

The  
**PALIMPSEST**  
JULY 1933  
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THE EDITOR

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### THE PURPOSE OF THIS MAGAZINE

THE PALIMPSEST, issued monthly by the State Historical Society of Iowa, is devoted to the dissemination of Iowa History. Supplementing the other publications of this Society, it aims to present the materials of Iowa History in a form that is attractive and a style that is popular in the best sense—to the end that the story of our Commonwealth may be more widely read and cherished.

BENJ. F. SHAMBAUGH

*Superintendent*

### THE MEANING OF PALIMPSESTS

In early times palimpsests were parchments or other materials from which one or more writings had been erased to give room for later records. But the erasures were not always complete; and so it became the fascinating task of scholars not only to translate the later records but also to reconstruct the original writings by deciphering the dim fragments of letters partly erased and partly covered by subsequent texts.

The history of Iowa may be likened to a palimpsest which holds the records of successive generations. To decipher these records of the past, reconstruct them, and tell the stories which they contain is the task of those who write history.

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# THE PALIMPSEST

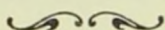
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## Robert G. Cousins

"Lest we forget — lest we forget." . . .

His deep rich voice, vibrant with feeling, swelled to the corners of the great Hall of Representatives and died away. Silence echoed an instant while the speaker, young and tall and impressive, resumed his seat. Somewhere in the audience a man coughed nervously, suggesting a sob. A nose was blown. Dry throats murmured in audible swallowing. Then a gust of heavy applause rose and fell and rose again thunderously. The orator bowed his dark, well-shaped head in acknowledgment.

Robert G. Cousins, United States Representative from Iowa, had just concluded his speech on the sinking of the *Maine*. In scarcely more than five minutes, he had deeply stirred the hearts of his fellow Congressmen. With a few beautiful words he had plead powerfully for an appropri-



ation to relieve the families of the victims of the *Maine* disaster. Grimly his tribute recalled the tragedy of the great battleship to those in whom lay the power of making reparations for a grateful nation "to its dead defenders and their living kin" — a feeble sort of recompense. "Human nature does, in human ways, its best, and still feels deep in debt."

The classic speech, so scant in length, so rich in eloquence, was speedily reported on the front page of newspapers all over the country. Almost overnight, Representative Cousins found himself the popular author of an address which critics were exalting to oratorical heights. "Silver-tongued", "golden-voiced", he was called. Stacked into a column, the clippings quoting and commenting upon his *Maine* speech might have approximated his own towering height of six feet two.

Editor Medill of the *Chicago Tribune* declared, closing an editorial of March 22, 1898, "Like Lincoln's speech at Gettysburg, Mr. Cousins' brief address will be preserved as one of the gems of American oratory." Unqualified admiration came from Democratic Kentucky in the article of "Savoyard", Louisville *Courier-Journal* reporter, when he affirmed: "I have been about this capitol the most of the last twenty years but I have never



seen nor heard anything on that floor that even approached this gem of a speech." And nearer home, expanding with pride at the prowess of a native son, yet attempting to remain clear-visioned in its praise, the Des Moines *Iowa State Register* commented: "We do not exaggerate when we say that Mr. Cousins' speech on the wreck of the *Maine* has been more commented upon and has received more praise than any one other speech delivered during the present controversies over Cuba . . . We believe that Mr. Cousins has made a place for himself in school books of the future and in the histories of two republics."

Thrilled by the Congressman's brilliant flight into Websterian realms, his friends at home in Tipton, Iowa, staunchly declared they "always knew Bob Cousins would do something someday." Of course it was a little hard to reconcile their recollections of a sunburned youngster, who used to race bare-legged through his father's hay fields, with a dignified, earnest political figure swaying multitudes with his eloquence. But then, "Bob" had worked hard and learned much since those hay-field days.

Until he was twenty-one, life had consisted mostly of schoolbooks and farm chores for Robert G. Cousins. He was born on January 31, 1859, in the Red Oak Grove community five miles north



of Tipton. Pioneer blood flowed in the veins of the son of James and Mary (Dallas) Cousins: both grandfathers, Robert Cousins and Robert Dallas, had been among Cedar County's earliest settlers, the former coming in 1841, the latter in 1839.

After tramping to school in the winter and making hay and plowing corn on his father's farm during the summer until late in his 'teens, "Bob" entered Cornell College at Mount Vernon, fifteen miles away. He graduated in 1881 as a Bachelor of Civil Engineering and three years later, having "sustained a good moral character" and "pursued professional or scientific studies", he was awarded the degree of Civil Engineer.

But meanwhile engineering seems to have lost its appeal for the scholarly young man. He had probed into musty old law books and found them fascinating. Suddenly he decided to become a lawyer. Colonel Charles A. Clark, a Cedar Rapids attorney, offered to let Engineer Cousins study in his office. Cousins did, passed the state bar examinations in 1882, and established a law office of his own in Tipton. Even at this profession he was but a half-hearted practitioner. He found it ever so much more interesting to pore long hours over Thackeray or Kipling or Dickens than to ferret out nice legal distinctions from tedious re-



ports. His literary reading encroached alarmingly upon business hours and consumed too much of the normal time for sleep.

Politics lent a new zest to his legal activities. In 1885 he tossed his hat into the political ring, campaigned vigorously, and won a seat in the House of Representatives of the Twenty-first General Assembly. Full of ambition and enthusiasm, he commenced his public career at Des Moines in January, 1886. Though not particularly influential as a legislator, he performed his duties faithfully and creditably — introducing a few bills, participating effectively in debate, serving on important standing and special committees, and presenting numerous petitions including one to require public school instruction in the effects of alcohol on “the physical, mental and moral nature”, a measure for which he voted. Perhaps the most significant recognition of his talent, as well as an opportunity to demonstrate his professional ability, was his election by the House to be one of the seven managers of the impeachment prosecution of the State Auditor. His brilliant conduct at that trial caused enthusiastic journalists and veteran legislators to prophesy a glorious future for this “coming American statesman”.

The eloquence of Robert G. Cousins was utilized to good advantage in the campaign of 1888.



Harrison carried the State by a large majority and Cousins had the honor of casting one of Iowa's electoral votes for him. The following year he was elected prosecuting attorney of Cedar County and served one term. But he aspired to higher office. In 1892 he defeated the Democratic incumbent from the Fifth Congressional District and began his long period of service as United States Representative in March, 1893.

Handsome, eloquent, and charming in manner, he was promptly accepted in congressional circles as a potential leader. His debut in Washington society was equally propitious. If he had set the hearts of Tipton belles a-flutter when occasionally he had whisked them away on Sunday evenings for a buggy ride, his presence at a ball made the Washington belles quite as twittery.

For eight consecutive terms Congressman Cousins represented the Fifth Iowa District. During those sixteen years he delivered speeches that are generally regarded as among the most finished and beautiful bits of oratory ever made on the floor of the House. He often addressed exclusive clubs in large cities. Erudite, subtle, persuasive, emotional, he was something of an enigma even to the friends who knew him best. "A mystery", the *Louisville Courier-Journal* once called him. "He seldom speaks, but is the finest orator



in congress." Commenting upon his flare for brilliant repartee, the paper continued: "If remarks Cousins makes in the cloak room were uttered on the floor and put on record, he would be as famous as Blaine was in the early '70's." Then, as if to qualify the praise, the writer added skeptically that it would be better for Mr. Cousins if he had family responsibility.

But he never married. As he had buried himself among the books and memoirs of his bachelor apartment in Tipton and shut out romance, so he withstood the charms of hopeful young ladies at the capital. Society gossip once rumored that he was engaged to the daughter of Thomas B. Reed, but the report was apparently unfounded. By and by eligible debutantes, spinsters, widows, and whatever began to smooth their crinolines resignedly and guess that "Bob Cousins was a confirmed old bachelor after all."

In 1909 Congressman Cousins, then apparently at the peak of his career with a glamorous future blazing on the horizon, declined to run for a ninth term as Representative. Being extremely sensitive, he may have been deeply offended by some unwarranted criticism or partisan gibe. Perhaps he visioned a gradual decline of his faculties and influence that pointed to ultimate defeat. A philosopher at heart, he had always clung rigidly to



principles, never compromising his political, financial, or intellectual honesty — though he could not control his own appetite. At last the time had come when past accomplishment and promise of achievement in the years to come seemed to afford him little satisfaction. He had made a name for himself. He had served on several important House committees, been chairman of the Committee on Foreign Affairs, and promoted the interests of his constituents. He had given requests for service his solicitous attention, whether they came from the White House or a prairie farm. These notes were together among his papers:

Montour, Ia.

Hon. Robert G. Cousins,  
Dear Sir:

Please send me a book about chickens and a book about squirrels, and some about birds, and some onion seeds, and a book about wild animals.

White House  
Washington, D. C.

My dear Mr. Cousins:

I earnestly hope you can give us those two big ships. I do not feel that we are excused as a nation if we fail to provide for them now. I look confidently to the House Committee for helping the navy at this time.

Faithfully yours,

Theodore Roosevelt



But eventually he tired of public life. He wanted to be back home alone with his books and music and old friends. He wanted solitude, and a life of quiet and contemplation.

After his sudden retirement at the age of forty-nine he never again actively engaged in politics. Nevertheless he was a familiar figure on lecture and chautauqua platforms for many years. And occasionally he lent his eloquence to public causes, particularly during the World War.

Stirring and elegant, Orator Cousins's speeches never failed to move his audience. He could plead a cause with tremendous power; he could rise to emotional heights in flights of pure oratory. Harvey Ingham regarded him as the greatest "ornamental" orator of his time, William Jennings Bryan and Jonathan P. Dolliver not excepted. Whereas the latter were generally arguing a controversial question, Cousins's orations were more often oratory for its own sake.

The power of his eloquence, the perfection of his diction, and the nobility of his thought is well demonstrated by the opening words of his eulogy of a martyred President on the day of McKinley's funeral at a memorial service in Cedar Rapids.

"When the noise of earthly things is hushed; when all the nations of the earth display their ensigns at half-mast; when belts are taken off of



wheels and factories are silent as the grave; when Mammon locks his doors of trade, and commerce calls a halt; when rushing engines on great railway systems pause and hold their fiery breath; when labor lets its hammer fall or leaves the plow half through the furrowed field, and all together come, with solemn tread and tearful eyes, into the sanctuaries of the world — how vain and helpless then is human speech. The best there is in feeling and in thought must remain inarticulate.”

Congressman Cousins's charm lay not alone in his polished diction. He possessed, in the words of his intimate friend, W. R. Boyd of Cedar Rapids, “all the equipment, natural and acquired, of a great orator. In form an Apollo — handsome as a god; a voice like the tones of a great organ, ‘most strangely sweet;’ ‘his stature molded with a perfect grace;’ a mind enriched with all that the best literature of all times could give to one capable of the keenest appreciation; a memory which caught and held everything worth while; a wit as keen as that of Burns; a knowledge of the common man, whence he came — for, to use his own language, he ‘came out of the loins of labor and out of the heart of a continent’ — as inherent, as sympathetic as that of the Scotch bard himself. Small wonder that he could charm and ‘hold spell-bound’ any audience, anywhere, and upon almost



any theme — from Shakespeare to free silver and the tariff.”

After 1911, when he delivered a eulogy of Jonathan P. Dolliver at the memorial services of the Pioneer Law Makers' Association, he withdrew from platform life. His had been a relatively brief career, but full — from the earliest campaigning for James G. Blaine in 1884 to the glorious tribute to the crew of the *Maine* at the summit of his career, and the later mellowed special-occasion addresses. Scarcely a year passed without his taking the stump for some Republican candidate; sometimes he made as many as seventy speeches in a single canvass.

From the time of his retirement, life held for him mostly books and music and the “poison that lurks in the heart of a grain of corn”. He loved music passionately. That he might enjoy the masterpieces whenever he pleased, he bought one of the earliest phonographs in Cedar County. On summer evenings he would stick its big horn in the window of his downtown room, and the strains of a Bach or Grieg or Beethoven composition would float out over the courthouse square across the street. The classics never wearied him; he hated jazz. He refused to remain in hearing distance of popular tunes — just as for a long time he refused to ride in an automobile.



Besides the phonograph, his bachelor rooms held a fascinating collection of curios, including ponderous swords salvaged from distant wars, Indian relics, bizarre basketry, and souvenirs from famous friends. There were stacks of musty legal documents, some valuable, some worthless, yellowed letters from notables in the political and literary world, copies of his own best speeches.

Rarely were persons invited to visit his sanctum. He sat alone in its shadows, generally, reading by the glow of a bare electric bulb, until cataracts grew over his eyes. Gradually the printed pages became dim, blurred, and finally obliterated as the shadows deepened into darkness. Friends offered to read to him. He listened to their recitals of news impatiently, and longed for Shakespeare or whimsical Burns, but he did not bother the willing friends to read from them.

It was during this time of his affliction that the government called for volunteers to help sell Liberty Bonds. Cousins responded. Though it had been five years since he had retired from the lecture platform, the partially-blind orator left his seclusion to perform this duty. Twenty-three times he journeyed across Iowa, speaking daily. In appreciation the Treasury Department awarded him a much-prized medal "For Patriotic Service in Behalf of the Liberty Loans".



Finally the cataracts were removed; and he returned feverishly to his reading — and to his hermitage. . . . On a January morning in 1931 he was found at home, unconscious. Friends took him to the University hospital at Iowa City. There he remained the rest of his life.

The "Bob" Cousins whom Tipton callers found when occasionally they visited him in the darkened hospital room was far different from the silver-tongued orator who had once swayed vast audiences, and different too from the quiet, bookish scholar who used to come home from Congress and shut himself alone in his rooms for weeks at a time. Enfeebled, a little wasted, he lay for two years staring into the past. Only vestiges remained of the dominating speaker that he had once been. His voice still rolled, deep and resonant. The hair was still thick, but grizzled and white. Usually a fat cigar burned on the table beside him.

He would talk musingly, a bit wistfully, of things as they used to be, of the days when he and Tom Reed were intimates down in Washington, of his library which he sadly missed. Suddenly he would inquire: "And who won the declamatory contest at home?" or, "What was the senior class play?" He followed the activities of young people with almost childlike eagerness,



with more interest indeed than he evinced toward any one else in his home town.

Several months before his death he prepared an oration to be read at his funeral. Mrs. Mildred Yule Phelps of West Branch, whose father had been an intimate friend of Mr. Cousins, was selected by the dying man to read his posthumous address.

The closing lines of his final message contain something of the thought he had so often expressed for others on similar occasions. In death he turned from his past and spoke of the future. Yet there is a hint of futility and resignation in his words. "And so to-day at the last parting of the ways, we have done all that can be done for our friend — we have come to go part way home with him; all that can be done by mortal man until immortality in whatsoever form or essence shall reveal what the living cannot know of vital existence beyond our ken, and until we shall be like unto him in state, and participate in whatever vision dawns at the inexorable door of death."

He died on June 19, 1933.

VIRGINIA MAXSON



## Wildcat Currency

*As a form of unregulated inflation in the name of commercial necessity, the financial operations of pioneer Iowa bankers and merchants contributed to the panic of 1857 and the following depression. This account of the experiences of currency manipulation by Davenport business men is adapted for the PALIMPSEST from J. M. D. Burrows's Fifty Years in Iowa. — THE EDITOR.*

During the years 1853 and 1854, business in Iowa was very much depressed on account of the "wildcat" nature of our western currency. It was almost impossible for our local bankers to furnish exchange that was acceptable in the East. Iowa prohibited banks from issuing paper money, and consequently the State was flooded with the unregulated issues from neighboring territory — paper based entirely on credit and put into circulation at places so isolated that only wildcats could find them. Most of the available currency consisted of depreciated notes issued by the free banks of Illinois, Indiana, and Wisconsin and by Iowa bankers through agencies outside the State.



Practically all of this currency was below par and the people had lost confidence in it. Small change had about disappeared, and many persons gave their own scrip, printed on pasteboard or fine paper as the case might be, payable in acceptable currency when presented in specified amounts. Gold and silver and eastern bank bills were at a large premium.

John P. Cook, Ebenezer Cook, and George B. Sargent began a banking business in connection with their general land agency in Davenport in 1847. The rapid growth of the State and the development of business required banking facilities. Cook & Sargent took advantage of the opportunity to expand their land agency and began dealing in "uncurrent money of all kinds", accepting deposits, negotiating exchange, and making loans. Within a few years this firm had a reputation as one of the strongest banks in the West. In 1857 they occupied a handsome new three-story limestone building which was said at the time to be the finest bank building west of New York City. Branches were established at Iowa City (Cook, Sargent & Downey), at Des Moines (Cook, Sargent & Cook), and at Florence, Nebraska (Cook, Sargent & Parker). Since there were no restrictions on the issuance of bank notes in Nebraska, the Bank of Florence



issued quantities of currency which the home bank in Davenport and the Iowa branches circulated. This money was redeemable only at Florence. Merchants who banked with Cook & Sargent were expected to handle their circulation.

Our firm, Burrows & Prettyman, who operated a general store, a flour mill, a pork-packing plant, and a warehouse in Davenport, had been circulating Bank of Florence notes, and other wildcat currency for Cook & Sargent for some time. Inasmuch as this situation seemed likely to continue indefinitely and, believing that Burrows & Prettyman's credit was as good as Cook & Sargent's, especially among the farmers, we thought if that kind of circulation was profitable we might as well circulate our own paper as that of others.

Mr. Prettyman and myself talked the matter over and decided that we would enter into the business, and issue one hundred thousand dollars. We sent to Rawdon, Wright, Hatch & Edson, New York City, the firm which printed all bank bills at that time, and ordered what we wanted. They informed us, in reply, that they were not in the habit of engraving and printing such matter except for banks, and requested us to send them references as to the standing of our house. We referred them to James E. Woodruff & Co., of New York. They then filled our order. They



threw in ten thousand dollars, sending us one hundred and ten thousand, for which they charged us eight hundred dollars. They were beautifully engraved, printed on fine bank-note paper, and looked as well as any bank bills in circulation.

I called on Cook & Sargent and told them what we proposed to do, and asked them what they thought about it. Ebenezer Cook rather threw cold water on the project at first, but Sargent and John P. Cook seemed to be in favor of it. I told them we should do it anyhow and I hoped, when they thought the matter over, that we could arrange with them to make our scrip bankable. We would still continue to pay out Florence, giving the farmers whichever they preferred, and we also would let Cook & Sargent have all our eastern exchange as we made it from day to day, which they, at that time, could not have run their bank six months without. In return, they agreed to protect Burrows & Prettyman's circulation, treating it the same as they did their own.

In a short time we began to pay out our engraved checks. They went just as well as the Bank of Florence bills. Cook & Sargent took them the same as Florence. The railroad took them, also the steamboats, and we had no trouble to circulate them. We calculated the profit on the circulation at ten thousand dollars a year, which was



for the benefit of the firm of Burrows & Prettyman.

In the latter part of 1858, and in 1859, the banking house of Macklot & Corbin, of Davenport, made war on Cook & Sargent's bank, on account of their wildcat money. The Davenport *Democrat* also made almost daily attacks on their circulation. The merchants, too, became dissatisfied, and said this state of things was an injury; that it kept out eastern money and made exchange too high. Between Corbin and the *Democrat*, it became so hot for Cook & Sargent that they saw they would be compelled to withdraw their Florence money. To enable them to do this, they procured accommodation paper (notes, drafts, or bills of exchange without consideration) from Antoine Le Claire, George L. Davenport, Davenport & Rogers of Le Claire, Burrows & Prettyman, and J. M. D. Burrows — from any one who was esteemed good in banking circles in the East.

George B. Sargent went East and established a branch of the firm in Boston for the purpose of negotiating this accommodation paper and attending to other "kiting" — that is, raising money on such fictitious paper. As the money was realized on these securities, it was used for redeeming Florence. Had it not been for this assistance, they could not have retired their circulation, and their failure would have been imminent.



In looking over my papers for that winter, I find receipts from Cook & Sargent for six bills of exchange drawn by J. M. D. Burrows on Burrows & Prettyman and accepted by them, payable at the Bank of North America and the Bank of Massachusetts at sixty days. These bills of exchange were for forty thousand dollars. They were acknowledged, in the receipts, as accommodation paper for the benefit of Cook & Sargent, and were to be protected by them when due. This assistance of borrowed paper put Cook & Sargent in possession of funds to redeem their circulation, but Macklot & Corbin's course in refusing to recognize the wildcat currency, together with the severe strictures of the *Democrat*, compelled them to withdraw their circulation faster than was convenient.

When we issued Burrows & Prettyman's money, it was understood that we would redeem it in Florence, which was always bankable at Cook & Sargent's bank, and they did more business than all the other banks put together. If a man wanted to use one hundred dollars in Davenport, on the river or railroad, or within a circuit of one hundred miles of Davenport, Burrows & Prettyman or Florence would answer his purpose. If he wanted to use it in traveling East, it would not answer. A man would bring in a hundred dol-



lars of our checks, saying he wanted something he could use abroad. We would tell him we had nothing but Florence, which was bankable at Cook & Sargent's. We would then count him out one hundred dollars in Florence, which he would take to Cook & Sargent's bank, and get in exchange one hundred dollars of Burrows & Prettyman's checks — and the man was just where he had been fifteen minutes before. This was called, in those days, "swapping cats".

We saw that this practice could not continue, and were retiring our circulation as fast as we could, but the necessity came upon us in bad times. Crops in 1858 and 1859 were almost a failure. Farmers could not pay. Burrows & Prettyman had, on the first day of January, 1859, one hundred and sixty-five thousand dollars outstanding on their books and notes, and I do not believe they ever collected more than twenty-five thousand dollars of that amount.

One morning when I visited the bank, Ebenezer Cook called me into the bank parlor, and said: "We are getting in our Florence very fast. We now have about forty thousand dollars outstanding, and must get it in. Your circulation hampers us. How do you think it would work if we received your money on special deposit only?"

I answered: "It would ruin us. That would be



an announcement that our scrip was no longer negotiable at par. Any change from the present state of things would be bad for both of us. The best thing we can do is to retire our currency as fast as possible."

He called in John P. Cook, and said, "John, Burrows says that change will ruin him."

John P. Cook replied, "No, it will not. His credit with the farmers is so good it won't hurt him at all. Burrows, we will do all we can to help you. We will explain to our depositors that we believe you are as good as ever; that we will take your currency for any indebtedness to us."

I told the Messrs. Cook that they were not standing up to their agreement. As to hampering them, I could not see it. "You have made thousands of dollars out of the eastern exchange I have given you. I let you have it at par. You sold it at from ten to twenty per cent premium, and exacted of me a promise that I would not let our merchants have any, but let you have all, for which favors you agreed to treat our circulation the same as your own. And then, again, you have our accommodation paper, which you are using to retire Florence."

When I left them they were undecided, and made no move until about three o'clock, when they began to enter our checks as special deposits.



Two or three merchants, favorable to me, came to the store just after the bank closed, showed me their bank books, and asked an explanation. I told them what had occurred, and they were very indignant at the manner in which Cook & Sargent had treated us.

That afternoon there was a good deal of excitement, especially in the lower end of town, and I knew there would be a big run on us in the morning. I went home heart-sick. I could neither eat nor sleep. Long before daylight I drank two cups of strong coffee and went up town to see Ebenezer Cook. He lived at that time at the corner of Third and Brady streets. It was very early — an hour before day. I pounded on his door. He put his head out of the window to see who it was. I told him I wanted to see him, and he came down and let me in. We had a long talk. I think he regretted the step they had taken, but he said it was too late now. He did not think it would injure us as much as I anticipated.

Realizing that nothing could be done, I went down to the mill and stayed there until nine o'clock, when I went over to face the music. I found at least a hundred persons at the store. They had their hands full of currency.

"Gentlemen," I said, pleasantly, "you come too many at a time. If there were but a few of you, I



might do something for you. Your checks are just as good now as they were three months ago. Anything in this store or the mill you can have in exchange for our checks, as cheaply as if you paid in gold. There are in the back yard one thousand barrels of Kanawha salt, which we received only a few days ago. You can have all you want of it at the lowest wholesale cash price, the cheapest in town; and we shall continue to take the checks, in store and mill, until the last one is redeemed. If you are owing anything at Cook & Sargent's bank, they will take them from you."

Some one spoke up, and said, "That is honest. You need not be scared." Thereupon about half of them went away, and the rest began to trade.

As regards Burrows & Prettyman's circulation, I am glad to have an opportunity to say that we continued to redeem it until the last note was presented, and never paid less than the face value. One morning when I was in the bank, John P. Cook picked up a large business envelope, and said to me: "Burrows, here is a package of your circulation, one hundred dollars. We received it from a Pittsburgh bank this morning. I don't know how it got there; probably from some traveler. They told us to do the best we could with it, and remit. They don't know the value of it. Give me fifty dollars, and you can have it."



"No, Mr. Cook," I said, "I will not do it. I have never paid less than the face of that scrip, and I have got too near through to begin scalping now." As I was drawing some money, I threw down one hundred dollars and took the package. Whether the Pittsburgh bank got fifty or one hundred dollars, I do not know.

If there is anything I pride myself upon in my business career, it is the Burrows & Prettyman scrip business. The checks were issued at a time when the business of the city and the situation of the county needed them, and they helped to keep the wheels of commerce moving. A month never passes, even now, but some one speaks to me about those checks and how they helped business. We never had more than a hundred and ten thousand dollars out; while I think Cook & Sargent had out three hundred thousand dollars of Florence. I know of their burning two hundred thousand dollars of Florence at one time — at least they said they did.

Cook & Sargent's receiving our checks only on special deposit injured our paper in the East and reacted on them. They usually had one hundred thousand dollars of Burrows & Prettyman's and J. M. D. Burrows's drafts and acceptances (accommodation paper on which they depended to keep themselves afloat); and George B. Sargent found,



after this, it was not so easy to dispose of them, which placed the bank in a critical condition.

About this time, Ebenezer Cook came to me and said they were very much in need of money. He had been to see if Antoine Le Claire would indorse my note for twenty thousand dollars. Le Claire had promised to do so if I would give him a mortgage on my beautiful home, "Clifton".

"I cannot do that, Mr. Cook," I said. "That is my *home*."

The next day Ebenezer Cook called again. We had about the same talk, with the same result. He called again the third day, and was very urgent. He said if they did not get immediate help, they would have to suspend. They had received a telegram from Sargent that day, saying he could realize money on my note, and wanted it forthwith. "If you will do it," he declared, "I will take care of you if the worst ever comes to the worst."

The worst did come to the worst, *soon*, and he did *not* take care of me. He never raised a finger. I gave the note, Le Claire indorsed it and had to pay the twenty thousand dollars, and his estate took my place. I never would have given way had I not known that if Cook & Sargent suspended, they would carry Burrows & Prettyman with them. We, with others, were on their paper for enough to break us all.



On the morning of December 16, 1859, the first place I visited after coming into town was the mill, where I spent about an hour examining what had been done during the night, and counting the amount of flour on hand to see how much money I would need for the day's business. At a quarter past nine o'clock, I left the mill to go over to the store to draw my drafts preparatory to my visit to the bank. In the middle of Front Street I met one of our clerks coming over to see me.

"Mr. Burrows," he said, "Cook & Sargent are not open this morning."

I did not take in the situation at first, and said: "What is the matter? Is any one dead?"

"No," he replied, "they have busted up."

I said, "I don't believe it."

He answered, "I do. I am going over to see."

It was a pretty cold day. I went over to the store to get my overcoat, and then went straight to the bank. Main Street and Second Street were crowded with townsfolk. It looked as if there was a fire. I should think there were more than one thousand excited persons, many of whom were clamoring for admittance to the bank. There were two policemen guarding the front door. I went to the side door. A policeman was on guard. I told him I wanted to go in. He said he had instructions not to admit any one. I told him it was



necessary that I should go in, and that it would be all right.

The policeman stepped aside and I entered. There was no one in the bank, except the clerks. Each clerk stood at his usual place, all looking as solemn as owls. I went at once into the bank parlor, and there I saw a sight that I never shall forget. I was really alarmed. I dropped into the first chair at hand. Ebenezer Cook was walking the floor, back and forth, swinging his arms and tearing his hair out by the handful. Every time he passed me, he gave me such a wild, terrible look that I thought he had gone mad. He crossed the room in this way ten or twelve times, neither of us saying a word.

At last I said, "Cook, what is the matter?"

He stopped in front of me and exclaimed, "I am ruined! You are ruined! We are all ruined together!"

As there was nothing to be done, I went back to the store and found it in possession of the sheriff. We had endorsed some one's paper, and the holder sued out an attachment before our own creditors made a move.

There was so much excitement that day that I did not think of the package of county orders I had left in Cook & Sargent's bank the day before. All the money we had in the world, except our



own circulation, was a Bank of Florence five-dollar bill. It was so early we had not drawn our usual supply of money for the day's business.

The next day Prettyman said, "What are we going to do about paying the men?" We had a large number to pay — coopers, millmen, and clerks.

"I will get the money to pay them," I replied. "I have about eight hundred dollars in county orders over at the bank, and will go over and have them cashed."

I went over to the bank and into the bank parlor, where I had left my package of county orders, and looked the place over thoroughly, until I was satisfied that the orders were not there. I was just going out when John P. Cook came in.

"What are you looking for, Burrows?" he asked.

"I am looking for a package of county orders I left here day before yesterday," I replied.

Cook said, "It is not here."

I said, "Yes, it is; I left it lying on the table."

"Yes; I know you did," he answered, in a hesitating manner.

"Well, where is it, then?" I demanded.

"McCosh, the County Treasurer, was down here, crying and howling, and I gave him all ours and yours, too," he replied.



"Why," said I, "Mr. Cook, they did not belong to *you*. You had no business to give McCosh *my* property to pay *your* debts."

"I suppose I had not," he confessed, "but he was making such a noise and fuss that I wanted to quiet him."

The failure of Cook & Sargent, at that time, was a great surprise to me, and I think it was unexpected by them. It is my opinion that they had no idea of it the day before; but a bank doing such a business as they always had done, not having three hundred dollars on hand when it closed at three o'clock, showed that there was something rotten somewhere. If Cook & Sargent had not failed, Burrows & Prettyman would have gone safely through the crisis. Our financial situation was much better than it had been. Our circulation was nearly out of the way. A wealthy relative in Norfolk, Virginia, had lent me ten thousand dollars, to assist us in retiring our checks, and would have done more if it had been necessary. As it happened, our business was thrown into the hands of a receiver and even my home was lost. Mr. Prettyman accepted a position as agent of the Northern Line Packet Company, and I arranged to manage my mill and the Burrows Block.

J. M. D. BURROWS



## Comment by the Editor

### *THE GAME OF PROFIT AND LOSS*

When business activities exceeded the facilities of exchange, the pioneers of Iowa resorted to inflation of the currency. It was a perfectly natural and expedient device. The meager supply of gold and silver money was supplemented by paper, most of which was based upon private credit unsupported by a specie reserve. It was as sound as the willingness and capacity of its sponsors to redeem it in gold and as valuable as the current price of commodities.

While prosperity prevailed, the system of unlimited borrowing on hypothetical security worked very well, because public confidence in private credit was justified by the prospect of rising prices. But when prices fell and credit shrank, merchants and bankers could not meet their obligations, public confidence was destroyed, panic seized the people, and in the stampede to convert goods into gold the whole financial structure collapsed.

The panic of 1857 is only one episode in the perpetual alternation of prosperity and depression. As long as prices fluctuate, men will specu-



late on the board of trade for profit. Indeed, the profit system seems to be founded on the instinct to gamble. Men will risk financial ruin for a chance to win a fortune by other means than interest, rent, and wages. Yet some conditions of the game are subject to manipulation. Inflation of the currency, for example, is an artificial method of increasing prices (and profits).

But eventually economic forces cause deflation (and losses). The teeter-board of the business world goes down as well as up. After the boom, hard times will come again. When the bulls appear, the bears (and wolves) are never far behind.

The history of speculation is almost garrulous in its repetition.

J. E. B.



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