

ECONOMIC DEVELOPMENT OF TEXAS

1820-1860

A THESIS

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ECONOMIC DEVELOPMENT OF TEXAS

1820-1860

A THESIS

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in Partial Fulfillment of the Requirements

for the Degree

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By

David Eason Wood

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## PREFACE

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David E. Wood

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CHAPTER I  
BACKGROUND OF THE ECONOMIC  
DEVELOPMENT OF TEXAS

The chief aim of this study is to trace the development made by the pioneers who settled Texas and underwent untold hardships between 1820 and 1860, the first forty years of the colonization in Texas, in order to redeem the territory from a wilderness and lay the foundation for the economic development of the state. A careful study of articles which appeared in newspapers during that period, of the writings of the early pioneers and their immediate descendants, and of works by authoritative historians and economists has been made.

During the last half of the seventeenth century the Spanish settlements were largely restricted to the Southwest, but threats of French aggression in East Texas brought about by the abortive expedition of La Salle in 1685 alarmed the Spaniards and caused them to build several missions in East Texas as strongholds against the French.<sup>1</sup> Since there were no further encroachments upon the eastern frontier, Spain withdrew the missionaries from East Texas in 1693.<sup>2</sup> There

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1 George P. Garrison, Texas, p. 45.

2 Ibid., p. 43.

were, however, occasional trading expeditions sent into East Texas by both the French and the Spanish in the period from 1693 to 1716.

The actual work of settlement in Texas fell to Anglo-Americans, who acquired land in Texas in three ways provided by the Mexican law. "Land might be acquired by direct purchase, by 'empresarios' through colonization contract, and, indirectly, individuals might acquire public land through an empresario."<sup>3</sup> Under the empresario system the empresario was an agent who contracted with the Mexican government to introduce a specific number of families of a certain description into a designated area within a given time. If the empresario succeeded in introducing settlers in conformance with the terms of his contract, he received his pay, which was five leagues of land for each hundred families he introduced.<sup>4</sup>

The colonization law of March 24, 1825, allowed each family who accompanied an empresario one labor, or 177 acres of land, if farming was the only occupation. The family received 4,251 acres if stock raising was the occupation, and one square league or "sitio" of land, 4,428.4 acres if the

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3 A. S. Lang, Financial History of the Public Lands in Texas, p. 28.

4 Stephen F. Austin, "The Power and the Duties of an Empresario," as quoted by E. C. Barker, et al., History of Texas, p. 79.



family engaged in both farming and stock raising.<sup>5</sup> According to Lang,

Settlers were required to pay surveying fees of \$8.00 for a 'sitio,' \$3.00 for the survey of a labor...besides the surveying fee there was a commissioner's fee of forty-five dollars 'per sitio' for grazing land... the land dues were payable in three installments at the end of the fourth, fifth, and sixth years, after the grant was made.<sup>6</sup>

The empresarios fell into three groups; namely, those who completed their contracts, those who partially fulfilled their contracts, and those who failed to meet any part of the obligations of the contracts. Stephen F. Austin and Green DeWitt were the only empresarios who completed their contracts. There were other empresarios that made contracts with the Mexican government, but for various reasons did not fulfill them.

Prior to the Civil War a number of settlements developed into towns of importance. Besides San Antonio, Goliad, Refugio, and Nacogdoches, established by the Spaniards; Gonzales, the capital of DeWitt's colony; and San Patricio, located in McMullen and McGloin's grant, there were several other early towns established. Brazoria, in 1831, gave promise of becoming a large town; Bolivar, located at the head of tide water on the Brazos, could be reached by any ship that could pass the bar; Matagorda, containing five hundred inhabitants in 1836,

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5 A. S. Lang, Financial History of the Public Lands in Texas, pp. 28-29.

6 Ibid., p. 29.

was a thriving town trading with the interior and with New Orleans; Washington, situated on the Brazos, was the first capital of the Republic of Texas; San Augustine, located on the road from Natchitoches to Nacogdoches and the first town the traveler came to as he entered Texas, was a prosperous settlement. Galveston, situated on Galveston Bay, possessed one of the best locations on the Gulf; and Houston, which was surrounded by fertile and well drained timbered land and only a few miles from a good steamboat landing on the Trinity, became the chief market for the people living in Southeast Texas.<sup>7</sup>

The number of towns and the population of each town and its surrounding country increased steadily as a better transportation system developed. According to estimates, the population of Texas in 1820 was 20,000, and by 1836 it had increased to 52,000. The census report of 1850 showed the population to be 212,592; and according to that of 1860, there were 601,039 inhabitants in Texas.<sup>8</sup> Thus the population in the Republic of Texas more than trebled during the first forty years of Anglo-American colonization.

One hundred years ago the vast natural resources of Texas lay almost untouched, yet nature has bountifully supplied Texas with resources that would render invaluable aid to her

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7 Mary Austin Holley, Texas, pp. 110-125.

8 D. W. C. Baker, A Texas Scrap Book, p. 22.

economic development. One of the greatest natural resources of Texas is her broad expanse of agricultural soil. Because of her location on the Gulf coast, she has a number of good harbors; other valuable resources are lumber, building stone, coal, petroleum, natural gas, metals, fish and other wild life.<sup>9</sup> The large deposits of minerals in Texas lay untouched until after 1860, but lumbering, like agriculture, is one of the oldest occupations in Texas.<sup>10</sup>

The state is naturally divided into three regions with varying characteristics. The sea-board, which extends from the Sabine to the Rio Grande and runs inland from sixty to one hundred miles, cannot be excelled for fertility of soil and salubrity of climate. The upland or middle Texas, with its rolling surface and its forests interspersed with prairies, also has fertile soil and agreeable climate. The great plains or table lands of the northwest which, in 1836, was still the abode of the Indians and the buffalo, is a vast territory with fertile soil and with grasses that are excellent for pasturage.<sup>11</sup>

The forest resources of Texas are extensive and of great importance. There were originally in East Texas approximately 18,000,000 acres of forests, consisting of about 12,000,000

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9 William Kennedy, Texas, pp. 111-126.

10 Ibid., p. 99.

11 D. W. C. Baker, A Texas Scrap Book, pp. 20-21.



acres of pine and 6,000 acres of hardwood, and of mixed stands of hardwood and pine.<sup>12</sup> East Texas may be divided into three forest areas; namely, the loblolly pine region, the long-leaf pine region, and the short-leaf district.<sup>13</sup>

The loblolly pine region probably occupies six thousand square miles. It lies between Angelina, Jasper, Tyler, and Newton counties and the coast, extending from the long-leaf and short-leaf pine regions on the north to the treeless, grass-covered portion of the coastal prairie on the south. It extends west from the Sabine River almost to the Brazos River.<sup>14</sup>

The long-leaf pine region occupies about five thousand square miles. It lies north of the loblolly pine country and extends from the Sabine to the Trinity River, where the loblolly and the short-leaf pine regions meet to form its western boundary. The altitude of the long-leaf pine region ranges from one hundred feet to three hundred feet. The country is rougher and better drained than that of the loblolly pine. Sandy ridges and deep open-textured soils are characteristic of this region, and the long-leaf pine, being able to thrust its tap root deep into the soil is somewhat independent of dry surface conditions. Loblolly pines and

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12 W. B. Bizzell, Rural Texas, p. 74.

13 Ibid., p. 75.

14 L. J. Wortham, A History of Texas, vol. V, p. 208.

The commercial manufacturing of lumber began in Texas during the early years of the colonial period, but it did not reach large proportions until after the Civil War, chiefly because of the lack of adequate transportation facilities. Colonel Almonte reported to the Mexican government in 1843 that there were a number of saw-mills in the departments of the Brazos and Nacogdoches.<sup>20</sup> Stephen F. Austin, in 1834, reported to the Mexican government, specifically of one such saw-mill, stating: "In Gonzales there is a water-power mill on the Guadalupe river for sawing lumber...which is of much importance, since it furnishes lumber to the towns in that district."<sup>21</sup> Austin also reported that there were two steam saw-mills in the municipalities of Austin and Brazoria. Although the number of mills increased during the Republic, their output was limited and even during the early days of statehood the development of the lumber industry was not very great. The region situated along the Brazos, Colorado, and Guadalupe Rivers was diversified with prairie and woodland. The woods encircling the prairie afforded the best oak, cedar, ash and other timber useful for fencing and building,<sup>22</sup> and the rich land of this region was covered with extensive cane brakes, which were inexhaustible resources of food for cattle

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20 L. J. Wortham, A History of Texas, vol. V, p. 210.

21 Ibid., p. 210.

22 Mary Austin Holley, Texas, p. 19.

and horses in winter when the prairies yield but little or no grass.<sup>23</sup>

The great plains of Northwest Texas were partially covered with mesquite grass, which provides excellent pasturage, and with the nopal or prickley pear whose leaves and fruit were used as feed for cattle and wild horses. The mesquite tree, whose size was about that of a peach tree, was the most common found in the plains country. In times when food was scarce, the Indians used the pod of the mesquite tree for food, and the Mexicans maintained that it was equal to Indian corn for fattening cattle and hogs. Because of its durability, the wood of the mesquite tree was useful as a material for fencing.<sup>24</sup>

Grapes grew luxuriantly in almost every section, almost every variety of grape being native to Texas. Mary Holley, one of the early pioneers, predicted that grapes: "...will be extensively cultivated being in great esteem and presenting the prospect of a lucrative business to the Vintner."<sup>25</sup> Blackberries of a very superior kind, dewberries, the May apple, and a great number of similar plants were found in the utmost profusion in Texas.

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<sup>23</sup> Ibid., pp. 86-87.

<sup>24</sup> Ibid., pp. 20-21.

<sup>25</sup> Ibid., p. 88.



No region in America can boast among its botanical treasures, a richer abundance of valuable medicinal herbs and roots. Every old woman...knows how desirable such a natural pharmacopia is to the frontier family, far distant perhaps from shops of the druggist and the physician, where every man, in time of sickness becomes a 'botanical quack and steam doctor,' and practices upon his own 'patent.'<sup>26</sup>

Rocks, minerals, and clay and sand suitable for brick making, articles that are of great value in a country where there is but little stone, were plentiful in the northwestern part of Austin's colony and as far west as the mountainous region.

Only a small percentage of the pioneers were professional men. Some of the early settlers devoted part of their time to freighting, and others were engaged in small businesses. Maxime Guillot, in 1850, established a wagon and carriage shop in Dallas and before long the manufacture of saddles and harness was a fairly well established industry in that city.<sup>27</sup> Because of the great bulk of cotton and the absence of cheap transportation, wheat became the chief crop of the territory surrounding Dallas and mills were built where the wheat, during the fifties, was converted into flour.<sup>28</sup>

Texas was, indeed, abundantly supplied with natural resources, but the timbered land was regarded as almost worth-

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26 Ibid., p. 89.

27 "Carriage Shop First Plant to Set Up in 1850," Dallas Morning News, October 1, 1935, section VIII, p. 1.

28 "Dallas Becomes Heart of Great Wheat Region in 1850s," Dallas Morning News, October 1, 1935, sec. IV, p. 5.

less and forests remained an undeveloped resource until some years after the Civil War.<sup>29</sup> The fabulous wealth in petroleum and sulphur remained undeveloped until the early part of the twentieth century.<sup>30</sup>

In spite of the abundance of her natural resources, the economic development of Texas during the period 1820 to 1860 was largely restricted to agriculture, transportation, trade, and finance.

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29 L. J. Wortham, A History of Texas, vol. V, p. 211.

30 C. D. Judd, One Hundred Years of Economic History of Texas, p. 2.

## CHAPTER II

### AGRICULTURE

The soil and the climate of Texas are excellent for agricultural purposes. Cotton, wheat, sugar-cane, rice, tobacco, and many cereals are profitably grown in some section of the vast territory, while such vegetables as a family requires are universally adapted to all parts of the state. The Anglo-Americans very likely continued to settle in Texas after Austin's colony led the way because there is probably no other country where rich lands can be cultivated with so little labor. Much of the soil is loamy and easily turned by a plow. The prairie land requires a strong team to break it the first time; then it is easily cultivated. Colonel Langworthy, an early visitor to Texas, said: "In goodness of soil, in the extent and varieties of her productions, in amenity of climate...Texas has a decided preference to any new country I have ever seen."<sup>1</sup> It is small wonder that agriculture has been one of the chief occupations of the inhabitants of Texas from the earliest times. When the first European settlers reached Texas soil, they found several domestically-inclined Indian tribes prac-

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1 Quoted in William Kennedy, Texas, p. 83.



ting a crude system of agriculture. The Pueblo Indians, shepherds living in the section surrounding Ysleta, were the most advanced in civilization of the Texas Indians. The Cenis tribe, living on Buffalo Bayou and in the San Jacinto and Trinity valleys, was perhaps the next most civilized tribe in Texas. Although they devoted much of their time to agriculture, they devoted some time to trading with the Anglo-Americans. The Nassonis, a name designating several Indian tribes who lived to the east of the Cenis tribe, practiced a crude form of agriculture and were known for their kindness to strangers and for their domestic habits. The Caddos, who manifested a considerable capacity for civilization and lived in large villages from the Sabine and Red Rivers to the Trinity River, cultivated their farms fairly well. The Wacos, who lived on the upper reaches of the Brazos and Trinity rivers, were generally unfriendly and unreliable. The members of this tribe built homes, cultivated farms, and raised horses.<sup>2</sup>

The Spanish missionaries easily developed friendly relations with the Tejas, a semi-agricultural people, and taught them some of the arts of agriculture. While corn and beans were the chief crops of the missionaries, they also raised pumpkins, watermelons, and other vegetables, and some

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<sup>2</sup> William B. Bizzell, Rural Texas, pp. 104-108.

sugar-cane and cotton. However, the Indians rebelled when many of their cattle died and droughts caused the failure of crops, because their superstitious nature caused them to attribute the failures to the missionaries and their God. The chief contribution to agriculture by these missionary enterprisers was the introduction of sheep, cattle, and horses.<sup>3</sup>

Since most of the early Spanish inhabitants in Texas were primarily engaged in herding, there was some doubt during the early part of the nineteenth century that plantation economy would be established here. However, with the coming of the Anglo-Americans, it became evident that agriculture would become an important industry. Moses Austin, in his application to the Spanish government at San Antonio for permission to establish an agricultural colony in Texas, said that, "He wanted to cultivate cotton, sugar, corn."<sup>4</sup> Moses Austin's petition was granted and his son, Stephen F. Austin, in compliance with his father's dying request, brought the colonists to Texas. Because of the decadent condition of agriculture among the Spanish settlers, there was a scarcity of seed corn in San Antonio in 1822,

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3 Ibid., p. 108.

4 "Moses Austin Planned Texas Colonization, Son Stephen Carried It Out," Houston Chronicle, April 19, 1936, p. 41.



and the colonists had to send to Natchitoches for a supply. The colonists were entirely without agricultural implements because the schooner "Lively," which was to bring their supplies, failed to arrive. Therefore, the first crop, consisting mainly of corn, was planted and cultivated in the most primitive fashion. The colonists used sticks and bones for implements, planted their corn in hills and fertilized it with fish. In spite of the severe drought which ruined the corn on the uplands, the river-bottom lands produced a fair crop. When the corn was harvested in the fall, it provided the colonists with a most valuable supply of food to supplement such foods as they obtained from the forests. Corn was an important crop for the pioneers. They ground it into meal, thus supplying themselves with bread. Noah Smithwick, speaking of the many ways in which the colonists used corn for food, said they "Boiled it, fried it and roasted it either by standing husked ears before the fire and burning them till brown all around, or buried them husk and all in hot ashes, the sweetest way green corn was ever cooked."<sup>5</sup>

Seed-corn was very valuable in Texas in 1824. Rosa Kleberg recalled:

It was with great difficulty that the farmers obtained seed-corn. My husband traveled two days and a night to buy seed-corn from a farmer living

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5 Quoted in J. L. Clark, A History of Texas, Land of Promise, p. 140.

on the Colorado who had succeeded in saving his corn by putting it in an underground cistern. It was here that all our neighbors got their corn, paying \$5.00 per bushel.<sup>6</sup>

Corn, which the farmer used as food for his family and feed for his livestock, was the most important grain that he grew. Unless drought hindered, two crops could be produced each year. The first crop was planted about the middle of February, after which there was little danger of a freeze, and harvested in the summer; then the second crop was planted in June for fall harvesting.<sup>7</sup> Planting and cultivation were not difficult, and the yield per acre was good. The simple method of planting corn was to make a furrow, drop the seed into it, and cover it with a hoe. The only cultivation necessary was an occasional light plowing to clear away the weeds.<sup>8</sup> Parker, in his "Trip to the West," said that in Eastern Texas he found, "A man who, with the aid of a ten years old boy, raised and gathered in one year 1500 bushels."<sup>9</sup> Kennedy, speaking of the production of corn in Texas, said: "The average yield on good land is fifty to sixty bushels per acre but seventy-five have been frequently gathered."<sup>10</sup>

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6 Rosa Kleberg, "Early Experiences in Texas," Texas State Historical Association Quarterly, vol. II, p. 170.

7 Abigail Curlee, "The History of a Texas Slave Plantation, 1832-1863," as quoted by E. C. Barker, History of Texas, p. 420.

8 William B. Bizzell, Rural Texas, p. 120.

9 Quoted in William Kennedy, Texas, p. 89.

10 Ibid., p. 89.

Most of the corn grown was intended for home use. If the farmer raised a surplus supply, however, he found a ready sale for it, because newcomers needed grain to sustain their livestock as well as for food for their families.<sup>11</sup> The value was generally from two dollars to three dollars per bushel at the markets and from a dollar and a half to two dollars per bushel at the farms.<sup>12</sup> Corn was of utmost value to the early settler; for he could raise the grain economically, use it as food for his family and feed for his livestock, sell it to newcomers for a good price, or realize a profit by selling seed-corn.

Wheat grew abundantly on the plains of West Texas, but it was not adapted to the coastal region. Stephen F. Austin, who lived in South Texas, reported: "The sowing of wheat has not progressed so much because the climate is not suitable for this grain in the settled region near the coast."<sup>13</sup> Mexican wheat, superior to that of the United States, yielded well on the upper Colorado. Kennedy said: "A crop of wheat equal in quality to the finest Kentucky has been cut in May on land in Western Texas, and the same land has yielded a heavy crop of Indian corn in the ensuing October."<sup>14</sup>

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11 Ibid., p. 90.

12 Ibid., p. 90.

13 Quoted in Abigail Curlee, "The History of a Texas Slave Plantation, 1832-1863," as quoted by E. C. Barker, History of Texas, p. 420.

14 William Kennedy, Texas, p. 90.



Sugar-cane was beginning to be cultivated in Texas as early as 1836. According to the State Gazette, the average yield on a Brazos plantation was almost five hundred pounds to the acre.<sup>15</sup> The colonists found that sugar-cane could be grown profitably in Texas because of the suitable soil and mild climate, for the value of the crop depends upon the number of joints that ripen before frosts set in. The pioneers found that the light frosts of Texas did not injure the cane, but rather assisted the fermentation of sugar from the sap. The cane of Texas, which had a tall stalk,

...has been found to sweeten seven feet above the ground. I have seen an estimate of the produce of sugar in a small plantation, which, notwithstanding the waste arising from very imperfect machinery, gave about 3,500 pounds to the acre.<sup>16</sup>

The cultivation of sugar-cane demanded more capital than cotton planting and its harvesting was more difficult, but the farmer who employed a sufficient number of hands and who had suitable land found the production of sugar-cane to be profitable.<sup>17</sup> A sugar mill was installed on the important Peach Point Plantation, ten miles below Brazoria, in 1850, and it soon became apparent that sugar-cane was taking the place of cotton on this plantation. Records of the Peach Point Planta-

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15 Abigail Curlee, "The History of a Texas Slave Plantation, 1832-1863," as quoted by E. C. Barker, History of Texas, p. 420.

16 William Kennedy, Texas, p. 88.

17 Abigail Curlee, "The History of a Texas Slave Plantation, 1832-1863," as quoted by E. C. Barker, History of Texas, p. 430.

tion, concerning the profits derived from the sugar crop, were meager; nevertheless, the following reports on the 1854 and 1855 crops were recorded:

The net proceeds on fifty-three barrels after paying storage, expenses to Galveston, and expenses after leaving Galveston, and which included freight, wharfage, auction charges, cooperage, interest, commission, and guaranteeing, were \$5,364.49 [for 1854]. After deducting \$2,579.63 for expenses, the net proceeds of the 1855 crop was \$6,781.13.<sup>18</sup>

Sugar-cane was not only valuable as a money crop, but it supplied the settler and his family with sugar and molasses; furthermore, the top of the cane stalk made excellent fodder for cattle and horses.<sup>19</sup>

Tobacco, which was planted early in the spring and gathered in the fall, grew luxuriantly in the coastal region where the soil was light, rich, and warm.<sup>20</sup> Tobacco was not grown extensively, but its production was profitable to those who engaged in its cultivation. Rosa Kleberg stated: "My husband ...engaged in raising tobacco and making cigars, which he sold in Houston at high prices; and the people came from all around to his house to buy it. There was then no duty upon this article."<sup>21</sup>

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18 Ibid., p. 430.

19 William Kennedy, Texas, p. 89.

20 Ibid., p. 91.

21 Rosa Kleberg, "Early Experiences in Texas," Texas State Historical Association Quarterly, vol. II, p. 173.

The indigo plant, like tobacco, was indigenous to Texas, but it was cultivated only for home use. "It was manufactured in families for domestic use, and was preferred to the imported indigo."<sup>22</sup>

Vegetables, melons, and fruits provided much of the food for the colonists; they usually had a garden not only in the spring and summer, but also in the fall and winter. As early as 1830, James Hope of San Felipe, "garden and seed man," was advertising fruit trees and Connecticut garden seed.<sup>23</sup>

Sweet potatoes grew extensively in Texas, the superior prairie lands yielding from four to five hundred bushels to the acre.<sup>24</sup> Irish potatoes, beans, cushaw, onions, carrots, pumpkins, okra, eggplant, and various kinds of peppers were among the vegetables grown in many of the gardens.<sup>25</sup> Early Texans were bountifully supplied with melons, which grew well everywhere, and with an infinite variety of fruits. Mayhaws, blackberries, plums, and grapes grew in East Texas. Farther to the west and southwest, where plums and grapes were also abundant, prickley-pear apples, mesquite beans, and

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22 Abigail Curlee, "The History of a Texas Slave Plantation, 1832-1863," as quoted by E. C. Barker, History of Texas, p. 420.

23 Ibid., p. 421.

24 William Kennedy, Texas, p. 93.

25 Bracht, Texas in 1848, as quoted by the Victoria Advocate, September 28, 1934, p. 55.



agarita berries were made into palatable foods. Since the people lived, for the most part, on what they could produce themselves, the food crops were of great importance.

Cotton, the backbone of Texas prosperity, was first planted as a commercial crop by Jared E. Groce, who is recognized as the father of Texas agriculture. He not only established the first plantation on which cotton was cultivated by slaves, but in 1825 he erected on the banks of the Brazos the first gin in Texas.<sup>26</sup> As cotton culture spread, other gins were established. Stephen F. Austin's brother, James E. B. Austin, built a gin the following year and soon afterwards Robert H. Williams built a gin in the region that is now Matagorda County. From this time on, the number of gins and the acreage of cotton increased from year to year.

Stephen F. Austin reported to the Mexican government in 1833 that there were thirty cotton gins in the municipalities of Austin and Brazoria, and that the municipalities of Liberty and Nacogdoches were very well provided with gins. He reported also that the cotton crop that year would amount to about 7500 bales.<sup>27</sup>

Within ten years after the arrival of the Anglo-Americans, cotton had assumed first place among Texas crops.

Groce's plantation was typical of the whole plantation

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<sup>26</sup> Louis J. Wortham, A History of Texas, vol. V, p. 118.

<sup>27</sup> Ibid., p. 118.

system. The main aim was a mass production of staples for the market. A planter could not succeed if he did not produce a sufficient quantity of these staples. Corn, which ranked in importance next to cotton, was mostly grown for home consumption, but sugar-cane was grown for commercial purposes.

The following letter from A. V. Ruthven, a Houston merchant, to Leonard W. Groce, dated August 12, 1842, indicates that the merchants of Houston, aware of the importance of cotton, sometimes offered prizes for the first bales of the season as a means of encouraging its production:

It affords us great gratitude to acknowledge that we received from your plantation, on the 29th of July, the first five bales of cotton being the growth of the present year, and the required number entitling you to the silver cup according to the original resolutions offered by the merchants of this city; as also the first twenty bales thereafter, which we acknowledge having received in full on the 6th day of August, consequently entitling you to the gold cup offered in the same resolution. Both of which premiums we do cheerfully and cordially award as a satisfactory evidence that the merchants of this city will at all times be ready and willing to support the most noble exertions of the planter, and the merited reward of Industry.<sup>28</sup>

The raising of cotton usually required considerable work throughout the year. As soon as the crop was gathered in the fall or winter, the planter would have his land

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<sup>28</sup> The original of this letter is in the possession of Mrs. George Berlet of Houston. A photostatic copy is in the University of Texas Archives with Leonard W. Groce papers.



broken. Cotton was usually planted between the first of March and the middle of May. As a rule, the sooner one could get the crop planted and up after the danger of frost was over, the better chance he had to make a good crop. When the cotton came up, it was plowed and chopped and in exceptionally wet years, much work was required to keep down the weeds and grass.

Since the planter had to deal with the grasshopper, leaf worm, boll worm, and lice, crop failures were not unknown. As a rule, the cotton had opened sufficiently by the last of July or the first of August to warrant the keeping of hands in the fields; and the negro men, women, and the larger children all took part in gathering the crop. Sometimes a plantation boasted of unusually skillful pickers, and occasionally the master or overseer reported unusual cotton-picking feats to the newspapers. On Colonel Philip Cuney's plantation, in the present Waller County, five men on the third of October, 1850, picked, in eleven hours, 3,186 pounds, which made two five hundred pound bales of lint cotton.<sup>29</sup>

On small farms where agriculture was more nearly on a subsistence basis a man and his family did all of the work, raising their vegetables and fruits, gathering their

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<sup>29</sup> Telegraph, Houston, Texas, October 16, 1850.

own crops, and sometimes caring for a small amount of livestock.

After the cotton was gathered, it had to be ginned and marketed. Nearly every large plantation had its own gin. Cotton was packed in bags or bales, some of them being round, but most of them square. At first there was no standard weight for cotton bales, but by 1840, the majority of Texas cotton bales weighed about five hundred pounds.

The cotton industry in Texas improved as transportation facilities developed. The first cotton was exported into the interior of Mexico in about 1830 on the backs of mules, each mule carrying a load of about three hundred pounds composed of bales weighing from fifty to one hundred pounds.<sup>30</sup> Subsequently other means of transportation were employed. In 1831, Edwin Waller took a schooner load of cotton from the mouth of the Brazos River to Matamoros and by the next year the shipment of cotton to New Orleans by water was established. According to Wortham, "Colonel Almonte reported to the Mexican government that 5000 bales were exported to New Orleans in 1852."<sup>31</sup>

By 1837, Houston had become an important market and export center for cotton. In that year Thomas Elsberry

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30 Louis J. Wortham, A History of Texas, vol. V, p. 118.

31 Ibid., p. 119.

built a large warehouse adjoining a wharf on the Bayou, in which cotton waiting for shipment was stored.

The bales were simply tumbled out of the back door and landed near the steam-boat, on which they were rolled by negro deck hands... Transportation by water was the only way to the markets of the world.

All the early cotton crops of Texas passed through that old building, for it was the only cotton warehouse here [Houston] and its location was ideal for conditions as they prevailed then.<sup>32</sup>

In New Orleans Texas cotton, because of its fine quality, frequently sold at a premium of from one to three cents per pound over cotton produced in Louisiana.<sup>33</sup> Captain Marryatt, in about 1838, wrote in his Diary in America that: "The soil [of Texas] is so congenial that they can produce 1000 pounds to the 400 pounds raised by the Americans, and the quality of the Texas cotton is said to be equal to the finest Sea-Island."<sup>34</sup>

Texans grew more and more cotton as advances in transportation were made and they were provided with more adequate means of getting their cotton to market. The steady development in the growth of the cotton industry was remarkable.

There are no available statistics on the annual production of cotton in Texas during the Republic, but in 1848 the crop amounted

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32 "Cotton Business," The Houston Post, April 21, 1934.

33 Louis J. Wortham, History of Texas, vol. V, p. 120.

34 Quoted in William Kennedy, Texas, pp. 84-85.



to 39,774 five-hundred-pound-bales. After annexation the annual production increased rapidly. In 1851 it was 45,900 bales; 1852, 62,433 bales; 1853, 85,790 bales; 1854, 110,325 bales; 1855, 80,739 bales; 1856, 116,078 bales, and in 1857 the crop was estimated to be around 200,000 bales. Thus in ten years the annual production of cotton in Texas was increased five-fold. But this was more than doubled again during the next two years, for the census of 1860 placed the Texas crop at 421,463 bales.<sup>35</sup>

The prosperous condition of the cotton planters of Texas on the eve of the Revolution was one of the chief reasons why the colonists were reluctant to engage in an armed conflict with the Mexican government. The British became interested in Texas because of its importance as a cotton growing region, and England's interest in Texas alarmed the United States and hastened annexation. Anson Jones, writing concerning the influences that brought about annexation, gave first place to cotton.<sup>36</sup>

Before 1860, the principal plantation districts were along the lower courses of the rivers flowing into the Gulf, along the Red River, and in the "oak and hickory" uplands of the coastal plain.

The cattle industry, like the growing of grains, vegetables, and fruits, was fostered by necessity. It is hardly possible that any cattle were in the country when

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35 Louis J. Wortham, A History of Texas, vol. V, p. 123.

36 Ibid., p. 122.

Ramon's expedition arrived.<sup>37</sup>

The expedition under Ramon...which planted the first permanent settlement in Texas in 1716, brought into this region about 'one thousand head of livestock' consisting of 'cattle, sheep and goats'... Cattle raising became an important industry among Spanish settlers of Texas during the eighteenth century, and Gil Ybarbo, who founded Nacogdoches, was only one of a number of stockmen whose herds grazed in the surrounding country.<sup>38</sup>

The cattle which the Spaniards brought into Texas were very likely longhorns, driven by skilled Mexican "vaqueros," for both the longhorns and the "vaqueros" were common in Mexico by that time. As the cattle industry increased and "ranchos" with large herds became common, the "vaqueros" acquired great skill in handling cattle and developed many of the methods which they later taught to the American cowboys. Cortez is credited with having introduced the branding iron.<sup>39</sup> Cattlemen still use many words that are of Spanish origin such as lasso, corral, sombrero, bandana, remuda, lariat, mustang, and rancho.<sup>40</sup>

The cattle in the territory east of San Antonio seem to have been wiped out during the Anglo-American raids between 1810 and 1820, and the depredations of the Indians

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37 The cattle industry had probably had its beginning in Texas in 1690 with the establishment of the Mission San Francisco de Tejas.

38 Louis J. Wortham, A History of Texas, vol. V, p. 136.

39 Ibid., p. 136.

40 Ralph W. Steen, History of Texas, p. 356.

greatly reduced the number in the vicinity of San Antonio; nevertheless, the business of cattle raising still existed and the customs of the ranch were fairly well established when Stephen F. Austin and his colonists came to Texas. The importance of the cattle industry in Texas at this time is indicated by the fact that when Austin submitted his Civil and Criminal Codes to the political chief in San Antonio that official added only two articles; one permitting the colonists to take possession of any "strays" that they might find, and the other making provision for the registering of brands. The article which referred to the branding stated:

Each person will choose his own mark or brand, and enter it on record in the office of the alcalde of the district, who may receive twenty-five cents therefor; and a person who has thus recorded his mark or brand shall have preference thereto over any other; and should another settle near him with a similar mark or brand, the alcalde may compel him to alter it.<sup>41</sup>

The fact that this regulation was included in the final code drawn up by Austin and approved by the political chief is significant because the practice of branding cattle had been so long established among the Spanish settlers that it was regarded of prime importance to provide legal regulations of brands, yet this was the Anglo-Americans' introduc-

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41 Quoted in Louis J. Wortham, A History of Texas, p. 138.



tion to a custom which was destined to become prevalent in the cattle growing area in the western section of the United States.<sup>42</sup>

The mild climate which made grass abundant and sheds unnecessary proved quite suitable for the raising of cattle, but due to their abundance there was little market for them and they increased rapidly. In spite of the fact that the market was limited, various breeds of domesticated cattle, especially milch cows, were introduced into Texas after 1821 by the American settlers who engaged in stock raising because of the provision of the law which allowed a larger tract of land to the settlers engaged in this industry and because necessity required that they should raise some cattle for beef.<sup>43</sup> Dick Kleberg said, "The cattle industry of Southwest Texas, like all other enduring service institutions, was born of necessity and not by chance."<sup>44</sup>

Although the first cattle in Texas came from Mexico, the foundation stock for most of the later herds came from Louisiana and other neighboring states. Captain Abner Kuykendall, who settled within the present limits of Austin County in 1821, brought with him from Arkansas a few head of cattle

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42 Ibid., p. 138.

43 Ralph W. Steen, History of Texas, p. 356.

44 Dick Kleberg, "Special Article by Dick Kleberg on Texas Cattle," Victoria Advocate, September 28, 1934, p. 81.

of a breed similar to that previously brought into Texas from Louisiana by Ybarbo.<sup>45</sup> Soon afterwards William Morris brought milch cows into the region that is now Fort Bend County, and in 1823 Randal Jones went to Louisiana and purchased sixty head of cattle which he drove to his place on the Brazos.<sup>46</sup>

The raising of cattle increased rapidly and in 1833, according to Wortham, Almonte reported to the Mexican government that,

...there were twenty-five thousand head of cattle in the department of Brazoria and fifty thousand head in the department of Nacogdoches. Cattle...were driven for sale to Natchitoches. Five thousand head...were exported that year from the department of Nacogdoches.<sup>47</sup>

Wortham also records that Austin, in the same year, reported to the Mexican government that,

...the raising of cattle had increased with such rapidity that it would be difficult to form a calculation of their number. The prices for which they sold...would give an idea of their abundance, fat beeves being worth from eight to ten dollars each.<sup>48</sup>

The number of cattle was greatly reduced during the Texas Revolution. When General Rusk, commander-in-chief of the Texas Army, was faced in 1836 and 1837 with the necessity of feeding his men as best he could, he adopted

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45 W. B. Bizzell, Rural Texas, p. 208.

46 Louis J. Wortham, A History of Texas, pp. 138-139.

47 Ibid., pp. 139-140.

48 Ibid., p. 140.



the policy of sending detachments into the regions between the settlements and the Rio Grande to drive up cattle to be slaughtered. At the close of the Texas Revolution many of the disbanded soldiers continued driving cattle from the unsettled regions and sold them in Goliad and other places, a considerable trade of this kind being carried on between 1838 and 1840. Thus Goliad became "the first place in Texas where pens were built for cattle and was the first 'stocker' market in the Republic."<sup>49</sup>

There were many wild cattle in Texas during the period of the Republic and even after Texas was annexed to the Union. Noah Smithwick recalled that some of the wild cattle were handsome and sometimes became domesticated.

There were many wild cattle along the river...some of these cattle were very handsome brutes, coal black and clean limbed, their white horns glistening as if polished. A couple of the bulls took up with my cattle and became quite domesticated, though they were as a rule very wild.<sup>50</sup>

An incident which illustrates how plentiful and cheap cattle were and also gives the origin of the term "maverick" concerns Samuel A. Maverick of San Antonio who, in 1845, sought to collect a debt of \$1,200.00 that was owed to him. Since the man who owed the debt had no other means of paying, he transferred to Maverick four hundred head of cattle

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49 Ibid., p. 141.

50 Noah Smithwick, The Evolution of a State, p. 291.

at three dollars a head. Seven years later when Maverick sold the entire herd for six dollars a head, it still consisted of four hundred head because the branding of calves had been neglected. Inasmuch as the offspring of Maverick's herd went unbranded and became the property of the first man who put his brand on them, cattlemen began to call any unbranded calf a "Maverick."<sup>51</sup>

The fact that the number of cattle in Texas increased rapidly is shown by the number that were assessed for taxation in various years.

In 1846 about 383,000 head of cattle were assessed for taxes in Texas. This did not include the wild cattle, and it is more than probable that quite a number of the branded cattle were left off the assessment rolls. In 1855 the number assessed for taxes had increased to 1,363,688 and in 1860 reached 3,786,433. In the entire United States at this time there were more people than cattle, but in Texas there were six times as many cattle as people.<sup>52</sup>

The number of cattle continued to increase during the period of the Civil War, and prices became extremely low, but in spite of this fact, cattle were of economic importance to Texas during this time. Noah Smithwick said:

Had it not been for the large number of cattle that were being pastured in the country, many of the poor people would have certainly suffered; but milk will sustain life, and milch cows were to be had for the asking. My old-time friend, Peter Carr, who had obtained large

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51 Louis J. Wortham, A History of Texas, vol. V, pp. 152-153.

52 Ralph W. Steen, History of Texas, p. 357.

landed possessions in Burnet and moved his immense herd of cattle thither, was certainly a great benefactor in allowing the poor people to milk his cows.<sup>53</sup>

The number of Texans who became cattlemen after 1838 increased rapidly, so that by 1860 the cattle industry was an established institution in Texas. Dick Kleberg, speaking of the cattle industry in Texas, said:

It has given to history and to our section in Texas the Texas Cattleman, whose antecedents may be found in all the states of our Union, as well as in the families in many other countries, whose scions came to our land with a spirit of the pioneer in their hearts and the intelligence, courage and rugged honesty to transform what was once a wilderness into what is now God's country - Southwest Texas.<sup>54</sup>

The foundation for the great agricultural industry of Texas was laid by her pioneers. They established the basis for the cotton kingdom of Texas, yet they engaged in diversified farming, and they also laid the foundation for the important livestock industry.

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53 Noah Smithwick, The Evolution of a State, pp. 318-319.

54 Dick Kleberg, "Special Article by Dick Kleberg on Texas Cattle," Victoria Advocate, September 28, 1934, p. 83.



### CHAPTER III

#### TRANSPORTATION

Every highway has had an engineer to guide its course. The Texas turnpikes of the early days owed their planning and engineering to the buffalo, which, in their annual migrations from feeding place to feeding place, shunned steep grades, as modern engineers do. Their trails, which were as nearly level as possible, broadened into wide roads on high ground and narrowed to slender paths in the bottom lands. The Indians at first, and later the hunters, trappers, and fur traders, used these trails in their search for game that might be found on the range and around the watering places.

The first trade route in Eastern Texas was opened by the Spaniards as early as 1690. It was called by them El Camino Real, later being known as the Old San Antonio Road, or "The King's Highway."<sup>1</sup> Early travelers over this road were required to pay a fee for the privilege. Saint Denis, a Frenchman, sometimes called the father of commerce in Texas, was sent westward in 1714 by the French governor of Louisiana to establish trade with the Indians. He shipped goods over El Camino Real from Nacogdoches to San Juan Bautista.

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1 The Dallas Morning News, Centennial Edition, Section 12, p. 3.

Most of the early transportation, however, was by water. Texas had a few rivers, the Trinity, Guadalupe, Brazos, and Colorado, that were navigable for short distances by the larger ships. Even smaller streams were regularly used by those living along their banks to transport commodities to market. The possibility of using rivers for regular avenues of commerce was frequently mentioned in the papers. As early as February 28, 1858, a correspondent writing in the Victoria Advocate relative to the navigation of the Guadalupe said,

I do not think it is practicable; the corporation of Victoria has exhausted itself in trying to accomplish it, but failed and it was one of the richest corporations in Texas. Individuals contributed large sums of money, and the government has recently made an attempt to remove the impediments in that stream, which can be done but as soon as the first freshet takes place, it will be in the same predicament as formerly.<sup>2</sup>

The Advocate, however, defended the project by saying that the river was free of logs, snags, and trees growing on the bank. To demonstrate the practicability of navigation, steamers sometimes made trips far into the interior. In spite of these efforts, little regular service was established because the rivers were too shallow for the transportation of large cargoes.

Among early vessels of importance was the "Lively,"

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<sup>2</sup> "Controversy over Boating on Guadalupe," Victoria Advocate, February 28, 1858, as quoted by Victoria Advocate, September 28, 1934, p. 3.

which Stephen F. Austin bought in New Orleans in 1821 for the purpose of taking colonists to Texas. After landing the emigrants at the mouth of the Brazos River instead of the Colorado, where Austin had told the captain to land, the "Lively" returned to New Orleans for tools, seeds, machinery, food, and clothing. The small boat was wrecked off Galveston Island, however, and did not arrive with the important cargo that it was bringing to the colonists.<sup>3</sup>

The "Yellowstone" was another vessel which performed valuable service for early settlers. This ship, however, is remembered principally for the trip she made down the Brazos from Columbia to Peach Point bearing the body of Austin, the father of Texas, to his last resting place.<sup>4</sup>

Overhanging trees on the banks of the rivers, logs and floating debris hindered water transportation to a great extent. The "Laura," the first steamer to reach Houston, encountered severe handicaps in navigating the twelve miles between Houston and Harrisburg. Francis R. Lubbock, one of the passengers, described the difficulties encountered as follows:

The slow time...was in consequence of the obstructions we were obliged to remove as we progressed. We had to rig what were called Spanish windlasses on the shore, to heave the logs and

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3 J. L. Clark, A History of Texas, Land of Promise, p. 104.

4 Amelia Williams, Following General Sam Houston, p. 117.



snags out of the way, the passengers all working faithfully.

All hands on board would get out on the shore and, cutting down a tree, would make a windlass by boring holes in it and placing it upon a support and throwing a bit of rope around it, secure one end to a tree in the rear, and the other to the snags or fallen trees in the water. Then by means of the capstan bars, we would turn the improvised capstan on land and draw from the track of the steamer the obstructions.<sup>5</sup>

Some of the passengers took the yawl and tried to find the town's landing place. They finally located it by the wagon tracks in the mud on the bank of the water's edge.

The arrival of the "Laura" delighted the residents of Houston, for it represented the realization of their dream of direct connection with the outside world by means of water transportation. Although from this time on there was occasional service linking this city with nearby cities, there persisted a growing desire on the part of the citizenship of Houston to improve the waterway, increase facilities and expand the scope of its service. Enterprising citizens of Houston worked untiringly for the establishment of regular steamship service between Houston and Galveston.

The first steamboat service...was established in 1837, with the Diana being used largely in this service. The Diana was classed as being one of the most elaborate boats of those days. In April, 1839, there were five boats plying between Houston and Galveston, and in 1840, the owners agreed upon a scale of freight and passenger rates, which were: Cabin class, \$5.00; deck, \$2.50; freight, fifty

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5 Sam C. Johnson in "Charter for Houston's First Government Issued in 1838," The Houston Post, April 21, 1934.

cents per barrel. Passenger rates to include supper, lodging and breakfast.<sup>6</sup>

A landing place was provided in 1837 and in 1840 a wharf was constructed along the waterfront, and the Port of Houston was established by a city ordinance dated June 8, 1841.<sup>7</sup>

Charles Morgan, founder of the Morgan Steamship Line and one of the leading advocates of the industrial development of Texas, may be termed "The Father of the Ship Channel." He was not only untiring in his efforts to provide Texas with a regular line of steamships but succeeded in developing a large volume of business in both Houston and Galveston.

As early as 1835...he sent one of his ships, the 'Columbus,' to Galveston. Subsequently, during 1840-1842, he had as competitor Commodore Cornelius Vanderbilt, who operated a service to Galveston comprised of two or three steamers running on regular schedule. In due course, however, Morgan...bought Vanderbilt out, and the transportation 'King,' as Vanderbilt was then known, never regained a foothold in handling the products and commerce of the Empire of Texas.<sup>8</sup>

The Mallory Line, first managed by Vanderbilt, came regularly to Galveston in the early "fifties," carrying passengers and such freight as cotton, wool, and moss to the North.<sup>9</sup>

Water navigation, although slow and crude, rendered great service to the pioneers in Texas and laid the basis which made

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6 R. Starley Tevis, "Houston's Fight to Build World Port on Banks of Bayou," The Houston Post, April 21, 1934, p. 1.

7 Ibid., p. 1.

8 Jesse A. Ziegler, Wave of the Gulf, p. 93.

9 Ibid., pp. 140 and 170.

Houston one of the greatest shipping centers in the South.

The early settlers who established their homes in the coastal regions where wild cattle roamed the plains found the shipment of cattle to the East to be profitable. Great herds of long horned cattle were often driven through the streets of Indianola, an important seaport, headed for the ships at the wharf. The ships that took these cattle to the East returned to Texas with colonists. The landing of the pilgrims was a picturesque sight. According to Ziegler,

They would disembark, loaded down with fine old silver ware, beautiful life-size oil paintings elegantly framed, tapestries, fine linens and other similar items that perhaps had been in their families for generations.<sup>10</sup>

Since the coastal regions were already occupied by 1842,<sup>11</sup> the newcomers were under the necessity of seeking a location in the interior. As the only good avenues of transportation lay along the sandy beaches of the Gulf, they were frequently required to spend months in search of locations suitable for the establishment of homes. Rains detained them and, not being acquainted with the country, they had to be content with striking out in the general direction they deemed desirable. It was not unusual to rely upon the compass as an aid in finding their way.

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10 Ibid., p. 3.

11 Ibid., p. 2.



The usual method of travel for both men and women was by horseback. Such vehicles as they had were of the crudest type. Ox carts, as a rule, were used for hauling heavy things. For lighter travel, the well-to-do used buggies. Probably the greatest impediment to travel was the lack of bridges, for of the few existing, a large percentage was toll bridges. Dangerous streams were crossed by means of ferries. Accidents were frequent because approaches to ferries were not kept in shape. To get up and down the steep banks leading to the ferry was as difficult "as to ascend the roof of a house or a precipice." Teams and oxen were often precipitated into the river. Less difficult streams were crossed by swimming the horses over and towing the baggage across on a raft of logs.<sup>12</sup>

Immigrants coming to Texas by land were also faced with the problem of finding a place where they would like to locate. Many early Texans came on horseback, or in wagons, over the military highway to the north, which was only a blazed trail. They were forced to cut down trees ahead of them in order to get their wagons through. There is an amusing anecdote told in connection with the crossing of the Mississippi at Memphis.

It is said that on the Arkansas side of the river a sign was posted pointing toward Texas and reading, 'This Way to Texas.' Those who could read, it is said, traveled on in the direction the sign indicated. Those who could not read,

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<sup>12</sup> Adele B. Looscan, "Elizabeth Bullock Huling, A Texas Pioneer," The Quarterly of the Texas State Historical Association, vol. XI, p. 95.

thinking they had traveled long enough to reach Texas, settled in Arkansas.

And 'back in the other states' they still tease visitors with the story that when a man could not be located by the postoffice, or by the legal authorities of the United States, it was customary, in those days, to write the letters G.T.T. (gone to Texas), by his name, and consider the matter closed.<sup>13</sup>

Gradually the settlers developed a system of transportation which, by comparison with the mud trails of the earlier days, was highly commendable. A bill passed by the Congress of Texas and approved by President Houston, May 26, 1838, authorized the marking of a National Road from Bastrop to the Red River. This road, referred to by Congress as "a military road," was destined to become one of the most historic roads in Texas history.<sup>14</sup>

There were five distinct roads or "covered wagon" trails in the southeastern part of the state which converged in Houston. The San Felipe Road, connecting Houston and San Felipe de Austin, second capital of Texas, was important because of the volume of commerce transported over it. Rosa Kleberg, whose home was located on this "highway," said:

There was constant travel, and immigrants passed almost daily. Everyone who had a team and had spare time did some teamstering; for this occupation brought the quickest ready money. Oxen were used for this purpose almost

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13 "Greatest Publicity Drive Ever, Was Staged by Early Texans in Their Letters," Houston Chronicle, April 19, 1936, p. 35.

14 "National Road Started," Dallas Morning News, October 1, 1935, Section 4, p. 3.

exclusively, a wagon sometimes having as many as five yokes.<sup>15</sup>

The Washington Road, another "highway" leading to Austin, passed through Brenham. The Richmond Road carried traffic to the Brazos and Colorado "bottoms" and to San Antonio, traversing two rivers which were crossed by ferry or at established fords. The Liberty Road led to one of the very early settlements, a village which grew into the present town of Liberty, where it merged with the historic Spanish Trail. The Montgomery Road, likewise, led to one of the oldest settlements, New Kentucky, located near the edge of the present Montgomery County. The only thing that remained in 1938 of the once thriving settlement was a good well dug about 1826.<sup>16</sup>

Indianola and Port Lavaca were the chief trading posts of the Southwest. Large prairie schooners, often drawn by sixteen mules, came to the port loaded with hides, cattle, bones, tallow, and sometimes cotton, wool, and pecans for eastern markets. The schooners carried supplies to San Antonio and sometimes even as far as El Paso.<sup>17</sup>

At the conclusion of the war between the United States and Mexico, many members of the boundary commission, many

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15 Rosa Kleberg, "Early Experiences in Texas," Texas State Historical Association Quarterly, vol. II, p. 172.

16 Jesse A. Ziegler, Wave of the Gulf, pp. 8-9.

17 "Calhoun County," Victoria Advocate, September 28, 1934, p. 62.



of the first mail carriers, scouts, surveyors, and ranchers settled in West Texas. The new settlements brought about the need for a mail route between San Antonio and El Paso which, Mrs. Shipman, daughter of an early settler in West Texas, related,

...was put in operation in 1850...the first mail contract was awarded to Captain Henry Skillman...According to the contract he was to carry the mail on a pack mule monthly from San Antonio to El Paso and return for the sum of \$3000 a year. He gave the charge of the mails to an old frontiersman, Big Foot Wallace, who made the trip from San Antonio to El Paso alone several times.<sup>18</sup>

The early trail blazers and Pony Express riders experienced numerous difficulties and hardships on their trips. One of their greatest difficulties was the Indian, always on the alert to steal from or kill the white man, who was gradually taking his land away from him. Guards often accompanied the stage coaches to protect them from Indian raids.

Probably one of the most famous of the numerous mail routes through Texas was the Butterfield Trail, blazed by John Butterfield, which crossed the Red River at Colbert's ferry, near the present town of Preston, and cut across the northern part of the state on its way to El Paso, Fort Yuma, and San Francisco. Butterfield made a contract with the

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<sup>18</sup> Mrs. O. L. Shipman, Taming the Big Bend, p. 52.

Federal government on September 16, 1857, to transport mail from Saint Louis, Missouri, to San Francisco, California, for six years. This line also established passenger and express service. Twenty-five days were usually required for the trip.<sup>19</sup>

Early travelers in Texas were not only harassed by Indians, but often by rains and, consequently, muddy roads. Stage coach companies charged additional fare in wet weather because of the difficulties of the journey. On one occasion a man in Austin who wanted to buy a ticket for Houston handed the ticket agent a twenty dollar bill, the fare to Houston in dry weather, but was informed that "in wet weather there is an extra charge of ten dollars."<sup>20</sup>

The need for improved means of communication between the capital and the coast caused Congress, in 1841, to grant the charter for a road to be known as the Houston-Austin Turnpike Company. In April, 1841, this road became the Texas Star Mail Route.<sup>21</sup>

An experiment worth mentioning in regard to transportation in Texas was the introduction of the camel which was imported by the United States War Department for the purpose of surmounting the arid deserts and mountains of West Texas,

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19 "Famous Historic Roads and Trails of Southwest," Dallas Morning News, Souvenir Centennial Edition, Sec. 3, p. 12.

20 "Stage Travelers Paid Extra Fare in Wet Weather," Houston Chronicle, April 19, 1936, p. 42.

21 Ibid., p. 42.

because the Department desired to furnish additional protection from Indians for the settlers between San Antonio and the army posts along the Texas frontier. The camels, which came from Asia on the steamship "Fashion," landed at Old Powder Horn, three miles below Indianola, on May 1, 1856.<sup>22</sup> The camels were taken to San Antonio and Camp Verde. As soon as they recovered from their voyage, tests were made to determine their ability for military purposes. One test showed that, "...six camels transported loads averaging 1800 pounds that required two six mule wagons and the camels gained 42½ hours in time."<sup>23</sup> According to the San Antonio Daily Herald of November 10, 1859,

These animals prove remarkably valuable for transmission of freight over the plains and all portions of the country, which are more or less impracticable for wagon trains; they are capable of rendering great service, with little food and less water, and they are perfectly docile, and can be unpacked as easily as a common mule. We look forward to the time when vast herds of these animals will be in general use in our state.<sup>24</sup>

The camels afforded valuable transportation for military purposes, but when West Texas became more thickly populated and frontier protection was no longer necessary, the camels had served their purpose. They were used in the parade of

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<sup>22</sup> Chris Emmett, Texas Camel Tales, p. 1.

<sup>23</sup> Ibid., p. 110.

<sup>24</sup> San Antonio Daily Herald, November 10, 1859, as quoted by Chris Emmett, et al., Texas Camel Tales, p. 185.



the elaborate Mardi Gras celebration in Austin, about 1860, and then sold to a circus.

By 1850, transportation in Texas had made great strides. Shipping facilities had made important advances; trails had broadened into roads which were used as mail routes and stage coach lines. Yet transportation facilities were inadequate to meet the requirements of the people. There was an urgent need for better roads and more rapid means of transportation if the state was to prosper.

Gradually the population moved inward. This inland movement fostered the building of railroads. Texas would never have developed into a progressive state without the aid of this institution. There was no incentive for raising farm products in excess of daily use until a means of transportation was afforded that would give access to profitable markets.

During the time of the Republic, 1836-1846, both government and private interests attempted to promote the building of railroads.

The first attempt was in the fall of 1836 (independence was won on April 21, 1836) when the earliest American railroad for general transportation of freight and passengers had been in operation only eight years. The Texas Railroad, Navigation and Banking Company was chartered at that time; but because of the financial panic of 1837 and of political opposition, its stock was never sold.<sup>25</sup>

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25 Texas Almanac, 1936, p. 325.

Several other companies were chartered. In 1840, construction was begun on a railroad which later became the Galveston, Harrisburg and San Antonio Railroad, which is now a part of the Southern Pacific System.

Originally known as the Harrisburg and Brazos Railroad, this line was incorporated in 1841 as the Harrisburg Railroad and Trading Company; but construction was discontinued.<sup>26</sup>

In 1850, the road was rechartered as the Buffalo Bayou, Brazos and Colorado Railroad.<sup>27</sup> Work was resumed the following year and by 1853, the track was completed to Stafford's Point, a distance of twenty miles, where a barbecue was held in celebration. By 1855, the road had been extended to Richmond, on the Brazos River. A difficult task then confronted the builders of the railroad.

It looked impossible to proceed across the river, but by ingenuity and determination a flat boat arrangement was contrived, which carried the center span of the bridge, and by 1860, the road was at Columbus.<sup>28</sup>

The road's first locomotive was named General Sherman in honor of General Sidney Sherman, the principal financial backer of the company.

The second railroad to begin construction was the Galveston and Red River Railroad, incorporated in 1848, when

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<sup>26</sup> Ibid., p. 325.

<sup>27</sup> Chris Emmett, Texas Camel Tales, p. 35.

<sup>28</sup> Ibid., pp. 34-35.

Texas had less than one inhabitant to the square mile.

Paul Bremond, one of the road's financiers, threw the first shovelful of dirt, in Houston, on January 1, 1853, but the work seems to have progressed very slowly. In 1856, when the company was authorized to change its name to the Houston and Texas Central, the first engine was put on the tracks although only two miles of line was completed.<sup>29</sup> The following year the rolling stock consisted of two locomotives, three diminutive passenger coaches, ten box-cars, and ten flat-cars. During 1858 the line was extended to Hempstead and, "In March, 1860, the road reached Millican, eighty miles from Houston. Because of interruptions caused by the Civil War, this town remained the northern terminus of the line for seven years."<sup>30</sup> Millican, therefore, became the distributing point for a territory two hundred miles in diameter, extending as far north as Dallas and Fort Worth.<sup>31</sup>

The Washington County Railroad, another part of the present Houston and Texas Central, was chartered on February 2, 1856, to build a road from Hempstead to Brenham. The road, twenty-one miles in length, was completed in 1860,

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29 Charles S. Potts, "Transportation in Texas," as quoted by E. C. Barker, History of Texas, pp. 554-555.

30 Texas Almanac, 1886, p. 325.

31 Charles S. Potts, "Transportation in Texas," as quoted by E. C. Barker, History of Texas, p. 555.



and Brenham remained an important terminus until after the Civil War.<sup>32</sup>

The Galveston, Houston and Henderson Road, incorporated in 1853, was one of the most important roads built in Texas before the War. Work was begun at Virginia Point, across the bay from Galveston, in March, 1854. By 1856, the road extended to Houston, a distance of forty-two miles. Virginia Point and Galveston Island were connected by a bridge in 1859, and the road was extended to Market Street, Galveston. Thus Houston and Galveston, fifty miles apart, were connected by rail.<sup>33</sup>

The Houston Tap Railroad, chartered in 1856 and sold to the Houston Tap and Brazoria Company in 1859, built a road from Houston to Pierce Junction the year the charter was granted. The building of the road was a co-operative undertaking. The people of Houston voted a property tax of one per cent for its construction, but the road was largely built by the subscriptions of sugar and cotton planters along the route, who also graded the road-bed with their own slaves and teams.<sup>34</sup>

The Sabine and Galveston Bay Railroad was chartered, 1856, to build a line from Madison, Orange County, along the

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32 Ibid., p. 555.

33 Ibid., p. 555.

34 Chris Emmett, Texas Camel Tales, p. 556.

coast by way of Beaumont to Galveston Bay.

On December 24, 1859, however, an act was approved changing its name to the Texas and New Orleans, and authorizing it to accept an act passed by the Legislature of Louisiana allowing it to construct a line in that State to be known as the 'Louisiana Division' in contradistinction from the line in this State, which was called the 'Texas Division.'<sup>35</sup>

Work was begun at Houston in 1858, and by 1860 the road extended as far as Liberty.

The Henderson and Burkville Railroad was chartered in 1853 to build a road from Henderson to Burkville, but was later granted permission to build a line on the coast and in 1856 its name was changed to the Mexican Gulf and Henderson Railroad. The following year work was begun at Pine Island Bayou, near Beaumont, but only a few miles of road was cleared of brush and grubbed because funds were exhausted. Work was resumed in 1858 when the Eastern Texas Railroad was incorporated. During the next two years some thirty miles of road northward from Sabine Pass was graded. The company forfeited its charter in 1860, however, without ever having actually laid any rails.<sup>36</sup>

The citizens of Houston were pioneers in the establishment of railroads. As early as 1845, they saw the urgent

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35 Charles S. Potts, "Transportation in Texas," as quoted by E. C. Barker, History of Texas, p. 556.

36 Ibid., p. 556.

need for a better means of transportation to carry the large amount of cotton grown in their trade territory to the wharves from which it was exported to foreign countries. They were untiring in their efforts to originate railroad enterprises and to accomplish railroad construction. Paddock said: "Other Texas cities have since become great centers, but Houston was first in the field and for half a century has enjoyed the commercial supremacy founded by the enterprising citizens of the fifties."<sup>37</sup> There were six railroads furnishing transportation to Houston in 1860; namely, the Buffalo Bayou, Brazos and Colorado Railroad; Houston and Texas Central; Galveston, Houston and Henderson; Houston Tap and Brazoria Company; Sabine and Galveston Bay Railroad; and Eastern Texas Railroad. In 1860, Houston was the starting point or the terminus for four-fifths of the four hundred ninety-two miles of railroad in Texas.<sup>38</sup>

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37 B. B. Paddock, History of Central and Western Texas, vol. I, p. 239.

38 Ibid., p. 244.



## CHAPTER IV

### COMMERCIAL AND FINANCIAL DEVELOPMENT

Most of the colonists who came to Texas settled here because they desired to better their fortunes, the same reason that usually led pioneers to any frontier. Those who had failed in older settlements came to Texas seeking a new start; young men came because they thought greater opportunities were offered here than in their home communities. A few persons came in search of adventure and a small number of fugitives from justice fled to Texas, but the percentage of such was no higher in early Texas than in any other frontier.

The average settler was a man of good judgment and high principles. Francis R. Lubbock, an early settler and later governor of the state, said that when he came to Texas in about 1830 he found society on a "firm, fixed and honest basis," composed of "men and women of good breeding."<sup>1</sup> Austin was careful to seek for his colony a high type of industrious, ambitious, and law-abiding citizen who would transform Texas from a wilderness to a land of home-owning farmers and ranchmen.<sup>2</sup> On one occasion he said: "My ambition

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1 Ralph W. Steen, History of Texas, p. 225.

2 B. B. Paddock, Central and Western Texas, vol. I, p. 74.

has been to succeed in redeeming Texas from its wilderness state by means of the plow alone, in spreading over it North American population and enterprise, and intelligence."<sup>3</sup> Austin and the families who accompanied him to Texas in 1821 had confidence that their undertaking would be successful in spite of the many perils and hardships they had to face. They suffered greatly because the game of the forest was their only hope of subsistence until they raised a crop, and they were frequently harassed by Indians, but their perseverance and toils were rewarded. Stephen F. Austin, describing the condition of the colony in August, 1828, said that it contained:

...about 3,000 inhabitants and is flourishing. The settlers are beginning to reap the fruits of their labors; they have opened extensive farms and the produce of the soil far exceeds their most sanguine expectations. A number of cotton gins and mills are in operation and several more are building; about 600 bales of cotton and 80 hogshead of sugar will be made this season. Commerce begins to enliven the shores of the river, and peace and plenty everywhere prevail.<sup>4</sup>

The prosperous condition of the colonists was partly the result of an act of September 29, 1823, by which the Mexican government exempted them from the payment of duties for a period of seven years; but when the exemption expired in 1830,

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3 Quoted in J. L. Clark, History of Texas, Land of Promise, p. 129.

4 Stephen F. Austin, "Description of Texas in 1821-1835," as quoted by E. C. Barker, et al., History of Texas, pp. 118-119.

the government placed a tariff upon goods brought into Texas. In protest of this act the colonists chose delegates who assembled in convention at San Felipe de Austin, February, 1832; this convention drew up a petition and chose William H. Wharton and Rafael Manchola to go to Mexico City and present the resolutions to the authorities, but it was later decided that this would be useless, so they did not go to Mexico.<sup>5</sup> A second convention, held in 1833, drew up a petition requesting separation of Texas from Coahuila and sent Austin to Mexico City with the petition.

According to Barker, "Mexico's tariff administration during the period of this study is an abstruse and intricate subject. The same may be said of its whole fiscal system."<sup>6</sup> The Texans practically refused to comply with the tariff regulations; consequently, several skirmishes took place at custom houses. Duclor, the deputy at Brazoria, abandoned his office in 1832, saying that it was impossible for him to collect taxes, and from then until 1835 little was heard of the tariff administration in Texas.<sup>7</sup>

Although conditions in Texas seemed prosperous in 1835, there were only a few people who had money to spend. Noah Smithwick said:

Trading vessels came in sometimes, but few

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5 J. L. Clark, A History of Texas, Land of Promise, p. 160.

6 E. C. Barker, "The Development of the Texas Revolution," as quoted by E. C. Barker, A History of Texas, pp. 164-165.

7 Ibid., p. 165.



people had money to buy anything more than coffee, and tobacco, which were considered absolutely indispensable. Money was as scarce as bread. There was no controversy about 'sound' money then. Pelts of any kind passed current and constituted the principal medium of exchange.<sup>8</sup>

The Indian trading posts where the colonists exchanged whiskey, tobacco, and trinkets for such articles as buffalo robes, furs, and mustang ponies were important to the early settlers because there were some articles which they could not grow or obtain for themselves in the forests and there were few stores from which goods might be purchased. In 1938 Ziegler, whose parents were among the earliest German settlers in Houston, said,

One hundred years ago, I am told, the first Indian trading post stood where the east end of Preston Avenue bridge now rests, north of the Farmer's Market and it was here that a vast amount of swapping went on between the Comanche Indian braves and their white visitors.<sup>9</sup>

As late as June 14, 1843, the Texas Congress, wishing to establish a more friendly understanding with the Indians, provided for the establishment and maintenance of a series of trading posts extending from the Red River to the Rio Grande.<sup>10</sup>

In the days when freighting furnished employment to a

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8 Noah Smithwick, The Evolution of a State, pp. 17-18.

9 Jesse A. Ziegler, Wave of the Gulf, p. 19.

10 Joseph Carroll McConnell, West Texas Frontier, p. 39.

considerable portion of the population, Texas was divided geographically into five districts each tributary to one or more market towns or seaports. Sometimes the boundaries of these districts were distinct and fairly definite. The most important district was that tributary to Houston and Galveston. Another region was the one lying east of the Neches and south of Nacogdoches and Shelby Counties which sent most of its products by way of Sabine Pass to the Galveston and New Orleans markets. San Antonio, the chief market for the third region, was served by the seaports of Port Lavaca, Indianola, Matagorda, Texana, Saluria, and Corpus Christi. Brownsville and Brazos Santiago were trade centers for the Rio Grande Valley as far northward as the San Diego stage line. Jefferson, connected with the Red River by Cypress Bayou and Caddo Lake, was the chief market and port for the district from the Red River across the northern portion of Texas to the frontier counties on the West.<sup>11</sup>

Cotton was the chief export of Port Lavaca and Indianola. Cotton, wheat, hides and lumber were the important exports of Jefferson, through which, it has been estimated, one-fourth of the entire trade of the state once passed.

For the years 1859 and 1860 the export cotton trade of Jefferson amounted to 88,000 bales and 100,000 bales respectively while the

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11 Charles S. Potts, "Transportation in Texas," as quoted by E. C. Barker, History of Texas, p. 547.

exports from Galveston were 118,000 bales and 148,000 bales...The wagon trade was so large that the roads leading from the west were literally so blocked up with vehicles that passage was difficult.<sup>12</sup>

Brazos Santiago was mainly engaged in trade with Mexico, nearly four million dollars worth of imports passing through that port in 1859. Sabine Pass, on the other hand, was mainly engaged in the export trade.

In 1859, the exports from the port were 18,000 bales of cotton, 1,099,000 feet of lumber, 12,000,000 shingles, 7,000 hoop poles, 97,000 staves, 5,699 beeves and 23,700 pounds of tobacco. The imports...were about 100,000 barrels of assorted merchandise.<sup>13</sup>

Mexican and Spanish coins were common in Texas in 1848; in fact, more Mexican silver coins were in circulation than American. Among the coins in Texas were those of four reals, two reals, and one real, which were equal to about fifty, twenty-five, and twelve and one-half cents, respectively, of American money. The smallest coin in circulation, the picayune or medio, was equal to approximately six cents.<sup>14</sup>

The agricultural and industrial life of the people of Texas needed credit and, in the absence of commercial banks, merchants served as retailers, commission merchants, insurance agents, and bankers. Banking, therefore, actually developed

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<sup>12</sup> Ibid., p. 549.

<sup>13</sup> Ibid., p. 549.

<sup>14</sup> Viktor Bracht, "Texas in 1848," as quoted by the Victoria Advocate, September 28, 1934, p. 16.



out of the mercantile and commission business because mercantile and commission merchants were compelled to perform banking functions in order to extend trade. The firm of R. and D. G. Mills, bankers and commission merchants owning and operating large plantations on the Brazos River with headquarters in Galveston, performed valuable financial aid to the people in the Republic of Texas. In 1845 they obtained from the Holly Springs Bank in Mississippi, an institution in which they had a large financial stake, \$200,000.00 in bank notes, mostly of small denominations which they endorsed and put into circulation. These notes, called "Mills Money," which were accepted like gold, helped to relieve the critical financial condition in Texas. In spite of the salutary effect resulting from the circulation of the "Mills Money," the firm was subsequently fined \$20,000.00 by the government for circulating these notes in violation of an act of 1842 which prohibited any company from circulating currency in bills of any kind but, "This fine was remitted later when the Supreme Court held the law did not apply to a firm such as R. and D. G. Mills, which had loaned millions to the Republic and helped finance the mercantile business of the State."<sup>15</sup>

One of the major difficulties which confronted the Republic in its incipency was that of an empty treasury, and

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15 Jesse A. Ziegler, Wave of the Gulf, pp. 180-181.

a public debt of \$1,250,000.00. In spite of the lack of funds, the departments of the government were organized, mail service provided, and a judicial system established consisting of a supreme court, districts and such other courts as were necessary for the administration of justice in the counties.<sup>16</sup>

When Congress assembled on May 5, 1838, the question of finance had reached a point of crisis, for some of the public officers who had received no salary threatened to resign and thus embarrass the civil administration, and the troops that were still serving the Republic threatened to mutiny unless they received more food. The fiscal condition of Texas was precarious. In an effort to improve conditions, Congress authorized Houston to contract in the United States a five million dollar loan at ten per cent, but the panic of 1837 rendered that impossible. So great was the need that Congress subsequently authorized Houston to borrow \$20,000.00 at thirty per cent interest, if he could not get it for less; a duty on imports was established ranging from one percent on bread to forty-five per cent on liquor and fifty per cent on silks. Congress also passed a bill authorizing the issue of one million dollars in promissory notes; but upon the request of Houston, who believed that half of this sum would satisfy the need for a circulating medium and would be all that could

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16 Marquis James, The Raven, p. 271.

be kept at par, the amount was limited to five hundred thousand dollars. Thus Sam Houston had in prospect a currency for his country, the value of which would depend upon the confidence he could establish for Texas in the eyes of the world.<sup>17</sup> At the end of the Houston administration in 1838, the debt had increased to \$2,061,614.70, which was not a bad showing in view of the fact that the government was just being organized and that it was necessary to retain a number of men under arms because of an impending Mexican invasion.<sup>18</sup>

President Lamar, who succeeded Houston, proposed to solve the money problem by the organization of a National bank, which would issue paper money backed by specie held in the bank, but this was impractical because there was no specie available to back the paper money.<sup>19</sup> Later Congress issued two kinds of notes: ten per cent interest notes called "star money," and non-interest bearing notes called "red backs" which, after they ceased to circulate in 1839 because they were practically worthless, became merely objects of speculation.

The government received only a very small amount of money from the sale of land, because the Texas Congress passed a Homestead Act in 1839, whereby the people could settle on a

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17 W. M. Gouge, The Fiscal History of Texas, p. 220.

18 Ibid., p. 83.

19 Ibid., pp. 92 and 102.



piece of land and in time own it.

Homestead grants...were authorized, the size of the homestead being 640 acres for heads of families and 320 acres for single men. The conditions to be complied with in this case were five years residence and cultivation of a portion of the land.<sup>20</sup>

Thus the government guaranteed that Texas settlers would have at least the equipment essential to a bare living free from the claims of creditors. Congress, in 1839, set aside three leagues of land in each county for the support of an academy and fifty leagues as an endowment fund for two universities. These grants, reasonably generous in terms of acres, amounted to very little in terms of money because land was low in price and difficult to sell. Although no schools resulted from these grants during the period of the Republic, the grants are important because they provided an endowment for the public schools of Texas.<sup>21</sup> Lamar was not very friendly with the Indians; therefore the maintenance of a military protection sufficient for the colonists helped to increase the public debt. During the three years of his administration Lamar made contributions to the development of Texas, but the expenses of his administration were \$4,855,215.00, which increased the public debt to about seven million dollars.<sup>22</sup>

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20 A. S. Lang, Financial History of the Public Lands of Texas, p. 98.

21 E. T. Miller, A Financial History of Texas, p. 87.

22 Ibid., p. 25.

When Houston assumed the presidency again, December, 1841, he pledged himself to practice strict economy, which was actually the only course open to him. In 1842 Congress, attempting to improve the financial condition, declared by law that the "red backs," which at that time were not worth ten cents on the dollar, should not be received in payment of duties and taxes. Business, handicaped by the lack of sound money, resorted to barter.<sup>23</sup> According to Gouge, "Not one sale in ten is made in cash. Purchases are made on credit or by barter which gives the country in its trading relations the appearance of a fair."<sup>24</sup> In an effort to remedy the condition Congress, in 1842, issued \$200,000.00 in a new form of paper known as "exchequer bills" or "exchange bills," which were to be circulated in denominations of \$5.00 to \$100.00; no provision was made for currency of smaller denominations. Since Congress had passed an act in 1842 declaring that "red backs" and "star money" should no longer be received for public dues, the "exchequer bills" were regarded with suspicion because it was feared that at some future date Congress might enact a law declaring these bills not acceptable in payment of obligations to the government. It

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23 W. M. Gouge, The Fiscal History of Texas, p. 117.

24 Ibid., p. 227.

is not surprising, therefore, that merchants accepted the "exchequer bills" with some degree of reluctance and when they did accept them, they immediately paid them in for customs. The "exchequer bills" depreciated rapidly and soon came to be worth little more than "star money" and "red backs." Since the extent of the issue was very moderate, depreciation seems to have resulted from poor fiscal management and the lack of confidence in the ability of the government to provide for the redemption of the notes.<sup>25</sup>

Government expenses during the three years of the second Houston administration amounted to only \$511,083.00 and President Anson Jones, Houston's successor, also practiced rigid economy, but the financial condition of the government continued to grow worse. Although during the later years of the Republic the revenues nearly equaled the cost of government, the interest on the public debt could not be paid. Had Texas continued her existence as a Republic, it is probable that with the improvement of her financial condition she would eventually have been able to provide funds to meet the cost of government and to pay the public debt.<sup>26</sup>

Texas entered the Union in 1845 under provision of a joint resolution of the United States Congress which permitted

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<sup>25</sup> Ibid., pp. 117-119.

<sup>26</sup> E. T. Miller, A Financial History of Texas, p. 25.



Texas to retain her public lands and required her to pay her public debt. Subsequently, in 1850, the United States agreed to pay Texas ten million dollars for her claim to western lands.<sup>27</sup> The United States retained half of the sum, however, with the intention of paying the creditors of Texas whose claims had been secured by tariff duties. Of the five million turned over to Texas, the Legislature, in 1852, appropriated two million dollars for the payment of unsecured claims.<sup>28</sup>

It became apparent that five million dollars would not settle the debt secured by tariff duties, and in 1855 Congress placed \$7,750,000.00 in cash in the treasury to the credit of Texas, stating that the amount should be apportioned among the holders of secured bonds.

The \$7,750,000 was apportioned among creditors who claimed a total of \$10,078,703.21, with the result that the debt was paid at about 77¢ on the dollar.

As a result of the scaling process, a debt of about twelve million dollars was paid with slightly less than ten million dollars. Since Texas had received from the Federal government a total of \$12,750,000 a balance of about \$3,000,000 remained.<sup>29</sup>

The state disposed of the surplus money in the treasury by placing two million dollars in the permanent school fund,

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27 Annie Middleton, "The Last Stage of the Annexation of Texas," as quoted by E. C. Barker, History of Texas, p. 384.

28 W. M. Gouge, The Fiscal History of Texas, p. 315.

29 Ralph W. Steen, History of Texas, pp. 260-261.

constructing a new capitol and a governor's mansion, establishing a hospital for the insane, and providing for schools for the training of the blind, deaf, and dumb children with the remaining money. For several years the counties were permitted to keep most of the tax money due the state in order to erect jails and court houses. Thus the state had, in 1860, expended the funds so unexpectedly received and having failed to devise a wise system of taxation was again faced with a deficit.<sup>30</sup>

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<sup>30</sup> Ibid., p. 261.

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