BIOGRAPHY OF AN IOWA BUSINESSMAN: CHARLES MASON, 1804-1882

by

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TABLE OF CONTENTS

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Chapter		Page
	Introduction	v
I	From East to West	1
II	Jurist on the Frontier	23
III	Promoter of Pioneer Railroads	86
IV	Speculator in Western Lands	149
v	Projector of Pacific Railroads	20 6
IV	Patent Lawyer: Government Service and Private Practice	266
VII	Investor in War and Post-War Opportunities .	320
VIII	Regional Enterprises in Southeastern Iowa	371
IX	The Last Work: Municipal Projects in Burlington	420
	Conclusion	48 0
	Bibliography	49 6

TABLE OF MAPS

Page			
Half Breed Sac and Fox Reservation			
State of Iowa showing Judicial Districts			
Peoria and Oquawka Railroad			
Counties in Southern Iowa Relating to Narrow Gauge Routes:			
Des Moines County			
Henry County			
Keokuk County			
Lee County			
Louise County			
Van Buren County			
Washington County			
City of Burlington			

INTRODUCTION

One purpose of this dissertation is to fill out the record of a public figure. Historians who have compiled lowa history have depicted Charles Mason as a jurist and politician, but there is still a substantial side of his life about which no estimate has been made, the business side. Such a study is more meaningful when one considers that Mason's business dealings covered the entire period of his life in Iowa from 1837 to his death in 1882, whereas he held public office for only a comparatively short period of time--he was a federal judge in Iowa for only nime years, 1838-1847, and United States Commissioner of Patents for four years, ending in 1857. Then, too, although he was active in state and national politics throughout most of his life, he was elected to judicial office only once, as county judge of Des Moines County, and served one year.

Nor have Iowa historians dealt with Mason's earlier years in the East as a young newspaperman and lawyer, active in the rise of Jacksonian Democracy. An analysis of Mason's economic and social ideas prior to his moving West reveals the segment of the Democratic party with which he identified himself at that time. Historians have generally agreed that

V

Jacksonian Democracy was a political movement with diverse origins and objectives. Some have viewed the party as composed of small businessmen who claimed that the business elite had too much power. They argued for restraint on these established capitalists in order to provide economic opportunity for all. Other historians have stressed that Jackson's principal following came from the urban laboring class that aligned itself against the businessmen. Still others have depicted Jacksonian Democracy as the effort of Western and Southern farmers to free themselves from Eastern control. To know the political faction to which Mason belonged in his early years helps to explain some of his later economic, political, and judicial attitudes.

This study is also meant to evaluate the significance of Mason's business operations within the framework of the period in which he lived. So many different phases of business claimed his attention that a study of his activities, insofar as these are typical of the times, gives a revealing picture of nineteenth century business enterprise. For one thing, Mason throughout his life engaged widely in land speculation in the middle West. He was also a leader in early railroad promotion in Illinois and Iowa. After the Civil War, he devoted much time and money to municipal affairs in Burlington; as a result of his efforts, the city

vi

received a public water works system. At the same time, Mason was president of the Burlington Street Railway Company, of the German-American Savings Bank of Burlington, and of two narrow gauge railroads, the Burlington and Northwestern and the Burlington, Keosauqua, and Western. Also, how Mason and his associates handled certain transactions growing out of these enterprises gives some insight into the business ethics of the time.

Since this dissertation is primarily a business biography, it naturally follows a somewhat chronological sequence, with each chapter concerned with one distinct phase of Mason's career. The chapter devoted to his life prior to his settlement in the West in 1837 is necessarily brief. In the chapter an attempt was made to examine his social and economic background as a means of interpreting his motivations and actions in later life.

Following this same pattern, the chapter on Mason's judicial career investigates any possible relationship between his judicial interpretations and his economic background and interests. This type of inquiry by historians of the relative influence of economic background upon judicial interpretation has hardly passed the speculative stage. However, one historian, writing of the United States Supreme Court, has concluded that every legal decision of Chief

vií

Justice Taney, for example, could be traced directly or indirectly to his plantation origin and background. Thus the pertinent relationship between the first and second chapters of the dissertation is apparent.

The first two chapters also throw some light on the relationship, if any, between Mason's judicial philosophy and his frontier environment. One school of historical thought maintains that the frontier caused ceaseless adaptation of habits and ideas because inventiveness and adaptation become paramount considerations when the key problem is the struggle for survival. These historians maintain that American government today is therefore the product of pragmatic adaptation-the adaptation of those who, through frontier experience, were not afraid of the unprecedented. Mason had such a large part in shaping the early laws of Iowa that it is significant to ask whether he brought his legal philosophy with him to the frontier or whether he developed it after he came to the In this same connection, this study endeavors to answer West. the question of what Mason's conception of the relation of law and government to economic enterprise was and how it originated.

The remaining question which this study raises is, How does one classify Mason's business activities? Was he an entrepreneur, or an innovator, or both? One can only answer

viii

this by interpreting his operations according to various definitions held by economic theorists. Some define the entrepreneur's function as the introduction of innovations. Others differentiate between these two, pointing out that while the entrepreneur is often an innovator, the two terms are not necessarily synonymous. They therefore distinguish between them by defining entrepreneurship in ways that have nothing to do with innovations.

Economists who believe that the entrepreneur's function is the introduction of innovations suggest that the primary characteristic here is simply the doing of new things, or doing in a new way things that have already been done. They regard the role of the entrepreneur as that of reforming or revolutionizing the pattern of production by exploiting an invention, or more often an untried technological possibility, for producing a new commodity or producing an old one in a new way. Sometimes the innovations are not in technology, but in organization and marketing.

Those who distinguish the innovator from the entrepreneur sometimes define the latter's function simply as that of coordinator and planner of the productive process. That is, he brings together the suppliers of productive factors, including the technological knowledge, and the buyers of finished products. Others see the entrepreneur's unique function as

ix

that of uncertainty bearing--the handling of venture capital or launching out into new and uncharted economic areas. A related view defines an entrepreneur as one who sees opportunities not apparent to others equally anxious to get ahead, or one who has determination to organize things so that potential opportunities become actual ones.

Others reserve the term "entrepreneur" for those who determine the major policies of a business: the type of business to operate, the goods or services to offer, the size of operations, or the type of customers to solicit. Economists who prescribe to this theory point out that the entrepreneur is often subject to control by others in his own organization, such as the board of directors or a majority of stockholders, and that this control element may be either a hindrance or a stimulus to him. They reserve the term "innovator" for those who introduce major changes in production, transport, or marketing of goods and services, or changes in business operations.

The Mason papers and diaries, preserved at the Iowa State Department of History and Archives in Des Moines, served as the primary source for this study. During Mason's first trip West in 1836, he kept his first journal. The diaries then date continuously from 1855 to Mason's death in 1882. Supplementing these were some 7,000 letters

X

written to Mason, by means of which the biographer could sometimes trace one side, at least, of certain business transactions from beginning to end. The collection also included brochures from the railroads with which Mason was closely associated as organizer and president, fragmentary tax records relating to his land holdings, records of patents in which he had a financial interest, records relating to municipal projects which he sponsored in Burlington, receipts, bank books, and other papers. From a close study of these papers as they related to each other--<u>i.e</u>., Mason's diary notations about a particular matter, the correspondence about it, and the business papers concerned with it--it was possible to piece together the story of Mason's major business activities.

A number of other primary sources supplemented the <u>Mason</u> <u>Papers</u>. One of these was the <u>Kilbourne Collection</u>, also in the Iowa State Department of History and Archives. D. W. Kilbourne, a contemporary of Mason's, was a railroad promoter and land speculator, and some of his activities touched upon those of Mason. The reminiscences of Mason's daughter, written for her children, clarified some entries in Mason's diaries and added a personal interpretation to them. Since Mason kept no complete ledger of his business transactions, it was necessary to consult deeds, mortgages, and tax records

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in various county court houses insofar as these records still exist. The business records of the Burlington Water Company also proved helpful in determining Mason's financial share in that enterprise. Newspapers, of course, were also a valuable primary source of information, particularly for his regional and municipal projects.

Charles Mason Remey, Mason's grandson, first assembled the Mason papers after finding them in the attic of the home of his father. Rear Admiral George Remey, in Washington, D. C. Charles Remey recalled that as a boy he had driven with his grandfather to the old family farm house, where Mason took many bundles of letters and papers from a closet and stored them in the town house in Burlington. After Mason's death, the house was sold, and the papers along with other belongings sent on to Washington and stored there, where Remey found them some forty-five years later. Among the papers were Mason's diaries, dating from 1855 to his death in 1882. Wishing to preserve them. Remey had typewritten copies made, one of which he sent to the Library of Congress, one to the New York State Library at Albany, and one to the Iowa State Department of History and Archives, along with the original manuscripts and papers. Remey also made a typewritten copy of excerpts from the diaries; this may be found at the State Historical Library in Iowa City.

xii

Chapter I

FROM EAST TO WEST

Charles Mason was born on October 24, 1804, near Pompey, New York, to an impoverished frontier family, the sixth of seven children. Economic privation was not new to the Mason family, for Charles[®] father, Chauncy, was left a penniless orphan at an early age.¹ In 1798, some years after Chauncey's marriage to Esther Dodge, the Mason family moved to a farm in central New York State, where six years later Charles was born.

It is doubtful if Chauncey Mason could provide many material advantages for his large family. More important than this, however, was the fact that the family apparently had little inclination toward educational pursuits and no concern to provide resources to satisfy the intellectual curiosity of Charles, who was a studious child.² Mason's father apprenticed him as a boy to a cloth maker in a weaving mill, according to the custom of the time;³ but although Mason completed his apprenticeship, his ambition was to be an engineer. To lay a basis for this, he walked three miles every day from the family farm to the first state-endowed academy on Pompey Hill. Here his scholastic progress was so rapid that the superintendent of the academy insisted he take a college preparatory course.⁴ Perhaps Mason's formal education would have ended with this neighborhood schooling had it not been for the personal interest of Daniel Wood, a resident of Pompey, who sought an appointment to West Point for him through two New York Congressmen, Victor Birdseye and ElishaLitchfield. Mason received it and entered the Academy as a cadet in 1825.⁵

Although his inclinations were still toward an engineering career, Mason accepted the appointment because West Point would give him engineering training as well as military. Although military life had no particular appeal for him,⁶ he distinguished himself at West Point in both studies and conduct, allegedly never receiving a single demerit,⁷ and graduated July 1, 1829, at the head of his class.⁸ Mason's record when he received his commission led to an assignment to the Corps of Engineers. His first duty was at West Point as an assistant professor of mathematics; but after two years there, he resigned from the army and went to New York to study law.

Mason's interest in law had begun while he was still in the Academy. During his summer vacations, he read law with Squire David Gott at Pompey. Then after the close of his military career, he read law for a year under a New York attorney, passed the bar examinations in June, 1832, and in the fall moved to Newburgh-on-the-Hudson. Here he formed with Judge Hasbruck a law partnership which lasted two years?

At this point Mason returned to New York City, evidently not sure that he wanted to follow a legal career. Many years later he wrote, "I studied law and drifted about in the world sometimes with an object and sometimes without one, guided or merely driven by the current of events."¹⁰ He began to write newspaper editorials, at first unsigned, for the New York Evening Post, a radical Democratic newspaper. His contributions attracted much favorable comment. The paper was then edited by the poet, William Cullen Bryant. Bryant was not merely a poet; for many years he sat in judgment on political and economic matters. It is probable that this early association with Bryant had a profound influence on Mason's economic and political views. Bryant's editorials were highly critical of conservative Democrats. During his absence in Europe from 1835 to 1836, when he left his associate editor, William Leggett, in charge of the paper, the editorials became even more violent in advocating free trade and antimonopoly.¹¹

Mason's connection with the <u>Post</u> was in stirring times. The second administration of Jackson was then drawing to a close and the campaign which resulted in election of Martin Van Buren was in progress. Henry Clay and Daniel Webster were at the zenith of their power, both hoping to draw the prize of the Presidency.¹² Mason's economic and political views at this point were strongly opposed to those of Clay and

the Whig party. Mason was a Democrat, as he was throughout the rest of his life, and as such he opposed Clay's desire for a high protective tariff and a centralized banking system. He believed that Clay's protective tariff hampered commerce by turning it into unnatural channels, thus thwarting business enterprise and endangering international peace by obstructing trade between nations.¹³ Mason favored Jackson's removal of federal deposits from the Second Bank of the United States. He expressed his views about these matters in newspaper articles.¹⁴ as well as in the privacy of his diary.

In spite of his apparent success as a journalist in New York, Mason decided to make a trip west to explore business and professional possibilities there. He had become disillusioned with the way members of the bar practiced and interpreted law in New York and sought a locality where, as he put it, legal phraseology denied justice to no one.¹⁵ With this in mind he planned a trip to Wisconsin in 1836, writing in his diary, "Something is continually whispering to me that there is a more favorable field for my future exertions, either professional or political."¹⁶

What others wrote about the Wisconsin Territory may also have influenced Mason. A letter to him from Lt. Albert M. Lea written February 18, 1879, reads, "Somebody told me once long ago you had said you had been drawn to Iowa by reading my description of it."¹⁷. Here Lea had reference to

his work, <u>Notes on the Wisconsin Territory</u>, <u>Particularly</u> with <u>Reference to the Iowa District or Black Hawk Purchase</u>, containing a vivid description of the Des Moines valley, written as a result of a military expedition through Iowa and Minnesota in June, 1835. Since Lea was a particularly keen observer and wrote the account with the express intention of interesting the public,¹⁸ he may well have succeeded in Mason's case.

In addition to these factors, Mason came West to pursue business interests. For one thing, the possibilities in railroad building on the frontier attracted him. As he traveled on the Great Lakes, he noted the competition among Lake Eric ports to secure the western terminus of the projected railroad.¹⁹ This rivalry between towns for preference by railroad lines was to be part of Mason's personal experience in future years.

The trip west also aroused the young man's interest in investments. After reaching Chicago, Mason met two former Eastern acquaintances, Alfred A. Belknap and Matthew P. Fowler, of Orange County, New York, who in a few years had risen from insolvency to apparent wealth. Although Mason thought that the widespread enthusiasm for western land speculation represented by his friends was sure to end in economic disaster, ²⁰ he did not hesitate to share in it himself--he and his two friends purchased two or three

acres in the Calumet district south of Chicago from James Allen of the United States Army.²¹

Apparently Mason also loaned Allen money on land in this area and accepted a mortgage, the collateral being land near Michigan City, Indiana. The money involved in the transaction evidently belonged partly to Belknap and Judge Abraham M. Smith of Newburgh, New York, although the mortgage was in Mason's name. This relationship is indicated by the fact that Belknap and Smith later investigated the validity of Allen's title; having heard that he had a poor reputation, they wanted to be sure of their investment. Smith later wrote Mason that although their inquiry showed Allen's title to the land to be sound, the property was not worth much.²²

Mason also purchased land in the Chicago area with \$1,000 in gold that Smith gave him to invest in the West. The stipulation was that he repay Smith this sum, with interest, but the two were to share equally in the profits.²³ Mason's purchase pleased Smith because the locality was expected to be the terminus of a canal from Lake Michigan to the Illinois River.²⁴ However, Smith died in Prairie du Chien, Wisconsin, in 1839. before the completion of this agreement, and thirteen years later his heirs were still trying to collect from Mason the amount due, in order to settle the estate.²⁵

After Mason's first visit to Wisconsin in the summer of 1836, he returned to Newburgh, New York, to wind up his affairs, and in the fall started for Belmont in western Wisconsin with Belknap and Fowler to spend the winter with some profit.²⁰ The three purchased \$1,375 worth of property, giving the seller an option to repurchase it in another year at 50 per cent more than the selling price.²⁷ Mason and his partners probably hoped to profit by an increase in land values near Belmont if it became the permanent capital of Wisconsin Territory. General Henry Dodge, the first governor, had not convened the first territorial legislature at Dubuque as expected, but on the wild, open prairie at Belmont, a town which John Atchison, the Governor's kinsman, had just located. Atchison had built a temporary state house and hotel, and others built temporary boarding houses. However, another man, J. Duane Doty, laid out the town of Madison on paper and prepared pictures showing what a great city it would become if it were the capital of the territory. Doty allegedly passed out real estate claims to the Madison area among members of the territorial legislature. so that Belmont, the Governor's town, had no friends in the bitter fight for the permanent capital. Doty's party won and Madison became the permanent capital site.²⁸ Consequently, those like Mason who hoped to profit by investing in land near Belmont were disappointed.

What is now Iowa was at that time part of Wisconsin, and the government named Burlington the temporary capital until it could construct public buildings at Madison. That part of the territory west of the Mississippi, containing a little more than ten thousand inhabitants, was the third judicial district; David Irvin was assigned to it as its federal judge. He determined to make his home in Burlington, and at his suggestion, Mason accompanied him there in February, 1837.²⁹

Before Mason came to Wisconsin Territory, he had written in his diary that he would either find in the West what his fancy expected, and make his home there, or else return to spend the rest of his days in New York State.³⁰ Apparently he liked the business and professional prospects of Burlington, because there was nothing about its appearance that could have attracted him. The town in 1837 had only three hundred inhabitants and unbroken forest surrounded it. Brush and stumps filled the streets. The buildings consisted chiefly of log cabins, with only a few frame houses and two or three brick structures. The settlement had neither a church nor a schoolhouse.³¹

Mason apparently lost no time in establishing himself in Burlington. Sometime in 1837 he and Irvin purchased a 400acre tract of prairie and timber land, a squatter's claim, for \$2,500. The following year, after the federal government

8

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had surveyed the land, Mason and Irvin paid the government \$1.25 per acre for the same tract. Some years later Mason became sole owner of the land by purchasing Irvin's share.³² After locating in this frontier settlement, Mason brought his new bride, Angelica Gear of Pittsfield, Massachusetts, who had come with her brother and sister to live in Galena, Illinois, in 1835. While on a visit to Belmont, in Wisconsin Territory, she had met Charles Mason. After their marriage August 1, 1837, they came to Burlington, where they were to spend the major part of their married life.³³

Mason turned to farming as one way of making his living in the West. First, he arranged with a builder, Peter Waggoner, to construct a house on his land south of Burlington, agreeing to pay \$1,400 on the following terms: \$400 from time to time as Waggoner found necessary for purchase of building materials; \$400 when he completed the house; \$400 the following January; and \$200 the next April.³⁴ Apparently the builder did a satisfactory job, because this house was the Mason family home in Iowa until they built another in Burlington in the early 1870's. Shortly after completion of the farm home, Mason added a house for a tenant, a barn, a stable, and a woodhouse.

Mason agreed with various individuals to run the farm for him and to share the profits. In December 1846 he arranged with John Patterson to cut and press his hay and

deliver it at the wharf in Burlington for half the crop and a large ox wagon.³⁵ Three years later Mason leased part of the farm to Patterson for five years. The yearly rental was \$2 per acre with the exception of the portion Patterson planted with apple trees. For that part he was to pay an annual rent of \$1.50 per acre, with the privilege of planting not more than 1,000 apple trees in an area of twelve acres, and cultivating the ground between the trees with potatoes and vines. Mason, for his part, was to add some new fences and to keep the others in good repair.³⁶ In a farming agreement betwen Mason and William Thomas, made in May, 1850, Thomas was to give Mason half of all that he raised on the farm. Mason was to furnish one team of horses and all necessary farm tools. Expenses shared jointly involved feed for the animals necessary to work the farm as well as the repair bills on farm equipment. 37

The principal crops on Mason's farm were hay, corn, and oats, which he frequently shipped down the river to St. Louis. Corn and oats sold between 30 and 35 cents a bushel in the summer of 1849, and Mason's farm sent to St. Louis three hundred bales of hay a week during that time.³⁸ Mason's fruit was of exceptional quality, if one can believe the notes in his diary.³⁹ He also set out 8,000 grape vines at an average cost of \$25 per thousand. It cost very little per acre to trench the land and set them

out, and one man could afterward tend six or eight acres. The yield, between 200 and 500 gallons of wine per acre, sold from \$1.25 to \$2 a gallon. Grapes brought 10 to 20 cents per pound.⁴⁰ The apparent prosperity of Mason's farm led one of his friends to say in 1846 that Mason did not need any other means of livelihood because he had a large farm and was rich.⁴¹

Mason entered at once into many of the village activities which served the public welfare as well as his own private interests. After a disastrous fire in Burlington destroyed several business establishments, a public meeting appointed a committee of three, one of whom was Mason, to urge the Wisconsin territorial legislature to pass a law incorporating a fire insurance company. Perhaps as a result of the committee's efforts, such a measure became law in January, 1838.

Although this charter remained valid when Iowa became a separate territory in July of that year, the insurance company evidently did not at once become a going concern.⁴² It was not until after another disastrous Burlington fire that the Iowa territorial legislature passed an act to incorporate the Iowa Mutual Fire Insurance Company on January 25, 1839.⁴³ A year later, January 9, 1840, an amendment to the law changed the number of directors of the new fire insurance company to thirteen; Mason was one of the

new directors.⁴⁴ The choice suggests that he may have had a considerable financial stake in the company, although there is no other evidence to support this conjecture.

The company's plan for insurance coverage was unusual by modern standards. It required everyone who had insured property to deposit a promissory note with the company treasurer before receiving his policy. Each was to pay 5 per cent of his note at once, and the rest in whole or in part when the directors deemed it necessary to pay fire losses or other company expenses. In cases of property loss by fire, the directors were to assess the amount of damage, with the policy holder having the option of appealing to referees or suing the company. At the expiration of the policy, the company was to return to the signer or his representative the note or any part of it remaining after deducting company losses and expenses.⁴⁵

Mason also attempted to link public service with personal profit by interesting himself in river improvements. In the days before railroads came to Iowa, water transportation was paramount. It appeared to Mason and others that the Des Moines River might become a main channel for transportation of mid-western products.⁴⁶ A canal, they thought, would enable Burlington to tap the river commerce which might otherwise go to the mouth of the Des Moines River and be deposited in Keokuk.

As a result of this interest in transportation, the Iowa territorial legislature on January 24, 1839, authorized the Burlington and Des Moines Transportation Company, of which Mason was one of the incorporators, to build a canal or provide slack water navigation from Burlington to a point on the headwaters of the Des Moines River. If a canal was not practicable, the incorporators could construct either a railroad or a macadamized road between the designated points. The legislature appointed nine commissioners, one of whom was Mason, to oversee the project. These were to receive shares of capital stock as well as \$1 on each share which the public subscribed. The company had a definite time limit. three years, in which to complete the work; 47 however, it was unable to fulfill its agreement within this stipulated period and therefore presumably dissolved.

The proposed canal is significant because it indicated that some Burlington citizens were anxious to draw toward their community some of the future commerce with the West. Evidently they wanted to develop trade routes that would run on an East-West axis as well as to benefit from the North-South trade on the Mississippi River. However, as far as Mason is concerned, this business venture also illustrates his early interest in internal improvements and his efforts to profit from them.

Early settlers in southeastern Iowa also concerned themselves with good roads, particularly those running east and west. Although the United States is well supplied with waterways, most of them run north and south, whereas population has usually moved from east to west. Hence, the real transportation needs were for facilities that would allow an east-west movement. This situation was true in eastern lowa where pioneers required roads from the Mississippi into the interior of the state. Businessmen like Mason, located along Iowa's eastern boundary, evidently understood the economic as well as the personal advantages they could derive from good east-west roads. The towns along the roads would prosper as well as the farmers who could bring their produce to market more easily. And if private capital built these roads, investors thought that the enterprise would be one in which stockholders would receive large dividends. This would satisfy all parties--the farmer, the community as a whole, and the stockholder of a particular road.48

When the first roads in Iowa proved inadequate, the Iowa legislature in 1839 appointed surveyors to locate a public highway westward from Burlington. Even this road could not handle the number of newcomers into the state when villages like Burlington became ports of entry for immigrants seeking homes west of the Mississippi. There were frequent newspaper complaints about travel conditions

when wet seasons made traffic almost impossible on the muddy highways.

The apparent success of plank roads in more settled parts of the nation, as reported in Eastern newspapers, spurred Iowans to demand the same thing.⁴⁹ According to some of its supporters, advantages of the plank road were its simplicity of construction, its durability, and the fact that local labor could build it and local capital finance it. The most common method of laying a plank road, as explained at a citizens' meeting in Mt. Pleasant in 1849, was to lay two parallel rows of timbers called stringers or sills about four feet apart. The stringers were then embedded in the earth and planks laid across the stringers at right angles.⁵⁰

Thus because such a project appeared to be a social necessity which would pay well, a group of Burlington businessmen, one of whom was Mason, launched the Burlington and Mt. Pleasant Plank Road Company. Their purpose was to build a twenty-eight mile plank road from Burlington to Mt. Pleasant, charging toll for its construction, upkeep, and profit. The company based its financial structure on the sale of \$60,000 in stock, in shares of \$50 each.⁵¹ The second session of the Iowa legislature sanctioned the Articles of Incorporation on January 15, 1849. It conferred on the company a right of way sixty feet wide between Burlington and Mt. Pleasant by way of Middletown and New London on which to build a thirty-foot

road and operate it for twenty years.⁵² The company then began promotion and construction. Mason bought two shares of stock. Because of the lag in private sales, the city of Burlington voted to borrow \$10,000, lend it to the company, and take stock as collateral security. This financial transaction made the enterprise a public as well as a private undertaking, but it provided the company with enough funds to begin business.⁵³ In May, 1849, the company elected officers and named Mason, along with three others, as a director.⁵⁴ Work on the plank road began early in 1850; in December, 1851, the road opened to traffic.⁵⁵

Profitable operations during the spring and summer of 1852 must have encouraged Mason and his fellow promoters to believe that their road would be a promising investment, but for several reasons the plank road did not live up to expectations. One of these was the repair problem. The planks rotted in the earth long before they wore out from traffic that paid tolls. Eventually Mason came to the conclusion that the area lacked sufficient timber to keep a plank road in good order.⁵⁶ Furthermore, the free public highway offered farmers an alternative route to market. This was especially true between New London and Mt. Pleasant, where the free territorial highway paralleled the new toll road. Obviously, farmers did not patronize toll roads if public highways were passable.⁵⁷ Officers of the Burlington Plank Road, endeavoring to do away with this competition, secured a court order closing the dirt road where it paralleled the plank road. Judge M. L. Edwards of Mt. Pleasant approved the request only if the company agreed to divide between Des Moines and Henry counties, according to the proportion of dirt road discontinued in each county, any annual net proceeds above 10 per cent of the original cost of the road.⁵⁸

Even this government assistance did not keep the private toll road a going concern very long. Virtual abandonment of the project built at such expense, energy, and material was the result not only of rapid physical deterioration and public competition, but of increased sentiment in favor of railroads that could serve more than a local area. A resolution adopted at a public meeting in Mt. Pleasant on December 18, 1851, praised the plank road as the farmers' road to market but looked forward to the time when the railroad would link the Mississippi to the Missouri and perhaps make southern Iowa part of a transcontinental line.⁵⁹

It was this anticipation about the future of railroads which led some of the plank road investors like Mason to transfer their efforts to railroad building as a more promising field. It was faith in the future of railroads which had partly prompted Mason to come west in the first place; and having once established himself there with business and

financial connections, he was ready to transfer his efforts to western railroad promotion and construction whenever circumstances were favorable. Unless otherwise noted, all letters and documents cited are found in <u>Mason Papers</u>.

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- 18. Ruth A. Gallaher, "Albert Miller Lea," <u>Iowa Journal of</u> <u>History and Politics</u>, XXXIII (July, 1935), 214.
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- 29. Jacob Swisher, "Judiciary of the Territory of Iowa," <u>Iowa Journal of History and Politics</u>, XX (April, 1922), 245.
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- 35. Agreement between Mason and John Patterson, December 26, 1846, Vol. 32.
- 36. Lease between Mason and John Patterson, April 1, 1849, Vol. 40.
- 37. Agreement between Mason and William Thomas, May 14, 1850, Vol. 32.
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Chapter II JURIST ON THE FRONTIER

While Mason was promoting business enterprises, he was also embarking upon a public legal career in the new territory which was to give him prominence both in state and federal affairs. A short time after he came to Iowa in 1837, he received a federal appointment as Chief Justice of the Iowa Territorial Supreme Court. a post he held until 1847. In the years Mason served as a federal judge, he delivered decisions which covered nearly every point of possible difference between man and man, between individuals and corporations, and between corporations. By these legal opinions he established precedents which Iowa law has followed ever since.¹ After Mason's two terms as a federal judge ended in 1847, he served Iowa in other legal capacities: by helping to settle the Iowa-Missouri boundary dispute, and by serving as the principal editor of the Law Code of 1851. a responsibility which enabled him to incorporate his economic and political views into the laws of the new state.² In addition to these public legal services, Mason conducted a private practice in Iowa. Both of these activities gave him local and national prominence.

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A study of Mason's years as an Iowa jurist and lawyer suggests several questions. One is, how did he receive his appointment as a federal judge so soon after moving West? Second, what legal philosophy did he follow when he served as Chief Justice in the formative years of Iowa jurisprudence? A study of some typical cases and the reasoning by which he apparently arrived at his conclusions makes it possible to surmise what this philosophy was. This is historically important because it illustrates how American law of a given time and place meaningfully connected with the frontier society of which it was a part. Third. did Mason's own business interests have any apparent influence on his legal views? The prominent part Mason had in formulating and editing Iowa's early legislation raises this question. Fourth, was there any relation between Mason's judicial decisions and his social and economic background?

When Mason settled in the West, he was thirty-four years old, a lawyer with limited education and experience, and no background whatever as a judge. In addition, he was unacquainted with the people and their problems. His only significant qualifications for a high judicial post were a better than average general education and apparently a judicial bearing. The editor of the <u>Iowa Territorial Gazette</u> said of him, "To a mind acknowledged to be of the first order, clear in its conceptions and logical in its deductions,

he adds untiring industry and a manner which will become the judge as well as the gentleman."³ Since there were undoubtedly others in Iowa at least as well qualified as Mason to be a federal judge, what, then, were the circumstances which placed him in an important federal post so soon after moving to the West?

Mason's western law practice began in 1837 when Governor Henry Dodge of Wisconsin Territory appointed him public prosecutor of Des Moines County.⁴ Since his legal training and experience was limited, Mason may have received the post because of a family connection. His mother was Esther Dodge, possibly related to Governor Dodge through William Dodge, from whom (or from his brother) all those bearing that name in America are allegedly descended.⁵

After Iowa became a separate territory on June 12, 1838, friends helped Mason's legal career still further by persuading President Martin Van Buren to appoint him Chief Justice of the territorial Supreme Court, a post which carried a salary of \$1,500 a year. Letters among Mason's papers indicate that he asked his friends to help him secure this appointment. In one letter, Congressman Nathaniel Jones of New York pointed out that as chairman of the Committee on Territories he had frequently consulted with George N. Jones, the territorial delegate from Iowa, both of whom had worked

to secure the appointment for Mason. Congressman Jones told Mason that although the post was not lucrative, it would give him prestige and influence toward his future career in Iowa.⁶

Ordinarily Mason would have ended his judicial career in 1846, at the close of his second term. Under the constitution of the new state, the legislature in joint session was to elect a Chief Justice and two associate justices of the Supreme Court.⁷ The first state assembly, however, failed to do so. Consequently, in accordance with a provision that all officers and appointments under federal or territorial authority should continue in office until men qualified under the state constitution superseded them, Mason and his associates did not step down from their posts until 1847.⁸

During the time these three judges sat on the bench, they functioned within a judicial system which divided the territory into three districts. Each Supreme Court justice was assigned to a district court; and in the event of appealed cases, the three justices constituted the highest tribunal. Mason was assigned to the first judicial district, composed of the two southern tiers of counties. Since during the eight years of the territory this area contained more than half the population, it transacted more legal business than any of the others;⁹ consequently, Mason did more legal work on the district level than did either of

his colleagues. There were occasions also on which Mason not only presided over his own judicial district, but those of his associates as well.¹⁰ Thus Mason received ample opportunity to express his judicial philosophy during the court proceedings of the territory.

In addition to Mason's judicial responsibilities on the district court level, he also had to sit as Chief Justice of the Supreme Court when it convened twice each year, on the first Mondays of July and December.¹¹ At this time, the Supreme Court had a general supervision of all inferior courts. The Supreme Court was, however, primarily an appelate court, having final decision in all matters of appeal or complaint arising from decrees of lower courts. The Supreme Court had original jurisdiction in such matters as <u>habeas</u> <u>corpus</u>, <u>mandamus</u>, <u>quo warranto</u>, and other processes not especially provided for by territorial statute.¹²

A study of Mason's decisions as territorial Chief Justice suggests his theory of legal justification--the reasoning that he as a judge used to decide cases. Legal history indicates a choice of three possible procedures. For one, Mason could have settled litigation by judicial precedent. Judges who have taken this approach have regarded their function as that of applying authoritative premises found in prior court decisions. This principle reaches its apex when a single precedent is considered to be a "binding"

authority," in which case it is termed the legal doctrine of stare decisis.¹³ Other judges have tended to lean more toward common law, making decisions by appealing to what seemed just in a particular case. In the history of legal theory, this approach is an outgrowth of the efforts of Roman jurists to find a basis for judging people who were not Roman citizens, and hence not under the civil law. In general, the judges distinguished between "strict law" and what seemed fair or humane. This idea came down through the Middle Ages as one of the philosophical concepts behind the English common law.¹⁴ In medieval England there were few written rules and the courts decided cases, as far as they could. in accordance with the usages or customs of the people. A third approach to legal decision is to combine precedent with reason. Precedents are numerous and often conflicting. so that judges have sometimes broken them or selectively replaced them when changing conditions seemed to justify it.¹⁵

The period between 1800-1850 was a decisive one in American legal theory during which judges had to decide whether to rely on <u>stare decisis</u> in opinion writing or on the prevailing English concept that law is not precedents but legal principles. According to some old English legal authorities, decisions were mere evidence of the law and not the law itself.¹⁶ Evidence seems to show that American colonists of the eighteenth century had tended to follow this concept.¹⁷

In the Jacksonian era, the radical Democrats in New York, the Locofocos, reflected this same legal principle in their demand that

no court of law or justice shall hereafter practice judicial legislation by adopting or admitting the laws, precedents, or legal authorities of other nations or states into the jurisprudence or courts of this state. When our own laws provide no special act or provision for a case, the jury shall determine according to the principle of natural right and justice.¹⁸

In the first half of the nineteenth century, some American legal theorists attacked the theory that cases were merely evidence of the law, and a firm doctrine of stare decisis gradually prevailed among them.¹⁹ Numerous legal decisions in this period show an American trend in this direction. In a New York State case in 1820, Gibbons v. Ogden, the presiding judge ruled that "it would be trifling with the rights of individuals and derogatory to the court if it were to change its former decision on the same point." thus following an 1812 case. The prevailing concept of stare decisis is also evident in a Kentucky court ruling, the 1828 case of South's Heirs v. Thomas's Heirs, in which the judge indicated by way of a dictum that the law must be stable though wrong. The same tendency is evident in a 1851 Alabama case in which the judge stated that a rule which had become settled law was binding upon the courts and they had to follow it.²⁰

There were exceptions to this prevailing trend toward <u>stare decisis</u>. The judge in the 1821 case of <u>Hammond v</u>. <u>Ridgely's Lessee</u> wrote that he could not conceive why any legal opinion should be binding when the reason for it no longer existed and that the principle should govern.²¹ If a judge fully believed in the immutability of prior decisions, a lawyer would find it difficult to convince him otherwise.

The idea that one need not necessarily be bound by cases seems to have prevailed longer in the West than in the East. For example, in the 1856 Ohio case of <u>Leavitt</u> <u>and Lee, Executors, v. Morrow</u>, the court said that mere precedent alone was insufficient to settle and establish forever a legal principle; that the reason and justice of the law gave it vitality. Similarly, an Iowa judge in 1854, ruling in <u>Lemp v. Hastings</u>, wrote that a judge should ordinarily follow a rule or a principle, but if it was "palpably" wrong, he should overrule it.²²

The first and perhaps most important case that Judge Mason and his two colleagues decided arose in the district court of Dubuque County and ultimately reached the Iowa Territorial Supreme Court in July, 1839.²³ The case involved the question of whether a negro slave from Missouri could move into the free territory of Iowa, thereby gaining his freedom, or whether his master could apprehend him and return him to slavery.

It is true that the Missouri Compromise of 1820 had theoretically prohibited slavery north of the line of 36° 30', the southern boundary of the new state of Missouri. Supposeedly this prohibited slavery forever from the remainder of the Louisiana Purchase of 1803, of which Iowa Territory was a part. However, Iowa's first territorial legislature in 1838 had passed an act prohibiting any free negro from settling in Iowa unless he first gave bond for \$500, promised good behavior, and guaranteed that he would not become a public charge. If the negro failed to give bond, he could be arrested and hired out to the highest bidder for cash for six months. Whoever harbored or employed a negro who had not given such bond was subject to a \$100 fine. If a slave had escaped from bondage, any slaveholder might come to Iowa, and with the help of Iowa officers, arrest and take him back.²⁴

The case of a negro slave, Ralph, owned by a Missouri citizen, Montgomery, tested the validity of this statute. Montgomery had given Ralph a written promise that he could secure his freedom upon payment of \$550. Ralph moved to Dubuque, Iowa, to work in the mines, but could not earn enough to pay anything on his contract. Montgomery might never have claimed Ralph had not two Virginians offered to return him for \$100. Montgomery accepted the offer; the two slave catchers came to Iowa', swore out an affidavit

that Ralph was a fugitive slave, and procured a court order directing the sheriff to deliver Ralph to them so that they might take him to his master. The Virginians then took Ralph to Bellevue, Iowa, intending to take him to St. Louis on the first steamer. However, Alexander Butterworth, hearing of the arrest, asked Judge Wilson in the federal district court in Dubuque for a writ of <u>habeas corpus</u> to secure Ralph's release from custody. The judge granted it, whereupon the sheriff overtook the slave catchers and returned Ralph to Dubuque. Justice Wilson transferred the case directly to the territorial Supreme Court, which heard it at the July term, 1839.²⁵

John V. Berry of Dubuque and another attorney represented the slave owner, Montgomery. They contended that since Ralph had not complied with the agreement for the payment of the price of his freedom and was therefore in Iowa Territory without permission, he was an escaped slave, subject to recovery under the statute relative to fugitive slaves. Montgomery's counsel also argued that Iowa Territory did not prohibit slavery and that the Act of 1820, which prohibited slavery north of 36° 30', was not intended to take effect without further legislative action by the state and territorial legislatures, thus confirming the action of Congress. The lawyers maintained that without such local laws the federal law had no binding effect.²⁶

Ralph's attorney was young David Rorer, destined to be one of the leading figures of the Iowa bar. Rorer contended that Ralph was entitled to his freedom because the Compromise of 1820 prohibited slavery in Iowa. He also argued that Ralph was not a fugitive, since he had been living in the territory with his owner's consent, nor was he subject to Iowa's slavery ruling of 1838, since he came into the territory prior to enactment of that law.²⁷

Judge Mason rendered the decision after concurring with his associate justices, Joseph Williams and Thomas S. Wilson. It is significant that they made their decision in the light of human justice rather than according to a strict interpretation of the law. Mason prefaced his remarks with frank admission that perhaps it was not strictly regular for the court to entertain jurisdiction in the case at all. But since it involved an important question which might become an exciting one if it remained unsettled, the court had decided to hear the arguments and to make a decision without intending it as precedent for future practice in that court.²⁸ First, Mason ruled that inasmuch as Ralph had come to the territory with the free consent of his master, he was not, a fugitive, nor could his failure to pay be construed an escape on his part. Mason recognized the obligation of Ralph for the debt, but added that his master could not use non-payment of it as a pretext for returning him to slavery.²⁹

As for the argument that the Act of 1820, which prohibited slavery north of 36°30', was intended only as a declaration, requiring state or territorial legislation to put it into effect, Mason ruled that the federal law was sufficient to prohibit slavery north of that line and needed no further legislative action to make it effectual.³⁰ Finally, Mason ruled that a master who, after passage of the Act of 1820, allowed his slave to become a resident in free territory could not afterward exercise any ownership over him within that territory. This disposed of the contention of the claimant that the Act of 1820 had not provided for forfeiture of slave property found on free soil.³¹ Ralph was therefore given his freedom.³²

Some of Mason's other court decisions also show his disregard for a strict interpretation of the law. In <u>Harrell</u> <u>v. Stringfield</u>, he ruled that where the omission of certain legal phraseology did not change the intended meaning of the verdict, it was insufficient to justify a reversal of the lower court's decision. Similarly in <u>Indian v. Teagarden</u> he refused the appeal of a murder conviction in which the defendant contended that the verdict was invalid because the jury was not properly sworn. In this case the jury had convicted an Indian of murdering a white man; subsequently the defendant carried the case to the territorial Supreme Court. However, the Court denied the appeal on the ground

that it could not sustain such an appeal after the case had gone to trial and the judge had rendered a verdict. Chief Justice Mason in handing down the decision said:

The proceedings below will be presumed to have been correct, unless the contrary is shown by the plaintiff in error. It would be subversive of justice to allow a party to remain silent in relation to matters of this nature, until after a final hearing, and then obtain a rehearing of the case and put the public to the trouble and expense of a new trial, merely because a clerk of the district court omitted a caption to his transcript.³³

Some cases involving debt or property over which Mason presided are noteworthy because they illustrate his unwillingness to allow legal technicalities to negate what seemed to him obvious justice. Such an instance was Mason's refusal of appeal by Robert Lucas on a writ of error in a suit brought against Lucas in the Muscatine County district court for payment of a promissory note. The sheriff had served notice of the suit, leaving a copy of the writ at the farm home of Charles Nealley. referred to in the legal paper as "the usual place of residence" of Robert Lucas. At that time, however, the former governor of Iowa Territory was living in the town of Bloomington. Lucas had resisted the suit on the ground that the sheriff had not properly served notice. but the district court held otherwise. When Lucas appealed the case to the Supreme Court, Judge Mason ruled that there was no ground for complaint against the ruling of the district court, and that if it had ruled

unjustly against Mr. Lucas, his remedy was in equity. 34 Another of Mason's decisions was based on an act passed earlier by the territorial legislature which provided that the claimant of public lands who had marked out and designated his claim but not enclosed it with a fence could maintain an action of trespass upon the claim. In Hughell v. Wilson the Supreme Court held that the statute was valid and that anybody cutting trees upon such a claim was subject to a fine. The amount of money involved in this case was very small, but the principle under consideration was one of great importance to the property owners of the newlysettled country.³⁵ It not only protected timber claims otherwise legally indefensible, but it virtually recognized that squatters had color of title to lands they occupied prior to the time the federal government surveyed the land and offered it for sale.

Indeed, Mason carried independence of the letter of the law even to the point of defending individual property rights against the claims of the national government. This is evident in Mason's notable decision in the case of <u>Enoch S. Hill</u> <u>v. John Smith</u> and others. Hill had signed a note promising to pay \$1,000 in one year to John Smith and Brothers of St. Louis. The collateral for the note was a claim to a certain tract of Iowa land belonging to the United States. When the time came for payment of the hote, Hill refused to meet his

\$1,000 obligation. He argued that the contract was void because the Iowa land given as collateral was United States property and that transfer between individuals was a violation of several acts of Congress. The case came before the Supreme Court of Iowa Territory in 1840, and Judge Mason had to decide whether Smith's contract with Hill was valid and the \$1,000 recoverable.³⁶

The root of the problem went back to a ruling by the first legislative assembly of Iowa Territory which early in 1839 undertook to protect settlers in their land claims prior to the time the United States offered the property for sale. The law provided that all notes the settlers gave for land which the federal government still owned should be deemed valid, and that when they gave such lands as collateral for notes, the creditor could sue and recover as in other contracts where the grantor had title to the land.³⁷

The legislature enacted this statute to give legal backing to actions that Iowa settlers had already taken to protect their land claims to United States property. When the earliest settlers came to Iowa, there was no legal provision for settlement because the land still belonged to the federal government. In May, 1807, Congress had passed a socalled Intrusion Act which provided that settlers occupying public lands without right previously acquired from or recognized by the United States were subject to forfeiture of all

rights in such land and removal by the United States marshal.³⁸ Therefore, in order to protect their improvements and retain the government soil they had cleared, the settlers often formed claim clubs or claim associations that were designed to protect the rights of settlers against the land speculator and the competitive bidder who came to secure title at the time of government land sales, as well as against other squatters who might seek to occupy the land before that time.³⁹

However, after 1830 there was less necessity for these clubs, since the federal government took steps to protect the alleged rights of settlers prior to government land sales. The Preemption Act of 1830 authorized settlers who had cultivated land on the public domain in 1829 to enter as much as 160 acres at the minimum price of \$1.25 an acre.⁴⁰ Although the government adopted the act as a temporary measure, it renewed its substance at regular intervals between 1832 and 1840.⁴¹

The claim clubs continued after 1830, however, for other reasons than protecting improvements or choices of government soil that were cleared prior to actual government sales. The claim clubs sometimes enabled early comers to sell land profitably to later arrivals on the pretext that it was claimed land, although the claims had no substantial improvements on them and were unoccupied. In other cases,

the claim club allowed a member to stake out more land than he was entitled to under the law, so that later he could sell the excess portion to a late comer at a profit. These mutual protection groups, therefore, were not always what they seemed. While they undoubtedly protected claims of some bona fide settlers, they allowed other claimants to capitalize on their alleged land holdings at the expense of others.⁴²

It was these claims that the territorial legislature sought to protect in 1839, and the question that Mason had to rule upon the following year in the case of <u>Hill v. Smith</u> was whether or not the territorial enactment was contrary to United States statutes. That is, should the title of the squatter on federal land be recognized as valid, thus entitling him to put up that property as collateral which his creditor could legally take in forfeiture if he could not pay?

When this case came before the territorial Supreme Court, Chief Justice Mason held the contract to be valid, the \$1,000 recoverable, and granted Smith \$63.83 damages. To begin with, Mason sought for and found a legal basis upon which he could sustain the decision as lawful. He pointed out that the Wisconsin law, of which the 1839 Iowa law was a copy, provided that contracts relative to claims upon United States land were as valid as if the parties

had title in fee simple. This enactment was in force at the time Hill and Smith executed their contract. "If this statute," said Mason, "is of any validity, it closes the door to all further controversy in the matter."⁴³

However, Chief Justice Mason went on to justify his decision in <u>Hill v. Smith</u>, not on legal technicality, but on social necessity. In the decision the court concerned itself very greatly with the effect upon the welfare of the people which would result from holding such transactions illegal. Mason pointed out that when the Wisconsin legislature passed the statute, ten thousand people lived on federal land within the future bounds of Iowa and dealt daily in what were called "claims." He said that public policy dictated the need for some better means of enforcing these contracts than the bludgeon or the rifle. Hence the legislature had declared that territorial law should validate contracts, rather than that violence and anarchy should overwhelm the whole area. Mason said:

We believe that in so doing they were not only promoting the public welfare, but that they were within their legislative province, and that the law, therefore, for this purpose is valid and binding.⁴⁴

The Chief Justice reasoned that Congress had never intended

. . . to disturb the peaceable and industrious husbandman whose labor was adding so much to the public wealth, changing the barren wilderness into fertile fields and calling into almost magic existence whole states and territories whose

prosperity and power are constantly adding so much to the strength and glory of the nation.⁴⁵

The action of the Iowa legislature with respect to land claims was valid not only because it was necessary to public welfare but because long disuse of the Congressional statute of 1807 had induced a reasonable belief that it was no longer in force. Could the settlers, Mason asked, be liable to fine and six months' imprisonment for violating a law of which most of them were ignorant and which the courts had not enforced for more than thirty years. ever since its enactment? He answered emphatically that it was contrary to the spirit of our institutions to revive, without notice, a penal statute grown obsolete by long disuse, especially when the general current of legislation showed that the legislature had regarded the statute as no longer in force.⁴⁶ Mason was contending that a custom of thirty years could repeal a statute, an argument not likely to appeal to the strict legalist but consistent with Mason's usual appeal to circumstances and common sense. This ruling, however, potentially benefited not only the squatter who expected to capitalize on his claim but also the one who honestly wished to protect his homestead. As such, it was probably a popular ruling with residents of the territory and hence politically valuable to the judge who rendered it if he had any further ambitions in public life.

Mason followed a similar judicial philosophy in his decisions on land titles in the Half Breed Tract, a wedgeshaped area of 119,000 acres lying between the Des Moines and Mississippi rivers, bounded on the north by the eastward projection of the Iowa-Missouri boundary.⁴⁷ Judge Mason presided over the controversies relating to ownership of this land, which involved some of the most bitter and farreaching litigation in Iowa's history. His judicial rulings in the matter gave him additional opportunity to express his disregard for the strict letter of the law in the interest of protection of property. In the Half Breed litigation he made two famous decisions, one known as the judgment partition, the other, the decree partition.

The source of the disputed ownership of the land went back to a federal decision in 1824 which set aside this area exclusively for Sac and Fox Indians with white blood.⁴⁸ These were descendents of the early white explorers or of the hunters and trappers of the American Fur Company, which had built trading posts on the Mississippi in the early years of the nineteenth century. Because white fathers frequently abandoned their half-breed children and their Indian mothers, a mixed population came into existence among the frontier Indians for whom some special provision was necessary. Those half-breeds of the Sac and Fox tribes who were living among the whites were not entitled to

government annuities conferred upon the blanket half-breeds who lived with the Indian tribes.⁴⁹ Hence the government set aside for exclusive use of half-breeds who had given up the blanket 119,000 acres of reserved land which was known as the Half Breed Tract. The United States retained a reversionary interest in this land, depriving the holders of the right to sell or dispose of it.⁵⁰

At first a few whites violated the government's reservation by settling in the Indian area, in the expectation that they would later be able to claim land titles as original settlers. Among them were squatters like Isaac Galland and Isaac Campbell, who settled the area in 1829 with their families. There must have been other additions to the squatter community, for soon there were enough white children to organize a school. However, not until whites began coming to southeastern Iowa in greater numbers was there agitation for a change in the law which would enable individual half-breeds to sell their interests to prospective white settlers.⁵¹

Congress was slow about responding to the demand for a change in the 1824 treaty. After a petition from the Sac and Fox Indians in 1829,⁵² the government appropriated funds for survey and division of the tract, but did nothing further.⁵³ At last, in January, 1832, a government surveyor went to work on the tract.⁵⁴ By March, 1833, the survey

was complete, but Congress did nothing more toward dividing the tract among the rightful half-breed claimants. Later in the year the half-breeds again requested Congress to give each of them his title to a share of the tract and to authorize each to sell his land holdings.⁵⁵

The first session of the twenty-third Congress finally took action on the half-breed request. On April 8, 1834, the House Committee on Public Lands reported favorably on a bill which gave the Sac and Fox half-breeds all rights, titles, and interests in the tract. The House passed the Committee version of the bill after only brief consideration;⁵⁶ it then went through the Senate, and President Andrew Jackson signed it the same day,⁵⁷ June 30. This bill relinquished the government's interest in the tract and authorized the persons interested in it to dispose of it in fee simple.

Probably as a result of the brief consideration that Congress gave the bill, those concerned with it found it so ambiguous that they had difficulty interpreting it. The chief problem was that the bill did not designate which half-breeds were entitled to dispose of interests in the tract.⁵⁸ Presumably Congress had meant to confer the right of disposal upon the Sac and Fox half-breeds who had given up their primitive tribal ways and therefore were not entitled to receive government annuities.

However, some half-breeds of Sac or Fox ancestry who had gone back to their fathers' mode of living and were therefore receiving annuities sold land in the tract to which they had no claim. There were even those who sold an interest to several different buyers. Still other half-breeds of different tribes claimed to be of Sac or Fox origin and sold land to which they had no claim at all. There were so many transactions of these types that they clouded land titles for years afterward.⁵⁹

The half-breeds were not the only ones who perpetrated frauds by selling land in the tract. White speculators sometimes sold real estate they claimed to have purchased from a half-breed owner. In other cases, white settlers like Isaac Galland claimed preemption rights because of original settlement in the tract, since it was government property when they first occupied it.⁶⁰

The claims of several companies formed for the purpose of conducting real estate transactions in the tract complicated the problem of land ownership still further. One of these, the New York Land Company, also known as the Des Moines Land Association, was made up of nine men from New York State and Illinois. The original members of the company were Erastus Corning, Joshua Aiken, Isaac Galland, Samuel Marsh, Benjamin Lee, William E. Lee, George P. Shipman, Henry Seymour, and Edward C. Delavan. This

company drew up Articles of Association on October 22, 1836.⁶¹ in order to buy land in the Half Breed Tract; but even before that date company agents had already spent \$20,000 in buying individual rights to the undivided tract. The Articles of Association authorized Isaac Galland to spend \$55,000 more in buying land from half-breed claimants, and to take necessary steps for its proper sale. Galland and other agents eventually spent \$73,133 in buying more than half the 119,000 acres in the Tract, which the partners of the New York Company then claimed to own jointly.⁶² Another company with a similar purpose, the St. Louis Land Company, was also active in the tract. This group, made up partly of half-breeds who claimed land in the tract by reason of their mixed blood and other claimants who asserted ownership through purchase from half-breeds, formed a company to dispose of their claims.⁶³ As a result of all these land transactions, no one could know how many rightful claimants there were to shares in the tract or who they were.⁶⁴

The legislature of Wisconsin Territory, to which Iowa then belonged, made the first effort to settle questions of title. On January 16, 1838, the legislature asked all who claimed title to Half Breed land to file their claims with the district court of Lee County, in which the tract was located, and appointed a three-man commission to take testimony and decide the validity of the claims.⁶⁵ The three commissioners, Edward Johnson, Thomas S. Wilson, and David Brigham, held hearings between May, 1838, and January, 1839, at which claimants could submit proof of land ownership in the tract. However, when Iowa became a separate territory, the first territorial legislature repealed the law which had created the claims commission.⁶⁶

This repeal obviously put the question of tract ownership back where it started, and deprived the commissioners of their compensation. Accordingly, part of the repealing act authorized the commissioners to sue the land owners for their services, which they subsequently did, entering suits in which they claimed \$1,530 in fees plus \$3,000 in damages. These judgments against the alleged owners of the Half Breed Tract were to be a lien against the lands.

The case opened before Judge Mason in Lee County District Court. Court-appointed auditors examined the commissioners' accounts and reported that the land owners owed Edward Johnson \$1,290 and David Brigham \$818, and Judge Mason ruled that they were each legally entitled to recover that amount. When those who claimed ownership in the tract refused to obey the court, Judge Mason ordered the entire Half Breed Tract sold by the sheriff at public auction to the highest bidder. As a result, the entire 119,000 acres went to Hugh T. Reid for \$2,884.66, the amount of the judgments.⁶⁷

However, those claiming property rights in the tract were not willing to let Reid's title go uncontested. They carried the matter to federal court in Iowa in January, 1846, in a test case, <u>Webster v. Reid</u>, in which Webster contested Reid's title to 160 acres of land on the grounds that he had not been served personally with notice of the public sale.⁶⁸ The court, made up of Joseph Williams, Thomas Wilson, and Mason, ruled that Reid's title to the land in question was valid, notwithstanding the circumstances under which he obtained it.⁶⁹ Presumably this was a legal technicality which Mason and his associates did not regard as invalidating Reid's title. Again the decision was consistent with the general judicial philosophy which Mason had demonstrated in other cases.

The United States Supreme Court later overruled this decision of the territorial Supreme Court, deciding in December, 1850, in favor of Webster's claim to the tract. Chief Justice McLean, speaking for the majority of the court, held that where there was no personal notice served on individuals, there could be no valid judgment against them. This set aside the sheriff's sale to Reid.⁷⁰

While the courts were considering Reid's title to the Half Breed lands, the same property was the object of litigation among others seeking to establish ownership to it under a ruling which the Iowa territorial legislature made

in 1838. At that time the legislature had asked Chief Justice Mason to prepare a bill under which Half Breed titles could be settled, and he suggested that joint tenants of land be allowed to sue for division of property in the district court of the county where the land was located. It was his conviction, as expressed to the legislature, that there was need for a general partition law for the whole territory, so shaped as to meet the circumstances of the Half Breed situation. As a result of his efforts, the legislature passed such a law.⁷¹

Under this law of 1838 a large number of claimants brought suit in the district court of Lee County for partition of the Half Breed lands. Representatives of the land companies, anxious to clear the way for additional land sales, were among the petitioners. According to Galland, the Eastern land speculators were behind both the judgment decree to Reid and the request for a partition decree, perhaps on the assumption that two titles are safer than one where both are doubtful.⁷² Francis Scott Key, brought from the East to manage the court case because it was considered so important, drew up the petition for the New York Land Company. The suit for partition of Half Breed lands came up at the spring term of Lee County District Court in April, 1840, and Judge Mason issued a decree making such division possible.⁷³

However, since no one could know at the outset who or how many were rightful claimants to shares in the Half Breed property, Mason issued a court order requiring all persons claiming any interest in the tract to appear and substantiate their claims at the October term of the court. The <u>Iowa Territorial Gazette and Advertiser</u> and the <u>Hawk-Eye</u> <u>and Iowa Patriot</u>, both Burlington newspapers, printed the notice in compliance with the law requiring that notice of partition be published in the press. According to the order, claimants who did not appear in response to this summons to validate their alleged titles were liable to forfeit all rights they might possess in the Half Breed Tract, and the judgment rendered would be binding and conclusive upon all parties.⁷⁴

When the fall term of court opened in October, 1840, the case was ready for trial; but Mason extended the time until the spring court session, April, 1841, for claimants to appear. When that time came, every person who had filed any Half Breed claim was either in court himself or was represented by an attorney. There were between two and three hundred claimants. Before coming into court, all parties gathered at a near-by tavern and agreed by mutual consent which claims they should allow and which they should reject.⁷⁵ Since there were so many claims, they decided to admit some spurious ones rather than await the

slow progress of a law suit to effect a settlement. They agreed, therefore, to admit 101 claims of as nearly equal value as possible, striking out only about twenty of them. Each claimant then drew his designated portion by lot. Of the 101 shares, the New York Company received 41, the St. Louis claimants 22 1/2, and the remainder of the claimants, 37 1/2.⁷⁶

The claimants then came into court and asked a judgment in accordance with that agreement. The court accepted this arrangement for partition because, as Mason saw it, the parties who had appeared in obedience to the summons were the only ones the law or the court could recognize.⁷⁷ But because it would take time to draw up the legal papers, Mason adjourned court at 4 p.m. on May 8, subject to reconvening when the clerk had completed the record. Since he did not do so until late that evening, Mason did not sign the papers until after nearly everyone in attendance on court had gone home.⁷⁸ These circumstances were significant because they were later to be one basis for the settlers' criticism of Mason's decision.

After the signing of the papers, there were only two things left to do to complete the partition: survey the tract into equal shares and draw to determine the location of each claimant's share. The court appointed three commissioners to assist the county surveyor in making the survey. When they completed it, each of the 101 shares contained approximately 1,170 acres. This interval between the rendering of the partition and its fulfillment gave other claimaints who had not yet been heard from a chance to protest the court's decision if they wished to do so; however, when the commissioners made their report in October, 1841, there were no objections. The drawing of the shares took place at the fall term of court under the clerk's supervision, and the court rendered the final judgment of partition.⁷⁹

Naturally the settlers who had squatted on Half Breed lands without title and were occupying them illegally when partition assigned the tract to others found the decree highly displeasing. Settlers like Captain James May, who claimed to have purchased land in the tract from a halfbreed with power to sell under the treaty of 1834 also opposed the decree. May claimed that the decree had unjustly deprived him of his legal holding.⁸⁰ Dr. Isaac Galland, excluded by the New York Land Company from claiming any share under the partition decree, likewise bitterly opposed Mason's ruling, charging that "the compromise was rendered under circumstances of secrecy and palpable collusion."⁸¹ Even some who had no claims in the tract probably denounced Judge Mason for sanctioning a pact which gave non-resident speculators so large a proportion of what

many regarded at the time as some of the most valuable land in the territory.⁸²

Some opposed the partition on the ground that they had received no personal summons or notice of a suit for division of the Half Breed Tract. Mason argued that had there been no notice served, the court would have lacked jurisdiction, and the judgment would have been null and void. Circumstances, he said, made it physically impossible to serve personal notice of the pending suit to everyone involved, because they were scattered over so wide an area.⁸³ Mason claimed, however, that he had fulfilled the intent of the law by ordering that notice of the suit be published in certain newspapers for a specified time. The ninth section of the partition act of 1837 had declared such publication to be equal to a personal service of summons.⁸⁴

Another cause for opposition to the partition decree was the unusual hour at which Mason rendered it. The settlers claimed that this was near midnight on May 8, some six or eight hours after he had discharged the claimants and witnesses. Many of these, the settlers contended, were persons who had interests and would have tried to enforce them but had gone home when told the court would not try the partition suit that term. Therefore, some said, the decree was invalid because Lee County Court was not in session when Mason rendered it. Because of the circumstances

surrounding the partition, it became known as "the Midnight Decree."⁸⁵ Mason, on his part, claimed that he signed the papers not later than 10 p.m., and that nothing was more common than holding evening sessions of the court. Since he required no witnesses in the proceedings then pending, Mason said he believed himself justified in dismissing witnesses previous to consummation of proceedings because it was the last day of the term of court.⁸⁶

Opponents of the partition decree also assailed it by asserting that Mason had no right to act as a judge because he was at one time legal counsel to one of the parties in the case who was also his relative by marriage. This was Mrs. Sophia Gear Farrar, his sister-in-law, widow of Amos Farrar who, by a previous Sac or Fox wife, was father of three children. The two eldest had died before 1840, but the third child, Margaret, was born after 1824 and living at the time of the partition decree. Mrs. Farrar was her guardian. Previous to Mason's appointment as judge in 1838, he had filed two Half Breed claims before the commissioners who had been appointed under the Wisconsin law of 1836: one for Margaret as the heir of her two sisters. and the other for Mrs. Farrar as the widow of Amos Farrar, the heir of his Indian wife. The total shares amounted to about 3,330 acres worth \$10,000.87

Mason never denied that he had been Mrs. Farrar's legal counselor about her rights in the Half Breed Tract. both before and after his appointment as judge. Although he had turned Mrs. Farrar's case over to Hugh T. Reid and Edward Johnson after he became a federal judge,⁸⁸ he admitted that while he was a judge he had given Mrs. Farrar advice on how to proceed in securing the Half Breed claim of her ward. Margaret. This was well known because some dissatisfied Half Breed claimants, by fair means or foul, had come into possession of two letters Mason wrote to Mrs. Farrar on the subject.⁸⁹ Mason had advised Mrs. Farrar to sell the claim for \$10,000 if she could get that much for it before the partition case came to court, suggesting that if the land were sold and the money loaned out at interest, the risk of loss would be less. Then when the partition case came before the court. Mason did not disqualify himself, as he had told Mrs. Farrar he would do, but signed the decree with her shares admitted. 90

The settlers found still other reasons to denounce Mason for his part in the partition decree. They claimed, for one thing, that he had not really investigated the evidence relative to the justice or legality of the titles which he admitted as shares. Various claimants had consulted and advised him regarding the partition agreement before its final consummation, they said, and therefore he was biased. They contended further that some of the claimants had combined for mutual speculation and profit rather than for justice, and therefore the decree was a result of a fraudulent combination of parties, their agents and attorneys, and the judge.⁹¹ Isaac Galland claimed that the court had given itself a "sweet morsel" in the partition decree, implying that bribery had played a part in the settlement.⁹² Mason's defense against these charges was an emphatic denial of any collusion between himself and any of the claimants.⁹³

Mason's attitudes and actions throughout the Half Breed litigation demonstrated his general judicial philosophy of paying more attention to ends rather than to legal processes. He defended his unusual judicial proceedings by declaring that one could never expect strict justice in any law suit, and especially not in one so complicated as the dispute over the Half Breed Tract. But he declared that the guiding principle in such matters should be to settle the title to property and halt litigation, even though it resulted in injustice to a few by leaving out some good claims and admitting some bad ones. As he saw it, legal particulars should not stand in the way of economic progress.⁹⁴

There seems to be little relation between Mason's rulings and his earlier background. The Half Breed rulings, for example, did not favor the relatively impoverished frontier settlers; they tended to favor land speculators. There were

other decisions, as in <u>Hughell v. Wilson</u> and <u>Hill v. Smith</u>, that seem to show sympathy for the settlers; but here financial self-interest may have influenced Mason or he may have tried to create a favorable impression on the voters to further his own political ambitions. Other rulings, such as <u>Ralph v. Montgomery</u>, were undoubtedly popular among the anti-slavery settlers in Iowa Territory and helped to heighten Mason's popularity among them. If these were judicial efforts to seek popularity, they eventually turned out to be a waste of time and effort on Mason's part.

In addition to these notable decisions which Mason rendered while he was Chief Justice, he also helped to settle another dispute which came within the scope of his office-the proper location of the Iowa-Missouri boundary. Mason later claimed that his calm and conciliatory policy had helped to solve the boundary dispute, thus avoiding a possible resort to force by the two states. A letter to Mason from Governor John C. Edwards of Missouri in 1846 summed up the essence of the controversy. The question at issue, according to Governor Edwards, was where the northern boundary of Missouri was meant to terminate--at the Des Moines rapids in the Mississippi River or at the rapids in the Des Moines River at Keosauqua.⁹⁵ If the latter was the eastern terminus of the Iowa-Missouri boundary, then a considerable portion of land that Iowans considered their own

would be included in Missouri. Until 1837, the Iowa-Missouri boundary was the so-called "Indian boundary line," surveyed by John C. Sullivan in 1816 in order to fix the limit of the Osage cession of 1808. This line terminated at the Des Moines in the Mississippi River.

Then a new line, surveyed in 1836 by order of the Missouri legislature, ran about ten miles north of the Sullivan line of 1816. This new survey was based on the description in the Missouri Constitution which called for a parallel of latitude "passing through the rapids of the river Des Moines." Under this survey, Missouri claimed jurisdiction over an additional strip of territory having an area of about 2,600 miles known as Brown's line, named after the surveyor, John C. Brown. Controversy over the correct boundary went back as far as 1836, when a Missouri commission appointed to determine the border reported in favor of the rapids at Keosauqua as the terminus. From then on the Missourians claimed that point as the one determining the division between their state and Iowa.⁹⁶

Mason explained the Iowa side of the question in a letter to an undesignated correspondent nearly twenty-five years later. He pointed out that Missourians were ignorant of the fact that early French settlers had known the lower rapids of the Mississippi River and named them the Des Moines Rapids. According to Mason's explanation, Missouri

lawmakers had incorporated the literal French rendering into the Constitution, making it appear as if rapids in the Des Moines River were the boundary terminus.⁹⁷

The dispute grew more serious every year, and was particularly so in 1839 when Missouri organized its counties north to the alleged line and sent out its officers to execute the laws there. The <u>Iowa Patriot</u>, a Burlington newspaper, took a serious view of this situation, asserting that Missouri officers were assessing citizens of Van Buren County, Iowa, a county in which the courts had never officially questioned Wisconsin or Iowa jurisdiction. The editor of the paper expressed the hope that Governor Robert Lucas, Iowa's territorial governor, would take measures to stop such proceedings until the Iowa delegate in Congress could state his case.⁹⁸

Governor Lucas responded to this popular appeal and called upon Judge Mason to issue warrants for arrest of any persons found within Iowa territory exercising the functions of office without proper authority. This Mason declined to do. He even refused to give in to local zeal when Iowa authorities arrested one of the Missouri officials and brought him to Burlington, Apparently intent on being a martyr, the Missourian refused to give bond for his next appearance in court, but Judge Mason allowed him to go home in peace. Thus, as Mason later wrote, he could not

claim imprisonment and suffering among the northern barbarians.

In the next episode of the boundary controversy, Mason also played the role of peacemaker. About this time a Missouri delegation visited Burlington to attempt a peaceful settlement of the dispute. Burlington citizens called a public meeting at Old Zion Church which, among other uses, was the meeting place of the Iowa territorial legislature. There were expressions of views on both sides, some belligerent in spirit, but Mason strongly favored conciliatory measures which would meet the Missouri friends of peace half-way. Although the meeting broke up without deciding upon any definite course of action, Mason's efforts bore fruit, because the Iowa legislature soon afterward appointed commissioners to visit Missouri and seek a settlement of the controvery.

While peaceful negotiations were in progress, both sides were actively making military preparations. In reaction to Missouri's military build-up along the disputed boundary, Governor Lucas called on Iowans to defend their soil. The Iowa territorial militia, in which Mason was a volunteer, gathered along the banks of the Des Moines River, but fortunately news of an armistice arrived before an armed clash occurred. The danger of armed conflict apparently ended when the Iowa militia men returned to their homes.⁹⁹

Subsequent controversies between Missouri and Iowa continued in the courts. The Iowa legislature passed stringent laws against those attempting to exercise within Iowa territory any functions of the state of Missouri.¹⁰⁰ In 1845 Iowa brought charges against two Missourians for having violated this statute. Judge Mason heard the case, found them guilty, and sentenced them to prison. However, after ordering the sheriff not to hurry with his prisoners to Ft. Madison, Mason went immediately to Burlington to request from the Governor a full pardon, which served to release the Missourians before they reached prison. 101 After this fortunate occurrence, popular agitation over the boundary question died down. Then in 1847, after Iowa became a state, Governor Hempstead appointed Judge Mason the state's attorney and ordered him to bring suit against Missouri in the United States Supreme Court to define the disputed boundary. The Supreme Court decreed that the Osage line, run by Sullivan in 1816, was the true northern boundary of Missouri and the one to which the Act of Congress referred when Missouri came into the Union.¹⁰²

Another of Mason's judicial contributions to Iowa while he was Chief Justice which did not fall within the scope of his office was his assistance to the territorial legislature in formulating laws regulating court procedure. As early as November 13, 1838, James W. Grimes introduced a resolution

that the federal judges submit suggestions to the legislature for increased efficiency of Iowa courts. Apparently the legislature took no further action on this proposal; but on January 4, 1839, it adopted another which requested Iowa's Supreme Court judges to furnish the legislature with proposals which would form a proper code of jurisprudence for the state and regulate the practice of its courts. In response to this request. Mason sent the legislature proposals for regulating criminal procedure in the lowa courts. According to Mason's explanation, he had been unable to confer with his judicial associates about the proposals. but had written them himself and sent them on ahead so the legislature could act promptly. The legislature used Mason's suggestions as the basis for a law which constituted the criminal code of the territory, defining in detail each of the crimes punishable under the law, and designating the nature and extent of punishment applicable in each case.¹⁰³

The Iowa Supreme Court judges also submitted to the legislature suggestions which led to establishment of probate courts in the state. As finally enacted, the law provided in each county for a court whose jurisdiction was coextensive with county limits, with responsibility for all matters relative to estates. The court was to convene monthly or more frequently when circumstances required. Some suitable person within the county was to serve as

probate judge for a three-year period.^{1C4} Mason and his judicial associates also submitted proposals which when enacted into law gave the district courts jurisdiction in matters of chancery. Other important laws they suggested related to warrants, writs of attachment, trespass, replevin, and other civil actions. Thus Mason alone or after consultation with his fellow judges penned many of the most important early laws passed by the Iowa legislature.¹⁰⁵

After Mason left the Supreme Court in 1847, he made still another significant legal contribution to Iowa jurisprudence. This was his work in helping to compile the Iowa Law Code of 1851. A law code, in the proper sense of the term, is a reduction to writing of all the laws of the realm, systematically and efficiently arranged by the sanction of legislative authority. Mason was chairman of a three-man commission appointed by the Iowa legislature in 1848 to make such a systematic and efficient arrangement of Iowa laws because it was difficult to determine them in the tangled mass of legislation. It is generally understood that Mason did the principal part of the compilation of the Code of 1851. Since this necessarily involved a certain amount of editing on Mason's part, it gave him some opportunity to express his own views respecting desirable legislation.

The need for clarification of Iowa laws had existed for several years prior to 1848, but attempts to accomplish it were ineffectual. As early as November 12, 1838, Governor Robert Lucas had suggested to the territorial legislature the appointment of a three-man committee, made up of men of known legal experience, to digest and prepare a complete code of Iowa laws and report it for consideration at the ensuing legislative session. This, Governor Lucas declared, would clarify ambiguous existing laws and establish Iowa jurisprudence on a firm basis.¹⁰⁶ This first law code of the state, commonly referred to as the "Old Blue Book" was the work of legislators who had little or no judicial experience.¹⁰⁷ This 1838 code soon became outdated as the legislature passed additional laws and repealed or amended. old ones. This necessitated a new compilation, and in 1842 the legislature appointed a joint legislative committee on revision on statutes. The result was the so-called "Blue Book of 1843," a mere aggregation of existing statutes selected with questionable discretion and compiled only under general headings. Consequently, by 1847 need of a complete revision was apparent. In January, 1848, after Governor Ansel Briggs advised the legislators of the need for another codification, 108 they then passed a bill authorizing commissioners to prepare such a code and appointed to it William Woodward, a Whig, and Stephen Hempstead, a

Democrat, to serve along with Charles Mason, who had just completed his second term on the Supreme Court. Each commissioner was to receive \$1,000 for his services.¹⁰⁹

Some of Mason's contributions to the Law Code of 1851 showed how ready he was to innovate upon established law and strike into new paths.¹¹⁰ Among other things, the 1851 Code showed that Mason was in step with the most advanced legislation of his time as to property rights and personal rights of women. Evidently Mason believed that women possessed the same inherent rights as men, a concept not commonly held by most men of that time. On his own responsibility he recommended the most comprehensive legislation touching the rights of the wife to separate property and the protection of that right.¹¹¹

This legislation reflected a widespread demand which arose about 1830 for changing married women's property rights. It involved agitation for abolition of numerous laws respecting a husband's right to control his wife's estate and to take possession of her personal property. These laws, inherited from England and maintained by the states after the Revolution, made unmarried women legal wards of their male relatives; married women were chattels of their husbands, who acquired title to their property and earnings and authority over their persons like that of a parent over his child. As early as 1836 the New York

legislature introduced a proposal to change the law relative to property rights of married women, but it was not until 1848 that the bill became law.¹¹² Perhaps Mason's residence in New York State and his legal experience there shaped his thinking about the need to protect women's property rights in Iowa.

Mason's work on the 1851 Code also showed his attitude toward corporations and the degree of governmental control to which he thought they should be subject. The Code indicated that he took a receptive attitude toward corporations. This contrasted with the common attitude toward corporations before the Civil War. Prior to that time businessmen used the corporation chiefly in forming banks, building roads, turnpikes and railroads, or launching some other project necessary for the public good, perhaps one of such magnitude that they had to distribute the risks widely. The public generally looked upon the corporation as a dangerous and undemocratic form associated with the idea of monopoly and one to be carefully supervised. For example, in the early 1830's the Jacksonian Democrats had opposed the Second Bank of the United States on the ground that it was a great financial monopoly, a conviction that Mason shared at the time.¹¹³ However, when he came West he evidently changed his views about corporations because he was interested in promoting large-scale business projects. He

perhaps helped to shape the 1851 Code with his own business interests in mind.

This was not the first time Mason had expressed his attitude toward governmental control of corporations. He had done so when he helped to formulate the general incorporation law provided for in Iowa's first state constitution in 1846. This constitution, under which Iowa was admitted to the Union, directed the legislature to enact laws for the organization and operation of private corporations. Dr. William Salter, one of Iowa's early pioneers, attributed the resulting general incorporation law largely to the efforts and influence of Charles Mason.¹¹⁴

This first Iowa corporation law, which the legislature approved February 22, 1847, was considered extremely liberal in the regulations it laid down for business operations. It authorized any number of persons to incorporate themselves as partners for transacting any lawful business, which included ferries, railroads, or other internal improvements. The incorporators could make any regulations they chose for the management of the business, providing these were not incompatible with honest and legal purposes. The promoters could exempt their private property from corporate debts. They could hold, buy, or sell real estate. Although the law did not allow corporations to continue more than twenty years, by unanimous consent the incorporators

could renew their charters for a similar period.¹¹⁵ In many respects, then, this law which Mason had so prominent a part in formulating invited the creation of Iowa corporations.

The Code of 1851, edited by Mason, Woodward, and Hempstead. did not materially alter the welcoming attitude of 1847 toward corporations. The principal change extended from twenty years to fifty the time allowed corporations to construct internal improvements. The other powers granted, with slight modifications, were the same as in the law of 1847. For example, corporations were not required to state the amount of stock actually paid in, as did the act of 1847. Regulations imposed were only slightly more specific than in 1847. The law required that corporations for internal improvements state in their Articles the highest amount of liability or indebtedness to which the corporation was subject. Except in the case of insurance companies, this was not to exceed two thirds of the capital stock. Sections of the 1851 Code relating to fraudulent transactions by corporations, and those defining penalties and liabilities, were more explicit than those of 1847.116

Mason's receptive attitude toward corporations and his view concerning slight governmental control over them seem as evident in 1851 as they did four years before. His personal business interests certainly may have influenced his views toward government control of corporations. At least to judge by the general incorporation law of 1846 and the Law Code of 1851, he opposed restrictive legislation in areas where his own immediate interests were concerned. These convictions had a far-reaching impact: the Nebraska territorial legislature in 1855 adopted much of the Code of 1851 and much of it also appeared in the Iowa Constitution of 1857.¹¹⁷

As Mason's second term on the Supreme Court drew to its close, he evidently considered leaving Iowa. Apparently some time in 1845 a college in Cincinnati had offered him a position as professor of mathematics. Mason's Iowa friends must have thought that he found the proposal attractive, for Cyrus Olney wrote from Fairfield in some alarm, pointing out that although the Cincinnati offer was a compliment to Mason, his friends hoped that for the sake of Iowa's future he would not accept it.¹¹⁸

Perhaps Mason refused the Cincinnati post because he and his friends believed that his Iowa political prospects were promising. After a trip through the West, Daniel Campbell of Albany, New York, wrote Mason in November, 1846, that newspapers frequently mentioned him as a likely choice for the Senate when Iowa became a state.¹¹⁹ This probability did not materialize, however; and when Mason was replaced on the Iowa Supreme Court in 1847, his future plans were still unsettled.

When his judicial term expired, Mason took up the general practice of law in Burlington. Evidently he handled all types of cases--personal injury suits, land titles, and property damage suits.¹²⁰ In addition to his own practice, he also formed a partnership about 1850 with Samuel R. Curtis and John Rankin for practicing law in Keokuk. James M. Love later became a member. Apparently the partners carried on largely through correspondence, with Mason handling cases in Burlington which his absentee associates referred to him.¹²¹

Among the cases Mason's law firm handled, and possibly the one which led to the dissolution of the partnership, was a suit against the Iowa Board of Public Works on behalf of contractors engaged in improving navigation of the Des Moines River. The cause of the dispute originated in 1846 when Congress granted lands to Iowa with the understanding that the state would use profits from its sales to improve navigation on the Des Moines River. The grant included the alternate sections of land in a strip five miles wide on each side of the river. The state accepted the grant on January 9, 1847, and created a Board of Public Works to supervise the improvement, sell the land, and apply proceeds in payment of river improvements.¹²² The Board selected Samuel R. Curtis, Mason's law partner, as chief engineer,

and made terms with private contractors to carry out a program of river improvements.¹²³

The Board had expected to pay the contractors from sale of the state-owned lands; however, it soon realized that it could not sell the lands fast enough to meet expenses of the work undertaken. At least one reason for this was that government land in the even-numbered sections sold at \$1.25 per acre; thus the Board of Public Works could not ask any more for the state-owned land and still hope to sell it.¹²⁴ When the contractors did not receive their pay, they stopped work and sought legal aid against the state in pressing their claims, estimated to be \$65,000.¹²⁵ The contracting firm of Maggem and Brigham, which held the largest claim, engaged Mason and his law partner, Samuel Curtis, to take charge of their case.¹²⁶ The firm of Connable and Cunningham sent Mason its power of attorney for use in presenting its claim against the state.¹²⁷ A contractor named Turner also engaged Mason,¹²⁸ and the firms of Smith, Morrison, and Company and Buckingham and Sons engaged Curtis.¹²⁹

Rather than submit to costs of a law suit, most of the contractors were willing to submit their claims to arbitration and take half their expected profits. The state and the contractors each selected one arbitor and these two chose a third.¹³⁰ The parties agreed to accept their verdict as final. Each contractor paid a specific

part of the arbitors' compensation to avoid any charge of partiality.¹³¹ Attorneys representing each side then argued the claims before the arbitors. After the verdict, Curtis wrote to Mason, "I suppose we should be satisfied with the results of our arbitration."¹³²

But while the partners appeared satisfied with the outcome of the case, they disagreed sharply over division of the fees. Curtis expected the fees to be split between Mason, Love, and himself.¹³³ This left out Rankin, the fourth partner in the law firm, an arrangement which displeased Love, who pointed out that Rankin had taken care of much of the correspondence in the case. He argued, too, that Curtis did not deserve a third of the profits, since Mason rather than Curtis had given the time and effort necessary to the success of the case.¹³⁴ There is no clear evidence of where Mason stood on this dispute over fees, but it appears that he sided with Curtis so far as Rankin's exclusion was concerned.¹³⁵ Apparently this disagreement led to the dissolution of the partnership.

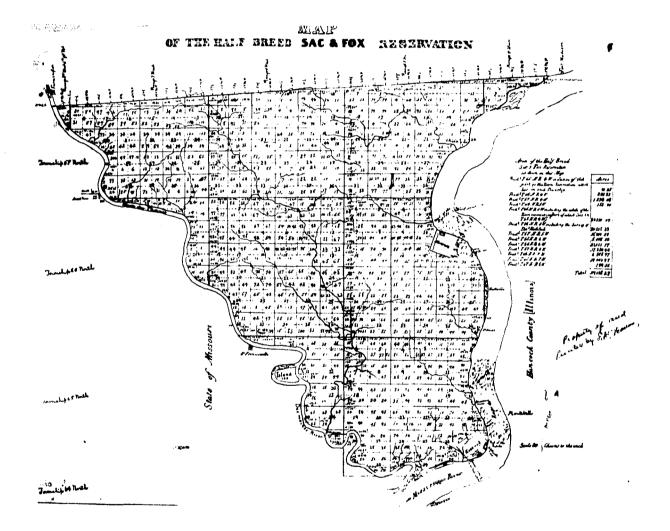
After this venture into private law practice, Mason once more entered public life. He was elected judge of Des Moines County, taking office in September, 1851, but resigned the following year. Perhaps he hoped that this minor office would lead to a larger one, but if so, he was mistaken. He was elected to only one other public office

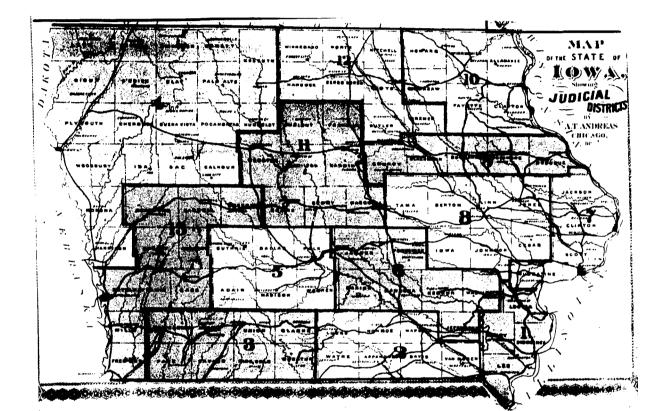
in Iowa during the rest of his life, serving briefly on the state Board of Education.

The Democratic party's decline in the state after 1854 was one factor which thwarted Mason's political ambitions in Iowa. This decline resulted partly from the activities of nativists called Know-Nothings, whose anti-foreign arguments enticed away many Democrats of Southern origin, particularly in southeastern Iowa, where the Democratic party was strongest. Then too, the Know-Nothings and Free Soilers in the legislature combined to oppose Democratic policy and broke the power of the party in the state for the first time.¹³⁶ Later, when the Republicans organized their party in Iowa, they combined their votes with those of the Know-Nothings to oppose the Germans and Irish in the Democratic organization. This political coalition threatened continued Democratic dominance in the state.¹³⁷

Still another factor that hampered Mason's political future was his effort to profit from Half Breed land after having been responsible for its disposal when he was a federal judge. Apparently his judicial decisions in the Half Breed affair did not count against him politically, if one can believe a correspondent of Mason's who reported that Mason's name appeared in western newspapers as a suggested candidate for the Senate in 1846.¹³⁸ After that time, however, his personal involvement in the Half Breed

speculation evidently caused the public to suspect collusion between the judge and those later involved with him in financial speculation. The waning of Mason's political prospects doubtless prompted him to give increased attention to building up his personal fortune.





NOTES FOR CHAPTER II

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Chapter III PROMOTER OF PIONEER RAILROADS

According to an entry which Mason made in his diary in middle life, he was interested even in his youth in the possibility of a transcontinental railroad. He claimed to have had such an idea as early as 1833 or 1834.¹ This was eleven years before Asa Whitney, one of the first well-known crusaders for a coast-to-coast railroad, submitted to Congress a request for a gigantic land grant to finance construction of a railway from Lake Michigan to the Pacific.² Another early advocate of such a line was Theodore D. Judah, who tried to interest western merchants like Leland Stanford, Mark Hopkins, Collis Huntington, and Charles Crocker in the project. However, it was not until 1853 that Congress provided for a survey of possible routes from the Mississippi to the Pacific.³

When Mason finally had a chance to share in western railroad construction, he began on a much smaller scale than he had originally planned. His first opportunity came in 1851 when he became a director, and later the president, of the Peoria and Oquawka Railroad, a proposed line in western Illinois. He also was a stockholder in the Burlington and Missouri Railroad, one of the first railroads in Iowa.

Then in the later 1850's Mason lobbied in Washington on behalf of a transcontinental railroad.

A study of Mason's business career in this period shows something of the difficulties which confronted early railroad builders and how they overcame them. The obstacles faced by this particular group in getting established on the frontier have received less attention than the problems of other pioneers, probably because they were less challenging to the public imagination. It is easier, that is, to be sympathetic and interested in a man's problems in erecting a sod house or fighting Indians than in those of obtaining railroad capital and materials.

Mason expected to profit from the railroads because he believed that they would soon replace boats as carriers of both passengers and freight between East and West. As for travel, he noted that railroads had the advantage of regularity and speed over steamboats because they would avoid the delay caused by low water or ice-bound rivers in winter. When it came to freight, railroads would have the advantage of canal boats because they would be more conomical carriers, as, so Mason said, they had already demonstrated in the East. As Mason saw it, a Western state like Iowa would particularly benefit from this transition to railroads because a new state would require a great many Eastern commodities and would have a vast amount of agricultural produce to sell to distant markets.⁴

Mason was by no means the only early Iowan who believed in a transcontinental railroad. Another was John Plumbe, who drew up plans for a railroad from the Great Lakes to the Pacific while American railroads in the East were still largely a novelty. In 1838 Plumbe published a crude sketch of his proposed railroad; at a railroad meeting in Dubuque on March 26 of that year he persuaded his fellow townsmen to send a memorial to Congress asking for economic aid to a proposed railroad from Milwaukee to Dubuque, which would link the Great Lakes to the Mississippi River. Those favoring the petition argued that such a railroad would be the first link in a great chain across the Mississippi to the Missouri which would eventually reach the Columbia River in Oregon. When Iowa's territorial delegate presented this petition to Congress, his colleagues laughed at him and asked when the people of Iowa would request Congress to build a railroad to the moon.⁵

Further support for the idea of a government-sponsored railroad to the west coast came from an Iowa editor who wanted federal authorities to extinguish Indian titles to a strip of land sixty miles wide, extending as far as Oregon, and to use proceeds from resulting land sales to construct a railroad the entire distance. The editor pointed out that this route would send Oriental goods east to the Atlantic seaboard and Europe, and Occidental manufactured

goods to the Pacific ports. Several months later the same editor printed an exchange article from an Illinois newspaper, the <u>Alton Telegraph</u>, listing other advantages resulting from a transcontinental railroad: such a line would be an advantage in war, as a means of supply from Asia, and promote peace between the United States and other nations by fostering friendly relations. The editor said, too, that such a railroad would not only advance foreign immigration, thus spreading democracy, but also strengthen the bonds of national union, thereby giving the West an important place in the republic.⁶

Railroad construction began later in Iowa than in neighboring states because early immigrants often went down the Mississippi or up to the Great Lakes to settle, so that the new state received a comparatively small stream of settlers. Lack of government encouragement also retarded railroad building in Iowa. The state constitution forbade any state debt of over \$100,000 except for some specific object secured by a provision for repayment.⁷ It was difficult to secure private capital because some Iowans who might have invested in railroads sensed no public demand for them. Until midcentury most residents of the new state apparently were still satisfied to use rivers and roads as a means of travel.⁸

The greater need for long-distance railroads, which helped to further Mason's ambitions in this respect, came

about with Iowa's increased population and more developed economy in the 1850's. The settlers opened up a great new area of productive soil. Prairie mechanics introduced the steel mold board plow in the 1830's, which revolutionized prairie breaking, thereby increasing agricultural production and necessitating better transportation to carry the produce to market.⁹

For various reasons the dream of a transcontinental railroad seemed close to reality by mid-century. For one thing, more Eastern capital was available for investment than before. Possibilities for profit from older sources like New England fisheries, whaling, and the carrying trade seemed less promising to Eastern capitalists than did western railroads. Consequently, Eastern mercantile capital prepared to underwrite construction of trunk lines in the western country if Congress would give the railroads large land grants from the public domain along the right of way.

These hopes of government aid materialized after 1850 when Congress began to make land grants to prospective lines. There was nothing new about this government aid except as it applied to railroads. When Ohio became a state in 1803, Congress had provided that 5 per cent of the net proceeds from public land sales within the state be set aside for road construction. Congress spent two fifths of this sum to build roads to and through the state; the rest went to

the Ohio legislature to lay out and construct state roads.¹⁰ Congress followed the same general policy regarding canals. Although it denied financial help to builders of the Erie Canal, it made substantial contributions to construction of other canals by grants from the public domain. Usually the government granted promoters alternate sections for a limited number of miles on each side of the projected enterprise, with the expectation that they would sell these lands to finance construction. For example, on March 2, 1827, Congress granted Illinois half the land, to a depth of five sections, on either side of the projected Illinois and Michigan canal, reserving each alternate section for the United States.¹¹ By 1850 the government had given about seven million acres to highways and canals.¹²

Congress extended the same policy to railroads in 1850 by granting land to the state of Illinois for the proposed Illinois Central Railroad. Senator Stephen A. Douglas of Illinois sponsored a Congressional bill providing for a land grant which would make possible a line down the center of the continent from Chicago to Mobile. Douglas' bill passed, donating alternate sections of land on each side of the proposed route, totaling 3,840 acres per mile.¹³ If settlers had taken up any of this land, there was provision for indemnity selection within fifteen miles of the road.¹⁴ In 1851, certain New York capitalists took over construction of the railroad in return for the donated lands. They completed the line by 1856, and between 1854 and 1857 sold nearly half their grant for more than \$15,000,000.¹⁵ With this as a precedent, the prospects for financing other railroads in the same way seemed to brighten.

Hope for building railroads over extended distances with private capital for private profit received another boost when Illinois failed to carry out a program of stateowned railroads. This had been part of a state-wide program of internal improvements by which the Illinois legislature had planned to provide 1,300 miles of stateowned railroads. The state intended these lines to extend into all parts of Illinois except the northeast part of the state, which would be served by the Illinois-Michigan Canal. The state financed the project by borrowing money and pledging its own credit to the amount of \$20,000,000. However. as a result of the 1837 depression and other factors, it had to abandon the project after crippling its credit and incurring a huge debt which took many years to pay. Only one short line materialized from this ambitious project, a twenty-four mile line between Jacksonville and Merodosia. Illinois. called the Northern Cross.¹⁶ However, private railroad promoters like Mason indirectly benefited from the collapse of the Illinois plan because it left a mood of public expectancy which remained to be satisfied.

These improved prospects for building a long-distance railroad prompted Mason and others associated with him to undertake the building of a line from Peoria to the Mississippi River, the Peoria and Oquawka, in the expectation it would connect with an Eastern road and eventually extend to the Pacific coast. James Knox, one of the promoters, said that he never would have interested himself in the Peoria and Oquawka had he thought it would end at Peoria. He wanted a connection with the Atlantic coast, so that eventually the Peoria line would become part of a great east and west road.¹⁷ A. S. White, another Peoria and Oquawka supporter, pointed out that the line was well located to be part of a future line from the Northern or Central Atlantic seaboard to the Mississippi Valley. White doubted, however, that Mason or anyone else connected with the Peoria and Oquawka would live to see its extension from Council Bluffs to the Pacific Coast.¹⁸ But Mason and his business associates found more obstacles than they anticipated in building even a short line.

The first barrier to building an Illinois railroad, obtaining legal authorization from the legislature, proved one of the least of the problems which were to confront the organizers. In the mid-nineteenth century, railroads required special state charters. The legislature granted three of these to projected lines on February 12, 1849.

One was the Aurora Branch, organized to build north from Aurora, Illinois, to Turner Junction, now West Chicago. There the Aurora would connect with the Chicago and Galena line out of Chicago. Residents of Galesburg organized the second Illinois company formed at this time, the Central Military Tract, to build northeast to Mendota, Illinois. The third road was the Peoria and Oquawka, organized to connect Peoria, on the Illinois River, with Oquawka, a small town on the Illinois side of the Mississippi River where it bends to the east just above Burlington. A railroad terminating at Oquawka would provide Illinois farmers with an easier way to reach the Mississippi wharfs with the produce that they were accustomed to ship on steamboats bound for St. Louis, Memphis, and New Orleans.¹⁹

The next problem was to raise funds to finance initial construction. The promoters of the Peoria and Oquawka, believing that they could build their line for \$750,000, appealed to communities and individuals along the proposed route for stock subscriptions and made a considerable start toward raising that amount. Oquawka approved a \$25,000 bond issue; Peoria authorized a \$75,000 bond issue bearing 6 per cent interest; and Warren County, Illinois, voted \$50,000 in bonds on the same terms as Peoria. Galesburg, evidently believing that the line would locate through their community, pledged financial support to the proposed railroad, as did Knoxville. There was also a substantial individual subscription list.²⁰ When merchants and farmers in the terminal cities and along the route put their funds into the line, the desire for dividends did not interest them so much as the expectation of profit from increased business and the rise in land values. In other words, even the building of the western railroads in the 1850's, when capital entered this field so heavily, was to a large extent on a mercantile-capitalist basis.²¹ This helps to explain the initially generous response to the sale of railroad stock.

The high hopes of the Peoria and Oquawka promoters must have dimmed when community representatives on the board of directors tried to shape company policy to their own advantage. While a direct route from Peoria would pass south of both Knoxville and Galesburg, the railroad could easily include both towns by bending slightly to the north. However, Knoxville directors on the board put pressure on the Illinois legislature to keep Galesburg off the proposed route. John Denny, representing Knox County in Springfield, responded to the wishes of his constituents by having the location of the line changed so that it would go through Farmington, Knoxville, and Monmouth, but would leave Galesburg three miles away from the railroad.²²

At the same time, Peorians tried to exclude both Galesburg and Knoxville from the proposed route by having it go through Farmington, twelve miles south of Galesburg. To do this they secured from the Illinois legislature the right of way of the defunct Peoria and Warsaw Railroad which had built a grade between Peoria and Farmington prior The state of Illinois, which had assumed the title to 1851. to this railroad property, deeded it to the Peoria and Oquawka Railroad on July 15, 1851. Obviously the two proposed routes were irreconcilable and some adjustment had to be made. The Knoxville backers succeeded in having the legislature amend the charter in their favor; it authorized the Peoria and Oquawka to build on the most direct route from Peoria to Knoxville.23

While there were troubles at the Peoria end of the line, difficulties arose at the other end over whether the main western terminus of the railroad should be Oquawka or Burlington. Controversy between the two towns began when Burlington newspapers waxed enthusiastic over prospects of a Burlington railroad connection that would make their city the focus for the southeastern Iowa trade.²⁴ Some Burlington editors began a dispute with those in Oquawka by referring to the proposed line from Monmouth to Shokokon, a settlement on the Illinois side of the river opposite Burlington, as the main line. The Oquawka editors retorted

that Burlington was only the end of an eight-mile branch line. The controversy went on for more than a year, with the newspapermen in the two towns trying to use the railroad terminus to enhance the prestige and boost the economic prosperity of their communities.²⁵

Burlington citizens sought preference over Oquawka by subscribing more money to the proposed road than their upriver rival. Although urged to invest \$75,000, they over subscribed that amount by \$4,000 when the subscription books were opened. Charles Mason purchased an undisclosed amount of this stock. This support on the part of Burlington residents became even more significant when Henderson County, in which Oquawka was located, turned down a \$50,000 loan to the road in the spring of 1851.

Burlington's financial aid gave that city precedence over Oquawka as a railroad terminal. The directors at a meeting in June decided to build to Burlington first, leaving the main trunk to Oquawka until a later date, and also gave Burlington representation on the board by making James W. Grimes and Charles Mason directors. Perhaps as a result of this, Burlington citizens responded to the plea for more railroad funds by subscribing an additional \$25,000.²⁶ Grading for the line from Burlington to Knoxville began on the river bank opposite Burlington in 1851.²⁷

Personality clashes and conflicts of interest soon developed among the directors. These had been chosen from some of the principal points within the trade area which the proposed line would serve. James Knox of Knoxville was president. The directors, in addition to Mason and Grimes, were Julius Manning, also of Knoxville; Rhodolphous Rouse and Washington Cockle, both of Peoria; A. C. Harding and J. N. Webster of Monmouth, Illinois; and J. M. Read of Farmington, Illinois.²⁸ Mason **as** a director soon got an inkling of the dissensions which were later, when he was president, to cause him much personal embarrassment and to hamper the completion of the whole enterprise. Six months after Mason became a director, Onslow Peters, a stockholder from Peoria. confided to him that the business had suffered from misconduct on the part of company officers. Later Peters characterized George Bestor and Washington Cockle as continual sources of trouble on the board. Although Bestor had not been a director originally, Peters said, he operated through his tool, Cockle. Peters described Cockle as less vile tempered than Bestor, but just as selfish and malignant.²⁹

The Peoria directors could not even agree among themselves as to where the railroad should enter their community. A Peorian, Charles Ballance, wrote Mason that he had purchased property in one part of Peoria and persuaded

others to do likewise, in expectation that the railroad would build a bridge across the Illinois there. Dr. Rouse, one of the Peoria and Oquawka directors, had bought elsewhere in Peoria with the same purpose in mind. Ballance offered his lots to the board for either \$3,000 in stock or at half of whatever figure a disinterested party should appraise them. Cockle urged the board to take the property for \$3,000, but they suspended construction in an effort to find some other route that would avoid the Ballance property. Ballance wrote to Mason in December:

You are only interested in the best and cheapest route. I hope you on the west end of the route will drive on without regarding intrigues at our end. By the time you get to Spoon River we will be done quarreling and go to work. I hope we do our share by and by.³⁰

This hope was fulfilled sooner than expected. Less than two months later, Ballance withdrew his opposition and agreed to let the directors locate the railroad in Peoria where they thought proper. He took \$2,000 of stock, but it is not clear whether he paid cash for it or whether he received it because he had ceased to oppose company policy.³¹ At any rate, the company began building west from Peoria in 1851, utilizing for about four miles outside the city the old grade of the Peoria and Warsaw Railroad, and going nine miles farther to Edwards' siding.³² The railroad thus was under construction at both ends.

Despite differences in purpose and personalities, the new directors still had to solve the problem of obtaining credit for the purchase of more rails and other equipment. President Knox hoped they could do this through a sale of company bonds. Accordingly, the board at a meeting in February, 1852, appointed a committee--Colonel Richard Morgan, civil engineer of the road, Harding, and Mason-to sell company bonds and use the proceeds to purchase iron rails, spikes, railroad chairs, locomotives, and other rolling stock. In the winter of 1852 rails were selling at about \$38 per ton, deliverable in New York or New Orleans, and Mason was anxious to purchase the railroad iron before the market price went up. The influx of gold, the many railroads being planned, and other circumstances seemed to indicate that the price would rise. Mason wrote to Harding three times urging the necessity of immediate committee action, but received no reply.³³

Determining to take some action alone, Mason went East early in March, apparently carrying company bonds as well as \$15,000 in Burlington city bonds, which he intended to sell for the benefit of the railroad. Although he hoped to find the other two committee members, Morgan and Harding, in the East and transact company business, he did not locate them; however, he did meet James W. Grimes, the other Iowan on the Peoria and Oquawka board of directors. Grimes was

confident that he and Mason would have no trouble disposing of the bonds either in New York or Boston.³⁴

In spite of Grimes' optimistic expectations, they did not find a ready market in the East for either the Burlington bonds or the railroad bonds. The city bonds were not negotiable there because the form was not satisfactory to Eastern lawyers. They had become more particular about the legal form of Western securities since the collapse of the Illinois internal improvement scheme, which had caused heavy losses to northeastern investors. Consequently, Grimes had to take the Burlington bonds back to Iowa to have them re-executed, leaving the railroad bonds as Mason's only resource with which to purchase iron. After Mason exhausted the possibilities for selling these bonds in New York, he took the suggestion of a New York broker and visited Boston, but found no market for them there, either.³⁵

With Grimes in Iowa, Mason thus had to make decisions without the advice of any other director. When he found he could get the railroad iron on six months' credit from William F. Weld and Company, agents for Thompson and Forman, a British firm, he purchased six hundred tons of rails at \$43 per ton. Terms were cash as of June 1, or 6 per cent per annum after that date. Mason then placed the reexecuted Burlington city bonds as collateral with the banking house of Duncan. Sherman and Company at 80 per cent of their par value. According to the agreement, the Peoria and Oquawka Railroad could sell the bonds at any time if the railroad applied a sufficient amount of the proceeds to pay the note. Weld and Company expected to deliver the iron at New Orleans to an agent of the railroad as the ships unloaded it; however, that company would charge an additional 25 cents per ton if it had to ship the iron up the Mississippi River.³⁶

From the beginning Mason found himself working at crosspurposes with Harding, the Peorian on the committee, who consistently objected to Mason's arrangements and overruled them. For example, although Mason purchased rails with the understanding that they go on the Burlington end of the line, where the engineer in charge had reported he would soon need them, Harding wrote Weld and Company to ship the iron up the river and deliver it in equal parts to Burlington and Peoria. He assured Mason that he hoped to make a larger purchase of iron shortly, and if so he would change the order so as to deliver all six hundred tons to Burlington.³⁷

Harding also objected to Mason's arrangements for the purchase of railroad spikes. Mason had purchased these through Weld and Company for 3 1/4 cents per pound, plus insurance, the quantity purchased to depend on the amount of cash from the sale of three railroad mortgage bonds.

Weld and Company were to ship the spikes to New Orleans in care of the firm of wood and Low.³⁸ Mason tried to economize on this purchase of spikes by ordering a smaller and shorter spike than the type used in New England, believing that the chestnut ties used in the East required a longer spike than those needed in the West, which customarily used oak ties.³⁹ Again Harding overruled him, claiming that the gain from using a shorter and smaller spike was not worth the risk of loose rails. 40 The two also clashed over the fact that Mason had contracted to buy the spikes for three company bonds at 7 per cent interest, rather than the 8 per cent which they carried. Harding took it upon himself to request a better price from Weld, proportional to increased He did not like it, either, that the bonds were interest. made out to a blank assignee and not to a specific bearer.⁴¹

The purchase of chairs for railroad cars was still another cause for disagreement betwen Mason and Harding. Harding thought that the company could buy them as cheaply in the West as in the East when it added in shipping charges. He suggested that they take the best patterns West and have the chairs made there. In this case, evidently Mason had his own way. He ordered four thousand wrought iron railroad chairs from J. F. Winslow and Company, in Troy, New York, on May 22; the following August these were in New Orleans ready for shipment up the Mississippi River.⁴² In addition to Mason's other purchases, he tried to buy rolling stock of various types. The American Car Company of New York City quoted him platform cars with iron trucks at \$510 on three months' credit, with 7 per cent discount for cash. Gravel cars cost between \$275 and \$300. Perhaps Mason preferred to wait until railroad cars were available in Chicago, where the American Car Company was establishing a new factory.⁴³ At any rate, he did purchase two reconditioned railroad engines from the Philadelphia and Reading Railroad. These were four-wheeled locomotives that sold for \$2,500 each with their tenders.⁴⁴

Even more difficult than the problem of procuring railroad equipment and material was the problem of shipping it to the West. Mason had three choices of route by which to send his rolling stock to Iowa. One way was on the Great Lakes, via Buffalo and Chicago. The shipper told Mason that if he chose this route, he would have to send a man with a large amount of cash along with the shipment to pay freight, insurance, and transshipment costs. The lake route the shipper deemed undesirable because of the expense and greater risk of accident.⁴⁵ A second alternative was to put the locomotives on a steamboat, if they did not weigh more than ten tons each, and bring them down the Ohio River, then up the Mississippi to Burlington.⁴⁶ A third possibility was to send the engines by sea, which would involve transshipments

at Philadelphia and New Orleans, from where they would be shipped up the river by steamboat. The shipper recommended this method to Mason on the basis of past experience as being quicker, less troublesome, and cheaper because it would be unnecessary to send anyone to superintend the engines.⁴⁷ There is no evidence to indicate which route Mason chose; but it seems reasonable to suppose that he preferred the third, since his other railroad purchases came that way and it was the one the shipper recommended to him.

Even the route by way of the Mississippi presented difficulties. This became evident when the firm of Wood and Low in New Orleans informed Mason that 300 tons of iron, half of his order, had arrived, but that the rest would not come for another month. The firm warned Mason that it was difficult to obtain a steamboat going directly to Burlington and Peoria and suggested using a steamboat as far as St. Louis, with bills of lading to either Burlington or Peoria, giving the steamboat owner the privilege of reshipping at St. Louis at his own expense. Insurance on the river shipment would add 1 1/3 per cent to the total cost.⁴⁸

In addition to shipping difficulties, the Mississippi presented various hazards. Sometimes steamboat competitors, under the business pressure of the 1850's, literally sought to knock out one another by collisions. Explosions and fires occurred with distressing frequency until the federal

government provided safety measures by establishing standards for steamboat construction and operation.⁴⁹ Some portions of the river were noted as steamboat graveyards. Natural obstacles became apparent as the shipment of rails came up the river on two steamboats, the <u>Uncle Sam</u> and the <u>Iroquois</u>. Mason learned from W. F. Coolbaugh, an Iowan in St. Louis, that the <u>Iroquois</u> had gone aground below the city and in an effort to refloat the steamboat had thrown 114 rails overboard.⁵⁰ The fact that this iron was insured was probably only partial compensation for the delay which the loss of iron rails would cause in construction of the Peoria and Oquawka Railroad. The <u>Iroquois</u> had put part of the iron on the <u>Uncle Sam</u>, and landed the remainder at two different places between Cairo, Illinois, and St. Louis.

More problems developed when those who collected the iron where the <u>Iroquois</u> had left it refused to deposit it anywhere except on the St. Louis levee. Since the city authorities would not let it remain there more than a week or two, there was no alternative except to store the shipment somewhere in the city at an estimated cost of drayage and storage between 10 cents and 25 cents per rail.⁵¹ A month later Mason received word that Partridge and Company, a St. Louis firm, had piled the iron on ground above the city so that boats could take it up the river at high water and were billing him for the cost of moving it.⁵² They

added to this estimated charges and freight on the two shipments at \$4,500, to be paid on arrival.⁵³ There is no evidence when these rails finally reached Burlington, but apparently 240 tons reached Peoria in early December through the efforts of an agent sent to St. Louis for that purpose.⁵⁴

When Mason returned from the East in the spring of 1852, he found that the railroad desperately needed funds to extend the tracks beyond the few miles already laid. Construction extended fewer than fourteen miles beyond Peoria, and progress at the Burlington end was no better, the rails having reached Little America, now known as Kirkwood, Illinois.⁵⁵ Neither end of the line had funds to go much further.

Evidently the stockholders hoped that new and more vigorous leadership would solve this financial crisis. At any rate, there was a reorganization of officers at a stockholders' meeting on June 7, and Mason became president of the board, at a salary of \$2,000 per year.⁵⁶ The stockholders conferred broad powers on the new president, authorizing him to act as the executive and financial agent of the company, with authority to do whatever was necessary for rapid and successful construction of the line. Only the charter and by-laws of the company and the orders of the board of directors were to limit his authority. Also, Mason was to have supervision of all officers and employees of the company except the secretary and the treasurer. He could procure

right of way, collect debts and installments due the company, and act as purchasing agent for anything necessary to construction of the railroad, including engines, cars, iron, and other materials.⁵⁷

Almost immediately after his election as president, Mason travelled again to New York to purchase more railroad rails. The price of rails was \$46 per ton, deliverable in New Orleans, and constantly rising, and he thought it wise to secure as many as possible before the market went any higher. However, he had nothing with which to purchase iron or to obtain credit for that purpose except first mortgage railroad bonds,⁵⁸ an issue of \$400,000 at 8 per cent which the charter and a vote of the board of directors had authorized.⁵⁹ When Mason reached New York, he found that because of A. C. Harding's interference he did not have as many bonds at his disposal as he had anticipated. Harding had placed \$200,000 of company bonds in the hands of Simeon Draper, a New York broker. However, after Draper advertised the bonds for public sale, Harding claimed that the broker had misunderstood him. He still thought that since the railroad would soon need money it would be best to go on with the sale.

Still another cause of dissension in the company was a pamphlet printed in May, 1852, to advertise sale of the bonds. The pamphlet, entitled Exhibit of the Peoria and <u>Oquawka Railroad</u>, was meant to meet objections of prospective bond buyers that the Peoria and Oquawka had no connection with other roads. It tried to answer this objection by stating that one reason for constructing their road was to secure a connection between Chicago and Burlington by using the western portion of the road for that purpose.⁶⁰

Mason was ultimately to be held responsible for the ideas in this pamphlet, although he always denied having anything to do with it. He claimed that Henry Poor, editor of the <u>Railroad Journal</u>, prepared it, and that he himself never saw it until it appeared in printed form. As a result of criticism by the board of directors, however, Mason did attempt to justify the ideas the pamphlet contained, pointing out that such a connection between Eurlington and Chicago would bring trade to Iowa and western Illinois until there was an extension east of Peoria with some other road.⁶¹ Probably it was this idea that incensed the Peorians. Although Mason pointed out that he was not the president of the board at the time the pamphlet appeared, they still thought he should have stopped the sale of the bonds and the distribution of the pamphlet.

Harding's placing of the bonds with Draper naturally limited the amount of collateral with which Mason could do business.⁶² He therefore had only limited means with which to purchase from William F. Weld and Company of Boston 520

tons of rails, then in passage from Wales to New Orleans in the bark Valiant. Mason gave Duncan, Sherman and Company, Boston bankers, a 6 per cent, \$15,000 note, payable six months from date of delivery of the rails. Whenever he received word that Weld and Company had forwarded the iron from New Orleans, he was to pay the balance due on it. 63 According to the agreement, Mason and some other directors of the company in their individual capacities were to endorse the \$15,000 note. The company was to deposit with the bankers as collateral first mortgage railroad bonds at 75 per cent of their par value. If the railroad did not pay the note at maturity, the agreement entitled Duncan, Sherman and Company to sell sufficient bonds to pay the note in full with interest. The railroad company reserved the right to sell the pledged bonds at any time before the note matured, if it applied a sufficient amount of the proceeds to pay the entire bill.⁶⁴

Weld and Company carried out its part of the contract. The firm informed Mason that 520 tons of railroad iron had arrived at New Orleans on July 24, that it had paid the duty, and that the railroad should remit cash to the company for duty and freight, according to agreement. It seems, however, that the railroad neglected to carry out its part of the contract. As late as the following November, Mason had not sent Duncan, Sherman and Company the railroad bonds he had agreed to deposit with them as collateral on the \$15,000 note.⁶⁵

In the meantime Mason became more deeply involved when he undertook to buy an even larger amount of iron from Richard Makin, New York agent for the British firm of Guest and Company. Finding that Makin had 3,000 tons which he would sell at 6 *f* per ton, f.o.b. Wales, Mason obtained an option on them until the next evening, apprehensive that the mail expected by ocean steamer in the next twelve hours would cause another price rise in iron. However, when he was unsuccessful in making any credit arrangements for securing the iron by means of the railroad bonds, Mason contracted to buy it on his own responsibility,⁶⁶ pledging that within twenty-four hours of that time, July 8, he would arrange a loan at 4 per cent on London, possibly through the New York firm of Chouteau, Sanford and Company.⁶⁷ On July 14--Makin had consented to a six-day extension of time--Mason and Chouteau and Sanford concluded arrangements for a \$75,000 loan plus interest and Mason's credit problem appeared solved.⁶⁸ According to terms of the agreement, Chouteau and Sanford were to buy for Mason another 1,000 tons of iron rails in Europe at the lowest possible price and to deliver them in New Orleans to an agent of the railroad not later than February 1, 1853. The firm was to pay the cost, freight, duty, and insurance on the shipment, with the understanding that the railroad company would reimburse them, adding 6 per cent commission. The price on

each cargo was to be paid within sixty days after it left England.

As collateral security for the \$75,000 loan plus interest. Chouteau and Sanford agreed to accept \$180,000 in railroad bonds plus \$200,000 still to be issued. The New Yorkers promised to sell all or part of these bonds at Mason's command, provided the sale would reimburse them for their loan. If the firm decided to sell the bonds prior to Mason's directive, 85 cents on the dollar was to be the lowest acceptable figure. The agreement set the firm's commission for selling the bonds at 2 1/2 per cent of the net proceeds. Chouteau and Sanford agreed further to set aside \$28,000 of these railroad bonds as collateral security to pay for the rails Mason had purchased through Weld and Company with the understanding that Mason would pay for 600 tons by January 1, 1853, and the remaining 520 tons in six months, when the railroad gave the security already mentioned.

Chouteau and Sanford protected themselves in this transaction by taking a mortgage on the railroad, subject to approval of the Peoria and Oquawka directors in an official meeting. They also reserved the privilege of selling the rails or the company bonds if the Peoria and Oquawka failed to meet its obligations. If the railroad received any insurance money, it was to be held as collateral security for

the benefit of Chouteau and Sanford, to be invested in other rails subject to a similar lien. 69

When Mason returned to Iowa, he found construction nearly at a standstill at both ends of the line. Funds were desperately needed. His only available resources were \$75,000 in Peoria city bonds, soon to be issued. 70 Phelps and Bourland. Peoria bankers, assured him that they could easily sell these bonds, paying 6 per cent annual interest, at 90 cents and perhaps more.⁷¹ Despite this optimism, the Peoria bonds did not solve the monetary problems of the railroad with its contractors, Spurek and Hughes, whom, Mason hoped, would consent to take half their pay in Peoria city This they declined to do.⁷² They did agree to take bonds. 36 per cent of their pay for grading and bridging in Peoria and Oquawka bonds bearing 7 per cent interest, with ten years to run from date of issue, but stipulated that the railroad would have to meet the remaining 64 per cent of their contract with cash. 73

The Peoria bonds were equally unsatisfactory to the railroad as an immediate source of cash. Mason could get only 82 1/3 cents on the dollar for them in Peoria or 83 1/2 cents in Eastern bank bills, the best offer Phelps and Bourland would make in spite of their previous optimism about the city bonds. The Peorians on the board of directors complicated the problem because they objected to the bonds[•]

being sold for less than 85 cents on the dollar, believing that this would defeat a prospect of inducing the city of Peoria to subscribe another \$25,000 to the stock of the road.⁷⁴ Evidently the city had no such intention. A few months later Phelps told Mason that subscriptions in Peoria were at a standstill and that if the company were to put on a subscription drive, it would probably fail. As for Peoria County, Phelps believed the question of a \$50,000 bond issue for the Peoria and Oquawka would also fail in the coming fall election.⁷⁵

The financial situation of the railroad became even more acute when the Peoria bonds did not sell well in the East. Phelps reported that he had sent \$20,000 of the city bonds to be sold in New York but received only \$5,000 in currency. The railroad would need another \$5,000 shortly, he said, and would absorb funds as rapidly as they came in. No one would touch the bonds at 85 cents and even Phelps withdrew his own previous offer of 82 1/2 cents or 83 1/3 cents on the dollar.⁷⁶ As an alternate plan, Phelps offered to advance 70 cents on the dollar for as many Peoria bonds as Mason chose to deposit with him, promising, in return for a sufficient number of bonds at the agreed ratio, to advance the money from time to time as the railroad company needed it. He also agreed to allow Masona full year in which to sell the bonds elsewhere

and refund the loan from Phelps and Bourland at 7 per cent interest.⁷⁷ Because Mason was satisfied that this was the best arrangement he could make, he closed the contract, depositing with Phelps \$30,000 of Peoria bonds and receiving \$21,000 in cash. But Mason had no intention of letting a year pass before redeeming the bonds and planned to sell them quickly for the best price they would bring.

Feeling certain that the transaction would not meet the approval of George Bestor, one of the Peoria directors, who was Phelps' bitter enemy, Mason swore Phelps to secrecy.⁷⁸ But before Mason could go East to sell the bonds, news of his agreement reached Bestor and the other Peoria director, Rouse. According to Phelps, only a trip to Indiana prevented Bestor's blocking the mayor's delivery of the bonds to him. By the latter part of September, Phelps reported that not all the bonds had been issued and that the Peoria mayor showed great reluctance to issue them, influenced perhaps by fear or respect for Bestor.⁷⁹

After Bestor returned from Indiana, he and Rouse called on Mason to justify his transaction with Phelps. Mason's explanation that he was only trying to gain time in which to get a better price for the Peoria bonds than Phelps' offer of 80 cents apparently satisfied Bestor and Rouse at the time. Mason subsequently sold the bonds in New York for 83 1/2 cents on the dollar and redeemed them from Phelps

at no injury to the Peoria and Oquawka Railroad. However, Mason later was certain that the circumstances of the transaction damaged his relations with Bestor, who afterwards became Mason's implacable enemy, venting his spite, according to Mason, by sacrificing the best interests of the railroad.⁸⁰

While Mason was in Iowa in the summer of 1852 trying to obtain funds to continue railroad construction, unforeseen legal difficulties blocked his credit arrangements in the East. He discovered that the mortgage left with Chouteau and Sanford had been mistakenly made out for \$200,000 instead of \$500,000. It was necessary, then, to prepare a new mortgage. However, there was such a long delay in getting the new mortgage executed and recorded that it was not until the end of August that the mortgage and additional bonds were ready to be sent to New York.⁸¹

After the new mortgage reached Chouteau and Sanford early in September, the firm wrote Mason that the railroad corporation had not legally made any conveyance of property. Chouteau and Sanford pointed out that Eastern lawyers were very insistent about details because so many corporations resorted to legal loopholes in poorly executed contracts. They requested a new mortgage and indicated they were ready to go on with their agreement with the railroad as soon as they received the corrected papers. Makin, they added, was

rather uneasy because the price of rails was advancing, but "we hold him by the button and presume he will stand firm." They urged Mason to come as soon as possible, however, bringing the directors' approval of the mortgage.⁸² This he was unable to do because of illness in the Mason family which kept him in Iowa until October.⁸³

In the meantime Mason had quarrelled with the board of directors over company policies. Some of the directors, principally Bestor and J. M. Read, opposed his plan to buy iron by placing a mortgage on the line and offering railroad bonds as collateral, claiming such an agreement would ruin the railroad. Mason told the board that prompt action was necessary because the price of rails was sure to rise. But he assured them that if they were disposed to abandon the contract, there would be no difficulty doing so. He eventually secured the written approval of five of the directors, in accordance with the stipulation in the contract with Chouteau and Sanford; however, Bestor and Read were absent from that meeting and Harding refused to approve the contract.

Judging from subsequent developments, some of the directors who first signed the agreement later changed their minds. Rouse, apparently anticipating this possibility when Mason was about to start East again in October, suggested that writing or telegraphing would save the trouble of a trip to New York; but Mason believed that the business required him to go in person. When he reached Chicago on October 18, he received a telegram signed by Rouse and Bestor reading, "We have telegraphed New York to prevent negotiation of railroad bonds." Mason's first reaction was to return home; but because he believed himself personally responsible to Makin, he decided to continue on to New York.⁸⁴

Makin was concerned over the delay in closing the iron contract with the Peoria and Oquawka Railroad. He had wired Mason on September 25 either to close the deal with Chouteau and Sanford when he came East or to come ready to open credit, either by deposit or by some other means.⁸⁵ When Mason arrived in New York, Makin told him that he would have to arrange credit by the evening of October 24, four days distant, at which time the mails would be closed before departure of the next steamer.

Unfortunately, Chouteau and Sanford, learning that some of the railroad directors opposed Mason's contract of July 14, were now unwilling to extend credit. They showed Mason a telegram, brought to them by a professed emissary of the Peoria directors, warning them not to consummate the contract unless so directed by subsequent order of the board. However, Chouteau and Sanford offered to purchase the iron from Makin and hold it on joint account with Mason. But because Mason did not regard the telegram he had received from Rouse

and Bestor in Chicago as an official action of the Peoria and Oquawka board of directors, he was willing to enter into such an agreement with Chouteau and Sanford only if they first gave the board the option of affirming or rejecting the original contract. They agreed to do this, after first giving Mason four days of grace in which to arrange credit elsewhere.⁸⁶

When Mason was unable to make satisfactory credit arrangements within the four days Makin stipulated, he found it necessary to make a new contract with Chouteau and Sanford. The provisions of this contract of October 24 depended upon whether or not the railroad directors at their meeting executed a sufficient mortgage to secure payment of their railroad bonds. If they did so, the railroad was to have the benefit of the original contract. If the directors wished to take only the 3,000 tons of rails ordered through Makin, they were to have that privilege. On the other hand, if the board did not agree within six weeks to approve the contract of July 14, Mason wished to be regarded as a personal participant in the contract. In that case. Chouteau and Sanford would hold the iron for the joint benefit of Mason and themselves and sell it for the best price it would bring. They would divide equally any profit above the original purchase price of $6\mathcal{L}$ sterling per ton; in the event of loss, Mason's share would be payable on demand.⁸⁷

Mason thought this contract provided as favorable an arrangement for the railroad as it could expect. As he saw it. the directors had time and opportunity to affirm the original contract and to carry it out if they chose to do In an attempt to persuade the board to affirm the con-SO. tract of July 14, Mason sent Rouse and Bestor a telegram remonstrating with them about the course they were following. He emphasized that the price of iron had risen to more than 74 sterling per ton, that it would probably go still higher, and that to obtain iron at 6 sterling per ton, the company should affirm the original contract with its mortgage grant. The only response to this plea was a telegram from Rouse announcing a board meeting on November 4 in Knoxville and adding, "We would not prevent sale of bonds or contract approved by the board."⁸⁸ With this Mason had to be content until after November 4.

In the meantime Mason had to find some way to raise money with which to pay pressing company bills. He had purchased from Weld and Company of Boston two lots of rails for \$50,000, \$3,000 of which he had paid. Half the remainder was due in December, 1852, and the rest on January 23, 1853. If Mason could make payment before the due date and thus stop interest, he could save \$800. Mason had also purchased railroad wheels, spikes, and axles from Lyman Kingsley for \$7,486, due January 1, 1853. Prompt payment was

essential here, too, because Kingsley would discount all accrued interest plus 3 per cent of the principal if Mason paid the debt at once.⁸⁹

Mason planned to use some of the proceeds from Burlington and Peoria city bonds to pay off the Eastern debts. He had already sold \$50,000 in Burlington bonds in September, 1852: \$35,000 to William Corcoran, a Washington banker, at 91 1/2 cents on the dollar, bringing \$32,025, and \$15,000 to Clark Dodge and Company, which, with accrued interest, brought \$14,449.44.⁹⁰ With these proceeds, he paid part of the debts owed Kingsley and Weld, leaving due them less than \$15,300. This left about \$5,000 in cash from the Burlington bonds and \$25,000 from the Peoria bonds.⁹¹

Mason then drew \$5,000 from proceeds of the Peoria bonds, sending it to be used on the Burlington end of the line. He later observed that with the exception of this \$5,000, Peoria had contributed nothing for the purchase of iron or for freight costs but that Burlington funds had bought nearly \$40,000 worth of iron and other materials. In addition, he claimed that he had spent nearly \$10,000 from Burlington bonds for insurance and freight costs from New Orleans to St. Louis, as well as half the cost of the wheels, chairs, and spikes purchased from Lyman Kingsley. He justified his transfer of Peoria funds to Burlington on the grounds that, while the cities' contributions were not equal, he had apportioned the material evenly between them. He later pointed out to the stockholders that from 1,000 tons of rails, 300 were sent to Peoria, 300 to Burlington, and 400 remained in St. Louis, subject to being sent to either place.⁹²

All the causes of friction between the president and the board culminated at the board meeting in Knoxville on November 4, 1852. The directors present were George Bestor, Rhodolphous Rouse, J. M. Read, James Knox, A. C. Harding, and Samuel Webster; of these, Bestor, Rouse, Read, and Harding had openly opposed Mason's policies. At this meeting it seems that Knox, the past president, joined with Mason's foes against him. Julius Manning, an absent director, explained Knox's action in a letter to Mason on December 21:

The board at its first meeting agreed upon a course of action and appointed you to carry out their wishes. I was disposed to give you generous support, and with Mr. Knox gave you approval. Any subsequent withdrawal of support from those measures is not to be taken as personal against you. Neither Knox nor myself have any hostility to the western division of the road.⁹⁰

These hostile directors added to the number against Mason by voting out of office the secretary, R. L. Hannaman, and the treasurer, Phelps. The board combined these two offices into one and elected Washington Cockle, Bestor's friend, as the new secretary-treasurer. It then voted to repeal the president's powers as executive and financial agent of the company which it had conferred on him the previous June,

appointed committees to perform all duties formerly entrusted to him, and passed a number of resolutions expressing their displeasure and disapproval of Mason's policies.

One resolution expressed official objection to the pamphlet printed in New York on May 6, 1852. The directors asserted that Mason had used the pamphlet to attack them.94 that he had inserted statements unauthorized by the board, and that he had appended the directors' names to it without their knowledge or authority.⁹⁵ Director Julius Manning commented that the pamphlet contained falsehoods better suited to the moral atmosphere of Wall Street than to an honest business transaction. He accepted, however, Mason's denial of responsibility for the pamphlet and his assertion that he had never meant to be unjust to the eastern portion of the road:⁹⁶ Bestor. on the other hand, had evidently told other Peorians that the pamphlet was the result of a conspiracy between Mason and others against the east end of the line.⁹⁷ It was probably easy for them to believe this in view of the fact that Mason had used proceeds from Peoria city bonds for work on the western end.98

At the same meeting, the board disavowed the contract of July 14, 1852, with Chouteau and Company for purchase of 4,000 tons of iron.⁹⁹ Evidently Harding objected to the price that Mason had agreed to pay for the iron, contending that he could have secured a much lower price had he not

been superseded when the railroad company conferred purchasing power on the president.¹⁰⁰ Perhaps to placate Harding, the board appointed a new committee consisting of Grimes, Webster, Rouse, and Richard Morgan to purchase iron in the East.¹⁰¹ Rouse and Morgan afterwards purchased rails at a much higher price than that quoted to Mason, so that the company lost nearly \$60,000.¹⁰²

The directors on November 4 also agreed to furnish Chauncey Hardin and Ivory Quinby with iron for the portion of the railroad they had contracted to build. The iron was to include rails, spikes, and chairs at a cost of \$5,000 per mile, to be paid by deducting the total cost from whatever the Peoria and Oquawka owed Hardin and Quinby on their contract. Obviously, the directors hoped to make a profit on the difference between the cost of rails to the company and the amount for which the company would furnish them to the contractors. Mason later protested against what he termed the gratuity the board had bestowed on the contractors and estimated that rails delivered at the price the directors proposed would cost \$2,574 more than the amount for which they had agreed to furnish them.¹⁰³

Apparently there were a number of factors underlying the animosity of the board against Mason. Differences in personality and temperament were one. Mason had found a number of them--particularly Cockle, Bestor, and Rouse--

difficult to deal with, and was convinced that they wished to shape company policy to their own profit. In one instance, that of Mason's selling company bonds to Phelps, Bestor's enemy, Mason incurred Bestor's personal ill will. Lack of understanding as to respective responsibilities probably had caused Mason and Harding to work at cross purposes, with resulting dissension between the two. But perhaps the greatest factor in the board's antagonism toward Mason was the suspicion that he and the Burlington directors were willing to sacrifice Peoria's welfare for the sake of an Eastern connection for Burlington by way of Chicago. Mason's future policies were to confirm this.

After the board rejected the contract with Chouteau and Company, Mason and that firm executed another contract by which they agreed to hold the iron for their mutual benefit. This transaction was still another cause for friction between Mason and the board and apparently some accused him of making a personal profit at company expense. In a report to the stockholders some time later, Mason used this illustration to justify his turning the contract to his personal profit: He as an agent for someone might buy a horse and promise that this principal would pay \$100 for it by a certain day. The principal might repudiate the agreement made in his name, thus voiding the whole contract. But, said Mason, if the agent later made arrangements to

take the horse on his own and finally sold it for \$200, the principal could not claim the profit on the transaction. The point, according to Mason, was that a principal could not repudiate a contract made by his agent and still claim the property purchased.¹⁰⁴ Mason's hypothetical illustration suggests that he doubled his money on the iron contract, but there is no evidence in the records to show what he made on the transaction.

At least one Peorian interested in the railroad believed in the honesty of Mason's transaction. Onslow Peters wrote to him: "The facts you communicate furnish to me a most complete justification of your course. I regret you could not go on with the contract for iron and complete it."¹⁰⁵ The unanswered question here is whether Mason used company funds or securities to help Chouteau and Sanford buy his share of the iron, and later put the money back into company funds after its sale. Despite the lack of evidence that he did so, apparently he believed it necessary to justify his conduct to his friends and to the stockholders, suggesting a rather widespread public reaction to it.

Naturally Mason thought that the actions of the board, taken during his absence in New York, reflected unfairly on his conduct. When he reached home the latter part of November, he notified the secretary of the company that,

since the board had so sharply curtailed his **presidential** duties, he did not wish to receive the salary. He was strongly inclined to resign at this point except for the request of his friends in Burlington that he stay on.¹⁰⁶

A number of stockholders of the railroad, anxious to settle the problems of the board peacefully, wrote urgent letters to Mason. Onslow Peters wrote from Peoria that he and some others were attempting to get a stockholders' meeting to iron out difficulties and finish the line to Burlington. Peters said he believed that capitalists could supply financial aid and that the Peoria and Oquawka could make a connection with some other road. He was certain that Bestor was trying to draw Mason into a newspaper controversy, but advised Mason to let it pass in silence.¹⁰⁷ Without naming Bestor outright. Peters referred to one unprincipaled and dishonest man on the board who would sacrifice the railroad to gratify his private passions and turn the corporation into an instrument of personal malignity. Since Peters commented that fewer than thirty people knew anything about the action of the board in repudiating the iron contract and taking away Mason's presidential powers, he was probably hoping that, if Mason refused to engage in public controversy and continued as president. the Peoria and Oquawka could more easily retain public confidence in the line.¹⁰⁸ Another of Mason's Peoria correspondents,

J. F. Tallant, urged him to come to Peoria to reply to Bestor's allegations at a stockholders' meeting. Since Peoria papers with Bestor's views had reached Burlington, Tallant said, some action on Mason's part was needed to clarify matters in the public mind.¹⁰⁹ In spite of the railroad leaders' efforts to conceal dissension and to settle problems peacefully, however, public confidence in the railroad was already badly damaged. Henry Starr of Burlington wrote to Mason: "Since the blow-up with you there is a general determination not to pay further on the stock until by hearty cooperation of Peoria it is rendered certain that the road will be pushed to early completion."¹¹⁰

Mason stayed on as president for several more months, since, according to a letter to him from Cockle, the board had not appointed an adequate substitute to do what only the president was authorized to do.¹¹¹ However, in December, 1852, Mason made another transaction which was later to antagonize the board still more. He drew \$5,000, part of the proceeds from sale of the railroad bonds, from the American Exchange Bank in New York, where the money was subject to his order, and sent it to Burlington to be used on the western end of the line. This left between \$10,000 and \$11,000 in railroad bond proceeds still at Mason's disposal; and when he went East in January, 1853, he repeated the same transaction, sending \$9,000 to Burlington to replace

the money borrowed from Burlington bonds to pay for iron, wheels, and axles used on the Peoria end of the line.¹¹² W. F. Coolbaugh, Mason's Iowa associate, had urge him to do this, saying: "You must not for a moment think of allowing Rouse to get hold of the bonds. The money will all go to the devil before a new election of officers and the company settled with a heavy debt without benefiting us in the least."¹¹³

Mason was in the East from January to March; and in the latter part of that period, Cockle inquired of him where the \$5,000 was he had drawn from Peoria bonds in December, 1852. According to Cockle, contractor Quinby had not received it; and, Cockle added, if the money was idle, he wanted it put to use on the east end of the line, which greatly needed it. 114 Mason assured Henry Nolte, the secretary of the Peoria and Oquawka, that he had sent the money to the company treasurer and that Hardin and Quinby had acknowledged receiving it.¹¹⁵ However, Mason was never able to explain this transaction to the satisfaction of the board of directors. According to their calculations, there was a discrepancy of \$5,000 for which Mason was responsible. A protracted correspondence went on for more than a year, with Mason insisting that the records of Peasley, the sub-treasurer in Burlington, could account for the missing amount.¹¹⁶ Henry Nolte continued to ask Mason

for a full account of his financial dealings while acting as president of the company.¹¹⁷

Just when Mason resigned as president of the Peoria and Oquawka is not clear from the records. Presumably it was some time in the early part of 1853, since he became United States Commissioner of Patents on March 24, 1853. In one letter to the directors he wrote:

After my services as president had ceased and I was well on my way to Washington I visited Peoria and made a settlement with the secretary in relation to the remaining portion of my account and turned over to him the remainder of all my vouchers.118

This would seem to place the date of Mason's resignation in March. 1853.

Mason's original hope that the Peoria and Oquawka would become part of a larger system was not fulfilled until after he ended his official connection with it. While he was president, he spent much time and energy trying to link the proposed ninety-six mile Peoria and Oquawka line with some railroad from the East coast. The most pressing question was which western city, Peoria or Burlington, should ultimately be connected with the Eastern railroad. It seems that as early as 1852, Mason thought that the logical eastern connection for Burlington was a line to Chicago rather than to Peoria. According to Eli Farnham of Galesburg, Mason once said that if he could have obtained a charter for a railroad from Burlington to Chicago via Galesburg, he never would have concerned himself with the Peoria and Oquawka line.¹¹⁹ After the Peoria and Oquawka was under construction, however, Mason apparently kept such ideas to himself. He listened to those who wanted the western end of the line built to Chicago and to others who wanted tc[†] extend it east of Peoria, ready to throw his influence behind whatever prospect seemed most promising.

Various Illinois residents interested themselves in promoting a railroad extension east of Peoria which would eventually link with one of the Indiana lines. Colonel Richard T. Morgan, civil engineer of the Peoria and Oquawka, attended a railroad meeting in Indiana with Peorians Washington Cockle and George Bestor in the fall of 1852, and reported the terrain between Peoria and Ft. Wayne favorable to railroad construction. Morgan wrote Mason, perhaps trying to convince him. that an eastward extension from Peoria would benefit Burlington far more than would a Chicago connection. 120 The Illinois legislature boosted hopes for an eastward extension from Peoria by incorporating a company to build from Bloomington, Illinois, to the Indiana line, where it would connect with another to Lafayette. It was hoped, wrote Onslow Peters to Mason, that another bill would soon authorize a line from Bloomington to Peoria, providing a line from there to Lafayette and Ft. Wayne.

There it would connect with the Southern Michigan Railroad building west. From Peters' letter, it appears that before January, 1852, Mason had already corresponded with Southern Michigan officials about connecting with his line by means of an extension from Peoria.¹²¹

About the same time, Mason was corresponding with J. M. Forbes of the Michigan Central relative to a railroad from Burlington toward Chicago. In a letter of June 25, 1852, Forbes told Mason that if the Peoria and Oquawka could build north toward Chicago to connect with the Michigan Central, his company would be willing to give financial aid to the project. Forbes was anxious for a western extension in order to get ahead of his competitor, the Southern Michigan line.¹²²

Mason was under pressure from his own railroad contractors to negotiate with both these lines. By pitting one against the other, they hoped that one of them would provide funds to complete the Peoria and Oquawka line. As early as February, 1852, contractor Ivory Quinby suggested to Mason that rivalry between the Michigan Central and the Michigan Southern might prompt one of them to offer financial aid to the Peoria and Oquawka.¹²³

Hopes for financial aid to Mason's line from one of these companies improved when Galesburg citizens took action to obtain a northeastern railroad connection for their

community. The Peoria and Oquawka had already spurned the efforts of Chauncey Colton, leading Galesburg merchant, who had offered the railroad a \$20,000 stock subscription if it would build through Galesburg. Presumably Peoria and Knoxville directors, still determined to keep Galesburg off the route, were responsible for the refusal. Galesburg had then appealed in vain to the Illinois legislature for a mandatory change in the Peoria and Oquawka charter so that the line would build through Galesburg.¹²⁴

Galesburg citizens then undertook to build their own railroad in the direction of Chicago, or to connect with one leading to Chicago, and thus attract to their town any line coming east or north. Five days after the Peoria and Oquawka had rejected Galesburg's appeal, its citizens organized the Central Military Tract Railroad. They intended to connect with the Rock Island and La Salle Railroad which, it was rumored, would pass thirty miles north of Galesburg.¹²⁵ However, there were few early subscriptions to the proposed Central Military Tract line and Chauncey Colton was forced to look for capitalists willing to invest in the undertaking.¹²⁶

While Colton was in the East in the spring of 1852 seeking funds for his proposed railroad, he met two other railroad promoters with whom he made a mutually profitable arrangement. One was Elisha Wadsworth, a director of the

Aurora Branch, the line from Aurora to West Chicago; the other was James W. Grimes, director of the Peoria and Oquawka, but an Iowan deeply interested in an eastern railroad connection for Burlington. These three realized that a combination of the three lines they represented would create a railroad connection from Chicago to Burlington via Galesburg if they could only obtain financial backing for the project. Grimes, however, asked that his part in the proposed transaction be kept secret.¹²⁷ No doubt he realized that Peoria would strongly oppose any effort to turn the western end of the Peoria-Oquawka line toward Galesburg, since any Burlington-Chicago connection would leave Peoria stranded.

Grimes then undertook to obtain financial backing for the proposed Burlington to Chicago line from representatives of the Michigan Central, John Green and George Griswold. They agreed to his plan, on condition that the charters of the Aurora Branch and the Central Military Tract be changed to allow the one to build south to Mendota, and the other to connect with any line extending to Chicago.¹²⁸ Thus by the summer of 1852 the ground was prepared for a route from the East coast to Burlington.

In spite of Grimes' desire to keep this project secret, rumors of it evidently spread. E. C. Litchfield of the Michigan Southern wrote Mason in August that he had heard of the plan to connect the Peoria and Oquawka and the Central

Military Tract with the Michigan Central at Chicago, and inquired whether his own line could arrange for a Burlington connection either by way of a Peoria extension or north to the Rock Island line.¹²⁹ Apparently Mason did not tell Litchfield how far negotiations had progressed with his business rival. Several months later Litchfield inquired once more whether Mason's line had made arrangements for connection with the Michigan Central and added, "I think we can bring about arrangements that will carry out your wishes as expressed to me in New York."¹³⁰

While keeping the public and their business associates in the dark, Grimes and Mason completed financial arrangements with representatives of the Michigan Central. That railroad was to take \$374,000 in railroad bonds at 90 cents on the dollar if Mason would agree to expend proceeds of these bonds on the line between Burlington and Knoxville. Grimes had assured Michigan Central officials that Burlington stockholders would pay their assessments promptly when they knew the deal was closed assuring a Burlington-Michigan Central connection.¹³¹

In the fall of 1852, Grimes also took steps to sever business connections between the two ends of the Peoria and Oquawka line, so that the western end would be free to go its own way. He wrote Harding, asking him to approach the Peoria people on the subject of division of the company,

telling Mason at the same time that the Peoria directors were fools and that the western end of the line should connect with Chicago in spite of everything.¹³² Perhaps Mason reached the same conclusion after he received word from Thomas Ferman, an official of the Pennsylvania Railroad, that a Peoria connection was too far north to suit the purposes of his line.¹³³ Any doubt in Mason's mind about putting all his resources and powers into forging a Chicago connection was probably put to rest by this decision.

To balance this rejection by the Pennsylvania Railroad of a possible eastern connection with the Peoria and Oquawka, Mason received new encouragement from the Michigan Central.. J. M. Brooks of that line wrote that if they could meet, he and Mason could probably devise some speedy way of connecting the two railroads. He offered two suggestions to facilitate this: first, to work out a reciprocal arrangement between the Peoria and Oquawka and the Central Military Tract for interchange of cars and other materials, since the latter road would soon receive financial aid from the Michigan Central; second, to follow Grimes' suggestion that the Peoria and Oquawka bonds be sold and the majority of the proceeds be pledged to the Burlington division.¹³⁴ Brooks suggested that the proceeds be divided between the eastern and western ends of Mason's railroad, giving to each according to the amount of stock subscribed. Since Burlington had subscribed

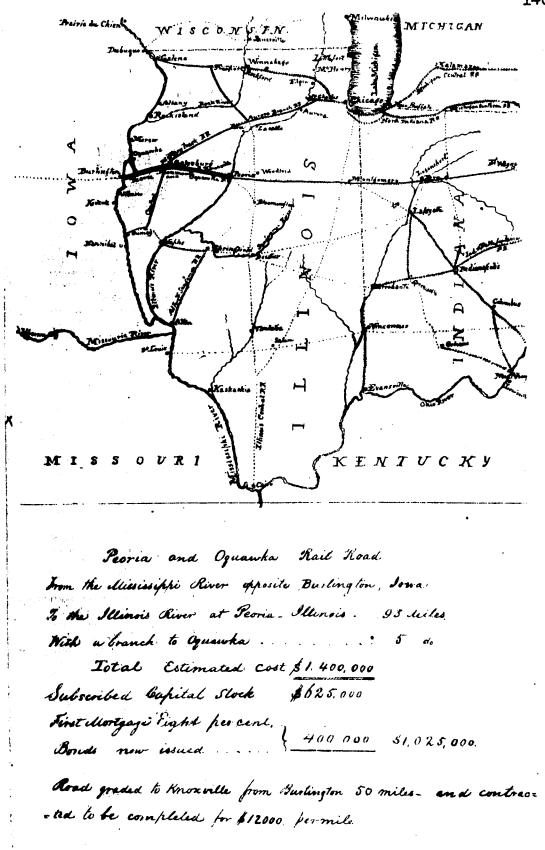
more than Peoria, \$300,000 to the west half and the rest to the east half seemed to Brooks a fair division. If this were done, Brooks was sure his line would lend its influence to selling the securities. However, if Mason would not accept this plan to complete the western half of his line from Burlington to Galesburg, then the Michigan Central would at once undertake an extension from Galesburg to Quincy, Illinois, via the Northern Cross line.¹³⁵

The enthusiasm and financial backing Galesburg citizens now gave the Central Military Tract must also have encouraged Mason. Stockholders voted to increase stock from \$400,000 to \$800,000, limiting the current issue to \$600,000, and citizens promptly pledged that amount. The board of directors issued bonds at 7 per cent interest and appointed a committee to procure iron and other necessities for railroad construction.¹³⁶ It was also encouraging that, despite serious opposition from Springfield legislators favoring the Peoria and Oquawka line, Colton had persuaded the Illinois legislature to change the Central Military Tract charter, allowing that line to build toward any railroad connecting with or reaching toward Chicago. This change made it possible for the Central Military Tract to begin building northeast to Mendota, Illinois, in 1852, where it would make connection with the Aurora Branch then building west to Mendota.137

This left only the link between Galesburg and Burlington to be built to assure a railroad connection between Iowa and the East coast. To persuade the Peoria and Oquawka to build through Galesburg, Chauncey Colton brought Joy and Brooks of the Michigan Central to a meeting of Peoria and Oquawka directors in Monmouth in May, 1852. As a result, the Galesburg group, probably with Michigan Central backing, bought \$50,000 in Peoria and Oquawka bonds in return for a promise that the line would build through Galesburg.¹³⁸ Late in 1852 Mason was able to announce that the Burlington end of the Peoria and Oquawka would reach Galesburg and connect with the Central Military Tract Railroad by 1853.¹³⁹

Early in 1853 trains were running from Chicago to Mendota,¹⁴⁰ and by December 7, 1854, they reached Galesburg. The Peoria and Oquawka, however, completed fewer than twenty miles beyond East Burlington before it exhausted its funds. The Central Military Tract had to finance the remaining construction and then collect its debt by buying the Burlington to Galesburg line. This forty-two mile railroad was finally completed March 17, 1855, providing rail connections from the Atlantic coast to Burlington via Chicago. The three companies which helped to make possible the Burlington to Chicago route--the Aurora Branch, the Central Military Tract, and the Peoria and Oquawka--were later combined with the Northern Cross to

form the Chicago, Burlington and Quincy system.¹⁴¹ This fusion of short lines to form a larger system was a common practice of western railroad builders of the mid-nineteenth century. The linking of Burlington with the East coast fulfilled part of Mason's original purpose. The remainder, a line to the Pacific coast, would be completed, partly by his efforts, in the next fifteen years.



NOTES FOR CHAPTER III

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- 94. Onslow Peters, Peoria, Ill., to Mason, January 1, 1853, Vol. 2.
- 95. R. L. Hannaman, Knoxville, Ill., to Mason, November 6, 1852, Vol. 2.
- 96. Julius Manning, Knoxville, Ill., to Mason, December 21, 1852, Vol. 2.
- 97. Onslow Peters, Peoria, Ill., to Mason, January 1, 1853, Vol. 2.
- 98. Mason's Report to Stockholders, Vol. 34.
- 99. Telegram from Rouse to Mason, Peoria, Ill., November 6, 1852, Vol. 2.
- 100. Mason's Report to Stockholders, Vol. 34.
- 101. R. L. Hannaman, Knoxville, Ill., to Mason, November 6, 1852, Vol. 2.
- 102. Mason's Report to Stockholders, Vol. 34.
- 103. <u>Ibid.</u>
- 104. Ibid.
- 105. Onslow Peters, Peoria, Ill., to Mason, January 1, 1853, Vol. 2.
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- 107. Onslow Peters, Peoria, Ill., to Mason, January 1, 1853, Vol. 2.
- 108. <u>Ibid</u>.
- 109. J. F. Tallant, Peoria, Ill., to Mason, December 29, 1852, Vol. 2.

- 110. Henry Starr, Burlington, Iowa, to Mason, January 8, 1853, Vol. 34.
- 111. Washington Cockle, Peoria, Ill., to Mason, December 1, 1852, Vol. 2.
- 112. Mason's Report to Stockholders, Vol. 34.
- 113. W. F. Coolbaugh, Burlington, Iowa, to Mason, January 11, 1853, Vol. 34.
- 114. Washington Cockle, Peoria, Ill., to Mason, March 1, 1853, Vol. 34.
- 115. Charles Mason, Washington, D. C., to Henry Nolte, November 27, 1854, Vol. 34.
- 116. Charles Mason (no place given), to Henry Nolte, October 4, 1854, Vol. 34.
- 117. Henry Nolte, Peoria, Ill., to Mason, September 11, 1854, Vol. 34.
- 118. Charles Mason (no place given), to Henry Nolte, September 15, 1854, Vol. 34.
- 119. Eli Farnham, Galesburg, Ill., to Mason, February 28, 1852, Vol. 2.
- 120. Richard Morgan, Peoria, Ill., to Mason, September 29, 1852, Vol. 2.
- 121. Onslow Peters, Springfield, Ill., to Mason, January 8, 1852, Vol. 2.
- 122. J. M. Forbes, Boston, Mass., to Mason, June 25, 1852, Vol. 2.
- 123. Ivory Quinby, Monmouth, Ill., to Mason, February 12, 1852, Vol. 2.
- 124. Overton, Burlington West, p. 35.
- 125. Calkins, "Genesis of a Railroad," <u>Illinois State Histor-</u> <u>ical Transactions</u>, p. 54.
- 126. Overton, Burlington West, p. 35.
- 127. Ibid., p. 37.

- 128. Calkins, "Genesis of a Railroad," <u>Illinois State Histor-</u> ical Transactions, p. 59.
- 129. E. C. Litchfield, Chicago, Ill., to Mason, August 12, 1852, Vol. 2.
- 130. <u>Ibid</u>.
- 131. James W. Grimes, Burlington, Iowa, to Mason, October 16, 1852, Vol. 2.
- 132. Ibid.
- 133. Thomas Ferman, Philadelphia, Pa., to Mason, October 27, 1852, Vol. 2.
- 134. J. M. Brooks, Detroit, Mich., to Mason, October 23, 1852, Vol. 2.
- 135. Ibid.
- 136. Newspaper clipping from Galesburg (Illinois) <u>News</u> Letter, found in <u>Mason</u> Papers, Vol. 2.
- 137. Baldwin (ed.), <u>Documentary History of the Chicago</u>, Burlington and Quincy Railroad, I, 38.
- 138. Ibid., p. 8.
- 139. Burlington Gazette, November 24, 1852.
- 140. Baldwin (ed.), <u>Documentary History of the Chicago</u>, Burlington and Quincy Railroad, I, 8.
- 141. Baldwin, The Making of the Burlington, p. 13.

Chapter IV SPECULATOR IN WESTERN LANDS

In the decade of the 1850's. Mason participated extensively in Western land speculation, although fifteen years before he had deeply deplored such precarious investments. On his first visit to the frontier in 1836, he had criticized Wisconsin Territory for being, as he termed it, "the chosen theater and general headquarters of Western land speculation." As he saw it then, men risked their money, not because they saw any rational prospect of profit, but because others had risked their assets in a similar way and won a fortune. Mason, at that point, was sure that only frugality and industry could bring prosperity and that anything less would bring economic ruin.¹ Nevertheless, by the early 1850's Mason had become one of the largest land owners in Iowa. in addition to having land holdings in Wisconsin and Missouri. Letters from his friends in the East help to reveal the extent of Mason's land holdings in this period. A friend, O. S. A. Peck, wrote from Washington in 1853:

I wish you success in your recent speculations. You are doubtless the largest land holder in Iowa, and if gold continues to flow into world circulation at the present rate, your lands could become exceedingly valuable.²

A few months later another correspondent wrote from New York:

"I imagine from circumstances of the immense purchase of land in which you have embarked that you have become disconnected from the Peoria and Oquawka Railroad."³ Other large-scale land speculations followed, so that by 1856 Mason possessed, according to his own estimate, at least 30,000 acres in southeastern Iowa worth a half million or more, and \$200,000 worth of land elsewhere.⁴

There are a number of factors to be considered in a study of Mason's land speculations. The change in his attitude from alleged aversion toward land speculation to widespread participation in it within a few years thereafter calls for an explanation of reasons behind his reversal of policy. The methods by which he carried on his land transactions, the location of his land purchases, and the degree of his profit or loss are also of primary concern. Some of the land he bought and sold was the same real estate with which he earlier concerned himself as a federal judge, when he rendered the partition decree in October, 1841. This raises the question of whether there was some private understanding between Judge Mason and the beneficiaries of that partition decree which later enabled him to become financially involved in it himself.

Beginning in 1852, Mason began acquiring land on a large scale in southeastern Iowa. At this time he became financially involved in the Half Breed Tract, and at one

point owned at least 30,000 acres of it, including one third of all the lots in Keokuk.⁵ This land had originally come into the legal possession of Hugh T. Reid as a result of Mason's judgment decree in 1839, and of the New York Land Company as a result of his partition decree of 1841. In order to explain how and why Mason came to be financially involved in the Half Breed Tract in 1852, it is necessary to trace its history in the eleven years between 1841 and 1852.

After Judge Mason's judgment decree in 1838, by which Hugh T. Reid acquired a title to the Half Breed Tract, the settlers contested it in the courts and by direct action. After the Iowa Supreme Court sustained Mason's judgment partition in January, 1846, they carried the case to the United States Supreme Court. in Joseph Webster v. Hugh T. Reid. In December, 1850, that tribunal reversed the decision of the territorial and state courts. This nullified the sheriff's sale to Reid.⁶ In the meantime, the squatters violently resisted Reid's efforts to collect rent from the land. Reid brought many actions for ejectment and recovery of back rents; but while he could readily obtain judgments in these cases. it was another matter to enforce them. Those who claimed the land by squatter's title formed organizations to resist ejection. Settlers on Half Breed lands in Lee County, according to one newspaper account, held mass meetings in protest and armed themselves for open resistence

to the sheriff. who had called the entire county to his aid in enforcing the law.⁷ The squatters even threatened Reid himself. A crowd of enraged settlers one day attacked him when he ventured into the country on horseback, chasing him back into Keokuk, where he arrived with his clothes badly torn from riding through the brush in an effort to escape. In his flight he lost his hat, which the pursuing mob picked up and carried on a pole. Afterward, since Reid did not even feel secure in his own home in Keckuk, he crossed to the IIlinois side of the Mississippi River, where he stayed until the public mood was calmer. Under these circumstances it is understandable why Reid was interested in disposing of his Half Breed title to the New York Land Company, claimants to approximately 47,970 acres of Half Breed land under the partition decree of 1841. Thus, in 1842, when the officers of the New York Land Company offered Reid \$2,884,66 for his Half Breed title, he accepted it, and conveyed his claim to them on January 2, 1843.⁸

The New York Company also purchased what was known as the Barrett tax title to the Half Breed Tract. The Iowa territorial legislature in 1839 had empowered the sheriff to sell any unclaimed land in the tract on which the taxes were unpaid. Consequently, when the sheriff was unable to collect the unpaid taxes, he had sold the entire Half Breed Tract to Richard T. Barrett December 19, 1841, for \$513.50.

Then on November 13, 1847, Barrett had conveyed his tax title to trustees of the New York Company for all the lands they claimed under the partition decree.⁹

The squatters now vented their displeasure, previously directed against Reid and others, on the agents of the New York Land Company. Through organizations designed to thwart evictions and collection of back rents, they became such a law unto themselves that the agents, D. W. Kilbourne and Nathaniel Marsh. who had replaced Isaac Galland. dared not go outside Keokuk.¹⁰ Although Kilbourne and Marsh had been selling portions of the forty-one shares the company held under the partition decree, by 1852 all business and all sales of land on the tract were at a standstill. Kilbourne received a threatening letter from "A Settler," warning that there must be no more suits for possession of land or back rents until the occupants were promised compensation for improvements they had made to the land. The anonymous writer warned Kilbourne that the settlers in every township in the tract were organizing for self defense, and that if matters came to a showdown. "Judge Lynch will hold court and decide on all cases, and you will be one of the first cases on the docket."11

The New York Land Company at this point sought some arrangement whereby they could sell the land, with profit on the investment, without the company's appearing on the record as owner of it. By this ruse, they could avoid the displeasure of Iowans residing on the Half Breed Tract who claimed it by reason of original occupancy. Consequently, in May, 1852, when Mason was in New York on railroad business, he received word that Hiram Barney, who was the liaison between stockholders of the New York Company and its western agents, wished to see him. When Mason called, Barney asked whether he would take over, to the mutual benefit of himself and the company, part of the forty-one shares of the Half Breed land which the New Yorkers owned. Inferring that they were dissatisfied with the present condition of their interests in Iowa, Barney proposed that Mason buy part of the company's interest in the tract for about \$200,000, giving the company a mortgage on the land conveyed. Mason said he would pay that price if given the opportunity to make it out of the sale of the property.¹²

It was not until June 28, however, that Mason and the New Yorkers closed the contract and executed the papers. No money actually changed hands between the parties involved in the deal; it was a paper transfer made to relieve the New York Company from appearing on the records as large-scale owners of the Half Breed Tract. By terms of this agreement, the trustees conveyed some of the company's Half Breed holdings to Mason. In return, he gave the company a mortgage on the land as security, from which they agreed to release the land as Mason sold it. Mason agreed to pay them \$225,000 from the proceeds, provided he could sell the land for the amount necessary to pay that debt. If he could sell it for a larger amount, he was to receive the increase; if not, he was to receive no compensation for his services. Mason had the right to sell the land on credit of not more than five years, with 25 per cent down in cash. At the end of three years, he had the privilege of turning in as cash any mortgages he had taken.¹³ The company also agreed to revoke the power of attorney given to D. W. Kilbourne as agent of the company and confer it on Mason, giving him power to collect money due the New Yorkers from Half Breed land sales prior to June, 1852. This sum the firm would credit to Mason's \$225,000 debt to them.¹⁴

The New Yorkers protected their interests by certain stipulations in the contract. They reserved the right to fix a minimum sale price. If the company's trustees chose to have Mason sell the land within three years, they would receive only the proceeds remaining after deducting litigation costs and other business expenses. Mason was to open an office in Keokuk for land sales and to pay an agent to look after the business. On these terms the parties signed the contract on June 28, 1852, to the apparent satisfaction of all concerned.¹⁵ Perhaps because this contract between Mason and the New York Company had removed him as agent for sale of the Half Breed lands, D. W. Kilbourne took a pessimistic view of Mason's prospects. He warned that even under the most favorable conditions Mason could make it pay only by many years of hard and anxious labor. Mason would have to be satisfied if he made no more than a living out of the transaction, Kilbourne thought, while at the same time he would have to endure the effect of detraction and ignorance on the part of the squatters. In his judgment, "although one as fine as an angel controlled this interest, he could not escape prejudice."¹⁶

Edward Kilbourne was even more frank about Mason's transaction in letters to his brother, D. W. Kilbourne. He pointed out that in Half Breed land sales Mason would be torn between political ambition and economic interest, since elections would keep him from raising land prices in an effort to save his political party from defeat. Kilbourne prophesied pessimistically that Mason might even be unable to raise enough money to pay taxes on the Half Breed lands in 1853.¹⁷ He estimated that Mason's taxes and interest would amount to between \$13,000 and \$14,000 a year and added, "I doubt whether he can go through with it. The margin for profit is too small to justify the risks."¹⁸

One of Mason's correspondents in Keokuk. J. W. Rankin, took a more optimistic view of business prospects relative to the Half Breed lands. He thought that if Mason talked with the prominent men in the area, he could persuade them to buy on two, three, or four years' credit with 10 per cent annual interest and that every good citizen in Keckuk would support such a proposal. Rankin warned Mason, however, that the Whig politicians desired to keep things unsettled, thinking they would win elections by appealing to the settlers' prejudice. He told Mason, too, that trouble makers like Isaac Galland were trying to persuade settlers that Mason would be more exacting in business dealings than Kilbourne; and that others were advising them not to pay more than \$2 an acre for the land and to demand a high price in cash for improvements. Rankin suggested that Mason come down to Keokuk and make his policy clear before the settlers held their next meeting.¹⁹

Because they were sure that controversy between the settlers and the owners of Half Breed land endangered community peace and prosperity, Keokuk citizens had held a prior meeting in July, 1852. At that time they appointed a committee to negotiate a settlement and passed resolutions favoring compensation to settlers for improvements before they were required to give up the land. The settlers were to be held to account, however, for waste or injury to property.²⁰

The settlers' unanswered question at this point was what attitude Mason would take toward them and their land improvements. Before visiting Keokuk, Mason wrote to his friend, Guy Wells, assuring him that he intended nothing unfair or unjust to any of the settlers. He said that unless they had wasted the premises by cutting timber or doing other unnecessary injury, he would not insist upon any back rents for the time they had illegally occupied the land. On the other hand, if they had added improvements, he was willing to compensate them for these when he sold the land.²¹

In the latter part of 1852 Mason opened an office in Keokuk, employed James L. Estes as his assistant, and began selling the Half Breed lands. Mason thought it necessary to appoint an agent because he expected to be absent frequently from Iowa. As Estes wrote to Mason, "You will need to have somebody here empowered to do business or be here nearly all the time yourself. To make the most of these lands will be nearly a lifetime operation and a great deal cannot be done in a few days."²² Under these circumstances, Mason could give only general instructions to Estes, depending upon the man's honesty and his ability to carry them out. Estes, under Mason's instruction, gave notice to the settlers at once that he would sell them their land at \$2.50 per acre entirely on long term credit, and compensate them for their improvements at their agreed value.²³

Some of the settlers found Mason's policy wholly unacceptable. A group of them claimed that nobody should be required to pay more than \$1.25 per acre for Half Breed lands, since the settlers had added everything which made the land worth more than that. To back up these views, a crowd of two or three hundred men gathered several miles outside Keokuk one day shortly after Mason opened his office there, apparently planning to take direct action against him and others. That morning Mason saw Edward Kilbourne going up the hill toward his home armed with six or eight muskets, evidently preparing for trouble. The same day, Reid called at Mason's office and asked him where he was keeping his weapons. When Mason replied that he had none, Reid warned that a peace policy was sure to fail against the squatters. Fortunately a peace policy did prevail at the meeting, and the mob dispersed without incident.²⁴

Even after this threat of violence from squatters had subsided, Mason still had the problem of clearing Half Breed lands of squatters' claims. In some cases he had to buy the squatters' claims before he could sell the land himself. Edward Kilbourne in a letter to his brother referred to another difficulty, one which Estes thought Mason would encounter: that Mason might have to pay squatters their own prices for improvements to the land.²⁵ Then D. W. Kilbourne told Mason that Estes believed the squatters

could only be satisfied if other land were given them in exchange for Half Breed claims.²⁶ When Mason came to sell the land, there were still more difficulties in prospect. Estes told him that the settlers would not pay the prices asked for the land; and that even if Mason sold it on time, he would have difficulty in collecting an annual interest rate higher than 8 per cent.²⁷ Again according to D. W. Kilbourne, the settlers also objected to buying the land from Mason as long as the New York Company held the mortgage on it.²⁸

Mason and Estes tried to solve these difficulties by first placating their principal antagonists and thus securing their support. One of these ringleaders of opposition among the squatters was Dr. Isaac Galland, who claimed that when he was associated with Marsh, Lee, and Delavan, trustees of the New York Land Company, they had defrauded him of a large amount of money. Galland was one of the five original trustees invested with legal title to all lands purchased under the Articles of Association of the New York Land Company. He now maintained that since no judicial or equitable proceedings had ever removed him as trustee, he was during the partition proceedings still invested with legal title. Galland contended, however, that the New York Land Company later had sold his interest in the transaction without compensating him for it. He held Mason partly

responsible for this and took out his grievance by stirring up the squatters against the former judge. With Mason's approval, Estes tried to cancel Galland's leadership among the squatters by hiring him as his assistant for \$1,000 per year.²⁹ D. W. Kilbourne, however, thought this would do more harm than good, since it would give Galland prestige, and in the end prove a disadvantage to the whole enterprise.³⁰

Apparently Kilbourne was right about Galland, and Estes and Mason were wrong. Galland eventually brought suit against Marsh, Lee, and Delavan, and also made Mason a defendent.³¹ The case was not settled until April, 1856, and by terms of the settlement Galland received \$15,000, mostly im mortgages. Mason commented in his diary, "We have given him more than I intended but I am inclined to think he is really entitled to something, and I do not wish to litigate with anyone under such circumstances."³²

Another law suit arising from Half Breed claims which proved costly to Mason was that brought against him by Robert Claggett. Long before Mason's Half Breed purchase, Claggett and George Dixon had obtained Half Breed land from Galland, assuming that he was still a trustee of the New York Land Company. After the partition decree of 1841, Claggett and Dixon on this basis had obtained a judgment against the New York Land Company for a part of the forty-one

shares. Mason believed this was wholly invalid, but it was still a cloud on his title which he could remove only by payment of \$16,000 in cash.³³

To settle Half Breed claims out of court also proved expensive. Mason later claimed that from the start of land operations he treated the squatters with generosity. In all cases, he asserted, he gave them the right of preemption. In many instances, where the occupant of the land chose to purchase it, Mason sold it at \$2.50 per acre entirely on long-term credit, charging nothing for back rents and compensating for any improvements made on the land. If the occupant preferred to leave, Mason fully compensated him for his improvements, although sometimes, Mason said, he paid considerable money for nothing more than a log cabin and broken fencing.³⁴

The records appear to substantiate Mason's claims about the terms he extended to the occupants of his Half Breed land. On March 12, 1853, he paid E. T. Lewis \$167.44 for Lee County land with its improvements, but he gave Lewis use of the farm for one year from April 1, 1853.³⁵ At the same time he bought land from James Prindle, but gave him the privilege of using it free of rent other than taxes until Mason paid a fair price for improvements on it.³⁶ James Wright sold his claim and improvements to Mason, with provision that each of them would choose an arbiter if they could not agree upon the

value of the improvements; and if these could not agree, the claimants empowered them to choose a third. Both parties put up \$2,000 as a guarantee that they would abide by the decision of the judges.³⁷ Mason's friend, Hawkins Taylor, claimed that this generous policy toward the squatters ended all the troubles on the Half Breed Tract in six months.³⁸

As soon as Mason cleared Half Breed land of squatters' claims, he sold it and turned the proceeds over to the New York Company in payment of his \$225,000 indebtedness to them. Judging from the figures he recorded in his business papers, it seems that he was able to pay this obligation rather rapidly. Although the income from land sales to December 31, 1852, amounted to only \$1,445.57, proceeds came to \$17,495.80 between that date and April 9, 1853. During the remainder of April he took in \$5,520, and in May \$10,496.25, making the total income from land sales to May 31, 1853, \$34,957.50. In this five-month period his payments to settlers for improvements was \$6,435.66 and contingent expenses \$2,887.39, making total disbursements \$8,688.03 and net proceeds \$26,269.47.³⁹

This favorable trend on land sales continued during the next three years. The latter part of 1853, Mason's agent, James Estes, reported that his office in Keokuk was constantly crowded with persons wanting real estate.⁴⁰

Two years later, the land sales for one month amounted to \$13,400, and Mason noted that the amount due him for land sold equaled his debt to the New York Company.⁴¹ A month later another notation confirmed this: Mason wrote that he had turned over to the New York Company \$216,322.65 in mortgages and that he had \$18,414.43 in mortgages on his own books.⁴² He did not say how many acres were involved in his operation.

A continual rise in land prices between 1853 and 1856 led Mason to hope that he could make a fortune out of his remaining Half Breed holdings. When he first negotiated with the New York Company, he valued his Keokuk lots at about \$50,000. By July 31, 1855, Mason estimated that he had sold all but a small portion of these, that the remainder would possibly bring him \$50,000, and that those already sold were worth twice that. As he saw it, the farming lands were proportionately more valuable, so that he wrote in his diary, "I knew this would be so at the time they were sold, but the course taken was necessary. After all, no person should seek to reap all the profits in such cases."⁴³

Despite the numerous land sales between 1852 and 1856, apparently Mason was not able to sell the land rapidly enough to make anything for himself. Unfortunately he had not included in his contract with the New York Company a provision that it should release mortgages on land he sold on time.

Consequently, when an Iowan wished to purchase Half Breed land from Mason or Estes, they were unable to give a clear title because the mortgage was in the hands of the New Yorkers. This obviously impeded rapid sale of land and delayed Mason's profits. Mason tried to get around this obstacle to sale of Half Breed land by persuading the New York Company to allow a Keokuk banker, J. M. Love, to hold the mortgages and release them as soon as land payments started. However, the trustees were unwilling to do this. J. M. Love was a total stranger to them and they believed that if they conferred power on him to act in their place, he might abuse it to the detriment of their interests. The best alternative the trustees could suggest was that Mason might promise to give the buyer a deed within a certain time in consideration of 25 per cent paid in cash. They proposed that Mason then send them a description of the land sold, the price, and the terms of payment of the balance; they would then send by return mail a release of the bargained premises from the mortgage. 44 Under these cumbersome and unsatisfactory circumstances, it is surprising that Mason succeeded as well as he did in selling Half Breed land.

Perhaps because Mason's arrangement with the New York trustees proved so satisfactory to them, they proposed to make another contract with him similar to the first one. They offered either to allow Mason to take over additional

Half Breed holdings under arrangements similar to those of 1852 or to buy from him for \$50,000 their former Half Breed holdings that he had acquired since that time.⁴⁵ Mason accepted the first proposition, stipulating that if the company would sign over to him additional Half Breed land, he would give them mortgages on it amounting to \$100,000. Mason's total indebtedness would then amount to \$325,000. He proposed to pay first the \$225,000 he owed under the 1852 contract and then the \$100,000 plus 7 per cent interest from the date of the second agreement. After making these payments, he would be entitled to all the balance of lands and proceeds. He agreed to advance \$5,000 of his own money, or its equivalent in lands, to purchase possessory rights of occupants of Half Breed lands, this sum to be regarded as part of his payment to the trustees for their land. Mason also promised to assume responsibility for defending entirely in his own name the suit that Isaac Galland had brought against him and the New York trustees. The New Yorkers, on their part, were to release the paid-up mortgages only after they received full payment on the land. 46 After prolonged negotiations lasting nearly a year. Mason and the New York Company finally completed a satisfactory settlement and signed a contract in the spring of 1856.

Mason was exultant over this new agreement. He wrote in his diary that he could hardly realize that he owned

property worth a half million or more. He reminded himself that such was not really the case, although if land prices held up he expected to make that amount from his Half Breed purchase.⁴⁷ At this point his expectations appeared justified, since he owned nearly one third of all the lots in Keokuk and one third of all the lots in the Half Breed Tract, amounting to more than 30,000 acres.⁴⁸

Mason based his hopes for a fortune on a survey of real estate prices in and around Keokuk in the spring of 1856. He found land prices double what they were the previous year.⁴⁹ At that time he had estimated that twenty-seven acres he owned in the lower section of Keokuk were worth \$10 per acre.⁵⁰ In April, he expected some of his best Keokuk lots to sell for \$2,000 each,⁵⁰ probably a reasonable prospect since a corner lot there had sold for \$1,500 in June, 1837.⁵² As for the Half Breed land outside Keokuk, Mason estimated its value at \$4.25 per acre in 1841,⁵³ and undoubtedly he hoped to get more than that for it fifteen years later.

Land transactions in the Half Breed Tract during 1856 more than met Mason's expectations. Although he was not in Iowa that summer, it seemed to him that judging from reports, his real estate sales were going along prosperously.⁵⁴ When he returned to Keokuk that fall, he confirmed this: sales amounted to \$130,000 in completed transactions and there

were \$40,000 yet to complete when his agent found time to make out the papers. He estimated that all property sold the previous spring would bring approximately \$1,000,000 at current prices. These land prices were so high that Mason found them alarming,⁵⁵ writing that he feared an economic reaction and preferred to get rich more slowly.⁵⁶ However, as he saw it, his only hope was to pay his obligations to the New York Land Company and make his own profits before a general economic collapse like that of 1837 recurred. This, of course, required rapid sale of Half Breed land.⁵⁷

To facilitate more rapid land sales, Mason tried to increase the value of his holdings. One way he hoped to do this was by persuading the federal government to take action regarding the Des Moines Rapids in the Mississippi River. These rapids began four miles above the mouth of the Des Moines River, just above Keokuk, and extended eleven miles to Montrose, Iowa. This was a serious navigational hazard to Mississippi River traffic, creating a twenty-foot fall that flowed with great velocity over an irregular limestone bed extending from shore to shore. Boats had trouble passing over the rapids, particularly because of shallow water during low stages of the river and because of the many crooked channels through the limestone worn by the action of the current.⁵⁸

Mason believed that the removal of this obstacle to river traffic would result in a cheaper water route to New Orleans for agricultural produce of southeastern Iowa. Farmers in this area could then send goods to New Orleans by steamboat at a cost of one half to one and a half cents per ton, whereas it cost them twice as much to send goods to the East by rail. Mason also contended that improvement of the Des Moines Rapids would give Iowa farmers the choice of sending their produce to southern or northeastern markets, wherever the highest returns waited.⁵⁹ Mason's friend, D. F. Miller, estimated that these improved commercial possibilities in southeastern Iowa would add \$50,000 or more to the value of Mason's lands in the Half Breed Tract.⁶⁰

In Mason's opinion, the federal government was responsible for such river improvements whenever the public interest demanded it. As early as 1849, at a convention in Davenport, Iowa, he had expressed his views in a three-fold resolution: that the Mississippi was a national highway, that unrestricted river navigation was a matter of concern both to the nation as a whole and particularly to the western country, and that it was the duty of the federal government to remove the river obstructions without delay.⁶¹

The early efforts of the national government to improve the Des Moines Rapids were inadequate. Prior to 1860, Army officers made three surveys of the problem, one by Captain

Henry Shreve in 1836, another by Lieutenant Robert E. Lee in 1837, and another by Lieutenant G. K. Warren. These studies resulted in no effectual improvement of the rapids before the Civil War.⁶² Afterward, when the project seemed about to materialize, it was too late for Mason to benefit fully from the resulting increase in his land values.

Mason also attempted to increase the value of his Keokuk land by building roads which would connect his lots with the town. He owned real estate running parallel to the bluffs, located a mile or two above the limits of Keokuk. As he saw it, these lots on the brow of the bluffs would bring a good price if there were streets gradually descending the bluffs to the river. To accomplish this, he planned to make two cuts through the bluff, then branch to the right and left in a gradual descent to the river. The only evidence that he ever tried to carry out this street project is a notation in his diary that he had gone out with what he termed "the young men" to make plans for his improvement project, but that the group was forced to postpone further action until another day.⁶³

Another way in which Mason endeavored to increase his land sales was by preserving the timber on his holdings. Few people cared to invest in land from which nearly all the timber was cut. It proved difficult, however, to preserve the trees on Mason's Half Bréed land. In some cases,

his renters wasted or sold large amounts of lumber. One renter boasted that he intended to cut all the timber he could off the land and then leave it. To avoid such losses, Mason's friend, A. W. Harlan, advised him not to rent his land at all, arguing that no rent Mason could get from it would idemnify him for the timber that renters would cut off the land in making roads, under the pretext of cutting fire wood.⁶⁴ Others, however, advised Mason that if there were no renters on the land, then trespassers would cut and slash until they took all the wood from the place.⁶⁵ If Mason faced timber depredations whether he rented his land or not, he either had to resign himself to inevitable financial losses or sell the land as rapidly as possible for whatever it would bring.

Because Mason's other business interests required extended absences from Iowa, he made a written agreement with James Estes to supervise his real estate interests there. Estes' duties included not only sale of lots and lands, but the collection of rents. Mason empowered him to pay all expenses connected with such transactions, such as court costs, lawyers' fees, or compromise agreements out of court, and to take care of certain other business for him which would indirectly add to the value of the Half Breed lands. Mason also gave Estes permission to subscribe \$10,000 in stock of the proposed Keokuk and Ft. Des Moines Railroad and to loan

\$10,000 of his, Mason's, money toward the erection of a proposed Keokuk hotel, if he could get sufficient collateral for payment of principal and interest. Mason specified that he would require 10 per cent annual interest on his loan the first year and semi-annual interest each year thereafter. In return for these services, Mason gave Estes one half of the railroad stock and one half the dividends from the hotel loan, plus half the proceeds from sale of lots and lands still unsold after Mason had satisfied his obligations to the New York Company.⁶⁶

Because Estes mishandled Mason's business affairs, the Half Breed profits prior to 1857 proved less than Mason expected. Although Estes had agreed to make monthly reports on land business, he failed to do so.⁶⁷ His downright dishonesty, however, did not become evident until September, 1857, when Mason visited Keokuk and found his affairs there in inextricable confusion. He learned that Estes, in order to pay a \$13,000 debt of his own, had mortgaged Keokuk lots in which the two had an equal interest.⁶⁸ Estes justified this on the grounds that he had considered the money necessary to carry on Mason's business. At first Mason was sure that such a mortgage would not be legally binding, but it proved valid and he had to redeem it.⁶⁹ Further investigation of Estes' transactions revealed that he had not recorded funds collected in Mason's name. These payments from land

sales amounted to \$2,000, part of which Estes used in his own enterprises.⁷⁰

In addition to Estes' neglect and dishonesty, he failed to carry out Mason's commands.⁷¹ Although Mason had directed him to loan \$10,000 for construction of the proposed Keokuk hotel, Estes donated the money outright. Perhaps he knew, when he did this, that in consideration of his liberality the promoters would name their proposed hotel the Estes House. When Mason made final settlement with Estes, he had to write this entire donation off as a bad debt.⁷²

Mason's effort to retrieve part of these financial losses by taking Estes' notes proved futile. These eventually came to more than \$20,000, but the property Estes gave as security turned out to be generally worthless. To make matters worse, Estes became almost hopelessly insolvent, so that Mason lost even the money he had hoped to salvage. Estes eventually took advantage of the bankruptcy law. Although he named Mason as a creditor for more than \$46,000, Mason never received any of this money and estimated his aggregate losses through Estes' mismanagement at not less than \$70,000.⁷³ Mason held Estes responsible for depriving him of much of the remuneration he had expected from Half Breed sales prior to 1857.⁷⁴

After Mason discovered that Estes had misappropriated his money, he concluded that it was best to get rid of him on the easiest possible terms.⁷⁵ Two letters prompted this decision. One was from Estes complaining that Mason had not dealt fairly with him and implying that he would become Mason's open enemy unless the two could make some satisfactory financial settlement.⁷⁶ The other letter was from Charles Parsons, warning Mason that unless he settled with Estes to his liking before rejecting him. Estes might cause trouble.⁷⁷ This correspondence suggests that Estes might have had some hold over Mason, possibly in connection with the Half Breed transaction. At any rate, when he and Mason discussed terms, Estes demanded 25 per cent of the Half Breed land then in Mason's name but refused to repay whatever he had taken from Mason's funds. Finally, Mason gave Estes title to all the Keokuk lots in what was known as Mason's town addition and agreed to say no more about the money he had taken dishonestly.⁷⁸

Another factor, the 1857 depression, reduced Mason's anticipated Half Breed profits. When hard times came that year, he foresaw that reduced immigration would decrease the demand for his lands.⁷⁹ He realized too that many who were already buying land from him on time would be unable to pay their taxes and that he would have to pay these himself to keep the land from falling into the hands of others through tax sales. Mason estimated these back taxes at more than \$10,000, in addition to his own tax of \$5,000.⁸⁰ He also anticipated that those buying his land on time would be unable to keep up their payments and that he in turn would be unable to pay the New York Company, which held the mortgages on the land.⁸¹

Events turned out as Mason had foreseen, to his financial detriment. The buyers began to default on their land payments; and when the trustees of the New York Company did not receive their money from Mason, they began foreclosures against the settlers. In 1859, Hiram Barney, acting as attorney for the company, began a series of lawsuits for that purpose.⁸² Mason foresaw the serious effects of this policy on his anticipated land profits. He was sure that if the company foreclosed Half Breed property, its sale would not bring enough to pay his own obligations to the company, and he would lose the land.

Attempting to forestall the possibility that he might lose his profits, Mason made a series of proposals to the New York Land Company. Late in 1857 he offered to release his Half Breed holdings to them for a financial consideration, but they turned him down. Finally, convinced that public reaction against the company's foreclosures would ruin the New Yorkers as well as himself, Mason went East, hoping to persuade them of that fact.⁸³ He offered to pay the company all the money he could collect from the land in excess of taxes providing they would change their policy, assuring Barney that previously he had drawn nothing from the transaction for himself. However, Barney now agreed with Mason's earlier proposal that he withdraw from the transaction altogether in return for a cash consideration and clear title to part of the Half Breed land. With this purpose in mind, Barney came to Iowa in the summer of 1859 to negotiate with Mason for dissolution of the business relation between him and the New York Company.⁸⁴

By terms of the final agreement, Mason gave up claims to most of the land that the company had signed over to him since 1852 and turned over to Barney 345 mortgages on Keokuk lots and Lee County farm land that he had already sold.⁸⁵ Most of the lots were in the part of Keokuk known as Mason's Upper Addition, apparently the most expensive area of town, and only four were in the cheaper area known as Mason's Lower Addition. The Easterners, in turn, paid Mason \$100,000 as a cash settlement, as well as leaving him between two and three thousand acres and about three hundred lots in Keokuk. There were fifty-six mortgages on the farm land and seventy mortgages on the city lots which Mason had already sold and which remained in his name.⁸⁶

After the final settlement with the New York Company, Mason was downcast for personal reasons. It seemed to him that the New Yorkers had used him as a cats-paw for seven years; and that when he was no longer useful as a front, they had repossessed the land. In fact, Mason was so bitter

toward the New York Land Company that he refused an invitation to a banquet Barney gave before returning East.⁸⁷ He wrote in his diary that though he was much depressed in spirit, he was relieved to be free of any connection with Barney and those he represented.⁸⁸ He believed, too, that his personal involvement in the Half Breed transaction had blighted his political prospects by turning public opinion against him, as some of his friends had predicted it would do.⁸⁹

Mason always denied any connection between the partition decree which he rendered and his later involvement in the Half Breed Tract. As proof of this, he pointed out that several years had elapsed between the end of his second judicial term and the first time the New York Land Company made him a business proposal, and that in the interval he had shown no interest in acquiring a share in the Half Breed lands.⁹⁰ He claimed that his primary purpose in becoming involved in the Half Breed Tract was to preserve order there; and that endless trouble and perhaps bloodshed would have resulted in southeastern Iowa had he not pursued the course he did.⁹¹

Mason also professed to be disappointed by the financial outcome of his business dealings with the New Yorkers. He claimed that he had yielded to Barney in the final negotiations at the insistence of Mrs. Mason and others; but that if left to his own judgment, he might have made an arrangement

\$50,000 better than the one he finally accepted.⁹² Despite his disappointment, he concluded that he would now try to make his way in the world without his fancied fortune, and added philosophically, "Perhaps it is as well for us to be obliged to live more economically. At all events it is well to think so."⁹³

Mason was also dejected about the quality of the land the New York Land Company left him, complaining that they had taken all that was valuable, leaving him only the residue.⁹⁴ His friends and former business associates took a more optimistic view of the potential value of his remaining Half Breed land than he did. Charles Parsons, in congratulating him on the transaction, called it a splendid settlement with Barney.95 Hiram Barney naturally took a similar view, telling a business associate that the New York Company gave Mason property worth \$150,000 rather than have any more business relations with him.⁹⁶ In the immediate future. Mason's estimate of the value of his Half Breed land proved more accurate than that of Parsons or Barney. As the national crisis approached, the demand for real estate in Lee County declined. Mason wrote that everything in Keokuk looked unpromising and that he would have been better off never to have purchased Half Breed land at all. although he had once supposed the transaction to be a master stroke on his part.97

Mason lost money on some Keokuk lots he retained. Sometimes this was because the sheriff sold his lots for delinquent county or city taxes and Mason had to redeem them from the purchaser. For example, after E. P. Dennison of Muscatine purchased 125 of Mason's Keokuk lots for back taxes, he offered to give Mason quitclaim deeds on them for approximately \$5 per lot plus 15 per cent interest.⁹⁸ Several months later Mason paid Dennison \$694.66 in return for a deed to 124 of these lots.⁹⁹ Likewise, when A. C. Bailey of Mt. Vernon, Iowa, indicated that he intended to bid on some of Mason's lots that were advertised for delinquent tax sales, he offered to let Mason redeem them for back taxes and accrued costs plus 10 per cent interest.¹⁰⁰

When Mason disposed of other Keokuk lots, he made almost no profit, sometimes conveying these to individuals or organizations by quitclaim deeds for nominal considerations. He gave up 37 1/2 lots to individuals for a total return of \$11,⁰¹ and nine lots to the trustees of Griswold College for \$1.98.¹⁰² At the same rate he conveyed single lots to the Dutch Reformed Church in Keokuk and the Montrose Presbyterian Church,¹⁰³ and a strip of land fifteen feet wide through seventeen lots to the Keokuk and Northwestern Railroad.¹⁰⁴ He also transferred strips of land to the city of Keokuk without recorded compensation,¹⁰⁵ in one case giving a quitclaim deed for tax claims on an entire block in Mason's Upper Additon.¹⁰⁶ Eventually Mason seems to have profited from most of his Keokuk land transactions. A few of these were cash sales which totalled \$9,940. It is difficult to know how many lots Mason sold for cash, since in some cases he sold them by the block.¹⁰⁷ He sold the remaining lots on time, usually on three-year 8 per cent mortgages. In some cases Mason assigned mortgages on Keokuk lots to various individuals for cash, receiving \$450 for mortgages on two lots and \$300 for mortgages on five others. Mason's profit on Keokuk lots on which the purchaser paid the full mortgage came to \$122,529.08.¹⁰⁸ He retained 136 Keokuk lots until death.¹⁰⁹

Mason used various procedures in selling farm land from his Half Breed holdings. Some he sold on time but without a mortgage, merely taking a cash payment and specifying that the buyer pay the balance at his own convenience with 10 per cent interest. In these cases, Mason gave the buyer a bond for a deed, stating that when he paid the entire obligation, he would receive a warranty deed. Mason's receipts under these arrangements totalled \$6,620.¹¹⁰ Most of his mortgage sales were at 8 per cent interest for four years, but a few were for as long as seven and eight years. His profits on these, including principal and interest, came to \$58,314.20.¹¹¹ Receipts from farms sold entirely for cash amounted to \$30,515.80.¹¹² By the time of his death, Mason had sold all his Lee County land outside Keokuk except for 520 acres.¹¹³

Under these circumstances it is understandable why Mason changed his mind about the value of his Half Breed land. Nine years after his final settlement with Barney, he wrote in his diary:

I think I could live very comfortably now in Iowa on the means within my reach. I sold \$6,000 worth of property when there and probably will be able to sell much more before long unless times change for the worse. I could enjoy myself better there than in Washington and shall return and remain quiet for the future.¹¹⁴

Evidently these hopeful financial prospects were fulfilled. Mason's total receipts for city and farm land in the tract appear to have been \$233,696. To this must be added the \$100,000 he received from the New York Land Company as a cash settlement.

It is impossible to say precisely just how much Mason paid in city and county taxes on his Half Breed holdings after 1857. The county tax books for this period have been destroyed, and Mason kept no ledger of his own to record assessments from year to year. There are only occasional references in his correspondence and diaries regarding prospective taxes or tax payments. For example, in 1852 Edward Kilbourne surmised that Mason's taxes for his Half Breed land would be approximately \$3,500;¹¹⁵ in 1857 Mason estimated his yearly taxes at \$5,000.¹¹⁶ Naturally, his taxes decreased as he sold his land. He noted in his diary that he paid \$1,700 in county taxes in 1860, ¹¹⁷ \$1,200 in 1868, ¹¹⁸ and \$931.91 in 1873. ¹¹⁹ If he paid an average of \$1,300 in county taxes for a twenty-five year period, they would total \$32,500. Mason made only five references to city taxes in Keokuk: he paid \$123.75 in 1862; ¹²⁰ \$152.15 in 1865; ¹²¹ \$160.30 in 1866; ¹²² \$380 in 1875; ¹²³ and \$123.74 in 1879, ¹²⁴ or an average of \$187.98. Over twenty-five years, this would be \$4,699.50, making total taxes approximately \$37,199.50.

Mason had income from other sources that he could use in land speculation. He had some income, for example, from his financial partnership with John H. Gear in a wholesale grocery business in Burlington. Gear and William Coolbaugh had owned the business together since 1849, but Coolbaugh sold out his interest to Gear in 1854¹²⁵0n February 24. 1854, Gear and Mason formed a business partnership in which Mason agreed to furnish \$6,000 in cash and Gear contributed the sum due him from Coolbaugh. Gear was allowed to withdraw from company funds from time to time as much as he needed for personal reasons, with the understanding that Mason would receive an equal amount. The remaining profits were either added to the capital stock or divided equally between the partners.¹²⁶ Mason found this partnership with Gear so agreeable that he was reluctant to see it dissolved. They terminated it at Gear's request on February 26, 1856,

but Mason wrote in his diary, "It would have been better for me to continue. I have done very well. I have doubled my money in two years and leave with a little more than \$12,000.¹²⁷

Mason may have spent part of his profit in the same neighborhood in which he made it; he continually bought and sold land in the city of Burlington, and in Burlington and Union townships. During his lifetime he bought 1877.32 acres of farm land within the two townships for \$2,751.95 and sold 1225.44 acres for \$6,485.50. Part of this acquisition he laid out into lots known as the Burlington Northern Addition. The division of farm land into lots accounts for the fact that although he bought ten city lots for \$1,887.68 and sold nine lots for \$5,184.50,¹²⁸ he still had four lots in the Northern Addition when he died as well as 361.25 acres of farm land in the two townships.¹²⁹ The tax records are not available, having been destroyed in a court house fire in 1873.

Besides his Half Breed and Burlington transactions, Mason bought additional Lee County land in partnership with others. In the fall of 1855, Mason and William Leighton purchased land in Keokuk known as Reid's Addition for \$3,000, paying \$500 down and the rest in three years. Mason's interest in these lots was \$1,500, although Leighton's name appeared on the deed to facilitate sales in Mason's absence. Mason made the first payment on the land through

Estes, to whom Leighton was indebted.¹³⁰ Estes, without informing his partners, later mortgaged all the unsold portion of the Reid Addition in order to meet a personal debt.¹³¹ Mason discovered that he was legally obligated to pay this \$50,000 mortgage when Estes proved unable to do so. When Mason subsequently terminated his partnership with Estes and Leighton, he received for his share fifty lots and \$20,000 in mortgages on lots that they had already sold.¹³²

Sometimes Mason entrusted his money intended for land speculation to the care of his partners for investment. For example, he placed \$1,550 in the hands of J. M. Love, the Keokuk banker, for purchase of Iowa real estate. The agreement between them does not indicate how much, if anything, Love contributed to the investment fund. The understanding was that although any property acquired through the investment fund would be in Mason's name, both partners were to share equally in the net profits after selling the land. However, Mason protected his interest by the provision that before they divided the profits, he was to receive his principal back again plus 10 per cent annual interest and what was necessary to pay expenses and taxes on the land.¹³³

Love wished to invest the funds in Van Buren County land, particularly near Bentonsport, Iowa, on the Des Moines River. He assured Mason that real estate here would eventually prove valuable, perhaps doubling in price when the Keokuk

and Ft. Des Moines Railroad reached that area. In the conviction that the railroad in its own interest would build the Bentonsport depot near the town mill, and hence be a valuable location, Love tried to persuade Mason to buy his wife an expensive lot near that site.¹³⁴ Love also used the benefits of the prospective railroad as an inducement to persuade Bentonsport citizens to sell him their lots, telling them that while the railroad would eventually help their town, they must first help the railroad by providing land to be sold to the railroad employees. As an added incentive to sales. Love assured Bentonsport citizens that Mason, as a large stockholder in the Keokuk and Ft. Des Moines Railroad, would use his influence to have the depot located where residents wanted it -- at the lower end of the town, near the dam and mills, instead of outside of town a half mile from the mill. 135

Love finally made what he regarded as a satisfactory real estate purchase in Van Buren County. It comprised the W 1/2 of the NE 1/4 of Section 26, Township 69, Range 9, and the W 1/2 of the SE 1/4 of Section 22, Township 69, Range 9. In addition Love bought ten Bentonsport lots, made up of half of Blocks 30-31, at \$25 each, and Lot 5, Block 5, for \$125, in Mrs. Mason's name, subject to her approval, but strongly urged Mason to keep them, estimating that they would double in value when the railroad reached Bentonsport.¹³⁶

One way in which land speculators commonly made money was by purchasing military bounty warrants at low rates from veterans who did not wish to settle on their land. They then used these warrants to purchase land and hold it for a rise in price. Land warrants were certificates the government gave war veterans entitling them to land bounties. Between 1846 and 1856 Congress passed four such military bounty bills. An 1847 law stipulated that Mexican War veterans with at least twelve months' service were entitled to 160 acres in the surveyed public domain. In 1850 the government extended the law to apply to soldiers of the War of 1812 and Indian wars since 1790. Then in 1852 Congress enlarged the act still further to include militia officers and volunteers, and made all warrants assignable. Three years later Congress granted 160 acres to any soldier or his heirs if he had served at least fourteen days in any war after 1790, and amended this in 1856 to include Revolutionary War soldiers. 137

Evidently Mason was one of those who hoped to profit from the purchase of military land warrants. He noted in his diary in the spring of 1856 that he had investigated the price of land warrants and intended to purchase certificates entitling him to between 3,000 and 4,000 acres.¹³⁸ He succeeded in this; on March 28, 1856, he recorded that he had purchased thirty-two land warrants, paying \$1.07 per acre

for twenty-eight of them and \$1.06 per acre for the remaining four, entitling him to 3,840 acres.¹³⁹ A month later he purchased 480 acres more of land warrants and authorized an agent, Robert Robinson, to use them in selecting land for him. Mason calculated that these later land acquisitions, added to the earlier ones in southeastern Iowa, made him a substantial land owner in Iowa. Mason did not always use his warrants to acquire land, however, judging by a letter from William Coolbaugh, who reported that he had sold 240 acres of Mason's warrants for cash.¹⁴¹

Mason was not always able to secure the land warrants he wanted or to obtain land for those he possessed. In the summer of 1855. he gave \$3.000 to R. A. Matthews, who was to advance a similar sum and use the total in the purchase of land warrants in Georgia.¹⁴² However, the following December Mason received a letter from his wife's relative, J. H. Gear, accompanied by another letter from Matthews enclosing \$2,860 of the sum furnished him to purchase land warrants. The speculation cost Mason \$140 besides interest he might have had on the money for three months--about \$70--or a \$210 loss on the endeavor. Mason thought it strange that one could buy no land warrants in Georgia.¹⁴³ The next year Mason learned that his agent in Kansas was unable to dispose of any of his land warrants there, a circumstance which Mason considered a misfortune.144.

Mason had better results with the land warrants he entrusted to J. M. Love, who used them to select land in southwestern Iowa. This comprised acreage in the following counties: Montgomery, 160; Adams, 480; Fremont, 1,320; and Taylor, 680.¹⁴⁵ Two years later the General Land Office sent Mason two patents of 160 acres each on military lands in Council Bluffs, but it is not clear whether this acquisition was part of the 1858 investment or an addition to it.¹⁴⁶ Both Mason and Love doubtless were glad to learn that the land in Adams and Montgomery counties was near the proposed location of the Burlington and Missouri Railroad.¹⁴⁷ Later the land in both counties was conveyed from Love to Mason by quitclaim deeds.¹⁴⁸

Mason's land investments in the southwestern part of Iowa by means of warrants proved costly. He purchased the 2,640 acres for approximately \$1.07 per acre, the current price of land warrants, or \$2,824.80. Although he paid taxes on this land for nine years, one can only estimate the total, since the county tax records are incomplete. In Fremont County, for example, tax records for 1855, 1856, 1857, 1860, and 1862 are missing. Taxes, interest, and special assessments such as road taxes, for 1858, 1859, 1861, and 1862 came to \$180 or approximately \$45 per year.¹⁴⁹ If the amount for the missing years was about the same, the total taxes for nine years came to about \$405.

Tax records for the other southwestern Iowa counties are also fragmentary. Montgomery County tax records show nothing prior to 1861. Taxes for the following four years in that county totalled \$22.08 or approximately \$5.52 per year.¹⁵⁰ If Montgomery County taxes for the five missing years approximated this figure, county taxes from 1855-1864 were around \$49.68.

In Adams County, taxes for 1861 and 1864 were \$13.68¹⁵¹ and \$18.30,¹⁵² or an average of \$15.99. If Adams County taxes for seven missing years were comparable, the total from 1855-1864 came to \$143.91. The Taylor County tax record is available for 1863 only, when Mason's taxes were \$24.14, making the approximate amount for nine years \$217.26. Agents' fees in the four southwestern Iowa counties amounted to \$15 per year,¹⁵³ or \$135 for nine years. Thus the approximate total cost, including purchases, taxes, and agents' fees, came to about \$3,775.65.

Mason's records do not reveal any rent or other income from this southwestern Iowa land until he disposed of it ten years after purchase. At that time he exchanged land in Fremont, Adams, Montgomery, Taylor, and Van Buren counties, totaling about 3,000 acres, for 2,000 shares of stock in the Standing Stone Oil Company. Mason thought this was a shrewd transaction, since he received shares in the oil company valued at what he estimated as four or five times

more than the land would bring if sold for cash. The consideration for Montgomery County land was \$900;¹⁵⁴ Adams County, \$2,400;¹⁵⁵ Fremont County, \$18,000;¹⁵⁶ and Taylor County, \$4,500.¹⁵⁷ Afterward Mason realized that he had given up something worthwhile for what eventually proved worthless.¹⁵⁸

J. M. Love and Mason also used land warrants, bought through joint funds, to acquire 320 acres in Dallas County, Missouri. This proved a poor investment, partly because it was located in a barren part of the state and in a particularly barren county.¹⁵⁹ Afterward, during the war, the area was desolated.¹⁶⁰ Fortunately for Mason, the taxes were low or non-existent. In 1860 they were \$3.20;¹⁶¹ in 1861, none were assessed;¹⁶² in 1862, 1863, and 1864 taxes and costs were \$8.20;¹⁶³ in 1865 they were \$25.¹⁶⁴ Later, the land title was transferred from Love to Mason for an undisclosed consideration.¹⁶⁵ Mason was never able to sell this land, despite his efforts to do so.¹⁶⁶ If Mason paid \$1.07 per acre for the land warrants used to purchase this land, it cost him \$342.40 plus taxes for twenty-five years.

Love and Mason also used joint funds to acquire 4,197 acres by means of land warrants in Marathon and Shawano counties in central Wisconsin. The current price of Mason's warrants at the time was approximately \$1.07 an acre, making the probable cost of the Wisconsin land \$4,490. When Mason

and Love purchased the land, they agreed that if it eventually sold for no more than would pay Mason his investment with 10 per cent annual interest, Love would receive nothing. If the land brought more, Love would be entitled to half the amount realized above that sum. Mason also agreed that Love's name should appear on the title, and that if Love ever conveyed the title to him, he would compensate him for his contingent interest.¹⁶⁷ Several years later Love did transfer the title to Mason,¹⁶⁸ but Mason's business records do not show how much this cost him.

The Wisconsin investment proved unprofitable because of its location. The land was in an inaccessible wilderness; even a decade after Mason acquired it, there were no roads into the locality, so that he could get no nearer to it than ten or twelve miles in any sort of vehicle and could do little better on horseback.¹⁶⁹ Until there were roads through the woods, settlers could not get in with wagons. There was no railroad in Shawano County, either, even as late as 1872. This lack of easy access to the land delayed settlement and correspondingly reduced its value.¹⁷⁰

The natural resources of the Wisconsin purchase also proved misleading. When Love conveyed the land to Mason, he thought it would be valuable for timber as soon as railroads could reach it. However, instead of being covered with pine, the woods turned out to be mostly scrub hemlock.

According to Mason's friend, G. W. Washburn, the soil, too, was poor; he reported it to be one complete mass of stone, with hardly room between the rocks for trees to grow.¹⁷¹ One of Mason's correspondents, William Wilson, surmised that a land shark had victimized Love into making the purchase, a common occurrence.¹⁷²

Another drawback to the Wisconsin holdings, as Mason saw it, was the unusually high rate of taxation. He complained constantly in his diary that no one should be expected to stand such taxation. At one point he was almost tempted to abandon the lands altogether rather than pay what he regarded as intolerable taxation, estimating that his taxes and agents' fees on the 4,197 acres amounted to \$336 per year or 8 cents per acre.¹⁷³ On another occasion he considered selling the lands for whatever he could get out of them rather than continue to pay taxes on them, writing in his diary, "I would be very glad to sell the whole for \$1 per acre.¹⁷⁴

Mason's taxes on his Wisconsin land seem to have averaged less over a twenty-year period than his estimate of them. In Shawano County, where he owned 3,720 acres, his taxes over two decades averaged only \$256.13 per year. In Marathon County for the same period they averaged \$37.04.¹⁷⁵ The agent's fee was usually 5 per cent of the taxes, making the average yearly cost of taxes and expenses about \$318.03 or \$6,360.20 for twenty years. Mason attempted to lighten his

tax burden in Wisconsin by buying scrip, issued both by Shawano and Marathon counties, and by the towns within those limits, at the rate of between 50 and 80 cents on the dollar. The county treasurer could sometimes be persuaded to accept two thirds of the tax in scrip, although he was only obliged to take one third.¹⁷⁶ Even with this expedient, Mason still thought that his taxes on his Wisconsin lands were intolerable.

Several of Mason's Wisconsin correspondents attempted to explain why his taxes there were so high. People had not bought the land around Stevens Point from the government, Burt Brett wrote, until the speculative boom of 1856-1857; at that time. Easterners who did not attempt to reside on it but expected to use it for speculative purposes took all the desirable real estate there. Some who did settle there later abandoned their holdings and moved to more populated localities. As a result, the permanent residents in towns within the area heavily taxed the lands of non-residents in order to provide community improvements such as school houses and county buildings.¹⁷⁷ The opinion of Mason's agent in Wisconsin, D. P. Andrews, was that the state board of assessors valued lands at \$10 per acre which no capitalist would consider for \$5. He promised to send Mason a list of Marathon County lands that he regarded as worthless swamp, not worth paying taxes on any longer.¹⁷⁸

A combination of all these adverse factors--poor land, no roads or public transportation, high taxation -- made it impossible for Mason to sell most of his Wisconsin land, despite his friends' urging that he do so. One of these, G. W. Washburn, pointed out that the value of these lands was prospective, with no demand for immediate settlement, and the land currently was worth only what it would bring.¹⁷⁹ For a time it seemed Mason would sell to one prospect the entire 4,197 acres for \$5,000, on terms of \$500 cash, \$500 in 90 days, and the balance in four equal annual payments at 7 per cent annual interest.¹⁸⁰ After he failed to do so, he tried to dispose of the land to others at the same price, but was unsuccessful. One potential buyer claimed that the land was not worth even 5 cents an acre.¹⁸¹ After twentyfive years, Mason finally sold 240 acres of his Wisconsin land at \$2.50 per acre.¹⁸² Most of what he had invested in the land, then, he was unable to recover.

There were other land transactions in which Mason's business records leave the conclusion of the transaction incomplete. In one such case, Mason evidently bought land for others, with the intention of profiting from the transaction himself. In an entry in his diary on August 2, 1855, he noted that D. A. Hill of Washington, D. C., had sent him money with which to make an investment in Iowa real estate. Mason's intention, as he recorded it, was to invest the money

for Hill, with the understanding that one half the profits should go to himself after Hill had received the principal back again plus 8 per cent annual interest.¹⁸³ Mason makes no subsequent reference to where or when he carried out the proposed transaction and his business records do not indicate any profit or loss.

Mason doubtless realized the close connection between successful land speculation and profitable railroad promotion. On the one hand, the railroads in which he was interested would prosper only if he sold adjoining land to settlers, whose needs would provide a dependable source of railroad revenue. On the other hand, railroads would attract farmers into unsettled lands by furnishing them with easy access to markets for their produce and with a source of supply for finished goods. The resulting demand for land near the railroad would raise its price, enabling Mason to profit from its sale. The supplementary nature of profitable land sales and western railroad promotion, then, explains why Mason continued to engage in the two ventures simultaneously.

NOTES FOR CHAPTER IV

Unless otherwise noted, all letters and documents cited are found in <u>Mason Papers</u>.

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- 2. O. S. A. Peck, Washington, D. C., to Mason, July 6, 1852, Vol. 2.
- 3. B. Fowler, New York, N. Y., to Mason, January 13, 1853, Vol. 34.
- 4. Mason Diary, November 2, 1856, Vol. 46.
- 5. Charles Remey, <u>Life and Letters of Charles Mason</u> (16 vols., Washington, D. C., 1939) XVI, 2, 139.
- 6. Nelson C. Roberts and S. W. Moorehead (eds.), <u>Story of</u> <u>Lee County, Iowa</u> (2 vols., Chicago, 1914), I, 58.
- 7. <u>Iowa Territorial Gazette and Advertiser</u> (Burlington, Iowa) March 29, 1844.
- 8. Charles Mason, Burlington, Iowa, to General A. C. Dodge, July 22, 1880, Vol. 39.
- 9. <u>Ibid</u>.
- 10. Hawkins Taylor, "Judge Mason and the Half Breed Tract," <u>Iowa Historical Record</u>, II (April, 1886), 354.
- 11. "A Settler," (no place given), to D. W. Kilbourne, April 21, 1852, <u>Kilbourne Collection</u>, Vol. 3, MSS in Iowa State Department of History and Archives, Des Moines, Iowa.
- 12. Charles Mason, Burlington, Iowa, to General Dodge, July 22, 1880, Vol. 39.
- 13. Memorandum by Mason on proposition to the New York Land Company, June 28, 1852, Vol. 31.
- 14. Power of Attorney from Marsh, Lee, and Delavan to Charles Mason, June 29, 1852, Vol. 31.

- 15. Memorandum by Mason on proposition to the New York Land Company, June 28, 1852, Vol. 31.
- 16. D. W. Kilbourne, Keokuk, Iowa, to Mason, October 2, 1852, Vol. 2.
- 17. Edward Kilbourne, Keokuk, Iowa, to D. W. Kilbourne, August 1, 1852, <u>Kilbourne Collection</u>, Vol. 3.
- 18. Edward Kilbourne, Painesville, Ohio, to D. W. Kilbourne, July 4, 1852, <u>Kilbourne Collection</u>, Vol. 3.
- 19. J. W. Rankin, Keokuk, Iowa, to Mason, August 2, 1852, Vol. 2.
- 20. Newspaper clipping marked "Keosauqua, June 12, 1852," Vol. 31.
- 21. Charles Mason, Burlington, Iowa, to Guy Wells, July 29, 1852, Vol. 2.
- 22. James Estes, Keokuk, Iowa, to Mason, December 7, 1852, Vol. 2.
- 23. Taylor, "Judge Mason and the Half Breed Tract," <u>Iowa</u> <u>Historical Record</u>, II (April, 1886), 354.
- 24. Charles Mason, Burlington, Iowa, to General Dodge, July 22, 1880, Vol. 39.
- 25. Edward Kilbourne, Keokuk, Iowa, to D. W. Kilbourne, August 28, 1852, <u>Kilbourne Collection</u>, Vol. 3.
- 26. D. W. Kilbourne, Keokuk, Iowa, to Mason, October 21, 1852, Vol. 2.
- 27. James Estes, Keokuk, Iowa, to Mason, September 10, 1852, Vol. 2.
- 28. Edward Kilbourne to D. W. Kilbourne, August 28, 1852, <u>Kilbourne Collection</u>, Vol. 3.
- 29. James Estes, Keokuk, Iowa, to Mason, August 25, 1852, Vol. 2.
- 30. D. W. Kilbourne, Keokuk, Iowa, to Mason, October 21, 1852, Vol. 2.
- 31. Mason Diary, October 13, 1855, Vol. 46.

- 32. Ibid., April 12, 1856, Vol. 46.
- 33. Brief of Claggett v. Mason, found in Mason Papers, Vol. 4.
- 34. Charles Mason, Burlington, Iowa, to General Dodge, July 22, 1880, Vol. 39.
- 35. Agreement between Mason and E. T. Lewis, March 12, 1853, <u>Kilbourne Collection</u>, Vol. 3.
- 36. Agreement between Mason and James Prindle (no date given), <u>Kilbourne Collection</u>, Vol. 3.
- 37. Agreement between Mason and Jacob Wright, April 8, 1856, <u>Kilbourne Collection</u>, Vol. 4.
- 38. Taylor, "Judge Mason and the Half Breed Tract," <u>Iowa</u> <u>Historical Record</u>, II (April, 1886), 354.
- 39. Memorandum marked "Proceeds from Sale of Half Breed Land to 1853," Vol. 31.
- 40. James Estes, Keokuk, Iowa, to Mason, December 15, 1853, Vol. 34.
- 41. Mason Diary, December 10, 1855, Vol. 46.
- 42. Memorandum by Mason on proposition to the New York Land Company, January 18, 1856, Vol. 31.
- 43. Mason Diary, July 31, 1855, Vol. 46.
- 44. Hiram Barney, New York, N. Y., to Mason, September 11, 1852, Vol. 31.
- 45. Mason Diary, June 28, 1855, Vol. 46.
- 46. Proposition by Mason to the New York Land Company, January 18, 1856, Vol. 31.
- 47. Mason Diary, November 12, 1856, Vol. 46.
- 48. Remey, Life and Letters of Charles Mason, XVI, 2139.
- 49. Mason Diary, April 9, 1856, Vol. 46.
- 50. <u>Ibid.</u>, July 20, 1856, Vol. 46.
- 51. Ibid., April 15, 1856, Vol. 46.

- 52. J. M. Reid, <u>Old Settlers of Iowa</u> (Keokuk, Iowa, 1876), p. 65.
- 53. Mason Diary, August 5, 1860, Vol. 47.
- 54. Ibid., July 17, 1856, Vol. 46.
- 55. Ibid., October 30, 1856, Vol. 46.
- 56. Ibid., April 17, 1857, Vol. 46.
- 57. Ibid., April 13, 1856, Vol. 46.
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- 59. Mason's report to a Congressional committee regarding improvements in the Des Moines Rapids, Vol. 35. (n.d.)
- 60. D. F. Miller, Keokuk, Iowa, to Mason, March 9, 1867, Vol. 18.
- 61. Resolutions offered by Mason at the Rapids Convention in Davenport, Iowa, October 11, 1849, Vol. 34.
- 62. History of Lee County, Iowa (Chicago, 1879), p. 513.
- 63. Mason Diary, October 6, 1855, Vol. 46.
- 64. A. W. Harlan, Croton, Iowa, to Mason, August 7, 1866, Vol. 15.
- 65. S. E. Howard, Croton, Iowa, to Mason, February 25, 1867, Vol. 18.
- 66. Agreement between James Estes and Mason, April, 1856, Vol. 30.
- 67. Mason Diary, September 28, 1852, Vol. 46.
- 68. <u>Ibid</u>., September 12, 1857, Vol. 46.
- 69. <u>Ibid.</u>, September 19, 1857, Vol. 46.
- 70. Ibid., January 12 and 21, 1859, Vol. 46.
- 71. Hiram Barney, New York, N. Y., to D. W. Kilbourne, January 10, 1857, <u>Kilbourne Collection</u>, Vol. 5.

- 72. Charles Mason, Burlington, Iowa, to General Dodge, July 22, 1880, Vol. 39.
- 73. <u>Ibid</u>.
- 74. Mason Diary, January 21, 1859, Vol. 46.
- 75. Ibid., May 14, 1865, Vol. 47.
- 76. Ibid., February 28, 1865, Vol. 47.
- 77. Charles Parsons, Keokuk, Iowa, to Mason, October 29, 1861, Vol. 6.
- 78. Mason Diary, May 14, 1865, Vol. 47.
- 79. <u>Ibid</u>., September 19, 1857, Vol. 46.
- 80. Ibid., February 4, 1857, Vol. 46.
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- 83. <u>Ibid</u>.
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- 94. Charles Mason, Burlington, Iowa, to General Dodge, July 22, 1880, Vol. 39.

- 95. Charles Parsons, Keokuk, Iowa, to Mason, June 8, 1860, Vol. 3.
- 96. Hiram Barney, Washington, D. C., to Erastus Corning, April 17, 1860, quoted in Irene D. Neu, <u>Erastus Corning</u>, <u>Merchant and Financier, 1794-1872</u> (Ithaca, N. Y., 1960), p. 141.
- 97. Mason Diary, April 8, 1861, Vol. 47.
- 98. G. B. Dennison, Muscatine, Iowa, to Mason, October 24, 1870, Vol. 22.
- 99. <u>Ibid</u>., July 5, 1871, Vol. 23.
- 100. A. C. Bailey, Mt. Vernon, Iowa, to Mason, November 2, 1865, Vol. 12.
- 101. Deed from Charles Mason to William Leighton, <u>Deed Book</u> 21, p. 175, Lee County, Keokuk, Iowa.
- 102. Deed from Mason to Trustees of Griswold College, <u>Deed</u> <u>Book</u> 48, p. 258, Lee County, Iowa.
- 103. Deed from Mason to Trustees of Montrose Presbyterian Church, <u>Deed Book</u> 41, p. 269, Lee County, Keokuk, Iowa.
- 104. Deed from Mason to Keekuk and Northwestern Railroad, Deed Book 52, p. 481, Lee County, Keekuk, Iowa.
- 105. Deed from Mason to City of Keokuk, <u>Deed Book</u> 44, p. 217, Lee County, Keokuk, Iowa.
- 106. Deed from Mason to City of Keokuk, <u>Deed Book</u> 46, p. 141, Keokuk, Iowa.
- 107. Deed from Mason to Benjamin Taber, <u>Deed Book</u> 31, p. 161, Lee County, Keokuk, Iowa.
- 108. Mortgage Books 6, 7, and 10, Lee County, Keokuk, Iowa.
- 109. Probate Inventory of Mason Estate, filed May 13, 1882, Des Moines County Recorder's Office, Burlington, Iowa.
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- 111. <u>Mortgage Books</u> 3, 4, 5, 6, 7, 8, 9, 11, Lee County, Keokuk, Iowa.

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- 115. Edward Kilbourne, Painesville, Ohio, to D. W. Kilbourne, July 4, 1852, <u>Kilbourne Collection</u>, Vol. 3.
- 116. Mason Diary, February 4, 1857, Vol. 46.
- 117. <u>Ibid.</u>, July 18, 1860, Vol. 47.
- 118. Ibid., May 3, 1868, Vol. 48.
- 119. Ibid., March 28, 1873, Vol. 49.
- 120. Ibid., July 1, 1862, Vol. 47.
- 121. James Estes, Keokuk, Iowa, to Mason, September 10, 1865, Vol. 12.
- 122. G. B. Dennison, Muscatine, Iowa, to Mason, October 24, 1870, Vol. 22.
- 123. Mason Diary, February 25, 1875, Vol. 49.
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- 125. Burlington Daily Hawk-Eye, November 15, 1877.
- 126. Agreement between Mason and John H. Gear, February 24, 1854, Vol. 15.
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- 133. Ibid., October 30, 1856, Vol. 46.
- 134. J. M. Love, Keokuk, Iowa, to Mason, November 22, 1856, Vol. 34.
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- 136. <u>Ibid</u>.
- 137. Roy M. Robbins, <u>Our Landed Heritage</u> (Princeton, N. J., 1942), pp. 156-157.
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- 139. Ibid., March 28, 1856, Vol. 46.
- 140. <u>Ibid</u>., April 21, 1856, Vol. 46.
- 141. <u>Ibid.</u>, July 22, 1857, Vol. 46.
- 142. Ibid., August 28, 1855, Vol. 46.
- 143. <u>Ibid.</u>, December 1, 1855, Vol. 46.
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- 145. J. M. Love, Keokuk, Iowa, to Mason, March 28, 1858, Vol. 34.
- 146. General Land Office, Washington, D. C., to Mason, October 20, 1860, Vol. 4.
- 147. J. M. Love, Keokuk, Iowa, to Mason, March 28, 1858, Vol. 34.
- 148. Quitclaim Deed, J. M. Love to Mason, July, 1866, <u>Deed</u> <u>Book</u> 10, p. 367, Montgomery County, Red Oak, Iowa.
- 149. Finch, Clark, and Rice, Tax Agents, Des Moines, Iowa, to Mason, March 9, 1865, Vol. 10.
- 150. Ibid.

- 151. Tax Book for 1861, pp. 69-70, Adams County, Corning, Iowa.
- 152. <u>Ibid.</u>, 1864, pp. 245-246.
- 153. Finch, Clark, and Rice, Tax Agents, Des Moines, Iowa, to Mason, March 9, 1864, Vol. 10.
- 154. Warranty deed from Mason to John S. Carlisle, March 2, 1865, <u>Deed Book</u> 2, p. 576, Montgomery County, Red Oak, Iowa.
- 155. Warranty deed from Mason to John S. Carlisle, March 2, 1865, <u>Deed Book</u> E, p. 463, Adams County, Corning, Iowa.
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- 158. Mason's notation in Memorandum book 2, p. 76, Vol. 42.
- 159. J. H. Hockey & Co., Jefferson City, Mo., to Mason, September 10, 1870, Vol. 22.
- 160. R. W. Wells, Jefferson City, Mo., to Mason, March 11, 1864, Vol. 10.
- 161. Bragg and Co., Jefferson City, Mo., to Mason, February 27, 1861, Vol. 5.
- 162. R. W. Wells, Jefferson City, Mo., to Mason, March 11, 1864, Vol. 10.
- 163. F. A. Nitchy, Jefferson City, Mo., to Mason, May 5, 1866, Vol. 14.
- 164. J. H. Hackney & Co., Jefferson City, Mo., to Mason, March 15, 1866, Vol. 14.
- 165. J. M. Love, Ottumwa, Iowa, to Mason, June 26, 1866, Vol. 14.
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Chapter V

PROJECTOR OF PACIFIC RAILROADS

While Mason was promoting railroad construction east of the Mississippi in the 1859's, he was engaged in similar activity west of the river. However, in Iowa and Missouri he did not confine himself to one line as in Illinois, but divided his resources and efforts among several railroad companies. For one thing, Mason was one of the incorporators and subscribers of the Burlington and Missouri line, scheduled to be built from the Mississippi to Council Bluffs. At the same time, he tried to promote a railroad connection between Keokuk and the Hannibal and St. Joseph line that crossed Missouri. Mason was interested, too, in bringing about a railroad connection between Keokuk, Burlington, and Ft. Madi-Besides being an investor in the Keokuk. Ft. Des Moines son. Railroad, he represented that company, as well as the Des Moines Navigation and Railroad Company, as a lobbyist in Washington and successfully obtained federal land grants for them. During this time he also attempted to secure a federal land grant for a particular railroad route to the Pacific coast.

Mason's business history in this period shows his part in the rivalry to create a trans-Mississippi railroad which

might become a link in a west coast line and also reveals some of the reasons for the delay in its construction. His efforts on behalf of Iowa's first railroads also serve to show how pressure groups operated in the state legislature and in Washington to obtain federal land grants for particular roads. Since Mason eventually obtained a large amount of land in western Iowa for himself as a result of his legal services, and sold all except a few hundred acres of it, the transaction helps to reveal how profitable land speculation could be in this period.

Mason supported trans-Mississippi railroad building in Iowa and Missouri in the hope that one of the lines would eventually extend up the Platte River Valley and across the Rockies to the west coast.¹ He noted in his diary that if Iowa and Missouri railroads all focused on that route, "we shall concentrate a railroad influence which will burst its way across the country within a few years whether the United States affords us any aid or not."² He had, he wrote, long supported such a central railroad route across the United States, despite the objections by advocates of a Southern route who favored a transcontinental line from Memphis or New Orleans via El Paso.³ Mason believed the country needed both routes;⁴ but regardless of their location, he was so sure the Pacific railroad project was the greatest work of his generation that he welcomed an opportunity to have a

part in it.⁵ When the Central Pacific Railroad Company, which proposed to build a railroad from the Mississippi River to the California border, offered stock for sale in July, 1856, Mason bought ten shares.⁶

Other Iowans besides Mason had long interested themselves in promoting a transcontinental railroad which would cross the state. As early as 1839 a far-sighted Iowa editor had pointed out to his readers that a railroad from the Mississippi to the Columbia would shorten the distance of transportation to Europe many thousand miles.⁷ A year later T. J. McKean, another Iowan, suggested the possibility of a railroad west from Chicago through Illinois and Iowa, then along the Platte River and across the Rockies to the Pacific coast. At that time, settlers in southeastern Iowa were more immediately concerned with internal improvements along their main trade routes, which were toward St. Louis.⁸ By the 1850's, however, several new developments seemed to indicate that promoters of a transcontinental railroad would get a more favorable public reaction to their efforts. For one thing. Caleb Cushing, sent by the Government to negotiate a commercial treaty between the United States and China, had obtained an agreement granting commercial concessions to his country, thereby opening China to American trade.⁹ Also, settlement of America's title to Oregon in 1846 made the link between the Atlantic coast and Asia more direct.¹⁰

There was formidable competition between railroad promoters in Iowa and Missouri to lay the basis for a west coast railroad. The first two Missouri railroads chartered were the Hannibal and St. Joseph, incorporated February 16, 1847, and the Pacific Railroad (now the Missouri Pacific). chartered March 12, 1849, meant to be the first stage west of the Mississippi of a great transcontinental railroad.¹¹ Another Western line with transcontinental prospects, the Chicago. Rock Island and Pacific, reached from Chicago to Rock Island by 1854, and construction of a bridge across the Mississippi in 1855 opened the way for extending that line to the Missouri River. The Chicago and Rock Island line then acquired the charter and equipment of the Mississippi and Missouri Railroad, authorized to build from Davenport to Council Bluffs. The Chicago line brought the first locomotive into Iowa and by 1860 had laid track as far as Marengo. thirty miles west of Iowa City. Meanwhile, the Keokuk, Ft. Des Moines and Minnesota Railroad had built ninety-two miles of track in Iowa by 1860. Other Iowa lines were the Keckuk, Mt. Pleasant and Muscatine, which extended from Keokuk to Viele by 1857, and the Chicago, Iowa and Nebraska, built from Clinton to Cedar Rapids, a distance of eighty-one miles, by 1859. Two other Iowa lines which had made less progress by 1860 were the Muscatine and Oskaloosa, forty miles long, and the Muscatine and Tipton, thirteen miles long.¹²

In order to compete with these rival railroads in a race to the Pacific coast, Mason and other prominent lowans formed a company in 1852 to build the Burlington and Missouri line west of Burlington. Its fifty incorporators represented some of Iowa's foremost business and legal talents. Besides Mason there was David Rorer, one of Iowa's leading young lawyers: William Coolbaugh, Burlington businessman; and James W. Grimes. destined to be a political leader in the new state. The board of directors chose Coolbaugh as president.¹³ The first problem was to raise sufficient money to build the Burlington and Missouri at the same rate as its rivals built their roads. Numerous individuals subscribed to the stock;14 Mason was one of these.¹⁵ However, since these personal subscriptions were small, the cities and counties of southeastern Iowa had to finance the road by voting bond issues.¹⁶ Besides these local efforts, some Iowans wished to finance the Burlington and Missouri by means of a federal land grant. A logical place for such a grant seemed to be between Burlington and the Missouri River, where the government owned a vast extent of prairie land.¹⁷ To rally public support, Mason and others circulated a letter among prominent citizens asking those friendly to the idea to use their influence in Washington to secure favorable action, and pointing out that the first line to reach the Missouri River would probably receive federal aid for extension to the Pacific coast 18

The Burlington and Missouri directors then asked James W. Grimes to lobby on behalf of a federal land grant across Iowa. He went to Washington in 1852, but despite his best efforts to secure such a grant, he was unsuccessful.¹⁹ He then shifted his attention to the Iowa legislature, which petitioned Congress for Iowa land grants to several eastwest lines, including the Burlington-Missouri.²⁰ However, Congress failed to take the desired action for an Iowa grant in 1853, as it had failed to do previously, although Missouri and Arkansas received almost two million acres in February, 1853.²¹

At this point, despite the failure of Congress to make land grants to Iowa railroads, Burlington-Missouri supporters decided to go ahead with their plans.²² Although a business recession in the winter of 1853 made it difficult to finance initial construction,²³ by 1856 the contractors had built the line as far as Mt. Pleasant. However, Mason noted in his diary that the company found funds from local sources increasingly hard to secure. He reflected pessimistically that promoters were building too many roads and might finish none; he also anticipated a more serious economic recession, perhaps in a year, as a result of recklessness in speculation, which would temporarily put a stop to railroad construction.²⁴

Mason's fears in this respect proved justified; by June. 1857. the company had built the Burlington-Missouri line to the Skunk River, thirty-five miles from the Mississippi. but the hard times of 1857 retarded railroad building and the directors could go no further for lack of funds.²⁵ Then James F. Joy and John W. Brooks of the Michigan Central came to the financial aid of the Burlington road by investing \$500.000 in its securities.²⁶ Because they had completed their railroad connection between Chicago and the Mississippi River opposite Burlington and were looking for an outlet to the west, the partially constructed Burlington-Missouri road seemed their logical connection.²⁷ Probably those representing the Michigan Central invested in the Burlington-Missouri Railroad because in the spring of 1856 the latter company had finally obtained a federal land grant across Iowa. Congress had granted to four Iowa railroads donations totalling nearly four million acres, out of which the Burlington line received 358,000. The line was to use proceeds from sale of this land to construct the railroad across the state.²⁸

The next step in the railroad building project was to determine where to extend the Burlington Railroad. Mason noted in his diary that the acting president of the railroad had indicated an interest in examining a possible railroad route down the Mississippi to Ft. Madison, with the purpose of extending the line up the valley of the Skunk.²⁹ Mason believed that a railroad in that direction would be practical.³⁰ He took an active interest in this construction, and the following summer made a personal survey of the route, concluding that it was indeed quite feasible.³¹

With financial help from the Michigan Central, and expected revenue from the federal land grant, the company by September, 1858, had extended the Burlington line as far as Fairfield. It proposed to build as far as Ottumwa by the winter of 1858³² but did not reach there until nearly a year later, in September, 1859, and made no more progress until after the Civil War. When the Burlington eventually reached Council Bluffs, it connected with the Union Pacific over the tracks of the Kansas City, St. Joseph and Council Bluffs line which linked Kansas City with Council Bluffs.³³ Thus Mason's vision of a coast-to-coast railroad across Iowa materialized, although it took place long after he had any connection with the railroad.

While Mason was active in railroad building west of Burlington, he was also sharing in other Iowa railroad projects. For example, he was interested in the construction of a railroad south from Keokuk, anticipating a connection with the Hannibal and St. Joseph Railroad then being built from the Mississippi to the Missouri rivers. As Mason learned from a contractor engaged in building the line, the Hannibal company had ambitions to build beyond the Missouri to the west coast, and for that purpose planned to extend its tracks at least as far as the Platte River Valley. Mason thought that if the terrain was favorable for an Iowa connection, the road would pay well and would help Keokuk.³⁴

The Hannibal and St. Joseph Railroad originated partly as a result of Missouri politics in the 1840's. In October. 1849. at a national railroad convention held in St. Louis primarily to determine the Mississippi River terminus of a proposed Atlantic-Pacific railroad. Senator Thomas Hart Benton of Missouri had spoken in favor of St. Louis as the Mississippi terminus. As a result, after Benton was defeated for re-election in 1851. the anti-Benton Democrats from Hannibal and St. Joseph resolved that his successor must favor Hannibal as an eastern terminus. The Missouri legislature accordingly chose a United States Senator with these views; and probably as a result, Congress granted the proposed railroad a federal land grant.³⁵ The Hannibal and St. Joseph road then let a contract for construction on March 10, 1853, and building began that The first train ran between Hannibal and Palmyra spring. in June, 1856, but the company did not complete its tracks between the Missouri and Mississippi until February, 1859.36 Meanwhile, a branch line of the Hannibal and St. Joseph road, the North Missouri road, was projected from St. Louis to St. Charles, thence to a junction with the Hannibal and St. Joseph at Macon, Missouri, and from that point to the north Missouri boundary line.³⁷ Mason hoped to construct a railroad from Keokuk which would connect with the North Missouri Railroad, thus linking with the Hannibal-St. Joseph line. Mason's friend, Samuel Curtis, told him that the officials of the North Missouri Railroad favored such a branch from their line to Keokuk. According to Curtis, the North Missouri charter empowered that company's officials to build a branch line or to confer that right on another company and added, "Consider it settled that a branch can be made from Keokuk to connect with the North Missouri road wherever we choose."³⁸

Both Keokuk and Kansas City residents were anxious to see this prospective railroad build between their communities. In June, 1856, the incorporators of the Hannibal and St. Joseph Railroad sent a delegate, Dr. Lykins, to Keokuk to rally support for the proposed line.³⁹ After Dr. Lykins pointed out the national importance of a railroad between Keokuk and Kansas City which would probably become part of a trunk line between Chicago and Santa Fe, Keokuk citizens passed a resolution expressing their great interest in such a project. They believed the line would eventually extend through New Mexico to the Gulf of Galifornia at or near the mouth of the Colorado River.⁴⁰

Mason abandoned hope of a railroad connection between Keokuk and the Hannibal and St. Joseph line when the North Missouri line delayed making a connection with it. It did not reach Macon. Missouri. until February 1. 1859. and tracks to the northern boundary of the state came still later.⁴¹ To replace this project. Mason thought of a line from Keokuk that would run westward through northern Missouri. Congressman Craig, recently elected from northwestern Missouri. encouraged him in this idea, promising to sound out the Missouri delegation in Congress about a federal land grant for such a railroad. Craig believed the proposed location was more favorable than that through which the Hannibal and St. Joseph passed and promised Mason that a member of the Missouri legislature would try to get a charter through the legislature for such a road. 42 Although Craig was sure that the legislature would approve it, the project apparently did not materialize, since Mason made no further reference to it in his diary or correspondence.

In the mid-1850's Mason and others also tried to promote a railroad connection between Keokuk and Burlington. The southern half of a Burlington-Keokuk railroad involved building a line from Keokuk to Mt. Pleasant called the Keokuk, Muscatine and Mt. Pleasant Railroad. This company,

organized February 24, 1854, began construction at Keokuk in 1855.⁴³ Mason noted in his diary that he had given the Keokuk-Mt. Pleasant line an easement through his Lee County lands on the condition that other roads might unite with it on fair terms, an arrangement which created excitement in Burlington because it seemed to promise an eventual railroad connection with Keokuk.⁴⁴ If Keokuk were to link with the Hannibal and St. Joseph line, such arrangement could conceivably give Burlington a connection with two future transcontinental railroads. Mason himself acknowledged that he had a Keokuk to Burlington route in mind, but questioned whether he would be able to bring it about.⁴⁵ For a time it seemed as if Mason might be able to accomplish his purpose, because the Keokuk road had built as far as Montrose, Iowa, by 1856.⁴⁶

At the same time that the Keokuk, Muscatine and Mt. Pleasant Railroad built northward, Ft. Madison citizens promoted a line south of their town, the Ft. Madison, West Point, Keosauqua and Bloomfield Railroad. Their purpose, according to James Estes' report to Mason, was to intersect the North Missouri road. As Ft. Madison people foresaw the project, they could go south on the North Missouri road, and twenty miles north to Burlington would give them their eastern connection.⁴⁷ However, they completed only eight miles of track from Ft. Madison to Viele, Iowa.⁴⁸ During 1857, the line

from Keokuk was constructed to Viele, thus connecting by rail Keokuk and Ft. Madison.⁴⁹

However, there was still no railroad connection between Ft. Madison and Burlington. Mason's friend, D. F. Miller, proposed that they form a company at Burlington to construct a line, and Mason wrote of the idea, "I shall look into this a little while."⁵⁰ Two years later he was still considering it, noting in his diary that he and several others had in mind a railroad from Keokuk to Columbus City via Burlington.⁵¹ News of this apparently became public, because a few months later Mason wrote, "I find there is no little interest in the road to Ft. Madison."⁵² Nothing came of this Burlington to Keokuk project, however, until the Keokuk to Ft. Madison line, then known as the Iowa Southern Railroad Company, came into possession of the Chicago, Burlington and Quincy Railroad. The new owners completed the line to Burlington, thus connecting Keokuk with Burlington by rail.⁵³

Mason shared in one other Iowa railroad project in the 1850's--the Keokuk, Ft. Des Moines and Minnesota Railroad, a company organized in 1853 to build up the Des Moines River valley from Keokuk to Ft. Des Moines, and from that point north into Minnesota.⁵⁴ One reason he supported this railroad was that he believed it would enhance the value of Keõkuk property.⁵⁵ He also hoped that the road would become part of a transcontinental system, perhaps from Sioux City, connecting with a north Pacific railroad by way of the Missouri River valley.⁵⁶ Originally Mason had planned to invest only \$500, which he had entrusted to his Keokuk agent, Estes; but Estes, trying to arouse community support for the project, promised that Mason ultimately would take \$5,000 in stock or even \$10,000.⁵⁷ Mason's business records show that eventually he did invest \$10,000, besides allowing his land to be stripped of timber for ties, thus indirectly benefiting the railroad.⁵⁸

Besides this assistance to the railroad, Mason went with company officials on buying trips to purchase railroad rails, undoubtedly giving them the benefit of his experience gained earlier with the Peoria and Oquawka Railroad.⁵⁹ He also accompanied Samuel R. Curtis, an official of the Keokuk Railroad, on visits to various bankers in efforts to negotiate loans, but they could do no better than to dispose of some Keokuk city bonds, a financial source inadequate to the needs of the proposed line.⁶⁰ The railroad officials had estimated, according to Estes, that construction would cost \$25,000 a mile, this figure to include \$30,000 for right of way, \$100,000 for rolling stock, and \$500 a mile for engineering.⁶¹

Apparently the first individual subscriptions to the railroad's stock proved sufficiently liberal to begin construction, ⁶² and in the spring of 1855 the company contracted

for grading as far as Bentonsport, a distance of forty miles. In the summer of 1856, after 4,000 tons of rails costing \$64,000 came by way of New Orleans on seven steamboats, track laying began. By October 7, the first train traveled three miles, as far as Buena Vista.⁶³ But by 1857 the company was in such financial straits that Mason had to borrow \$3,000 in cash to pay interest on the railroad bonds. The company promised him stock for this, but he never received it. In a final effort to infuse life into the dying enterprise, Mason and six others advanced \$5,000 each in property.⁶⁴ However, the railroad evidently required more substantial contributions than these, since by July, 1857, the tracks had only reached Bentonsport.⁶⁵

At this point, Hugh T. Reid, the company president, accompanied by Samuel Curtis and D. W. Kilbourne, went to Washington to try to obtain a federal land grant for the railroad. They evidently expected Mason to help them, but he declined, writing in his diary, "I shall turn over the business of making arrangements with outsiders, as it is a matter I desire not to engage in, though I understand it is essential to success." Mason believed that because the company's officials had delayed so long in seeking a land grant for the Keokuk road, Congress would do nothing at that session.⁶⁶ But the next year, 1856, Keokuk officials still failed to obtain a land grant. Grants went to four Iowa east-west lines but not to a north-south line.⁶⁷

One other possibility remained for obtaining federal lands: to transfer to the Keokuk and Ft. Des Moines Railroad public lands originally granted to Iowa to defray the cost of improving navigation of the Des Moines River. In August, 1846, Congress had granted to Iowa public lands along the Des Moines River to be sold in order to pay for the expense of removing snags and building dams.⁶⁸ Although Congress had stipulated that the river improvement should extend from the mouth of the Des Moines to the Raccoon Fork, the site of Des Moines, it did not specify the limits of the land grant, so presumably it might extend all the way to the northern boundary of Iowa or even outside Iowa to the source of the Des Moines River in Minnesota.⁶⁹

Iowa authorities assumed that the federal grant extended beyond the Raccoon Fork, the limit of proposed river improvements.⁷⁰ With that understanding, the state contracted for the work in 1851, planning to sell the land grant as rapidly as it needed funds to defray expenses. The General Assembly accordingly created a Board of Public Works to dispose of the land and to let contracts for river improvements. On this basis, contractors improved the lower portion of the river from St. Francisville to the mouth and did some work on other portions, but accomplished comparatively little from 1848 to 1854.⁷¹ The state then abolished the Board of Public Works, which had been unable to sell the river lands

at a price sufficient to pay expenses, and turned the matter over to the Des Moines Navigation and Railroad Company, a New York firm, which contracted to complete the river improvement within four years.⁷² The state assigned to the company all the locks and dams then wholly or partly completed, all material procured, and all unsold lands granted by Congress and any it might grant in the future. With this varied assortment of property, the company began work and made considerable progress, so that in its second annual report it could announce three locks and dams completed, nine in advanced construction, and operations upon six more.⁷³

By the late 1850's, however, some Iowans were convinced the Des Moines River improvement was too slow and expensive a process, and that the state should apply the income from the federal land grant to a railroad. James Grimes wrote:

This Des Moines River improvement is a humbug. If the lands were now devoted to building a railroad there is enough left to build one to the Minnesota line. I think that ought to be the true policy of the state and I think it can be accomplished without difficulty.⁷⁴

Mason also favored diverting the Des Moines land grant from river improvements to a railroad. In an article which he wrote for the <u>Burlington Hawk-Eye</u>, he claimed that Keckuk residents favored such a change because they believed that the state could not accomplish river improvements under existing arrangements. They complained that the one half or

two thirds of the land grant already used had provided only five miles of completed navigation. According to Mason, other Des Moines Valley residents concurred in this, judging from their numerous petitions to Congress and to the state legislature requesting permission to divert the remnant of the river fund to a railroad. As Mason saw it, such a northsouth railroad up the Des Moines River Valley would benefit Burlington, too, because it would be a feeder for the Burlington and Missouri Bailroad, soon to connect Burlington with that valley. He pointed out that Burlington could then tap the commerce of the Des Moines Valley north of Ottumwa, whereas to improve the river south of Ottumwa would only divert traffic from Burlington to Keokuk.⁷⁵

The Iowa legislature, responding to this shift in public opinion, terminated the state's contract with the Des Moines Navigation and Railroad Company. By terms of settlement, Iowa granted the company 266,109 acres, 212,742 of these above the Raccoon Fork. The Navigation Company, in turn, agreed to relinquish any claims to additional land not received from the state. The legislature decreed that the state should give the remainder of the land grant, except that part already sold to settlers, to the Keokuk and Ft. Des Moines Railroad to help defray construction of a line up the Des Moines Valley. The railroad was also to use part of the proceeds from the land to complete improvements on

the lower portion of the Des Moines river.⁷⁶ The state conveyed the specified lands in May, 1858.⁷⁷

Obviously this transaction had no legal effect until Congress approved the transfer of the land grant from river improvements to building a railroad. At the same time, Congress would have to designate the limits of the land grant. The state had disposed of the land grant in the belief it extended above the Raccoon Fork. However, there had been a series of conflicting rulings on the matter by Secretaries of the Interior, Commissioners of the General Land Office, and Attorneys General. One was Attorney General Jeremiah Block's ruling of March 29, 1859, made immediately after Iowa conveyed the land to the Des Moines Navigation Company and the Keokuk railroad, which specified that the original grant did not extend north of the Raccoon Fork.⁷⁸

The three east-west railroads which had received land grants north of the Raccoon Fork in the 1856 Congressional donation naturally favored Block's ruling. If the donation extended to the northern limit of the state, then each of the east-west land grants thus provided for would necessarily intersect the land grant that had provided for improvement of the Des Moines River. On the other hand, it was to the interests of Iowa, the Keokuk, Ft. Des Moines and Minnesota Railroad, the Des Moines Navigation and Railroad Company, and the settlers who had purchased land from them, that this ruling be changed. Either the Attorney General or the Secretary of the Interior would have to reverse the interpretation once more, or Congress would have to specify that the original grant extended beyond the Raccoon Fork to the northern border of Iowa, or perhaps even into Minnesota to the source of the Des Moines River. Accordingly, the state appointed Charles Mason its agent to secure certification to Iowa of the lands in question under the grant.⁷⁹

Officials of the Keokuk, Ft. Des Moines and Minnesota Railroad also solicited Mason's services in order to procure Congressional passage of a law certifying land to the state of Iowa for the benefit of their company.⁸⁰ According to Mason's later recollection, the railroad's officers had so little hope of success in this that they had hesitated to employ him; but after he had exerted considerable persuasion, they decided to allow him to make the effort at his own risk and expense.⁸¹ The railroad's board of directors made a contract with Mason in which he promised to use his best efforts to procure passage of a Congressional act granting lands to Iowa or Minnesota, or possibly both states, for the company's use in constructing a railroad up the Des Moines Valley. In return, the board promised to give Mason 8 per cent of the land allotted for the benefit of the company, excluding any portion specified for the improvement of the Des Moines River.⁸² This compensation not only

covered Mason's services as a lobbyist in Washington, but also his legal services to the company.⁸³ Evidence of this appears in a letter to Mason from H. T. Reid, president of the Keokuk and Ft. Des Moines Railroad, requesting a summary of the company's legal rights relative to the land grant, since ambiguity about this hampered efforts to raise money and buy material on credit for the road.⁸⁴

At the same time. Edwin Litchfield, one of the principal stockholders in the Des Moines Navigation and Railroad Company, engaged Mason's legal services to press the company's claim to lands above the Raccoon Fork. Mason agreed to help procure passage of a Congressional act which would benefit the company, setting his fee at \$250 cash and an additional \$1,500 if the government passed the desired ruling. Afterward. Mason claimed that he had made this proposition in a letter to Litchfield, but kept no copy of it himself. and that Litchfield could not locate the original. Mason's only record of his agreement appeared in this postscript to a letter from the president of the company: "Mr. Litchfield has received yours of the 29th and I presume your proposition will be accepted."85 Mason's lost letter and the president's ambiguous reference to it proved later to be a source of misunderstanding.

Mason was well qualified in several respects to represent in Washington pressure groups desiring land grants to

facilitate railroad construction. For one thing, his legal training and experience enabled him to assist Congressmen in the preparation and analysis of bills, since untrained persons or even legislators who can devote only spare time to it cannot do this adequately. Then, too, Mason had a wide acquaintance in the Capitol, so that he could easily buttonhole a Senator or Representative in an effort to influence the course of legislation. Government offices probably received him more freely than other lobbyists because he was a former federal office holder. Besides the fact that he was thoroughly familiar with legislative procedures and with key persons in Washington, Mason also had a first-hand acquaintance with every aspect of the proposals he was representing. He was personally involved in both land transactions and railroad building and was therefore deeply interested in the outcome of his efforts.

In an effort to protect the interests of his clients, the Des Moines Navigation and Railroad Company and the Keokuk and Ft. Des Moines Railroad, Mason first tried to persuade Secretary of the Interior Jacob Thompson to reverse the ruling that the Des Moines land grant extended only to the Raccoon Fork. To lay the basis for this appeal, Mason spent considerable time in the Land Office in Washington examining papers connected with the case; as a result, he was satisfied that his clients were legally entitled to the land they claimed, even to the headwaters of the Des Moines River in Minnesota.86 Mason tried to get official support for this view by making the rounds of government offices with H. T. Reid, who had come to Washington to assist him. They went to the Solicitor of the Treasury, the Attorney General, the Senate Committee on Public Lands, and to the President, all without success.⁸⁷ The Secretary of the Interior then offered a compromise proposal to Mason's claim for lands in both Iowa and Minnesota. If Mason would relinquish the Minnesota claim, the Secretary offered to concede all the Iowa grant along the Des Moines River. Mason refused this option, asking for a ruling by the Attorney General on the entire claim.⁸⁸ When that official ruled against him, Mason changed his mind and decided to accept the Secretary's option. However, Mason then found that the privilege of accepting or rejecting the proposition was no longer open. The Secretary had concluded that he had no power to offer a compromise, and that the courts would have to settle the legal rights of the parties.89

Mason then endeavored to get a favorable decision in his clients' behalf from the federal courts and agreed to represent the Navigation Company in a case which would test lowa's title to the Des Moines river lands above the Raccoon Fork.⁹⁰ For this purpose the company chose an area within five miles of the Des Moines River and within six miles of

the railroad, and Edwin Litchfield of the Navigation Company consented to be the plaintiff against the Dubuque and Pacific Railroad. However, Litchfield stipulated that he was not to be held responsible in any way for the costs of either plaintiff or defendent; the Des Moines Company, he said, might contribute to the expenses of the proceedings after the suit if the company appeared to benefit by the court's decision.⁹¹ Accordingly, Mason deposited \$200 in a Dubuque bank as security that Litchfield would not be held responsible for court costs.⁹²

Mason's two clients took different attitudes toward compensating him for his services as a lobbyist. According to Litchfield, the officers of the Navigation Company, although they suggested Reverdy Johnson, later Minister to Great Britain, to help argue the case, still were unwilling to contribute more than \$500 to his fee.⁹³ In contrast to this reluctant attitude, the officials of the Keokuk, Ft. Des Moines and Minnesota Railroad acknowledged their company's stake in the legal outcome of the case by authorizing Mason to employ legal assistants and to pay them such fees as he thought necessary. They suggested Edwin Stanton, and Mason concurred, naming him as the logical one to write the legal argument. Mason also suggested that General H. S. Stevans, formerly a member of Congress from Michigan, would be willing to help in the case for a conditional fee,

possibly a portion of the land in question or some other tract in the event of success.94

Mason hoped to get part of his own compensation from the case by joining Edward Kilbourne in the purchase of land at issue in the suit if the Supreme Court ruling gave Litchfield title to it.⁹⁵ According to Mason, Platt Smith, the vicepresident of the Dubuque and Pacific Railroad, estimated the land as worth half a million dollars or more, as it was near Ft. Dodge and the railroad, and covered with gypsum to a depth of thirty feet. Although Mason did not think it worth anything like the price at which Smith rated it, he evidently still considered it a worthwhile purchase.⁹⁶

Before Litchfield's case went to the Supreme Court, Mason spent nearly six weeks in Washington looking up the legal points. By the time Stanton took it over, Mason had the draft of the argument nearly completed.⁹⁷ The essence of Mason's case was that the federal government had certified the lands to Iowa and that the state, in turn, had transferred the title to the Navigation Company; hence the federal government had no right to question the company's title to the land. The various parties to the suit then filed printed arguments with the Court: Mason for Litchfield, Platt Smith for the Dubuque and Pacific Railroad, and the Attorney General for the government. Mason then prepared a reply to the Attorney General.⁹⁸ But despite Mason's optimistic belief that he would win the lawsuit, the Supreme Court decided the case against him. When he read the decision in the newspaper, he wrote in his diary: "I could hardly believe my own eyes and ears, but it is so. I have tried to ascertain the reasons of the court, but to no purpose as yet. They will be published in a few days."⁹⁹ When the justices made their decision available, the majority had ruled that Iowa had no title to grant to the Navigation Company, since the federal grant had never extended beyond Des Moines. Consequently, the court's ruling gave the disputed lands to the Dubuque and Pacific and the other east-west railroads that would cross Iowa north of the Raccoon Fork.¹⁰⁰

Mason blamed this adverse decision on two factors: the judges' misunderstanding of the case, and the desire of interested parties for a rapid decision, which had caused him to submit a printed argument rather than an oral one. By so doing he had been able to obtain a decision a year earlier. One of the justices had promised him that the court would consider the case as thoroughly on printed as on oral argument; but Mason believed later that this had not proved true, and that he had erred in his handling of the case.¹⁰¹ Mason's friend, W. W. White, assured him that from a legal standpoint he had made as good a case as possible, since there were some unanswerable points that had probably determined the decision.¹⁰²

After the court decided the case against the Navigation Company. Edwin Litchfield was very indefinite about paying Mason for his legal services.¹⁰³ Mason noted in his diary. "Though he pays me no money now, he promises some soon, and I have to take his promise."¹⁰⁴ Litchfield finally wrote to Mason, "You need not fear but what some way will be found to compensate you for the labor you shall give in the matter."105 However, while Litchfield gave no fees, he freely gave advice as to how Mason should proceed with the company's cause in Washington. He wanted Mason to see some of the Supreme Court judges privately and with map in hand explain that the Dubuque and Pacific Railroad did not possess any of the socalled improvement lands, even though that company had selected all lands to which it was entitled under the 1856 Congressional grant. Litchfield urged Mason to apply for a rehearing before the Supreme Court and to make the rounds of government offices to obtain support for a Congressional act certifying the disputed land to Iowa, according to the 1846 grant.106

Mason acted on some of Litchfield's suggestions in an effort to secure reversal of the court's ruling. He went to see several of the Supreme Court justices¹⁰⁷ and filed a motion for a rehearing; but Edwin Stanton told him that the Court would probably refuse it, since the justices had never allowed such a motion after they had pronounced a decision.¹⁰⁸

Stanton's prophecy proved correct; the Court did not order a rehearing in the Des Moines River case and Mason wrote, "I suppose it is all over with that matter, but I know the decision is wrong and I have done all I could."¹⁰⁹

Mason did have another recourse, however--an application for a new trial in the federal courts. To obtain this, he would have to secure affidavits concerning the introduction of new facts, thus creating an entirely new case. Mason believed he could give such a change of shape to the case that the Supreme Court might be persuaded to re-examine the matter.¹¹⁰ Accordingly, with Litchfield's approval, Mason went before the Supreme Court in Dubuque, arguing that the Supreme Court in the case of Litchfield v. the Dubuque and Pacific Railroad had simply considered construction of the Act of 1846, not the effect of the decisions and acts of the Secretaries of the Interior. Mason's motion for a new trial contended that Iowa had received title to the land in question by opinions of these secretaries, and that the state, as the legal owner, had conveyed the lands to the Navigation Company. 111

The federal district court in Dubuque granted the motion for a new trial in the case. However, the judge announced that he would rule against the Navigation Company unless Mason could vary the case shown in his application for a new trial. Litchfield therefore refused to allow Mason to make

an agreed case, fearing that a reversal would prejudice the company's interest in Congress.¹¹²

These federal court rulings left Mason only one alternative: to persuade Congress to pass an act stipulating that the federal grant of 1846 had extended to Iowa's northern boundary. After Litchfield and R. S. Burrows, president of the Navigation Company, insisted that Mason lobby for such a bill, ¹¹³ he consulted several Senators, including James Harlan of Iowa, and presumably they planned their legislative strategy together.¹¹⁴ Mason, for his part, prepared an argument for the Senate Committee on Public Lands and another for the House Committee. He also prepared a joint resolution to be introduced in the Senate, and a suggested bill as a substitute if this joint resolution did not pass.¹¹⁵ Mason's bill pointed out that Iowa had disposed of lands as far as the source of the Des Moines River in Minnesota, in accordance with Secretary of the Interior Robert Walker's decision on March 2, 1849, regarding the extent of the federal grant of 1846. The bill would surrender Iowa's claim to lands outside the state in return for Congressional sanction of lands from the northern boundary of the state to the Raccoon Fork. It would include all odd numbered sections and parts of sections not previously sold or otherwise appropriated by the United States for railroads or other purposes. The proposed legislation provided indemnity for

lands sold or otherwise appropriated, in the form of land warrants which could be located upon any public lands in Iowa subject to private entry at the time of location.¹¹⁶ Mason hoped that even if the bill failed to pass at that session of Congress, at least it would lay the basis for the passage of a similar measure at the next session.¹¹⁷

Meanwhile, after President James Buchanan issued a proclamation offering the lands for public sale, prospects for certifying the disputed area to Iowa and the Navigation Company grew worse.¹¹⁸Mason asked the Governor of Iowa, Samuel Kirkwood, to write to the Secretary of the Interior, Jacob Thompson, regarding postponement of the sale until action by Congress at the following session.¹¹⁹ Mason's friends. Samuel Curtis and Senator James Harlan, likewise wrote to the Secretary, urging delay in the sale as the only way to prevent harm to innocent residents living on the lands, confident of the safety of their homes.¹²⁰ James Estes told Mason that Harlan reportedly had received an insulting letter from Thompson.¹²¹ Even the President, to whom Mason had appealed personally, proved adamant that the lands must be offered for sale. Mason at this point could do no more than prepare a public notice warning that those who purchased the disputed lands from the federal government did so at their own risk. Estes then had the notice published in the Des Moines and Keokuk newspapers.¹²²

Evidently this did not prevent some from buying the land when the government offered it at public sale: Mason learned that people had claimed with military bounty warrants 37,000 acres in northern Iowa formerly withheld from market because of the alleged extent of the Des Moines River improvement grant.¹²³

Mason lobbied in Washington for two more years before he could persuade Congress to pass legislation that would protect his clients' interests and that of his state in the Des Moines River land grant. Although he had the help of two other Iowa agents. Hawkins Taylor and William Steiger, he himself seems to have done most of the conference work with Senators and Congressional committees.¹²⁴ Finally he wrote in his diary that he had the Des Moines River case in such shape that the Senate Committee would report unanimously in its favor, and indications appeared to promise that it would pass the Senate without difficulty.¹²⁵ The next month he answered Kilbourne's anxious inquiry about the prospect of the Des Moines bill in Congress¹²⁶ by saying that the Senate Committee on Public Lands had approved a unanimous report which gave no land in Minnesota but "it will give us something pretty handsome. It will, I have no doubt, pass the Senate and I think will pass the House also, if it can be reached and acted upon."127

When the bill finally passed Congress, it formally extended the Des Moines land grant to the northern boundary of Iowa, so far as it affected lands held by bona fide grantees from the state. Congress also provided that if the United States had previously disposed of any of these lands before passage of this act, the Secretary of the Interior should set aside an equal amount of land within the state to be certified in lieu of them. The act also provided that if Iowa had sold any part of the lands lying within the grant to which the title had proved invalid, the state should hold any lieu lands as a trust fund for benefit of persons whose titles had failed.¹²⁸ Thus Congress made good the title to lands embrased in deeds from Iowa to the Navigation Company, as far as Congress could validate them. Mason estimated that this would yield at least 350,000 acres or perhaps as much as 600,000 acres. Congress consented to the application of a portion of this to aid in construction of the Keokuk, Ft. Des Moines and Minnesota Railroad, and Mason wrote in his diary, "I trust this will secure early completion of the railroad to Des Moines and even to Ft. Dodge, "129

Mason's compensation from his clients for his services in securing this federal land grant to Iowa railroads still remained unsettled. He estimated that his efforts on behalf of the Navigation Company had cost him \$1,176, and he asked \$1,500 as his fee for getting the Congressional

act passed. The Navigation Company therefore owed him \$2,676, but they had paid him only \$400 for his expenses and compensation.¹³⁰ While Mason was exerting himself in Washington, Litchfield and R. S. Burrows. the president of the company, had repeatedly promised that they would eventually pay him for his services. Litchfield once wrote. "You may draw on me in your demands against the Des Moines Company; we shall make arrangements to pay you the balance."131 Burrows. too. had written, "Be as patient as possible; all will be made right if we secure good title to our land."132 However, as soon as Congress passed the land grant, Litchfield showed little inclination to honor the company's obligations to Mason, promising rather indefinitely, "I will do whatever I can to have you provided for whenever we get a meeting of the board."133 He distinguished between his personal liabilities and those of the company, claiming that Mason's traveling expenses were the company's responsibility.134 As for the lawsuit against the Dubuque and Pacific Railroad, Litchfield reminded Mason that he had merely loaned his name and had stipulated that it was not to cost him anything. Litchfield denied any knowledge of Burrows' agreement with Mason for his services and professed to believe that Iowa agents had procured the Congressional grant and that it had benefited principally the Keokuk and Ft. Des Moines Railroad.¹³⁵ When Mason turned to Burrows with his claim

for services, Burrows merely answered that he was no longer connected with the Navigation Company and referred Mason back to Litchfield for satisfaction.¹³⁶

The Navigation Company took refuge in the argument that it did not yet have undisputed title to the Des Moines River land.¹³⁷ The point at issue here was a conflict of title between the Navigation Company and the settlers above the Raccoon Fork. Whenever government officials had ruled that the Des Moines grant stopped at the Raccoon Fork, the government had permitted filings and preemptions. so that settlers and squatters had established homes on land claimed by the state and the Navigation Company. This resulted in many lawsuits against the Navigation Company, some of which the company carried as far as the United States Supreme Court. In all cases the decisions favored the Navigation Company, but the delay cast doubt on its legal obligations.¹³⁸ In addition. the east-west railroads across Iowa claimed 147,903 acres out of the 212,741 conveyed to the Navigation Company, thus creating a further doubt on the company's claim.¹³⁹

Mason's business records do not show precisely how much Litchfield eventually paid him, but apparently it was less than he demanded. He wrote in his diary that he had proposed a compromise settlement with Litchfield, although it was much less than what was due him.¹⁴⁰ Mason's offer apparently was accepted, judging from a comment on the

matter by Thomas Sargent to Mason: "I am sorry you settled for anything less than the full amount claimed."¹⁴¹ Mason seems to have received cash rather than land, since neither his business papers nor Iowa public records refer to any land transaction with the Navigation Company. If he accepted payment for his services entirely in cash, then apparently he received something less than the \$2,276 he claimed the Navigation Company owed him.

Mason also had difficulty getting his fee from the Keokuk, Ft. Des Moines and Minnesota Railroad. He was to receive 8 per cent of the lands allotted to the railroad, which totalled more than 450,000 acres and were worth \$4,000,000, according to an estimate one of the partners in the company made to Mason.¹⁴² The railroad mortgaged the whole grant, including Mason's share, and with the proceeds issued bonds which they turned over to a construction company. They had disposed of the bonds before Mason knew about the transaction. so that he had to look to the construction company for redress.¹⁴³ Mason believed he could not resort to the courts, since legal precedent was against him in the matter. The Supreme Court in the case of Marshall v. Baltimore and Ohio Railroad had decided that such a contract as Mason's was illegal. Thus the Keokuk Railroad officials had used Mason's property without informing him. in such a way as to leave him without any remedy.144

Mason could get little satisfaction from the various company officials to whom he applied for redress of grievances. He wrote to Kilbourne but noted in his diary, "The railroad declined to be just in paying me my due."¹⁴⁵ Mason then sought H. T. Reid, who assured him that matters would be arranged to his satisfaction.¹⁴⁶ Kilbourne and Reid eventually offered Mason \$20,000 in railroad bonds, but Mason thought he should have had \$75,000.¹⁴⁷ Finally the railroad officials offered him \$25,000, but stipulated a twenty-day limit for his acceptance, after which they said they would withdraw the company's offer.¹⁴⁸ Mason finally accepted twenty-five bonds of \$1,000 each in full settlement of his claim against the railroad.¹⁴⁹

Mason was still not satisfied that the Keokuk Railroad had dealt fairly with him in reimbursing him for his services. His compensation had not included \$1,500 he had to turn over to Hawkins Taylor who had assisted him in his lobbying efforts in Washington. Then, too, the \$25,000 in bonds were worth only 90 to 95 cents on the dollar. Mason figured that if the railroad lands were worth \$4,000,000, he had received one half of one per cent instead of the 8 per cent to which he was entitled.¹⁵⁰ He therefore continued to importune Reid¹⁵¹ and Kilbourne in the matter,¹⁵² until Kilbourne finally wrote:

I think you ought to make no further claim on me for services. My great efforts saved the railroad, so you have saved something handsome without taking any risks. Your property in Keokuk was greatly enhanced by the building of the railroad.¹⁵³

Presumably this closed the matter. Mason wrote in his diary: "I did not get much satisfaction from my claim against the railroad company. I shall have to run the risk of getting it after a while from earnings of the company--a dull chance."¹⁵⁴

Mason's pessimistic estimate of the railroad's future earning power proved correct. He attempted to sell his Keokuk railroad bonds at 87, then at 84, and finally at 80, but could find no takers.¹⁵⁵ According to John Gear, the low price of grain had affected the earnings of the railroad's bonds, and they were expected to go still lower after another crop. Gear reported that as a result the Des Moines Railroad was in such financial difficulties it could not pay its employees and showed no signs of extending its track beyond Ft. Dodge.¹⁵⁶

In view of the railroad's dark prospects, Thomas Sargent of Ft. Dodge advised Mason to exchange his bonds for railroad land in northwestern Iowa. He was sure that Mason would profit by acquiring railroad land along the west branch of the Des Moines River to the Minnesota state line and offered to make selections for Mason in Humboldt, Kossuth, Palo Alto,

Emmet, and Pocahontas counties. Sargent was certain that eventually the railroad would extend beyond Ft. Dodge and that consequently the price of land there would be between \$5 and \$10 per acre.¹⁵⁷

Mason had opportunity to take Sargent's advice when the Keokuk-Ft. Des Moines line, organized as the Des Moines and Ft. Dodge Railroad Company, came under new management. The new officers organized a land company to purchase from the railroad all its unnecessary land, taking payment in railroad bonds, which they planned to cancel, thereby reducing the mortgage on the line.¹⁵⁸ This plan enabled Mason to finish his business with the railroad company. He exchanged \$15.000 in bonds at the rate of 90 cents on the dollar for land in northwestern Iowa:¹⁵⁹ 1,280 acres in Cherokee County at a nominal price of \$7,296; 306.61 acres in Sac County at \$1,818.07; 480.97 acres in Sioux County at \$3,047.24; and 120.5 acres in Humboldt County at \$1,338.69¹⁶⁰ For the remaining \$10,000 in bonds Mason received \$9,000 in unpaid mortgages in Palo Alto County,¹⁶¹ as well as 1273.5 acres there¹⁶² and 160 acres in Emmett County.¹⁶³ Mason received no other compensation for his services to the Ft. Des Moines Railroad except the land that he exchanged for bonds.

One way to estimate Mason's profit or loss on these land transactions is to deduct the purchase price and taxes

from the selling price and interest earned from mortgages. On this basis. Mason appears to have profited from land sales in two northwestern Iowa counties. His receipts from Cherokee County land sales came to \$8.883¹⁶⁴ and interest from mortgages was \$1,633.80,¹⁶⁵ making an income of \$10,516.80. Mason's Cherokee County taxes from 1872-1881 totalled \$808.12, which, when added to the nominal selling price, made his total expenses \$8,104.12.¹⁶⁶ Mason's profit in Cherokee County was therefore \$2,412.68 or about \$1.10 per acre. In Siour County. Mason sold 240 acres for \$2.400 plus unspecified interest.¹⁶⁷ Sioux County tax records are missing for seven years between 1872-1881. For the three available years, 1872, 1879, and 1880, the taxes average \$29.54,¹⁶⁸ making them about \$295.40 for ten years. At the rate of \$6.33 per acre. the 240 acres had originally cost Mason \$1.519.20, making his total expenses, including taxes, \$1,814.60. His net proceeds therefore were \$585.40 or about \$2.44 per acre plus unspecified interest.

Mason may also have profited from his land sales in Palo Alto County. If it is assumed that he paid \$9,000 in bonds for the \$9,000 in mortgages that he received there,¹⁶⁹ then he paid the remaining \$1,000 in bonds for 1433.5 acres in Palo Alto and Emmet counties, or a cash value of \$1.26 per acre.¹⁷⁰ Mason retained 360 acres of the Palo Alto lands; therefore at this rate the remaining 913.5 acres cost him

\$1.071.01. Tax figures for Palo Alto County are available for only three years out of ten. averaging \$85.49 per year¹⁷¹ or possibly \$854 for the decade, making total costs around \$1,925.01. Receipts for the 913.5 acres came to \$7.002. and interest from mortgages on this land brought \$435.92,¹⁷² making total Palo Alto receipts \$7,437.92. Net proceeds therefore could have been \$5,512.91 or \$6.03 per acre, a possible profit of \$4.77 per acre. As for the unpaid mortgages on Palo Alto land that the railroad sold and later transferred to Mason, the net profit or loss is difficult to determine because many of the data are missing. The Palo Alto public records merely list the unpaid amount that the mortgagor owed Mason, \$5,993.41, but not the terms of the contract pertaining to interest rates. Apparently the Des Moines Valley Railroad filed no contracts covering the various Mason lands.

In at least one northwestern Iowa county Mason seems to have lost money on his land transaction. He sold his Sac County land for \$1,762.08 cash, \$55.99 less than the nominal purchase price.¹⁷³ Mason paid taxes on this land from 1872 until he sold it in 1876. In 1872 he paid \$31.74 plus \$3.85 as the agent's fee.¹⁷⁴ Sac County tax records for the years 1873-1875 have either been disposed of or were destroyed in a court house fire in 1888. If Mason's taxes and agents' fees for the three missing years approximated those of 1872, they totalled \$106.77, or \$141.26 for four years. This cost, added to what he lost on the sale, made his total loss in Sac County \$197.25.

In two remaining northwestern Iowa counties, Humboldt and Emmet, where Mason obtained land from the Des Moines Valley Railroad, he retained his holdings until death. In Humboldt County his taxes from 1872-1882 totalled \$158.11,¹⁷⁵ thus making his purchase there cost him \$1,497.82 or \$12.37 per acre. If Mason's Emmet County land nominally cost him \$1.26 per acre in conjunction with the Palo Alto purchase, then his 160 acres cost him \$201.60. Tax records in Emmet County for 1872-1881 have been destroyed, and Mason's business papers show only that for 1874, 1879, and 1880, his taxes averaged \$26.16,¹⁷⁶ perhaps \$261 for ten years. However, since Mason did not sell any of this land, there is no question of profit involved.

While Mason was still uncertain which of his railroad projects would reach the Missouri River, he was participating in plans for a railroad from there to the Pacific coast. He wrote in his diary that he had had many conferences with George R. Cross, a former Congressman from New York, regarding their common interest in pushing a Pacific railroad bill through Congress. He and Cross considered forming a company and persuading Congress to place lands and funds in its care, rather than have the federal government let contracts to

numerous firms. Mason rejected the suggestion that he serve as president of the company, but pledged his services to it in the belief that a transcontinental line would strengthen the national ties between East and West. He wrote concerning a coast-to-coast railroad: "Without this, the East and the West will not remain one people for a quarter of a century. With it our power will be consolidated and no power on earth will be equal to us in strength and importance."¹⁷⁷

There were several questions to settle before building the line to the west coast. One was the choice of route, since it was widely believed that there could be but one transcontinental line, and each section hoped to obtain it. The Washington correspondent of the New York Times pointed out that sectional rivalry in the Senate doomed a Pacific railroad bill, since there were three parties: Northern, Southern, and Middle; at least one would fail to support any bill that might gain the support of the other two. The reporter proposed a union of northern and northwestern votes that with Missouri's help might push through a bill favoring the central route even without Southern support.¹⁷⁸ More than sectional rivalry was involved in the choice of a railroad route. Community rivalry was also a factor, since it seemed likely that the city chosen for the eastern terminal would prosper.¹⁷⁹

-247

Naturally Mason was very much interested in the outcome of this controversy, and various factions sought his support when he was in Washington. The advocates of a southern route tried to persuade him that a central route was impractical because of snows, but that a southern route would have a favorable terrain, plentiful timber and water, and would involve a shorter distance to California.¹⁸⁰ Evidently the Southerners held out the prospect of a financial share in return for Mason's support, for he wrote in his diary:

A proposition was made to me today to become interested in the Southern Pacific Railroad for which a bill has just been introduced into Congress. If it can be passed it will present a favorable opportunity for effort.¹⁸¹

At the same time, Northerners in Washington sought Mason's support for their route. Some of them proposed to organize a Pacific railroad company under the general laws of Iowa and to make Mason the first president, assuring him that the only railroad plan Congress would approve at that session would be one which contemplated his assuming that post.¹⁸² The fact that Mason made a point of recording this conversation in his diary indicates that he thought well enough of himself to believe that Congress might actually insist on his being made president. However, he rejected the offer of a post in the company because he believed that sponsors of the central route were trying to use him for their own purposes of private land speculation.¹⁸³ Mason's charge that land speculators were behind the Pacific railroad bill seems to have some support in the light of a petition from the Iowa legislature to Congress on January 21, 1857, asking for federal aid to construction of a railroad from western Iowa to the west coast. They added that Congress would have to decide whether the federal government or private enterprise aided by land grants should construct the railroad.¹⁸⁴ Apparently the petitioners preferred the second alternative, and this may have been what Mason had in mind when he wrote: "I am suspicious in all these cases that men will enter into these enterprises for the sake of private speculation instead of accomplishing a work of public importance."¹⁸⁵

As things turned out, neither the sectional factions nor the speculators succeeded in getting a bill through Congress that session or for several years afterward. Mason assumed that Congressmen were reluctant to commit themselves to any railroad bill until they saw which one offered the greatest personal advantages to them and their friends, 186 and commented further:

The Pacific railroad matter makes slow progress because members of Congress are waiting to be bought up. It may seem like a thoughtless and groundless charge, but I say it deliberately and from satisfactory proof that a large number of members sufficient to incline the balance either way will vote this way or that as they are paid directly or indirectly. They actually expect individual bribes in money or land to themselves or some of their friends. I could not swear to this but I have satisfactory evidence to my own mind of the fact.¹⁸⁷

Mason gave considerable thought to the route which he believed the transcontinental railroad should follow. He envisioned a main trunk from Ft. Kearney through the Cheyenne Pass and along the southern edge of the Salt Lake basin. At some convenient western point this trunk line would connect with branch lines to California, Oregon, and Washington. At the eastern end it would connect with Boston and New York by way of Chicago, Des Moines, and Council Bluffs. At the same time, a line from St. Louis and St. Joseph would be built across Kansas and Nebraska to a junction with the main trunk at Ft. Kearney.¹⁸⁸

Mason sought support for this central route among various Washington politicians. His plan for a main line with two branches, one serving the Northeast, the other, the Southeast, met the approval of some Southern politicians who were considering a bill for construction of two railroads to the Pacific coast. Mason was willing to cooperate in this plan if the Southerners would remove the \$35,000,000 limit on federal contributions to each railroad. He was sure that promoters could not build for that amount even with a proposed land grant.¹⁸⁹ However, Samuel Curtis, Representative from Iowa's first district, reported that Southern Senators had said so much about \$35,000,000 for each road

they dared not ask for more until the House did so. Mason concluded that while Southerners talked about compromise, they really wanted advantages for their side, so that it was impossible to achieve a solution between them and advocates of a central route.¹⁹⁰ Curtis evidently thought so, too, because the special committee on a Pacific railroad, of which he was chairman, determined to have only one route, a central one.¹⁹¹ However, Congress failed to pass any Pacific railroad bill at that session, partly because of Southern opposition.¹⁹²

Political opportunism also played a part in the failure of Congress to pass a railroad bill. Curtis blamed that on the New York Republicans who, he said, wished to stave off a vote by loading the bill with amendments.¹⁹³ Perhaps the Republicans in Congress wished to postpone action so that they could make the proposed Pacific railroad a plank of their political platform. At any rate, when the Republican National Convention met in Chicago in May, 1860, it called for construction, with federal aid, of a railroad to the west coast.¹⁹⁴

Mason and his friends still did not give up hope of obtaining government aid for a private railroad organization. W. W. White of Burlington told Mason there were two railroad organizations in Nebraska, both on the north side of the Platte; he suggested that the federal government place

both these organizations on the same footing and give priority in construction to the route where local aid in the form of subscriptions proved most abundent. White wanted Mason to come West and take charge of soliciting subscriptions.¹⁹⁵ Another of Mason's correspondents. Enos Lowe of Omaha. further described the Nebraska railroad project. Plans were to build two roads north of the Platte, he said, then unite them somewhere in western Nebraska and continue the road to the territorial boundary. Lowe suggested that this railroad be continued westward to other states and territories when local laws permitted. He pointed out that Omaha would be the most logical point for an eastern connection if the Burlington and Missouri as well as the Hannibal and St. Joseph routes terminated at the Platte River Valley. 196 Perhaps Mason passed on these views. because H. T. Reid advised him to try to interest such Eastern railroad capitalists as Erastus Corning, John M. Forbes, and J. W. Brooks in the project.197

At the next Congressional session, Mason attempted to lobby through the House another Pacific railroad bill which embodied suggestions of his friends and business associates. This House bill proposed to appropriate \$100,000,000 and a quantity of land to a railroad organization of which Mason would be a member, although he doubted whether they could build the road for that amount. When the bill passed the

House, the Senate countered with one providing for three roads.¹⁹⁸ But no Pacific railroad bill passed Congress at that session, either, not wholly an unexpected outcome as far as Mason was concerned. He had foreseen that even if Congress passed such a law, the national crisis and the condition of the treasury would nullify its execution.¹⁹⁹

However, Mason blamed the failure of the bill partly on the ineptness of Representative Samuel Curtis of Iowa. Although Mason had believed Curtis lacking in the parliamentary knowledge and tact necessary to manage the bill in the House, the bill had passed the first time, possibly because of the parliamentary maneuvering of more skillful tacticians than he. But unfortunately, when the Senate returned it with numerous amendments, Curtis refused to surrender responsibility for its guidance. He allowed only two days for its discussion, and Mason thought this accounted for the fact that the House took no vote on its final passage. Hence his self-confidence and his desire to claim entire credit for the bill were, as Mason saw it, causes for its failure.²⁰⁰

It was more than a year later before a successful Pacific railroad bill passed Congress. Mason held the Republicans responsible for the fact that he received no credit for the bill even though, or so he claimed, he had more to do with

it than any Senator or Representative.²⁰¹ This bill laid the basis for the first transcontinental railroad. Unless otherwise noted, all letters and documents cited are found in <u>Mason Papers</u>.

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- 147. Ibid., April 6, 1869, Vol. 48.
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- 152. Charles Mason, Washington, D. C., to D. W. Kilbourne, November 20, 1869, <u>Kilbourne Collection</u>, Vol. 18.
- 153. D. W. Kilbourne, New York, N. Y., to Mason, December 2, 1869, Vol. 21.
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- 156. John H. Gear, Burlington, Iowa, to Mason, March 24, 1870, Vol. 22.
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- 194. Francis Curtis, <u>The Republican Party</u> (2 vols., New York, 1904), I, 358.
- 195. W. W. White, Burlington, Iowa, to Mason, October 6, 1860, Vol. 4.
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Chapter VI

PATENT LAWYER: GOVERNMENT SERVICE AND PRIVATE PRACTICE

When Mason's political prospects in Iowa seemed dim in the decade of the 1850's, he received a federal political appointment which took him to Washington for more than four years. This opportunity came on March 24, 1853, when President Franklin Pierce appointed him Commissioner of Patents, a post he held until his resignation on August 5, 1857. Mason's prominence in this national office may have led the New York publishing firm of Munn and Company to employ him subsequently as legal advisor for its technical magazine, the <u>Scientific American</u>, from January to September of 1860. In 1862, R. W. Fenwick and D. C. Lawrence formed a legal partnership with Mason for the practice of patent law in Washington, where his reputation as former chief of the Patent Office was undoubtedly an asset to the firm.

A study of Mason's affairs as Commissioner of Patents and as a patent lawyer in this period is valuable to business history for several reasons. For one thing, it shows how he improved the efficiency of the Patent Office in its day-to-day operations and its public reports, to the advantage of both businessmen and agriculturalists. The study also demonstrates how he extended the services of the Patent

Office to the general public, thus helping to lay the groundwork for the Department of Agriculture and the United States Weather Bureau. Finally, the study points out how Mason changed the policies of the Patent Office to the great advantage of American inventors. During Mason's legal experience following his Patent Office appointment, some of the patent promotional schemes offered to him illustrate efforts to make a profit out of the patent system. The cases of a patent lawyer of that time are indicative of the level of American science and technology in the mid-century and thus are an interesting sidelight on the business history of the period.

Although President Franklin Pierce, a Democrat, probably appointed a staunch party member like Mason to a federal post because of political considerations, Mason possessed other qualifications for the office. Mason himself believed this was true, writing in his diary that he was better fitted to head the Patent Office than to fill any other position.¹ This was a considerable claim, since the Patent Office in the 1850's had among its functions not only patent matters, but those relating to agriculture. The Office also directed the Smithsonian Institution and the National Observatory. However, to these responsibilities Mason brought a wide variety of pertinent interests and abilities.

Mason had a lifelong interest in scientific matters, as well as considerable mechanical ability, certainly assets in

the Patent Office.² His mechanical aptitude apparently helped him when it was necessary for him to examine a patent application. On one occasion he referred in his diary to a case in which he had to familiarize himself with the new process of making daguerrectypes. The original Patent Office examiner thoroughly understood the process and strongly opposed the patent application in question. Mason surmised that the examiner was wrong but could not overrule him without first becoming familiar enough with the process to refute his arguments.³ The ease with which Mason understood the complexities of such chemical inventions and other difficult mechanical improvements astonished everyone. According to a Baltimore newspaper clipping, which Mason preserved, an experienced Washington lawyer said that the Commissioner of Patents understood quickly and easily some scientific matters that others had required hours of study to comprehend.⁴

Because Mason was also a practical farmer, he was very much interested in the agricultural part of the Patent Office. His wide acquaintance with agricultural leaders in all regions was also an asset here. Mason corresponded with and advised on agricultural matters such progressive farmers as Charles Calvert of Maryland, John Delafield and Benjamin F. Johnson of New York, and Henry B. French of Massachusetts.⁵

To these other qualifications for the head of the Patent Office, Mason apparently added that of untiring industry, to

judge by his schedule as he outlined it in his diary. He wrote that he worked in his office from nine to three-thirty every day, including holidays, without a moment's leisure, and that he usually spent several hours every evening at his desk.⁶ For example, on Thanksgiving Day, 1855, he wrote, "Today is a day set apart by the mayor of the city as a day of thanksgiving. The office is closed, but I have been nearly all day in my office as usual."⁷

The Patent Office required a commissioner with Mason's talents because by the 1850's it was more important than it had ever been before. The number of patents issued had multiplied from twenty-five a year under the original patent act in 1790 to 2,500 per year in 1853. The 1856 report of Robert McClelland. Secretary of the Interior, testifying to this increase in the business of the office, showed that in the four years previous to 1853, the average number of applications for patents was 2.522; for the four subsequent years, the Secretary estimated the average would be about 4,000. The number of patent applications in 1856 exceeded that of any other country, reaching 4,435 as compared to 2,958 in Great Britain and 4,056 in France.⁸ As a result of this increase in patent applications over the years, the Patent Office was up-graded by giving those responsible for its direction more clearly defined responsibilities and larger appropriations.

The founders of the federal government had laid down in the patent clause of the Constitution only general provisions designed to promote scientific progress and the useful arts.⁹ Accordingly, President Washington asked Congress to pass a bill which would encourage domestic skill and genius. This first patent law placed responsibility for granting patents upon a board consisting of the Secretary of State, the Secretary of War, and the Attorney General.¹⁰ Since members of this board had insufficient time to spare from their regular duties to devote to patent matters and insufficient knowledge for complicated patent proceedings, however. Congress abolished it in 1793 and placed the Secretary of State in charge of patents. Other changes in the patent law substituted a registration system for an examination system, so that a patent application was no longer examined for novelty or usefulness. A patent was granted to anyone submitting a proper drawing and paying the necessary fee, making the issuance of patents little more than a clerical function and leaving the courts to settle questions of patent infringement.¹¹

Patent matters took a turn for the better in the early years of the nineteenth century. In 1802, Secretary of State James Madison improved procedure by giving the Patent Office the status of a distinct unit within the State Department and giving Dr. William Thornton responsibility for issuing patents. Dr. Thornton kept the position until 1828, but he ran the office in a rather haphazard and unbusinesslike way, returning patent fees whenever he felt sorry for the inventor. The next forward step came in 1836 under a law creating a permanent office of Commissioner of Patents and authorizing This law also revived a small staff of assistants for him. the examination principle, obligating the Patent Office to test each invention to determine its uniqueness and usefulness. Henry Ellsworth, the first commissioner under this new law, believed that the Patent Office should serve the nation's economic interests and tried to direct its scientific activities with this in mind. Ellsworth served as patent commissioner until 1845.¹² Edmund Burke followed him, leaving office in 1849. That year Congress transferred the Patent Office from the State Department to the newly created Department of the Interior and granted the Commissioner the power of extending patents. Thomas Ewbank succeeded Burke, serving until 1852; Silas Hodges filled the post until 1853, at which time Charles Mason succeeded him, becoming, therefore, the fifth Commissioner of Patents.13

Mason's first step toward improving the Patent Office was to attempt to secure adequate space in which to display the models of inventions. The law required inventors to furnish not only a description of their inventions, but a model, and stipulated that these were to be preserved and

displayed in an equal manner. As inventions increased, the Patent Office soon lacked room in which to display the models properly. Mason's first report to Congress in 1853 pointed out that the crowded condition of the models not only prevented their proper arrangement, but exposed them to the possibility of injury and destruction. This was true not only of models of patented inventions but of rejected ones as well. Because the latter were relegated to the basement of the building's east wing, many models were broken or lost. Mason considered these rejected models almost as useful as those of patented inventions, since they served as examples of what the Patent Office considered duplications of existing patents. thus furnishing satisfactory examples on which to reject a new application. Mason therefore wished to transfer the rejected models from the cellar to the upper floor, where those interested could more easily examine them. He urged Congress to provide space for these models by ordering the trophies of the American Exploring Expedition moved elsewhere. After this move was accomplished, Mason used Patent Office funds to prepare the east wing for model displays in the hope that Congress would later appropriate money to pay for the work, which it did. Mason thus hastened by a year the matter of acquiring space in which to display Patent Office models.14

Mason also made the public reports of the Patent Office larger as well as more attractive and useful. Under his direction they were illustrated with diagrams of all the inventions patented during the year.¹⁵ The Commissioner's 1853 report used rather crude wood engravings, but the following year's report used engravings of copper plate. The report also included a brief description of the inventions patented, accompanied by an analytical index. As the art of technical illustration and writing progressed, models eventually became unnecessary.¹⁶

In June 1852 the Secretary of the Interior had recommended such illustration and indexing. As he saw it, the analytical index would provide a quick source of information for inventors far from Washington, giving them the same advantages as those close at hand. Inventors sometimes expended time, labor, and money in perfecting an invention, only to come to Washington and discover a drawing or model which proved that someone else had anticipated the idea long before.¹⁷

Mason also made the reports more useful by including scientific information for the farmers as well as for those who were merely mechanically minded. Senator James W. Grimes of Iowa had complained to Mason in June, 1853, that the farmers' letters included at the time were worth very little to those concerned with improving agriculture and had

suggested that progressive agriculturalists be asked to write articles on improved cattle breeding and other similar matters of common concern to farmers. To make room for these papers, Mason condensed the former regional correspondence. The patent reports thereafter included essays by leading scientists on such subjects as animal husbandry, methods of planting and cultivating crops, and new farm machinery.¹⁸ At the same time Mason collected through the consular service statistics on the worldwide growth, manufacture, and consumption of cotton and tobacco, a continuation of his predecessor's work.¹⁹ These improvements resulted in increased demands for the agricultural report. In 1856, the House of Representatives ordered 210,000 copies, and Mason noted in his diary that it was more in demand than any other government document.²⁰

Mason also tried to make the Patent Office more effective by hiring and training adequate personnel. His first move in this respect was to ask Congress to sanction an increase in the number of permanent Patent Office clerks. Only Congressional authorization could increase this class of employees; the law fixed both the number of permanent clerks and their salaries. Congress had only slightly increased the number of permanent clerks in the Patent Office since 1836, when the force had consisted of the chief clerk, one examiner, three clerks, a machinist, and a messenger.

Congress had added one examiner and one clerk in 1837 and two assistant examiners in 1839. It had made no more additions until 1848, when it added two examiners and two clerks. In 1851 there were six examiners and six assistant examiners. Partly because of this lack of sufficient personnel, applicants for patents had to wait six to twelve months for an examination of their inventions. Congress improved this situation while Mason was Commissioner by doubling the number of examiners and by 1857 added second assistant examiners.²¹ The <u>Scientific American</u> of July 14, 1855, gave Mason credit for the improved Patent Office procedure:

With an energy wholly unknown to his predecessors, he set about the work of renovation and reform, determined, if it was in the power of one man, to restore the Department to respectability and usefulness. Before the year closed he had so far completed his herculean task that inventors were enabled to receive their patents within a less number of weeks, after filing their applications, than they had previously waited months for them. We need hardly say that under his admirable direction every other branch of the service was brought up to the same high standard of promptness and efficiency, and the whole department reinvigorated and organized.²²

Mason also expedited Patent Office business by adding a substantial number of so-called "temporary clerks" to his office force. Congress authorized the Commissioner to hire this class of employees in unlimited numbers, at salaries not fixed by law, except that these were not to exceed a maximum figure. These temporary clerks were needed to copy

patents by hand whenever anybody required one, since prior to 1869 patents were not printed. They also did much of the copying of office records, as well as preparation of the annual reports to Congress, each hundreds of pages long, sometimes in two or three volumes, containing statistics, tables, indexes, claims of patents, and agricultural data. The number of these clerks continuously increased during the 1850's until they comprised about one third of the Patent Office payroll.²³

Since Mason was only interested in having the office work done well, his criteria in hiring these clerks was their efficiency and competence. Accordingly he became the first head of a federal office to give regular clerical employment to a woman. Previous to 1853, the Patent Office had temporarily employed a few women as copyists in rush periods. Mason was also the first government official to permit a group of women to do their work within a government building; previously they had done it outside the office. When Mason moved the rejected models out of the basement of the east wing of the Patent Office to the hall of the main building, he used the vacated basement as quarters for the women copyists. It was also consistent with Mason's previous attitude toward the legal and business rights of women that he paid them the same wages as men wherever the work was the same.²⁴

One of Mason's female clerks who received a man's pay for a man's work was a former New England school teacher, Clara Barton, later to be famous as a Civil War nurse. She had come to Washington in 1854 from Bordentown, New Jersey, where she had been principal of a large public school. When a male principal replaced her, she had a nervous breakdown, lost her voice, and finally came to Washington seeking a new career. The records of the Interior Department show that she was employed in the Patent Office in 1854 as a copyist.²⁵

Clara Barton's employment in the Patent Office was nearly terminated when Mason took a four months' leave of absence to return to Iowa on personal business. Mason was no sconer out of the city than Secretary of the Interior Robert McClelland began to discharge some of the Patent Office clerks, beginning with the women copyists.²⁶A comment from Congressman DeWitt of Massachusetts to the Secretary of the Interior makes clear not only McClelland's responsibility for Clara Barton's approaching dismissal but DeWitt's concern over it:

Having understood that the Department has decided to remove the ladies employed in the Patent Office on October 1, I address a line on behalf of Miss Clara Barton, native of my town and district, employed the past year in the Patent Office, and I trust to the entire satisfaction of the Commissioner. 27

Mason's diary makes it apparent that he too was much distressed that McClelland intended to dismiss women clerks and to replace them with men.²⁸ The women's proposed dismissal from the Patent Office may not have been due simply to the spoils system, as Mason thought, but to masculine resentment at women's intrusion into the business world, a realm previously reserved for men. Women's agitation for equal political and economic rights had started in the 1830's and had become increasingly evident in the next twenty years. A women's rights convention in 1848 had demanded the right to participate in business, complaining that men had monopolized nearly all profitable employments.²⁹

Regardless of whether it was a reaction against the crusade for women's rights or merely political considerations which caused the projected dismissal of women clerks, the effort did not succeed, at least as far as Clara Barton was concerned. When Mason finished his business in Iowa, he returned to Washington to find Clara Barton still at work as a copyist in the Patent Office.³⁰ He immediately made her his confidential assistant at double her previous salary, so that she received \$1,400 a year.³¹ The reason for this sudden salary increase was that Mason probably found he had some unpleasant work to do and needed a capable and trustworthy assistant. Apparently he suspected that some Patent Office clerks were making money on the side by selling secrets of inventions to businessmen, and placed Clara Barton in a position to investigate. If there were such efforts at corruption in the Patent Office, they were never uncovered. Nevertheless, Clara Barton remained there drawing the same salary of \$1,400 as did the men clerks nearly as long as Mason remained Commissioner.³²

Mason not only tried to increase the efficiency of the Patent Office but also to enlarge its services to the public. One step in this direction was to broaden the government's research efforts on behalf of agriculture. A century earlier, agronomists like Jefferson and Washington had called attention of Americans to European scientific developments in agriculture, but use of such techniques as crop rotation spread slowly in the United States. In the nineteenth century, progressive farmers like Edmund Ruffin had advocated use of lime and other calcareous materials as fertilizers; but despite his efforts and those of pioneer farm journals such as the American Farmer, there was need of government as well as private support to improve agriculture. This governmental assistance to agriculture began through the Patent Office when Henry Ellsworth was appointed the first commissioner in 1836. He became interested in collecting seeds and plants by means of the United States consular service, afterwards distributing the seeds for experimental use throughout the nation. In 1839 Congress encouraged this effort for improved agriculture by appropriating \$1,000 of patent funds to be expended by the Commissioner for

investigations and procuring agricultural statistics. Congress granted the appropriations irregularly until 1847, but made them annually thereafter. The appropriation act of 1847 granted \$3,000 out of the patent fund for agricultural purposes, with the stipulation that the Patent Commissioner's report on agricultural subjects was not to exceed four hundred pages.³³

When Mason took over the Patent Office in 1853, he was able to do more for research than his predecessors because federal appropriations for agriculture substantially increased. The appropriation from Patent Office funds for agricultural purposes in 1853 was only \$5,000; but in May, 1854, Congress followed this with a \$10,000 appropriation for collection of agricultural statistics and distribution of seeds and cuttings. In August, 1854, Congress raised the appropriation for agricultural purposes to \$25,000, and to \$40,000 in 1855.³⁴ As a result, Mason could write in his diary the next year, "We are gradually extending our agricultural operations with funds which Congress appropriates for this purpose."³⁵

With this much money at his disposal, Mason was able to send out exploring parties and special missions to South America, Europe, and Eastern Asia for purposes of agricultural research. According to entries in his diary, in the autumn of 1856 he made plans for sending a ship to South America for sugar cane cuttings to replenish the supposedly

exhausted cane of Louisiana, Texas, and Florida.³⁶ Shortly afterward Mason interviewed a clergyman from Massachusetts. an expert in bee culture, with the expectation of sending him abroad to report upon the bee culture in Germany and other parts of Europe.³⁷ Mason also sent an agent to Europe to select the best seeds of products previously known in the United States, so that these could be distributed among progressive American farmers for experimental purposes.³⁸ He also considered employing an agent to investigate and report upon the cultivation of grapes. which he regarded as one of the most valuable agricultural projects in the United States.³⁹ As a result of expeditions to Eastern Asia by Commodore Matthew Perry and various others, the Patent Office also introduced in the United States numerous new and useful agricultural products such as Chinese yams. Chinese sugar cane or sorghum, and various new and superior grasses. 40

With more federal funds to spend for agricultural purposes, Mason was also able to expand the distribution of improved varieties of domestic products already known and cultivated in particular sections of the United States but not generally known in others. He ascertained what varieties of corn, wheat, and other products were most prolific and valuable, advocating that choicest heads from each of these crops be saved for seed so that in a few years even the best varieties would improve. Mason pointed out that by such a system, grain would improve in quality just as animals did by the system of cross breeding.⁴¹

Mason also extended the services of the Patent Office by adding expert scientists and agricultural experts to his staff, thereby helping to improve the quality and quantity of American farm production. He chose Daniel Joy Browne, a Harvard graduate who was a farmer, farm editor, writer, and extensive traveler, to be editor of the agricultural report.⁴² However, while Mason found Browne to be a good clerk in some respects, he proved thoroughly unreliable in others, causing Mason to write of him, "I have to divide the duties and keep control over the business, which gives me much additional labor."⁴³ Mason also employed a full time entomologist, Townsend Glover, for the agricultural service, as well as chemists and botanists on a temporary basis.⁴⁴

As Mason saw it, these extended agricultural services of the Patent Office should have culminated in a separate government agency for the care and promotion of American agriculture. In the summer of 1856 he referred to this in his diary:

It is the intention of some of the friends of agriculture that a department should be eventually established for this and other kindred purposes. This will be the final result of the constant and repid growth of this branch of the Patent Office.⁴⁵ He also noted that the committee on agriculture in the House of Representatives had been considering a bill relative to an agricultural bureau although they had not agreed fully on the details.⁴⁶ Mason, however, had definite ideas about how such an agricultural bureau should be established and operated. He proposed a decentralized plan of action rather than a centralized bureau with broad controls. In his final report to Congress in 1856, he pointed out that agricultural research could be carried out in one of two ways. One was establishment of regional experimental farms, a possibility he rejected because it seemed to involve centralized bureaucracy on the European plan, something not acceptable to Mason under the American system of government. He believed a preferable alternative would be the coordinating of existing state and local agencies through the supervisory activity of what he called an "experimental agriculturalist," who would arrange with individuals and agricultural groups for conducting experiments and then report the results. 47

Mason believed that a Congressional appropriation of \$6,000 for agricultural research would place agriculture on the same level as commerce and manufacturing when it came to government favors. He argued that agricultural interests sought only to receive equal treatment with other branches of the economy; the government should serve all interests, he said, or disregard all. According to Mason, agriculturalists

would be willing to operate without help if commerce and manufacturing did the same; but while governmental policies aided other types of business, farmers had a right to expect something for themselves.⁴⁸

In pleading for a separate bureau of agriculture. Mason was advocating what others had said before. In 1836 Henry Ellsworth had pointed out to Congress that it had done much for commerce and manufacturing, but little for agriculture. 49 Both Zachary Taylor and Millard Fillmore had urged a separate agricultural bureau.⁵⁰ By the mid-1850's the United States Agricultural Society had abandoned hope of doing much for agriculture through the Patent Office and was urging establishment of a separate government organization.⁵¹ These apparently reasonable and modest proposals failed to receive Congressional support, however, before the close of the 1850's. The Patent Office handled agricultural matters until 1862, but so many individuals and groups had promoted the idea of a separate agricultural department that Congress in that year created the Department of Agriculture as a separate agency under a commissioner. Among the functions assigned to it was the collection of information about agriculture by the conducting of practical and scientific experiments, the public dissemination of findings and distribution of new and valuable seeds and plants.⁵²

While Mason headed the Patent Office he was also partly responsible for extending its services in still another way--

by the collection and distribution of weather information. In his time as Commissioner, he ordered simultaneous observations of the weather taken at points remote from one another, an undertaking only then possible because of the invention of the telegraph. Out of this activity the government created in 1870 the Federal Meteorological Service as part of the United States Army Signal Corps. From this there came eventually the United States Weather Bureau.⁵³

Other government officials had made similar efforts to compile weather information since the turn of the century. In 1817, Josiah Meigs, Commissioner of the General Land Office, required the twenty local registers of land offices to submit regular daily reports on temperature, wind, and weather, About 1819, Surgeon General Lovell ordered army surgeons to keep detailed day-by-day weather records at all posts. These records, compiled in 1839 by Dr. Samuel Dorry of the Medical Corps, constituted the basic data for the first scientific study of meteorology in the United States.⁵⁴

Mason gave credit to Lt. Joseph Maury, head of the National Observatory and hence one of his subordinates, for the original idea of using the telegraph to collect nationwide weather data. Maury also advocated cooperation with European scientists in exchanging weather information, ⁵⁵ a plan which became easier when Cyrus Field laid the transatlantic cable in 1858. As early as 1855 Maury, in his

book <u>Sailing Directions</u>, had pointed out the urgent need of more weather knowledge, not only for mariners along the nation's seacoast, but for farmers who were interested in the atmosphere as a whole. He had appealed to farmers and agricultural groups for cooperative data and to Congress for funds to establish a weather bureau.⁵⁶

The two men who put into operation Maury's plan of using the telegraph for collecting weather data were Mason and Dr. Joseph Henry, the supervisor of the Smithsonian Institution. Since Dr. Henry was considered one of America's leading scientists, Mason naturally turned to him for assistance.⁵⁷ Apparently it was necessary for Mason to act as an intermediary between the two scientists, since there appeared to be some jealousy between them.⁵⁸ However, his major contribution to the success of the project involved supplying funds necessary to carry it out. Although at first he doubted whether he was justified in doing so, Mason asked Congress to authorize use of patent funds for the collection of weather data because he was sure that agriculturalists would find meteorological statistics useful.⁵⁹ After conferring with Dr. Henry, Mason suggested an annual expenditure of \$2,000 as adequate to obtain and communicate such information. 60

With these prospective financial resources, Henry and another scientist, Arnold Guyot, arranged for a broad system of meteorological observations transmitted by means of the telegraph. Mason recorded in his diary on May 23, 1856, "We began today to receive accounts of the weather from various points in the United States through the telegraph."⁶¹ The meteorological data came from five hundred observers throughout the country east of the Mississippi River. As each telegraphic report came in from a local area, a small, round card was pinned in position on a large map of the country. Different colors indicated rain, snow, clear weather, or cloudiness. Henry found that storms moved eastward at a rate of twenty-five to thirty miles per hour and he taught farmers, railroaders, and shippers the use of the weather map. The Smithsonian Institution successfully carried on this work until the outbreak of the Civil War.⁶²

Mason not only improved the efficiency of the Patent Office and enlarged its services, but also advocated a more generous patent policy than some of his predecessors had followed. He believed that although most of the applications rejected under earlier patent policy were probably valueless, the examiners had also rejected some highly useful and valuable inventions. A more liberal policy, he thought, would encourage invention, develop the nation's resources, and fulfill the intention of the patent laws, which he believed were for the benefit and encouragement of inventors. Mason interpreted the patent laws in accordance with this belief. In a great number of cases, he was

sure that granting a patent could not injure anyone but the patentee himself, who might then have to defend his rights in court.⁶³ Even after the Patent Office had informed an inventor his device was not patentable, Mason believed he should be allowed to take a patent at his own risk if he wished to do so, perhaps even the same type of patent as that issued with sanction of the Patent Office. He recommended a system of six months provisional or temporary patents in place of caveats covering twelve months as offering a better protection to inventors. This plan was similar to one followed in England at the time which permitted the applicant to take his patent at the peril of having to sustain it before the law.⁶⁴

Mason also changed the policies that had formerly delayed examinations of patent applications. Previously the practice had been to grant the applicant for a patent three hearings before the examiners. If the examiners rejected the inventor's claims three times, the Patent Office regarded the action as final. In that case, the inventor's only recourse had been an appeal to the United States district judge, a procedure which frequently resulted in long delays. When Mason became Commissioner of Patents, he changed this procedure by allowing the applicant two hearings before an examiner. If the Patent Office rejected the inventor's claim a second time and he was still dissatisfied with the

result, he could appeal directly to the Commissioner, who then heard the matter himself on short notice and delivered a written opinion. In a large number of cases, the Commissioner reversed the examiners' decisions, thus saving the applicant the expense of a court appeal and the resulting loss of time.⁶⁵

Mason was equally generous to inventors in his policy of extending patents previously granted. His liberality in this respect was highlighted in 1854 when Samuel F. B. Morse, the alleged inventor of the telegraph, applied to the Patent Office for an extension of his 1840 telegraph patent. Without an extension. it would soon have run its course of fourteen years. Mason granted him a seven-year extension, the maximum period permissable under the existing patent law. The Commissioner justified this on the ground that an inventor's reward should be liberal. and concluded. "The benefactors of the race have rarely received an excess of reward or gratitude. These should rather exceed than fall short of the proper measure."66 Perhaps there was a relation between Mason's partiality to the supposed inventor of the telegraph and Mason's own railroad interests. Railroads needed the telegraph to operate their roads efficiently, and telegraph companies needed the railroad right of way to put up their lines. There is no evidence of collusion here, but the overlapping of interests may have helped to influence Mason's decisions.

Mason was more than generous in extending Morse's patent another seven years, since Morse's contribution to the electric telegraph had been promotional rather than mechanical. As early as 1831, Joseph Henry had rung a bell by transmitting an electric impulse to it over a mile of wire. Although Morse had used freely Henry's discoveries and advice while he was developing the telegraph, he forgot his debt and claimed all credit for himself in the course of his later litigations. Morse could not claim credit for the so-called Morse Code, either, since this was largely the creation of his partner, Alfred Vail.⁶⁷ Morse's chief contribution to the telegraph had been to persuade Congress to provide money for the development of the telegraph in 1843, since it had proved impossible to interest entrepreneurs. Finally, in 1842, Congress appropriated \$30,000 for construction of a line from Baltimore to Washington. On May 24, 1844, Morse had staged the famous demonstration in the Supreme Court chambers, where he sent the message, "What hath God wrought?" to Vail in Baltimore and then received it back.68

Joseph Henry, in order to protect his claim to be the originator of a workable electrical signaling system, used the board of regents of the Smithsonian Institute as a court of appeal. He submitted a full report, accompanied by documents, to substantiate his claims, and the board unanimously

passed a resolution stating that Morse had not refuted Henry's statement and that their confidence in him was unimpaired.⁶⁹ However, when it came to Morse's application for a patent extension in 1854, Henry added a generous recommendation that it be granted.⁷⁰ It is interesting to speculate whether Henry recommended this patent extension on his own initiative or whether he did so at Mason's suggestion or that of someone else. Since Henry was one of Mason's subordinates in the Patent Office, the Commissioner was in a good position to influence him to endorse Morse's plea for extension.

Mason's policies as Commissioner of Patents had the effect of endearing him to inventors throughout the nation. This became evident in the autumn of 1855 when Mason thought of resigning his office. When the nation's inventors heard of the impending resignation, they collected subscriptions for a testimonial dinner and prepared to present Mason and his wife with a silver dinner service. However, Mason decided not to leave the Patent Office at this time, and declined the gift, believing that under the circumstances it would be improper for him to accept it.⁷¹

Despite Mason's success as Commissioner of Patents, he was unhappy in his position, and recorded in his diary some of the difficulties he encountered. For one thing, the post paid only \$3,000 per year, an inadequate salary for a man

with his business interests and professional ability. He was sure that he could secure at least double that amount by the private practice of patent law, since one man, at least, had offered him \$6,000 just to handle his patents.⁷² Mason declined the offer, however, in order to continue in the Patent Office at least until the close of the Pierce administration.⁷³ On September 15, 1856, he had sent in his resignation to President Pierce, to take effect the first of October, but the Chief Executive prevailed upon him to stay and Mason deferred his resignation, despite his personal inclinations.⁷⁴ Perhaps Pierce thought that Mason might influence the Iowa Democratic delegation in favor of a renomination.⁷⁵ The President's hope for another term failed to materialize, however, the Democratic nomination in 1856 going to James Buchanan.

Another factor that increased Mason's wish to leave the federal service was the spoils system evident under the new administration. Buchanan's Secretary of the Interior, Jacob Thompson, wanted Mason to remove the few Whig clerks in the Patent Office in order to make places for Democrats; but according to Mason's friends, Mason did not believe the request to be just, and refused. Although Mason was a Democrat, apparently he could not bring himself to remove honest and skilled clerks to make places for unskilled ones, even if they were Democrats. Thompson then removed the clerks despite

292

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Mason's objections.⁷⁶ Consequently, Mason was dissatisfied with the limited control which he as Commissioner was legally allowed to exercise over his office. He wrote in his diary, "I find the condition of things anything but agreeable. The Secretary of the Interior is disposed to override the Patent Office."⁷⁷

Mason found the Washington political scene even less to his liking when the Secretary accused him of unwarranted partisan activities opposed to the administration. The Secretary charged that he not only allowed some of his Patent Office clerks to make Republican speeches, but that he himself showed a spirit of insubordination. Naturally Mason denied both charges. He suspected that the Secretary was anxious to have him resign and began seriously to consider doing so.⁷⁸

Mason also believed that the Buchanan administration took too Southern a stand, although later on he was a Southern sympathizer himself. The Secretary of the Interior, for example, told Mason that members of the Democratic party were obligated to support the Dred Scott decision, but Mason did not feel inclined to do so. The Supreme Court decision upheld the position which had become standard in the South, that Congress had no right under the Constitution to exclude slavery from the territories. Mason accepted the decision as the law of the land, pronounced by the tribunal set aside for that purpose; but believing privately that the Court had committed great errors in some of the reasoning by which it had reached that decision, he wrote, "These errors are the very matters on which Southern advocates of slavery extension rely."⁷⁹

Mason found an additional reason for resigning as Commissioner of Patents when he considered his health. Although a medical examination revealed no heart disease, as he had imagined, he still thought some less sedentary occupation would improve his physical condition and that his family's health, too, would be better away from Washington.⁸⁰ When Mason finally resigned, August 4, 1857, he left an office that most observers apparently thought he had conducted creditably and effectively.⁸¹ An Iowa editor wrote, "In Pierce's administration there was no department filled so satisfactorily to the whole country as the one filled by Charles Mason."⁸²

In the next two years Mason tried unsuccessfully to revive his political and business prospects in Iowa. He was elected to the State Board of Education, but if he had hoped to use this state office as a step toward a more important one, he was doomed to disappointment. To be sure, an anonymous citizen, signing himself "Traveler," wrote to the <u>Dubuque Express and Herald</u> from southern Iowa that

if the Supreme Bench were to have, as it ought, a representative from the northwestern states, no man could with greater dignity, and with more honor to himself or service to the people, occupy a seat on the Supreme Court of the United States than Mr. Mason.⁸³

Apparently this one opinion found no popular response. Since the nation was on the verge of the 1857 depression, Mason also failed to find lucrative investments in Iowa. At the suggestion of friends, he considered buying an interest in the <u>Burlington Gazette</u> and becoming the editor; but when he found a \$2,000 debt against the paper, he rejected the idea. Although he was willing to assume half the responsibility if another person or group took the other, he was unable to make such an arrangement, and had to consider other possibilities.⁸⁴

Mason then thought of making some Eastern business connection which would also enable him to educate his daughter without sending her away from home.⁸⁵ Such a prospect opened up in the spring of 1859 when he received an offer from Munn and Company of New York, publishers of the technical magazine <u>Scientific American</u>, to serve as their legal consultant to inventors who questioned them regarding patent laws. He was to give legal opinions either orally or in writing and to write reviews for the magazine on proposed patent laws.⁸⁶ Mason's beginning salary was \$3,000, with the prospect of more within a short time.⁸⁷ Although his first inclination

was to try his fortune in Washington, believing that he could make more money there, he decided to accept the New York offer as the safer one. Mason's plan was to go to New York part of the time, meanwhile retaining business connections in Washington.⁸⁸ He finally agreed to work for Munn and Company at \$10 per day except when absent on his own business, when he was to receive \$5 per day. Whenever he represented clients in court or before the Patent Office, he was to receive additional compensation.⁸⁹

Soon after Mason began his new position in January, 1860, it became evident that this arrangement would not pay him enough to compensate him for his time and efforts. As one example, Samuel Morse and his business agent, Amos Kendall, wanted Mason to represent Morse in a plea to the Patent Office for another extension of the telegraph patent, due to expire in April, 1861.⁹⁰ Mason agreed, and Munn and Company fixed his compensation at \$250, or double in case of success. However, when Mason reviewed the legal aspects, he was sure that the proposed compensation was inadequate under the circumstances, and that he should receive two or three times as much for what he estimated would be five weeks' work. When he protested, the company told him that the case would not take one third that time, that he should proceed with it, and that everything would ultimately be made right.

Mason wrote skeptically in his diary, "What this promise will amount to remains to be seen."⁹¹

Events proved that Mason had not underestimated the difficulty and length of the case or the quality of the opposition. Some of the most eminent lawyers in the nation were prepared to oppose him, and he expressed concern in his diary that they would try to show that Morse was not the inventor of the telegraph.⁹² After spending all of March taking depositions in New York and Washington, Mason represented Morse when the case came before the Patent Office in April.⁹³ The examiners' decision in Mason's favor meant that Morse obtained seven more years, an extension which proved highly profitable to him. Mason thought he had done well, since he had not done such courtroom work for many years. Others reportedly said that Mason had given the best exposition of the subject ever presented and arranged to have his argument published.94 There is no evidence to show that Munn and Company ever kept its implied promise to pay Mason more than \$500 for this legal success.

Finally Mason wrote Amos Kendall, calling his attention to the increased time and labor involved in the case, for which Mason felt justified in asking additional compensation. He also quoted Cyrus Field as saying that if the examiners had rejected Morse's application, the telegraph stock would have been worth much less than what it was after the

extension.⁹⁵ Kendall in his reply praised Mason's handling of the Morse extension case and promised to try to have the fee augmented, but Mason's correspondence does not indicate that he ever succeeded in doing so.

In only one other case while he was with Munn and Company did Mason's fee amount to more than \$500. The Corliss Steam Engine Company in May, 1860, retained him to oppose extension of a patent originally granted to Frederick Sickles. The Patent Office had rejected the application for extension when Mason was Commissioner in 1856, and the invention had become public property. Mason took the Corliss case before the Senate Committee on Patents, contending that Congress could not extend a patent that had once expired, since it would injuriously and directly affect interests which had become vested rights prior to such extension. He contended that this would be taking away without due process of law the rights of those engaged in legitimate business.⁹⁶ Mason succeeded in blocking the patent extension,⁹⁷ for which his client sent him \$300 in March. 1861.⁹⁸ and \$400 the following July. noting that this was the balance due him for his services.99

Other clients had less with which to pay him. One inventor, William Rentgen, had invented a type of baggage truck for use in warehouses or railroad stations. He was too poor to go to Washington himself to seek a patent, but offered Mason \$100 in cash to investigate conflicting patents, and if possible to obtain a patent for him.¹⁰⁰ Another man had invented an oar which he claimed could be taken apart or put together in a short time without tools. He had no money for patent fees and wanted Mason to advance him \$200 in return for a note secured by an assignment of the patent.¹⁰¹

There were other cases for which the records do not specify Mason's fee. J. H. Pomeroy employed him to obtain a patent for a steam engine governor.¹⁰² H. C. Robinson asked his advice on obtaining a sewing machine patent and placing the invention advantageously on the market.¹⁰³ O. M. Mitchell wanted Mason to represent him in applying for a patent for manufacturing sublimate of lead. writing that he was able to produce a new and valuable paint.¹⁰⁴ J. C. Dickey retained Mason to take charge of a reissue case on a patent for improved machinery to wash gold.¹⁰⁵ Another client wanted to patent a process for separating gold by means of mercury boiled with ground quartz or other material containing the gold.¹⁰⁶ Regardless of what Mason's fees were in these cases, he was evidently dissatisfied with his income. In August, 1860, a prospective client offered Mason two retaining fees of \$500 and \$250 each if he decided to leave Munn and Company, and Mason wrote in his diary, "I have pretty much concluded

to do so unless I can make some more advantageous arrangement with Munn."¹⁰⁷

Mason had several opportunities to consider if he decided to make another business move. W. W. White, a Burlington correspondent, proposed that he and Mason form a law partnership with offices both in Iowa and in the East. He suggested that Mason might spend part of the time in Washington caring for contested patent cases, while he himself in the Burlington office made collections for Eastern businessmen and acted as agent for the sale or purchase of Western lands. According to White, New York merchants were reluctant to trust their affairs to Westerners, but he was sure that an Eastern law office with Iowa connections could secure a good deal of business. White suggested that the firm would have to select attorneys in every important Western city and require them to sign a written contract, after which their services and honesty would be the firm's risk.¹⁰⁸ Apparently Mason was not receptive to this scheme, since nothing came of it.

H. B. Willson of Hamilton, Ontario, suggested that Mason join him in profiting from patent reciprocity between Canada and the United States.¹⁰⁹ According to Willson, some American patents such as hard rubber would probably be worth \$200,000 or more if they could be patented in Canada; he wanted Mason to persuade certain American

patentees to sign over to him, Mason, half of any interest or advantage resulting from a Canadian patent. Willson suggested that half of such assigned interest then be signed over to him for disposal in Canada, so that he could use it to facilitate passage of a Canadian bill providing for patent exchanges with Washington.¹¹⁰

As Willson explained it to Mason, Canadian patent laws allowed only resident British subjects to patent an invention, and those who held a patent issued in Great Britain or in the United States could not patent the same invention in Canada. Willson wished to see Canada pass a law giving a foreign inventor the same protection for the same fees as in his own country and asked Mason's help in drafting such a bill, confident that his experience and ability would be valuable. He suggested, too, that Mason come to Quebec to help him lobby for it. Willson hoped that American inventors like Goodyear, Colt, and others holding American patents would contribute funds to get such a Canadian law passed. These contributors, Willson said, would then profit from added protection in Canada during the unexpired terms of their patents. Willson estimated that he needed \$2,500 in cash to facilitate passage of the Canadian bill, \$1.000 of which would go to English and French newspapers for propaganda purposes.111

In order to protect existing Canadian patents, Willson also wanted Mason to promote a similar patent law in the United States. He held out to Mason the prospect of legal business as an inducement for pushing such a bill through Congress, pointing out that although every Canadian patentee desired a United States patent, the cost under existing laws excluded British subjects. If patent reciprocity materialized, Willson proposed that he and Mason create a joint stock company to dispose of or work the patent shares they received.¹¹² Apparently Mason carried on considerable correspondence with Willson about this, sending him a list of American patentees holding valuable inventions. He suggested they might give a part interest in their inventions to those who could procure extension of their patents in Canada.¹¹³ It seems, however, that nothing ever came of this promotional scheme.

Mason broke his connection with Munn and Company on September 26, 1860, in order to begin his own law practice in Washington. He planned to spend much of the winter in the capital and to have his wife and daughter in Iowa join him later if business prospects seemed to justify it. If his Washington law practice did not come up to expectations, he would then return to Iowa in the spring.¹¹⁴ Perhaps he was writing to bolster his own courage when he noted in his diary that he had been promised some legal business in Washington and would probably get as much as he could handle.¹¹⁵

Certainly Mason had a right to believe that he was well qualified to be a successful patent lawyer. For one thing, he was well known to inventors after his term as Patent Commissioner and he expected that they would naturally turn to him with their ideas and problems. Since he was well acquainted with the records of the Patent Office, he could more easily conduct the search necessary to avoid a possible infringement before applying for a patent. Mason's previous experience in the Patent Office also made him well qualified to prepare and prosecute patent applications.

Despite his expectations, Mason's law practice by early December 1860 was so financially discouraging that he decided not to have his family join him for the present. He wrote, "It is a lonely prospect for me and I suppose for them also."¹¹⁶ Perhaps the uncertainty of the times contributed to the lull in patent matters, or perhaps doubt as to the nation's future caused some inventors to question the value of United States patent grants. Then, too, it was probably difficult for some inventors to finance inventions in the pre-Civil War period, since foreboding as to the prospects of civil War brought about a wave of business retrenchment and economy. Altogether, 1860 was an unpromising year in which to begin the private practice of patent law in Washington.

Some of Mason's cases in this period naturally concerned military inventions. One client, Ezariah Spaulding, wanted Mason to help him secure a patent for a portable shield mounted on a carriage for conveyance. Spaulding argued that several of these shields could be used to form a solid line, and thus give the advantage of mobility in contrast to trench warfare from fixed positions. He enclosed a sketch of his idea which showed platforms attached to the frame of the carriage in order to accommodate several men at a time.¹¹⁷

Another client, Lt. Colonel B. S. Roberts, wished to patent a shell for a rifled cannon. He hoped Mason would become his partner in the invention, along with Remington and Sons, the arms manufacturers, suggesting that the three share equally in profits from the patent. If Mason agreed to this, his task would be to secure the patent and arrange for tests before army officers. Robert was sure that if Mason spoke to General Winfield Scott and expressed his confidence in Robert's invention, the government would order him to come to Washington at once. Roberts wrote, "You had better become a partner in this and see it through. It is bound to succeed and in these times what promises so handsome a fortune as success in shot and shells for rifled cannon?"¹¹⁸ The same idea, that of a shell, had come in a letter from a Newburgh. New York, resident, writing on

behalf of a local inventor. The inventor had already applied for a patent on the invention and had a rifled cast iron cannon made for it. However, he was concerned over whether a steel-breech loading cannon he was making for his shell infringed on patent rights of any existing patent, and wanted Mason to check the Patent Office records.¹¹⁹

Other patent cases concerned improvements in agricultural implements. A Connecticut inventor had an idea for casting plows from cast steel. He reported that his plows had been a success in Illinois trials and wanted Mason to help him secure a patent. He was vague about financial remuneration, however, and wrote, "If there are any secret springs to the Patent Office, I want you to find them and we will do the fair thing by you."¹²⁰

Another inventor, Edwin Hagen, pointing out the defects of paddle wheels for steamships, brought to Mason's attention his invention, a ship propeller intended to replace the paddle wheel. He was so sure of its value that he wanted to attach it to any vessel and accept the challenge of the owner of the ship <u>Thomas Powell</u>--to give \$5,000 to any vessel able to make a trip to Newburgh, New York, in fifteen minutes less than his own ship. Hagen sought a person who would take a share in the profits of his invention in return for helping him secure a patent on it. Evidently Hagen hoped that Mason could be induced to give his legal services on these terms, but there is no evidence that he did so.¹²¹

Perhaps Mason's failure to earn enough from his own law practice made him receptive to an offer in January, 1862, to form a law partnership in Washington with R. W. Fenwick and D. C. Lawrence. Their primary purpose was to carry on cases before the Patent Office, give opinions in patent cases, and prosecute or defend patent cases in the federal courts. The partnership agreement did not include other cases that one of them might take to the Supreme Court. On the other hand, it did stipulate that none of the partners could engage on his own account in legal business which fell within the scope of the partnership. The partners agreed that any member of the firm could take a year's absence and still receive one third of the net profits: at the end of a year's absence, however, the partnership would be dissolved and his dividends cease until he returned and resumed his duties. He would then be entitled to his share from subsequent legal business.¹²²

The new law firm apparently prospered at once, to judge from Mason's comments in his diary. The first month he wrote, "Business the last ten or twelve days has been coming along well. We now have as much as we wish to attend to. With reasonably fair times we might do well."¹²³ Evidently the partners exceeded their own expectations in this

regard. Once again Mason wrote, "Business is coming along quite freely. I have all I desire at present and have had to work mornings and evenings as well as Christmas in order to keep up with my work."¹²⁴ Still later he indicated that the income of the firm for the past three months had averaged between \$600 and \$800.¹²⁵ A few days later his estimate of income was even higher: "We now have full business all the while. We shall probably divide \$1,000 or more this month."¹²⁶ Business the following summer, according to Mason's estimate, was still good. He noted in his diary in August that the partners were dividing \$500 each month, 127 an income which continued throughout the fall.¹²⁸ By early winter the partners were dividing \$660 monthly¹²⁹ and at the end of the next year \$910. "a little more than ever before."¹³⁰ Within five years the yearly income over office expenses was about \$7.450 for each partner.¹³¹

The success of the patent law firm probably resulted from the fact that the war stimulated the nation's inventive genius. Industrial patents doubled during the war, as labor-saving devices were sought to replace men at the front. The armed forces needed new machinery on a large scale to manufacture clothes and equipment.¹³² In addition to these things, inventors applied their talents to devising military innovations which would aid the Federal armies. All this naturally increased the demand for patent lawyers.

Mason's law firm handled patent cases resulting from each of these reasons for increased invention. One client. F. P. Dimpfel, suggested a scheme for rolling iron bars ready for use without any planing. He claimed that a naval architect had pronounced it the best method for protecting iron-clad vessels.¹³³ Mason's former client, B. S. Roberts, continued to suggest new military inventions, one of which was an incendiary bullet which he wanted Mason to patent for him.¹³⁴ Still another client submitted a plan for a repeating rifle. He wanted Mason to recommend a mechanic able to construct a model from drawings but honest enough not to steal the invention while constructing it. Here Mason's former connection with the Patent Office proved an asset to his firm. since the inventor believed it would enable Mason to suggest a qualified technician.¹³⁵ M. B. Patchin submitted an idea for an explosive shell for rifled ordnance, and offered to give Mason a half interest in it if he could procure permission for testing at government expense and encourage its adoption by the government.¹³⁶ All these military inventions foreshadowed later developments and some, like the repeating rifle, were used to a limited extent in the Civil War.

Some inventions suggested for a patent promised to be useful to the Quartermaster Corps. Gail Borden, already holding a patent on condensed milk, submitted a similar plan for concentrated cider. Borden planned to reduce apple juice to a thick syrup, which would be mixed with water when ready for use. From a military standpoint, it would save the space needed to transport apples in bulk form. He wanted Mason to submit the idea to the United States Sanitary Commission, the civilian agency that was the forerunner of the American Red Cross. Mason also tried to interest the Medical Corps and the Navy Bureau of Provisions, but none of them would accept it.¹³⁷

Mason found Borden's idea appealing, however, for its civilian uses, since he believed it would make possible cider without fermentation in all climates at any season. The cider could then be mixed with water and allowed to ferment.¹³⁸ Evidently Mason became a financial partner in the project, but the returns seem to have been disappointing. Borden suggested putting up a cider mill and press and selling franchises for the sale of the produce if Mason could procure a patent, in return for which he would receive one third interest in it.¹³⁹ The patent was issued, and production started.¹⁴⁰ but in two years the company did not pay a royalty. There were mechanical difficulties and law suits from competitors.¹⁴¹ Apparently all Mason ever received from his investment was \$189.142 The idea was sound. however, and has proved commercially profitable in the form of concentrated fruit juices now kept under refrigeration.

An Iowan, H. W. Walford, claimed to have perfected an improved wheat drill. He said that instead of mounting his drill and seed box on wheels, he used rollers with collars eight or ten inches apart; the rollers followed the drills and pressed the seeds into furrows. The inventor claimed that these furrows protected the seed from drought or wind and helped retain moisture and snow in winter, since in a thaw the earth from ridges on both sides would slide into these furrows and cover roots heaved up by frost. Walford wanted Mason to suggest someone who could procure a patent on the idea and take half the profits for his own expenses.¹⁴³

Another client, Jesse Frye, had invented what he called "a steamhorse of all work," designed for work on roads or in fields. It had two iron wheels twelve feet in diameter and forty inches wide, and two eight feet in diameter, but narrower in proportion to the others. Frye had a double cylinder engine for each of these wheels, with a boiler large enough to furnish steam for the engines. He thought that his machine could move 100 tons or more at an average speed of twenty miles per hour.¹⁴⁴ Frye offered Mason \$500 per month for his legal services and one fourth interest in the invention until receipts amounted to \$200,000 exclusive of expenses.¹⁴⁵ At first Mason was enthusiastic over the prospect and wrote, "If steam plowing in the ordinary way is ever to be accomplished, this seems to me to

be the way to do it."¹⁴⁶ He gave Frye small sums of money from time to time to pay for his room and board but evidently not enough to perfect his invention.¹⁴⁷ Consequently Mason lost whatever he loaned Frye.

Mason's experiences in this period proved useful both to others and to himself. When he was Commissioner of Patents, his liberal policy in granting patents not only made him popular with inventors, but also probably indirectly served to stimulate inventive genius. In addition, he served the public at large by expanding the scope of the Patent Office to include increased aid to agriculture and weather forecasting. So far as Mason himself was concerned, his years as Commissioner and as a patent lawyer opened to him new and exciting personal investment opportunities.

Unless otherwise noted, all letters and documents cited are found in <u>Mason Papers</u>.

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Chapter VII

INVESTOR IN WAR AND POST-WAR OPPORTUNITIES

The Civil War and the post-war period offered many opportunities for investment. There was more demand for gold and silver, and the mining discoveries which followed in the Far West seemed to promise a rich return to those who could supply the capital to work them.¹ This prospect applied to coal and oil as well as to ore. One of the most attractive investment fields in Pennsylvania during and immediately after the war was the coal business.² Petroleum production increased from a few hundred barrels a day following Edwin Drake's successful drilling in 1859 to a total daily crude capacity of nearly 12,000 barrels by the middle of the following decade.³ Like the discovery of gold and other mineral deposits elsewhere, Drake's well brought into western Pennsylvania a rush of prospectors who hoped to strike it rich.⁴ Then, too, manufacturing, stimulated by war needs, prospered greatly from 1862 to 1865. During this time patent pooling became a virtual necessity because new and complex inventions required various patent devices.⁵ This gave businessmen a chance to profit by selling or leasing patents or combining them with those of others to their mutual advantage. Men with capital also found opportunity to speculate profitably

in the financial market if they could anticipate its trend.⁶

Mason, like other Northern businessmen, attempted to use these opportunities for personal profit. He had chances to participate in numerous mining ventures involving not only gold, silver, and coal, but oil. He also bought and sold shares in patent rights. His business biography therefore illustrates his effort to use the patent system for gainful purposes. He also tried to profit from the fluctuating value of gold, since the price varied according to the success of the Federal armies and therefore with the hope or despair that the Federal government would sometime be able to redeem its fiscal obligations. Mason's business records in this period show not only how his political beliefs influenced his business judgment during the war, but also the relation of his financial situation to his views on the government's post-war monetary policy.

When the Civil War began, Mason's first inclination was to offer his military services to the Federal government. His reaction was natural, since he had obtained a military education at government expense, and both his native state and his adopted state were in the North.⁷ Accordingly, he wrote to Senator James W. Grimes applying for a commission in one of Iowa's volunteer regiments.⁸ Mason was prepared to accept the rank of colonel, but

Grimes replied that he would probably be appointed a brigadier general.⁹

As it turned out. Mason was not offered any military rank at all. At the time he was certain that this was a matter of politics and that Iowa's Republican governor, Samuel Kirkwood, gave Republicans preference over Democrats when it came to granting commissions. As evidence of this, Mason claimed that Kirkwood had appointed Republicans as colonels of most of the volunteer regiments and that the field officers were also Republicans.¹⁰ Mason thought that political considerations also prevented his getting a commission in the Engineer Corps. He had applied to this branch because he had served in it after his graduation from West Point, and fully expected to be be made a brigadier general with responsibility for building defense works at some point on the Great Lakes.¹¹ He did not get this post, either, and years afterward still claimed that the Republicans had barred him from it.¹²

Though the Iowa Republicans apparently were not inclined to allow Mason a military commission, they were willing to use him on the home front: the Iowa legislature appointed him to the board of commissioners to work with Governor Kirkwood in selling \$800,000 of state bonds issued to meet war expenses.¹³ The other board members were William Smyth, James Baker, and C. W. Slagle.¹⁴ One function of the board was to decide how many bonds should be issued from time to time. Although the Governor favored offering \$500,000 in bonds for sale in the beginning, the commissioners authorized only \$400,000, half the appropriation. They decided to sell at par as many as they could in Iowa, then to offer them for less than par, if necessary, at the best price offered in New York.¹⁵ Later they determined not to sell in New York at less than 90 cents on the dollar, taking this action in the belief that New York financiers planned to bid for the bonds at a low figure in retaliation for losses on city and county bonds from Iowa.

At this point, Mason apparently began to doubt Governor Kirkwood's handling not only of the bond issue but of certain other aspects of the war effort. For one thing, Kirkwood was determined to issue more bonds before the sale of the first issue, despite the board's recommendation against it. Also, Mason was disturbed that the Governor seemed vague as to how much remained from the bond sales and how the state planned to spend it. Mason wrote in his diary that he and the other commissioners, regardless of political affiliation, were sure that a large amount of public money would find its way into the pockets of some of the Governor's favorites. Since the state had done most of its contracting through Kirkwood's brother-in-law in Iowa City, Ezekiel Clark, Mason also questioned the Governor's allocation of

war contracts. The state had paid a much higher price for war material from that source, Mason thought, than the same articles would have cost elsewhere. Those getting such lush war contracts he feared would naturally favor prosecuting the war to the bitter end.¹⁶ Governor Kirkwood's biographers cite no evidence, however, that would substantiate Mason's charge of favoritism or dishonesty in allocating Iowa's war contracts and disbursing war funds.

When the first Iowa bond issue went on sale in New York, Mason's suspicions as to the plans of Eastern financiers seemed justified. They declined to buy the state bonds except at a considerable discount, the bids ranging from 80 to 88 cents on the dollar.¹⁷ Finally, the bonds sold in Iowa at 94 cents; \$300,000 in bonds at that figure provided Iowa with all the funds necessary to pay war expenses, and the remaining \$500,000 were eventually destroyed.¹⁸

The combination of these two experiences--his unhappy service as an Iowa war bond commissioner and his inability to secure a military commission--may have helped Mason decide what attitude to take toward supporting the Northern war effort. Evidently he concluded that dishonesty and favoritism played too great a part in it. Then, too, Mason's previous political conditioning as a lifelong Democrat probably predisposed him to question supporting a war he believed had been provoked by Republicans. He

decided, therefore, that both the North and the South were wrong. Although Mason deplored the resort to secession, he believed that the Constitution had not given the Federal government the right to prevent it. It was preferable, he thought, to admit the theoretical right of secession as a check upon any tendency to injustice on the part of the majority. Unless the states voluntarily stayed together, Mason feared some sort of arbitrary and despotic government as a result. Although Mason opposed holding in slavery the colored people capable of managing their own affairs, he was equally opposed to holding white people in the Union by no other tie than that of compulsion.¹⁹ Mason favored a compromise settlement between the belligerents. If the Southerners would not accept a liberal proposition, he believed the Northerners should renew it whenever they gained any great military success. In this way, Mason thought, the South would be brought back untainted by any feeling of degradation.²⁰

Mason's position was typical of that maintained by Copperheads--Northerners who gave direct or indirect support to the Confederacy. One such Copperhead in Congress, Representative S. S. Cox of Ohio, suggested formation of a national peace commission composed of prominent Northerners and Southerners who would work out a compromise agreement. Although such Midwestern Democrats as Daniel Voorhees of

Indiana and Clement Vallandingham of Ohio supported Cox's plan, the House of Representatives defeated it by a strict party vote.²¹

Mason recognized that this appeal for a negotiated settlement between the sections was so contrary to the current of majority opinion in the North that to follow it would end his political prospects forever. He therefore made plans to retire to his farm in Iowa and expected never to mingle in public affairs again.²² If he could not conscientiously support the Northern war effort, he was determined to do nothing to impede it. He wrote in his diary, "Whatever may be my views on this subject, I must not take part in opposition to my government while the present effort toward forcible reunion is being made, however much I may doubt of its success."²³

Mason could not keep out of politics, however: in 1861 the Iowa Democratic convention nominated him as the party's candidate for governor to run against the Republican, Samuel Kirkwood. Although Mason had not expected the nomination and did not welcome it, he accepted. His close friends warned him that he would be overwhelmingly beaten and render himself personally unpopular in the process, and he was sure of this himself. However, he determined to make the effort and thus serve as a rallying point for political opposition to the course pursued by the Republicans. Mason hoped that other Northern states would follow his effort and finally produce a negotiated peace between the states.²⁴

Mason's prospects for election were lowest in Lee County, where a few years before he had been involved in the Half Breed Tract speculations. Some of his friends told him that he would not get forty votes in that county, and others vowed that his opponent would beat him there by as many as 1,000 votes.²⁵ As the election drew closer, Mason's prospects did not improve, partly because of a split in the Democratic state organization over the question of supporting the Northern war effort. One of these war-minded Democrats, Colonel William Merritt, declined the nomination for lieutenantgovernor, and stood as the candidate of a faction of the Democratic organization styling itself the Union party. Some of Mason's associates then suggested that he withdraw his candidacy in the interest of party unity so that all members might throw their influence into beating the Republicans.²⁶

At first Mason declined to withdraw from the race for governor no matter how poor his prospects of election appeared. Colonel George Paul of Iowa City, a member of the Democratic state committee, told Mason that he would receive only a small fraction of the Democratic vote in Cedar, Linn, and adjacent counties. Paul claimed, however, that if the two Democratic factions would unite behind Merritt, he had

good prospects of being elected over Kirkwood. According to Paul, Merritt would sweep Cedar, Linn, and other counties easily. In view of his poor prospects, then, Mason yielded to Colonel Paul's urging that he withdraw from the ticket.²⁷ Afterward Mason regretted having taken this step. He thought friends had misled him and that to have stood firm and accepted defeat would have been the better course. As it was, he had sacrificed his political career by becoming a candidate and then withdrawing before his defeat could accomplish anything. As far as results of the election were concerned, Merritt still lost to Kirkwood.²⁸

After Mason's failure to secure a place in the army or politics, he turned his attention to his personal affairs in an effort to profit from the national crisis. Oil investments probably seemed promising because, fortunately for the petroleum industry, national events had eliminated serious competition from other sources of lamp illumination. The war-time blockade suspended shipments of crude turpentine from North Carolina, used in camphene, thus removing from the market one of petroleum's competitors as an illuminant. Then, too, the national government taxed alcohol, a major ingredient in camphene. Shortages of turpentine also encouraged substitution of petroleum naphthas for spirits of turpentine in paints and varnishes.²⁹

Mason speculated in oil lands by taking stock in a West Virginia concern, the Standing Stone Oil Company. This firm solicited Mason for funds, and while he was reluctant to invest cash, he was willing to exchange 3,000 acres of Iowa land for 2,000 shares of stock, supposedly worth \$100,000.³⁰ Perhaps Mason's extensive share in the Standing Stone Company accounts for the fact that he became a member of the board of directors and eventually an officer in the firm.³¹

However, Mason and his associates in the Standing Stone Oil Company found that their investment did not come up to expectations. The principal reason for this was the dishonesty of the agent they appointed to conduct company affairs, a Dr. Van Camp. The board of directors had considerable difficulty ascertaining just what Van Camp was doing with company funds entrusted to his care.³² After they eventually found only \$6,000 in the treasury, they immediately deprived Van Camp of his powers. Mason finally concluded that Van Camp was guilty of the same type of dishonesty as that of James Estes in land transactions and that he had unfortunately traded valuable land for worthless oil stock.³³

Mason also speculated in Nova Scotia coal land. This probably seemed a promising investment because of the use of coke in smelting. Americans had not used coke extensively in making iron until 1835, when one manufacturer turned out a superior grade of pig iron by using soft coal previously

baked in an oven. Afterward, all iron manufacturers wished to use coke in smelting iron and steel.³⁴ Bituminous coal was also used to produce coal gas for lighting and heating.

The Nova Scotia coal land venture had resulted from an urgent suggestion by O. S. Peck of New York City for Mason to invest in mines on Cape Breton Island. Peck wrote that the Block House Mining Company had recently purchased the mines and that the board of directors was offering \$125,000 in stock for sale in order to complete the works at the mine. Because geological reports had indicated a greater coal deposit in the area than previously estimated, Peck regarded this as a profitable investment. He pointed out, too, that the Manhattan and New York Gas Light Company had purchased 35,000 tons of coal from these mines at \$2.50 per ton in their own The Jersey City Gas Company had bought 1,000 tons vessels. of coal at \$10 per ton delivered, he said, and every gas company in Massachusetts, Connecticut, and New Jersey reportedly was anxious to purchase from the mines. Peck thought that prospects for profit would be even better when a railroad was completed to Louisburg, since the mines were midway between Louisburg and Sidney.³⁵ The mines had already shipped 13,503 tons the first sixty days of the current season and expected to ship between 100,000 and 125,000 tons the following year at good profit. The company was mining coal at 50 cents per ton, less a 10-cent per ton royalty

to the government.³⁶ Evidently Mason responded favorably to the prospects of the Block House Mining Company, since he purchased between 2,000 and 2,500 shares of stock in it.³⁷

The mining investment did not come up to Mason's expectations, however, for various reasons. For one thing, the United States Senate cancelled the reciprocity treaty with Great Britain. This action, Peck said, was in reprisal for Britain's sympathy and aid to the Confederacy, and resulted in tariff rates equal to that on coal imported from Europe. Peck hoped that appeals from the New York Chamber of Commerce and other similar groups would result in another reciprocity treaty.³⁸ The company seems to have had financial difficulties, too, since Peck told Mason that he hoped a proposed change in the board of directors--that of replacing the president with a man of wide business experience and financial means--would be to the advantage of the company.³⁹ This may have improved the company's business, since two years afterward Mason received a dividend notice of 3 per cent payable in gold. 40 At this rate he should have received \$60 or \$75 on his twenty shares of stock that had cost him either \$2,000 or \$2,500. Evidently this favorable business trend did not continue, however, for the Block House Mining Company eventually had to sell its property in order to pay off its stock at the rate of \$2 per share.⁴¹

On this basis, Mason got only \$40, making his financial loss on the investment about \$1,900.

Mason considered putting money in some promising gold or silver mines, believing that a good mine would prove a less hazardous investment than some other form of speculation.⁴² It was natural for Mason to believe this, since precious metals would have a relatively stable value, while that of paper currency was uncertain. Congress had not yet provided for redemption of the 431 million dollars in paper money, commonly known as Greenbacks, issued during the war. While the Greenbacks at face value were a promise to pay on demand. they were actually fiat money, dependent for value upon the whim of the government, and bore no interest rate.⁴³ Moreover, for nearly fourteen years after the war the government postponed resumption of specie payments.44 The uncertainty as to whether it would ever do so created a search for investments that would not be dependent for value upon mere command of the sovereign power.45

Several men tried to persuade Mason to invest in what they claimed were promising silver mines. O. S. Peck proposed that Mason invest in a silver mining venture near Austin, Nevada. Peck planned to form a company to purchase and operate these mines, which he estimated would yield a daily profit of \$1,000. He needed \$1,500,000 for this purpose, he said, and proposed that seven persons subscribe

\$10,000 each, in return for which they would each receive \$85,000 in stock fully paid and unassessable. Peck hoped that Mason and his friends would purchase stock and that Mason would consent to be president of the company.⁴⁶

H. K. Love had a different mining proposal to offer Mason. He owned one sixth of an Idaho mine that allegedly showed promise of a rich yield of silver. Officers of the First National Bank of Keokuk owned all the shares. Love proposed to sell Mason half of his interest if Mason would pay for Love's share and for his contribution toward erection of a quartz mill. This amount, Love estimated, would be between \$8,000 and \$10,000. As Love explained it, Mason would not only have an equity in the property, but part of all the mill earned. If Mason was not satisfied with the profits, Love promised to take the investment off his hands and pay him 10 per cent interest on the money.⁴⁷

When Mason did decide to invest in one of the silver mining proposals offered him, his choice proved a poor one. Colonel Jesse Williams wanted Mason to find six or seven men willing to subscribe \$20,000 or \$30,000 in a Nevada mine called the Olympic. He proposed that anyone subscribing \$25,000 be allowed to withdraw from the partnership after paying \$5,000, after which the subscriber would receive one fifth of the title. Williams assured Mason that if he participated in such an arrangement, everyone concerned would make

a fortune.⁴⁸ There is no indication of how much Mason put into this project, but whatever it was, he evidently lost it, since a few months later Williams wrote that the Olympic mine was probably a lost cause and that those who invested in it would very likely fail to obtain the anticipated profit from it.⁴⁹

One gold mining proposal to which Mason proved receptive came from an Iowa acquaintance, J. N. Westcoatt, who after being in California and other parts of the West for several years had come East to dispose of gold mining interests. Westcoatt proposed to let Mason share in one of his best mines, the Genesee, and Mason found his arguments more persuasive and appealing than those of other speculators. Perhaps this was because he thought, since labor and provisions were apt to be less expensive in California than in other mining regions, that it would cost less to develop the mine.⁵⁰ Mason finally agreed to invest \$1,000 or more in Westcoatt's mine.⁵¹

Westcoatt then proposed a more extensive investment in the Genesee gold mine. As an inducement, he offered Mason any part of his interest--one half, one third, or any portion--since he was an equal owner with two other locaters. He owned 2,666 feet of the mine and offered Mason any part of this he desired.⁵² He even proposed to dispose of one fourth of the whole location for \$20,000, to be used as working

capital for putting up housing, machinery, pumps, and a mill.⁵³

Several months later Westcoatt tried to raise \$50.000 for working capital in order to develop two other mining properties in California besides the Genesee in Indian Valley: the Oriental in Nevada City and the Empire in Sierra County. Westcoatt hoped to consolidate finances for the three mines so that the owners could spend all or part of the working capital on the property which seemed to yield the best return. He estimated the value of the three mines at \$150,000 and claimed that his plan of operating them would produce half a million dollars within a year. He planned to issue \$200,000 worth of stock, 200 shares at \$1,000 each, and suggested that Mason take three shares, entitling him to a one sixteenth interest in the Indian Valley mine.⁵⁴ Mason did purchase three shares, as Westcoatt suggested. Three months later Westcoatt repeated his assurance that in six months or a year the property would prove exceedingly valuable to everyone who had invested in it. He then went to California to make good his promise.⁵⁵

Two years later Westcoatt reported the failure of his mining venture. He had built a quartz mill and successfully opened the Genesee mine. Although the first prospects seemed favorable, the ledge failed, making it necessary to open a new one, thus costing additional time and money. In the meantime, the partner holding a controlling interest sent his nephew to California to assist Westcoatt. The nephew eventually requested Westcoatt to resign as mine superintendent, which he did; but after his dismissal, the enterprise ran into debt, and finally the agent sold the whole concern.⁵⁶ This speculation cost Mason \$4,000 and there is no indication that he ever recovered his money.

Mason also had opportunities to profit by buying or selling patent rights. In one case he attempted to profit from an invention for raking severed grain from reaper platforms. The inventor, Jearum Atkins, was a millwright crippled in an accident so that he was unable to walk again. He had designed and been granted a patent for a device that could be attached to a reaper and imitate the motion of human arms in sweeping the grain from reaper platforms. Such an improvement was needed because it was exhausting physical labor to rake the severed grain from the platforms by hand.⁵⁷ However, the original patent papers had not been properly prepared. If through his legal efforts Mason could secure a government extension of the original grant, he was to have half the patent rights in an improved version of the rake.⁵⁸

The fact that Atkins no longer controlled his patent complicated his problem of securing a reissue. He had assigned half the original patent rights to John S. Wright, editor of the <u>Prairie Farmer</u>, a publication intended

primarily for farmers. Wright wished to manufacture reapers with the self rake attached. But after Atkins made some improvements on his invention which Wright refused to include in his model, Atkins became dissatisfied with this business arrangement. Atkins also had asked Wright to secure a reissue of the original patent that would include the changes, but Wright had refused to do so, arguing that the machine needed no changes and refusing to pay Atkins for his improvements.⁵⁹

Wright's sales of the reaper with the rake attachment had seemed to justify his views: he sold forty machines in 1853, 300 in 1854, and 5,000 in 1856, but still could not fill all his orders. In an effort to make the supply meet the demand, Wright began making the machines with green wood and poor materials, This proved disastrous, because the machines broke down and purchasers returned them in such great numbers that he went bankrupt. Consequently, Atkins received only \$7,000 for his invention that he had estimated to be worth \$2,000,000 during the course of the original patent.⁶⁰

In addition to Atkins' financial losses, he had also lost part of his legal rights because John Wright had assigned his half of the original patent to his brother, Walter. However, John had retained possession of the original patent papers after he became estranged from his brother, and it

proved impossible for Walter to obtain the original patent grant.⁶¹ Atkins wanted Mason to help him regain control of the original patent so that he could legally apply for an extension on behalf of Mason and himself which would include rake improvements.⁶²

One way for Atkins and Mason to regain control of the original patent was to buy Walter Wright's share and add it to the half which Atkins already possessed. It proved impossible, however, to work out a satisfactory arrangement by which Mason could acquire all of Wright's share of the grant. At first Wright was under the impression that he owned all the original patent, believing mistakenly that Atkins had assigned the whole grant to John. When Wright found that he could not work out a satisfactory arrangement to sell Mason his rights, he in turn tried to buy Atkins' interest. Wright wanted Atkins to assign him his remaining half plus the right to improvements not covered in the original grant. This Atkins refused to do.⁶³

Since Mason could not work out a satisfactory arrangement between Atkins and Walter Wright, his other alternative was to buy half the latter's interest and attempt to dispose of Wright's remaining part on terms satisfactory to him. He consummated the first part of this plan when, apparently with financial aid from his law partners, Fenwick and Lawrence, he bought half of Wright's share with the understanding that the

proceeds of any future sale would go to reimburse them.⁶⁴ This gave Mason and Atkins a controlling interest in the original patent.

The other part of the plan--to sell Wright's remaining interest on terms satisfactory to him--proved more difficult to achieve.⁶⁵ Finally, Mason seems to have lost interest in the Atkins patent and evidently proposed that he turn his portion of Wright's share over to somebody else. Wright, however, strongly resented this suggestion, since he feared it might link him in a business relationship with a total stranger.⁶⁶ Wright also refused to buy back the patent rights he had sold Mason, insisting that he had sold half his interest in order to secure Mason's services in selling his own equity.⁶⁷

Mason on his part saw no reason why he should not sell his own interest in the patent if he wished to do so. He had always supposed that he could do this if he found it inconvenient or unprofitable to dispose of Wright's share. However, Mason promised Wright that as soon as a patent had been reissued and extended on the improved rake, he and his law partners would sell it to Wright for the same price that he could secure elsewhere.⁶⁸

It seems, however, that Wright was more interested in immediate returns than in ultimate profits. He suggested that Mason negotiate with manufacturers of farm machinery for the sale of the Atkins patent, pointing out that Cyrus McCormick and his competitors were purchasing all the patents they could on rakes and reapers in order to control as many as possible. Wright reported that McCormick had paid other patentees \$20,000 for their rights the previous year and would pay even more the current year. According to Wright, the Atkins patent would probably be worth as much or more to other reaper manufacturers.⁶⁹

In accordance with Wright's suggestions, Mason attempted to interest other manufacturers of farm machinery in the Atkins patent. He first tried to dispose of both his own and Wright's share for \$30,000 to three potential buyers, J. Russell Parsons and his two partners, Ward and Thayer. Evidently Mason had intimated that he would consider selling Wright's share at a lower figure than first quoted and they arranged a conference with him on the matter. Parsons suggested that the value of the patent would depend on the possibility of obtaining a government extension of the original grant.⁷⁰ Mason then asked Atkins to pay half the cost of procuring a patent extension and to give him half of it, a proposition which Atkins declined.⁷¹ This would have given Mason a controlling interest in the patent--half of Atkins' share plus half of Wright's share. As a result of Atkins' refusal, Mason failed to sell Parsons and his associates Wright's share of the patent.

Mason then turned to Atkins and evidently suggested that he could dispose of the latter's share if properly compensated. Atkins countered with the suggestion that if they waited until the original patent expired, Mason could, for a moderate amount, share in the extended patent, which would include improvements on the original invention.⁷² Shortly thereafter Atkins wrote that he might sell his entire interest to Mason for cash but declined to say exactly what terms he would accept.⁷³

Six months later Atkins was more explicit to Mason about his terms for sale of the patent rights. Before he obtained an extended patent, he was willing to sell his interest for \$20,000, half in cash, the rest when and if the extension was granted.⁷⁴ Later, Atkins lowered his price to \$18,000--\$6,000 in cash and \$12,000 contingent on extension of the patent.⁷⁵ Mason was to have either 5 or 10 per cent of the purchase price as his sales commission. Atkins stipulated, however, that this sale was not to benefit Mason personally in any way.⁷⁶ But despite Atkins' wishes, Mason fully intended to make a profit for himself from the patent.

Mason and several others purchased Atkins' equity and combined it with other agricultural patents in a patent association or pool.⁷⁷ A patent pool was usually an arrangement whereby several patent owners transferred control of their patents to a single management, to be administered

as a group for the common benefit of the original owners. Each patentee usually received a license from the pool for his own business. Sometimes outsiders also received licenses under the pool patents in return for money payments. The management usually collected royalties from licensees and distributed these to the pool members according to their respective contributions to the pool.⁷⁸ Mason's patent association followed this pattern. It combined several reaper patents in one company and hoped to lease the right to use these or perhaps sell them to some manufacturer of farm machinery.

The patent pool expected to make a substantial profit from control of the Atkins patent. Mason's records do not disclose whether it was he or the association who paid Atkins for his equity; but this portion, along with Mason's share, gave the pool a controlling interest in the rake invention. The group estimated a sale of 25,000 rakes per year, from each of which they would receive a license fee. On this basis they calculated their profit from Atkins' patent at \$30,000 or more per year for seven years, providing they could obtain an extension of the original patent.⁷⁹

Perhaps believing that when the patent association applied for an extension of the Atkins patent it would be advantageous to have a member of the pool in the Patent Office, R. W. Fenwick, Mason's law partner, suggested

Addison Smith, an examiner, as a good choice for secretary and treasurer of the patent association. According to Fenwick, Smith would serve for \$3,000 or \$4,000 per year, was familiar with inventions of the Atkins type, and would arrange to take part of his pay from proceeds of licenses issued for it. Fenwick believed, too, that Smith's long association with the Patent Office would be an asset to the patent association because the public would have greater confidence in it.⁸⁰

Despite all the efforts of the association, the Patent Office refused the extension. Apparently Addison Smith's influence was insufficient to secure a favorable decision. The Patent Office even refused to be swayed by Fenwick's personal appeal to the Commissioner. Fenwick then asked Mason to write the Commissioner who, according to Fenwick, wanted Mason to say that the Patent Office should grant the extension.⁸¹ There is no indication whether or not Mason made such a written appeal, but if he did, it had no effect.

Mason's prospect of making something out of Atkins' patent decreased still further with the dissolution of the patent association. M. G. Hubbard, president of the Reaper and Mower Improvement Company of Syracuse, New York, and other members of the pool concluded that the courts would not sustain the Atkins patent;⁸² consequently, after selling for \$15,000 one of the other patents which they controlled,

the group disbanded. Mason obtained \$5,000 from this transaction.⁸³ He wished to continue operations of the pool but decided not to hold the others against their will.⁸⁴ At this point, Mason had not succeeded in selling either Wright's share or Atkins' share in the patent or obtaining control of it himself through the patent pool.

Although Atkins apparently regained his share in the original rake patent when the pool disbanded, he never profited from it. Congress eventually extended his patent by special legislation but the extension came too late to benefit him. By that time the manufacturers of agricultural machinery had other types of self rakes and were no longer interested in Atkins' invention.⁸⁵ Consequently, Mason's continued efforts to dispose of the patent rights proved futile, although Atkins agreed to pay Mason half of whatever he could obtain for the sale of the patent.⁸⁶ Finally Atkins appealed to Congress for \$100,000 compensation for his contribution to agricultural improvements and the Senate committee turned him down.⁸⁷

The net result of Mason's involvement with Atkins' patent turned out to be a financial loss. Walter Wright had asked \$30,000 for his equity in the original patent,⁸⁸ and if Mason paid one third the cost, his share was \$10,000. Mason also periodically advanced Atkins small sums, totalling approximately \$2,000. Since Mason never recovered

this money⁸⁹his total disbursements on the investment were \$12,000. If the rake association paid Atkins \$6,000 for his patent rights, as he asked, Mason's 10 per cent commission on the sale was \$600.⁹⁰ Mason also received \$5,000 after dissolution of the patent association,⁹¹ making his total receipts approximately \$5,600, or a loss on the enterprise of about \$6,400. It is no wonder, then, that Mason regretted that he had ever had anything at all invested in Atkins' patent.⁹²

Mason also attempted to profit from patents issued to Robert Brown for certain improvements in droppers on mechanical reapers. Brown first gave his attorneys, Mason and Fenwick. the power to sell these patents with the understanding that they might be part purchasers themselves.93 Accordingly, Mason, Fenwick, and Reuben Hoffheins, a fourth partner, each paid Brown \$2,500 in return for which he assigned each of them a one fourth interest in two patents and a one fourth interest in two other inventions provided he could patent them. Mason, Fenwick, and Hoffheins were to manage these patents on their own terms, either for license fees or for consolidation with other patents. Brown authorized them to deduct \$7,500 from his share of the proceeds as reimbursement for the amount they had paid him. If at the end of three years the proceeds from Brown's interest was insufficient to repay this amount plus interest.

then half the interest in the patents and inventions in question would become the property of the other three partners unless Brown advanced the required money from other sources. However, after Brown had reimbursed the others for what they had paid him, their one fourth interest was to cease. After this they were to have control and management of Brown's patents and inventions, in return for which they were to have half the proceeds in whatever way these might arise.⁹⁴

In accordance with their agreement, the partners created a patent association. They made Brown's dropper patent part of the pool and also purchased three other patents involving improvements on harvesters, issued to Staley, Lupton, and Means. Apparently this was not the same patent association that had bought Atkins' patent, since his name is never mentioned in connection with it. A year later Brown objected to having his patent included in the association with other patentees because he was assessed for their expenses without a comparable return. He asserted that a year had proved that the association was a failure and wished to withdraw his patent from it. Brown also blamed Mason for having influenced him to join the association,⁹⁵ though Mason contended that Brown came into it by his own wish and that the partners could dissolve it only by mutual consent.

Mason and Fenwick on their part were willing to dissolve the association if they could get back the money they had

invested. They expected not only what they had originally advanced plus interest but \$1,500 each for their expenses in connection with the agreement.⁹⁶ Fenwick suggested that if he and Mason sold their rights to Brown for \$3,000 beyond their original investment, they should also try to sell Hoffheins the Lupton, Staley, and Means patents for \$2,000.⁹⁷ Fenwick told Mason they should try to persuade Brown that neither of them would sell his interest separately; but if that proved impossible, each of them should try to make the best deal he could alone. Obviously disgusted with the entire transaction, Fenwick concluded, "I want to get out of this pack of thieves and scoundrels."⁹⁸

Brown was also at odds with the fourth partner, Hoffheins. Brown had offered to sell him a license permitting him to use the Brown patent in manufacturing farm machinery. Hoffheins replied that he would only accept a license in return for the money that he--Hoffheins--had already contributed to the patent pool.⁹⁹ Brown refused, contending that Hoffheins, after using the Brown patents for a long time without paying for them, now demanded a concession from him without compensation.¹⁰⁰ Furthermore, Brown blamed Fenwick and Hoffheins for having blocked possible sale of half or all of his patent. They had allegedly prompted another inventor, Whitely, to contest the sale on the ground that he had a prior patent.¹⁰¹ At this point, then, matters were at an impasse. Fenwick,

Mason, and Hoffheins could do nothing either together or independently to dissolve satisfactorily their business relationship with Brown, and yet none of the partners wished to maintain it.

Brown proved to be not only intransigent but dishonest. Fenwick, through a search in the Patent Office, discovered that Brown, previous to his original agreement with Mason and Fenwick, had sold a half interest in his invention to Calvin Page, including a half right to all improvements Brown might make in harvesters. Then, too,prior to the agreement, Brown had sold a quarter interest in another invention in farm machinery on which they had secured a patent for him. This was contrary to Brown's original declaration to Mason and Fenwick that he had not assigned to others any portion of his inventions or patents except for rights in certain portions of Indiana and Ohio.¹⁰²

At the suggestion of D. C. Lawrence, Mason's other law partner, Mason and Fenwick decided to make the best of a bad bargain by disposing of the Brown patent on the best possible terms. Hoffheins was willing to buy their interest in Brown's patent for \$7,000 and they decided to sell at once regardless of Brown's rights or inclinations in the matter.¹⁰³ Thus for patent rights which had cost each partner \$2,500, they each received a \$1,000 profit. There is no explanation of why Hoffheins was willing to pay for patent rights which Brown had already sold elsewhere or what disposition the firm made of the Staley, Lupton, and Means patents.

Mason became involved in another patent venture, the promotion of a gas lamp designed by a Keokuk inventor. John Sanford.¹⁰⁴ Mason evidently drew up Sanford's patent application, which the government granted. When Sanford suggested that he would pay a lawyer a liberal fee to manage the marketing of the lamp.¹⁰⁵ Mason accepted the offer and continued to handle Sanford's legal and commercial affairs regarding his patent.¹⁰⁶ The Manhattan Manufacturing Company in New York agreed to make a model of the lamp and then decide whether to undertake its manufacture on a commercial basis. A short time later Mason visited the Manhattan factory and noted that the company was overcoming some difficulties regarding the lamp.¹⁰⁷ However, since there is no further reference in Mason's records to arrangements with the Manhattan Company, it is possible that they were unable to perfect Sanford's lamp and declined to undertake making it.

Since they were apparently unable to find a company willing to manufacture the lamp, Mason and Sanford decided to form their own company for that purpose. Two others, J. M. Summers and Ralph P. Lowe, joined them, and the partners agreed on plans for managing the lamp. Presumably they all made financial contributions in return for which they received patent shares. Mason wrote in his diary that

while Sanford and Lew were enthusiastic about the company's prospects, he was less hopeful.¹⁰⁸

Mason's estimate of the company's future proved more realistic than that of the other partners. Shortly after launching the enterprise, the partners began quarreling with each other. Sanford, for example, wrote Mason suggesting that he (Mason) take one eighth interest in the patent rather than the one fourth which Mason expected to receive in return for his financial contribution. Naturally Mason refused to consider this and thought Sanford deranged for having suggested it.¹⁰⁹ After some dissension the partners finally signed a mutually satisfactory agreement regarding the division of shares.¹¹⁰ Then the lamp company proved a financial disappointment. Sanford wrote Mason that he wanted to sell his share in the invention if he could get back his money with interest. Mason wrote in his diary that he too regretted having had anything to do with it. He estimated that he had given \$1,000 and much time and labor to it, and if he could get his money back with reasonable compensation, he was willing to sell out.¹¹¹ Evidently Sanford was unable to sell the patent, for several months later he tried to borrow another \$1,000 from Mason to extricate the company from its financial troubles. Mason refused the request.¹¹² After this point there is no further reference to the lamp. Just why it failed is not indicated anywhere in Mason's records.

Mason was also interested in a patent on a machine for manufacturing split spikes. The inventor, Amos Whittmore, had patented a machine for making a two-pronged spike known as the Kirkress, which apparently resembled the modern doublepointed carpet tack.¹¹³ Perhaps Mason thought long-distance railroads would find such a double-pronged spike valuable if it proved more reliable than the common single-pronged type and if the machine could produce it in the large quantities railroads would require. He therefore offered Whittmore financial and legal aid in constructing his machine in return for an interest in the patent. According to the agreement, Mason received a 30 per cent interest and Charles Brigham, a Boston iron and steel dealer, a 35 per cent interest. No partner could dispose of any part of his interest nor grant a license to anyone else to make spikes under it without consent of the other partners.¹¹⁴

There were several ways in which the partners could profit from Whittmore's patent. One was to sell it wholly or in part to others. One group of potential buyers, headed by Charles Ewing, already owned two split spike patents issued to an inventor, McGill, and wished to obtain rights to the Whittmore patent. But the sale did not materialize because Mason would not give Ewing and his group any more than an equal share in Whittmore's patent.¹¹⁵

Mason noted in his diary that there was some prospect of interesting the Russians in the proposed spike-making machine. However, when he called on the Russian minister to the United States, he denied having any special interest in such an invention. Mason also called on two other Russians. Bodisco and his younger partner, Kabath, who at first declined to risk any money in the venture but later proposed to take a one third interest in it.¹¹⁶ Whittmore favored giving Bodisco this interest if he would finance construction of a spike-making machine.¹¹⁷ The Russian interest in the project is understandable because during the five-year period between 1870-1875 there was a tremendous increase in railroad building in that country. In this interval, trackage increased by 4,971 miles.¹¹⁸ However, these negotiations with the Russians concerning Whittmore's spike patent came to nothing.

Mason realized that even if he could not sell Whittmore's patent, he could still use it to obtain a monopoly of the split spike business. He hoped to do this by getting control of all valuable spike patents and using Whittmore's spike machine patent to produce the most promising spike. Mason particularly wished to control the McGill patents which the Ewing group owned, but Ewing refused to give Mason and his partners more than an equal share in these patents. In order to achieve a controlling interest in

the McGill patents, Mason proposed to secure control of still another spike patent known as the Balmer patent, which he planned to unite with Whittmore's patent in an organization having the legal right to make two types of spikes.¹¹⁹ Mason probably thought that prospect of a monopoly would induce the Ewing group to join the organization, bringing with them the McGill patents.

Whittmore wanted to make the proposed organization a stock company rather than one operating on a royalty basis and to make the amount of stock large enough that, after the company founders had taken their shares, enough would be left to offer for public sale. He hoped to raise \$2,500 from the latter source, an amount he estimated would be sufficient to construct his machine. Public contributors rather than the company founders would therefore bear the risk of its success.¹²⁰

However, before they could hold out the prospect of a spike-making monopoly to their rivals, as Mason wished, or to form a stock company and persuade the public to buy shares in it, Whittmore had to build a successful spike machine. Mason and Brigham each contributed \$300 to enable Whittmore to build a large-scale version of his machine. Whittmore agreed to advance all additional funds. Mason and Brigham were to receive \$300 each out of the first net profits from the invention if it proved successful, and Whittmore, \$2,400.¹²¹ For a time it seemed as if Mason would lose what he had contributed toward building Whittmore's experimental machine. When Whittmore took much longer than his original estimate, Mason tried to speed matters by providing sketches of possible types of spikes.¹²² Whittmore assured Mason he would soon have a satisfactory report,¹²³ and finally sent six spikes, claiming he could make them at the rate of thirtyfive per minute.¹²⁴ Mason regarded these samples as proof that Whittmore could make spikes in quantity and that he could use his machine to manufacture the McGill spike, a view in which Ewing concurred.¹²⁵

Those interested in making split spikes then formed the American Spike Company, which embodied both Whittmore's and Mason's views. Mason's ideas prevailed in that the organization included investors in both the Whittmore and McGill spikes. The owners of the McGill spike reserved the right to make their spike by any other machine, and the Whittmore group had the same privilege. The organizers adopted Whittmore's plan of organization--a joint stock company--to obtain more financial aid for the project. Whittmore and Brigham each received 875 shares of stock; Ewing, 1,125; and Mason, 750. Each share cost \$100 and each original stockholder agreed to contribute one fourth of his holdings for public sale.¹²⁶ Mason, as president of the company, hoped to find twenty or more investors who would buy small amounts of

stock costing between \$100 and \$1,000, a suggestion Whittmore approved.¹²⁷

However, Mason and his partners found it difficult to interest potential investors on the basis of the few spikes Whittmore's machine had made. He and Ewing took samples to one of Mason's former classmates at West Point who merely promised to aid in marketing them.¹²⁸ Mason also called on various railroad executives in New York, some of whom commented adversely on the spike. Even where Mason found encouragement, no one was willing to do more than grant them a trial if Whittmore would furnish the necessary samples.¹²⁹

Since it now appeared necessary to show that the spike machine could make the spike in large quantity, Mason and Ewing prevailed on Whittmore to make a ton of them. To raise the \$1,000 necessary for this purpose, they were to make an assessment on the stock.¹³⁰ However, Whittmore had difficulty making even one ton.¹³¹ He finally wrote that he had progressed to the point of making 200 pounds at the rate of one per second.¹³² Mason and Ewing were much encouraged at the news; but when they tested Whittmore's samples, they were deeply disappointed.¹³³ At this point, then, the split spike enterprise was a failure and those who had invested in it faced the prospect of losing their money. For this reason each partner began to look to his own interests.

Ewing made a new agreement with Whittmore, telling him that since the spike machine had not come up to expectations, he could not contribute the same amount to the American Spike Company as planned. However, he was willing to pay \$25,000 into a reorganized American Spike Company, providing Whittmore could adjust his machine within thirty days so as to make split spikes in quantity as in the first samples. Ewing wanted one third of the stock in the reorganized company, and suggested that one fifth should go to the Pennsylvania Railroad executives who had adopted the McGill spike. He wanted the rest of the stock divided, one third to the machine and two thirds to the spike.¹³⁴

Mason on his part refused to give Whittmore the money he needed to secure a second patent which certain changes he had made on his machine necessitated.¹³⁵ Whittmore then seems to have turned to Brigham for financial help and received it, since Whittmore assigned the second patent for an improved machine to him. One can only conjecture that this new version of the spike machine was no more successful than the earlier one, since Ewing failed to pay the promised \$25,000 for his stock, funds necessary to develop the second patent.¹³⁶

After advancing funds in the interests of Whittmore's second patent, Brigham undertook to obtain control of the original one. When he learned that the original American

Spike Company had never filed Articles of Incorporation and therefore never legally existed, he persuaded Whittmore to assign him half the original patent and lease him the remaining interest. This gave him control of both the first and second spike machine patents. Brigham then tried to persuade Ewing to lease him the McGill spike patent. When Ewing declined, Brigham said he would wait three years until the McGill patent expired and then proceed without interference from anyone.¹³⁷

Brigham's new arrangement left Mason entirely out of the split spike organization. This became clear when Mason found that Whittmore had not recorded their original agreement in the Patent Office.¹³⁸ His exclusion was even more certain when he discovered that Brigham would not use the first spike machine patent in the new organization. Whittmore was willing to have Mason share in the second patent, but he wished to keep matters in his own control.¹³⁹ Mason refused to participate in the new organization under these circumstances. Consequently his investment had to be written off as a complete loss. Since the company never became a going concern, Mason apparently never paid more into it than the \$300 he gave Whittmore for his experiments.

Mason also tried to profit by speculating in the financial market during the war years. In doing so he was reflecting a widespread tendency that found dramatic expression

in Wall Street, where the interest and activity revolved around gold.¹⁴⁰ However, the rate of increase or decrease in gold prices was difficult to anticipate, since the suspension of specie payments in December, 1861, had forced withdrawal of gold coin from ordinary channels of circulation.¹⁴¹ Mason's New York banker advised him to follow his own inclination as to buying or selling gold, since Mason in Washington presumably was in better touch with political and military events than those further away.¹⁴²

Mason's lack of confidence in the ability of the Federal government to win the war apparently influenced his judgment as to the trend of gold prices. For example, in the first two years of the war, which were generally unfavorable to the Northern cause, Mason converted into gold until he had \$5,000 in idle specie.¹⁴³ He expected the gold price to fall as a result of a Congressional bill intended to check the rise.¹⁴⁴ Consequently he sold more than half his gold, amounting to more than \$3,500, but the gold bill did not have the desired result; the price of gold continued to rise. Mason estimated that he lost about \$900 on his gold speculation.¹⁴⁵ He then decided to hold the balance of his gold a while longer, but as Union military successes became more numerous and the end of the war approached, the price of gold went down. At this point he noted in his diary that the price of gold was falling fast and that he wished he had never bought it.¹⁴⁶

Mason's lack of confidence in the Federal government during the war years also accounts for his refusal to invest in its bonds. At the beginning of the war, the Secretary of the Treasury reported to Congress that the government would have to secure 240 million dollars through loans. To do so he proposed to issue 100 million in bonds; this was subsequently done.¹⁴⁷ Mason had no faith that the government would ever fully pay these either in principal or interest; in fact. he was sure that it would eventually repudiate them.¹⁴⁸ His views about government bonds as an investment proved to be in error, since the public subscribed for them in excess of initial estimates and the bonds were eventually paid in gold.¹⁴⁹ Mason's refusal to buy these bonds meant that he passed up a sound investment that would have been more profitable than some others in which he participated.

In the post-war period Mason advocated an early return to specie payments. He wanted the government to do this by fixing the value of the non-interest bearing treasury notes called Greenbacks which it had issued during the war, then gradually to lessen the value of the gold dollar until it was equivalent to the average Greenback dollar, thereby proceeding toward full resumption of specie payments.¹⁵⁰ He also came out in favor of a double monetary standard

whereby silver would be established at par and the Greenback would then be redeemable in either gold or silver.¹⁵¹

Mason's suggestions regarding government financial policies reflected the current struggle between the advocates of fiscal deflation on one hand and those of inflation on the other. Bankers, creditors, and businessmen whose transactions depended on sound money not only opposed the issuance of more paper currency but urged the government to redeem in gold the Greenbacks already in circulation. Western farmers, however, believed strongly in the quantity theory of money, maintaining that prices fluctuated according to the volume of money in circulation. The inflationists proposed, therefore, that the number of Greenbacks in circulation be increased. When the government instead provided for gradually reducing the amount of Greenbacks in circulation and for a return to specie payments, the inflationists suggested another expedient to increase the supply of money: that silver be injected into the monetary system at an inflated ratio, so that in a period of crop failures they would receive higher prices for their produce.¹⁵²

What Mason hoped to do, then, was to reconcile two different economic policies in the interests of himself and his party. It was to his personal advantage, as banker and creditor, to have the government resume specie payments, so that his debtors would not repay him in depreciated currency.

His Western mining investments may have been the reason for his demand for a double monetary standard that would make Greenbacks redeemable in either gold or silver. Perhaps he hoped that one of his mines would yield a substantial amount of gold or silver, and that government fiscal policies would provide a profitable market for it. Mason did not wish to see the Democratic party split on the monetary issue, however, and undertook to write a pamphlet that would reconcile the eastern Democrats with the Greenbackers. He found that he could make little progress and finally gave up the attempt.¹⁵³

While others successfully used the war-time opportunities for personal profits, Mason's efforts in this direction largely failed. He lost money in mining ventures because of the dishonesty of some of his associates, as in the case of Dr. Van Camp, agent of the Standing Stone Oil Company, or perhaps because he lacked the ability to judge men. Mason's efforts to profit from patent pooling likewise did not come up to his financial expectations. This was not necessarily because of lack of judgment on Mason's part or because the invention had no merit. It was sometimes caused by lack of sufficient capital to develop the patents as well as by the motives and personalities of the people involved. In some cases, such as that of Sanford's lamp, the partners could not work harmoniously together. In

still other cases, dishonesty was a factor, as in Brown's patent. Unfortunately, Mason allowed his political predispositions to govern his market dealings and hence passed up the chance to profit by purchasing government bonds and securities. He also sold gold on a rising market and bought on a falling market. Although his economic efforts during this period were largely on a national level, he devoted his attention to regional and local enterprises during the latter years of his life. Unless otherwise noted, all letters and documents cited are found in <u>Mason Papers</u>.

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Chapter VIII

REGIONAL ENTERPRISES IN SOUTHEASTERN IOWA

When Ulysses S. Grant was inaugurated as President of the United States on March 4, 1869, Mason left Washington for Iowa to spend the remaining years of his life. Usually he had spent his winters in Washington and summers in Burlington. But because he said he feared the establishment of a military dictatorship by the Republicans in Congress and hence did not wish to live for long periods in the center of political power, he chose Burlington for his permanent residence. Occasionally he returned to the capital, but gave most of his attention to business affairs in the Middle West.¹

Mason's regional interests in this period took various forms. He resumed his legal practice in Burlington on a limited scale, although still retaining his connection in Washington as senior member of the law firm of Mason, Fenwick, and Lawrence. As a special point of interest, some of his clients were Eastern manufacturers whose claims he supported against those of Westerners. Mason also loaned and borrowed money extensively during this time. An examination of some of his transactions casts light on whether money lending was a profitable undertaking. Promoting narrow gauge

railroads was Mason's most ambitious enterprise. During this period he became president of two, and his experience reveals some of the common problems involved in building them.

Before Mason left Washington to devote most of his attention to business affairs in Iowa, he considered participating in several business enterprises elsewhere. One of these was an investment in a project in the post-war South, the exact nature of which his diary does not explain. An acquaintance in Wilmington, North Carolina, Judge Casey, had wired that he could use \$40,000 to advantage there. With Mason's reluctant approval, his law partner, Lawrence, started for Wilmington with \$10,000 in drafts to investigate Casey's proposal. Mason wrote in his diary that he hoped to realize something from this project as partial compensation for the financial losses he suffered during the Civil War.2 The opportunity seemed promising at first when Lawrence wired Mason to send \$10,000; however, Lawrence shortly cancelled the request for funds³ and returned from Wilmington, having gained nothing and having cost Mason and himself about \$72 each.4

Mason was somewhat more fortunate in another Southern investment. At his request his New York banker purchased \$20,000 in Virginia state bonds at 45 cents on the dollar, after which Mason authorized him to purchase an additional \$5,000.⁵ Although these bonds rose to 55 3/4, Mason declined

to sell, hoping they would go still higher.⁶ When they fell to 51, he sold them at a profit of \$1,347.97, thus partly counterbalancing, so he thought, the losses he had sustained in other directions.⁷

Mason's plan to make Iowa his permanent residence necessitated a change in financial arrangements with his law partners in Washington. While he was an active member of the firm, the partners had prospered.⁸ However, Fenwick, believing that the business suffered from Mason's prolonged absences, proposed new terms of partnership. If the name of the firm remained the same although Mason stayed in Iowa, Fenwick thought Mason should receive only one twelfth of the profits.⁹ But if Mason wished to retain a desk in the firm's office to interview his own clients while the remaining two men carried on the partnership, Mason should receive one sixth of the net proceeds. The partners finally agreed to give Mason \$100 per month whether he was in Iowa or elsewhere.¹⁰

For some undisclosed reason the law firm experienced financial difficulties in the 1870's, so that another change in the agreement seemed necessary. Although Mason had given Fenwick and Lawrence the privilege whenever they wished of omitting the agreed monthly payment, they had done so but once, when their division was \$55 each.¹¹ In view of the firm's obviously straightened circumstances, therefore, Mason proposed a new arrangement which practically dissolved the partnership in all but title: Fenwick and Lawrence were to keep the profits of any general legal business without accounting to him, but divide with him any compensation from cases which came to them through his influence. If any legal business came for him personally, they were to refer it to him. Mason in turn cancelled his monthly stipend. Though he did not expect to enter any formal partnership elsewhere nor to undertake much legal business, he reserved the right to associate himself temporarily or otherwise with other Western lawyers in occasional cases.¹² Mason's partners accepted these proposals.¹³

After Mason settled permanently in Iowa, he had more legal business that he had anticipated. A client, Ambler, claiming to have discovered a process for making heat by means of petroleum derivatives and steam, offered Mason a share of his patent for \$10,000 and legal services.¹⁴ After Mason examined Ambler's patent, he questioned its validity, since it was not only poorly written but possibly infringed on other prior patents. However, he considered risking \$1,000.¹⁵ Other potential investors talked of a joint stock company of \$1,000,000 in which the founders would pay only a small percentage of their subscriptions, but Mason did not favor this idea.¹⁶ The apparent distrust among the prospective partners finally led Mason to abandon the undertaking.¹⁷

On one occasion Washburn and Moen Company of Worcester, Massachusetts, manufacturers of barbed wire, retained Mason and General A. C. Dodge as legal counsel. This firm, along with J. E. Ellwood of DeKalb, Illinois, had purchased half of a barbed wire patent granted to Joseph Glidden in 1874 ⁻ and had agreed to pay royalties to other earlier patentees as well as to the inventor of machinery for making the wire.¹⁸ After paying Mason \$250 to write a legal opinion for them on the matter, Washburn and Moen brought suit against infringers who manufactured barbed wire in defiance of their rights.¹⁹ One of these was Donahue and McCash, the largest maker of barbed wire in Burlington, who was manufacturing it without a license from Washburn-Moen. Dodge presented the case in court and won it, compelling the Burlington firm to apply for a license under the patent.²⁰

Apparently there was some public sentiment against Washburn-Moen for its action against the Burlington firm. A letter writer to the <u>Burlington Daily Hawkeye</u>, terming Washburn-Moen "the vortex of a mighty Moloch," contended that a manufacturer could make the wire for 6 cents per pound, whereas farmers were paying 10 cents per pound. In an effort to justify his clients' position, Mason replied that barbed wire cost \$8.50 per 100 pounds to make, leaving only a profit of 75 cents per hundred pounds. He also argued that farmers should be grateful to Washburn-Moen for buying the patent rights, thus preventing a host

of pretended patentees from extorting money from every farmer using a barbed wire fence under threat of legal action for infringement on patent rights.²¹

After Mason settled permanently in Burlington, he loaned money to numerous individuals and organizations. The proposed Burlington and Southwestern Railroad borrowed \$5,000 from him for ninety days.²² Mason also loaned the editor of the <u>Burlington Gazette</u> \$300 to carry on the paper.²³ He advanced money to relatives at various times, too: \$5,000 to his daughter and son-in-law, George Remey, taking as security part of the land once included in the Mason farm.²⁴ and \$200 in May, 1869, to John H. Gear, his wife's relative, later lending him \$400 more for sixty to ninety days.²⁵ Apparently Gear was never able to repay these loans satisfactorily. When Mason requested payment, claiming to need it for taxes, Gear could not give it to him. Instead he arranged to borrow \$10,000 in gold from Mason at 8 per cent for five years. Mason thought it wiser to loan in gold than Greenbacks and to specify gold as payment in principal and interest.²⁶ However, when Gear's note came due on February 19, 1875, he was not prepared to meet it, claiming he had thought Mason would be satisfied with the interest. 27 Six years later he was still unable to pay his debt and wanted Mason to take his house and lot in Burlington in full payment of claims.

Mason objected that this would be like giving Gear half his debt. They finally arranged that Mason should have the rents from the property, which Mason regarded as better than nothing but too little.²⁸

Some other debtors were equally unable or unwilling to pay Mason what they owed him. He went to Keokuk in June, 1870, to collect \$4,000 long due him but did not expect to get it, as times were bad.²⁹ One debtor, Wightman, owed him \$500 and Mason wrote, "That money is gone."³⁰ Another debtor, Reeside, promised to call but broke his promise repeatedly, so that Mason was sure he had lost that money also.³¹ In another case, he loaned Mrs. Ronald Ions \$800 but she could not pay, and he had little hope she would ever do so.³²

Fortunately there were other cases in which Mason received the money he loaned. Thomas Johnson of Illinois borrowed \$15,000 for four years at 10 per cent interest from March, 1871, for payment on a plantation in Louisiana.³³ In four years, Johnson paid \$2,000 on his debt and Mason loaned him \$5,000 more, taking land as collateral.³⁴ After this, Johnson paid his obligation in small installments, finally asking Mason to cancel around \$2,000 of the indebtedness on the grounds that he was paying in gold, which was worth more than the Greenbacks he had borrowed.³⁵ Mason agreed to do this.³⁶ Johnson finally paid Mason \$9,000 on August 21, 1881, thus settling his debt.³⁷

Possibly because he was building a new house in Burlington and was also engaged in various local and regional enterprises at this time, Mason borrowed money from several persons. He borrowed \$3,000 at 10 per cent interest for three years from his law partner, D. C. Lawrence, on April 4, 1872, giving his Burlington homestead and seventy-seven acres as security.³⁸ Mason repaid the money on time, June 29, 1875.³⁹ About the same time Mason also borrowed \$3,000 at 10 per cent from D. A. Samence of Washington, D. C., giving as security seventy acres of Iowa land. He had the option of paying the principal at any time within three years, providing he gave six months' notice. Samence gave Mason the \$3,000 in the form of United States bonds, which he was to sell at the best possible price and return the profit to Samence, retaining \$3,000 in currency for himself. 40 On another occasion Mason borrowed \$12,000 from the German-American Savings Bank in Burlington, giving four notes.⁴¹ His son-in-law, George C. Remey, also loaned him more than \$21,000.42 Later Mason wrote in his diary that he had paid off his two chief debts -- to the bank and to Remey--by selling his bonds, but he did not specify which bonds or whether he sold them at a profit or a loss.43

Mason bought and sold numerous Western bonds. For example, he bought Missouri state bonds at 103 1/2, but the payment of 15 per cent interest on each bond reduced the

cost to 88 1/2. Each bond, with past-due coupons attached, was worth \$1,210. Mason's New York banker sold \$5,000 of Mason's Missouri bonds at 94 1/4. 44 Mason also owned \$3,506.30 of Lee County bonds which he exchanged at 70 cents on the dollar for new 6 per cent county bonds.⁴⁵ After selling these and deducting his agent's fee, Mason received \$3,155.67 and wrote. "I am now in funds."46 Earlier Mason profited by buying and selling Burlington city bonds on the advice of John Gear, who suggested purchasing them at 65 or 70 cents on the dollar with matured coupons attached. Mason could use the coupons for taxes, Gear said, and they would sell at once, whereas the bonds would sell later. 47 Gear paid for half the purchase and later sold the bonds and coupons at 95 cents on the dollar, making Mason's profit \$1.200.48 Mason also received full pay for seventeen coupons on a Burlington and Missouri Railroad bond bearing 7 per cent, which had been maturing for years. 49 When the Burlington and Missouri Railroad had financial difficulty in the 1857 panic, most bondholders had exchanged their bonds for new ones, taking the difference in preferred stock. Mason was the only one who had not done so.⁵⁰ Perhaps he had given up hope that his railroad bond would ever be worth anything. He sold first mortgage bonds of the Burlington and Northwestern Narrow Gauge Railroad at 105, making more than \$5,000 plus 8 per cent interest on the money invested.⁵¹

After Mason's return to Iowa, he discovered what seemed to be a lucrative field for investment, the narrow gauge railroads then popular in the state. The term "gauge" refers to the distance between the inside running edges of the rails, standard being 4 feet 8 1/2 inches and narrow gauge 3 feet 6 inches or even narrower. Between 1864-1884 most American railroads adopted the standard gauge track. However, the same period saw the rise of the narrow gauge fever that resulted in the building of nearly 5,000 miles of track of less than 4 feet 8 1/2 inches in width.⁵² Promoters could build the narrow gauge lines more cheaply than those with standard track because they required less grading and less expensive equipment, and thus isolated communities which the main railroad systems had bypassed desired them.⁵³

Mason was one of the first to be interested in construction of narrow gauge railroads in Iowa. A newspaper editor referring to this several years later noted that Mason supported the idea in southern Iowa from its beginning.⁵⁴ One may also infer this from a letter Mason received from the owner of a narrow gauge line, W. D. Crooke, of McGregor, Iowa, apparently in answer to Mason's inquiry as to the economic feasability of the line. McGregor pointed out that he and his associates had built a fifteen-mile line for \$13,000, less than two thirds the cost of a broad gauge track; he claimed that the narrow gauge could do as much business as

the broad gauge and at much less expense, since the track did not wear out as quickly.⁵⁵

Mason and his friends did not renew the idea of a narrow gauge railroad in southeastern Iowa until 1874. By that time they had other economic reasons for desiring such a line northwest of Burlington. Mason, in opposition to some who still favored the standard gauge, believed that a decisive point in favor of the narrow gauge was that there was much less dead weight and therefore the lighter cars would reduce the cost of operation.⁵⁶ Thomas Hedge pointed out in a letter to a Burlington editor another factor in favor of such a line--that it would enable Burlington to recover the trade it had lost when the Rock Island Railroad extended its route into Washington, Keokuk, and Louisa counties. Another correspondent in the same issue wrote that a narrow gauge line would help Burlington businessmen, because the railroad would buy its supplies and hire its labor in the community. as well as locate its shops and offices there.⁵⁷ The editor expressed the hope that the narrow gauge would be a locally owned enterprise. If the railroad could keep the bonded debt of the road at less than half the amount of stock subscriptions, he thought local subscribers would then not dispose of their stock, but hold it as a profitable investment.⁵⁸ Construction of a narrow gauge seemed advantageous for yet another reason -- the possibility of connecting with another

narrow gauge railroad being constructed across Illinois and Indiana. The promoter, George McElroy, hoped to extend his line across Ohio as far as Toledo, and wrote the <u>Burlington</u> <u>Hawkeye</u> that he would be glad to connect with an Iowa narrow gauge line somewhere in western Illinois.⁵⁹

Early in 1875 the towns northwest of Burlington began to show interest in a narrow gauge line through their communities. A group meeting in Crawfordsville Township went on record as favoring a line from Burlington via Winfield, Crawfordsville, and Washington; it declared this to be the best route not only for trade with Burlington, but also with Chicago, St. Louis, and the southern markets.⁶⁰ The next month residents of Wayne and other nearby townships in Henry County attended a similar narrow gauge meeting at Winfield.⁶¹ Shortly afterward, Burlington residents voted at a meeting to cooperate with the towns along the proposed route.⁶² Still another meeting at Crawfordsville on February 20 followed, attended by delegates from Winfield and Burlington who pledged financial aid to the project.⁶³

Southeastern Iowa townships, spurred by public interest, took definite steps the following month toward organizing a narrow gauge railroad company. Delegates came to a meeting at Morning Sun from Flint River, Franklin, Pleasant Grove, Yellow Springs, and Washington townships in Des Moines County; Scott and Wayne townships in Henry County; Crawfordsville

township in Washington County; and Elm Grove and Morning Sun townships in Louisa County. The group elected one representative from each township to a committee charged with preparing Articles of Incorporation, set capital stock at \$3,000,000, and elected Thomas Hedge the first president. The new company was named the Burlington and Northwestern Narrow Gauge Railroad.⁶⁴

The first problem of the narrow gauge railroad was to raise enough money in cash and subscriptions to begin construction of the line from Burlington to Washington or Brighton and Richland. The officials intended to raise \$300,000 in cash from stock subscriptions before work on the line began, and set Burlington's quota at \$100,000. As soon as they raised the cash, they planned to put engineers in the field to survey two or more routes and then to open subscription books along the several routes and solicit stock. They hoped thus to put the various communities in competition with each other by promising to build the railroad through the community which raised the most money.⁶⁵

The organizers found it difficult, however, to raise the required amount of cash. By April 10, 1875, they had only \$60,000 of the necessary \$300,000. Discouraged by many refusals and much indifference, they were inclined to give up the effort.⁶⁶ Finally Burlington made a supreme effort to raise its \$100,000 quota. Gity merchants closed their

stores at three o'clock on May 3 to devote the rest of the day to the interests of the narrow gauge.⁶⁷ Then a mass meeting raised \$90,000 of the town's share necessary to launch the enterprise.⁶⁸ After the company's president, Thomas Hedge, appealed to Mason as a public-spirited citizen to purchase stock in the company, he did so.⁶⁹ Several months later Hedge sent Mason a stock receipt acknowledging payment of the first assessment of \$100 on twenty shares.⁷⁰

The promoters spent the spring and summer of 1875 vainly trying to get the remainder of the \$300,000 in order to build their road. By August, Winfield and intermediate points had contributed \$55,000, making a total of \$145,000.⁷¹ Finally the company decided to omit the \$300,000 clause in its Articles of Incorporation and to go ahead with its building plans, in the hope that more money would be forthcoming as the road became a reality.⁷²

Still unanswered was the question of where the company should build its line. Several meetings in Burlington, at which Mason presided, attempted to solve this. One group of stockholders doubted that they could raise enough money to build on any route. Another faction apparently wished to build north as far as Sperry, in Des Moines County, and eventually northwest to Winfield. However, engineers estimated that the company would need \$170,000 to build by way of Sperry, leaving a deficiency of about \$35,000 which it

would have to raise before it could let contracts for construction. A third group, which Mason supported, favored building to Mediapolis, three miles beyond Speery, before building to Winfield.⁷³ At this point Mason wrote in his diary that the meeting had not accomplished much and it seemed to him as if they would not build the narrow gauge very soon.⁷⁴ However, a few days later citizens subscribed a little more than \$5,000, leaving about \$30,000 necessary to secure completion of the railroad to Winfield free of debt. As a last effort, the company made a public appeal for more funds;⁷⁵ Burlington's contribution then rose to \$110,000. Winfield gave \$26,000, and the two places between them raised the balance to \$156,000.⁷⁶

With \$156,000 on hand, the company determined to construct its line. To make this possible, it decided to omit the stipulation in the Articles of Incorporation that the railroad must enter Burlington on an independent line. Instead, the company proposed to build a third rail on the route of the Burlington, Cedar Rapids, and Minnesota Railroad as far as Mediapolis, a distance of fifteen miles. This third rail would accommodate the three-foot gauge of the proposed Burlington and Northwestern.⁷⁷ From Mediapolis, the company proposed to build its own line to Winfield. The lowest estimate for the thirty-four miles of track from Burlington to Winfield by way of Mediapolis, using the third

rail on the Burlington and Cedar Rapids line, was \$154,000.⁷⁸ Although the subscriptions took care of construction costs, they were short \$50,000 of what the company needed for other expenses. Nevertheless, President Hedge decided to go ahead.⁷⁹ This decision as to the route from Burlington to Winfield brought about a change of membership on the board of directors. Two directors, Archibald Jackson of Elm Grove and Henry Wallace of Morning Sun, resigned because the route chosen for the railroad would not touch their towns. The board elected John H. Gear and Charles Mason to fill the vacancies.⁸⁰

To put their plans into operation, the directors negotiated various contracts. One was an agreement with the receiver of the Burlington and Cedar Rapids Railroad, General Winslow, for the use of a third rail on that line from Burlington to Mediapolis, as well as permission for right of way along the route and such depot grounds at Burlington as they needed.⁸¹ Bids for grading, bridging, and ties required completion of grading within Des Moines County by December 1, 1875,⁸² and the ties to be delivered in October and November at points along the line of the Burlington and Cedar Rapids Railroad.⁸³ After the company let the contracts, work progressed as rapidly as weather and ground conditions permitted.⁸⁴ At this point the editor of the <u>Burlington</u> <u>Hawkeye</u> seemed confident that the railroad's problems were over. He wrote concerning the negotiation of contracts:

It tells us that the narrow gauge is a reality and that we have passed the period of promises and hopes deferred, which maketh the heart sick and all that sort of thing, and that we are entering upon the fruition of our hopes and the realization of promises.⁸⁵

However. although the Burlington and Northwestern Railroad had started construction, an immediate problem was how to raise enough money to pay for rails and rolling stock. A 5 per cent call on the stockholders would bring in enough money to meet the payments on contracts until April, 1876. but nothing from that source until after April would pay for iron and locomotives. In order to finish the line to Winfield by early summer, the company needed \$80,000 or \$100,000 outside of subscriptions. Although President Hedge told Mason that he himself was willing to furnish \$20,000 or \$25,000 for that purpose, he had found nobody else willing to contribute the remaining \$60,000 to \$80,000. Hedge. on the other hand. was unwilling to make contracts for iron and locomotives on his personal obligations, a necessary arrangement because the iron and locomotive companies would not take the obligations of the Burlington and Northwestern.⁸⁶

In order to raise the required sum for iron, Hedge proposed to Mason that they each advance the company \$30,000 until April; on that basis, he thought he could contract for 1,300 tons of iron. Hedge suggested that they protect themselves either by taking mortgages on the iron and ties or by retaining control of all stock subscriptions not

needed to pay for grading, bridging, ties, and other expenses. In the belief that the price of iron would never be lower and would soon increase in price, Hedge thought he and Mason could compensate themselves for the risk involved by buying iron at the current low price and later selling it to the company at a higher market price. If they could provide for the iron, Hedge was certain they could get the locomotives and cars in some way.⁸⁷ Mason, in answer to the president's proposal, wrote that he did not have \$30,000 to facilitate construction of the narrow gauge railroad, and added in his diary, "I wish I had."⁸⁸

The directors then met to contrive means for purchasing iron and locomotives.⁸⁹ One suggestion was that stockholders give their notes prior to assessments on their stock subscriptions, which were due at definite times, thus enabling the company to use the notes as collateral for borrowing money before collecting on the subscriptions. As a further stimulus for raising company funds, subscribers who paid their assessments in advance could have a 10 per cent yearly deduction on what they owed the railroad.⁹⁰ Burlington subscribers met these offers to about half the amount of their stock, nearly \$55,000.⁹¹

Greatly encouraged by the cooperation of Burlington subscribers, Mason and Hedge went East on buying trips early in 1876. In January, Mason visited Philadelphia to

investigate the size and types of locomotives available. This was evidently an exploratory trip, since he made no purchases.⁹² Hedge, however, later made a buying trip for the same purpose, and bought one locomotive, one passenger coach, one combined passenger and baggage car, and forty freight cars.⁹³ He estimated that this was all the rolling stock needed to equip the railroad for operations to Winfield, with the exception of one more engine and additional freight cars. Contracts with manufacturers of this rolling stock stipulated that the Burlington and Northwestern pay cash for these items on delivery.⁹⁴

On the same trip Hedge also purchased from the Cambria Iron Works in Philadelphia 1,300 tons of 30-pound rails at \$42 per gross ton. The company was to make delivery in four shipments during April, May, and June via Chicago. Freight to that point was \$5 per ton and \$2 per ton more to Burlington, making a total cost of less than \$50 per ton, \$2.50 less than anyone except Hedge had believed possible. The Cambria Company was to draw on Hedge at Philadelphia or New York at 10 days' sight from shipment of each lot.⁹⁵ Apparently Hedge and Mason had some sort of understanding about the purchase of this iron, perhaps in line with Hedge's previous suggestion to Mason that the two could profit by selling it to the railroad at a higher price than the original cost. It is possible that Mason, despite his earlier refusal to

contribute to the purchase of iron, had done so. One may infer Mason's connection with the transaction from Hedge's admonition to him about the price of the iron: "I name the price to you because your interest in it is identical with mine. I wish you would not name it to anyone."⁹⁶

The shortage of funds, created partly because of the stockholders' delinquency in meeting assessments on their subscriptions, posed the next problem: how the Burlington and Northwestern could pay the railroad manufacturers for the rolling stock, or Mason and Hedge for the iron. The directors temporarily solved one part of their financial problems, that of paying on the rolling stock, by giving notes for it, certain directors making themselves personally liable as endorsers. The other part of the problem, that of paying for the iron already purchased or to be purchased, necessitated a decision as to whether work on the road should cease until they collected unpaid subscriptions or whether they should negotiate a loan in order to continue the line to Winfield.⁹⁷

Mason himself was in favor of borrowing the money necessary to pay current debts and to continue construction, repaying it as the company collected subscriptions. He proposed issuing bonds amounting to not more than \$5,000 per mile to use as collateral for a loan, taking a temporary mortgage on the railroad as security for the bonds.⁹⁸ Mason evidently

had a personal interest in this policy, since it would enable the company to pay him and Hedge for the iron they had purchased as well as pay the notes the directors had endorsed for the rolling stock.

The directors, deciding to follow Mason's suggestion to borrow the money necessary to continue construction,⁹⁹issued \$100.000 in ten-year 8 per cent bonds. With the exception of eight \$100 bonds, they sold them at 50 cents on the dollar, hoping to raise \$50,000 to pay off the company debts.¹⁰⁰ But although these bonds were backed by a mortgage on the railroad. they did not sell rapidly. During July and August of 1876. Mason became increasingly pessimistic that the company could not even build the line to Winfield.¹⁰¹ Finally he wrote in his diary that the company had raised \$35,000 of the expected \$50,000 from sale of the bonds.¹⁰² Mason himself had contributed \$10,000, receiving \$20,000 in bonds, and was willing to advance more if necessary to put the road through to Winfield.¹⁰³ Perhaps Mason's contributions did provide the necessary impetus. In September, 1876, Mason wrote that the line was making progress, laying rails between Mediapolis and Winfield.¹⁰⁴ The next month they were as far as Yarmouth, half way between the two towns.¹⁰⁵ The line reached Winfield by December, 1876.¹⁰⁶

The still unanswered question was whether the railroad would do enough business to pay its debts and meet expenses.

At first the enterprise looked profitable. The line began running one train a day from Winfield to Burlington, carrying lumber and coal to Winfield and stock and passengers on the return trip. Mason wrote that the company could not handle as promptly as necessary all the business offered it.¹⁰⁷ Earnings the first month were \$1,600 and operating expenses \$900:¹⁰⁸ however. Mason expected an eventual decline in business because of a scant crop in 1876.¹⁰⁹ This proved to be the case. Because the region through which the railroad ran had almost an entire crop failure in 1876, followed by a similar one the following year, railroad business de-The directors tried to bring the railroad's expenses clined. within income¹¹⁰ and to reduce the company's debt by persuading some of the largest creditors to convert their bonds into preferred stock.¹¹¹

In addition to difficulties created by the company's decreasing revenue, the directors found that the money raised from the railroad's bonds was insufficient to cover its total indebtedness. In some cases they were able to secure extensions on company notes, but in others, creditors positively refused extension. Under these circumstances, the board on May 1, 1877, authorized issue of an 8 per cent, three-year mortgage of \$25,000 on the company's rolling stock, after which it issued \$7,000 in bonds, each stockholder being given the opportunity to purchase bonds equal

.392

in amount to that of his paid-up stock. The directors put the remaining bonds on the market and sold them.¹¹²

While the directors were trying to solve the company's pressing financial problems, they were also considering how they could accomplish their original purpose of extending the line beyond Winfield. This was an economic necessity. They derived all revenue on the Burlington-Winfield line (a distance of thirty-four miles) from less than fourteen miles of track: for fifteen miles out of Burlington, the line ran over the track of another road by means of a third rail. for which they paid a yearly rent of \$400 per mile: and for five miles beyond that, the railroad had no patron-Thus twenty out of thirty-four miles were non-paying, age. and railroad men estimated that where the non-paying section of a road was more than half, the disproportion was too great for profit. The remedy. then, was to extend the road.¹¹³ Hedge, faced with this problem, declined re-election as president of the company, and Mason was elected in his place.¹¹⁴

Mason hoped that townships west or northwest of Winfield would extend financial aid to the railroad to facilitate its construction through their communities, but unfortunately they were reluctant to tax themselves for this purpose. A correspondent from Washington, Iowa, wrote Mason that he foresaw no prospect of a successful vote on a 2 1/2 per

cent railroad tax in that area.¹¹⁵ Then the editor of the <u>Brighton Star</u> wrote that citizens there would not authorize a railroad tax until the railroad had built through their community because they feared it would simply use their tax authorization as a stimulus to increase Washington's grant, building there instead of through Brighton.¹¹⁶

Apparently the Brighton editor was correct in his estimate of the intentions of Burlington and Northwestern officials. Mason, for example, evidently expected to build through whatever townships voted the highest railroad taxes. He made numerous visits to Richland, Brighton, and Fremont, communities west of Winfield, to promote favorable tax elections there.¹¹⁷ At the same time he carried on negotiations with leaders in Crawfordsville¹¹⁸ and Washington, Iowa,¹¹⁹ holding out the possibility of a railroad connection with Winfield if the townships would approve a subsidy.

The tax levy finally authorized in townships west of Winfield did not meet the estimated needs for constructing the narrow gauge railroad there. The engineer of the Burlington and Northwestern estimated the cost of building from Winfield to Richland, a distance of thirty-two miles, at \$5,878 per mile.¹²⁰ Mason thought this would require a 5 per cent tax levy on assessed property valuation in each township.¹²¹ Although B. A. Haycock of Richland believed that he could persuade voters in the townships

west of Richland to vote such a tax,¹²² F. N. Byram from Fremont wrote Mason that voters in his township would not approve it.¹²³ S. H. Durfey from Butler Township held the same opinion about Keokuk County, and Mason commented in his diary, "We shall hardly build the road on a less tax and I shall so inform him."¹²⁴

Perhaps the results of these township elections west of Winfield would have been different had the railroad company not had a misunderstanding there with its field agent, B. A. Haycock, who expected the railroad to pay him a 5 per cent commission on all taxes voted or subscriptions solicited in townships west of Winfield. The railroad, however, expected him to pay his own expenses and would pay him no commission unless he raised at least \$2,500 per mile in taxes or subscriptions.¹²⁵ Finally Haycock proposed to reduce his commission to 2 1/2 per cent,¹²⁶ but the railroad officials would not accept these terms, either.¹²⁷ As a consequence, Haycock did not feel inclined to solicit support for railroad revenue beyond Clay Township in Keokuk County, thus leaving that area with no one to look after the company's interests.¹²⁸

For a time it seemed as if the tax issue in Washington County would be no more favorably received than in Keokuk County. An election in Washington Township was adverse to the \tan^{129} because of hard times and a belief that a

narrow gauge railroad could not give any advantages in freight rates than the community did not already possess. One of Mason's Washington correspondents even suggested that the narrow gauge line agree to take 1,000 standard carloads of grain or stock for \$10 less than the price charged by the Chicago and Rock Island Railroad.¹³⁰ Apparently the railroad entered into no such agreement to reduce rates; but despite the fact that they did not reduce rates to the public, citizens of Washington Township, on a second vote, approved a subsidy to the Burlington and Northwestern. The voters stipulated, however, that the railroad company was to use subsidies collected in Washington County exclusively to pay for the work on the Winfield-Washington branch.¹³¹

To raise additional funds to extend the road to Washington, the company made two new bond issues. One was a tenyear, 7 per cent issue of first mortgage bonds for \$120,000, dated August 1, 1879, and secured by a mortgage on the entire line from Burlington to Washington--the franchise, road bed, buildings, and rolling stock. The other, covering the same property, was a second mortgage issue of \$150,000 for seven years at 8 per cent. Since they needed only \$83,000 to cover the claims of the original mortgage bond holders on the Burlington to Winfield line, the company issued only that amount of second-mortgage bonds. Then, in an effort

to induce stockholders to take the first mortgage bonds so as to finance the extension of the road to Washington, the company placed them on the market at a 20 per cent discount.¹³²

With additional revenue in prospect, the Burlington and Northwestern then made plans for constructing the line to Washington. Engineers completed surveys and began grading, bridging, and tieing in the summer of 1879.¹³³ Railroad rails began arriving from Atlanta in September.¹³⁴ The line reached Crawfordsville in November¹³⁵ and was completed to Washington in January, 1880. Regular trains then began running over the entire route.¹³⁶

According to a stockholders' report on June 17, 1880, the narrow gauge line proved to be a financial success. Earnings were 150 per cent in excess of the previous year, officials reported. Operating expenses were proportionately less,¹³⁷ 57 per cent of the total receipts, leaving 43 per cent for net income.¹³⁸ This favorable trend continued, so that during 1881 the railroad repaid more than five fold all the subscriptions, subsidies, or other aid it had received.¹³⁹ These results naturally increased the value of the railroad's bonds. Mason noted in his diary that he had sold his bonds at 105, clearing something more than \$5,000.¹⁴⁰ At this point, he refused re-election as president of the Burlington and Northwestern because of his health, but consented to serve as vice-president, not feeling the same responsibility in that capacity as in the other.¹⁴¹

The directors and stockholders also created a corporation called the Burlington Narrow Gauge Land Company to purchase and sell land for town sites and additions to towns at or near the proposed railroad stations along its route. They set capital stock at \$30,000, divided into \$20 shares, and entitled each stockholder to purchase these in proportion to his railroad subscription, with installments subject to call as necessities of the company required. The president of the railroad had authority to purchase any tracts of land he deemed expedient, with the understanding that the company would ultimately sell them for the stockholders' common benefit.¹⁴² The land company then bought land in Winfield and in Washington townships, in line with Mason's recommendation that it be sold in alternate lots to those willing to make improvements on them.¹⁴³ In order to encourage sales in Winfield, Thomas Hedge tried to persuade the leading Winfield merchant, Goodspeed, as well as several other prominent businessmen, to move their stores to one of the land company's lots near the railroad station. As an inducement, the land company offered to pay the expenses of the removals or to give each businessman a suitable lot.¹⁴⁴

Mason participated extensively in these operations of the Burlington Narrow Gauge Land Company. After he told

Hedge that he wanted all the stock in the organization to which his shares entitled him, Hedge subscribed for him 200 shares at \$20 each, a \$4,000 investment,¹⁴⁵ and wrote, "You have already done your part and more."¹⁴⁶ Probably as a result of Mason's investment in the land company, it elected him a director.¹⁴⁷

Mason was involved in the promotion of another narrow gauge railroad in southeastern Iowa, the Burlington, Keosauqua and Western. As he first planned this line, it was to extend southwest of Burlington, through the towns of Denmark, West Point, and Keosauqua, and then westward through the southern tier of Iowa counties.¹⁴⁸ There were also to be two branches, one between the Skunk River and the Des Moines River, the other between the Des Moines River and the Missouri River.¹⁴⁹ Mason acknowledged in his diary that the hard times of the mid-1870's made railroad building a risky undertaking;¹⁵⁰ he believed, however, that these economic circumstances could be advantageous to his narrow gauge project, since labor and material for it would be cheaper than in more prosperous times.¹⁵¹

Another factor impelled Mason and others to sponsor a narrow gauge railroad southwest of Burlington: the fact that Ft. Madison promoters planned to build a narrow gauge line northwest of their city which would thereby traverse the prospective territory of the Burlington, Keosauqua and Western.¹⁵² This railroad, the Ft. Madison and Northwestern, was organized in 1871 to build by way of West Point, Birmingham, Fairfield, and Oskaloosa to Council Bluffs. The Ft. Madison narrow gauge sponsors hoped to have their line running to West Point by May 1, 1879.¹⁵³ Mason also faced the threat of a third rival railroad southwest of Burlington, one from Keokuk to Fairfield. If these two lines occupied the territory first, this would divert the taxes in the several townships from the Burlington, Keosauqua and Western. As Mason saw it, then, it was necessary to build his narrow gauge line even in hard times in order to get ahead of his prospective rivals.¹⁵⁴

To forestall the three of other railroads in Burlington's sphere of economic influence, representatives from Van Buren, Lee, and Des Moines counties held a large meeting in West Point, Iowa, on June 8, 1876. Believing that a narrow gauge railroad from Burlington to Keosauqua could operate economically and profitably, the convention approved Articles of Incorporation with a capital stock of \$1,000,000 for such a railroad and provided for a board of eleven directors, one of whom was Mason.¹⁵⁵ Unfortunately the delegates were not unanimous in their views or purposes. West Point had been assigned two places on the board but refused to fill them until they had more definite assurance that the railroad would build through their town. When Denmark and Burlington

attempted to fill these vacancies, the West Point delegates angrily left the meeting.¹⁵⁶

The depth of dissension among those interested in promoting the railroad became more evident at subsequent meetings. Although the West Point delegates had walked out of the June 8 meeting, they joined those from Burlington, Denmark, and Pleasant Ridge at a second meeting later in the Those from West Point were still hostile, however, month. to the idea of being taxed for a railroad unless it was favorable to them. One delegate declared that the farmers in his area would forcibly resist any effort to build a railroad across the creeks between Denmark and West Point. Despite evident disagreement, the group went ahead with its plans, and finally approved a resolution which promised all aid in building a narrow gauge southwest from Burlington, providing the terms of the tax subsidy requested were reasonable.157 When a quorum failed to appear at the next called meeting on August 2, those attending decided to disband the old organization and create a new company. They retained Mason as president and as a member of the executive committee.¹⁵⁸

For several reasons Mason had little hope for the success of the new company. Some communities seemed to be losing their enthusiasm for the Burlington narrow gauge line. Even Keosauqua was withdrawing its support and carrying on negotiations with other prospective narrow gauge railroads.¹⁵⁹

Mason doubted, too, whether subscriptions alone would accomplish the project, because many able to contribute were unwilling to do so; and those willing had already done so much for other enterprises they were not inclined to do anything beneficial to those who paid nothing. Mason thought the public would subscribe only if townships voted taxes first,¹⁶⁰ but feared that the various townships would not approve the tax vote.¹⁶¹ E. P. Howard of Keosauqua, more optimistic than Mason, assured him that Van Buren County townships eventually would tax themselves for two narrow gauge lines in order to have competitive roads. He thought, too, that if townships near Burlington and Keosauqua taxed themselves, others would do the same. Howard acknowledged, however, that short crops in 1876 seemed to preclude tax aid to railroads that year.¹⁶² Such proved to be the case; hard times and also the uncertainty resulting from the national election of 1876 prevented anything being done on behalf of the narrow gauge railroad that year.¹⁶³ Apparently Mason's initial pessimism as to the future of the new narrow gauge company proved justified. In addition, Mason also suffered a long illness at this time, making it impossible for him to do anything for his project until March, 1877.¹⁶⁴

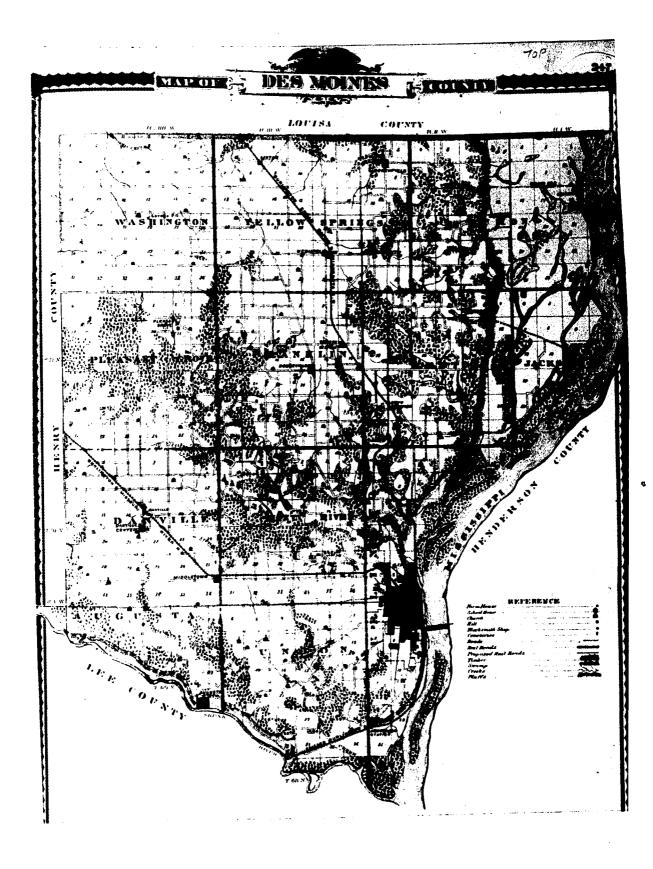
Even after Mason resumed leadership of the Keosauqua narrow gauge, he and the directors were undecided whether to raise funds that spring for construction or wait until

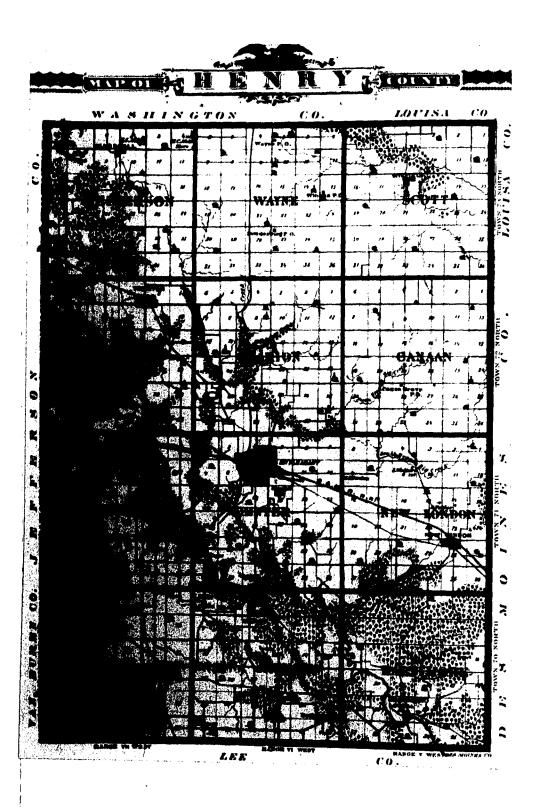
good crops and a better financial outlook throughout the country made success more probable.¹⁶⁵ To gauge public opinion, they put two surveying parties in the field, one to survey a route from Burlington to Denmark, the other from Burlington to Salem.¹⁶⁶ They thought this would stimulate interest and support for a later tax vote on behalf of railroads, putting the different townships against each other, with the prospect of railroad construction in the area of the highest subsidy.¹⁶⁷

At first this competitive policy seemed effective. A majority of the voters of Keosauqua, stimulated by the prospect that they would really have the narrow gauge in their community, signed a petition for a special township election on the question of tax aid to railroads. Then they discovered that legally the Burlington, Keosauqua and Western Railroad Company had no legal existence because the organizers had never taken the necessary steps for organization or filed Articles of Incorporation. Consequently all action of Keosauqua to aid the railroad with a tax subsidy was null and void.¹⁶⁸

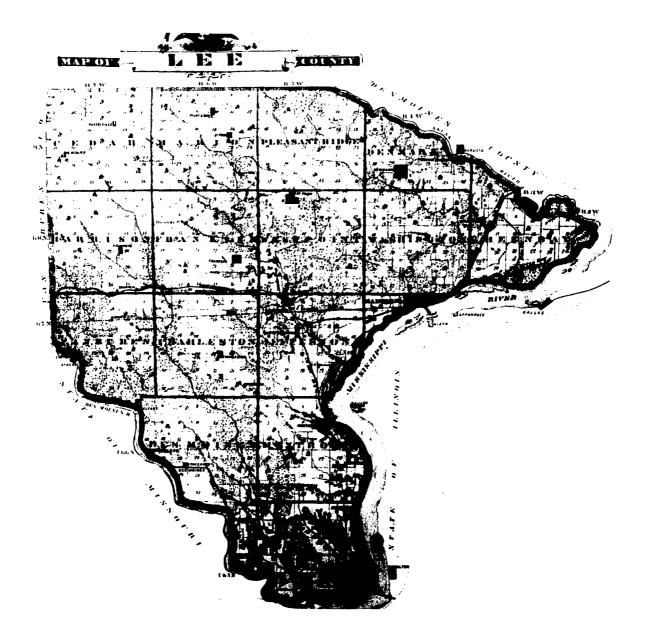
Mason was to share in one more effort to carry on the Burlington, Keosauqua and Western.¹⁶⁹ In a reorganized company, David Leonard was president and Mason vice-president¹⁷⁰ and a member of the executive committee.¹⁷¹ In an endeavor to get financial backing for the railroad, Mason approached

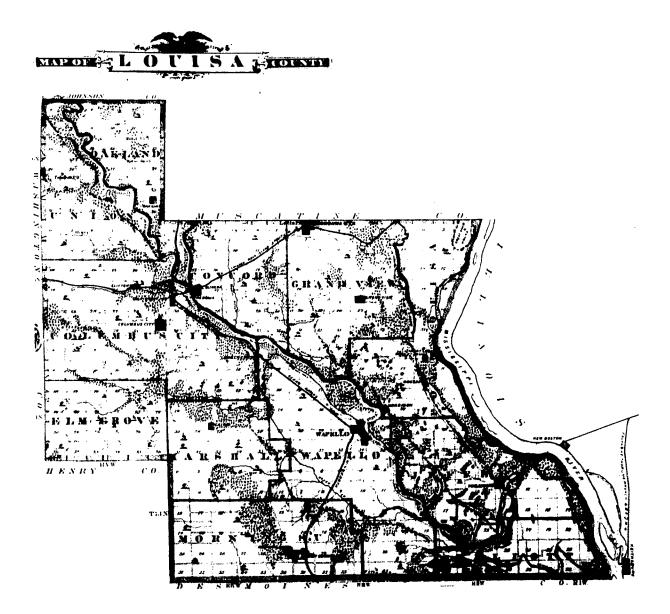
Edwin Manning. a Keosauqua banker, concerning his support for putting a road through to that town providing it voted taxes to subsidize it. Manning promised that if a majority of the townships voted railroad taxes. he would then invest \$25,000. which would buy one fourth of the iron, and also consult Eastern capitalists regarding support for the project.¹⁷² Manning's idea was to build the narrow gauge from Keosauqua to Memphis, Missouri, thence to Lexington, Missouri, where it would connect with a narrow gauge railroad to Kansas City.¹⁷³ He admitted that hard times ruled out the possibility of a favorable vote for railroad subsidies, but he still thought that it was a good idea to keep the matter before the public for future consideration.¹⁷⁴ Mason did not live long enough to see this possibility materialize; had he done so, he might have found it as profitable as the Burlington and Northwestern.





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Chapter IX

THE LAST WORK: MUNICIPAL PROJECTS IN BURLINGTON

The rapid growth of American cities after the Civil War created numerous problems, the solution of which called for municipal efforts on a wider and larger scale than ever before.¹ Greater urban population and an increased number of business establishments in a community called for the services of more local banks. The cities had to supply municipal lighting on an unprecedented scale.² The problem of urban transportation also called for immediate action. As a city area expanded, increasing distances separated workers from their places of employment, so that they needed public transportation.³ It was imperative, too, that every city have an adequate water supply, not only for public health but for fire protection.⁴ Sometimes these problems called for all the skill and capital that local residents could bring to solve them.

While urban growth created new problems, it also opened numerous opportunities for private gain, as the cities granted franchises for municipal lighting, street railways, and water works. This factor helps to explain why Mason, in the last ten years of his life, associated himself with so many municipal enterprises in his home city, Burlington. He became

president of the German-American Savings Bank and also of the Burlington Street Railway Company. As president of the Burlington Water Company, Mason led in establishing the city water works. He was also a stockholder in the Burlington Gas Light Company.⁵

Mason's business history in this period is valuable for several reasons. For one thing, it provides insight into contemporary banking practices as well as into the financial management of a municipal lighting system. Also it reveals some of the business problems connected with the development of urban transportation and some of the technical and political difficulties with which Mason had to cope in establishing a municipal water system.

Mason and others took the first steps toward organizing a new savings bank in Burlington on August 15, 1874. Mason prepared the Articles of Incorporation and the group elected him president and also a member of the board of directors.⁶ The founders incorporated under the laws of Iowa, began selling stock, and opened for business the following month in the basement of the Merchants National Bank with a capital of \$60,000, \$50,000 of which represented cash payments.⁷

The function of the German-American bank was not simply that of a savings institution making money on deposits. The directors also planned to profit by the difference in interest rates on loans made by Eastern and Western banks. John

Laher, the assistant cashier, reminded Mason that Eastern banks customarily loaned at 6 per cent or 7 per cent,⁸ and that some wealthy Easterners with more funds than they could profitably loan in New York might even loan at 5 per cent.⁹ Laher suggested that if the Burlington bank could arrange to borrow \$25.000 at these rates, it could make a good profit by loaning the same money at 10 per cent on good security in Des Moines County.¹⁰ The bank also expected to profit by buying up city scrip at discount, usually 4 per cent less than face value, although there was less of this available than it had anticipated.¹¹ A deposit of \$10,000 in school money on which the bank did not have to pay interest was still another source of profit.¹² Mason wrote in his diary that other deposits were as great as the directors could hope for and that the bank was loaning all the money it desired, with calls for more.¹³ The bank also planned to purchase \$10,000 in state warrants if it could procure these at 99.14

After two years, the founders of the bank were well pleased with its progress. They had made loans on firstclass mortgage securities to an amount not exceeding one third to one half the value of the mortgaged property and still had \$12,000 on hand to loan. Depositors were receiving 6 per cent interest on their money.¹⁵ The bank's founders thought they had done well considering the fact that they had been in business such a short time and had faced competition from another bank in town which had opened its doors in 1874.

After two years of apparent prosperity, the bank experienced a period of financial turmoil in the mid-1870's. This economic decline resulted partly from political uncertainty during the disputed national election in 1876 and partly from business failures in southeastern Iowa that year which affected all the banks in Burlington.¹⁶ The resulting business panic required curtailment in the bank's plans for expansion. Although the directors had started business in the basement of the Merchants National Bank, they had planned to purchase a lot on which to erect a building of their own. However, they had to postpone it;¹⁷ indeed, the bank's funds were so low that there was some disposition to wind up its affairs.¹⁸

The directors abandoned the idea of dissolution as business conditions improved. In 1877 they declared a 6 per cent dividend on stock,¹⁹ and the editor of the <u>Burlington Hawkeye</u> enthusiastically summarized the bank's assets:

We present a statement of the German-American Savings Bank. Its first class bills receivable, amounting to 110 per cent of its entire deposits, amply secured, its cash on hand and United States 5-20 bonds amounting to 60 per cent of its entire deposits, and its other available assets, all furnish proof of its strong condition. It has paid its stockholders reasonable dividends and still has a handsome net surplus of profits on hand. No wonder its managers are proud of its success and its depositors have such confidence in its solvency.²⁰ The bank's figures for the following years confirm this favorable estimate. On January 1, 1879, deposits were \$94,091.18, with an increase during the year of \$75,077.56, making the total deposits on January 1, 1880, \$169,168.74. The bank had \$60,000 in United States savings bonds bearing 4 per cent interest,²¹ on which Mason suggested that the bank might make a handsome profit, since they were selling at 9 or 10 per cent over par.²²

Although Mason was president of the German-American Savings Bank until his death, it is questionable how much credit he deserves for its success. As far as actual management of the institution was concerned, apparently he was largely a figurehead. One may infer this from the fact that the executive committee of the bank made the decisions on policy, after which it referred them to Mason for approval.²³ Mason's failing health in the closing years of his life, during which he was physically incapacitated for long periods, probably accounts for his not taking a more active part in the management of the bank.

Mason had an unprofitable experience in connection with stock he purchased in the Burlington Gas Light Company. This firm was incorporated on June 18, 1855, and John H. Gear became its president in 1869. The first ten years the company had to struggle for existence; but with the growth of the town, its business steadily increased.²⁴ Mason first

came into possession of \$10,000 of the company's stock in September, 1876, when Gear gave it to him as partial security' for a note. Gear had borrowed money from Mason to repair his store in Burlington,²⁵ and in order to get out of debt, sold the \$10,000 worth of gas stock to him for \$6,000.²⁶ Later Mason learned that the Burlington Gas Company had watered its capital stock to aggregate \$240,000; then the company officials had issued to themselves \$96,000 of 10 per cent bonds, which totalled \$120,000. When they proposed to retire half of the bonds, they asked Mason to help put up cash for that purpose. This he indignantly refused to do, writing in his diary that although they had victimized him, he was not so naive as to throw good money after bad.²⁷

In Burlington, as in most growing American cities after the 1850's, there was a demand for urban transportation. By the 1870's, horse cars running on sunken rails were familiar sights in all the larger cities. The president of the Highland Street Railway of Boston proudly told the first convention of the American Street Railway Association that there were more than 10,000 street cars on 3,000 miles of track in cities all over the United States.²⁸

When Mason and his associates undertook to deal with the matter of public transportation, they did so not only in response to a civic need, but as an indirect means of increasing the value of their own real estate. In San

Francisco, for example, the real estate values along the cable car route doubled overnight and the real estate boom lasted for years.²⁹ At any rate, Mason wrote in his diary that some of those interested in the street railway wished to purchase property in Burlington and then fix the route of the line in such a way as to increase their property's value.³⁰ Mason also wished to have the route go so as to increase the worth of property he possessed. In a letter to his law partner, D. C. Lawrence, Mason said that he was creating an organization to build a street railway from town to the northeast corner of the Mason farm and hoped to have the route turn there so that it would run near his home, through the center of the farm.³¹

It took longer to build the street railway than Mason and his friends anticipated, so that for two years the project was an object of discussion rather than a reality. One reason for its delay was that certain citizens along the proposed route set a high price on the land through which Mason wished to run the street railway. One of these, J. F. Abrahams, owned nine acres centrally located in the city; the sponsors of the horse car line hesitated to pay the price he asked for his land if they could agree upon another route.³² The difficulty of getting sufficient financial subscriptions to launch the enterprise also delayed the project. Mason was one of the first to subscribe to it, contributing \$1,000 to a proposed line which would run near his place;³³ but he noted that others were slow to take stock, and it seemed as if a few people would have to bear most of the financial brunt of the undertaking.³⁴ Finally, on March 19, 1872, a newspaper correspondent in the <u>Burlington Hawkeye</u> reported that the promoters had raised all the necessary capital except \$5,000 and appealed to the public to purchase enough stock to make up the deficiency.³⁵

Had Mason and his associates agreed to meet the demands of certain absentee property owners, undoubtedly they would have met the remaining financial need sooner. One absentee owner, G. H. Ellery, residing in New York, wanted the contract for building the road to go to a personal and business friend, H. B. Hanson. Ellery was willing, in that case, to subscribe \$5,000 to the horse railroad. He also stipulated which direction he thought the route should go. Evidently Mason accused him of wanting the road to run past his own land but he denied this, protesting that he merely wanted the bestpaying route and one constructed by the most competent individual available. When the company did not accept his views, he refused to subscribe to any stock at all.³⁶

Despite the fact that sponsors of the street railway had not sold sufficient stock, they still decided to go ahead with their plans.³⁷ They thought they needed \$25,000 in subscriptions and hoped the public would subscribe to it

if an organized group solicited money. Accordingly they chose a provisional board of directors and elected Mason president. Mason then undertook to raise the remaining funds.³⁸ When he appealed to property owners for support and received little help. 39 he created competition between two possible routes, promising the line to the one which raised the most money. 40 Mason also negotiated with a contractor, Charles Hathaway, who offered to build the street railway and to take part of his pay in stock. 41 Mason himself considered taking \$5,000 more stock, with the option of paying for it in cash or land. He thought the company would accept this and thus secure the necessary \$25.000.42 These efforts for additional subscriptions were successful; Mason noted in his diary on June 18, 1873, that he had obtained enough to build the street railway southwest from the center of town. 43

While Mason was trying to raise money for the street railway project, he was working on a related problem: that of getting a favorable ordinance from the city council which would eventually allow his traction company to build its line. Because for some unexplained reason the council seemed opposed to the company, Mason feared that any franchise it might grant would be unacceptable.⁴⁴ Such proved to be the case. When the council eventually passed the ordinance, it did not please Mason; but he decided, upon reconsideration, that it would serve his purpose.⁴⁵

The founders of the street railway company created a permanent organization by filing Articles of Incorporation in May. 1873.⁴⁶ and at a stockholders' meeting on July 16 chose a board of directors and re-elected Mason president. 47 They adopted a seal and by-laws July 17. designated their organization the Burlington Street Railway Company, 48 and made arrangements for making the railway a reality. First they gave the contract for laying the rails for \$7,200 per mile to N. S. Young, who agreed to take \$5,000 of this in 10 per cent company bonds.⁴⁹ Young began work on the line September 10, at the intersection of Jefferson and Fourth streets, and was to build it on Fourth Street to Division, then on Division to Eighth, on Eighth to Maple, on Maple to Boundary, and on Boundary to the city limits.⁵⁰ The line. two and one fourth miles long, terminated 666 feet south of the northeast corner of the Mason farm.⁵¹ Young agreed to finish the work by June 20, 1874. While he was building the track, the company purchased a lot for \$300 and erected a barn on it for the horses.⁵² Meanwhile, John Patterson, a member of the board of directors, went to Chicago, St. Louis, and Cleveland, seeking to buy four lightweight cars. When he did not find what he wanted, he arranged to have them built in Cleveland at \$750 each plus \$100 for freight, and delivered by December 1.⁵³ Patterson then leased the railway for three years from January 1, 1874, with the understanding

that he would not pay any rent the first year but would pay the interest on the company's bonds the other two years. He was to furnish the horses, pay all running expenses, and keep the road in repair.⁵⁴

The line began operations in the winter of 1874, although the railway company did not complete the track to its terminus until the following summer.⁵⁵ Daily trips began at 6:30 a.m., with a car leaving the barn every twenty minutes until 10:20 p.m., and making four trips daily to the end of the track to accommodate those living beyond Locust Street. It took one horse to pull the car on a level, two on the hills, but these rode on the rear platform on down grades.⁵⁶

The road eventually proved to be profitable to the operator and founders in spite of its initial cost and operating expense. At first Patterson did not receive enough revenue to pay the overhead, although the number of passengers was as large as anticipated. He later reduced his average daily expense to \$16 per day and raised his daily receipts to \$24, so that total expenditures for 1874 were \$6,069.55 and total receipts \$8,853.10.⁵⁷ The line also proved indirectly profitable, since property along the line of the route greatly increased in value. Lots near its terminus two miles from the business portion of town doubled and tripled in price within six months. This real estate brought almost as high a price as that half the distance from Jefferson Street.⁵⁸

Mason and his associates wanted to extend the tracks of the Burlington Street Railway beyond the terminal point on Boundary Street up North Hill to the cemetery.⁵⁹ but the city council refused them a franchise.⁶⁰ Mason noted that the council seemed suspicious of the intentions of the company, but that since he did not care much about the project. he would make no particular effort to carry it through.⁶¹ As it turned out, the council gave the franchise to the North Hill Railway Company.⁶² The Burlington Street Railway also tried to extend its line along Jefferson Street to the railroad station.⁶³ Mason thought that this would double the value of the street railway stock.⁶⁴ However, the Chicago, Burlington and Quincy Railroad refused the street railway permission to cross its tracks to Main Street.⁶⁵ This doomed the project, apparently, since Mason's records did not refer to it again.

In the next few years the revenue of the Burlington Street Railway declined. Mason wrote in his diary on July 13, 1876, that the street railway was less profitable than he had expected,⁶⁶ and at the end of the year he wrote that the profit was much less than that of the year before. Although he attributed this to hard times,⁶⁷ probably the situation was also the result of competition from two other street railways in addition to the North Hill Company-the South Main Street and Prospect Hill Company and the

West Hill and West Avenue Company.⁶⁸ In the early days of the street railways it was customary for competing lines to organize as separate corporations and operate under their own franchises.⁶⁹ When Patterson's three-year lease to operate the Burlington Street Railway expired, he agreed to run the line for five years, keep it in repair, pay the insurance and taxes, in addition to 6 per cent interest on the money the stockholders advanced, and give the company half the net profit. This plan partly solved the company's financial problem.⁷⁰

One of the rival traction lines seems to have offered Mason an indirect opportunity for profit. His friends urged him to contribute \$3,000 or \$4,000 to the building of the West Hill Railway with the proviso that it run past the Mason farm, assuring him two street railways terminating there would make his the most valuable suburban property in Burlington.⁷¹ An official of the West Hill Company, R. T. Hay, suggested another plan. Hay owned land near the Mason farm, but the Martz property separated the two. Hay proposed that if Mason would trade some of his land in Lee or Louisa County for the Martz property and his own, thereby saving the building of a quarter mile of road and adding to the value of Mason's farm.⁷² Although these proposals coincided with Mason's original purpose in investing in street railways, there is no evidence that he followed up either of these suggestions.

In the 1870's the residents of Burlington became aware of the need for a municipal water system which would supply the increased needs of their city. Before that time they had obtained most of their water from cisterns or house pumps or various community pumps scattered throughout the city, but these sources were no longer adequate. Then, too, the lack of a municipal water system retarded the economic progress of the city. A newspaper correspondent to the <u>Burlington Hawkeye</u>, apparently hoping his letter would stimulate public action, pointed out that as far as water was concerned, the railroads already occupied the best business locations, those along the Mississippi River, and that the town's natural business advantages were cancelled by its lack of comparable sources of water.⁷³

Mason and others were aware that their city also needed a more adequate water system for fire protection. This was evident, Mason wrote, in the nearby communities like Galesburg, where the value of property lost by fire would have paid for an adequate town water works.⁷⁴ Everyone could soon see that this was also true in Burlington. A fire on October 6, 1871, burned \$80,000 in property, of which only about 25 per cent was insured. Another fire followed on

October 23, a block from the new home Mason had recently built in Burlington. He wrote in his diary that it burned three stables, a carpenter shop, and a home, and that if the wind had been stronger, the fire would have endangered many houses, including his own.⁷⁵ The lack of an adequate water supply for fire protection meant that fire insurance rates in the city were high, and it also discouraged improvement of property.⁷⁶ However, despite recognition of need for a more adequate system of water distribution in Burlington, the record of the effort to achieve one there is a history of doubt, frustration, and delay.

Burlington citizens found it difficult to build a city water works partly because of disagreement as to the method by which the water should be distributed in a city such as theirs, one built on bluffs along the Mississippi River. Some residents favored pumping water into reservoirs and then delivering it to consumers by gravity.⁷⁷ In Mason's own home he had used this system by employing a rain water tank on the roof and then conducting the water through pipes in the house. By this means he had devised a shower bath as early as 1850.⁷⁸ However, he did not favor this gravity system for the city as a whole, believing like some others that a reservoir on the highest hill in the city would not only be expensive but ineffective, because it would not supply water any higher than the first stories of many buildings. Hence it would fail to meet the requirements of reliable fire protection.⁷⁹ Mason favored the direct pressure method of water distribution, a system which had first come to his attention when a manufacturer of pumping machinery, the Holly Company of Lockport, New York, had retained him to prepare a request for reissue of a patent on a water supply regulator. Mason at that time decided to attempt to introduce their method of water distribution in Burlington when he returned home.⁸⁰

In June, 1870, Mason organized a water works company which elected him a director, along with sixteen others.⁸¹ Hoping that the extreme dryness of the season, with increased demands for water, would stimulate sales, the company put its stock on the market,⁸² but it did not sell rapidly.⁸³ The full amount of capital stock was \$50,000; Mason first took \$5,000 of this,⁸⁴ then increased his holdings to one third of the total,⁸⁵ and finally wrote in his diary that he would buy all remaining shares when he was sure the company would be a financial success.⁸⁶

Mason tried several expedients in an effort to raise money for the new water company. He thought that a city tax on fire insurance policies might raise a fund sufficient to pay for the water works,⁸⁷ but this idea evidently proved unacceptable, since he did not refer to it again. Mason also suggested that they might build the water works

entirely from the sale of company bonds. John Gear pointed out to him that they could place only a few such bonds bearing 10 per cent semi-annual interest in Burlington, and that Mason would have to purchase some to give impetus to the sale.⁸⁸ There is no evidence that Mason did so. Mason also tried to persuade manufacturers of pumping machinery and water pipes to take company bonds rather than cash for their goods,⁸⁹ but he seems to have made no progress with this idea, either. One company refused to consider any arrangement other than cash;⁹⁰ others would accept only part of the price in bonds.⁹¹

Mason's difficulties with the city council also delayed the plans of the water company. These arose partly because the council favored having the town build the water works.⁹² The aldermen found this was impossible, however, because Burlington had already exceeded the municipal debt stipulated in the city charter. One alderman, in an effort to surmount the legal barrier, proposed a petition to the legislature for an increase in the legal amount of the town's indebtedness.⁹³ Probably the council resorted to delaying tactics in its relations with a private water company in the hope that the legislature would make it possible for the town to construct its own water works.

Mason also found the council reluctant to come to terms on a franchise to a private water company. He first proposed

an ordinance that would require the town to pay the water company for the hydrants at the rate of \$100 each for five years.⁹⁴ This was similar to the plan used in Dubuque, where the local water company furnished the hydrants and the town paid for them as stipulated in the ordinance.⁹⁵ The Burlington city council appointed a committee to confer with officers of the water company as to terms of an ordinance,⁹⁶ but evidently nothing fruitful came of it, since the council postponed action.⁹⁷

At this point, Mason welcomed legal delay for several reasons. It enabled him to make an inspection trip through the East, observing various types of water pumping equipment and thereby learning much to his advantage.⁹⁸ John Gear also pointed out to Mason that he would have time to study costs before agreeing with the city council on an ordinance.⁹⁹ Evidently Gear and friends of the water company hoped, too, than an approaching city election would result in a council more favorable to a franchise.¹⁰⁰

However, the new city council moved no faster than the former one in water company matters. Mason submitted to them an amendment to his proposed ordinance, which they referred to the finance committee for study;¹⁰¹ but several months later the Holly Manufacturing Company wrote Mason that they had not yet heard anything from the Burlington city council regarding plans for water works.¹⁰² Mason

then prepared another ordinance in an attempt to obtain a franchise,¹⁰³ and again the council referred the matter to a committee.¹⁰⁴ This time the committee reported unanimously in favor of the ordinance Mason had prepared, and he had high hopes the council would approve it.¹⁰⁵ Once again, however, it postponed consideration of the water works question.¹⁰⁶ Because his efforts seemed to produce no results, Mason at this point was inclined to give up the whole project.¹⁰⁷

When the city council finally acted on a water ordinance, they fixed what Mason considered low costs for water and made such other illiberal provisions for the water company that he had little hope of selling stock in it.¹⁰⁸ Apparently his associates in the water company believed as he did; at the next called meeting of the directors a quorum failed to appear. Mason probably expressed their views when he noted in his diary that the company could not do business under this new ordinance.¹⁰⁹

Various letters in the <u>Burlington Hawkeye</u> expressed the views of those opposed to granting a franchise to a private water company. One objected to the terms which the water company proposed--that the free use of water be limited to extinguishing fires which 500 feet of hose could reach, and that rates on water used for public purposes be paid for at

company-fixed rates. The writer charged that members of the city council who advocated the plan were stockholders in the water company.¹¹⁰ Another writer to the newspaper objected, for one thing, to the direct pressure plan rather than the gravity plan of water distribution, pointing out that those cities which had tried the Holly pumping machinery the company proposed to use had found it inadequate or unsatisfactory. The writer also charged that the stockholders rather than the taxpayers would benefit from the proposed longterm contract, which called for fifty or one hundred hydrants along two or three streets at a probable cost of \$10,000 or \$20,000 per year to the taxpayers.¹¹¹

Perhaps these arguments in opposition to the water company caused additional delay in the city council; at least the aldermen were still debating and amending the ordinance the following summer, July, 1872.¹¹² Then when it seemed as if they would reach some decision on a franchise, the chairman of the committee to whom the council had referred the matter and who had promised action left the meeting just as the bill was called up.¹¹³ At this point Mason was certain that the council was deliberately trifling with him, with no intention of taking any immediate action.¹¹⁴ Evidently Mason was correct in this assumption. The following summer an alderman told Mason that the water works project was in a confused condition; and until the committee met, there would be no legislative action.¹¹⁵

Mason then attempted to revive the water works project by appealing to public opinion. First he wrote a public letter to one of the Burlington newspapers.¹¹⁶ Later at a public meeting, called to discuss the question of a city water system, a citizens committee, with Mason as chairman, was set up to meet with a similar committee from the city council.¹¹⁷ They agreed upon a proposal which Mason hoped would persuade the council to take favorable action:¹¹⁸ that the city pay the company a maximum of \$15,000 per mile for installation of pipes and that the city collect a 5 mill tax on each dollar of assessed property valuation.¹¹⁹ However, Mason's optimism as to the effect of public opinion on the council was premature; at the close of 1872 he was still hoping that it would take steps in relation to water works.¹²⁰

A series of destructive fires in Burlington the next year emphasized the need for some sort of municipal water system. A conflagration on June 19 proved to be the most destructive fire in the state up to that time, destroying \$250,000 in property.¹²¹ Then on September 20 another fire destroyed the Burlington business district, including five blocks of the newest and best buildings in town and the lumber yard owned by Gilbert Hedge. The town's property loss was reported as \$700,000. Mason wondered whether this would induce the town to take efficient means to put a stop to such destruction.¹²² Apparently it did so; the secretary of the Holly Company told Mason that he had heard of a renewed movement to put some kind of water works in Burlington.¹²³ A new state law cleared the way for this effort. It allowed cities and incorporated towns constructing water works or other municipal systems to assess each place supplied with water according to an agreed water rent; thus the city would levy the tax directly on the protected property.¹²⁴

Whether a private company or the city should operate the water system was still an unsettled question. An editorial in the Burlington Hawkeye summarized some of the arguments against the privately owned company. It alleged, first, that private companies never voluntarily constructed water works commensurate with prospective requirements of a growing city; second, if at some future time the city purchased the system, the works would be worn out because the private company had used cheap material; third, that a private company could charge high rates on the basis of alleged costs, while it kept the only records; fourth, that twenty-five years was too long for an exclusive franchise because the taxpayers would have to pay \$15,000 for ten miles or \$27,000 for twenty miles of mains every year as long as the company ran the works; and finally, that in order to collect the 5 mill tax, the company would not distinguish between mains and other installations.¹²⁵

Perhaps these arguments of the opposition influenced the city council to try another scheme to avoid granting a franchise: to pass an ordinance so favorable to the water company that voters were almost sure to defeat it the first Monday in February, 1874. The ordinance specified that the city would pay for the first six miles of water pipe at the rate of \$2,000 per mile; for the second six miles, \$1,750 per mile; for the third six miles, \$1,500 per mile; and for all above these eighteen miles, \$1.000 per mile. This was 25 per cent more than the water company had asked.¹²⁶ After providing for the first eighteen miles of mains, the ordinance seemed to leave further pipe laying to the discretion of the company.¹²⁷ The technical details of the ordinance were equally generous. The grantees were bound only to furnish enough power to raise 5,000,000 gallons of water daily to a height of 200 feet above the river, with capacity to raise it 75 feet higher in emergencies. They were not obligated to use any specified plan of water distribution nor even to furnish a reservoir or stand pipe to make their plan practical.128

Although the voters defeated the water ordinance in February, Mason continued to put public pressure on the council for favorable action. First he wrote a new ordinance,¹²⁹ and then defended it in the newspapers against its critics. To the objection that the ordinance had not

specified the size of water pipes the company should use, Mason replied that this would have entailed an expensive survey and was a matter better left to the company's discretion. He denied the charge that private companies had failed adequately to supply other cities with water; even if this were so, he said, Burlington had no alternative, because the town could not incur the expense itself. A privately owned system would cost less to construct, Mason contended, and the company would not, as some had charged, neglect the machinery or charge exorbitant rates.¹³⁰

Mason tried various ways to induce the city council to adopt the direct pressure system. He had representatives of the Holly Company explain its advantages and also called the attention of the aldermen to a trial of Holly machinery scheduled the following week in Hyde Park, a Chicago suburb, where water would be forced through six miles of pipe.¹³¹ They agreed to send a delegation to witness this test,¹³² and Mason noted in his diary on September 4, 1874, "The Hyde Park pilgrims have returned."¹³³ Perhaps this trip bore fruit, for the council adopted the ordinance with only one dissenting vote.¹³⁴ However, it is evident from subsequent events that the council did not specify whether the water company should use the gravity system or the direct pressure system of water distribution.

Four days after the city council passed the new ordinance, Mason and his associates organized another water company, replacing the one formed four years before. The meeting, with Mason presiding, voted to create a permanent organization as soon as the public had subscribed to \$50,000 in stock at \$25 per share and chose a committee of seven to solicit subscriptions to the capital stock of the company.¹³⁵ Mason subscribed \$25,000; but since the other subscriptions were only about half that amount, Mason thought that the prospects for launching the company were not very promising.¹³⁶

Apparently there were several reasons why the second water company failed to sell enough stock to begin operations. For one thing, a financial panic made investors reluctant to risk their money.¹³⁷ Then, too, those favoring the gravity system for water distribution undertook a publicity campaign against the pressure system which the new water company wanted to use. The leader of the opposition, S. R. Bartlett, claiming to represent some of the heaviest property owners, wrote a letter to the <u>Hawkeye</u> advocating erecting a reservoir on North Hill which would store 1,500,000 gallons, all the water that the town would need for five years.¹³⁸ Bartlett claimed that this would raise water to the first floor of all houses on the hills, all that one could ask or expect, and would do it as cheaply as direct pressure without danger of broken machinery in emergencies.¹³⁹ Mason, attempting to refute

Bartlett's arguments, contended in another letter to the <u>Hawkeye</u> that Bartlett's plan would be more expensive than direct pressure, since it would necessitate the purchase of ground and the cost of erecting a reservoir, and that a reservoir would not bring water to the higher and more remote parts of the city except at enormous expense. Hence it was unsuited to Burlington.¹⁴⁰

Perhaps a decisive factor in this controversy over water systems was the report of a committee of the city council sent to Quincy, Illinois, to observe the reservoir system in operation there. The committee agreed that it could build on the Quincy plan with local capital and without incurring a bonded debt. The Holly system, on the other hand, would cost Burlington about a quarter of a million dollars, with pumping machinery alone costing between \$40,000 and \$50,000. To raise this amount, it had been suggested that Burlington citizens take \$75,000 in stock and that water works bonds be issued for \$150,000, making a total capital of \$225,000. three fourths of which would be bonded indebtedness.¹⁴¹ As a result of these divergent views as to the type of water system the city should adopt, the company did nothing for still another year. According to the editor of the Hawkeye, that much time was needed to reduce the ardor of enthusiasm for the various schemes of water distribution.¹⁴²

In 1875 and 1876 there were a number of attempts to revive the water works project. A group of capitalists in

Franklin, Pennsylvania, proposed to build and operate a water system in Burlington if the council would amend the 1874 ordinance to their specifications. The city council was generous in amending the ordinance, perhaps because the promoters were committed to the reservoir plan. Mason and his friends, on the other hand, opposed this proposition, which may have been the reason that nothing came of it. Another proposal came from a hydraulic engineer, W. C. Weir, and his partner, Roth, who had built water works in Clinton and Anamosa, Iowa. Weir favored both the reservoir and direct pressure plan, the former for domestic use and the latter for fire service.¹⁴³ It is not difficult to surmise why the council found this proposition unacceptable, since it would have involved the expense of two methods of distribution.

In August, 1876, Travers Daniel, a water works builder from Louisville, Kentucky, estimated that he could build an efficient water works in Burlington for between \$80,000 and \$100,000.¹⁴⁴ Daniel proposed to subscribe \$25,000 if the city would pledge the same, with the understanding that the company would then issue bonds for the remainder considered necessary for construction.¹⁴⁵ At first Mason thought these reasonable terms and undertook to organize still another water company that would solicit stock in Burlington. After the company elected him president, he decided to take \$10,000 worth of stock in it, with the

understanding that he need pay in only 25 per cent unless the court ordered otherwise.¹⁴⁶ Finally, investors subscribed as much stock as necessary for a permanent organization.¹⁴⁷ However, this undertaking did not materialize because Daniel proposed new terms which Mason regarded as wholly unacceptable: he fixed the price of nine and one half miles of pipe at \$200,000, half cash and half in 8 per cent company bonds. Daniel also favored the reservoir system.¹⁴⁸ These factors turned Mason and his friends against Daniel,¹⁴⁹ and he never consummated his project. The result of all these efforts was that, after seven years, although every major town between Burlington and Dubuque had an effective system of water works, Burlington was still without one.¹⁵⁰

In the spring of 1877 Mason decided to make another attempt to construct a municipal water system in Burlington. After a joint meeting of a committee of the board of trade, a committee of the city council, and others interested in a city water works,¹⁵¹ Mason drew up a proposed ordinance for the chairman of the water works committee of the city council.¹⁵² To gain its approval, Mason waived some terms he had originally suggested, sacrificing high compensation for the sake of harmony between the proposed water company and the council.¹⁵³ Subsequently, the aldermen passed the ordinance by a vote of 13 to 1.¹⁵⁴ In May, the council adopted an additional ordinance establishing and defining the limits of the water district, to enable them to levy a 5-mill tax on assessed valuation of all taxable property in that locality.¹⁵⁵ By July 19, Mason formally notified the city authorities that he was prepared to build and operate water works in Burlington.¹⁵⁶

There were several stipulations in these arrangements which probably made them acceptable to aldermen who favored a city-owned water system. The ordinance set up certain guarantees which would ultimately result in the city's obtaining ownership of the water works at original cost. The council provided for this by agreeing to guarantee \$200,000 in 6 per cent bonds of the water company which were a lien upon the entire works. The company in turn was to limit its expenditures to no more than that amount, to be collected by means of the 5-mill tax, and to create a sinking fund of \$2,000 per year which would assure that it. would ultimately pay in full all bondholders within fifty years. It would accumulate this fund by limiting the stockholders to a 12 per cent dividend per annum on the first \$30,000 worth of stock. Each stockholder would receive dividends in proportion to the amount of his paid-up subscription. All stock beyond this first \$30,000 would draw no dividend greater than 8 per cent per annum. Any earnings beyond these dividends would go into a water fund to

be appropriated at the discretion of the city council. It could be applied either to extend the mains, reduce the water tax, reduce the water rates to private consumers, or increase the sinking fund. The promoters of the water company also agreed to omit collection of the water tax for the first year, which they estimated would mean sacrificing \$20,000. They were to build the works and begin operations on or before January 1, 1878. The ordinance gave the company legal existence for twenty-five years, but the city reserved the right to purchase and operate the works at any time by giving one year's notice.¹⁵⁷

On these terms Mason and other investors then proceeded to organize still another company, of which Mason was president; John Patterson, vice-president; and Richard Spencer, T. W. Barhydt, and J. C. McKell, directors. They set the capital stock at \$300,000, which they could increase to any sum not exceeding \$1,000,000. Shares were \$100 each. Mason subscribed \$50,000 and three others later took \$150,000 more. However, other subscriptions amounted to only \$22,000. In order to issue \$200,000 in water company bonds bearing 6 per cent interest and having fifty years to run, it was necessary that the entire \$300,000 in stock be subscribed. Mason therefore took the remaining \$78,000 in stock, in the expectation that he would eventually find people willing to take this surplus off his hands.¹⁵⁸ Mason then had \$128.000 in

stock or 1,280 shares. Later he bought ten additional shares. The entire 1,290 shares were transferred to his daughter's name on March 17, 1884. He paid the first assessment, \$128, on May 7, 1877; the second, \$128, October 15; the third, \$128, December 1; the fourth, \$1,290, May 1, 1878; and the fifth, \$1,290, July 15. He also advanced money at irregular intervals on his stock payments during 1878: on January 3, \$1,000; January 28, \$1,500; April 4, \$2,000; June 6, \$806.17; August 12, \$1,800; September 6, \$800; November 7, \$1,133.¹⁵⁹ This made his total payments on his stock over an eighteenmonth period \$12,003.17.

Mason found out from A. H. Gibbs, an official of the Meriden Fire Insurance in Connecticut to whom he had entrusted the sale of some of the bonds, that he could not sell them to capitalists for cash at any price unless the water works was already completed.¹⁶⁰ Gibbs attributed poor prospects on bond sales partly to the national railroad strike of 1877.¹⁶¹ Gibbs' opinion confirmed Mason's own experience in trying to negotiate a sale of the bonds during a trip through the East. Evidently he called on Hiram Barney, his acquaintance from land transactions, who promised to consult the confidential agent of Jay Gould, the railroad financier;¹⁶² apparently nothing came of this. Mason's unsuccessful effort to induce Eastern capitalists to buy water bonds created the impression in Burlington

that the water works project had failed again. The editor of the <u>Hawkeye</u> expressed this mood by saying that if the company managed things properly, it could sell the bonds and construct the water works.¹⁶³ Two more destructive fires in Burlington on June 19 and June 20, 1877, which probably emphasized the necessity for a more adequate water supply, no doubt intensified this mood of public dissatisfaction.¹⁶⁴

As Mason and his associates in the water company saw matters, their only hope was to induce some contractor to build part or all of the water works upon condition that he would take his payments chiefly in company bonds. They invited bids on this basis; but finding that none of them were such as to fall within the company's means of payment, rejected them all.¹⁶⁵ Finally the Holly Company agreed to construct the works, including thirteen miles of mains, for \$190,000, payable in 6 per cent bonds at par.¹⁶⁶

Accordingly on October 6, 1877, the Burlington Water Company and the Holly Company negotiated a contract for complete erection of water works at a cost of nearly a quarter of a million dollars. J. T. Cushing, western agent of the Holly Company, was in charge of details of construction. The specifications called for a water works having a pumping capacity of 4,000,000 gallons daily, with ability to throw eight streams 100 feet high on low ground and 75 feet high

on the hills. The water system would draw from the river at a point where there would be a minimum depth of 18 feet. A 24-inch cast iron pipe 235 feet long would then take the water into the inlet crib and thence to a screen chamber and filter bed. The pumping well would receive the filtered water and the pumps would force it into the mains, distributing it over the city by means of thirteen miles of pipe and 150 hydrants.¹⁶⁷ Construction began in October, 1877, as soon as material arrived, but Mason did not expect water to be pumped until some time the following year.¹⁶⁸

Despite the fact that the water company after so much delay appeared soon to be a reality, one of the stockholders, H. I. Chapman, caused Mason considerable annoyance by his determined efforts to block the company's plan. Chapman bitterly opposed the water ordinance and denounced it as a means of perpetrating a fraud upon the city. According to Chapman, the secretary of the company had refused to let him see the proposed terms before the city council passed them, and the council had then rushed them through without stipulating the size of the mains or where the company was to lay them. Chapman further objected that the company was to lay two thirds of the street mains on North Hill in front of homes of wealthy Burlington residents, while slighting the business portion of the city. Chapman

also accused three or four councilmen of being influenced in their vote because they were stockholders in the company. He then directed part of his criticism directly at Mason, claiming, for one thing, that Mason had a financial stake in the Holly Company,¹⁶⁹ and also that there was a great difference between Mason's alleged cost of water works construction, the actual cost, and the necessary cost. Although Mason had estimated that the system would cost between \$185,000 and \$190,000 in bonds, Chapman contended that the actual cost would be about \$230,000, that the taxpayers would have to pay the interest on that amount of bonds, and that contractors could actually build the works for \$100,000.¹⁷⁰

Mason wrote several letters to the newspapers in an effort to refute Chapman's charges. He vigorously denied that he had any personal pecuniary motive in urging adoption of the Holly water system. He also insisted that it would be impossible to construct the works for \$100,000, Chapman's figure. In attempting to justify the unequal distribution of mains, Mason said that the company could not supply certain sections of the city with water mains because of the broken nature of the surface of the ground and the entire absence of graded streets, and that in these sections there was little call for fire protection and little market for domestic use. On North Hill, Mason added, the city had completed street grading and residents who had improved their lots by erecting dwellings were calling for water for fire protection and domestic use.¹⁷¹

Chapman further expressed his opposition to Mason's water company by forming a rival one of his own. He likewise designated it the Burlington Water Company and filed both Articles of Incorporation and written acceptance of the ordinance under which he organized it.¹⁷² Chapman claimed that he had strong financial backing from outside sources and would submit construction plans to the city council for approval.¹⁷³

Although, as the editor of the <u>Hawkeye</u> wrote, nobody was quite sure how there happened to be two companies soliciting stock and planning to build water works,¹⁷⁴ Chapman may have had several purposes in organizing a second company. Perhaps he hoped to draw potential stockholders away from Mason's company by offering them an alternative investment, and thus weaken his rival, or perhaps he hoped to make his organization a rallying point for opposition to Mason's company. It does not seem likely that Chapman ever seriously intended to operate a competing water company. If Chapman ever honestly proposed to construct a water works, evidently his hopes never materialized, because the newspapers did not refer to it again.

Chapman's most serious effort to block Mason's water company was to take legal action against it. He and his supporters questioned the legality of the water ordinance,

the count of the votes in the city council which had adopted it. and the fact that members of the council took stock in the company. They asserted, too, that the contract between the water company and the Holly Company was void because the bonds had been sold at less than par. A citizens' committee. authorized to investigate the matter still further.¹⁷⁵ then wrote a public letter to Mason summarizing the various legal objections to his water company. It quoted the section of the Code of Iowa which stipulated that no member of any city council could be interested directly or indirectly in the profits of any contract for work or services to be performed for the community. The committee also referred to the city ordinance that it was unlawful for any city official to be concerned directly or indirectly in any contract involving work to be done for the city, and that any official guilty in this respect should be deemed to have forfeited his elec-The committee claimed further that the water ordinance tion. was void because it did not specify the actual sum to be collected each year for water taxes.¹⁷⁶

At this point Samuel Tracy, the city solicitor, gave his opinion that the mayor could not legally sign the bonds of the water company until the city had actually levied the water tax. He pointed out that there had been no assessment on personal and real property in the water district, and that this assessment was necessary before the city could issue

any of these bonds. It was the mayor's duty, Tracy said, to certify upon each of the bonds the present assessed value of all taxable property in the water district upon which the city would levy annually the special tax. Tracy's opinion was that the mayor could not properly attach his signature to bonds certifying the present value of the taxable property in the water district until the city assessor had determined such value in the manner required by law.¹⁷⁷

The question then was whether the mayor could or would sign the bonds of the water company so that it could pay the contractors and continue construction. Mason wrote in his diary that he had been trying to induce the mayor to agree that the taxable property in the water district amounted to \$4,000,000, but the mayor was "mulish."178The Hawkeye quoted the Keckuk Gate City as saying that the mayor had refused to sign the bonds on the ground that they were illegal. The Burlington editor denied this, however, alleging that the mayor did not feel authorized to sign them until the city had tested the water works.¹⁷⁹ Probably the real reason for the mayor's delay was political pressure from a group called the "anti-ring boys, "organized to block the issuing of bonds by the water company. But when the Holly officials demanded part of the bonds due them so that they could carry on their construction of the water works, 180 the company found it imperative to apply for a writ of mandamus to show why the city should not issue the bonds.¹⁸¹

While the decision on the mandamus suit was pending in the district court, the opponents of the water company put up, for the next city election, candidates who would oppose the signing of the bonds.¹⁸² Apparently those backing this ticket were principally working men. There were thus three parties in the field: the Democrats, the Republicans, and the Workingman's ticket. The Republican candidate for mayor, A. G. Adams, won the election.¹⁸³

In the meantime the judge of the district court handed down a decision granting the writ of mandamus which the water company had requested. His judgment was that because some aldermen had stock in the company, he did not regard it as legal cause to void the ordinance and contract, since the work was of public character and for the use of the city. The mayor therefore had no right to refuse to execute and enforce the ordinance when the council directed him to do Furthermore, said the judge, the mayor should not re-80. fuse to sign the bonds because he feared the company might sell them at less than par, because his signature was necessary to make them negotiable so that the company could raise money to build the works. The judge ruled that the mayor's refusal to certify them would destroy their intended purpose and hence could not be allowed. He therefore directed him to certify the bonds to the extent of \$200,000, according to the ordinance. The defendants then gave notice of appeal to the Supreme Court. 184

This decision from the district court judge still did not solve the problem of getting the mayor to sign the water company bonds. The retiring mayor, Woodward, evaded this duty by leaving the city and hiding in the East Burlington stockyards to avoid arrest for contempt of court. The water company then awaited the inauguration of the new mayor, Adams, to see what he proposed to do about the bonds.¹⁸⁵ When Adams was sworn into office, a writ of mandamus was served upon him, but he filed an appeal with the district court of Des Moines County asking for time before signing the bonds, on the ground that he was not familiar with all the facts involved.¹⁸⁶

The new mayor's request for a delay was simply a device to avoid signing the bonds until the Supreme Court had rendered its decision in the matter. When the editor of the <u>Hawkeye</u> interviewed the new mayor about his reluctance to sign the bonds, this reason became clear. Adams claimed that the bonds would increase the city's indebtedness to \$600,000, which would more than double the constitutional limit. He denied that the bonds were a debt of the water company rather than the city, pointing out that when he certified to the taxable property on the bond, it became a tax or mortgage upon the property in the water district which the city incurred and agreed to pay. He therefore preferred to await the decision of the Supreme Court before

signing the bonds. To the argument that the water company needed the bonds to build the works, and that if the mayor did not sign them, the stockholders would have to raise the money, Mayor Adams said this was no concern of the city. Those who had drawn up the ordinance, he contended, had admitted that it was a device to get around the constitutional limitation on the city's debt.¹⁸⁷Henry Smyth, attorney for the water company, replied that the bonds of the water company and the mayor's signature on them did not create any new debt on the part of the city. Smyth pointed out that the Iowa Supreme Court had ruled that such a contract did not constitute the incurring of indebtedness within the meaning of the constitutional provision limiting the power of municipal corporations to contract debts.¹⁸⁸

With the hope that Mayor Adams would sign the bonds after the Holly water works proved satisfactory, Mason went ahead with construction¹⁸⁹ which had continued despite the controversy.¹⁹⁰ By January, 1878, the company had laid nine and one half miles of pipe and installed hydrants.¹⁹¹ The pumping machinery and boiler arrived in the spring.¹⁹² T. T. Flagler, president of the Holly Company, expected to have that portion of the work completed in April, 1878, and to complete the pipe laying the following month.¹⁹³

When the water system was finished, it was tested and found satisfactory in every respect. The pipes on a

preliminary test proved much better than generally expected.¹⁹⁴ Then the pumps, too, proved highly satisfactory. Although the contract had stipulated that the pumps be able to throw six streams of water at a time to a height of 75 feet above the highest ground along the mains, they actually did much more than this, throwing streams to an average height of 112 feet, or 40 feet more than required.¹⁹⁵ The engines also fulfilled contract specifications. They were required to raise 60,000,000 pounds of water one foot with each 100 pounds of coal, while pumping at a rate of 3,000,000 gallons of water in twenty-four hours. However, in a continuous twenty-four hour test, the water company pumped 5 per cent in excess of what the contract required.¹⁹⁶

The water works soon proved their worth under an actual emergency. Mason, in a letter to D. C. Lawrence, described a fire that broke out in a barn and shed a short distance from his house. The hose cart had to come nearly three fourths of a mile from the central station, but when the firemen attached a hose to each opening of a double hydrant near by and turned a 2 1/4-inch stream on the flames, they were soon under control. Mason wrote:

The fire fiend took off his hat and yielded the field to his acknowledged master. This is the third fire that has been squelched without making any progress. In each case, the fire would have proved vitally destructive except for our works. 197

The demonstrations of the capability and reliability of the direct pressure water system silenced its critics. The editor of the <u>Hawkeye</u> observed that since the works exceeded contract specifications in every particular, there was a general expression of satisfaction.¹⁹⁸ Mason was more graphic in his description of the public mood. He said that a few worthless people had tried to throw every possible obstacle in the way, but that when the water works were in full and successful operation, the obstructionists were thoroughly ashamed of themselves. He added, "There is no more talk of driving me out of the city as the head of a ring to furnish water to the city."¹⁹⁹

The water company proved to be a financial as well as a practical success. Construction costs were less than anticipated: what the Holly Company furnished came to \$185,000 in bonds, \$4,000 less than Mason's estimate. This put the company in good condition, leaving in reserve \$15,000 in bonds.²⁰⁰ The feasibility of the city water system also prompted many more home owners to request that their property be connected with the mains, thus increasing the domestic use of water and adding to the company's revenue. In June, 1878, there were 50 water takers in the city;²⁰¹ by the following September, there were 227;²⁰² and by November, there were 245 residences into which the company had piped water. Mason noted in his diary that

applications for water connections were coming in at the rate of fifteen per day, with whole neighborhoods applying en masse to have new mains laid.²⁰³

The financial prospects of the company also improved after Mayor Adams signed the bonds. He held out against doing this until the Supreme Court had handed down its decision in the matter, fearing that he might render the city liable to an injunction when its officials first attempted to levy the water tax.²⁰⁴ Finally, in June, 1878, after the Supreme Court affirmed the decision of the district court, compelling the mayor to sign the bonds as stipulated in the city council, he acquiesced and endorsed them.²⁰⁵ T. T. Flagler of the Holly Company wrote Mason that this would make the bonds more valuable. 200 This proved to be the case. The estimated amount of dividends due stockholders to June 30, 1879, was \$2,999.80.²⁰⁷ The water company paid its first dividend in August, and Mason's share was \$1,689.97.²⁰⁸ This was fortunate because his salary that year as president of the water company was only \$500.209

Mason still had some difficulties with the city council regarding the financing of new mains which the public demanded. The company wished to extend the mains to accomodate the private consumers on South and West Hills but could not do so until the council authorized it.²¹⁰ The aldermen refused permission unless the company agreed to pay for the new mains from its own funds. Mason, on the other hand, wished to issue between \$20,000 and \$50,000 in new bonds in order to construct additional mains; the council opposed this because the city would have to pay the interest on these bonds.²¹¹ The company built additional mains on Hibernia Street in the fall of 1879, but the records do not indicate how they financed this construction.²¹²

The city council also refused to grant the company authority to issue new bonds to finance necessary repairs. Mason pointed out to the council that the water system needed a new filter bed.²¹³ William Torrey, secretary of the Burlington Water Company, wrote to Mason, "It is well understood as to who prevents the issuance of new bonds for filter bed and other purposes."²¹⁴ Presumably Torrey had the aldermen in mind here, for he expressed the hope that the new council would be easier to get along with than the former one, since the company needed more money for extensions, service pipes, and related matters.²¹⁵ It was the water company, and not the council, however, which the public blamed because the leak in the old filter bed left the water discolored.²¹⁶

Perhaps the company would have been willing to take care of some of the repair problems themselves had the city fulfilled its financial obligations to them. The

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water company had advanced the city \$8,000 to pay interest on the bonds the first year the water system was in operation, but the city had repaid only \$5,000 of the loan.²¹⁷ Meanwhile, the company was receiving enough from water rents to pay current expenses, but not enough to finance new construction.²¹⁸ Ira Holly told Mason that the only way out of this situation would be to issue new bonds to raise funds for more service pipes, but that the council would not allow the company to do this. Holly thought this situation resulted from a mutual misunderstanding of the ordinance.²¹⁹

Mason was determined to persuade the council to allow the water company to issue new bonds. He suggested that if the company could extend the mains wherever it seemed profitable, it would seek to avoid the necessity of a new filter.²²⁰ He also appealed to the council for permission to issue \$100,000 in second mortgage bonds, but the council denied his request because of the amount of interest the city would have to pay on them.²²¹ Apparently, rather than antagonize the council, Mason was willing to settle for 8 per cent, but the other officers of the water company wanted to set a higher interest rate. Despite these differences, Mason was so hopeful of solving the disagreement that he asked the superintendent of the water works to order several carloads of water pipe for extending the mains.²²² His efforts proved fruitless. Although the council was willing to have the company lay as

many water pipes as it wished, it was not receptive to the idea of allowing them to issue more bonds.²²³ Mason then wrote a public letter to the <u>Hawkeye</u>, justifying his request for immediate action by the council to enable the water company to purchase new mains. He predicted a probable rise in the price of iron, for one thing, and the loss of such valuable customers as the Burlington, Cedar Rapids and Northern Railroad, and the Burlington and Northwestern Railroad.²²⁴

Mason finally determined that the company should lay the mains despite the opposition of the council.²²⁵ In October, 1880, it put down mains on Washington Street, under an arrangement by which residents on that street agreed to advance the necessary funds.²²⁶ The next year the company laid a six-inch pipe extension over North Hill from Eighth and North Oak streets to the Burlington, Cedar Rapids and Northern water tank, a distance of 1,200 feet. Thereafter the water works filled the tank rather than the windmill which the railroad had previously used.²²⁷

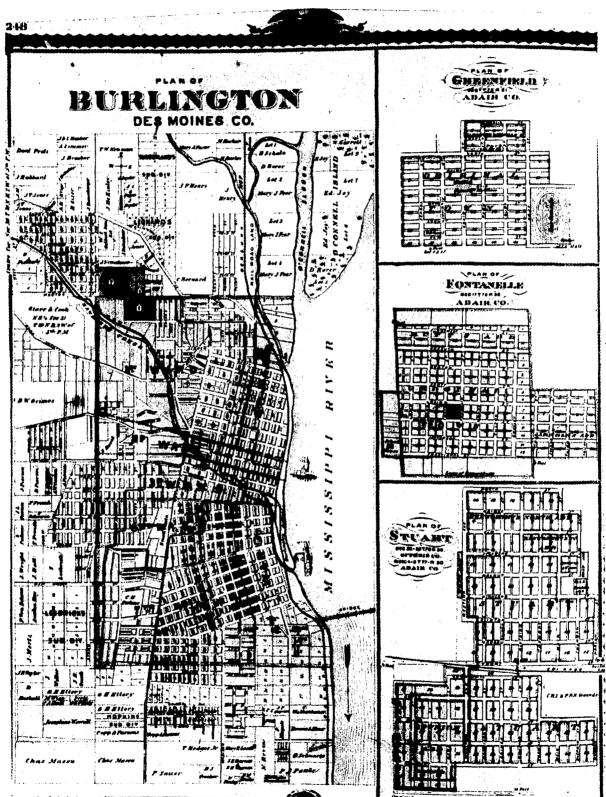
Mason's business papers do not reveal how the water company financed some of the extensions. At one point the company considered issuing a second mortgage without the consent of the city council, in the hope that the aldermen would not place any obstacle in the way.²²⁸ Apparently the company did not resort to this, because a year later Mason

still referred in his diary to the necessity of having the water company issue more bonds.²²⁹

In his endeavor to work out some arrangement for extension of mains that would satisfy both the city and the company, Mason became so exasperated that he expressed a wish to sell out all his interests and leave the city forever. He wrote in his diary, "Was there ever a man so thwarted in his earnest efforts to make a city prosperous by the city council on the one hand and the water company on the other?"²³⁰ In June, 1881, Mason was so much at odds with the directors of the water company that he was strongly inclined to resign as president, but apparently did not do so²³¹ since his diary records that he presided at a board of directors meeting of the Burlington Water Company in December.²³²

Mason's life, which had spanned most of the nineteenth century, came to a close on February 25, 1882. He had been in failing health for several years. He was survived by one daughter, Mary Josephine Remey; two other daughters had died in childhood and Mrs. Mason in March, 1873.

Mason's assets at his death are revealed in his last correspondence and in the probate inventory filed by his executrix. A letter to his daughter, written in September, 1881, stated that as far as real estate was concerned, he still owned several hundred acres of land in northwestern Iowa, and some in the southeastern part of the state, particularly in Lee County near Montrose and in Keokuk. He also said that he still had a financial interest in some Des Moines County land near Yarmouth and Winfield, along the line of the Burlington and Northwestern Narrow Gauge Railroad. In stocks and bonds he listed his assets as \$5,300 in German-American Savings Bank stock, \$13,500 in paid-up stock of the Burlington Water Company, \$2,000 in Burlington Street Railway stock, \$15,600 in second mortgage bonds of the Burlington and Northwestern Narrow Gauge Railroad, and \$5.000 in stock of the Burlington, Keosauqua and Western Narrow Gauge Railroad. 233 The inventory of Mason's assets, which his executrix filed in the Lee County probate court on May 13, 1882, agrees with this list. The inventory lists two debtors, C. J. Barker for \$1,000 and Sue Slade for \$500. Mason's will, on file in the Burlington Court House, simply stated that he left all he had to his daughter.



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CONCLUSION

Biographers usually like to find traits or occurrences in the childhood or youth of their subjects which foreshadow those of later life. If there are such traits in Charles Mason's early life, perhaps one was his early manifestation of intellectual interests. As a child, he was an avid student, evidently determined to get an education despite great odds, even though he found little encouragement or intellectual inclination in his home. For the rest of his life he remained a serious student of science and inventions, a trait particularly evident during his time in the Patent Office.

If there was another early characteristic in Mason's youth which recurred in his later life, perhaps it was his inclination toward opportunism. He was always quick to seize a chance to further his own inmediate interests, sometimes without regard for basic principles or eventual consequences. For example, when a few observant people recognized his latent ability and made it possible for him to obtain an education at government expense, he utilized the opportunity even though he had no inclination for military life. Later on, he made the most of his family connection to get on in public

life. Then he used his friends and acquaintances to get another boost up the political ladder, despite little experience for the post of Chief Justice of Iowa Territory.

Mason's social and economic ideas reveal the segment of the Democratic party to which he belonged. When he was a young Eastern lawyer and newspaperman, he seems to have shared the ideas and objectives common to the rising group of young businessmen in the Jacksonian organization. Mason showed his affiliation with this faction by his opposition to a protective tariff, on the ground that it would hamper commerce with other nations. He continued to favor businessmen after he settled in Iowa. One may surmise that he stood for a minimum of government control over private business, since he wrote few provisions for such control into the Iowa corporation law of 1846 and the Iowa law code of 1851.

Mason could have had little sympathy with the economic objectives of the laboring class Democrate or "Locofocos," as they were called. This group was highly critical of the business class generally, making little or no distinction between the economically elite and the more ordinary businessmen. They maintained that American democracy was in danger of being corrupted by the greed of the business community. The Locofocos feared the Second Fank of the United States as a dangerous monopoly prejudicial to the interests of the common man, and blamed banks in general for the nation's economic troubles. Mason, however, probably supported President Jackson's removal of government deposits from the Second United States Bank because of its control over credit. The Bank of the United States received large numbers of state bank notes, which it sent to the bank of origin for specie payment. This policy tended to make state banks more careful in their lending. This was contrary to Mason's economic interests, because his ventures demanded a rapid and unchecked expansion of credit.

Although Mason does not seem to have shared the economic views of the Locofocos, he does seem to have shared their ideas about legal reform. The laboring class demanded an end to the court's reliance on judicial precedents in deciding cases. This was the reaction of laboring men to the legal interpretation that labor organizations were unlawful conspiracies, an interpretation based on earlier English laws. Mason disliked so much the prevalent legal reliance on precedents in the East that he determined to practice law elsewhere because of it.

When Mason moved to Iowa, he found an environment well suited to his legal philosophy. He observed that society on the frontier was in such a formative stage that he, as a jurist, had to interpret the law in the light of changing social necessity. Mason deserves praise for having done notable work in this regard, not only as the most influential

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member of the Territorial Supreme Court, but as the author of one of the first law codes of the new state of Iowa.

Another possible inference that seems to emerge from a study of Mason as a jurist is that he was not predisposed to favor the people whose economic and social background somewhat resembled his own. He evidently came from a family line of economically and culturally impoverished people, the same whose disputes he was called upon to settle in Iowa forty years later. His judicial decision regarding the Iowa claim clubs, however, cannot be regarded as necessarily favoring the small settler on his claim. It is even possible that antagonism to the social group from which he came prompted some of Mason's legal decisions. In a case such as that of the Half Breed Tract, his ruling favored Eastern speculators rather than settlers of the social and economic level from which he had risen. Perhaps Mason was a social climber who, like Alexander Hamilton, was inclined to sympathise with those among whom he wished to be rather than those from whom he had come.

An analysis of Mason's business investments help to explain whether or not he made a fortune. On the one hand, the <u>Burlington Gazette</u> estimated Mason's assets when he died at a quarter of a million dollars. However, Mason's letter to his daughter shortly before his death, in which he summarized what he had, lists nothing like this amount. The

inventory of Mason's estate filed with the probate court likewise does not agree with the newspaper estimate. How, then, did he make or lose money, and if he did accumulate a fortune, where was it at the time of his death?

When one assesses Mason's business profits or losses, his Half Breed land transaction appears to have been profitable. Mason's receipts from the Half Breed Tract, including the cash settlement of \$100,000 from the New York Land Company, totalled approximately \$333,696. From this one has to deduct his Keokuk and Lee County taxes, approximately \$37,000. Other expenses were his payments to squatters for their claims and improvements, and his costs in defending his land claims in court. In addition, Mason paid Isaac Galland \$15,000 and Robert Claggett \$16,000 to settle their claims out of court. Mason also estimated that he lost \$70,000 because of James Estes' dishonesty. This would make Mason's Half Breed expenses approximately \$138,000, leaving him a net profit of about \$195,000 on his transaction.

Mason apparently prospered from his other Iowa land transactions, also. His share in the Keokuk purchase known as Reid's Addition brought him fifty lots and \$20,000 in mortgages. He also received \$3,296.82 from the sale of Burlington lots and \$3,733.25 from farm land in Burlington and Union townships. In northwestern Iowa, Mason made

\$2,412.68 in Cherokee County, \$585.40 in Sioux County, and \$11,506.32 in Palo Alto County. His only loss in northwest Iowa was in Sac County, amounting to \$197.25.

Other land speculations did not turn out at all well. All the land Mason obtained with military warrants proved unprofitable. The southwestern Iowa land obtained through warrants cost Mason \$3,775.65, and he received nothing from it except worthless stock when he exchanged 3,000 acres for 2,000 shares in the Standing Stone Oil Company. Mason's land in Missouri and Wisconsin also proved a poor investment. The Wisconsin holdings cost him about \$6,303 and the Missouri land \$342.20 plus taxes for twenty-five years. He also suffered a small financial loss from his efforts to obtain land warrants in Georgia. Total losses on these land speculations were perhaps \$10,500, making net profits on such transactions about \$225,836.

Some of Mason's business partnerships proved fortunate while others did not. He made \$12,000 from his association with John Gear in the grocery business and \$1,500 from his participation in Brown's patent. In contrast to Mason's profitable partnerships, he lost approximately \$6,000 on Atkins' rake, \$1,000 on Sanford's lamp, and \$1,050 on Whittmore's split spike. His mining partnerships were also financial failures. He lost \$1,900 by investing in the Block House Mining Company, \$5,000 in the Genesee gold mine speculation, and an undisclosed amount by participating in the Olympic silver mine venture. His loss in these partnerships, then, must have been around \$1,450. Mason appears to have had a substantial income from his law partnership with Fenwick and Lawrence over a twenty-year period. At one point it amounted to about \$7,000 per year for each of them, but subsequently it seems to have been much less.

Mason's stock and bond speculations appear generally profitable. He made \$1,347.97 on the purchase and sale of Virginis state bonds, \$5,000 on Missouri state bonds, \$3,155.27 on Lee County bonds, and \$1,200 on Burlington city bonds. His papers tell also of undisclosed profits on Burlington and Missouri Railroad bonds, Burlington and Northwestern bonds, and bank stock of the German-American Savings Bank.

Although Mason occasionally lent money with the expectation of financial gain, in general he did not realize much from this. His largest recorded loss was \$13,600, the unpaid balance on a loan to John Gear. Mason's diaries frequently mention other smaller loans which the borrower sometimes paid, but usually did not. It is impossible to assess accurately his losses from bad debts, but they were at least \$21,000. Mason himself sometimes borrowed money, but he paid it back. At his death he owed a total of only \$1,500 to two creditors.

When one summarizes Mason's financial gains and losses. they seem to indicate that he accumulated a considerable amount of money by the time he died. It is impossible to say precisely how much money Mason had at death, because he did not keep a detailed record of his income and expenses. He left only one intimation of his total cash assets at that time. In a letter he wrote to a Burlington newspaper, he defended the water company by saying that he was risking his entire fortune in it. Mason's stock in the water company, when fully paid for, would have cost \$129,000. If Mason was being truthful, then, he had cash assets of around \$130,000 when he died. When the editor of the Burlington Gazette estimated that Mason's fortune amounted to \$225,000. he was probably including the value of Mason's stocks, bonds. and real estate.

Several things hint that Mason turned his money over to his daughter before he died. He had transferred his farm to her several years earlier and he may have done likewise with his cash. That he did so is suggested by the fact that two years after his death his daughter paid for the remaining stock that Mason had subscribed in the Burlington Water Company. She then had all the 1,290 shares transferred to her name.

Although Mason accumulated a fortune, the actual number of his unsuccessful business ventures outnumbered his

successful ones. Undoubtedly there were personal factors involved where Mason's business ventures were unsuccessful. The very nature of his personality was such that he seemed more attracted to schemes that offered a quick return on his money than to more conservative investments. As a consequence, he dissipated his energies and resources over too wide a variety of enterprises, many of which were of uncertain promise. Examples of this were his mining investments and certain purchases of patent rights.

Mason often showed poor judgment not only as to the selection and number of his investments but also regarding business policies and practices. For example, he did not become financially involved in the Half Breed transaction until several years after he as a judge had rendered his decision, but from the standpoint of public reaction, it was unwise for him to have become involved in it at all. It impaired his political prospects in Iowa, although he probably could not have been elected to high office in any case. For one thing, the political tide was against him with the ascendency of the Republican party in the state and nation after the mid-1850's. Afterward, he ruined any future he might have had in public life by his Southern sympathies during the Civil War.

Mason also showed poor business judgment when on several occasions he tried to profit personally by contracting for

construction material, using company bonds as collateral, and then reselling the material at a higher price. Thomas Cochran, the American business historian, points out that this was common practice in the early nineteenth century; as a company bought new equipment, its president and directors might be the owners of the property bought as well as the officers of the purchaser who set the terms of sale. Cochran points out, for example, that Erastus Corning, president of the New York Central system for many years, sold his railroad all its iron. However, even if the most scrupulous corporation executives of the 1840's and 1850's were occasionally on both sides of the bargain, it was poor policy as far as public relations with the stockholders was concerned. Although Mason may not have done anything dishonest, and sought to justify his actions with the argument that his plan was the only way he could buy rails for the Peoria and Oquawka, still the practice was questionable in the eyes of some stockholders. The resulting dissension evidently outweighed any temporary good that Mason accomplished.

Another factor accounting for some of Mason's business failures was his poor judgment of men. J. M. Love, for example, invested Mason's money in land, the value of which failed to come up to expectations. Evidently a land shark had victimized Love, but this reflects upon Mason's choice of Love as a financial agent. In other cases, Mason himself

was victimized by the outright dishonesty of those whom he trusted, as in the case of James Estes or Isaac Galland. Mason trusted others like the officials of the Des Moines Navigation Company and the Keokuk, Ft. Des Moines, and Minnesota Railroad who refused to give Mason everything to which he believed he was entitled for his services.

Closely tied in with business failures because of poor judgment of men was the fact that in Mason's time there were no methods such as we know today by which a businessman could verify the integrity of those with whom he did business. Perhaps for this reason Mason and others were victimized by Robert Brown in connection with patent rights and by James Estes in land transactions. This may also explain why Mason traded his land in southwestern Iowa to John Carlisle for oil stock which eventually proved worthless.

The lack of quick and easy communication was another reason Mason's business ventures sometimes did not succeed. The telegraph, for example, was imperfect for business purposes because it was difficult to be sure that a telegram reached the person for whom it was intended. The mail, too, was slow and uncertain during Mason's early years on the frontier, a factor which seems to have had a bearing on his business relations with Estes. Along the same line was the absence of any good system of business records, so that important letters or papers were sometimes lost. This was true,

for example, in Mason's transactions with the Des Moines Navigation Company and the Burlington Water Company.

A factor related to the lack of easy and quick communication as a cause of business failure was that of confused responsibility among business partners, with authority delegated to too many people. This was the case in Mason's relations with George Harding, the Peoria and Oquawka director who handicapped or overruled Mason's decisions so that the two worked at cross purposes. Their business project suffered accordingly in delay and expense.

Mason also found himself thwarted in business affairs by the provincialism of communities and individuals. In the case of the Peoria and Oquawka Railroad, this factor resulted in struggles between communities in an effort to shape company policy. When it came to federal land grants for Iowa railroads, river towns on the Mississippi competed with each other to determine the direction of the prospective railroads. At other times various economic groups within a community struggled with each other to decide such questions as the direction of a prospective railroad or the type of water system best suited to their city. In Burlington, for example, local politics entered the picture, and in some instances councilmen allegedly offered to sell their votes if properly rewarded. While these community struggles probably were inevitable, they had the effect of exhausting the resources and efforts of businessmen involved in them. Various business associates such as George Bestor and others who sought to shape government policy to their personal profit, or whose personal animosity toward each other influenced them, also kept Mason from achieving the success for which he hoped.

When it came to financing new business projects, one of Mason's most obvious difficulties was the shortage of ready capital. This was partly the result of local conditions, where it was easier to secure money in the first stages than in the last stages of a project, as in the promotion of a railroad. The local residents sometimes supported transportation projects at the beginning of a fund drive, perhaps because they hoped to raise property values along the proposed route. In some instances, local communities found money difficult to raise because different types of transportation competed with each other for financial support. Apparently this was true of canals and railroads, in the case of the Peoria and Oquawka Railroad. Evidently the lack of easy credit elsewhere intensified this problem of raising money in the local area. It was difficult to sell Western railroad securities in the East, for example, until good connections for the line were assured. Since nobody appeared willing to delay railroad construction by building on a pay-as-you-go basis, the only alternative seemed to be federal land grants to the railroads. While these indirect federal subsidies

to railroads doubtless were inevitable, sometimes they were not an unmixed blessing.

Finally, it is necessary to identify the nature of Mason's business activities according to the various classifications advanced by economic theorists. Was he an entrepreneur, an innovator, or both? If one prefers a definition that distinguishes an entrepreneur from an innovator, then at various times Mason was an entrepreneur. According to one interpretation, he was an entrepreneur whenever he acted as the connecting link between the inventor and the buyer of finished products. When he was practicing patent law, he was sometimes offered a share in an invention if he could dispose of it to some interested party. With Sanford's gas lamp, for example, Mason tried to interest the Manhattan Manufacturing Company in producing it.

Mason was also an entrepreneur in the sense that he handled venture capital in new and untried economic areas. He contributed money to promoting various types of farm machinery, some of which proved technologically sound, like Atkins' rake, and others that were never successful, like Frye's steam horse. Mason's mining ventures were also examples of venture capital in unproven areas. The same was true of his investment in the Burlington Water Company, when it was questionable whether water could be pumped by machinery with sufficient force and quantity where needed, or whether some other method was preferable for the purpose. Mason's narrow gauge railroad investment also involved venture capital.

Mason was certainly an entrepreneur if one equates the term with opportunism. He was an opportunist in the case of the Half Breed Tract, which cost him no initial cash outlay, being merely a transfer of ownership for which he was to pay from his anticipated profits. The same opportunism was evident in some of his other land deals, such as that with the Des Moines Navigation Company, which likewise proved advantageous to him.

If one prefers to believe that an innovator and entrepreneur are synonymous, then Mason was both. Both as a patent lawyer and as a dealer in patent rights he had a part in doing new things or doing old things in a new way through exploiting untried technological possibilities. An example was Mason's participation in Whittmore's spike making machine, where he shared his ideas and money in an effort to make split spikes in quantity and endeavored to market them to railroad companies. A similar case was Mason's partnership with Borden in an attempt to can apple juice, and his endeavors to interest various government bureaus in it.

During the long span of Mason's life, he saw tremendous changes in the economic growth of his country--from the simple plank road of early Iowa to the transcontinental railroad, from the water bucket on a windlass to engine-powered water works. He himself not only visualized many of these developments but participated actively in their realization. This was not an easy task. The life of a pioneer, in business or in the physical subduing of a continent, is never easy. If the experience of other businessmen of the period and the obstacles they encountered were similar to those of Mason as revealed in this dissertation, then this study is worthwhile from the standpoint of business history as a whole.

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