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## GREAT FLOOD OF 1844

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point indicates that there could have been no reason to lower it. It is believed that the ground level at this place still marks the approximate crest of the 1844 flood.

On November 26, 1951, levels were run from a high-water mark of the 1951 flood near Second and Kansas avenue to Third and Kansas by Guy E. Gibson and Robert L. Lingo, engineers of the water resources division of the State Board of Agriculture, with the following results:

	Elevation Above 1951 High-Water Mark
Floor of gutter southeast corner of intersection	7.69 feet
Floor of gutter southwest corner of intersection	7.72 "
Floor of gutter northwest corner of intersection	5.96 "
Floor of gutter northeast corner of intersection	6.02 "
Average elevation of four corners	6.8 feet

W. E. Baldry, city engineer at Topeka for many years and a man thoroughly familiar with all paving jobs, gave it as his opinion the ground level averages eight inches, or 0.7 foot, below the floor of the gutter in each case.

Subtracting 0.7 from 6.8, the average of the four gutters, gives 6.1 feet which, according to evidence available, is the height of the 1844 flood above that of 1951 at this point. Assuming that the same difference in elevation of the two floods prevailed at the site of the river gage, the gage reading of the 1844 flood would have been 42.5 feet. The crest of the 1951 flood was 36.4 feet.

In addition to the high-water mark at Third and Kansas avenue, there exist two other legendary high-water marks of the 1844 flood a few miles from the city. One is located near the former site of the Rock Island station, Bishop, a little less than half a mile south of the river and five miles almost due west from the present location of the river gage on the Topeka avenue bridge. The other is near the former Union Pacific station, Menoken,  $4\frac{1}{2}$  miles northwest of the Topeka avenue bridge,  $1\frac{1}{2}$  miles north of the river, and  $2\frac{1}{2}$  miles northeast of Bishop.

The 1844 high-water mark at Bishop was pointed out by B. A. Snook, 323 Lindenwood, Topeka. He has been familiar with the Bishop locality for many years. He identified it as the elevation of the midway point of a sloping northwest-southeast section of a graveled road, about 300 feet in length, leading southeast from a bridge across a creek one-fourth mile southeast of the Bishop station. This road makes a sharp turn in the vicinity of the bridge and another turn about 300 feet from it. It is practically straight



between these two points. It has been graded down somewhat in the immediate vicinity of the bridge, but there are no indications that the elevation of its mid-section has been changed materially.

Mr. Snook stated that this high-water mark had been pointed out to him by a half-breed Indian, called Captain Ernest, who once lived in a cabin near by. He told Mr. Snook he obtained the information from an old Indian, name not known, who had been there during the 1844 flood. The fact that Mr. Snook located this point definitely on two successive occasions and the fact that the elevation in relation to the flood crest checks so closely with the high-water mark in Topeka, indicates much credence is to be given his statement.

Levels were run to this high-water mark on November 26, 1951, from a near-by high-water mark of the 1951 flood by Guy E. Gibson and Robert Lingo, the same engineers who ran levels at Third and Kansas. The high-water mark of 1951 in question was a one-x two-inch wooden stake, driven horizontally into a section of steeply sloping ground beside the road, about 35 feet southeast of the abutment of the bridge mentioned. It had been set by Phil C. Gravenstein, county field engineer, shortly after the flood subsided and while the marks of the high point were visible on the ground. These levels showed that the 1844 flood at this point was 5.8 feet higher than that of 1951 and corresponded to a stage of 42.2 feet on the Topeka gage.

According to an Indian legend, the flood of 1844 covered the valley from bluff to bluff in the vicinity of Topeka, except for a small knoll  $4\frac{1}{2}$  miles northwest of the city near the site later occupied by the Union Pacific station, Menoken. Menoken is on the north side of the river and about  $2\frac{1}{2}$  miles northeast of the other high-water mark near Bishop, which is on the south side of the river.

E. C. Kassebaum, whose residence was located on this knoll, reported that a half-breed Indian told him this legend. George A. Root reported the same legend. He learned of it through talks with Indians on the Pottawatomie reservation, near Topeka, in 1897.

In 1928 levels run by V. R. Parkhurst, a civil engineer especially interested in floods, from a high-water mark of the 1903 flood then existing in a shed adjacent to the barn of Mr. Kassebaum, to the crown of the knoll, indicated that the 1844 flood at this place was 9.5 feet higher than that of 1903 at this location. Assuming the same difference existed at the site of the Topeka river gage, this would be equivalent to a stage of 42.2 feet.





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In 1947 this location was surveyed by engineers from the water resources division of the State Agricultural Board, under supervision of George S. Knapp, chief engineer, and a map was prepared showing contour lines for each foot. Elevations were determined by reference to U. S. C. & G. S. bench mark Q-115, near the Menoken station. Elevation of this bench mark is given as 902.006 ft., 1929 general adjustment. The elevation of the top of the knoll, as determined by this survey, is 902.4 feet.

The 1903 high-water mark near the Kassebaum barn had been destroyed before this survey was made, but the engineers were able to locate high-water marks of the 1903 and 1951 floods on what is known as the Christman house, approximately half a mile south of this knoll, which they refer to as "The Legendary Island."

Elevation of the 1951 HWM on Christman house	898.33
Elevation of 1903 HWM on Christman house	892.94

Height of 1951 flood over 1903 flood	5.39 feet.
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A high-water mark of 1951 near the knoll, "The Legendary Island," was found to have an elevation of 898.5 feet, or 3.9 feet below the top of the knoll. The contour map shows that with a flood crest below 900 feet there would have been a peninsula instead of an island at this place in 1844. If that flood had reached an elevation of 902.4 feet, water would have covered the knoll and there would have been no island. It seems logical that the knoll, or island, must have been at least 0.5 foot above the 1844 flood, making its height at this point 901.9 feet, or 3.4 feet above the crest of 1951. Assuming the same difference obtained at the site of the Topeka river gage, this would correspond to a reading of 39.8 feet.

The following is offered to explain why the difference between the 1951 and 1844 crests at this site was less than at other points of record in the Kansas river basin:

The 1903 flood barely reached the high ridge of which the "Legendary Island" was a part and its flow was probably not materially affected. The 1951 flood came well up on this ridge and was also obstructed by the ridge of ground that divides Soldier creek basin from the basin of the river proper. This ridge extends northwest for at least 11 miles. The ledge on which the "Legendary Island" was located is over 4,000 feet long and almost at a right angle to the direction of flow at this place.

Very little of the water of the 1951 flood escaped into the basin of Soldier creek to the north over this high ridge. The 1844 flood was so high it overflowed this ridge entirely and a considerable



part of its water flowed into the Soldier creek basin. Consequently, its flow would not be retarded as the 1951 flood water was. These factors, in all probability, account for the fact that the difference in elevation between the 1951 and 1844 floods was not as great at this place as in most other parts of the Kansas river valley between Manhattan and Lawrence.

No high-water marks of the 1844 flood are known to exist in Lawrence, but there are records of one near Lake View, about five miles, airline distance, upstream and near the Kansas river.

Levels run from a near-by 1951 high-water mark by Prof. W. C. McNown, of Kansas University, indicate that the 1844 flood was "more than 5 feet" higher than that of 1951 at this place. Assuming that the same difference between the height of the two floods obtained at the site of the Lawrence river gage, this would make a reading of at least 35.4 feet for the 1844 crest reading. The reading of the 1951 crest was 30.4 feet.

This high-water mark was described in a letter dated February 9, 1952, from Prof. J. O. Jones, an associate of Professor McNown, as follows:

Mr. Henry Beurman, who is quite an elderly man who has lived on a farm in the vicinity of Lake View most, if not all, of his life, reported that his aunt told him facts she obtained from the Sweezer family, one of the early settlers in the vicinity. When the Sweezer family first settled on Sweezer Creek there was a spring where Mrs. Sweezer did the family washing. Near the spring was a tree in the crotch of which was a log. The Sweezers ascertained the log floated to that location in the great flood of 1844. The tree had been cut down prior to Prof. McNown's visit but he was able to get a rough idea of the height of the log from Mr. Beurman's recollection of it. On the basis of that evidence Prof. McNown determined the height of the 1844 flood was more than five feet above that of 1951.

There are no known high-water marks of the 1844 flood in Kansas City, Kan., but prior to 1920 there was a definite high-water mark cut in the stone of one of the piers of the Hannibal and St. Joseph railway bridge across the Missouri river in Kansas City, Mo.

Verne Alexander, area engineer, U. S. Weather Bureau, reported as follows concerning this in a letter dated August 8, 1951:

38.0 feet, from the highwater mark of 1844, established and authenticated by Octave Chanute, Supervising Engineer of the First Hannibal and St. Joseph Railway Company bridge in Kansas City, Mo. The mark, which was cut into the stone of one of the piers, was destroyed in 1920 at the time of rebuilding the bridge. New piers were erected at that time. The value of 38 feet has been accepted as correct by the U. S. Engineers. Historical books on file in the Engineers office place the date of the highwater at June 16, 1844.





## GREAT FLOOD OF 1844

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The crest of the 1951 flood on the Missouri at Kansas City was 36.0 feet from 5 to 7 A. M. on July 14.

An approximate high-water mark of the 1844 flood of the Marais des Cygnes at Ottawa was reported by Warren J. Sheldon, a prominent merchant and life-long resident of Ottawa. He stated that his father, who settled near Ottawa in 1859, knew of a log left by the flood near what is now the intersection of Seventh and Poplar streets.

Prior to the 1951 flood, an investigation, based on levels in the office of the city engineer, indicated that this intersection was at an elevation of 40.0 feet above zero datum of the river gage and 2.4 feet higher than the crest of the 1928 flood, the highest of record at that time.

Investigations made by R. A. Garrett, official in charge, Weather Bureau Office, Topeka, indicated that the intersection in question was about seven feet higher than a 1951 high-water mark in that vicinity. Levels were not run at the time. The difference was scaled from a contour map furnished by the city engineer and there is a possibility of an error of plus or minus a foot, according to Mr. Garrett. Assuming that the same difference in levels of the two floods obtained at the gage site, this would correspond to a gage reading of 49.1 feet. The crest in 1951 was 42.1 feet.

The Seventh and Poplar intersection is 4,000 feet downstream, south-southeast of the gage. This conceivably might affect the slope of the water at times of high crests. It might account for the difference in elevation of the 1844 flood arrived at in the two investigations. It is believed that the value obtained by comparison with the 1951 crest near the 1844 high-water mark, 49.1 feet, is a closer approximation of the true value.



## Farmer Debtors in Pioneer Kinsley

ALLAN G. BOGUE

HISTORIES of the Plains States in the 19th century seldom omit the money lender and his dread instrument, the mortgage. But for the most part the financial burdens of the "embattled farmers" have been described in general terms. The following study is a description of how the farmers of a township in the Populist belt of Kansas obtained their holdings and of the debt they placed upon them during the first 35 years of settlement. So misinterpreted in Populist literature have been the mortgage system and the operation of the land laws that a reconsideration of them is long overdue. This can be done successfully only through detailed studies, and later, broader generalizations can safely be drawn.<sup>1</sup>

Lying in the valley of the Arkansas river between the 94th and the 100th meridians is Edwards county, Kansas. The administrative township of Kinsley is situated in the northwest quarter of the county and lies, but for portions of six sections, to the north and west of the Arkansas river. In round figures the township embraces 29,000 acres of land. Kinsley, the county seat, is located in the township. Of this town a correspondent of the *Atchison Champion* said: "For a long time it was the westernmost town that really aimed to get a respectable living [in the Arkansas valley]. Dodge was further on, but Dodge, in those days, lived on the Government and its own wickedness."<sup>2</sup>

The bulk of the township is situated on a strip of flood plains and terraces extending from two to five miles west of the Arkansas. At a distance of some three or four miles from the river a gentle rise marks the limits of the "first bottoms." The soil here is of somewhat different character than that on the flood plains. Portions of six sections lie east of the Arkansas in what are called "the sand hills."<sup>3</sup>

ALLAN G. BOGUE, who did graduate work at the University of Kansas, is assistant librarian at the University of Western Ontario, London, Canada.

1. The writer owes much to Prof. James C. Malin of the University of Kansas and to his ingenious search for new lines of approach to the history of the grasslands of North America. This study was designed to supplement work which Professor Malin had already published on Kinsley township or near-by areas. See his articles in *The Kansas Historical Quarterly*: "The Kinsley Boom of the Late Eighties," v. 4 (1935), February, May, pp. 23-49 and 164-187, "The Turnover of Farm Population in Kansas," *ibid.*, November, pp. 339-372, and "J. A. Walker's Early History of Edwards County," v. 9 (1940), August, pp. 259-284. See, also, "The Adaptation of the Agricultural System to Sub-humid Environment. Illustrated by the . . . Wayne Township Farmers' Club of Edwards County, Kansas," *Agricultural History*, Baltimore, v. 10 (1936), July, pp. 118-141.

2. *Kinsley Mercury*, January 8, 1887.

3. An account of the physical characteristics of Edwards county may be found in United States Department of Agriculture, et al., *Physical Land Conditions Affecting Use, Conservation and Management of Land Resources—Edwards County, Kansas* (mimeographed, June, 1944).



The soils on the flood plains are known locally as "deep hard lands." Officially, they are designated as "deep, friable, silty, to clayey soils," and "characterized by friable, granular to crumb-like, silty to slightly sandy surface soils which are eight to 10 inches thick and grade into somewhat heavier but friable . . . subsoils, 20 to 30 inches thick. In general they are fertile, easily tilled, absorb moisture at a moderate rate and have a high moisture storage capacity."<sup>4</sup> Drainage is generally adequate but the occasional saline spot or poorly drained area occurs.

The moderate slopes at the edge of the bottoms and along the drainage way in the northwest corner of the township are marked by a "friable or moderately friable, silty to clayey soil" which is similar to the "deep hard lands."<sup>5</sup> Soil conservation experts classified all lands in the township to the west of the Arkansas as fit for cultivation in 1940 when they surveyed Edwards county. The area of the township lying east of the river, however, was classified as fit only for grazing or woodland use and that with severe restrictions.

Precipitation in the county ranges on an average from 24 inches on the eastern edge to 22 inches on the western boundary. Some 75% of the precipitation falls during the growing season which on the average lasts 175 days. Both rainfall and growing season are, however, subject to wide variations from the mean. The average annual temperature stands between 55 and 56 degrees.

Yields in Edwards county are 88% of the state average and also fall somewhat below those of some of the neighboring counties. Today wheat is the dominant grain crop although a significant acreage of sorghum is grown. But in the 30 crop years between 1911 and 1940, ten wheat crops failed and only fair to poor crops were harvested in 11 other years. Drought which was sufficient to cause crop failure has occurred in as many as four consecutive years.

Kinsley township fell within the boundaries of the land grant given to the Atchison, Topeka, and Santa Fe railway in 1863. Land in the sections designated by odd numbers therefore became the property of that corporation to be sold in aid of the construction of its line. The land in sections bearing even numbers was eventually allocated directly to individuals by the federal government with the exception of sections 16 and 36, Township 24, Range 19, the state school lands. In this article the land transferred directly to

4. *Ibid.*, p. 5.

5. *Ibid.*, p. 9.



individuals by the federal government will be referred to as government land.

The tract books of the United States Land Office identify the settlers who obtained title to government land.<sup>6</sup> The first such settler filed his application to homestead the northwest quarter of section 4, T25, R19 in June, 1873. He obtained his final certificate 15 months later under the act of 1872 which allowed Union veterans to subtract the period of their war service from the five years of residence which were ordinarily necessary under the homestead act of 1862. The last settler to obtain government land in the township received his final certificate in 1903. Strictly speaking, title did not pass irrevocably until the patent to which the final certificate entitled a settler was issued, but for most purposes title was considered to vest in the claimant for government land as soon as he could show a final certificate.

TABLE 1  
DISPOSAL OF GOVERNMENT LAND IN KINSLEY TOWNSHIP

	Successful Entries	Unsuc- cessful Entries	Final Certificates		Successful Entries	Unsuc- cessful Entries	Final Certificates
1872	..	3	..	1888	..	..	..
1873	14	9	..	1889	..	..	2
1874	10	9	1	1890	2	2	..
1875	5	10	6	1891	1	..	..
1876	10	12	6	1892	1	4	3
1877	6	9	11	1893	..	1	3
1878	19	9	8	1894	..	1	1
1879	12	5	18	1895	..	..	1
1880	3	3	7	1896	1	..	2
1881	3	3	4	1897	..	..	5
1882	1	1	5	1898	1	..	..
1883	4	5	2	1899	..	..	1
1884	1	4	8	1900	..	..	1
1885	5	2	1	1901	..	..	..
1886	2	1	4	1902	..	..	..
1887	1	1	1	1903	..	..	1
				Totals	102	94	102

In all, 91 individuals obtained title to 102 parcels of government land. Sixty-seven homesteads were granted.<sup>7</sup> Fifty of these were 160-acre homesteads which were obtained under the provisions of

6. Duplicate sets of land office tract books for the State of Kansas are held in the National Archives and in the Department of the Interior, Washington, D. C. These books are more enlightening than the county deed records since they show the names of settlers who subsequently relinquished their claims and include the date of the final certificates as well as that of the patents. Kinsley township fell in the land district administered from Larned.

7. The word homestead will be used throughout this article to refer to land either acquired by its owner under the terms of the various federal homestead acts or land in the process of being thus acquired. In the legal sense of course a homestead is a holding which its owner holds free from the claims of creditors under certain conditions.

the soldiers' and sailors' homestead act of 1872. Until 1879 only veterans, or, in certain cases, their heirs or widows, were allowed to homestead more than 80 acres within the boundaries of a railroad land grant. Twenty individuals obtained tracts under the terms of the pre-emption act of 1841, while four homesteaders commuted their claims and purchased them for cash under the terms of the commutation clause of the homestead act of 1862. Finally, 11 settlers acquired title to timber claims.<sup>8</sup>

But all of those who aspired to ownership of government land in Kinsley township were not successful. Of the 196 entries filed between 1872 and 1898, 94, or 35 homesteads and 59 timber claims were given up. In other words 34% of all homesteaders and 84% of all those claiming land under the timber culture acts failed to obtain title.

The entry figures include some duplication. Of the 91 individuals who obtained title to 102 parcels of land, 24 had filed papers on a total of 25 other pieces of land which they eventually threw back into the public domain. Of those who failed to obtain any land whatsoever, two had sought both homestead and timber claims. The 94 canceled entries, therefore, represented the activities of only 67 individuals who did not obtain at least some land from the federal government. Altogether, 158 individuals laid claim to government land in Kinsley township, of whom 41% failed to obtain title to any land. Another 15% obtained only part of the holdings which they claimed originally.

If such percentages appear startling we should remember that all entrymen did not desire to obtain final title. Claims were sold despite the lack of final certificate or patent.<sup>9</sup> In only four of the 94 cases where the entrants threw up their claims did they abandon them outright. Instead, formal relinquishments were filed at the land office. Such formality could hardly have been accidental. Somewhat different were the cases of the four settlers who filed timber claims and relinquished them years later, only to homestead the same tracts. Whatever other advantages this practice involved, it undoubtedly postponed the day when a settler must pay taxes on his holdings.

In 1873 the Atchison, Topeka and Santa Fe Railway Company

8. Aside from the *U. S. Statutes at Large* a comprehensive summary of the various acts under which title was transferred from the government in this township may be found in Thomas Donaldson, *The Public Domain* (Washington: Government Printing Office, 1884).

9. See, for instance, Orange Judd's matter-of-fact reference to the practice in "Who Shall Go West," pt. 1, *Prairie Farmer*, October 24, 1885, p. 701; also Harold Hathaway Dunham, *Government Handout, A Study in the Administration of the Public Lands, 1875-1891* (New York, 1941), pp. 144-164.





made its first sales of land in the administrative township of Kinsley.<sup>10</sup> Between 1873 and 1898, when the Santa Fe's title to several parcels of land was closed out by bankruptcy sale, the land department of the company sold land in the township to 110 individuals at prices varying from \$1.25 to \$10 per acre. In the order of the frequency with which they availed themselves of the terms, purchasers bought on 11-year contract, on six-year contract, for cash, and on two-year contract. One contract provided for complete payment at the end of one year.<sup>11</sup>

Two-year contracts involved merely the division of the principal into three parts. One-third, plus a year's interest on the unpaid principal, was paid down and the other installments, plus interest, were paid at the end of the first and second years. When purchasers used the six-year plan they paid one-sixth of the principal down and interest on the remainder. The second payment was limited to interest on the principal, and the final five payments were made up of one-sixth of the principal and interest on the principal outstanding. Similarly, combinations of interest and principal payments were arranged to extend over 11 years.

Interest on unpaid principal stood at seven percent over the whole period during which the Santa Fe sold land. Obviously this interest rate should not be compared with the rate then charged on mortgage loans, since the Santa Fe set both the rate of interest and the purchase price. An attractive rate of interest could be well compensated for by raising the price. Discounts of 10% were given on at least some cash sales and at times discounts were given to the purchaser who made improvements to the land which he was buying on credit.

Sales in the township by the Santa Fe were spread over 22 years, but by far the largest number were grouped in the three-year period between 1876 and 1878, and in the two years, 1884 and 1885. Sales in 1873 were limited to three. One of these transferred sections 33, T24, R19, and 5, R24, T18, to the Arkansas Valley Town Company. Section 33 is the site of the town of Kinsley. A second sale transferred a quarter section to Edward Kinsley, an employee of the Santa Fe in Boston. The consideration was a nominal one of \$1.00. The last sale in 1873 gave possession of the northeast quarter of section 7, T25, R19, to two local men.

10. The most useful published account of the early operations of this company is still Glenn D. Bradley, *The Story of the Santa Fe* (Boston, 1920). Administration of the land grant is discussed in Chapter 5.

11. The analysis of the land sales of the Santa Fe which follows is based on data taken from the tract book of the Santa Fe and from the 15 volumes of the sales record held in the tax division of the Atchison, Topeka and Santa Fe Railway Company, Topeka.

## FARMER DEBTORS IN PIONEER KINSLEY

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Not until 1876 did the turnover of railroad land in the township become rapid. In that year 29 sales were made. An additional 27 followed during the next two years. Over the next five years only ten sales were made, but in 1884 and 1885 the total number of sales recorded was 33.

TABLE 2

### SANTA FE LAND SALES: KINSLEY TOWNSHIP

	Total Sales	Successful Buyers		Total Sales	Successful Buyers
1873	3	2	1882	3	3
1874	6	2	1883	4	4
1875	1	1	1884	11	9
1876	29	10	1885	22	17
1877	14	3	1886	3	3
1878	13	4	1892	2	..
1879	2	2	1894	1	..
1880	1	..	1895	1	1
1881	..	..			
			Totals	116	61

Actually only 110 individuals purchased land and only 58 individuals or their assignees were successful in obtaining deeds. The totals in TABLE 2 stand at 116 and 61 because three buyers returned a second time to purchase land, two others similarly returned but failed to complete one of the transactions and one individual failed on two separate purchases. In the early years of its land business the Santa Fe issued a separate contract for each quarter section or less which was sold. TABLE 2, however, has been worked out in terms of the individual purchasers rather than in terms of contracts. All land contracts issued to the same buyer and bearing the same date have been treated as part of one sale.

Of the 56 sales transacted in 1876, 1877 and 1878, 39, or 70%, were eventually canceled. Some of the blame for the cancellations may be placed specifically upon the weather.<sup>12</sup> In 1879 and 1880 drought severely damaged the crops in west central Kansas and thereby the hopeful plans of many settlers. The officials of the Santa Fe were not unaware of the settlers' problems. A correspondent of the *Kinsley Graphic* reported in August, 1879, that the railway company had offered to furnish seed wheat to all farmers in Hodgeman, Pawnee, Ness, Edwards and Ford counties who had experienced crop failure.<sup>13</sup> The company offered to bear the trans-

12. In his study of the turnover of farm population in selected townships throughout Kansas, Professor Malin has discounted the influence of physical phenomena in either raising or lowering the number of settlers that left pioneer communities. Rather he emphasized group behavior, writing, "under any given set of general conditions, the farm operators in all parts of the state reacted in much the same manner, the variations of local physical environment exercising only a secondary or minor influence." "The Turnover of Farm Population in Kansas," *The Kansas Historical Quarterly*, v. 4 (1935), November, pp. 339-372. One can accept this qualification and still argue that years of drought played a significant role in producing cancellations since, according to Professor Malin, the inflow of population into pioneer areas fell off at such times. The outgoing settlers therefore, who would have assigned or sold their contracts to newcomers, allowed them to lapse on their departure instead.

13. Taylor Jackson in *Kinsley Graphic*, August 9, 1879.





portation charges on the seed but the terms were to be "cash on delivery." The writer claimed that few settlers could meet these terms, since the stores of cash which they had brought into the region with them were exhausted.

Some months later the *Graphic* recorded that 15 or 20 men had been sent west to work on the railroad on the previous morning and added that the railroad was pledged to furnish work for settlers who desired it.<sup>14</sup> In July, 1880, after repeated references to exodus from the county, the *Edwards County Leader* reported that, "The Railroad Company will furnish every farmer in the county with 25 bushels of wheat—money or no money—and take their note at 7% interest. This is a good stand off, and we hope the boys wont be slow to take advantage of it."<sup>15</sup>

Few who defaulted on their agreements in the late 1870's had a great financial stake in the land. On only seven of the 20 contract sales made in 1876 and eventually canceled, was any principal paid. Of the 18 sales made during the next two years and eventually canceled, however, a portion of the principal was paid on all but one.<sup>16</sup> But on only one of the 24 contracts of these years on which principal was paid did the Santa Fe receive more than one installment of the purchase price. During this period the company did not cancel contracts immediately upon default. In most cases contracts were canceled two or three years after the payments had been allowed to lapse.

With the return of more favorable seasons in 1881, central Kansas began to appear more attractive to prospective land buyers. By 1883 the Arkansas valley was beginning to experience a real estate boom. As a result, the Santa Fe was able to dispose of all but a few parcels of its land in Kinsley township during 1884 and 1885. Seventeen of the 26 cash sales made in the township were transacted in these two years, and the percentage of failure among purchasers stood at 21% in comparison to 69% in the earlier period of heavy sales.

In all, 58, or 53%, of the 110 original purchasers of railroad land in Kinsley township, saw land deeded either to themselves or to their assignees. Of the 58, 15, or 26%, assigned their contracts to 18 assignees. The total number of individuals who received deeds from the Santa Fe, therefore, was 61.

The manner in which contracts were recorded and deeds issued

14. *Kinsley Graphic*, October 18, 1879.

15. *Edwards County Leader*, Kinsley, August 26, 1880.

16. Three contracts whose terms are in doubt fell in this period.



makes it difficult to sort out all of the buyers who obtained holdings in several townships. But at least seven of the original 58 were speculators, if we define such individuals as those who held their land for a rise in price with no intention of farming it themselves. Of these, Edward Kinsley obtained 160 acres; R. E. Edwards, merchant and banker of Kinsley, purchased 340 acres within the township and at least 100 acres outside its boundaries; Peter Chesrown of Ashland county, Ohio, bought 480 acres within the township; and Graham and Ellwood of Dekalb, Ill., held a section and a half. Two purchases formed part of much larger transfers outside the boundaries of the township. In this class fell a quarter section obtained by Alexander and Fred Forsha of Topeka in 1885, as part of a purchase which included ten and a quarter sections in adjacent townships, and 1,100 acres in Kinsley township, which Ott and Tewkesbury of Topeka purchased as part of a transfer of 5,200 acres. It is possible that other purchases should be classed as speculative. Of the 21 purchasers who bought more than 160 acres of railroad land, only five can be identified subsequently from the census rolls as rural residents in Kinsley township, whereas a majority of those buying 160 acres or less appear in the returns of the census taker.<sup>17</sup>

In numbers, the small purchaser outweighed those who obtained relatively large units. Of the 58 original successful buyers, 40 bought a quarter section or less. The purchases of 15 fell between 160 and 640 acres. Three purchasers obtained more than a section. Three in the first class, however, and one in each of the other two size groups, purchased additional land outside Kinsley township. These five purchases ranged in total size from 400 to 6,000 acres.

In terms of acreage, the story is somewhat different. In round figures, the 40 purchasers of a quarter section or less bought 4,580 acres, while the remaining 18 buyers purchased 8,420 acres.

Although it has its limitations, a grouping by place of residence at the time of purchase gives some clue to the background of those who purchased railroad land. Of the 110 individuals whose names appear in the sales record of the railway, 42 gave their address as Kinsley, and 13 others resided elsewhere in Kansas. Thirty-two purchasers came from Illinois, six came from Iowa, five from Wisconsin and four from Pennsylvania. Missouri and Massachusetts both contributed two buyers while Minnesota, Connecticut, Delaware and New Mexico were all represented by one purchaser.

17. The manuscript census rolls of 1870 (federal), 1875 (state), 1880 (federal), 1885, 1895 and 1905 are held by the Kansas State Historical Society, Topeka.





Those who were successful in completing contracts issued prior to 1879, took, on the average, 49 months to meet their obligations to the railway company. Successful contractors from 1882 onward paid out in 44 months on the average. The difference is not one from which significant conclusions can be drawn. The fact that funds were available more cheaply on mortgage security during the second period may have encouraged contractors to pay out more quickly.

There was no great overlapping among those who purchased railroad land and those who obtained land from the government. Fifty-eight of the original purchasers of railroad land and 18 assignees can be described as successful in their dealings with the Santa Fe. Five of the original 58 succeeded in obtaining both government and railroad land. One of the 18 assignees obtained title to government land. Five of the remaining 85 individuals who received patents on government land attempted railroad land contracts but failed to complete them.

Seventy-nine percent of those who purchased railroad land elected to buy their land on credit. Twenty-one percent paid cash.<sup>18</sup> Nine of the 23 who made up the group of cash purchasers obtained units of 320 acres or more. Two of these, the Forshas and Ott and Tewkesbury, received 11,000 acres in total at a cost of \$1.75 and \$1.25 per acre. The prices paid by the seven other large purchasers ranged between \$4.00 and \$10.00 per acre.

Of the 87 individuals who sought to take the contract route to ownership, 52, or 60%, failed either to obtain a deed or to assign their contracts to someone who did so. In contrast, 34 out of 100 settlers who attempted to homestead land in the township, failed in their efforts. The record on timber claims, however, was worse than that made by the contractors with the Santa Fe. If we consider totals, 41% of all individuals who sought land under the homestead, pre-emption, and timber culture acts, were completely unsuccessful. In comparison, when cash sales of railroad land are considered along with contracts, 47% of the purchasers or their assignees failed to obtain a deed. The percentages are surprisingly close.

If such percentages seem to indicate that price had little effect on the success or failure of those seeking title to land in Kinsley township, the conclusion is modified by a comparison between the prices actually obtained by the Santa Fe in cash sales and on successful contracts and the prices specified in canceled contracts of the same years. In 1876, 1877, 1878 and 1885 a considerable num-

18. Actually 25 cash purchases were made but two buyers returned to obtain additional land.



ber of both successful and abortive sales were transacted. In each of these years, the average price in cash sales and successful contracts fell below the average on the canceled contracts of the same year by amounts ranging from \$1.25 to \$2.60 per acre. The average price paid by successful purchasers on both cash sales and contracts in the four years was \$4.90 per acre; the average price which unsuccessful purchasers agreed to pay was \$6.70 per acre.

With this summary of the way in which the land in Kinsley township entered private ownership, let us examine its role as mortgage security in a pioneer western township.<sup>19</sup>

Of the 91 settlers who were successful in obtaining title to government land, 41, or 45%, did not mortgage their holdings. The remaining 50, or 55%, did mortgage 53 tracts of land which they had acquired from the government. Thirty-eight homesteads, eight pre-empted parcels, five timber claims and two commuted homesteads were thus encumbered. In other words, 58% of the homesteads in the township were eventually mortgaged by the homesteader who obtained title, while 50% of the commuted homesteads, 40% of the pre-emptions and 41% of the timber claims were similarly burdened.

The dates on which the settlers mortgaged their land are of some significance since they give a clue to the reasons underlying the decisions to encumber land. It is interesting also to discover whether the pattern of mortgaging differed radically on land which had been obtained under the terms of the homestead act and on land which had been obtained under other provisions of the land code.

Of the 53 parcels of government land which were eventually mortgaged by their owners, 51% was mortgaged within six months after the settler had received his final certificate. Another 9% was mortgaged during the second six months of ownership. A further 15% was mortgaged in the second year and only 2% after five

19. All mortgage statistics used hereafter are derived from an analysis of the mortgage registers of Edwards county, held in the office of the register of deeds at Kinsley. Those interested in the technique of mortgage studies should read: Arthur F. Bentley, "The Condition of the Western Farmer as Illustrated by the Economic History of a Nebraska Township," *Johns Hopkins University Studies in Historical and Political Science*, Baltimore, 11th series (1893), pt. VII, VIII; Robert Diller, *Farm Ownership, Tenancy, and Land Use in a Nebraska Community* (Chicago, 1941); Eleanor H. Hinman and J. O. Rankin, "Farm Mortgage History of Eleven Southeastern Nebraska Townships: 1870-1932," *University of Nebraska, Agricultural Experiment Station Research Bulletin*, 67, Lincoln, 1933; William Gordon Murray, "An Economic Analysis of Farm Mortgages in Story County, Iowa, From 1854 to 1930," *Research Bulletin*, No. 156, Agricultural Experiment Station, Iowa State College of Agricultural and Mechanical Arts, Ames, 1933; David Rozman, "Land Credit in the Town of Newton, Manitowoc County, Wisconsin, 1848-1926," *Journal of Land and Public Utility Economics*, v. 111 (1927), November, pp. 372-384; U. S. Census Office, *Report on Real Estate Mortgages in the United States at the Eleventh Census, and Report on Farms and Homes at the Eleventh Census*, 1890. Since 1930 various agricultural economists have published mortgage studies dealing with the recent history of farm mortgage loans in restricted areas. An excellent example of the techniques used is provided by Jos. Ackerman and L. J. Norton, "Factors Affecting Success of Farm Loans," *Illinois Agricultural Experiment Station Bulletin*, 468, Urbana, 1940.





years had elapsed. There was little difference between the percentage of homesteaded and the percentage of pre-empted land which was mortgaged within the first year of ownership. All of the mortgages on pre-empted land were placed, however, by the end of the third year of titled possession, while 16% of the homesteaded land was mortgaged after the third year of titled possession. All of the timber claims were mortgaged in the first year after title was obtained. Only four out of 70 successful homesteaders, or 6%, commuted their homesteads and paid for their land at the pre-emption rate of \$1.25 per acre. Two of the four mortgaged their land, but only after two and five years had elapsed after the date when they acquired title. That the pre-emptors and those who commuted homesteads bought their land for cash seems to have had little effect upon the percentage of those who mortgaged their holdings soon after obtaining title. Fifty percent of the mortgagors among pre-emptors and "commuters" encumbered their land within a year of acquiring title; 58% of the homesteaders who mortgaged did so during their first year of titled possession.

TABLE 3

DATE OF ENCUMBERING GOVERNMENT LAND

	Home steads		Pre-emp- tions		Commu- tations		Timber Claims		Combined Totals	
	No.	%	No.	%	No.	%	No.	%	No.	%
Mortgaged:										
within 6 months after title	20	52	4	50	..	..	3	60	27	51
between 6 months and 1 year after title.....	2	5	1	12½	..	..	2	40	5	9
between 1 year and 2 years after title.....	6	16	2	25	..	..	..	..	8	15
between 2 years and 3 years after title.....	4	11	1	12½	1	50	..	..	6	11½
between 3 years and 5 years after title.....	5	13	..	..	1	50	..	..	6	11½
more than 5 years after title .....	1	3	..	..	..	..	..	..	1	2

Of the 61 individuals to whom the Santa Fe deeded land, 19, or 32%, mortgaged all or part of their holdings. Ten of the 19 mortgaged all or part of their holdings within six months after they had obtained title. One other purchaser mortgaged within a year after the Santa Fe had given him his deed, a second within two years, and the remaining seven recorded mortgages on their land from two to 13 years after acquiring their deeds from the railway. A smaller percentage of those who paid hard cash to the railroad for their land found it necessary to mortgage that land later than did those who homesteaded government land. As in the case of the govern-

ment land which was mortgaged, however, more than 50% of the railroad land encumbered by its first owner was mortgaged within six months after title had passed.

In total, the farmers of Kinsley township recorded 343 first mortgages and 80 junior mortgages between March 15, 1876, and December 31, 1905. In only a few years, however, did second mortgages play a significant role in farm financing in the township.

Four first mortgages were filed on the security of agricultural land in Kinsley township during 1876. During the next 30 years, filings rose and fell in a cyclical pattern. Peaks were reached in 1879, 1886 and 1905. In 1879, 30 mortgages were recorded to the value of \$16,821. In 1886, 52 mortgages represented loans of \$62,538. The same number of mortgages was filed in 1887, but the amount of funds transferred under their terms dropped to \$53,644. In 1905, 26 mortgages secured a total debt of \$70,806. The lows occurred in 1883, when three mortgages totaling some \$2,000 in value were filed, and in 1896, when one mortgage secured a loan of \$375.

TABLE 4

MORTGAGE DEBT IN KINSLEY TOWNSHIP

	FIRST MORTGAGES			Second Mortgages		TOTAL	
	Number	Amount	Acres	Number	Amount	Number	Amount
1876	4	\$1,299	640	..	.....	4	\$1,299
1877	9	3,711	1,353	..	.....	9	3,711
1878	12	4,320	1,670	1	\$100	13	4,420
1879	22	16,249	3,191	8	572	30	16,821
1880	14	8,003	1,598	8	1,387	22	9,391
1881	4	3,200	597	1	73	5	3,273
1882	2	1,600	241	1	1,000	3	2,600
1883	2	1,200	400	1	732	3	1,932
1884	5	2,850	1,043	1	1,000	6	3,850
1885	15	16,554	2,411	2	881	17	18,435
1886	37	55,462	5,991	15	7,076	52	62,538
1887	38	48,120	5,284	14	5,525	52	53,645
1888	13	40,300	2,611	14	11,358	27	51,658
1889	10	12,640	1,986	3	25,772	13	38,412
1890	4	5,050	929	2	2,625	6	7,675
1891	9	7,658	1,038	1	75	10	7,733
1892	12	14,200	1,630	1	1,500	13	15,700
1893	10	9,800	1,344	2	900	12	10,750
1894	10	9,270	1,928	..	.....	10	9,270
1895	2	550	50	..	.....	2	550
1896	1	375	160	..	.....	1	375
1897	1	550	320	..	.....	1	550
1898	2	650	400	..	.....	2	650
1899	4	7,447	531	..	.....	4	7,447
1900	10	4,780	1,791	1	140	11	4,920
1901	18	13,550	2,584	..	.....	18	13,550
1902	11	17,300	296	1	4,800	12	22,100
1903	21	27,072	3,618	..	.....	21	27,072
1904	17	29,596	4,220	1	400	18	29,996
1905	24	68,771	6,125	2	2,035	26	70,806



The percentage of agricultural land under first mortgage behaved in the same fashion as did the number of loans outstanding and the value of the first mortgage debt. Slumping somewhat between 1880 and 1885, it reached a peak in 1890 when 42% of the agricultural land in the township was under mortgage. By 1900 the percentage stood at 15%, but the figure had risen to 25% by 1905.

TABLE 5  
FIRST MORTGAGE DEBT AT 5-YEAR INTERVALS

	Number of First Mortgages	Value of First Mortgages	Encumbered Acres (Agricultural)	Percentage of Acres (Agricultural)
Jan. 1, 1880	35	\$20,093	4,766	17%
" " 1885	26	15,465	3,755	13%
" " 1890	76	109,478	11,851	42%
" " 1895	47	59,483	7,140	25%
" " 1900	25	30,183	4,225	15%
" " 1905	46	50,562	7,139	25%

The first peak of mortgaging in the township coincided with the first large issue of titles by the federal government. In 1879 there were more final certificates issued than in any other year in the history of the township. The 26 settlers who obtained final certificates in 1878 and 1879, had, for the first time, real estate security which they could convert into funds. Accentuating the demand for equipment and supplies, which one suspects was normal in a pioneer area, was the drought which struck the counties of the 99th meridian in 1879. In April, 1880, the *Edwards County Leader* passed along the rumor that the county commissioners had passed an order at their last meeting which forbade the township trustees to extend aid to parties who were able to work and had mortgageable property.<sup>20</sup> The editor stated that such an order should certainly be passed if it had not already been done.

In all, title to 57 tracts of government land was granted during the seven years, 1874-1880. During the same period, title passed from the Santa Fe railway company on 24 parcels of land. Those same years saw 78 mortgages filed.

The majority of the mortgages which were recorded by the farmers of Kinsley township before 1881 evidently represented an effort to obtain supplies and equipment. Of the 61 first mortgages filed in the five years, 1876-1880, ten were apparently negotiated to refinance mortgage loans which were coming due. Six represented part of the payment in real estate transactions and four

20. *Edwards County Leader*, April 22, 1880.



settlers evidently borrowed to pay out on their pre-emptions.<sup>21</sup> Five loans patently represented mercantile credit, since they were drawn for uneven sums payable at the store of R. E. Edwards. When these 25 loans are eliminated, 36 are left unexplained. Lumping the five mercantile credit loans with the 36 unexplained loans, 41 loans were unconnected with real estate transactions or the act of refinancing previous obligations. Presumably these 41 loans, or 67% of the first mortgage loans obtained by Kinsley settlers in the early period of the township's history, were used to buy food, stock and equipment, although a few doubtless financed the mortgagor's departure to other pastures.

During the real estate boom of the mid 1880's, land sales and refinancing accounted for a much more significant proportion of the first mortgages than during the 1870's. Of the 90 first mortgages recorded during 1885, 1886 and 1887, 58, or 64%, were obviously refinancing or related to real estate transactions. By the years 1903, 1904 and 1905 this percentage had risen to 71%.<sup>22</sup>

It has been pointed out in other studies that hard-pressed settlers often commuted their homesteads with borrowed funds. As soon as such settlers had evidence of title they secured their loan with a mortgage and used any surplus in the loan above the land office price for family living. Such mortgages, it is inferred, were born of desperation, or of the desire to obtain speculator's profits by a quick sale as soon as the settler had obtained title. Similarly, the pre-emption law was used to obtain title quickly.<sup>23</sup> Since none of the commuted homesteads in Kinsley township was mortgaged within the first year after title had passed from the government, such use of the commutation clause of the homestead act was not illustrated in Kinsley township. However, 50% of the pre-emptors who mortgaged their claims did so during the first six months of ownership. Presumably these settlers used a portion of their loans to purchase their land. But the percentage of pre-emptors who mortgaged within six months of obtaining absolute title was no

21. When a mortgage was recorded within six months after purchase of the property by the mortgagor it was assumed that the indenture represented part of the purchase price. Undoubtedly the assumption leaves a margin for error.

22. This total includes eight mortgages filed by six purchasers of railroad land within six months after the Santa Fe had issued the deeds.

23. Charles Lowell Green, "The Administration of the Public Domain in South Dakota," *South Dakota Historical Collections*, v, 20 (1940), pp. 204-225, and Harold Hathaway Dunham, *Government Handout, A Study in the Administration of the Public Lands, 1875-1891*, pp. 188-190. Basic material is contained in the *Annual Reports of the General Land Office during the 1880's*, in Thomas Donaldson, *The Public Domain*, and in the *Report of the Public Lands Commission* (1905). Actually Kinsley township was settled for the most part before the abuses of the commutation clause of the homestead act and the pre-emption act became most widespread.



greater than the percentage of homesteaders who mortgaged their holdings during the same time.

Of the 19 purchasers who mortgaged railroad land, ten did so within six months after they had obtained their deeds. In every case, these men closed out contracts which still had several years to run. Presumably these buyers were mortgaging to obtain the funds with which to pay off the railroad. Since the prevailing interest rate on mortgage funds stood above the rate specified in the Santa Fe contracts at the time, they must have discerned some other advantage in obtaining full title to their land. Such advantage perhaps lay in the ability of those who had outright ownership to give a warranty deed promptly in case the opportunity to sell presented itself.

During 1876 and 1877, 13 loans were made on first mortgages in Kinsley township. Ten of the mortgagees were residents of Edwards county. Between 1878 and 1894, the borrowers of Kinsley township obtained more than 50% of the funds borrowed on first mortgage in all but two years from outside Kansas. Only six loans on first mortgages were recorded between 1895 and 1898 but they were all obtained within the county. Between 1899 and 1902, out-of-state capital was again the most important source of credit. Beginning with 1903, however, local lenders became more important than nonresident lenders and this continued to be the case through 1904 and 1905.

TABLE 6  
PERCENTAGE OF NONRESIDENT CAPITAL LOANED ON FIRST MORTGAGES IN  
KINSLEY TOWNSHIP: 1876-1905

Year	Percent	Year	Percent
1876	27	1891	82
1877	24	1892	74
1878	66	1893	52
1879	88	1894	96
1880	99	1895	..
1881	100	1896	..
1882	..	1897	..
1883	100	1898	..
1884	47	1899	77
1885	60	1900	90
1886	65	1901	51
1887	76	1902	83
1888	96	1903	20
1889	88	1904	48
1890	66	1905	42

The creditors of Kinsley farmers resided in most of the central and northeastern seaboard states, as well as in Missouri, Illinois,

Indiana and Ohio. A few loans may well have come from Great Britain. The first Eastern investor to lend money in the township was William H. Hanson of Suffolk county, Massachusetts, who in 1876 lent \$350 at 8% per annum on the security of the southeast quarter of section 6, T25, R19. The next year, E. R. Robbins of Middlebury, Vt., was in the field. With others of his family, he was to make numerous loans in the township. In 1878 the National Loan and Trust Company of Topeka entered the district. Other companies followed the next year, which also saw the Travelers' Insurance Company of Hartford become the first of the Hartford insurance companies to lend funds in the township.<sup>24</sup>

Many of the most important of the early Western mortgage agencies lent funds at Kinsley.<sup>25</sup> Of these, the J. B. Watkins Land Mortgage Company of Lawrence made the greatest number of loans over the period of this study.<sup>26</sup> Drawing funds from both Great Britain and the Eastern United States, this company made at least 38 first mortgage loans in the township, totaling over \$30,000. Fifteen of these loans, however, represented part of the purchase price of sales made by the company while disposing of foreclosed land, or they were loans drawn by the company on its own land in an effort to raise capital.

An effort was made to work out the proportion of the funds loaned on first mortgage which the mortgage agencies brought to the township. In only three years, between 1879 and 1888, did they handle less than 40%. Again in 1891, 1892 and 1893, the mortgage companies apparently played an important role, but the loans of these years were drawn for the most part on the companies' own property, as their officials strove to raise funds on the large amounts of land which they were foreclosing. By 1894 most of the companies had entered receivership. In 1901 the J. B. Watkins Land Mortgage Company, and the Warren Mortgage Company of Emporia, appeared among the mortgagees in Kinsley township, but the loans of the first company represented only a portion of the sale price of land which was being sold incident to the liquidation of the

24. The *Annual Reports* of the Connecticut Commissioner of Insurance Companies contain much information on the lending activities of the Hartford companies. See particularly 1875 and 1876. The lending policy of the Travelers' Insurance Company is described in the 1891 *Report*, pt. 2, pp. xxx and xxxi.

25. The *Annual Reports* of the Connecticut Bank Commissioner, 1888-1895, of the Massachusetts Commissioner of Foreign Mortgage Companies, 1890-1895, of the New York Superintendent of Banking relative to Foreign Mortgage, Loan, Investment and Trust Companies, 1891-1896, and of the Vermont Inspector of Finance, 1889-1893, provide the most satisfactory catalogue of the Western mortgage companies of this period.

26. A. G. Bogue, "The Land Mortgage Company in the Early Plains States," *Agricultural History*, v. 25 (1951), January, pp. 20-33.





corporation. The Warren Mortgage Company, however, was doing a legitimate brokerage business.

During the heyday of the Western mortgage companies in 1886-1887, the newspapers of Kinsley carried the advertisements of at least nine loan agents representing mortgage companies, three indigenous loan companies and three local banks. Puffing the agent of the Watkins company, the editor of the *Kinsley Graphic* remarked, "L. W. Higgins is loaning money at rates so low, and on time so long that the borrower is liable to forget that he ever has it to pay."<sup>27</sup>

The commissions of the mortgage companies and of the local agents were often taken in the form of second mortgages. At least 50% of the second mortgages filed from Kinsley township were of this type. The notes backed by such mortgages seldom stipulated a rate of interest but merely specified that the principal should be paid in ten equal semiannual installments.

The role of the local banks in the field of farm credit is worth mention. Two banks were started in Kinsley during the 1870's. The Edwards County Bank began operations as a private bank and the Edwards Mercantile Bank grew out of the merchandising business of R. E. and W. C. Edwards. In 1882 the Edwards County Bank was organized as a state bank with a capital of \$32,000. By August, 1887, this capital had been increased to \$100,000 and was supposedly paid up in full. In January, 1885, the *Kinsley Graphic* listed among the things that it would like to see, "At least two more banks in Kinsley so that money could always be had whenever good security was furnished."<sup>28</sup> In March, 1887, the Kinsley Exchange Bank was organized as a state bank with a capital of \$50,000. The officers of this institution came from Iowa. During July of the same year, the Edwards Mercantile Bank was reorganized as the First National Bank of Kinsley. Thus by the summer of 1887 there were three incorporated banks at the service of the community.

Before 1900 the three banks made only eight loans on real estate security in Kinsley township totaling \$14,563. With the exception of three loans to the amount of \$4,733, these loans were secured by second mortgages which bore a higher rate of interest than did the first mortgages of the same years. If the \$3,439 lent by R. E. Edwards in the same period and secured by six first mortgages and five second mortgages is added in, the total of \$18,002 allocated by

27. *Kinsley Graphic*, March 12, 1886.

28. *Ibid.*, January 16, 1885.



local credit agencies still falls far short of the \$30,000 which the J. B. Watkins Land Mortgage Company provided. The local banks were more interested in short term loans backed by chattel or personal security than in first mortgage farm loans.

But the local banks did perform a useful function in the long-term field by acting as local agents. The Bank of St. John which was located in an adjoining county, the Edwards Mercantile Bank and later the First National Bank of Kinsley, the Kinsley Exchange Bank, and the Edwards County Bank, all acted as local agents for either mortgage companies or individual Eastern investors. If the local banking institutions and capitalists did not themselves lend heavily on first mortgage they did perform the function of bringing lender and borrower together. In 1887 there was a tendency for this function to be shifted to a separate agency. The Kinsley Loan and Trust Company, which was organized in 1887, numbered R. E. Edwards of the Edwards Mercantile Bank among its directors and the Edwards County Investment Company, organized at about the same time, listed L. G. Boies of the Edwards County Bank on its governing board. This development marked an attempt on the part of local men to enter the investment company field and to obtain all instead of merely part of the middleman's fee or commission on funds which were sent from the East for investment.

The local banks shared in the financial misfortunes which struck down the nonresident investment and mortgage companies. The Edwards County Bank entered receivership in 1890. It was followed three years later by the Kinsley Exchange Bank. The First National managed to survive the year 1893 and reorganized under a state charter in 1894.<sup>29</sup>

The provisions in the mortgages filed on land in Kinsley township varied in their complexity. When the mortgagees were local men, the indentures were usually simple and short—a mere transfer of the security in case the terms of the notes should be broken. The mortgages filed by Eastern investors or their agents were much longer and filled with a greater variety of terms which were designed to safeguard the mortgagee.

In most of the forms used by Eastern investors, the failure of the mortgagor to pay taxes and the insurance on improvements promptly broke the contract. But in no case of foreclosure in the township

29. For a comment upon the difficulties faced by a national bank in this area see the *Kinsley Graphic*, February 16, 1894; also James C. Malin, "The Kinsley Boom of the Late Eighties," *The Kansas Historical Quarterly*, v. 4 (1935), May, p. 184.





did such grounds serve as the sole excuse for bringing suit. Generally a clause was included, "waiving all exemption, appraisal and redemption laws." Often the mortgagor authorized the levy of \$25 for attorney fees in case he allowed his loan to become delinquent. It was generally specified that default would entitle the mortgagee to immediate possession of the premises and rents, issues and profits. This clause had no validity in so far as actual possession upon default was concerned, but evidently did insure that the purchaser of the sheriff's deed was entitled to any crops growing on the security when the deed was issued. Most mortgages recorded by nonresident mortgagees named a place of payment in the Eastern United States—a provision which insured that the mortgagor would pay the cost of exchange.

More unusual was the clause used by J. B. Watkins in 1879, which specified that payment should be made "in gold coin of the United States of America." This proviso reflected the fear of Watkins' conservative clients that the monetary supply of the country was about to be inflated by large infusions of greenbacks or silver.<sup>30</sup> In 1879 E. R. Robbins inserted a clause seldom found in the mortgages on the land in Kinsley township when he bound several mortgagors to "break forty acres of prairie within a year."<sup>31</sup>

The average rate of interest on first mortgage loans stood in 1876 at 11%. From this figure the trend was downward until 1889, when the rates of interest on nine mortgage loans averaged 7.4%. Over the next ten years the annual average stood between 8% and 10%, with the exception of 1892, when 12 loans called on the average for interest payments at the rate of 6.9% per annum. The loans of this year were unusual in that five of them were drawn by the J. B. Watkins Land Mortgage Company and the Jarvis Conklin Mortgage Trust Company on holdings which they had foreclosed. Since the companies were themselves paying the interest on these loans, the rate was put at 6%, which had little relation to the price of funds in Kinsley township. After 1899 the average rate on loans recorded from Kinsley township hovered around 7%, with the 22 loans, which were recorded in 1905, averaging 6.6%.

30. Edwards county, "Mortgage Register A," p. 300; J. B. Watkins, Lawrence to Edward Lewis, Philadelphia, Pa., December 2, 1878, "J. B. Watkins Papers," University of Kansas.

31. Edwards county, "Mortgage Register A," p. 344.

FARMER DEBTORS IN PIONEER KINSLEY

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TABLE 7

INTEREST RATES IN KINSLEY TOWNSHIP

	Number	Rate		Number	Rate
1876	4	11%	1891	6	8.3%
1877	7	10.7	1892	12	6.9
1878	12	11.5	1893	9	8.2
1879	21	9.8	1894	10	8.3
1880	13	9	1895	2	10
1881	4	8.5	1896	1	10
1882	2	11	1897	1	8
1883	2	9	1898	2	10
1884	5	9.2	1899	4	8.4
1885	14	8.4	1900	9	6.9
1886	33	7.8	1901	18	6.9
1887	37	7.5	1902	10	6.5
1888	13	7.6	1903	21	7.3
1889	9	7.4	1904	17	7.2
1890	4	8	1905	22	6.6

The mortgagees of Edwards county consistently wrote a higher rate of interest into their contracts than did nonresident lenders. Invariably the papers negotiated by the Western mortgage companies called for the lowest average rate of interest. In 1887 for example, six loans obtained in Edwards county averaged 9% interest, the over-all average of the 37 first mortgage loans recorded from the township stood at 7.5%, the 30 mortgages held by nonresidents of Kansas averaged 7.3%, and the 22 loans negotiated by the mortgage agencies called for an average rate of 6.9%.

Comparison of the resident and nonresident rate is complicated by the problem of the commission. The local resident who lent his own funds or accepted a mortgage as part payment in a real estate transaction probably did not take a commission from the mortgagor. Both the mortgage companies and their local agents received commissions. Often these commissions were paid by the mortgagor in addition to the rate of interest specified in the note and mortgage. But at times the companies wrote a flat or net rate into their papers from which they subtracted both their own commission and that of their local agents. A 9% loan negotiated by the J. B. Watkins Company in August, 1887, was of this type.<sup>32</sup> The note specified 9% and that was the actual cost to the borrower. Significantly, the average rate on the six loans obtained locally in that year was also 9%. The local and nonresident level tended to equate at a common level. The local lender was neither more merciful nor more obdurate than the nonresident when specifying the interest which his debtor must pay.

<sup>32</sup>. See letters of D. M. Sprinkle to L. W. Higgins, Kinsley, June-September, 1887, in "J. B. Watkins Papers."





In general, the loans of local lenders were for a shorter period of time than those of nonresidents. The early Western mortgage companies almost invariably loaned for periods of three or five years. Such companies avoided repayment by installments because of the extra accounting involved. As competition among the companies stiffened, however, an increasing number of them gave "one year after the first interest payment the privilege of paying \$100, or multiples thereof, on the principal upon sixty days notice" or some similar privilege. Such provisions became almost standard with major lending companies after 1900. Payment of the principal over a term of years also became very common after the turn of the century.

Of the 343 first mortgages analyzed in this study, judgment was rendered against the debtor on 52, or 15%. Only 46 sheriff's deeds were issued, however, since a few mortgagors managed to buy the judgment before the judicial sale or compromise the case in some other way. One sheriff's deed represented the foreclosure of three first mortgages obtained by the same mortgagor on different portions of his property. Thirty-one first mortgages were terminated by the mortgagor deeding over his property to the mortgagee, his agent or the holder of a second mortgage. Undoubtedly such deeding represented failure no less than did the issuance of a sheriff's deed. Seventy-nine first mortgages, or 23% of those filed in Kinsley township ended, therefore, with the mortgagor giving up his land. Some half-dozen purchasers bought encumbered land and assumed the payment of first mortgages while giving second mortgages of their own as part of the purchase price. Foreclosure of the first mortgage wiped out the title of these individuals as well as that of the original mortgagors.

The mortgages negotiated in two groups of years were particularly ill-fated. Of 36 first mortgages filed in 1879 and 1880, 18, or 50%, were closed out by foreclosure or deeding. Liquidation took place during 1880, 1881 and 1882 for the most part. Of the 88 first mortgages recorded in 1886, 1887 and 1888, 40, or 45%, were terminated disastrously. These last contracts were liquidated between 1889 and 1893—the years when Populism was born and flourished in its greatest vigor.

In all, 67 individuals and one corporation contributed to the total of 79 mortgage contracts which ended in failure. They sacrificed 22 tracts which had been acquired under the provisions of the homestead acts. Reduced to percentages, 33% of the homesteaders who gained title in the township, and 58% of the homesteaders who



attempted to raise funds by mortgaging, failed to retain their homesteads because they could not repay their loans. Four out of the eight pre-empted tracts which were mortgaged were surrendered, representing 25% of all pre-emptions and 50% of the pre-empted tracts placed under mortgage by their first owners. The three timber claims lost by mortgagors formed 25% of all timber claims, and 60% of the timber claims which were mortgaged in Kinsley township. Of two commuted homesteads which were encumbered by their first owner, one was lost. Among the 61 individuals who obtained railroad land deeds, ten lost all or part of their land by foreclosure. This figure represented 16% of the successful purchasers of railroad land and 53% of those who mortgaged their land after obtaining title from the Santa Fe. Four of the ten were non-residents. In total, 41 out of 79 securities were lost by the individuals who had obtained title to them from the federal government or from the Santa Fe.

Thirty-eight securities, or 49% of those lost by foreclosure, belonged to secondary buyers who had obtained title from the grantees of railroad and government. Since most of the mortgaging which ended disastrously was done by 1890, this last percentage illustrates the speed with which land in the township was transferred out of the hands of its original owners.

Of the 67 unsuccessful mortgagors, a significant percentage of individuals were not primarily farmers. Three mortgagors were women, of whom two were not residents of the county. At least five men were nonresidents at the time of mortgaging and so remained during the life of their mortgages. Three of this group were obviously speculators in railroad land. Two of the local mortgagors were bankers connected with the banks which failed in Kinsley. One local farmer died and the mortgage was foreclosed after his death. Another mortgagor was a tavern keeper attempting to make a living in a state bent on becoming dry. One had attempted to run an ice business in Kinsley. The corporation which negotiated an unsuccessful mortgage was the county fair association. Thus 14, or 21%, of the unsuccessful mortgagors were not full-time farmers in the community. At least five others had sold out to a third party before suit was begun, but the assignees failed to meet the payments on the mortgages which they had assumed.

Among the 67 noncorporate individuals who surrendered land by foreclosure or deeding, 36 appear on the agricultural rolls of one or more of the censuses taken in 1875, 1880, 1885 and 1895. The acres reported in crop by these mortgagors were compared with



those of the other farmers in the administrative township of Kinsley. The crop acres of all the operators at each census date were totaled and the farmers divided into upper, middle and lower thirds. Hay acreage was not counted, since it represented prairie hay for the most part, while acreages in corn, wheat, sorghum, millet, flax, barley and oats indicated that the settler had broken the prairie. In some cases such a technique would deal unfairly with stock farmers, but for the most part the farmers reporting large numbers of stock from Kinsley township also reported large crop acreages.

TABLE 8

CROP ACREAGES IN KINSLEY TOWNSHIP

Year	Crop Acres Reported by	Lower Third	Middle Third	Upper Third
1875	33 operators	4-8	8-19	19-60
1880	134 operators	5-25	26-53	56-645
1885	60 operators	15-60	65-109	110-315
1895	81 operators	4-74	75-153	160-672

Of the 36 unfortunate mortgagors who are listed in the returns of the agricultural censuses, 14 reported crop acreages in the upper third at the time of the census, immediately prior to their failures. Twelve fell in the middle third and ten in the lower third. It is probably safe to assume that the crop acreages of most of the unsuccessful operators, who were not caught by a census, would fall in the middle or lower brackets, since their residence in the township was either of interrupted or short duration. But the 14 who reported a crop acreage in the upper third represented 21% of all the mortgagors who failed. It was evidently not enough to have land broken and in crop. Misfortune could strike the large operator as well as the small one in an area where drought might bring crop failure in two or three successive years.

That a settler lost land by foreclosure or deeding did not necessarily mean that he failed as a farm operator in the community. Of the 67 who lost land, eight, or 12%, survived the loss of their security and remained as farm operators in the township. One settler sacrificed 80 acres of railroad land but retained control of 240 acres which he obtained under the homestead and timber culture acts. In 1905 he reported a farm unit of 1,120 acres, of which 320 were in field crops.

M. E. Hetzel reported a farm of 160 acres in 1875, but not until 1878 did he enter 80 acres as a homestead and buy the other 80 acres under the terms of the pre-emption act. He mortgaged his

pre-empted land immediately for \$500 and raised \$300 locally against his homestead, although he did not receive his final certificate until 1884. By 1885 he had acquired title to four quarter sections near his original holding. One of these he mortgaged for \$360 in 1880. In 1884 the *Kinsley Graphic* reported that Hetzel had lost \$3,000 worth of stock from the plague—presumably Texas fever.<sup>33</sup> In the same year, his \$500 mortgage went to judgment but he succeeded in purchasing it. During 1885 and 1886, Hetzel raised \$4,500 on the security of first mortgages in the East and negotiated another \$4,000 worth of second mortgages with local parties, including two of the banks. In 1886 and 1887, Hetzel deeded 640 acres of land to the Edwards County Bank. In 1892 Hetzel began to buy back this acreage, using a \$4,800 mortgage as partial payment for the first 320 acres. By 1905 Hetzel could report a farm unit of 1,000 acres of which 440 were in field crops, as well as a herd of 150 cattle.

Despite a significant number of exceptions, most of the mortgagors who lost their security disappeared from the records of the county thereafter. Many of them had left long before suit was brought against them. At least 80% of the foreclosure cases in the township were extremely simple; the defendants neither demurred, answered, nor appeared. One settler, however, enlivened the court record with a show of patent bad faith when he mortgaged a quarter section adjacent to his own and later asserted that the indenture was a forgery.<sup>34</sup>

It is possible to exaggerate both the amount of land which was under mortgage at any one time and the amount of land which was foreclosed or deeded. On January 1, 1890, there was probably more land under mortgage in the township than at any other time during the 30 years of this study. Most of the mortgage debt of 1886 and 1887 which was to be liquidated in the early 1890's still stood untouched. Yet at this date only some 12,000 acres, or between 40 and 45% of the agricultural land in Kinsley township, was mortgaged. A veteran real estate agent of Kinsley estimated in his biography that in ". . . 1893 and 1894, at least two thirds of the land in the county . . . had been taken over and was owned by the loan companies and private investors all over the east."<sup>35</sup> The actual figures for Kinsley township are hardly so

33. *Kinsley Graphic*, November 21, 1884.

34. *D. W. McConaugh vs. Frank C. Badger*, filed in the district court of Edwards county, September, 1890, "Journal D," p. 286.

35. G. E. Wilson, *Autobiography* (Kinsley, 1947), p. 27.



generous. In all, the security surrendered by the 67 individuals and one corporation over 30 years, totaled some 11,200 acres, or 40%, of the agricultural land in the township.

Some attempt to correlate foreclosures and deeding with soil fertility in Kinsley township may be made. North and west of the Arkansas river, variations in soil and topography are not extreme enough to check against the statistics of foreclosure and deeding. The sand hills southeast of the Arkansas are infertile and the fact was recognized locally at an early date. The editor of the *Kinsley Graphic* wrote in 1887,

Occasionally some eastern sucker gets salted upon a slice off the juicy side of the sand hills lying along the course of the Arkansas river. There are two things those hills are especially adapted to; one is to raise goats upon and the other is to be exchanged for eastern property belonging to parties who have never saw them.<sup>36</sup>

But mortgagees, or their local agents, paid too little attention to such local wisdom. Four sheriff's deeds were issued on some 600 acres of land in the sand hills. In addition, one mortgagor deeded a quarter section to his mortgagee, while the Interstate Galloway Cattle Company deeded 960 acres of land in the area to one of its creditors. Some 1,700 acres, therefore, out of 2,350, or 72% of the sand hills area, changed hands by foreclosure or deeding in the 30-year period.

By no means all of the foreclosed and deeded land was in the hands of the mortgagees at any one time, although the largest part of it was in their custody during the early 1890's. Until the market for real estate collapsed utterly in the early 1890's, the mortgage agencies and Eastern investors sought to sell their foreclosed land as rapidly as possible. The mortgage companies at least were under considerable incentive to reconvert their operating capital to liquid form. When the land market disappeared, the investors and the receivers, or liquidating agencies of the mortgage companies, held until there was a market and then resold. By 1897 the local farmers were again interested in adding to their holdings. Their purchases before 1905 significantly altered the size of farm units in Kinsley township. Where 52% of the farmers reported a farm unit of 160 acres or less in 1895, ten years later only 23% of the farmers reported such a unit, while 64% listed farms of 241 acres or more, as compared with 39% at the previous census date.

It is obvious that the liquidation of the 1890's was a painful one in Kinsley township, although proportionately a smaller group of

36. *Kinsley Graphic*, April 22, 1887.