

## The sale of Fort Snelling, 1857 /

William W. Folwell.

### THE SALE OF FORT SNELLING, 1857.\*

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BY WILLIAM WATTS FOLWELL.

When Major General James Wilkinson, commanding at St. Louis, issued his order of July 30, 1805, to First Lieutenant Zebulon Montgomery Pike, to proceed up the Mississippi river with all possible diligence, he added the postscript, "You will be pleased to obtain permission from the Indians who claim the ground, for the erection of military posts and trading houses at the mouth of the St. Pierre, the falls of St. Anthony, and every other critical place which may fall under your observation."

It was not till the 21st of September that Pike and his detachment made camp on "the northeast point of the big island opposite St. Peter's," which still bears his name. The next day a war party of Sioux, some 150 strong, returning from a futile raid on the Chippewas, arrived in the neighborhood. The leader was Little Crow, grandfather of the chief of the same name who headed the outbreak of 1862. After a council, held on the 23d, a formal treaty drawn by Pike was signed by him and two Sioux chiefs.

This document purported to grant to the United States two tracts of Indian lands, one being "nine miles square at the mouth of the St. Croix," the other being "from below the confluence of the Mississippi and St. Peter's up the Mississippi to include the falls of St. Anthony, extending nine miles on each side of the river." It stipulated that "in consideration of the above grants, the United States shall pay [filled up by the senate with 2,000 dollars]." Pike had previously crossed the hands of the two chiefs, who made their marks,

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with \$50 apiece. He now distributed presents prized by Indians, to the value of \$200, and concluded the solemnities with a gift of sixty gallons of liquor. The area of the tract thus indefinitely described was over 100,000 acres.

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It was doubtless at the instance of the American Fur Company that after 1816 the government was moved to extend its authority to the territory about the upper Mississippi. Early in 1819, John C. Calhoun, who was Secretary of War under Monroe, ordered a detachment of troops to occupy the tract bargained for by Pike. Lieutenant Colonel Henry Leavenworth arrived there with a small command on the 23rd of August. Traces of the cantonment erected can still be found near the southern end of the Chicago, Milwaukee and St. Paul railroad bridge. The government had never paid any part of the unnamed consideration of Pike's treaty, and it was thought proper that payment should precede occupation. Accordingly Major Thomas Forsyth was sent up from St. Louis with \$2,000 worth of presents to be distributed among the Sioux chiefs supposed to have an interest and a right to convey. Major Forsyth joined Colonel Leavenworth at Prairie du Chien and accompanied him up river. On his arrival he held interviews with Wabashaw, Little Crow, and other lower chiefs. To all he made handsome presents of blankets, tobacco, powder, etc. By means of these, and by judicious use of the "milk" he had brought along, he succeeded in obtaining parole quitclaims which were regarded as sufficient to clear the title to the grant. See Forsyth's journal and narrative, published in the third volume of this Society's Historical Collections, pages 139–167.

No action seems to have been taken toward a survey and delimitation of the military reservation of Fort Snelling till about the time of the treaty of 1837. By that time squatters, —ex-soldiers, engagés of the Fur Company, and principally refugees from the Selkirk settlements,—had multiplied. A count made that year gives the number as 150, with 200 horses and cattle. These squatters were cutting the timber and wood, using up the pasturage and meadows needed for the garrison, and, what was the greatest nuisance, some of their number would at times furnish illicit liquor to thirsty soldiers. Upon

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representation of commandants, the government decided to have them all cleared off the reservation. This could not be done till boundaries were established.

In the fall of 1837 a survey was made under orders of Major Plympton by Lieutenant E. K. Smith. Two years later 395 this survey was revised by Lieutenant Thompson. The area reserved for military purposes did not, of course, embrace the whole of the Pike concession. The main body lay in the angle of the two rivers with its most northerly point near the mouth of Bassett's creek in Minneapolis. The line did not cross the Mississippi there, but followed that stream down to near Desnoyer's, where it struck, eastward and southeastward to the "Seven Corners" in St. Paul, thus enclosing some 4,500 acres east of the Mississippi. There was a still smaller portion south of the Minnesota river. In all there were about 38,000 acres. The reason for that jog in the east line is not hard to guess. This tract of land at the head of navigation of the Mississippi, tri-sected by two rivers, known to be in part, at least, exceedingly fertile, was eagerly coveted by early settlers.

When the territory was created in 1849, it was taken for granted in Minnesota, that, so soon as the expected treaties with the Sioux could be concluded and the Indians removed westward, Fort Snelling would lose its importance as a military post and would be abandoned. When Mr. Sibley went to Washington as a delegate to the 31st Congress, he was expected to secure two things: one, the Sioux treaties; the other, the opening of the Reserve to settlement. Early in the winter of 1850, inquiries from constituents about "reduction," and with them suggestions that "old friends" be favored with prompt information of action to be taken, were frequent. Meanwhile those old friends were not waiting for Congress to act, but were selecting their favorite locations on the Reserve. The whole tract was marked off for claims. "Every inch," writes one, "is taken on both sides of the river." Some citizens "went over and marked their names on trees, and stuck up pieces of board in the sand." Neither of the desired objects was accomplished in 1850. Both, it was believed in Minnesota, would be reached in the next session.

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In the session of 1851, Mr. Sibley received numerous reminders of what was expected of him as to the Reserve. Governor Ramsey and others sent a petition asking that 100,000 acres of public lands, including the Fort Snelling reservation, be set apart by Congress for the endowment of a university. The Territorial Legislature on February 19 memorialized Congress 396 to the same effect. Judge B. B. Meeker, of the Territorial Supreme Court, urged Mr. Sibley, in a letter of December 11, 1850, "to be on the lookout" for a certain military man who was endeavoring to have the pre-emption laws extended over the reservation. He would have the tract sold to the highest bidder, and the money appropriated to endow a university. "Could you," writes he, "carry a bill through for that purpose, you would do more for the present and future generations, more for the Territory, and more for yourself politically, than all you have yet done or can do."

Sibley was not indifferent to these suggestions, with which he doubtless sympathized. Early in the session of 1851, he prepared a bill providing for the reduction of the reservation to an area of one mile square, lying in the forks of the two rivers, and for opening the excluded portion to settlement with recognition of pre-emption rights. The bill was introduced into the Senate by Stephen A. Douglas, and passed by a unanimous vote. When it came up in regular course in the House, upon a favorable report of the Committee on Territories, objections were raised. Fort Snelling, it was urged, was one of the most important military stations on the continent. The bill ought not to pass till after the military authorities should be consulted and their favorable judgment had. Mr. Sibley was himself constrained to move a reference to the committee on military affairs. On the last day of the session, that committee made an adverse report, which was agreed to by the House. His enterprising got no sanction for the premature location of claims.

In the following summer, Colonel Francis Lee was called upon for his opinion in regard to reducing the reservation. In his report he protested that one square mile was not to be considered. It was his judgment, however, that the portions east of the Mississippi and south of the Minnesota might be released, and that the north and west boundaries

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might be drawn in. Congress by an act passed August 26, 1852, adopted this officer's recommendation, and ordered the excluded lands to be surveyed and sold at public auction. Two years ran by while the surveys were going on. The boundaries of the reduced reservation, thus determined, were as follows:

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Beginning at the middle of the channel of the Mississippi river below Pike's island; thence ascending along the channel of said river in such a direction as to include all the islands of the river to the mouth of Brown's [now Minnehaha] creek; thence up said creek to Rice lake; thence through the middle of Rice lake to the outlet of Lake Amelia; thence through said outlet and the middle of Lake Amelia, to the outlet of Mother lake; thence through said outlet and the middle of Mother lake, to the outlet of Duck lake; thence through said outlet and the middle of Duck lake, to the southern extremity of Duck lake; thence in a line due south to the middle of the channel of the St. Peter's river; thence down said river so as to include all the islands to the middle of the channel of the Mississippi river; reserving further, for military purposes, a quarter section on the right bank of the St. Peter's river at the present ferry, and also a quarter section on the left bank of the Mississippi river at the present ferry across that stream.

The routine proceedings of the general land office having been completed, the reserve lands east of the Mississippi were offered for sale on the 11th of September, 1854, at the Still-water land office. According to tradition and expectation and the "ethics of the border," the squatters had organized a claim association and appointed Mr. William R. Marshall to do the bidding in a manner to save time and prevent confusion. A sufficient number of the members were present to obviate the approach and interference of undesired competitors. As each parcel of land was offered, a bid of one dollar and a quarter an acre was made, and that was invariably the highest bid. In total, 4,523.47 acres were sold for \$5,654.28.

The claimants on the excluded lands west of the Mississippi had also formed their "Equal Rights and Impartial Claim Protective Association," and had used it effectively to

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discourage claim jumping by tardy landseekers; but they were not obliged to resort to the same method of acquiring titles as that just described. Through the interposition of Hon. Henry M. Rice, the Minnesota delegate, an act of Congress was secured early in the winter of 1855, extending the right of pre-emption to occupants of this part of the reserve. Under this act, 19,733.87 acres were bought from the government for \$24,668.37, less the costs of survey and sale. On the lands thus disposed of the city of Minneapolis has been mainly built.

A few warrant locations and private entries brought the 398 entire area of the reductions to 25,184.58 acres, and the total receipts therefor to \$31,643.97.

There remained, after these reductions, the tract in the fork of the rivers and including Fort Snelling, variously estimated to contain seven to eleven thousand acres. It was believed that no long time could elapse before this tract would be offered to settlers. The time and the manner were subjects of interested curiosity.

Among those interested there was no one who had better reason than Mr. Franklin Steele, sutler at the Fort for many years, who had been in the Territory since 1837. He had been a large and skillful operator in lands, lumbering, and merchandising, and had already, as was believed, accumulated a great fortune. By permission of the military authority, he had erected a fine dwelling, a storehouse, and other buildings near the fort. While these improvements gave Mr. Steele technically no pre-emption right, the sentiment of the frontier would have held infamous any competition for the purchase of the quarter section surrounding them. On what ground may have rested the presumption that this residue might be disposed of at private sale, is not known; but Mr. Steele on April 24, 1856, through Delegate Rice, made a proposal to buy the whole tract, estimating its area at 5,000 acres, for \$75,000, cash down. The Hon. Jefferson Davis, secretary of war, on May 6 replied to Mr. Rice, that the reservation was still needed for military purposes, so that Mr. Steele's offer could not be entertained. The quartermaster general, Thomas S. Jesup, had advised the secretary that the offer, though far below the value of the lands,

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was more than they would bring at a public sale, on account of the banding together of speculators. If sold, he added, 150 acres should be retained.

The authority for a private sale was believed to issue from the act of Congress of March 3, 1819, empowering the secretary of war to sell all such military sites as "may have been found or may become useless for military purposes." A question was raised as to the applicability of this remote statute. The attorney general ruled that its efficacy had been long exhausted. It was thereupon seen to be desirable that there should be new legislation to cover the sale of reservations later 399 to be found unnecessary. Rice undertook the task, and succeeded in having inserted in the army appropriation bill of March 3, 1857, a brief paragraph extending the provision of 1819 to "all military sites which are or may become useless for military purposes." Very few persons, in Congress or out, could have known the immediate purpose of this unnoticed amendment. It was not long before those who did know, or who presently learned, began a series of exceedingly interesting movements.

Hon. John B. Floyd, former governor of Virginia, had been appointed secretary of war by President Buchanan, soon after his inauguration on March 3. On the 7th of April, Delegate Rice addressed to the new secretary a letter, in which he recommended the sale of the Fort Snelling reservation, except, say, 40 acres for a depot of supplies. He advised a survey into lots not exceeding 160 acres, sale at public auction at or above a minimum price, and that the equities of occupants be respected. Two days previously Mr. Rice had written to Alexander Ramsey from Washington: "I now think I shall get an order issued for sale of the Snelling and Ripley reservations, but this for your ear alone."

Early in April, Dr. Archibald Graham of Lexington, Virginia, visiting in Washington, called on the secretary of war to pay his respects to him as a Virginian. In the conversation, Dr. Graham remarked that he was going to Minnesota to make some investments, and inquired whether the secretary might not have some public business that way which would pay his expenses. That official replied that he had nothing unless it was an agency for

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selling some old forts, mentioning Fort Snelling. The dutiful citizen had been in Minnesota three years before and had learned something of the value of the Snelling lands and adjacent property. He would consider the matter. The secretary's offer was, however, declined after a few days taken for respectful deliberation. If the purpose of the call was to ascertain the secretary's intentions, that purpose was fulfilled.

John C. Mather, a member of the senate of the state of New York, had seen a copy of the army appropriation bill, and had observed the provision for the sale of some military reservations. 400 By chance the two gentlemen just named met in Brown's Hotel, and fell into conversation about investments in western lands. It would seem that the Virginian made a deep impression on the New York statesman, and a tentative agreement was there made towards an operation in the Snelling reserve.

Mr. Mather of New York had a neighbor, another state senator, Mr. Richard Schell, "a regular speculator," in his own phrase, who had learned from the newspapers that some forts would be sold. Upon the matter being opened to him, he was disposed to invest some of his wife's money, if Mather, whom he trusted absolutely, should assure him that all was right: As the result of a conference between Graham, Mather, and Schell, in New York or Washington, "The New York Company" was formed in April. Toward the end of April, Dr. Graham traveled to Minnesota where he saw Mr. Franklin Steele. On his return his report was so satisfactory that "the combination" decided to proceed.

The Secretary of War evidently considered it his duty to sell the Snelling reservation under the late legislation. In April he gave Major Seth Eastman, U. S. A., verbal instructions to proceed to that post and make a survey of the place. He was instructed to ascertain the area, and to subdivide it into forty-acre lots. He was informed by the secretary that when the survey was completed he would send an agent to sell. This information the major considered as confidential and kept to himself.



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Mr. William King Heiskell, a fellow townsman of the secretary, now comes into the play. This gentleman was a farmer, had served in the Virginia legislature, had been a third corporal in the militia and a deputy sheriff. As a hard student of newspapers he professed himself generally well informed. Unable to bestow on this crony a four or five thousand dollar place as desired, the secretary called Mr. Heiskell to Washington, and offered to him the business of selling the Fort Snelling reservation. Although the pay allowed by law was but eight dollars a day and expenses, instead of a five per cent commission, the agency was accepted. On May 25, Mr. Heiskell was duly commissioned, and was entrusted with the delivery to 401 Major Eastman of a commission to act as his colleague. On the same day he was furnished with the instructions of the department. The commissioners were first to ascertain whether any bona fide settlers had established just claims to any portions of the reserve; next, to sell all the lands embraced, except portions justly claimed by settlers, if any, either at public auction or at private sale, in forty-acre lots, or in whole, according to their best judgment, but in neither case to sell for less than \$7.50 per acre. Further, and as if an afterthought, the commissioners were to examine the fort with reference to military uses, and, if their judgment so dictated, to reserve from sale the existing buildings and surrounding lands not less than forty acres.

On delivering his commission to Mr. Heiskell, the secretary said to him: "Old fellow, I want you to do the best you can for the government. I want that sale to be the best ever made in the United States. Keep your eyes skinned; you are going among a parcel of sharpers and speculators."

While awaiting his commission and instructions in Washington, Mr. Heiskell fell in with Dr. Graham of Virginia, "it might have been upon the streets, in the capitol grounds, or anywhere else." The latter (Graham) testified that he had never seen the commissioner before. Mr. Heiskell, in his testimony, claimed an acquaintance with the medical man of five or six years standing. Whether by accident or arrangement, these two gentlemen were soon traveling together to Saint Paul, where they arrived on the 31st of May.

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On the journey the commissioner revealed the general, but not the particular, object of his business, for that he “communicated to nobody.” It is an interesting coincidence that Mr. John C. Mather arrived on the same Sunday morning and accompanied Mr. Heiskell to church. This gentleman was not traveling at his own expense. On May 26 the Secretary of War had commissioned him an agent to examine the Fort Ripley-reservation near the mouth of the Crow Wing river, with a view to its sale. There is a mystery about this appointment. The appointee, when questioned, less than a year after, could not tell how he happened to be appointed, nor how he learned of his appointment, nor whether he had any interview with the 26 402 secretary on the subject. He had not asked for the appointment.

Commissioner Heiskell arrived in Saint Paul on Sunday; Monday was election day; Tuesday he did not find Major Eastman; Wednesday is not accounted for; Thursday he went to Stillwater; and on Friday, the 5th of June, he found Major Eastman at the Fort.

On Saturday the two “got to talking.” It did not take them long to agree that the whole reservation ought to be sold, and at private sale; that \$90,000 would be a fair price; and that the refusal ought to be offered to Mr. Franklin Steele. Before noon they made inquiry of Mr. Steele in writing, as to what sum he would be willing to pay for the whole tract, and received the reply that he would be pleased to pay the sum offered by him the year before, \$75,000.

This offer the commissioners promptly declined, and inquired if he would not raise his bid to \$90,000. To this proposition he assented. In the afternoon of the same day a contract was drawn up and signed. The document was drafted by Mr. John C. Mather, who had returned from a rapid journey to Fort Ripley. The draft was not materially modified by the commissioners and the purchaser. It should, however, be related that Mr. Heiskell testified that two or three days were spent by himself in writing out the agreement, and that he had exhausted nearly a quire of paper before getting a draft to suit.

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The contract, which is of course of record, was terse and simple. The commissioners, acting on behalf of the United States, sell the tract of land described to Franklin Steele, who binds himself and assigns to pay the sum of \$90,000, one-third on July 10 proximo, and the residue in two annual payments thereafter. A deed will be delivered so soon as the grantee shall have made his first payment, and possession will be given so soon as the government can dispense with the property. Major Eastman not having completed his survey, the area was stated to be "about seven thousand acres."

The commissioners could not have examined the law governing sales of government property, or they would have discovered that they had no right to sell on credit; and it never occurred to them to exact interest on the deferred payments, nor a mortgage to secure them. The rate on current loans at the time was two and a half per cent a month or more. It was understood that Mr. Steele would waive all claims to pre-emptions on his own account, and that he would satisfy other claimants.

On the second of July, Commissioner Heiskell submitted his report to Secretary Floyd, who secured the approval of the President the same day. On that day Hon. Robert Smith, the pioneer concessionary at the Falls, called in person at the War Department to ascertain why no reply had been made to his letter of inquiry about a rumored sale of the Snelling reservation. If it was to be sold, he desired to know when and in what manner. Being informed that the sale had already taken place, he assured the person who so informed him that he must certainly be in error. He and other inquirers had to be content with the courteous regrets of the secretary, that letters he had ordered written had not been received.

Mr. Smith had been in Minnesota in the first half of June, and had inquired of everybody, including the surveyor general, but could not learn that any action had been taken with reference to the sale. Not the slightest reference to the transaction can be found in the Saint Paul newspapers, absorbed as they were in the roaring farce of the constitutional

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convention,—with possibly a single exception. No military officer at Fort Snelling had been taken into the secret, except Major Eastman, who had his reasons for silence.

Colonel Lorenzo Thomas, senior staff officer on the staff of Lieutenant General Winfield Scott, commanding the army, arrived in Saint Paul on the first day of August to learn that the reservation might have been sold, and, if not, that it would probably soon be sold. Major Eastman so informed him. In a report to his chief, Colonel Thomas ventured to say, "I do not know under what circumstances the post of Fort Snelling was sold, but am perfectly certain that no military man on the spot, at all acquainted with the state of affairs, would have recommended the measure." This report was submitted to the secretary of war on August 28. On the day following that minister put on it an endorsement, not calculated to cheer the 404 heart of the staff officer or his general. "The dissertation about Fort Snelling," said the secretary, "its sale, and the importance of it for a military depot, is a gratuitous intermeddling in a matter already disposed of by competent authority. When this department is required to report to subordinates under what circumstances the post of Fort Snelling was sold, or any other act was done, the duty shall be performed; but until then a 'military man' will probably understand that a superior in authority is not to be called on for an explanation of any order."

The sale was confirmed on July 2, and the first payment of \$30,000 was made, after some delay, on July 25. That sum was made up of \$10,000 contributed by Mr. Steele, \$13,000 by Mr. Schell, and the remaining \$7,000 by Mr. Mather. Dr. Graham paid in no money, but obligated himself to compensate the company for an undivided third of the purchased property by services as manager at a salary of \$5,000 a year. On July 19 the assistant quartermaster at the Fort turned over the property to Mr. Steele and took his receipt.

The order of the Secretary of War, through the adjutant general's office, dated July 31, excepted the post proper and the buildings required for the use of troops, and directed the maintenance of the military post till further orders. The flag was hauled down and the garrison marched out June 1, 1858.

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In the autumn of 1857, Secretary Floyd bethought him of a proceeding which he might properly have instituted before the sale. He appointed a board of military officers, of which General Harney was president, to meet at Fort Snelling, examine the post and all its circumstances, and give their opinion of its abandonment. The report submitted was in such terms as to assure the secretary that he had not erred in confirming the sale. Of this report it was said, by political antagonists, that it conformed to expectations.

The mystery and silence that brooded over the sale of the Snelling Reserve were not to be prolonged indefinitely. On January 4, 1858, the Hon. Robert Smith moved in the House of Representatives for a select committee to investigate the transaction. The committee was appointed, proceeded to their duty, and on April 27 submitted their report. When printed, 405 together with the findings of the minority, the testimony of witnesses, and documents, it forms an octavo volume of 456 pages. It is H. R. Report No. 351, Thirty-fifth Congress, first session. The expenses for witnesses, fifty in number, were \$14,830.25; and the whole cost of the investigation was placed above \$20,000.

The testimony was conflicting, even bewildering. One group of army officers testified that Fort Snelling was necessary for military purposes, and should have been retained indefinitely; another, that it was either wholly useless, or of so little use that a small remnant would be sufficient. As to the value of the property, opinions were equally diverse. Robert Smith produced a copy of his letter to the Secretary of August 12, 1857, in which he had declared that if the land had been properly sold it would have brought four times the price estimated. Hon. Henry M. Rice, whose experience in handling real estate in the Territory had been extensive, would not have given fifty cents an acre for townsite purposes, if compelled to grade the streets; but for agricultural purposes the land was in his judgment worth three or four dollars an acre. Charles H. Oakes, the Saint Paul banker, laughed at Steele for paying the price he did. Great pains was taken to impress on the committee the fact that had the sale not been made in the manner it was, but at public auction, a combination of buyers would have held the price down to \$1.25 an acre, quoting

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the example of the previous sales above mentioned. Of this danger it appears that the two commissioners were both in great dread, but each seems to have caught it from the other. On the other hand, it was shown to the committee that when Fort Dearborn, at Chicago, was sold in 1840, after advertisement for sealed bids above a minimum, fifty-two and three-fourths acres had brought \$105,000 and a fraction. One witness swore that a proposition had been made to him to let him have one twenty-seventh interest in the venture for \$25,000. Mr. Steele deposed that he had actually sold that same fractional interest for \$6,666.

The committee recommended the passage of five resolutions, for substance as follows:

1. That the sale of Fort Snelling was without authority of law;

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2. That the action of the Secretary of War, in disposing of the post without the knowledge or opinion of any military officer, was a grave fault;

3. That the agents appointed were “unqualified, inexperienced, and incompetent men;”

4. That the management of the sale induced a combination against the government;

5. That John C. Mather, a government employee, violated his duty in participating in the transaction; that Steele, Graham, and Schell were aware of such illegality; and that therefore the sale was and continued to be void.

The recommendation of the minority was to substitute for the resolutions proposed by the committee a single resolution, declaring that the evidence had failed to impeach the fairness of the officers and agents concerned, or to furnish reasons for further action by the House.

The report came up for consideration on June 1. On that day and the next day eighteen elaborate speeches were delivered, which occupy 125 columns of the Congressional

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Globe, First session, Thirty-fifth Congress. It was a partisan debate. The Republican orators did not conceal their elation over the opportunity of smirching the administration. Democratic members found in the evidence sufficient foundation for extensive and dignified apologies.

A New York representative at length came forward with a proposition of compromise embodied in four resolutions, in brief:

1. That the investigation had disclosed nothing derogatory to the Secretary of War;
2. That the sale, however, was injudiciously made;
3. That the House disapproves of its terms;
4. That the papers be referred to the Secretary of War, for such action as he, with the advice of the attorney general, might deem proper. This proposition pointed of course to an expectation that should the matter be so referred by Congress, the secretary would retain the reservation and adjust the equities of Mr. Steele and his friends.

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The whitewashing proposition of the minority was immediately rejected by a vote of yeas 116, nays 86. The compromise resolutions were severally adopted, the test vote being yeas 133, nays 60. On the question to substitute them for the resolutions of the committee, the vote stood yeas 88, nays 108. The resolutions of the committee then coming up, the first, declaring that the sale was unlawful, because Fort Snelling was at the time and ever since necessary for military purposes, was voted down, yeas 81, nays 86. Thereupon a motion to lay the whole matter on the table prevailed, yeas 83, nays 76.

The long sequel must be summarized. In the ambiguous situation in which the matter was left by Congress, Mr. Steele and his friends were unwilling to make the deferred payments and defaulted. In 1860 the Government brought suit, which was continued from term

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to term, and discontinued in 1865. On the outbreak of the Slaveholders' Rebellion, Fort Snelling was reoccupied as a recruiting and outfitting station, and has ever since been in military use. In 1868 Mr. Steele filed a formal claim against the United States for \$162,000, being the amount of rentals due him, at the rate of \$2,000 a month, from April 23, 1861, and proposed an offset against his dues to the government.

On April 23, 1868, Lieutenant General Grant, in a communication to the adjutant general of the army, expressed his judgment that Fort Snelling "should be held by the United States forever." The sale, he added, to Mr. Franklin Steele was either in fraud or in ignorance of its military importance; but, said he, "Mr. Steele is not in my judgment a party to the fraud." The general's recommendation was to sell the two fractions reserved beyond the rivers for ferry control, and to satisfy Mr. Steele with the proceeds.

On November 10, 1870, a board of officers, appointed by the Secretary of War, recommended that the government transfer to Mr. Steele the main body of the tract, 6,394.80 acres, in satisfaction of his adjusted account, and retain the remaining portion, 1,521.20 acres, as a permanent military reservation. A joint resolution of Congress of May 7, 1871, ratified this settlement.

In a later year the government repurchased a considerable portion of the land alienated to Mr. Steele.

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It was not an absurd expectation in 1857 that the Snelling reservation would be abandoned and later disposed of. In 1853 Fort Ridgely had been built, and not long afterward Fort Abercrombie. With sufficient armaments and garrisons they could hold the Sioux in order, and Fort Ripley would protect the agent and traders among the peaceable Chippewas. Fort Snelling had already become nothing more than a place for receiving and forwarding supplies to those advanced posts. No reserve of twelve square miles was needed for this purpose. Forty acres would be quite sufficient. The garrison had been



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reduced to a mere guard for the quartermaster and his store-houses. The probability therefore that the reserve would be soon in the market was no secret. It was in the minds of many persons operating in northwestern lands. Robert Smith, as indicated above, had his eye on it.

Since the foregoing account was written, a certain letter, found among the papers left by Mr. Franklin Steele, has turned up, which seems to suggest the origin of the particular operation which resulted in the clandestine sale of 1857.

Major Samuel Woods was stationed at various northwestern posts in the late '40's and early '50's. He led the expedition from Fort Snelling to Pembina in the summer of 1849, and was in command of Fort Snelling in 1848 and '49, and again in 1850. He was at Fort Ridgely in 1853. He had a taste for land speculation, and at one time had lands on Grey Cloud island, and at Little Falls; and he also owned lots in Minneapolis and in Traverse des Sioux, which he valued at \$25,000. Writing from San Francisco on the 9th of October, 1857, to Steele, Major Woods used these words, "I think you and Rice ought to have let me in to that Fort Snelling game, as we started the game together."

Mr. Steele of course was in a position to be best informed in regard to the policy of the War Department, and to have the greatest interest in a possible sale of the Reserve. He was within his rights in planning to become a purchaser, and even a preferred purchaser.

Mr. Rice's part may have rested on purely political grounds. He and Steele were of the same party, and at the time were actively co-operating in politics. But it may be remarked 409 that Rice gave himself an amount of trouble which a mere political friend would hardly have a right to exact. It was Rice who presented Steele's proposition to the War Department in April, 1856, to pay \$15 an acre for the land, with recommendation for its acceptance. It was Rice who secured the adoption of the amendment to the army appropriation bill of March 3, 1857, authorizing the sale of military sites "which might become useless for military purposes." On April 7 he advised the Secretary of War to sell

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the reservation, except perhaps forty acres for a depot of supplies. About the same time he wrote to Mr. Ramsey, "for his own ear alone," that he expected to get an order issued for the sale of the Fort Snelling and Ripley reservations.

It ought to be added that Delegate Rice was an indefatigable worker for the Territory, and that he laid great numbers of constituents under obligations for services in their behalf. He was in that year an aspirant for the position of United States senator, to which he was elected in December, 1857. Steele expected the second senatorship, and attributed his failure to obtain it to Rice's ineffective support. Rice said afterward that Steele did not fight hard enough.

Major Woods, who had left the country, naturally dropped out of the "game."

From what is now known, a conjectural rationale of the operation may be ventured. The game originated not far from the junction of the Minnesota and Mississippi rivers. The Minnesota delegate undertook to obtain the necessary legislation in Congress, and to use his well-known influence with Southern statesmen in moving the War Department to prompt action. The money to "finance the deal" had to come from the East, since all northwestern funds were already pledged to cover the margins of local speculation. The gentleman from Virginia, Dr. Graham, who had been in Minnesota, undertook the double task of sounding the new secretary of war, and of finding parties who would put up hard money for an operation promising early and satisfactory returns.

There is more reason to believe that Floyd was pleased to accommodate friends in a little deal in a remote region of which he had no knowledge, than that he expected to share in 410 possible profits. His action bears the appearance of perfunctoriness under direction of some managing agent.

The expectation of all concerned evidently was that the deal would require only a small sum of ready money, that sales of the surveyed property would be promptly made, that the proceeds of these sales would realize enough to pay off the assumed debt, and that

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the proprietors would then be able to handle the remaining parcels of the land at their comfortable convenience. One such sale was arranged.

It should not be forgotten, finally, that this operation, which seemed gigantic in its day, was engineered in the months when the boom that had prevailed in the Territory for some years was at its highwater mark. Fletcher Williams, in his *History of Saint Paul* (Volume IV, this Society's Historical Collections), says on page 380, "Perhaps in no city in America was the real estate mania, and reckless trading and speculation, so wild and extravagant as in St. Paul." The sale of the reserve was barely consummated before the great financial panic, which fell on the country at large, smote Minnesota with a violence proportioned to the recklessness of speculation which had prevailed here. With no market for real estate, the reserve lots could not be sold, nor even given away. No investors could be found to throw good money after bad, in meeting the deferred payments to the government. The original investors charged off their losses, and a lively chapter in the history of Fort Snelling was closed.

### Notes .

For documents relating to Fort Snelling, from the time of Pike's expedition to December, 1868, see House Executive Document No. 9, Fortieth Congress, third session, entitled "Sale of Fort Snelling Reservation," 107 pages, with a map, in No. 1372, Congressional Series.

On June 17, 1857, Commissioner Heiskell wrote to Secretary Floyd: "The best and most respectable persons will unite to prevent the sale over \$1.25 per acre...We consider this the best sale that has ever been made, as may be seen from the records." He refers to a combination of disappointed persons in a scheme of obtaining the property for much less than its value.

The House Committee of Investigation, appointed under the resolution of Hon. Robert Smith, January 4, 1858, were Burnett of Kentucky, Faulkner of Virginia, Morrill of Vermont,

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Morris of Illinois, and Pettit of Indiana. The report of the committee was signed by Morrill, Morris, and Pettit.