paso and Pacific reserve to settlers. In 1858 the legislature had reserved, from sale to settlers, lands for the company between the Arkansas border and the Brazos River. In order to acquire the lands, the company had to survey its right of way to the Brazos by the end of 1860. Also it had to build twenty-five miles of track by 1862, and fifty miles of track every year after 1862. The company had surveyed the right of way to the Brazos by 1860, but it had never constructed any track. Laws during the Civil War and in 1866 extended the deadlines for construction, but the 1869 constitution abolished the reserve and opened it to settlement. The Memphis, El Paso and Pacific Railroad Company sued the state government under Edmund J. Davis to recover the reserve. In 1873 the United States Supreme Court decided that the Texas government, in entering the war, prevented the company from fulfilling the conditions it required in its land grant, and it ordered that the government extend the time limit, by the period of the war, it originally required of the company.28

Neither the Memphis, El Paso and Pacific nor the Southern Pacific constructed track in 1871 and 1872. Instead, their

28 Davis v. Gray, 16 Wallace 203-33 (1873).
stockholders concentrated on obtaining bonds from the Texas legislature. In 1870 Marshall Roberts bought control of the Memphis, El Paso and Pacific and the Southern Pacific. He lobbied in the 1870 legislature for new charters which would grant the lines state supported bonds. He secured a new charter to the Southern Pacific which gave him no bonds but recognized that he controlled the company and changed its name to the Southern Trans-Continental Railroad Company.

In 1871 Congress granted a charter to the Texas Pacific Railroad Company, a transcontinental line which was to build from Marshall, Texas to San Diego, California. In the charter Congress granted the Texas Pacific twenty sections of public land per mile of completed track through California and forty sections through Arizona and New Mexico. Roberts obtained control of the Texas Pacific Company, and in 1871 he again lobbied the Texas legislature for subsidies. Roberts even invested heavily in Texas frontier bonds in the hope that he could pressure Davis for support. The legislature passed a bill which offered terms to the Southern Trans-Continental and Southern Pacific. If the two companies agreed to join their lines at a point near Fort Worth, and build twenty-five miles of track toward this junction, the legislature would grant $3 million in bonds to each company. Also the bill permitted the two companies to consolidate with the Texas Pacific. Governor Davis vetoed the bill but the legislature passed it over his veto. The two companies agreed to the
terms of the law, and about the same time Congress changed the name of the Texas Pacific to the Texas and Pacific. In 1872, owing to ill health and financial difficulties, Roberts abandoned his interest in Texas railroads. He sold control of the Southern Trans-Continental and Southern Pacific to Thomas A. Scott, who had already gained control of the Texas and Pacific.29

In 1873 the companies under the Texas and Pacific started building west from Longview, south from Texarkana, and east from Sherman. By the end of the year, the Texas and Pacific completed the Longview branch to Dallas and the Texarkana branch to Longview. Also it joined, at Texarkana, the St. Louis and Iron Mountain and, at Longview, the International and Great Northern, thus connecting eastern and central Texas to the north via St. Louis. The panic of 1873 slowed construction. The Texas and Pacific finished the Sherman branch to Texarkana in 1876, and joined the Longview and Sherman trunks at Fort Worth in 1880. In 1881 the Texas and Pacific joined the Southern Pacific at Sierra Blanca and created a long-awaited transcontinental railroad through Texas.30

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29 Muir, "The Thirty-Second Parallel Pacific Railroad," pp. 209-14; Rolston to Davis, 23 February 1871, Davis Papers; Roberts to Davis, 26 April 1871, 3 April 1872; Davis to Roberts, 26 March 1872, Davis Papers; Special Laws, 12th Leg., call., sess., pp. 40-43; Special Laws, 12th Leg., 1st sess., pp. 485-90, 96; Special Laws, 12th Leg., 2d sess., p. 92. In 1873 the legislature replaced the $6 million in bonds with twenty-four sections of public land per mile of completed tract, Special Laws, 13th Leg., reg. sess., pp. 318-27.

30 Potts, Railroad Transportation in Texas, pp. 53-54; Muir, "The Thirty-Second Parallel Pacific Railroad," pp. 210-16;
Thus railroads spread over Texas in the years after the Civil War. Railroad mileage increased from 465 in 1865 to 1,685 in 1875. As railroads spread, they changed the communities they touched. Influential citizens living along projected railroads pledged bonds, cash, and lands to companies in the hopes of acquiring depots, junctions, and switching yards. Between 1871 and 1877 Texas counties invested over $1,500,000 in railroad bonds, and Texas cities bought an additional $500,000. Citizens in some settlements even threw up embankments in the hope of attracting railroads. Actual railroad construction brought temporary boom conditions as construction companies hired workers at high wages and as cities serviced the workers with houses, churches, schools, gambling halls, and saloons. In San Antonio, Dallas, Houston, and Galveston, the increase in population and business which railroads caused sustained a permanent expansion of the economies. In these cities, the number of hotels, shops, and freight facilities doubled from 1870 to 1880. During the first winter after the railroad arrived in San Antonio, existing facilities expanded to accommodate more than 3,000 travelers from the North who spent the winter. Houston, Galveston, Austin, and San Antonio paved their streets and

Reed, History of Texas Railroads, pp. 359-62; Dodge to Davis, 29 October 1873, Dodge to Davis 27 December 1873, E. J. Davis Papers; Ira C. Clark, Then Came the Railroads, The Century from Steam to Diesel in the Southwest (Norman: University of Oklahoma Press, 1958), pp. 63-64.
built mule-drawn trolleys to accommodate their residents. Some towns, such as Palestine, Calvert, and Harrisburg, grew where railroad companies established offices and repair shops. Other settlements became "whistlestops" and "jerkwaters" around railroad junctions and depots such as Willis, Lovelady, Troup, Milano, and Taylor.  

Railroad companies encouraged immigration by discounting rates for immigrants, distributing pamphlets for state immigration agents, and transporting immigrants to Texas. Over 2,100 immigrant families arrived in Texas each year of Reconstruction. Most families came to Texas from the southern and central states, and as early as 1873 they traveled by railroad. They came from Arkansas, Alabama, Mississippi, Tennessee, Missouri, Louisiana, Georgia, Kentucky, and Illinois.

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Railroad companies also furnished rights of way to telegraph companies, so as railroads covered the state telegraph lines did too. In 1860 the Texas Telegraph Company completed the first line in Texas, which ran from Galveston to Houston along the Galveston, Houston and Henderson Railroad. By 1875, owing to the expansion with railroads, the telegraph connected virtually every community in the settled portion of Texas with the eastern states and, via the transatlantic cable, with London and Paris.33

Obviously Reconstruction did not set back Texas railroads "... for ten or a dozen years." Indeed most Texas railroad companies recovered quickly from the debts and dilapidations which the Civil War caused. By the early 1870s most of the companies which existed in 1861 had secured new capital, had refurbished their railroads, and had renewed their construction. In addition new companies were building track. Hence by the end of 1873 railroads ran from towns on the Gulf Coast, through population centers in eastern and central Texas, to junctions with interstate lines. The Houston and Texas Central connected Galveston to northern and central Texas through Houston, Bryan, Waco, Dallas, Denison, Hempstead, Brenham, and Austin. At Denison the Houston and Texas Central

made junction with the Missouri, Kansas and Texas which ran to Kansas City. The International and Great Northern linked Galveston with Texarkana through Houston, Palestine, and Longview. In eastern Texas the Texas and Pacific connected Longview and Texarkana to Dallas, while in southern Texas the Gulf, Western Texas and Pacific joined Victoria and Cuero to Indianola. At Texarkana the Texas and Pacific joined the St. Louis and Iron Mountain which ran to St. Louis. Some railroad companies had difficulties finding capital after the Civil War, and they encountered more difficulties after the panic of 1873. Nevertheless they completed railroads shortly after Reconstruction ended. By the end of 1877 the Texas and Pacific connected Texarkana to Sherman, the Texas and New Orleans joined Houston to Orange, and the Galveston, Harrisburg and San Antonio linked Galveston with San Antonio. Thus during Reconstruction, or shortly thereafter, railroads created a system of transportation which made possible later bonanzas in cotton, timber, and oil.

Radical leaders tried to control railroad companies with restrictions they thought might prevent abuses which railroad companies had committed in the past. They abolished the 1854 land grant law, and they removed lands from companies which had not fulfilled conditions they had agreed to under the 1854 law. Governor Edmund J. Davis tried to give state aid in bonds only to companies which showed promise of actually constructing railroads. Also Davis made railroad companies
pay taxes and charge fair rates, and he urged the legislature to control railroad companies. Radical policies did not seem to harm railroad construction. Companies which had legitimate claims to lands or bonds secured redress in the courts and in the legislatures. Railroad mileage nearly doubled during the Radical period 1869-1872. Later events, such as Granger agitation and establishment of the Texas Railroad Commission, justified the controls which Radical leaders attempted to exercise over the process of railroad construction.
CHAPTER V
TEXAS AGRICULTURE
DURING RECONSTRUCTION

In their attacks on Texas governments during Reconstruction, historians have painted dark pictures of agriculture. William C. Nunn writes, "After the Civil War Southern capital vanished; bank stocks and bonds had lost all value... Mortgage sales were numerous, and a large percentage of East Texas land changed hands." Nunn blames the "depression" in Texas agriculture on the Freedmen's Bureau, which he writes, "... interfered with relations between the employer and his Negro employees, to the detriment of the workers' dependability." Yet, curiously, historians such as Nunn write also of increases in Texas corn production between 1860 and 1870, recoveries of Texas cotton production by the early 1870s, and profits in Texas farming in the early 1870s. Such ambiguity raises questions concerning Texas agriculture during Reconstruction. How did the Civil War affect Texas agriculture? What role did the Freedmen's Bureau play in labor relations? What problems did Texas farmers face? How did immigration, the telegraph, and the railroads change Texas farming?1

In 1860 the potential for growth in Texas agriculture seemed immense. Since 1850 the state's population had grown from 212,592 to 604,215, the number of farms had increased from 12,198 to 42,891, the improved acres on farms had ballooned from 643,976 to 2,650,781, and the production of cotton, corn, and wheat, the Texas money crops, had soared. Between 1849 and 1859 cotton production increased from 58,072 bales to 431,463, corn production grew from 6,028,876 bushels to 16,500,702, and wheat production went from 41,729 bushels to 1,478,345.

In 1860 three regions of the state grew 78 percent of the cotton and 71 percent of the corn, and they contained 60 percent of Texas's slaves. One region extended through deep East Texas from Lamar, Red River, and Bowie counties on the Red River, south through Smith, Rusk, Harrison, and Panola counties on the Sabine River, to Nacogdoches and San Augustine counties on the Neches River. To the west a second area

interpretation is found in the following works. John Henry Brown, History of Texas from 1685 to 1892, 2 vols., reprint ed. (Austin: Jenkins Publishing Company, 1970); Louis J. Wortham, A History of Texas from Wilderness to Commonwealth, 5 vols. (Fort Worth: Wortham-Molyneaux Company, 1924); Ernest Wallace, Texas in Turmoil (Austin: Steck-Vaughn Company, 1965). The full name of the Freedmen's Bureau was the Bureau of Refugees, Freedmen, and Abandoned Lands.

stretched along the Trinity River through central East Texas, and it included the counties of Cherokee, Anderson, Freestone, Houston, Leon, Walker, Polk, and Montgomery. The third center of cotton and corn production in 1860 extended from Brazoria and Matagorda counties on the Gulf Coast, north 200 miles up the Brazos and Colorado rivers into Central Texas through Wharton, Fort Bend, Colorado, Austin, Gonzales, Fayette, Washington, Grimes, and Robertson counties. A new area had recently come under cultivation on the upper Red, Trinity, and Brazos rivers in Northwest Texas. It included Cooke, Collin, Grayson, Fannin, Denton, Kaufman, Tarrant, Johnson, Ellis, Hill, Hunt, Navarro, McLennan, Limestone, Falls, Bell, Williamson, and Travis counties. This section's farms had fewer acres and the section had fewer slaves than the older areas. In 1860 the Northwest produced 14,493 bales of cotton, 987,802 bushels of wheat, and 2,305,750 bushels of corn.³

Texas experienced some fighting in the Civil War. In Galveston United States and Confederate forces battled in 1862 and in 1863, and in Brownsville the two armies fought in 1863 and in 1864. At various times during the war, Union

³Eighth Census of the United States, 3:140-92, 216-17, 240-42; Ninth Census of the United States, 3:90-91. In the Northwest, 87.5 percent of the farms had less than 100 acres, and in the other three sections only 70 percent of the farms had less than 100 acres. The counties in the Northwest averaged 1,147 slaves, while the counties in the other sections averaged 3,836 slaves.
ships bombarded ports on the Gulf Coast, such as Beaumont, Sabine Pass, Velasco, Indianola, Port Lavaca, and Port Isabel. In addition the United States Navy controlled, temporarily, Aransas Bay, St. Louis Pass, Galveston Bay, Padre Island, St. Joseph's Island, and Brazos Island. Confederate forces skirmished with Indians in an area extending from Clay, Montague, and Cooke counties on the Red River in the north to Erath, Comanche, and Brown counties in the south. Confederates fought unionists in North Texas and in Central Texas. The fighting in the war locally disrupted agriculture by destroying fences, farm equipment, and farm animals, and by forcing farmers and planters to evacuate, temporarily, their farms and plantations.

More significantly, the war robbed farms and plantations of young men, leaving women, children, and sick and disabled men to perform farm work and to supervise slaves. As the war progressed, widows, children, and sick and disabled soldiers increased so much in number in some counties that the Texas legislature appropriated money for their support. By the end of the war the legislature had appropriated nearly $2 million for relief. The absence of young men lowered agricultural production in many counties, especially in the latter years of the war. In 1864 Rusk and San Augustine counties in the East, Wharton County near the Gulf Coast, and Cooke and Bell counties in the Northwest reported that crops were short because young, able-bodied men were absent.
In 1864 and 1865 counties all over East Texas ran so low on corn that they requisitioned it from General E. Kirby Smith, the Confederate commander of the Trans-Mississippi Department.\(^4\)

The Union blockade prevented farmers from replacing their equipment when it wore out. The shortage of manpower hampered farmers in repairing fences and equipment. The needs of war cut farmers' supplies of farm animals. Thus, when Ashbel Smith returned to Evergreen, his plantation in Harris County, after an absence of four years, he found his plows and hoes worn out, his fences rotted down, most of his horses and milk cows gone, and his hogs, the mainstay of his meat supply, gone. Once the war ended farmers such as Smith repaired and rebuilt, and they soon overcame their losses in equipment and in animals. By 1870 the supply of horses in Texas was

30 percent above 1860, but the supply of mules was only 3 percent below 1860. Milk cows and swine in Texas recovered their 1860 supply by 1872.5

When the Civil War ended, planters and freedmen faced the problem of converting from slavery to free labor. During the first year after emancipation, planters instituted contracts with freedmen. Some planters, realizing the war was nearly over, instituted contracts to retain workers who could harvest growing crops, freeing their workers and offering them terms in an informal, rudimentary fashion. A Harrison County black man remembered that his former master offered him terms of a contract:

We noticed master and mistress didn't come out of their rooms til up in the day. . . . Then the cook came to the quarters and said for all of us to come 'round in the front yard. Old master and mistress came out on the porch crying, and master say to the niggers, "Peace is declared, you is free." He told us that we could go or stay on the place, and them as wanted to could buy them places. . . . He let them pay them out by the year.6

5Smith to Col. B. P. Johnson, 5 May 1868, Ashbel Smith Papers, University of Texas Archives, Austin, Texas. Statistics for horses, mules, milk cows, and swine were computed from: Ninth Census of the United States, 3:81-82, 86-87; U.S., Department of Agriculture, Report of the Commissioner of Agriculture for the Year 1872, p. 37. Approximately 70,000 Texans fought in the Civil War. The 1860 census recorded 92,000 white men between the ages of twenty-one and fifty. Thus a sizable portion (76 percent) of the state's young men went to war, and probably many Texans were killed or wounded, because many Texas units, owing to casualties, had to be rebuilt several times during the war. Dudley G. Wooten, A Comprehensive History of Texas, 2 vols. (Dallas: William G. Scarff, 1898), 2:371; Eighth Census of the United States: 1860, vol. 1, Population (Washington: Government Printing Office, 1864), pp. 592-93.

6Amy Else, p. 5, Works Progress Administration Slave Stories, University of Texas Archives, Austin, Texas.
In July 1865 planters in Harris County drew up an example of a labor contract they made with their freedmen, and thereafter they circulated it widely over the state through the newspapers. United States officials supported labor contracts to prevent planters from reinstituting slavery. In June 1865 General Gordon Granger, commander of United States occupation forces in Texas, landed at Galveston and put the Emancipation Proclamation into effect. Still some planters remained reluctant. In August Andrew J. Hamilton, provisional governor, wrote to President Andrew Johnson that Texas planters, "... say that the Emancipation Proclamation is but a military order which has spent its force ... they openly deny the Negroes freedom." Hamilton recommended that the Freedmen's Bureau supervise contracts between planters and freedmen.7

General Oliver O. Howard, head of the Freedmen's Bureau, knew, from experiences in other slave states, of the tendency which Hamilton perceived, and he looked to labor contracts to protect black freedom. Howard knew also that labor contracts discouraged blacks, when they received freedom, from leaving plantations and traveling to towns. To Howard it appeared that the tendency among blacks to leave plantations disrupted

7Berta Lowman, "Cotton Industry in Texas During the Reconstruction Period" (Master's thesis, University of Texas at Austin, 1927), p. 56; Hamilton to Johnson, 30 August 1865, A. J. Hamilton Papers, Texas State Library, Austin, Texas.
agricultural production, encouraged reliance by freedmen on military units for rations and aid, and generally hindered recovery from the war's destruction. In the fall 1865, he found the control of blacks especially difficult, because blacks believed a rumor that the federal government would give them land at Christmas. Thus because Howard desired to protect and to control blacks, he ordered the agents of the Freedmen's Bureau to institute contracts between planters and freedmen.  

Bureau agents landed at Galveston in September 1865, and spread over the state by June 1866. Under Howard's orders, they read the Emancipation Proclamation to planters and freedmen, they admonished planters to treat freedmen with kindness and justice, they urged freedmen to work and to disbelieve rumors of free land, and they asked planters and freedmen to negotiate contracts for 1865 and 1866. The agents stressed that freedmen could contract with whomever they wished, but that freedmen should contract and work, because the United States government would not support them. As a result of the emphasis on contracts by planters and Bureau officials, in Texas most freedmen stayed on their plantations the year they were emancipated. General Joseph B. Kiddoo, commander of the Freedmen's Bureau in Texas in 1866,  

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reported that all freedmen in the state were under contract, and that few freedmen had left plantations for cities. Some freedmen left their plantations for good reasons, searching for families and friends or escaping mistreatment. In some cases planters had brought their slaves to Texas as refugees during the war, and, once freed, these freedmen returned to their homes.9

Under the contracts negotiated in 1865 and 1866, the planters paid wages to the workers. They paid wages either in money at the end of each month, usually $14 for men and $10 for women, or in shares of the crop at the end of the harvest, generally one-third of the crop divided among all the workers. In 1867 in Texas, half the cotton farmers paid wages in shares, and the remaining farmers, growing cotton, corn, and grain, paid wages in money. Aside from payment in either money or shares, the contracts changed the plantation system very little. The contract for 1866 between Stephen S. Perry, a sugar planter in Brazoria County, and his forty-three workers was probably typical. Perry signed a contract with the forty-three adult members of his freedmen families, and he furnished about what he had furnished under slavery:

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9 Claude Elliott, "The Freedmen's Bureau in Texas," Southwestern Historical Quarterly 56 (July 1952): 2-3; E. M. Gregory, Circular No. 1, 12 October 1865, J. B. Kiddoo, Report, 31 December 1866, pp. 6-7, United States Bureau of Refugees, Freedmen, and Abandoned Lands, District of Texas, University of Texas Library, Austin, Texas. Hereafter cited as BRFAL. This is a bound volume of the circulars, orders, and reports the Freedmen's Bureau issued in Texas.
quarters, rations, tools, work animals, and medical attention which did not require a physician. Perry's workers had more leisure after emancipation, because they limited their hours of labor to ten on weekdays and five on Saturdays. The workers took on some obligations they lacked as slaves, such as supplying their clothing, providing rations and quarters for nonworking members of their families, being responsible for loss or destruction of their tools and animals, and paying for a physician when they were ill. They received compensation at the end of the growing season in one-third of the sugar, molasses, and corn. However, they retained the work system of the antebellum plantation, because they worked in gangs to make the crops. John Hill, cotton planter in Walker County, furnished thirty-one field hands and one house servant clothing and blankets in addition to quarters, rations, and medical care. Also he fined his workers for idleness. Hill paid the field workers one-sixth of the cotton crop at the end of the season, and he paid the house servant $10 per month every three months.10

In Texas the antebellum credit system survived the Civil War. Before the war a planter had signed a contract with a commission merchant, called a factor, who resided in Houston,

Galveston, or New Orleans. Under the contract the factor sold the planter's cotton at harvest time, receiving a percentage of the sale price for a commission. The factor supplied goods the planter requested during the growing season, subtracting the prices of the goods from the sale price of the planter's cotton. Richer planters contracted directly with factors in Galveston, Houston, or New Orleans, while poorer planters and small farmers worked through local merchants. For example richer planters contracted directly with factors such as George Ball or John H. Hutchings in Galveston, T. W. House or William Marsh Rice of Houston, or Peyroux, Arcueil Company in New Orleans. Small planters and farmers marketed cotton through local merchants, such as John Adrlance of Columbia or John Cartwright of San Augustine, who sent the cotton to factors in Galveston, Houston, or New Orleans.\footnote{Abigail Curlee Holbrook, "Cotton Marketing in Antebellum Texas," \textit{Southwestern Historical Quarterly} 73 (April 1970):432-53; Harold D. Woodman, \textit{King Cotton and His Retainers: Financing and Marketing the Cotton Crop of the South 1800-1925} (Lexington: University of Kentucky Press, 1968), pp. 6-33.}

The Civil War hardly disrupted the factor system in Texas, as cotton merchants shipped cotton to England via Mexico. Factors and merchants all over Texas shipped cotton by rail to Alleyton and by oxcart from Alleyton through San Antonio and the King Ranch to Brownsville. After United States troops occupied New Orleans, factors in Texas even acted as agents for factors in New Orleans, receiving cotton...
in the name of New Orleans factors and sending it, for a commission, to Brownsville. After Union forces occupied Brownsville, the cotton went to Eagle Pass through San Antonio. The journey to Brownsville or Eagle Pass was hazardous, with deserts, bandits, and United States forces, but it was highly profitable for those who succeeded. Some factors amassed great wealth in the wartime cotton trade. T. W. House and William Marsh Rice emerged from the war millionaires by running cotton through Mexico and even through the United States blockade at Galveston. The cotton trade through Mexico brought so many Mexican coins into Texas that one merchant remembered, "At the end of the war we had this advantage, that while the rest of the South was loaded up with worthless scrip, we had for a year or more been practically on a gold basis." 12

Cotton prices remained high for two years after the war, fifty-two cents per pound in 1865 and thirty-two cents in 1866, and planters in Texas, indeed planters over the South, found credit and money loans easily available from cotton merchants and cotton speculators. In 1865 Clapp Brothers of New Orleans contacted merchants in East Texas offering loans

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in merchandise or in money for Texas cotton. With money and credit which Clapp Brothers advanced, Matthew Cartwright in San Augustine bought cotton from planters, and he sent the cotton via oxcart from San Augustine to Grand Ecore, Louisiana, and via steamboat from Grand Ecore to New Orleans. In 1865 S. M. Swenson, New Orleans cotton speculator, sent agents into Texas to buy cotton. Swenson corresponded by letter with Texas merchants and planters, advertising his business and offering his service as intermediary with the United States government. Swenson wrote to John Adriance of Columbia:

I . . . have been in this city since September last . . . for the purpose of doing a commission business . . . if I can serve you, or any of your friends here, I shall do my best to give satisfaction and so far as the Government officers are concerned, I am favorably known to them and . . . believe that any favor that can be properly granted will most cheerfully be extended to me, and any property I represent.\(^\text{13}\)

Thus few changes occurred in Texas agriculture in the first year following the Civil War. Freedmen accepted wages

\(^{13}\)New York Times, 2 December 1865, 7 December 1866; Cartwright to S. M. Coley, 26 November 1866, Coley to Cartwright, 24 July 1868, J. A. Johnson to Cartwright, 25 June 1866, Matthew Cartwright Papers, University of Texas Archives, Austin, Texas; Swenson to William S. Pierson, 1 June 1865, William S. Pierson Collection, University of Texas Archives, Austin, Texas; Swenson to Adriance, 22 June 1865, John Adriance Papers, University of Texas Archives, Austin, Texas. Prices quoted are for middling Texas cotton. Webb and Carroll, Handbook of Texas, 2:697. Before the war Swenson had owned a commission house in Austin, but during the war he had supported the Union, and in 1863 Confederates had forced him to flee to Mexico. Then Swenson had opened commission houses in Matamoros and in New Orleans, and he had profited handsomely. In 1865 Swenson closed his house in Matamoros, and he moved his headquarters to New York City.
for work they had performed under slavery, and planters acquired capital from factors who had supplied it before the war. The changes did not significantly interfere with the state's major crops. The 1866 cotton crop, 300,000 bales, was higher than many persons expected, though it was less than the 1859 crop, 431,463 bales. The 1866 corn crop, 20,295,863 bushels, and the wheat crop, 1,847,931 bushels, surpassed the 1859 corn and wheat crops.\textsuperscript{14}

In 1867 and 1868 the contract system disintegrated as black workers refused to work under conditions which white planters demanded. Planters and newspaper editors, obviously prejudiced, concluded that blacks, owing to their race, would not work without the discipline of slavery. James Harper Starr, businessman and planter in Harrison County, attributed recalcitrance in blacks to qualities in the black race such as hatred for whites and lust for power. Starr predicted that with such characteristics blacks would either starve or become as "... indolent as were their ancestors on the

\textsuperscript{14}The Texas Almanac and State Industrial Guide 1927 (Dallas: The Dallas News, 1927), p. 146. The 1927 Texas Almanac contains the secretary of agriculture estimates of the Texas cotton crops for the years 1849 to 1926. The annual reports of the United States commissioner of agriculture during the years of Texas Reconstruction 1865-1874 contain estimates of the state's corn and wheat production, but they do not contain estimates of the state's cotton production. Much cotton which was sold in 1865 and 1866 had been stored during the war. Report of the Commissioner of Agriculture for the Year 1866, p. 57; Eighth Census of the United States, 3:149.
banks of the Niger." Willard Richardson, editor of the *Texas Almanac*, blamed low yields in cotton on "shiftless" Negroes who abandoned fields when planters demanded that they work hard.\(^{15}\)

Obviously neither Starr nor Richardson accepted the Negro's freedom to bargain for wages and working conditions. Some recalcitrance on the part of blacks was inevitable, as blacks became aware of their freedoms under the contract system. During the first year after the war, conditions had favored the planters when they bargained with the freedmen, but by 1867 conditions favored the freedmen. Many freedmen quickly signed contracts for the first year after emancipation, because contracts offered reprieve from the shock which many freedmen experienced upon learning they were free. A Harrison County black remembered that upon emancipation, "There was lots of crying and weeping. . . . Lots of them didn't want to be free. They knewed nothing and had nowhere to go." In such fear freedmen would accept labor conditions which a year later, with greater confidence, they would not accept. In addition by the end of 1866, many blacks were disillusioned. They had expected land and better working conditions, yet they received no land and they still worked under conditions

\(^{15}\)Starr to W. S. Fisk, 7 September 1866, James Harper Starr Collection, University of Texas Archives, Austin, Texas; Willard Richardson, ed., *The Texas Almanac for 1868 with Federal and State Statistics, Historical, Descriptive and Biographical Sketches, etc. Relating to Texas* (Galveston: W. and D. Richardson and Company, 1869), pp. 109-10, 160-61.
which smacked of slavery, with gangs, overseers, and fines. Some planters defrauded freedmen, charging for advances of goods freedmen did not need, such as jewelry and liquor. Also some freedmen, probably the best workers, longed to save their money and to buy land, and naturally, with a labor shortage, they negotiated with various planters before signing contracts.  

Planter's contended that the Freedmen's Bureau caused the labor problems in 1867 and 1868 by supporting the freedmen when they disagreed with the planters in contract negotiations, but the facts do not support this contention. In 1865 and 1866 the Bureau had only twenty-nine agents in Texas, and in 1867, at the height of its power, it had only sixty-nine agents for the whole state. Owing to such a shortage of manpower, agents could only tour districts once a year, post notices of their whereabouts, and collect all the contracts they could. They could not supervise contract negotiations, rather they could protect blacks only by warning planters they would not hold blacks to unfair contracts. The Bureau's agents preferred that the laws of supply and demand determine the conditions under which planters employed freedmen. Agents acted for freedmen only when they received

16 Will Adams, p. 5, Works Progress Administration Slave Stories; Theodore Saloutos, Farmer Movements in the South (Lincoln: University of Nebraska Press, 1964), pp. 15-18; J. B. Kiddoo, Report, 31 December 1866, pp. 7-8, BRFAL. General Kiddoo estimated that Texas had only one-third the agricultural workers it needed in 1867.
evidence that freedmen had entered contracts involuntarily, or that planters had treated freedmen unfairly.¹⁷

In August 1866 General Kiddoo learned that some planters had held back unfairly the wages their freedmen had earned, so he made the wages liens on the crops which the freedmen harvested. In November 1866, when Kiddoo learned that some planters sold their freedmen's shares of cotton at less than market value, he allowed the freedmen to sell their own shares. Kiddoo received reports that some planters demanded from freedmen obligations which freedmen had not agreed to in contracts. Kiddoo ordered that thereafter all contracts be written, and that they contain the obligations which planters negotiated with freedmen, such as the form and amount of pay freedmen would receive, the articles planters would furnish, the work planters would require, and the losses for which freedmen would pay. When freedmen complained that planters deducted from their pay more money than the planters had advanced, Kiddoo sent agents to arbitrate the freedmen claims, but he instructed the agents to "... interfere in private agreements or book accounts ... only in extreme cases."¹⁸


¹⁸J. B. Kiddoo, Circular No. 19, 20 August 1866, Circular No. 23, 1 November, 1866, Circular No. 25, 21 December 1866, Circular No. 21, 1 October 1866, BRFAL. In Texas the Freedmen's Bureau filled a role in labor disputes that was outlined in 1864 in a report to the secretary of war. "The freedman
Kiddoo and succeeding commanders of the Freedmen's Bureau in Texas, General Charles Griffin and General Joseph J. Reynolds, protected freedmen from the worst abuses of laws the Conservative Eleventh Legislature passed. A contract labor law required that planters negotiate contracts with black families. If planters broke contracts they could receive fines, and if blacks broke contracts they could lose wages. Under the contract law planters could dismiss workers if workers neglected duties, left homes without permission, or displayed attitudes of indecency, impudence, or disobedience. The law urged that the workers be especially polite and civil to the planters, the planters' families, and the planters' guests. Under apprentice and vagrancy laws, sheriffs could arrest indigents and vagrants, and justices of the peace could apprentice indigents and vagrants to anyone who needed workers.  

should be treated ... as any other free man. He should be subjected to no compulsory contracts as to labor. There should not be, directly or indirectly, any statutory rates of wages. There should be no interference between the hirer and the hired. Nor should any regulations be imposed in regard to the local movements of these people. ... The natural laws of supply and demand should ... regulate rates of compensation and places of residence." "Final Report of the American Freedmen Inquiry Commission to the Secretary of War," R. N. Scott, et. al., ed., War of the Rebellion: A Compilation of the Official Records of the Union and Confederate Armies, 130 vols. (Washington: Government Printing Office, 1880-1901), 3d ser., 4:381.

Bureau agents responded when planters complained about freedmen, especially at critical times during the cotton season. At planting time in 1866 some planters complained that other planters enticed away their workers, and Kiddoo instituted a fine for such labor stealing. At harvest time in 1866, when Kiddoo learned that some freedmen refused to work, he not only fined the freedmen $50, but he instructed agents to lecture freedmen that "... the highest enjoyment of ... freedom is through ... labor, diligence, industry, frugality, and virtue." General Griffin responded to similar complaints at planting time in 1867 by sending agents to lecture on the evils of cities and the joys of working, saving money, purchasing land, and erecting homes.\(^20\)

In the late 1860s and the early 1870s, some Texas planters despaired of ever having an effective black labor force, and they promoted schemes which invited white immigrant workers into the state. In 1866 Thomas Affleck, Washington County planter, formulated a plan to sponsor European immigrants who would work on Texas plantations as laborers. He organized the Texas Land, Labor, and Immigration Company, and he traveled to Scotland as the company's agent. John Hill imported workers from Poland under sponsorship of the Waverly Emigration Society. The company sent an agent to Poland who

\(^{20}\)J. B. Kiddoo, Circular No. 14, 15 May 1866, Circular No. 17, 19 June 1866; Charles Griffin, Circular No. 1, 2 February 1867, BRFAL.
offered terms to workers in contracts. Poles who would agree to work three years for Texas planters would receive free room and board, advances in wages for travel expenses, and wages ranging from $90 to $100 per year. Swante Palm, Austin merchant, and S. M. Swenson, Palm's brother-in-law, acted informally as agents for Swedish immigration. They wrote letters to newspapers in Norway, Denmark, Sweden, and northern cities advertising the merits of working for Texas planters. Texas newspapers supported immigration by printing letters of inquiry from immigrants looking for work and letters from planters searching for laborers. Ferdinand Flake, editor of *Flake's Daily Bulletin*, and Edward Degener, Radical Legislator, promoted plans enticing German workers to Texas. In 1871 the legislature created the Bureau of Immigration in hopes of securing workers from other states and from Europe.  

Ultimately these efforts by individuals, companies, and newspapers failed to replace black plantation workers with white immigrants. Many immigrants came to Texas during Reconstruction, but they demanded higher wages than planters paid to blacks, and they worked for planters only long enough to

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acquire money and buy their own land. Once Texas planters realized these liabilities of immigrant labor, they made peace with blacks. At about the same time the black workers learned that the Freedmen's Bureau would not give them land nor protect them in conflicts with whites. Thus by 1868, the year the Freedmen's Bureau ceased adjudicating contracts, white planters and black workers reached a truce. The criticisms that blacks would not work disappeared from newspapers, and in the early 1870s editorials that praised workers appeared. Suddenly blacks were ". . . working harder and giving better satisfaction than ever heretofore . . ." and ". . . working like Trojans.22

Texas cotton production dropped during the years of contract disputes, from 300,000 bales in 1866 to 200,000 bales in 1867 and 260,000 bales in 1868. In 1869 cotton production was way down in many counties where in 1859 slaves had harvested crops. Between 1859 and 1869 the greatest declines in Texas cotton production occurred in the counties of Harrison, San Augustine, Grimes, Montgomery, Polk, Walker, Brazoria, Fort Bend, Matagorda, and Wharton, from a total of 146,174 bales in 1859 to a total of 44,157 bales in 1869. Also corn production fell in counties in East Texas which had

led the state in corn crops in 1859. In Bowie, Rusk, Harrison, Anderson, Smith, Upshur, Montgomery, Walker, Freestone, and Leon counties, corn crops fell from a total of 4,100,911 bushels in 1859 to a total of 2,318,025 bushels in 1869. Contract disputes may account for some of these declines in production, but also bad weather caused them. Droughts hurt the eastern portion of the state, and rains, floods, and worms hurt the central and southeastern parts. The wet weather in central and southeast Texas climaxed in 1869, when the Brazos, Colorado, Guadalupe, and Blanco rivers reached their highest levels in history and flooded thousands of acres of farmland. In 1869 one farmer on the lower Brazos River wrote Matthew Cartwright that since 1863 he had lost his cotton crops to rain and worms, and he concluded that only years of droughts could make his land profitable again.\(^\text{23}\)

One could expect some declines in production when workers changed from slaves to freedmen. Under slavery, owners extracted as much labor as they desired from the men, women, and children they owned, but after emancipation blacks responded to a variety of new opportunities. Black wives tended homes and infants, black children went to school, and though most black men still toiled in fields, they labored fewer hours than they had worked as slaves. In addition to contract

\(^{23}\text{Texas Almanac 1927, p. 146; Eighth Census of the United States, 3:140-49, 240-42; Ninth Census of the United States, 3:250-60; Lowman, "Cotton Industry in Texas," pp. 126-44; Thomas B. Howard to Cartwright, 9 August 1869, Matthew Cartwright Papers.}\)
disputes, bad weather, and emancipation, war deaths caused declines in production. In the counties where production declined greatest, the populations either decreased between 1860 and 1870, or they increased at rates far below the statewide increase of 35 percent. Losses of population ranging from 2 to 12 percent occurred in five counties, Harrison, Anderson, Bowie, Cherokee, Leon, and Matagorda. In eight counties, Cass, Rusk, San Augustine, Houston, Polk, Brazoria, Wharton, and Colorado, the increases in population were less than 10 percent. In seven counties, Nacogdoches, Panola, Freestone, Upshur, Montgomery, Walker, and Fort Bend, the population increases were between 10 and 20 percent. In Brazoria County, even before the war, executors administered the huge plantations of T. J. Coffee, William Manor, C. R. Patton, and L. H. McNeel. The fate of the McNeel estate was probably typical. Its heirs died in the war, and thereafter a sheriff sold the plantation.24

Crop failures increased the debts of planters and eventually undermined their sources of capital. Until 1869 cotton attracted speculators and investors, because cotton prices

remained above twenty-five cents per pound, but as planters lost crops year after year, they found loans from factors, bankers and speculators harder to obtain. With problems of labor, weather, and capital, some planters, especially the older planters, closed their plantations, or sold them for what they could get, and moved to town. For example Leonard W. Groce was sixty years old in 1866. He had come to Texas with Stephen F. Austin, and he had acquired vast land holdings. In 1860 Groce owned 100,000 acres of land and 118 slaves. In 1866 Groce contracted his 135 freedmen for $500. By the end of 1866, he was ready to sell out, writing, "May I never forget the impudence and ungrateful conduct of free Negroes." He sold his plantation in Waller County and planned to move to Brazil, but his buyer could not meet payments and Groce repossessed the plantation. By 1868 Groce could not pay his debts, so he declared bankruptcy, and after selling most of his property at auction, he moved to Galveston.25

But unlike Groce many planters and their families either paid wages to blacks or worked lands themselves. Thomas Blackshear of Grimes County owned $45,000 in property in 1860.

He died in 1867 leaving eight sons and daughters who retained possession of the plantation until well into the twentieth century. In Colorado County C. W. Tait owned $63,000 in property in 1860. He rented his land to his ex-slaves, growing cotton and corn and raising cattle, and his heirs still own it. Francis Bingham owned a plantation in Brazoria County and land in Wharton and Waller counties. When he died in 1851, he left his wife and four children. Betty, his wife, raised the children and owned the plantation when she died in 1930. Joe Bingham, her son, explained the family's philosophy.

Had nothing but the plantation--it not clear of debt. We did our work--work that other men hired done. If don't make a crop, don't lose. A rainy year meant no crop to amount to anything; two years and somebody got your land. We spent no extra money--playing no poker, drinking no whiskey. But cattle saved the day. If hadn't been for cattle, wouldn't have the plantation. A cow is making money while you sleep.26

26Curlee, "Study of Texas Slave Plantations," pp. 309-313; Ralph Wooster, "Wealthy Texans, 1860," Southwestern Historical Quarterly 71(October 1967):172; James V. Reese, "The Worker in Texas," p. 54. Reese states that neither tenancy nor sharecropping rose in Texas until the 1890s, and that the "... vast majority of blacks would work for wages rather than as sharecroppers in the decade after the Civil War." Most big plantations in Texas did not break up during Reconstruction. Between 1860 and 1870 the number of plantations over 1,000 acres remained constant in Harrison County, at eleven, in Rusk County, at three, in Smith County, at one, in Wharton County, at four, and in Robertson County, at two. Such holdings increased in Brazoria County, from four to five, in Fort Bend County, from one to two, and in Anderson County, from one to two. Eighth Census of the United States, 3:216-17; Ninth Census of the United States, 3:363.
Even when planters lost their plantations in bankruptcy, in many cases buyers retained the plantations intact. Spofford and Company of New York took over Waldek and Osceola, two plantations in Brazoria County, and the company ran them successfully through 1881. In 1868 William Hutchins, a Galveston commission merchant, bought Retrieve, a plantation in Brazoria County, at a bankruptcy sale, and thereafter he made Retrieve profitable. The Civil War left the richer planters in debt, but they sold land, paid their debts and, eventually, profited. During the war Stephen S. Perry abandoned Peach Point, his sugar plantation in Brazoria County, and after the war he returned to it, heavily in debt. In 1865, 1866, and 1867 Perry paid his bills with money he borrowed from his factors, but in 1868 Perry began to lose his credit. Bills accumulated and Perry offered his creditors some of the 81,000 acres he owned, but William Hundley of Galveston and Spofford and Company of New York, his creditors, refused to accept them. Perry paid his debts by growing sugar and cotton and by selling land he owned in Washington, Fort Bend, and Brazoria counties. When Perry died in 1874, he had sold over 9,000 acres, and he had paid over $42,000 in debts. James P. Perry, Stephen's son, collected $12,000 from his father's insurance, and with this James paid his father's remaining debts.\(^\text{27}\)

\(^{27}\) Curlee, "Study of Texas Slave Plantation," pp. 314-15; Diary of William Pitt Ballinger, 23 November 1868, University
William J. Bryan, Moses A. Bryan, and Guy M. Bryan, Stephen S. Perry's half-brothers, owned plantations. The war left them, as Perry, heavily in debt, but they survived by borrowing money from friends and by selling land. William J. Bryan and Moses A. Bryan first borrowed money from William Hutchins, and they later sold land in Washington and Brazos counties to the Houston and Texas Central Railroad. Guy M. Bryan sold land he owned in Galveston, Washington, and Bexar counties to northerners through friends such as Rutherford B. Hayes of Ohio. Hayes and his relatives wrote letters of recommendation for Bryan:

Permit me to introduce my friend G. M. Bryan esquire of Texas. He wishes to sell or trade for other property some of his Texas lands. I have been on several of his large tracts and I consider them among the best lands in Texas. . . . Any statement he may make about his lands will be strictly true and reliable.

John Hill owned $70,000 in land in 1860, which included Waverly, Hill's plantation in Walker County. Hill amassed a fortune by selling cotton during the war, and he prospered of Texas Archives, Austin, Texas. In 1813 Emily Austin, Stephen F. Austin's sister, married James Bryan with whom she had three sons, William J. Bryan, Moses A. Bryan, and Guy M. Bryan. In 1822 James Bryan died, and in 1824 Emily married James F. Perry by whom she had Stephen S. Perry. Webb and Carroll, Handbook of Texas, 2:363-64; Curlee, "Study of Texas Slave Plantations," pp. 315-16; Hundley to Perry, 25 October 1866, 22 February 1868, Spofford Brothers to Perry, 29 September 1870, 16 August 1871, Tax List of Stephen S. Perry, 1869, A List of Property Belonging to the Estate of Stephen S. Perry, 1 January 1875, Stephen Samuel Perry Papers; James P. Perry to Moses A. Bryan, 2 September 1874, Moses Austin Bryan Papers, University of Texas Archives, Austin, Texas.
throughout Reconstruction. In 1866 he made a profit of $10,000 after paying expenses, and in 1867 he loaned money on real estate at 12 percent interest. In 1868 Hill made over $1,500 from his loans, and by 1869 he owned three plantations encompassing over 4,100 acres. In the early 1870s Hill set up his sons in business, and as late as 1874 they made good profits.28

In the period 1866-1868, while counties in the eastern and southeastern portions of Texas lost production, counties in other parts of the state gained production. The Texas cotton harvest of 1869, at 340,600 bales, reversed the decreases of 1867 and 1868. The state's cotton crop in 1870, at 465,000 bales, topped the harvest of 1859. Thereafter cotton production increased steadily, from 467,000 bales in 1872, to 523,000 bales in 1873, to 530,000 bales in 1874, to 899,000 bales in 1875. Because of rust and grasshoppers, wheat production decreased from 1,800,000 bushels in 1866 to 415,112 bushels in 1869, but thereafter it increased, from 551,000 bushels in 1871, to 1,377,000 bushels in 1872, to 1,404,000 bushels in 1873, to 1,474,000 bushels in 1874. The

wheat crop in 1875, at 2,510,000 bushels, topped the crop of 1859. Corn production rose from 23,670,000 bushels in 1870, to 27,934,000 bushels in 1872, to 28,016,000 bushels in 1873, to 31,000,000 bushels in 1875. Most of the increases in cotton, corn, and wheat production came from new lands which immigrants opened to production. In all 31,223 immigrant families came to Texas between 1860 and 1880, with 18,106 families, 58 percent arriving between 1866 and 1875. The overwhelming majority of immigrants, 89 percent, came to Texas from Arkansas, Alabama, Mississippi, Tennessee, Louisiana, Kansas, Illinois, and Indiana. Six percent of the immigrants came from Mexico, and five percent came from Europe, principally the German Empire and England.  

Between 1860 and 1880, over 12,000 immigrant families settled in Northwest Texas in the counties of Cooke, Grayson, Fannin, Denton, Collin, Hunt, Tarrant, Dallas, Kaufman, Johnson, Ellis, Hill, Navarro, McLennan, Limestone, Falls, Bell, Williamson, and Travis. As a result of immigration, the Northwest grew in population from 111,672 in 1860, to

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180,464 in 1870, to 418,543 in 1880. Settlers in the North-
west opened new lands to production. Acres under cultivation
in the Northwest increased from 440,957 in 1860, to 680,849
in 1870, to 3,302,333 in 1880. The Northwest mushroomed in
cotton and corn production from 1859 to 1869 and from 1869 to
1879. Bales of cotton expanded from 14,493, to 82,888, to
254,409; bushels of corn increased from 2,305,750, to
6,542,947 to 9,713,496. In Northwest Texas wheat production
declined from 987,802 bushels in 1859 to 277,891 bushels in
1869, but it increased to 1,721,092 bushels by 1879.30

Between 1860 and 1880 about 3,100 immigrant families,
including many Germans, settled in Central Texas in Fayette,
Milam, Robertson, Washington, Bastrop, Brazos, Burleson,
Caldwell, Grimes, Colorado, and Gonzales counties. Some
families rented unimproved land, and other families bought
new land. As a result these counties of Central Texas pros-
pered while many counties to the east and south declined.
From 1860 to 1870 this area of Central Texas increased in
population from 77,343 to 121,154, and it climbed in acres
under cultivation from 427,875 to 526,863. In Central Texas
cotton production decreased from 1860 to 1870, from 98,897
bales in 1859 to 81,821 bales in 1869, while corn production

30Kerr, "Migration into Texas," p. 44; Eighth Census of
the United States, 3:140-49; Ninth Census of the United States,
3:251-61; Tenth Census of the United States, 1:78-81; Tenth
Census of the United States: 1880, vol. 3, Agriculture
(Washington: Government Printing Office, 1883), pp. 205-8,
242-44.
increased from 2,373,230 bushels in 1859, to 3,042,113 bushels in 1869. By 1880 Central Texas reached 188,102 in population and 1,396,277 in acres under cultivation. In 1879 the cotton crop in Central Texas was 153,373 bales, and the corn crop was 3,912,741 bushels. About 7,500 immigrant families settled in East Texas between 1860 and 1880. Most families settled in the newer western counties of Lamar, Van Zandt, Hopkins, and Wood. Between 1860 and 1880 in these counties, the improved land increased by 250,000 acres, the cotton production rose by 20,000 bales, and the corn production expanded by nearly 1,000,000 bushels.31

In the 1860s and 1870s as immigration expanded agricultural production in Texas, communication and transportation changes revolutionized Texas cotton marketing. Before the Civil War, English cotton brokers and American cotton factors corresponded through letters which steamships carried. Beginning in 1866, brokers and factors communicated through messages which telegraphs carried. The telegraph changed the marketing of Texas cotton for buyers, brokers, factors, and farmers. With the telegraph, English cotton buyers received daily reports of cotton prices in New York, New Orleans, and Galveston, and they increased or decreased their prices accordingly. Brokers in England telegraphed factors in Texas daily of cotton prices and of conditions affecting prices such as

31Kerr, "Migration into Texas," pp. 41, 45; Eighth Census of the United States, 3:140-149; Ninth Census of the United States, 3:251-61; Tenth Census of the United States, 1:78-81, 3:205-8, 242-44.
interest rates, world cotton supplies, threats of war, and strikes in cotton mills. Using the telegraph, factors informed brokers of conditions which affected cotton crops, such as late frosts, droughts, excess rain, and insects. Factors and brokers sold cotton via telegraph before the cotton arrived in England or even before farmers harvested it in the United States.\(^{32}\)

The expansion of cotton production in Texas during Reconstruction led to the rise of St. Louis as a cotton center. In the early 1870s drummers bought cotton in North Texas and transported it, via steamboat, to St. Louis. To accommodate this trade, St. Louis merchants established a cotton exchange and a cotton press. In 1873 the Missouri, Kansas and Texas Railroad joined the Houston and Texas Central Railroad in Denison, and thereafter St. Louis cotton receipts increased considerably, from 36,471 bales in 1872 to 244,598 bales in 1876. New Orleans, Houston, and Galveston responded to the St. Louis invasion of the North Texas cotton market. In New Orleans river freighters lowered rates to compete with St. Louis

\(^{32}\)Lemonius and Company, Liverpool brokers, informed T. W. House of the changes the telegraph caused, "... there is no doubt that much of the late excitement must be ascribed to the daily telegraph messages, each quoting higher prices," and, "we take this opportunity of calling your attention to the system largely adopted since the cable has come into play of affecting sales 'to arrive.'" Lemonius to House, 3 October 1866, 13 January 1866, 4 April 1866, 11 May 1866, 25 May 1866, 26 May 1866, 26 September 1866, 5 October 1866, 6 December 1866, 31 August 1867, 24 January 1868, T. W. House Papers, University of Texas Archives, Austin, Texas.
freighters, and cotton factors helped finance the New Orleans and Texas Western Central Railroad from New Orleans to Shreveport. In 1869 Houston merchants formed a company to dredge a channel through Buffalo Bayou to the Gulf of Mexico. In 1876 they completed the channel, thus giving Houston direct access to the sea. Houston's cotton receipts grew from 115,000 bales in 1860 to 459,369 in 1880.33

Galveston expanded its shipping facilities to accommodate cotton receipts which grew from 188,000 bales in 1860 to 333,000 bales in 1873. In 1869 the city of Galveston gained control of its docks and loading areas by acquiring one-third interest in the Galveston Wharf Company. In 1870 C. H. Mallory and Company of New York agreed to run steamships from Galveston to New York City. With this connection, cotton farmers could send cotton through Galveston to New York City on through bills of lading. The Galveston Wharf Company built a short railroad connecting Galveston's docks to the Galveston, Houston and Henderson Railroad. With this connection, cotton could move from interior cities such as Austin and Brenham via rail car to ships at Galveston's docks.34

By the end of Reconstruction Texas cotton farmers had options in selling their cotton. They could haul their cotton


34 Ellis, "Revolutionizing the Texas Cotton Trade," pp. 493-96.
to the closest market, a major town such as Galveston or Houston, or to a rail head or bayou where they could sell their cotton or ship it to a buyer in Boston, St. Louis, Galveston, Houston, or Liverpool. What they did depended on many factors, such as their immediate needs, the number of buyers in town, the distance to a larger market, and the availability of rail or water connections. Small farmers, immediately in need of cash, often sold immediately to cotton buyers and merchants at the local market. Some larger planters continued to use factors at Gulf ports or at St. Louis. By 1873 eastern mills, such as Pepperell Manufacturing Company and Sherman Duncan and Company, sent agents to Texas country towns to buy cotton from merchants and from farmers. These agents bought cotton in Dallas, Waco, and Brenham, paying the quoted price less transportation charges. Local merchants also bought cotton, frequently advancing supplies as large factors did in coastal cities, and the farmer or planter pledged his cotton in return. As the cotton came in the merchant took control.35

Cotton farmers had more options in selling their cotton in the 1870s, but they made less money because cotton prices fell. Before the Civil War, American cotton planters faced little competition in supplying English textile mills, but

during the war, English entrepreneurs developed a source of cotton in India. Shipments of cotton from India to England increased from 369,000,000 pounds in 1861 to 615,000,000 pounds in 1866. At first Indian cotton posed little threat to United States cotton prices, because the demand for all cotton exceeded the supply. The two crops accommodated rather than competed for the English market, since Indian cotton reached England between 1 July and 1 December, and United States cotton hit England between 1 December and 1 May. In 1869 British engineers completed the Suez Canal, putting Indian and United States cotton on the English market at the same time. In the 1870s farmers in the United States, India, Brazil, and Egypt put more land under production and vastly increased world cotton supplies. The Suez Canal and the world increase in cotton lowered the price of Texas cotton. Prices remained high during most years of Reconstruction, selling per pound for 52 cents in 1865, 36 cents in 1866, 17 cents in 1867, 26 cents in 1868, 25 7/8 cents in 1869, 16 7/8 cents in 1870, and 20 cents in 1871 and 1872. In 1873 Texas cotton fell to 16 3/8 cents, and no cotton prices topped this figure during the remainder of the nineteenth century. The average price of Texas middling cotton during Reconstruction 1865-1873, at 25.57 cents, doubled the average
price for the years 1874-1882, at 12.15 cents, and tripled the average price for the period 1883-1892, at 9.63 cents.\textsuperscript{36}

Obviously the view that the Civil War and Reconstruction hurt Texas farmers so badly that they never recovered needs revising. During Reconstruction Texas farmers recovered from losses they suffered in the Civil War. With the money they made from high cotton prices, planters bought new equipment, secured new work animals, and paid wages to contract laborers. In the late 1860s bad weather cut cotton and corn crops in the eastern and southeastern parts of Texas, and in these sections planters went heavily into debt. Some planters, already exasperated in conflicts with workers, declared bankruptcy and sold out. These planters claimed the Freedmen's Bureau disrupted production by supporting blacks in labor disputes, but the facts do not support these claims. Short on personnel and conservative in philosophy, the Bureau supported freedmen only where planters flagrantly violated

\textsuperscript{36} Lemonius and Company to House, 6 November 1869, 3 October 1868, T. W. House Papers; Ellis, "Revolutionizing the Texas Cotton Trade," pp. 481-82. English spinners preferred American cotton to Indian, because American cotton was cleaner and larger. Even with completion of the Suez Canal, Indian cotton did not pose much threat to American cotton until the 1880s because of low harvests in India. Hammond, The Cotton Industry, pp. 22-23; Report of the Commissioner of Agriculture for the Year 1869, pp. 22-23; Cotton prices for Texas middling are from the New York Times, 1 December 1869, 1870, 1873, 1874, 1875, 1877, 1879, 1880, 1881, 1883, 1884, 1885, 1886, 1887, 1888, 1891, 1892, 30 November 1871, 1872, 2 December 1868, 1876, 1882, 1890, 3 December 1867, 1878, 4 December 1889, 5 December 1865, 7 December 1866. In 1867 the average price of cotton was twenty-five cents, but a financial crisis in England lowered the price temporarily to seven cents in December.
freedmen rights. Many planters in eastern and southeastern Texas survived the poor crop years by drawing on money they made during the war, by borrowing money from friends, and by selling land to railroad companies.

Throughout Reconstruction immigrants settled in Northwest, Central, and East Texas, and, by the early 1870s, they helped the state recover prewar production of cotton, corn, and wheat. During Reconstruction developments in communication and transportation modernized the marketing of Texas cotton. The international telegraph cable, laid in 1866, facilitated cotton sales in Europe. Railroad expansion in the early 1870s opened markets for Texas cotton in northern cities. The Suez Canal, completed in 1869, put United States and Indian cotton on the English market at the same time. In the early 1870s farmers opened new lands to cotton production in the United States, in India, in Brazil, and in Egypt. As a result by 1873, cotton supplies increased and cotton prices fell. Thus many Texas farmers who survived and prospered during the years of Reconstruction would encounter even greater economic hardship in the years following Reconstruction.
CHAPTER VI

THE CATTLE INDUSTRY IN TEXAS
DURING RECONSTRUCTION

Usually, historians who condemn the governments of Texas during Reconstruction discount the growth which occurred in the cattle industry during the period. For example, William C. Nunn, in *Texas Under the Carpetbaggers*, neglects to study the cattle industry before 1870, and Ernest Wallace, in *Texas in Turmoil*, fails to mention the cattle industry at all. Even Wayne Gard, in his classic *The Chisholm Trail*, discounts the significance of the Texas cattle industry during Reconstruction. Though Gard discloses that Texans made immense profits when they sold nearly 2 million cattle between 1866 and 1872, he concludes, ambiguously, that Texas made little recovery from the Civil War, until Conservatives took over the legislature in 1873. Obviously a work is needed which studies in depth the rise and significance of the cattle industry in Texas during Reconstruction.¹

The Spanish introduced cattle to Texas. In 1690 conquistadores and missionaries drove 200 head of cattle from Mexico to San Francisco de los Tejas, a mission in East Texas. The Spanish never castrated their bulls, and their cattle multiplied prolifically after they escaped from traveling herds, strayed from unfenced ranges, or after Indians dispersed them. In 1716 two men reported wild cattle in the Trinity River bottoms, and in 1767 a Frenchman noticed large herds of wild, horned cattle near the Brazos River. By 1770 great herds of cattle roamed the ranges near Goliad. When English-speaking colonists entered Texas, they found wild cattle grazing from the Red River in the north, to the Rio Grande in the south, and from the Sabine River in the east, to the upper Brazos River in the west.  

Over the years the wild cattle inbred and mixed with cattle from eastern states, so that they developed unique characteristics. The Anglos called the wild cattle longhorns, because the cattle had large horns which spread across their heads. Next to the horns the most striking quality about the Texas cattle was their coloration. Generally longhorns had earth colors, such as slate, yellow, brown, white, and red, but the colors varied from solid to mixed and from light to dark, so that no two longhorns were alike. In temperament

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longhorns were nervous and restless, as if they wanted to move quickly at the first sign of danger. They had a sense of smell so acute that they could trail enemies on the ground. The quality which cattlemen most valued in longhorns was their adaptability. Longhorns could live anywhere, from coastal prairie to mountain pass, and from brushy timber to damp swamp. Longhorns developed slowly, reaching their maximum weight of 1,000 pounds only after ten years. Cattlemen considered longhorns mature when they reached 800 pounds at the age of four.3

The Spanish and the Mexicans began cattle ranching in Texas, and United States colonists learned the Spanish and Mexican techniques of riding, roping, branding, herding, and trailing. Texas ranchers branded cattle in cow hunts, which they conducted every spring and fall. In a cow hunt, the ranchers and workers of a neighborhood assembled in groups of ten to fifteen men. Taking provisions such as sugar, bread, bacon, blankets, and spare horses, first the groups traversed many miles gathering stock into a herd near a pen. Then each cattle owner, with his men, cut out the owner's stock, drove the unbranded calves into the pen, and branded them. When the owners accumulated enough cattle, some owners

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drove their own herds to distant markets, while other owners, probably the majority, sold their cattle to drovers who took the cattle to markets.4

Early in the year, the drover, who may have been a Texas rancher, a northern cattle buyer, or a professional drover, rode over a section of the cattle country, making contracts with the cattle owners in the section. In the contracts, the drover bought a specific number of cattle at a specific price, agreeing to pay for the cattle after he returned from driving the cattle to market. The drover designated a place where the owners would deliver the cattle. After negotiating the contracts, first the drover secured the horses, wagons, supplies, and cowboys he needed, and then he received the cattle at the point he had designated. As the owners delivered the cattle, the drover secured bills of sale from the owners, and the drover’s men put road brands on the cattle. After receiving all the cattle, the drover commenced the drive, and after selling the cattle at a market, he returned and paid the owners.5

4Willard Richardson, ed., The Texas Almanac for 1861 with Statistics, Historical and Biographical Sketches, etc. Relating to Texas (Galveston: W. and D. Richardson and Company, 1861), pp. 149-50; J. Marvin Hunter, ed., The Trail Drivers of Texas . . . (Nashville: Cokesbury Press, 1925), p. 427. After the Civil War the cow hunt developed into the roundup, with each rancher and his men finding the rancher’s cattle and branding them.

5Joseph G. McCoy, Historic Sketches of the Cattle Trade of the West and Southwest (Kansas City: Ramsey, Millett, and Hudson, 1874), pp. 78-84; Tenth Census of the United States:
Cattle trailing in Texas began in the late 1830s, when cattlemen in Texas drove cattle to towns in Louisiana. In 1838 James Taylor White made the first recorded cattle drive in Texas, when he took a herd from Anahuac to New Orleans. Early drovers established the Beef Trail, which ran from near Liberty to Alexandria, and the Opelousas Trail, which ran from the vicinity of Victoria to Opelousas. Later, cowmen extended these trails to Nachitoches, Shreveport, and New Orleans. The drives to Louisiana expanded in the 1840s, so that by 1850 more than 40,000 head crossed the Neches River at Beaumont. Beginning in the late 1840s, cowmen drove herds of cattle from Texas to the gold fields of California. In 1848 T. J. Trimmier of Washington County drove 500 head to California, and he sold the cattle for $100 per head. As Trimmier returned to Texas in 1849, he saw herd after herd of Texas cattle on the trail to California. The movement of Texas cattle to California peaked in 1854, and it declined thereafter, although it continued until the Civil War.  

In 1846 Edward Piper began the trailing of Texas cattle to northern markets, when he drove 1,000 longhorns to Missouri over the Shawnee Trail. The Shawnee Trail started in South Texas and ran north to the Red River, passing through Austin, Waco, and Dallas. It crossed the Red River at Preston in Grayson County, and it continued north, through eastern Indian Territory, over the Canadian and Arkansas rivers, to the Grand River. The trail followed the Grand River through southeastern Kansas, and then it turned northeast and passed through Missouri. In Missouri it hit the Missouri River and followed the river to St. Louis. In the early 1850s Texas drovers took large herds up the Shawnee Trail to sell to California emigrants for beef and teams. In 1854 Captain Randolph Marcy reported seeing 10,000 Texas longhorns in Indian Territory headed for St. Louis. Some drovers took cattle to cities east and north of St. Louis, since in 1856 one herd reached Illinois at Chicago, in 1857 two herds reached Illinois at Quincy, and by 1860 a few herds had reached New York at New York City.\(^7\)

The Texas longhorns which went north infected northern cattle with Texas fever. Although immune to the fever themselves, longhorn cattle spread the fever through the ticks they carried, and northerners reacted to the threat with

public protests and legislative enactments. In 1853 and in 1857, irate farmers turned back Texas herds in Missouri. In 1855 the Missouri legislature banished longhorns from the state during the summer months, and in 1858 the Kansas territorial legislature followed suit. Despite these obstacles, Texas cattlemen continued to drive herds north in the 1850s. As railroad companies constructed west, Texas drovers turned north from the Shawnee Trail and headed for new railheads in Kansas and Missouri. They sold 35,000 longhorns at Kansas City in 1857 and 32,000 in 1858. Texas cattlemen trailed their first herds to Sedalia, Missouri in 1858 and to St. Joseph, Missouri in 1859. Texas drovers suspended northern drives during the Civil War beginning in 1861, when President Abraham Lincoln banned United States trade with Confederate states.  

During the first year of the Civil War, Texans trailed cattle to New Orleans, but when the city fell to United States forces in 1862, most drovers went east of New Orleans to sell their cattle. In 1862 Jim Borroum, Monroe Choate, and W. D. H. Saunders left Goliad with 800 beeves. They traveled east, crossing the Guadalupe River at Clinton, the Colorado River at Columbus, and the Sabine River near Orange. The drovers swam their cattle across the Mississippi River and sold them  

8 Gard, "Shawnee Trail," pp. 367-69; T. R. Havins, "Texas Fever," Southwestern Historical Quarterly 52(July 1948):150-58. The fact that ticks were responsible for spreading Texas fever was not discovered until 1886.
in Mississippi at Woodville. In 1862 Terrill Jackson of Washington County hired Dudley Snyder to deliver several thousand cattle to the Confederate Commissary in Mississippi. Snyder used two lead steers he had trained to get the herd across the Mississippi. In 1862 George Haynes of Lockhart contracted with Confederate authorities to deliver several hundred steers at Shreveport. Mark Withers was one of the hands and later he recalled that Haynes, a corpulent man, traveled in a buggy with the herd. After the herd crossed the Brazos River at Port Sullivan, the hands had trouble trailing the cattle in the piney woods. At Shreveport they delivered the cattle to Confederate soldiers, who put the cattle in pens made of pine logs. During the Civil War, some Texas cowmen drove cattle to Mexico and exchanged them for items which the war made scarce in Texas. In 1863 William McAdams of Palo Pinto County trailed a herd to Mexico and exchanged it for sugar and other supplies. George Bell took a herd from Goliad to Mexico, and he traded it for coffee, spurs, knives, forks, and bridle bits.9

By 1865 in the eastern states, the Civil War had depleted supplies of beef cattle, consequently beef prices had risen. On the average, cattle sold for $30 to $40 in New York, New

Jersey, and Pennsylvania, and for $20 to $30 in Illinois, Iowa, and Wisconsin. In the western states and territories, demands for beef by United States soldiers, reservation Indians, railroad workers, and immigrant settlers kept beef prices high. Cattle sold for $20 in Kansas and Missouri and for $25 in Nebraska, Montana, Utah, and Wyoming. Thus for Texans, the ingredients existed for an economic boom in cattle. With about 5 million longhorns on the range, cattlemen in Texas could acquire cattle for practically nothing. They could buy longhorns for about $4 a head, or they could round up cattle, mavericks and otherwise, on the open range free of charge. Then the cowmen could drive the cattle up the Shawnee Trail to Missouri, feeding the cattle on the free grass and water of the open range. In Missouri the Texas drovers could accept the prices the shippers offered, or the drovers could ship the cattle to eastern cities themselves and sell them for even higher prices.


11 Tenth Census of the United States, 3:965. The Texas legislature attempted to prevent cattlemen from selling cattle they did not own. In 1866 the legislature required that cattlemen purchase livestock before removing the livestock from its accustomed range. The legislature required that
Many Texas ranchers returned from the Civil War to find their cattle running wild and roaming the ranges without a mark or a brand. They spent the remainder of 1865 on cow hunts looking for strays and branding calves. In 1866 Texas cowmen tried to reach the markets in the north. They drove 260,000 head of cattle up the Shawnee Trail toward the Missouri Pacific Railroad at Sedalia. When the drovers reached Kansas and Missouri, they found the trail blocked by farmers who feared Texas fever, and by outlaws who demanded toll payments. Some cowmen sold their cattle on the sly in the blockaded areas, while others, upon hearing of the blockades, avoided the trouble areas by turning west. They trailed their herds to Iowa and Nebraska, where they sold them for good prices. Many drovers turned east from the Shawnee Trail, eventually marketing their cattle in Chicago or St. Louis. These drovers received low prices, because their circuitous routes wore out the cattle. Owing to the blockades, the toll cowmen file in county courts bills of sale and lists of brands for the cattle they purchased. In 1871 the legislature authorized the governor to appoint agents who inspected cattlemen for bills of sale and lists of brands. The governor stationed agents at strategic points in counties where cattlemen organized cattle drives and on trails where cattle herds passed. Few Texas cattlemen allowed the government to interfere with cattle operations. Cattlemen lied to inspectors, intimidated them, and, as a last resort, burned courthouses where inspectors deposited bills of sale and lists of brands. H. P. N. Gammel, The Laws of Texas 1822-1897, 10 vols. (Austin: Gammel Book Company, 1898), 5:1105-6, 1141-43, 6:1014-23; J. Evetts Haley, Charles Goodnight, Cowman and Plainsman (Norman: University of Oklahoma Press, 1936), p. 111; Hunter, Trail Drivers of Texas, p. 704.
payments, and the low prices, by the end of 1866 most Texas cattlemen believed it unprofitable to trail north, and they did not plan northern drives for 1867.12

Nevertheless, in 1867 Joseph G. McCoy, a cattle shipper from central Illinois, made it possible for Texas drovers to market their cattle. In doing this, McCoy joined northern buyers with Texas sellers at a key transportation point in Kansas. In 1867 the Kansas legislature passed a law barring all longhorns from the state between 1 March and 1 December, but the legislature exempted from the law the unpopulated area lying in the western part of the state. Taking advantage of this exemption, McCoy got the president of the Kansas Pacific Railroad to build a station at Abilene, which lay in the exempted area. Then McCoy induced the president of the Hannibal and St. Joseph Railroad, which ran west from Chicago and joined the Kansas Pacific at the Missouri River, to lower the freight rates on the cattle his line carried. By the fall 1867, McCoy had built a stockyard, a pasture, and some loading platforms at Abilene. McCoy sent agents to meet herds in Indian Territory, and, as a result, he got 35,000 longhorns to Abilene. On the trail, drovers encountered Indian uprisings, floods, and a cholera epidemic. In Abilene thunderstorms

stampeded the cattle, and excessive rain ruined the grass. All these factors lowered the quality of the cattle, with the result that most drovers received low prices.\textsuperscript{13}

In the winter 1867-1868, McCoy spent $5,000 promoting Abilene and advertising the Chisholm Trail. This new trail ran considerably west of the places, where in 1866 drovers had encountered troubles. McCoy sent letters to cattle ranchers in Texas and to cattle buyers in western territories and in eastern states, and he published notices in major Texas newspapers. In the spring 1868, Texas drovers gathered herds of cattle and followed the Chisholm Trail to Abilene. The Chisholm Trail followed the Shawnee Trail from the Rio Grande in South Texas to Waco in Central Texas. At Waco the Chisholm Trail turned slightly west of the Shawnee Trail, crossing the Trinity River at Fort Worth and the Red River at Red River Station in Montague County. After crossing the Red River, the trail ran north through Indian Territory to Kansas, crossing five rivers, the Washita, the South Canadian, the North Canadian, the Cimarron, and the Salt Fork of the Arkansas. The Chisholm Trail entered Kansas in the south central part of the state and ran straight north to Abilene.\textsuperscript{14}

\textsuperscript{13}McCoy, \textit{Sketches of the Cattle Trade}, pp. 39-53. In 1867, in addition to Kansas, the legislatures of Colorado, Nebraska, Missouri, Illinois, and Kentucky passed laws restricting the entrance of Texas longhorns.

\textsuperscript{14}\textit{Ibid.}, p. 121; Wayne Gard, "Retracing the Chisholm Trail," \textit{Southwestern Historical Quarterly} 60(July 1956):57-60.
In 1868 drovers trailed 75,000 longhorns to Abilene, but few buyers arrived in the town. Texas fever broke out in Cairo, Illinois, among native cattle which had grazed with Texas cattle. Fear and panic seized cattle buyers as cattlemen reported cases of fever in Indiana, Pennsylvania, New Jersey, and New York. McCoy quickly organized a publicity campaign which brought buyers to Abilene from Iowa, Nebraska, Kansas, Missouri, and Illinois. In one publicity stunt, McCoy loaded a railroad car with wild buffalo, covered the car with advertisements, and sent it to Chicago. Thereafter he sent excursion trains to Illinois which brought cattle buyers to Abilene. Once the Illinois buyers observed the healthy state of Texas cattle, the buyers bought the cattle. As a result of McCoy's efforts, Texas drovers sold their cattle at good prices.\textsuperscript{15}

In 1869 again McCoy saved the market for Texas cattle. In the spring, the Illinois legislature introduced a bill which banned Texas cattle from the state. If the bill had passed unchanged, it would have blocked Texas cattle from the slaughterhouses in Chicago. Before the bill passed, the legislature, under McCoy's influence, amended the bill. In the amendment, the legislature exempted from the ban Texas cattle that had been wintered in the North before being

\textsuperscript{15}McCoy, Sketches of the Cattle Trade, pp. 148-50, 178-82; Report of the Commissioner of Agriculture for the Year 1868, p. 38.
shipped to market. The amendment required that public officials certify such cattle, but it permitted them to base certification solely on the statements of the cattle sellers. With this amendment, McCoy removed the last obstacle to longhorn sales in Kansas, and Texas cattlemen drove herds of longhorns north to Kansas through the remaining years of Texas Reconstruction, 1869-1874.16

In May 1869, the first herds of a record 150,000 longhorns arrived in Abilene. Shippers paid highest prices, $25 to $35, for beef steers weighing at least 800 pounds. Owing to loss of weight which many cattle experienced on a drive from Texas, few longhorns brought top prices until drovers grazed them through the summer around Abilene. Even then buyers from eastern slaughterhouses usually shipped longhorns to corn country in Illinois or Iowa to graze them a month before slaughtering them in the fall. Randolph Paine of Denton County paid $12 each for 3,000 four and five-year-old steers. After feeding them on a leisurely drive to Abilene, he sold them for $30 a head. In addition to prime beef steers, most Texas herds contained two and three-year-olds, dry cows, and cows with calves. Texas cowmen sold these cattle to western buyers who wanted to stock ranges in states and territories such as Kansas, Nebraska, Wyoming, Dakota, Montana, California, Nevada, and Washington. Western ranchers

16McCoy, Sketches of the Cattle Trade, pp. 185-89.
especially desired young Texas steers. These steers, when they matured on western ranges, grew larger and fatter than they grew when they matured in Texas. Western ranchers bought two, three, and four-year-old steers just up from Texas, fed them until they were five years old, and then sold them for top prices.17

In 1869 western ranchers bought whole herds of Texas cattle to stock their ranges. J. F. Ellison of Caldwell County, Texas, trailed 750 mixed cattle to Abilene, and he sold them all to one buyer for a net profit of $9,000. Bill Montgomery trailed 4,500 stock cattle from Lockhart, Texas, to Abilene. Plagued by wet, stormy weather, he reached Abilene late in June. After grazing the cattle around Abilene for a month, he sold the herd to a buyer from California for $25 a head. In 1870 a freight war among northern railroad

17 New York Times, 4 November 1870; Gard, Chisholm Trail, p. 92; Hunter, Trail Drivers of Texas, p. 561; Ernest S. Osgood, The Day of the Cattleman (Chicago: University of Chicago Press, 1929), p. 46. Cows in Texas produced about 30 percent more calves than cows on northern ranges, yet young Texas steers gained weight more rapidly on northern ranges than they did on Texas ranges. Beginning about 1869, because of these phenomena, Texas became a breeding ground for cattle which were driven north to be matured for market. Report from the Chief of the Bureau of Statistics, pp. 15, 26-28. In 1872 a representative for the New York Times in Solomon, Kansas estimated that western ranchers made a net profit of $9 a head, when they wintered two and three-year-old Texas steers on western ranges until the steers were five years old. Western ranchers made even greater profits by wintering four-year-old steers for one year. They paid $20 to $26 each for the steers, wintered them one year for about $5 each, and then sold them for about $43 each. New York Times, 21 December 1872.
companies kept cattle prices high. The cost of shipping longhorns from Chicago to New York dropped to $1 per car, and the cattle shippers passed the savings to the cattle sellers in higher prices. Three hundred thousand longhorns reached Abilene, and many drovers made profits of from $15 to $25 a head.18

Expecting large profits, Texas drovers trailed 600,000 cattle to Abilene in 1871. They glutted the market with beef cattle, and prices fell. Many cowmen tried to fatten cattle by grazing them around Abilene, but stormy weather ruined the grass and caused stampedes. As a result, the cattle grew leaner instead of fatter. Drovers managed to sell 100,000 longhorns as stock cattle, but they had to borrow money to winter 200,000 head on western ranges. An early blizzard killed thousands of cattle and drove many cattlemen bankrupt. Cowboys skinned many of the dead cattle and shipped the hides east. At one railroad station, buyers shipped east over 50,000 hides. In 1870 H. D. Gruene had made good money working as a cowboy for William Green of Llano County. He had helped trail a herd first from Llano County to Kansas and then from Kansas to Utah. In 1871 Gruene bought 335 head and trailed them to Kansas with Green's herd. When Gruene reached Kansas, he found money so scarce that he sold the

18 McCoy, Sketches of the Cattle Trade, pp. 189-90, 225; Osgood, Day of the Cattleman, p. 46; Hunter, Trail Drivers of Texas, pp. 477, 42.
cattle on credit, and he lost everything when his buyer went bankrupt. As a result, Gruene left the cattle business, and after returning to Texas, he worked in a store. Cattlemen who sold herds and trailed them north for buyers lost too. Sam Garner and Wash Murray drove a herd from Lockhart to the Solomon River in Kansas, where they agreed to deliver the herd to a buyer in Salt Lake City. On the trip to Salt Lake City, snow fell so deep that it covered the grass, and many cattle and horses froze right in camp. After Garner and Murray trailed the remainder of the herd 300 miles through the snow, the buyer refused to receive the herd until the weather moderated.  

Owing to the disaster of 1871, the number of cattle Texas drovers sold in Kansas dropped to 350,000 in 1872. Railroad stations to the south and west of Abilene enjoyed their first big year. Ellsworth, west of Abilene on the Kansas and Pacific Railroad, took over most of Abilene's cattle business. Many businessmen in Abilene moved to Ellsworth, including the owner of the largest hotel who dismantled his building and moved it, in sections, to the new town. Wichita, south of Abilene on the Atcheson, Topeka and Santa Fe Railway, opened its cattle business. Wichita's

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19 McCoy, Sketches of the Cattle Trade, pp. 225-28; Osgood, Day of the Cattleman, p. 46; Hunter, Trail Drivers of Texas, pp. 468, 761. The winter of 1871-1872 was hard on cattle in Texas too. Thousands of cattle froze to death in Goliad, Victoria, and Refugio counties, and cowboys skinned them on the prairies.
stockyards could hold 2,500 cattle, and its station could load ten railroad cars an hour. Demand for beef cattle was high, with prices starting at $26, and it remained high through the fall, helped by a bountiful corn crop in the east. Between 15 August and 15 November, shipping points in Kansas sent east 160,418 cattle. The market for mixed cattle was good, as western ranchers bought range stock and young steers. About 65 percent of the cattle marketed in Kansas in 1872 went to western ranges.20

In 1873 the 500,000 longhorns that arrived in Kansas glutted the market and drove down prices. Some drovers sold cattle early to Indian reservations, but many drovers, expecting a fall market, borrowed money and awaited price increases. By 1 September Texas drovers had borrowed $1,500,000, mostly in short-term loans which they expected to pay in October. Cattle prices did not rise in the fall, instead the panic of 1873 began in September, and prices plunged. Banks could not extend loans, and drovers put cattle on the market for what they could get. Some drovers sold to speculators, while other cowmen sold to tallow factories, but sellers lost over $2 million. Speculators wintered about 200,000 head on the plains, and they sold the cattle when prices rose the following spring. In 1874, the year Reconstruction ended in Texas, drovers trailed 166,000 cattle from Texas to Kansas. Cattle prices

20 McCoy, Sketches of the Cattle Trade, pp. 248, 228, 236; Gard, Chisholm Trail, pp. 185-91.
rose above the panic prices of 1873, but they remained below the prices of previous years.\footnote{McCoy, Sketches of the Cattle Trade, pp. 244-52; Report from the Chief of the Bureau of Statistics, p. 31; Hunter, Trail Drivers of Texas, p. 756.}

Thus in Texas during Reconstruction, the raising, buying, trailing, and marketing of cattle became a major industry. Many Texans sold cattle for quick profits, and they invested the profits in permanent cattle businesses. Christopher C. Slaughter, a rancher in Palo Pinto County, came out of the Civil War heavily in debt. In 1867 Slaughter drove 300 beef steers to a slaughterhouse in Jefferson, where he sold them for $35 a head. With the profits, he paid his debts and formed a company with George W. Slaughter, his father, and through the remainder of Reconstruction the Slaughters raised and bought cattle, drove the cattle north, and sold them in Kansas. Despite Indian raids, trail disasters, and the ups and downs in the cattle market, the Slaughters made good profits every year. They made $32,000 in 1868, $90,000 in 1869, $105,000 in 1870, $66,000 in 1871, $66,000 in 1873, and $60,000 in 1874. In 1871 the Slaughters moved their headquarters from Texas to Kansas, so they could supervise the selling and wintering of their cattle. By 1880 Christopher C. Slaughter owned more than 1 million acres of land on ranches in Texas, Kansas, and Montana. After the Civil War, George Littlefield, a cotton planter in Gonzales County, lost his
crops and went into debt. In 1871 Littlefield rounded up 1,300 longhorns, which included 600 he owned and 700 he bought from neighbors on credit. After trailing the cattle to Abilene, Littlefield sold them for such a profit that he switched interests from cotton to cattle. Possessing a shrewd business sense, in 1873 Littlefield sold his cattle early for fair prices. After the panic hit, he bought cattle for low prices, fed them through the winter in Kansas, and sold them in the spring for sizable profits. By 1876 Littlefield's cattle operations extended from Dakota to Texas, and they included all phases of the industry, from raising and buying cattle, to driving and selling cattle, to wintering and breeding cattle.22

Charles Goodnight was typical of many Texans who climbed out of virtual poverty to great wealth during Reconstruction, by taking advantage of the opportunities the cattle industry offered. Goodnight was born in Illinois in 1836, and he became conditioned to hard work and privation in his early years. His father died in 1841, and Charlotte Goodnight, Charles's mother, remarried. In 1845 Charles's stepfather

moved the Goodnight family to Texas. Soon after the family arrived in Texas, the stepfather proved unfaithful and Charlotte deserted him taking her three children. Until Charlotte remarried in 1853, the Goodnights lived impermanently in first one farm community and then another in the vicinity of Waco. In the late 1840s and early 1850s, Goodnight labored at a number of jobs, including working farms, cleaning stores, breaking horses, and hauling freight. In 1856 Goodnight and Wes Sheek, Goodnight's stepbrother, signed a contract with Claiborn Varner, a rancher in Palo Pino County. In the contract, Goodnight and Sheek agreed to look after 430 of Varner's cattle for ten years and to accept every fourth new calf as pay. In this way, by 1860 Goodnight and Sheek owned 180 cattle.23

From 1861 to 1864, Goodnight fought as a frontier scout in the Confederate Army. When Goodnight's enlistment expired in 1864, he returned to Palo Pinto County and found that he and Sheek owned 5,000 head of cattle. In 1864 and in 1865, Goodnight rounded up and branded cattle, and in 1866 he and Oliver Loving, a neighbor, took 1,000 head to market. They trailed the cattle from the vicinity of Fort Belknap on the upper Brazos River west to the Pecos River, and then they followed the Pecos River north to Fort Sumner in New Mexico Territory. At Fort Sumner, they sold the beef cattle, 700

to 800 head, for $6,000 to agents of the Navaho-Apache reservation. Then while Loving trailed the stock cattle to Denver, Goodnight returned to Palo Pinto County and trailed another herd of 1,200 steers to Fort Summer. In the winter 1866-1867, Goodnight and Loving sold cattle in Santa Fe, and they established a ranch near Fort Summer. In 1867 Indians killed Loving, and thereafter Goodnight established cattle operations extending from Texas to all over the West. Living at ranches first in New Mexico and later in Colorado, Goodnight bought longhorns which drovers trailed from Texas. Then Goodnight sold the cattle at Indian reservations, ranches, and cities in the West. In 1870 Goodnight signed a contract with John Chisum, a rancher and trail driver from North Texas. In the three years the contract lasted, Goodnight received cattle Chisum trailed from Texas, paying Chisum $1 per head over Texas prices. Then Goodnight sold the cattle in New Mexico, Colorado, Wyoming, and Nebraska, splitting his profits equally with Chisum. With his profits, Chisum established a ranch near Fort Sumner and stocked it with 60,000 cattle. In the early 1870s, Goodnight experimented with breeding northern shorthorn cattle with Texas longhorns, and he invested in banks and real estate in Pueblo, Colorado. Goodnight lost all his property in the panic of 1873, except a ranch in Colorado and 1,800 longhorns.24

24Haley, Charles Goodnight, pp. 120-84, 198-230; Hunter, Trail Drivers of Texas, p. 951; McCoy, Sketches of the Cattle
Beginning about 1870, trailing contractors took herds of longhorns north from Texas. For $1.00 to $1.50 a head, these contractors secured drovers who picked up cattle from Texas ranchers, trailed the cattle north, and sold them. Considering that a contractor's expense for trailing 3,000 head of cattle from Texas to Kansas was about $1,000, the profits of the trailing contractor were considerable. For Texas ranchers, contracting was cheaper than shipping by rail from Texas, which cost $5 a head. In addition contracting relieved ranchers of the time and expense involved in securing drovers, supplies, and wagons, in making trail drives, and in selling cattle. Littlefield and Goodnight engaged in trail contracting, as did other men such as Ike Pryor, John Lytle, Thomas McDaniel, Moses and Samuel Coggins, W. C. Parks, James Ellison, John Myers, Dillard Fant, George West, John O. Dewees, Eugene Millett, and Seth Mabry. By 1875 trailing contractors owned or controlled most of the cattle that went north from Texas.25

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The story of Eugene Millett probably was typical of all trailing contractors. Before the Civil War, Millett owned a ranch in Guadalupe County. He left the ranch to fight for the Confederacy in 1861 and when he returned in 1865, he found his cattle spread all over the range. In 1866 he made $850 from a cattle sale, and with this money he took a herd north under contract for Alexander Ewing and H. H. Myers. He took the herd to Cairo, Illinois, where he sold it and made $2,600. Thereafter Eugene Millett, with Hiram and Alonzo, his brothers, established a business to trail herds north for ranchers. In 1869 they made $6,000 on a drive they made to Nevada, and in 1870 they cleared $12,000 total on two drives they made, one to Nevada and one to Abilene. In 1871 Eugene Millett secured a contract from the United States Army, agreeing to supply beef cattle to three Indian reservations in Dakota Territory. Under the agreement, Millett drove a herd of cattle to Dakota in 1872. When he learned he had cattle for only two of the reservations, he wired Seth Mabry, a trail driving contractor miles. This cost included $330 for ten drovers and a cook, $100 for a trail boss, and $100 for provisions. A drive from South Texas to Kansas covered about 1,000 miles, and it lasted usually about two months. Thus the contractor's expense on such a drive was about thirty-five cents a head. If the contractor charged the rancher $1 per head, the contractor's profit would be 65 percent on each head in a herd of 3,000 cattle. In 1884 Ike Pryor supervised the driving of fifteen herds, with 3,000 cattle each, up the trail. The Missouri, Kansas and Texas Railroad, which joined the Houston and Texas Central at Denison beginning in 1873, charged $5 a head for cattle shipped from Dallas to St. Louis.
in Austin, who sent several cattle herds to Millett. Millett and Mabry formed a partnership which lasted until 1875. Under the partnership, Millett found buyers in Kansas for cattle that Mabry sent up the trail from Texas. In 1875 Millett and Mabry supervised one operation which included borrowing $540,000, buying 52,000 cattle, trailing seventeen herds from Texas, and arranging sales and dividing the herds among buyers from Indian reservations and northern ranches.26

When the market for Texas cattle opened at Abilene, the market at New Orleans declined, because buyers in Abilene paid twice the prices that buyers in New Orleans paid. Nevertheless, through Reconstruction ranchers on and near the Texas Gulf Coast shipped sizable numbers of cattle by steamship to New Orleans and other ports. Beginning in 1848, Texas ranchers had shipped longhorns from Galveston to New Orleans on Morgan steamers. In 1856 steamers had carried 6,000 longhorns from Texas ports to New Orleans. Immediately after the Civil War in 1865, J. M. Foster began exporting cattle to New Orleans from Indianola on Morgan steamers. In 1867 Abel H. (Shanghai) Pierce used the profits he made on a trail drive to establish a cattle exporting business at Palacios in Matagorda County. Under a contract Pierce made with Allen and Poole, Galveston shippers, steamers tied up

at Palacios twice a week, took on 500 cattle, and transported
them either to New Orleans or to Havana. Pierce made $5,500
on the first shipment, and thereafter he expanded, buying
cattle from ranchers at $2.50 a head and selling them to
Allen and Poole for $10.00. By 1870 Pierce had bought a
ranch which extended over three counties, and he had become
a full partner with Allen and Poole.27

Cattlemen exported cattle by water at other points on
the Gulf Coast, including Port Lavaca, Rockport, St. Mary's,
and Corpus Christi. Buyers from New Orleans lived in
Indianola, and they paid $12 to $18 a head for beef steers. When Abilene opened as a market, cattle exports declined at
Texas ports, from 100,360 head in 1869 to 58,078 in 1873.
In 1871 Shanghai Pierce sold out to Allen and Poole for
$110,000, and he moved to Kansas, where he became a cattle
buyer.28

27 Dale, Range Cattle Industry, p. 36; Tenth Census of
the United States, 3:965; Gard, Chisholm Trail, p. 24; Chris
Emmett, Shanghai Pierce, A Fair Likeness (Norman: University
of Oklahoma Press, 1953), pp. 29, 48-51; Charles Birrego,
Riesta and Spurs, The Story of a Lifetime Spent in the Saddle
as Cowboy and Detective (Boston: Houghton Mifflin and Com-
pany, 1927), pp. 10-11; C. L. Douglas, Cattle Kings of Texas
(Dallas: Cecil Baugh, 1939), p. 42.

28 J. Frank Dobie, A Vaquero of the Brush Country (Boston:
Little, Brown and Company, 1949), pp. 21-22; Willard Richard-
son, ed., The Texas Almanac for 1870 and Emigrant's Guide to
Texas (Galveston: W. and D. Richardson and Company, 1870),
p. 124-26, 168; Willard Richardson, ed., The Texas Almanac
for 1873 and Emigrant's Guide to Texas (Galveston: W. and D.
Richardson and Company, 1873), pp. 48, 39.
From 1865 to about 1875, the supply of cattle in Texas exceeded the demand, and slaughterhouses opened in the cattle country. A few ranchers opened packing plants on their ranches, including Richard King in South Texas, William Grimes in Matagorda County, George Fulton in Aransas County, and Shanghai Pierce on Tres Palacios Bay. With slaughterhouses, these ranchers disposed of animals they considered unfit for shipment to market. Some ranchers who bought cattle used packing plants to recover some of their expenses. Shanghai Pierce bought whole herds of longhorns, and he made a profit on all animals. He sent the beef cattle to market, he put the stock cattle on the range, and he sent the scrub cattle to the slaughterhouse. Businessmen opened packing plants at Rockport, Galveston, Jefferson, Victoria, and Indianola. W. S. Hall ran a packing plant at Rockport in the late 1860s. He bought cattle from nearby ranches, paying $12.50 for beeves, $9.00 for cows, and $4.00 for yearlings. In the eight years Hall operated, he processed 40,000 head. At Galveston Allen and Poole's packing house slaughtered 20,000 cattle per year, and at Jefferson John R. Wilson's plant processed 7,000 head a year. One packing plant opened at Victoria, and several plants operated at Indianola.29

Some packers just stripped the hides and rendered the tallow from the cattle, while other packers processed the meat as well. At first Richard King tried to preserve the meat for shipment by injecting brine into the cattle before he slaughtered them. This proved unsuccessful, and then King boiled the tallow from the meat and threw the meat to the hogs. At Rockport some large plants extracted only the tallow, and they offered the cooked meat free to anyone who hauled it away. When the plants failed to dispose of all the meat in this way, either they threw what was left in the bay, or they piled it on the beach. On the other hand, William Grimes slaughtered over 300 cattle per day, processing beef as well as hides and tallow. He sold Grimes's Canned Beef all over the South, advertising it as wholesome, delectable, and palatable. M. B. Hall produced canned meat, as well as hides and tallow, and he shipped these products to New Orleans, to New York, and to cities in Europe. The prices packers received from hides, at nine cents to fifteen cents per pound, and for tallow, at eight and one-half cents per pound, were higher than the price they received for beef, at five cents a pound. The higher prices for hides and tallow as compared to beef probably explains why packers exported more hides and more

*News*, 4 January 1867, 24 January 1868, 12 February 1869, 9 December 1868, 27 January 1868; Hunter, *Trail Drivers of Texas*, p. 213. The first refrigerated slaughterhouse in the United States was established at Fulton in Aransas County during Reconstruction.
tallow than beef. In 1869 packing plants in Texas shipped 567,762 hides, 1,690,000 pounds of tallow, and only 27,850 pounds of beef.30

Despite all the prospects that meat packing seemed to offer in the early 1870s, the industry declined. Between 1870 and 1880 the number of meat packing plants in Texas dropped from fifteen to three. Meat packing declined because the surplus cattle that had brought the industry into existence disappeared, and because the industry could not compete with the northern drives. In 1873 the Texas and Atlantic Refrigeration Company opened in Denison, and despite the efforts of Joseph G. McCoy as a promoter, it failed in three years because it could not make enough money to attract new capital. Another company which opened in Fort Worth in 1877 went broke by 1880 in spite of its use of refrigerated cars. In Matagorda County, William Grimes's packery employed 100 men in 1870, but thereafter Grimes trailed herds north, and he did not reinvest profits in his packing house.31

30Lea, The King Ranch, 1:259; Dobie, Vaquero of the Brush Country, pp. 27-28; Vera Lea Dugas, "Texas Industry, 1860-1880," Southwestern Historical Quarterly 59(October 1955):168; Hunter, Trail Drivers of Texas, p. 213; Richardson, Texas Almanac for 1870, p. 168. Texas tallow was in such demand in England that Lemanius and Company, Liverpool brokers, informed Thomas W. House, Houston cotton merchant, that the company could sell at good prices all the tallow House could supply. Lemanius to House, 22 January 1870, T. W. House Papers, University of Texas Archives, Austin, Texas.

The marketing of cattle during Reconstruction, by trailing to Kansas, by shipping to New Orleans, and by slaughtering in local packing plants, brought prosperity to Texas. The demands of drovers on the trails helped transform small towns into thriving cities such as San Antonio, Austin, Waco, Fort Worth, and Dallas. The marketing of cattle caused boom conditions in coastal towns such as Indianola, Corpus Christi, Rockport, Fulton, and St. Mary's. The demands of cattlemen on the range brought to life communities such as Prairie Lea, Castroville, Cuero, Gonzales, Comfort, and Lockhart. The cattle trade distributed gold and silver over Texas, as cattlemen spent the money they made. In 1866 Charles Goodnight returned from Fort Sumner with $6,000 in gold, and in 1867 Christopher C. Slaughter took home $10,500 from his first drive. George Littlefield carried so much gold when he bought cattle that at times his carriage stuck in mud. Shanghai Pierce paid gold when he bought cattle, and George Saunders, rancher, felt redeemed when he sold cattle to Pierce. Saunders recalled:

I remember seeing him many times come to our camp where he had contracts to receive beeves. He was ... accompanied by a negro who led a pack horse loaded with gold and silver. ... He would generally buy 200 or 300 head at a time. The cowmen would round up large herds at different times and Colonel Pierce would select what he wanted. We all looked upon him as a redeemer, and were glad to sell our cattle at any price as money was scarce in those ... days before the northern trail began.32

32 Prose and Poetry, p. 61; Cox, Historical and Biographical Record, p. 22; Haley, George W. Littlefield, pp. 71-72; Hunter, Trail Drivers of Texas, pp. 923-24.
The cattle business caused banks to expand in Texas, especially in newly settled portions of the state. Before the Civil War, commission merchants located in cities in East Texas performed banking operations. With the rise of the cattle trade following the war, merchants located in towns and crossroads in Central and South Texas began banking operations. In 1869 Charles Schreiner opened a store in Kerrville in the heart of cattle country, and he provided what amounted to banking services to customers. With money in short supply, Schreiner accepted what he could get in payment for goods including cattle, hides, honey, beeswax, and shingles in addition to money. He advanced supplies to cattlemen who made drives, accepting payment for the supplies after the cattlemen returned from the drives. Also he took for deposit money from cattle buyers, thereafter allowing the buyers to pay for cattle with orders on the store. In Gonzales Dilworth and Lewis, a mercantile firm, acted as a bank, selling goods on credit and taking money for deposit. Also the firm loaned money, collecting interest at 2 percent per month, and it cashed drafts on some out of state banks, charging $1 for each $100 of a draft. The evolution of banking among merchants in the cattle areas of Texas contributed to increasing the number of private banks in the state during Reconstruction from fifteen
in 1868, to forty-three in 1870, to seventy-seven in 1872, and to eighty-three in 1873.\textsuperscript{33}

Probably the merchants were as responsible as the ranchers and the drovers for the success of the cattle industry. Daniel Sullivan, a merchant in Indianola, furnished the money with which Shanghai Pierce bought his first herd of cattle. Then Sullivan advanced the supplies which Pierce used when he trailed the herd to New Orleans. Dilworth and Lewis of Gonzales advanced George Littlefield the supplies which Littlefield used on his first cattle drive. Upon his return, Littlefield became a partner with Dilworth and Lewis. In 1874 Charles Schreiner became a partner in a cattle driving company with John T. Lytle, Thomas M. McDaniel, and John W. Light. Until 1887, when the company disbanded, Schreiner furnished the money and the provisions which Lytle and McDaniel used to drive over 600,000 cattle to northern markets.\textsuperscript{34}


Thus the cattle industry boomed in Texas during Reconstruction. The ingredients for the boom existed in 1865, when Texas had great supplies of longhorns and the eastern and western United States had high demands for cattle. In 1866 and 1867, farmers who feared Texas fever blocked Texas cattle from the biggest markets for Texas cattle in Kansas. In 1867 Joseph G. McCoy solved this problem when he established Abilene, and from 1867 to 1874 Texans drove over 2 million longhorns to Kansas. In Kansas Texans sold their cattle for high prices to eastern meat packers and to western cattle ranchers except in two bad years. In 1871 a hard winter froze thousands of cattle, and in 1873 a financial panic lowered prices of cattle. In 1866 and 1867, before McCoy opened Kansas markets to Texas cattle, Charles Goodnight established cattle markets in New Mexico. Beginning in 1866 Goodnight and Oliver Loving drove longhorns to Fort Sumner, and thereafter until 1874 Goodnight supplied thousands of Texas longhorns to markets all over the West.

About 1869 the Texas cattle industry began to develop specialized enterprises, with Texas ranchers wintering young Texas steers on northern ranges and with Texas trail companies driving herds north under contract. Through Reconstruction Texas cattlemen shipped cattle by steamer from Texas ports to Gulf cities such as New Orleans and Havana. Also Texas cowmen shipped hides, tallow, and meat from packing plants in Texas to cities in the North and in Europe. Through Reconstruction
private banks developed when the cattlemen deposited gold and silver money with the merchants, and when the merchants made loans and cashed drafts. Finally, during Reconstruction the cattle industry offered opportunities for enterprising individuals to invest quick profits in lucrative businesses. Men such as Christopher Slaughter, George Littlefield, Charles Goodnight, Eugene Millett, Seth Mabry, Shanghai Pierce, Charles Schreiner, and many others established cattle empires which lasted until long after Reconstruction ended.
CHAPTER VII

CONCLUSIONS

During Reconstruction 1865-1874 Texans divided into political factions. After the Civil War ended in 1865, two factions contended for power. Unionists had opposed secession and had supported the United States in the war. Conservatives had favored secession and had fought for the Confederacy. Unionists were Republicans and Conservatives were Democrats. Unionists were in command while Andrew J. Hamilton was governor in 1865 and 1866, but Conservatives came into power when James W. Throckmorton was elected governor in 1866. When Congress rejected the Conservative program, unionists divided into Moderates and Radicals. When the Radicals elected Edmund J. Davis governor in 1869, the Moderates and Conservatives united, and they returned the Conservatives to power in 1874. Moderates and Conservatives during Reconstruction and historians writing later charged that the Davis government was dictatorial, corrupt, wasteful, and devoid of worthy accomplishments. Examination of the taxing, and spending policies of the Davis government substantiates few if any of these charges.

Critics of the Davis government charged that it raised taxes beyond all reason and beyond the ability of most Texans
to pay. In 1870 and in 1871, the Davis government raised taxes. It raised the state ad valorem tax from 15 cents to 50 cents on $100 valuation, it increased the state poll tax from $1 to $2, and it increased the coverage of occupation taxes. In addition the Davis government permitted counties to tax up to 97.5 cents on $100 valuation for roads, bridges, and public buildings, and it allowed counties to tax $1.25 per $100 for schools. The Davis government was hardly dictatorial, since in 1871, responding to criticism, it reduced the poll tax to $1 and the county taxes for roads, bridges, and buildings to 25 cents. Still such taxes surely seemed burdensome to many Texans, since before the Civil War state taxes were low, because indemnity bonds paid for state services. But after the war, with no indemnity bonds, Texas governments had to increase taxes to rebuild roads, bridges, and public buildings which war had dilapidated, to restore law and order which war had disrupted, and to establish public schools which emancipation had justified. The Conservatives who took over government in 1874 levied about the same tax rates. They reduced the school tax to twenty-five cents, but they retained the same state ad valorem tax, and they increased the poll tax and the county ad valorem tax.

Surely Texans could pay the Radical taxes, since at their maximum rates in 1871 the total state and county taxes amounted to only 1.77 percent of the assessed value of property in Texas. This was lower than the 1.97 percent average in the
United States, it was lower than the 2.07 percent average in the former Union states, and it was about the same as the 1.74 percent average for the former Confederate states. Edmund J. Davis focused attention on the need to reform the assessment and collection of taxes. In 1873 he told the legislature how the state lost revenue when individuals and corporations assessed their own property, when sheriffs and banks speculated with tax money, and when the state and the counties failed to collect back taxes. The 1873 legislature, which Democrats controlled, paid no attention to Davis's message, but later, after Reconstruction ended, the legislature acted to close the tax loopholes.

To Conservatives and Moderates Davis needlessly increased government expenses. Radical expenses averaged about $1,000,000 per year, far above the $200,000 of 1858 and twice the appropriations of 1866. Sixty percent of Radical appropriations paid the budget of state asylums, state courts, executive departments, and the salaries of state officers and legislators. One could expect these appropriations to increase when the state's population increased, when legislative sessions changed from biennial to annual, and when state institutions and departments made repairs which the Civil War necessitated. Though Conservatives and Moderates believed salary items were unjustified while the Davis government was in power, they did not lower the salaries after the Redeemer government took over.
About 40 percent of Radical expenses went to programs of law and order and public education. Such programs were new and one could expect them to be expensive. Lawlessness had always been a problem in Texas, and it was aggravated during Reconstruction when Confederates did not accept Republican rule. The Davis government created a standing force of rangers to subdue Indians on the frontier, and it established a force of state police to quell civil disturbances and to protect blacks. The government provided additional men for use in emergencies by creating a reserve militia force. The rangers, state police, and militia failed to bring law and order to Texas because the problem was enormous. The state was too large, the rangers too few, and the United States policy too lax for the Davis government to control the Indians. The areas of disorder were too numerous, and the Confederates were too recalcitrant for the state police to bring law and order. The problem of law and order lasted until long after Reconstruction ended, and though Texas governments spent huge sums of money, they never solved the problem until after the frontier ended. The Davis government incurred a considerable expense when it established a system of public education in Texas. Surely the expense was justified, since practically every Texas governor before Davis had committed himself to the establishment of public schools.

Far from being wasteful or extravagant, Edmund J. Davis was conservative in paying for Radical programs. He tried
to pay for the programs with the taxes he collected. When this proved impossible, Davis reduced some programs to save money, and he sold bonds to finance other programs. Davis attempted to prevent waste and speculation in Texas bonds, repudiating bonds he considered fraudulent and demanding high prices for bonds he sold. He pursued this policy, though in 1872 it lowered the price of Texas bonds. As a result, Davis left office with a debt of only $2 million, which was far less than nearly every other state in the Union. Little corruption existed in the Davis administration, probably because Davis attempted to control his officials. When the commissioners of the Agriculture and Mechanical College misused the public money, Davis removed them, and when the state treasurer violated the public trust, Davis replaced him. Davis took these actions, though he knew they would solidify Conservatives and Moderates and end his administration.

Davis protected the public interest in his railroad policies. At his request, the legislature investigated the six railroad companies which owed the school fund money on prewar loans. Based on its investigation, the legislature refinanced the loans of five companies, and it sold one company at auction. Davis withstood the pressures of railroad executives who demanded exorbitant aid to build railroads. He requested that the legislature subsidize no more than one railroad company which proposed a line connecting the major towns in Texas and had a reputation proving its reliability.
Davis approved the International bill which conformed to his guidelines, and he vetoed the Southern Pacific bill which did not. Davis used his powers to protect the public from railroad abuses. He forced the Houston and Texas Central Company to pay its fair share of taxes, and he pressured the Galveston, Harrisburg and San Antonio Company to charge fair rates. Thus Edmund J. Davis, far from trying to punish enemies and reward friends, attempted to reform the tax system, to keep government expenditures within the income of the state, and to control railroad subsidies and railroad practices. In view of the disorganization and bitterness that Davis had to deal with when the Confederacy lost the Civil War and slavery collapsed, when political interests realigned and the economy expanded, he could never have obtained his goals. However he should rank as one of the best governors of Texas because, in such times, he tried.

Historians who criticize the governments in Texas during Reconstruction find little economic development and prosperity in Texas during the period. To these historians Republican rule during Reconstruction stifled development and prevented prosperity until Democrats returned to power in 1874. But in depth investigation of Reconstruction reveals much prosperity and significant economic development. Railroad companies recovered quickly from the dilapidations they experienced during the Civil War. By the early 1870s most railroad companies which had constructed track in the 1850s had secured
new capital, had refurbished their railroads, and had renewed their construction. By the end of 1873 railroads crossed the eastern, central, and southern parts of Texas. The Houston and Texas Central ran north from Houston to Denison, through Hempstead, Bryan, Waco, and Dallas. At Denison it joined the Missouri, Kansas and Texas, which ran from Denison to Kansas City. Also a branch of the Houston and Texas Central ran west from Hempstead to Austin. The International and Great Northern joined Galveston to Texarkana, through Houston, Palestine, and Longview. The Texas and Pacific connected Dallas to Longview and Texarkana, and at Texarkana it joined the St. Louis and Iron Mountain, which ran from Texarkana to St. Louis. The Gulf, Western Texas and Pacific joined Victoria and Cuero to Indianola. Railroad construction during Reconstruction created many opportunities for investments, created needs for new businesses, brought immigrants into Texas, stimulated growth of towns and cities, and connected Texas to markets in the northern and eastern United States.

Texas farmers experienced some bad years immediately after the Civil War. The war caused deaths and dislocations among some farm families, and emancipation necessitated new relationships between white farm owners and black farm workers. In the eastern, central, and southeastern portions of Texas bad weather destroyed crops and put many planters into debt. In these areas some planters refused to face their problems and declared bankruptcy, but many planters solved their
problems and eventually prospered. They solved labor problems by negotiating contracts, and they paid debts by selling land to immigrants and railroad companies or by borrowing from factors and friends. Through Reconstruction immigrants put new lands under production in Northwest and Central Texas. With this expansion and with the return of good weather in eastern and southeastern Texas, Texas production of cotton, corn, and wheat increased so that by the early 1870s it again reached the levels of 1859. By the end of Reconstruction, the railroads and telegraphs had revolutionized cotton marketing. Texas cotton farmers could sell their crops to mills in the United States, shipping the cotton by rail, or they could market their crops in England, arranging the sales via telegraph. Texas cotton farmers received high prices for their cotton through most of Reconstruction. Cotton prices were above twenty cents per pound in all but three years of Reconstruction, and the lowest price during Reconstruction, sixteen and three-eighths cents in 1873, was higher than any succeeding year in the nineteenth century.

The cattle industry boomed in Texas through Reconstruction. In 1866 and 1867 Texas cattlemen drove cattle to New Mexico and to New Orleans, they exported cattle from ports on the Gulf Coast, and they shipped tallow, hides, and meat from packing plants. The biggest market for Texas longhorns was in the North, but the trail to northern markets was blocked by farmers in Kansas and Missouri. In 1867 Joseph G. McCoy opened northern markets to Texas cattle, when he established
railroad facilities at Abilene in the unsettled area of Kansas. From 1867 through 1874 Texas cattlemen drove over 2 million longhorns north. The Texas cattle industry experienced two bad years during Reconstruction. In 1871 an oversupply of cattle lowered the prices of cattle, and a winter storm froze thousands of Texas cattle in Kansas. In 1873 a panic squeezed credit and bankrupted hundreds of Texas cattlemen. During Reconstruction the cattle industry brought gold and silver money into Texas, and it provided opportunities for wealth to men who learned the cattle business. Many of the characteristics essential to the Texas cattle industry developed first during Reconstruction. Merchants performed banking functions, drovers created cattle-trailing companies, and cattlemen wintered young steers on northern plains. Thus during Reconstruction recovery, expansion, and prosperity instead of loss, depression, and poverty characterized Texas railroads, Texas agriculture, and Texas cattle.
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