

## INDIANA'S GROWTH 1812-1820

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### WAR ON THE FRONTIER

June 19, 1812, Congress declared war against Great Britain. August 16, William Hull surrendered Detroit. The preceding day, the Pottawattomies, who had been in the neighborhood of Fort Dearborn, Chicago, treacherously slew the garrison, together with the women and children inmates of that post, as the garrison was vacating the fort to retreat to Fort Wayne. The Pottawattomies, Kickapoos, Ottawas, Shawnees and other less powerful tribes, aided by the British, planned a general attack upon the frontier settlements in Indiana. The hostile savages began to concentrate about Fort Wayne in August, 1812, attacking isolated settlements.<sup>1</sup> A scalping party of Shawnees destroyed the "Pigeon Roost" settlement, about twenty-five miles north of Jeffersonville.<sup>2</sup> Other Indians at the same time made a savage attack upon Fort Harrison (Terre Haute).<sup>3</sup>

The isolated settlements were abandoned and the retreating settlers joined with others in the more thickly settled regions in erecting block houses. Back from the frontier line, immigration and settlement continued. The southern part of the Twelve Mile Tract (purchase of 1809, just west of the Greenville Treaty line) filled up rapidly with settlers.<sup>4</sup> Just west of the Second Principal Meridian squatters and new settlers began to take out land titles. Other settlers, instead of moving into the interior, as had been the case before the war, broke into the wilderness along Little Pigeon creek (boundary between Warrick and Spencer counties) where there were only scattered settlements.<sup>5</sup> This same year, 1812, Hugh McGary made the first permanent settlement at the site of Evansville. The reaction which began along the dangerous frontier together with immigration into the west, began to concentrate settlements more

<sup>1</sup> Slocum, C. E., *Maumee River Basin*, 274.

<sup>2</sup> Dunn, J. P., *True Indian Stories*.

<sup>3</sup> *Fort Harrison 1812-1912*, p. 17.

<sup>4</sup> *Nile's Register*, July 4, 1818, p. 318.

<sup>5</sup> *Warrick, Spencer, and Perry Counties*, (1885) pp. 21, 587.

in the older and poorer regions—regions which had been little settled.<sup>6</sup>

Since 1807 the lands on sale in Indiana had been offered at three land offices, namely: Cincinnati, established in 1800; it offered the lands between the Miami river and the Greenville Treaty Line; Vincennes, established in 1804; it offered lands west of the Second Principal Meridian and included a small part of Illinois; and Jeffersonville, established in 1807, and it offered lands between the other two. The lands were sold in minimum tracts of 160 acres each, at a minimum price of \$2.00 an acre.<sup>7</sup> Supposing that for each 160-acre tract sold at Vincennes in 1812, one family settled in the Vincennes district, then about twenty-five families would have settled in the district; and about one hundred eighty-four would have settled in the Jeffersonville district. In 1811 the number would have been somewhat greater.

January 22, 1813, occurred the massacre of the greater part of Harrison's force at the River Raisin, which force was under the command of Gen. James Winchester. Although this news seems not to have reached the capital at Vincennes by February 2, when acting Governor John Gibson addressed the legislature, yet he fully understood the dangers on the frontier. He referred to the dangers as follows:

"At your last assemblage (November 11, 1811), our political horizon seemed clear, our infant territory bid fair for rapid and rising grandeur; our population was highly flattering; our citizens were becoming prosperous and happy and security dwelt everywhere, even on our frontiers. But, alas! the scene has changed. . . . The aborigines, our former neighbors and friends, have become our inveterate foes. They have drawn the scalping knife and raised the tomahawk, and shouts of savage fury are heard at our thresholds. Our frontiers are now wiles, and our inner settlements have become frontiers."

#### CAPITAL MOVED TO CORYDON

The danger had become so threatening by February 11, 1813, that on this date the House of Representatives of Indiana Territory voted the following preamble and resolution:

"Whereas, the hostile disposition of the Indians, and the danger to which the village of Vincennes is thereby subjected, and for the preservation of the public acts, and the records of the territory in this, our perilous situation, make it necessary that the seat of government of the

<sup>6</sup> *Vanderburg County* (1889) p. 94.

<sup>7</sup> Treat, P. J., *National Land System*.

Territory should be removed to a place where the archives of the State and the claims of individuals should not be endangered.”<sup>8</sup>

The massacre on the River Raisin may have been the deciding factor in the removal of the capital, for the news of it was published in the Vincennes *Western Sun*, February 13. There was real danger at Vincennes, for a few days after the House voted to remove the government away from that place, occurred this item in the *Western Sun*:

“It again becomes our duty to record the melancholy news of the murder of three more of our fellow citizens by the Indians. . . . In the course of the present week there has not been less than 15 or 20 horses stolen from the neighborhood.”

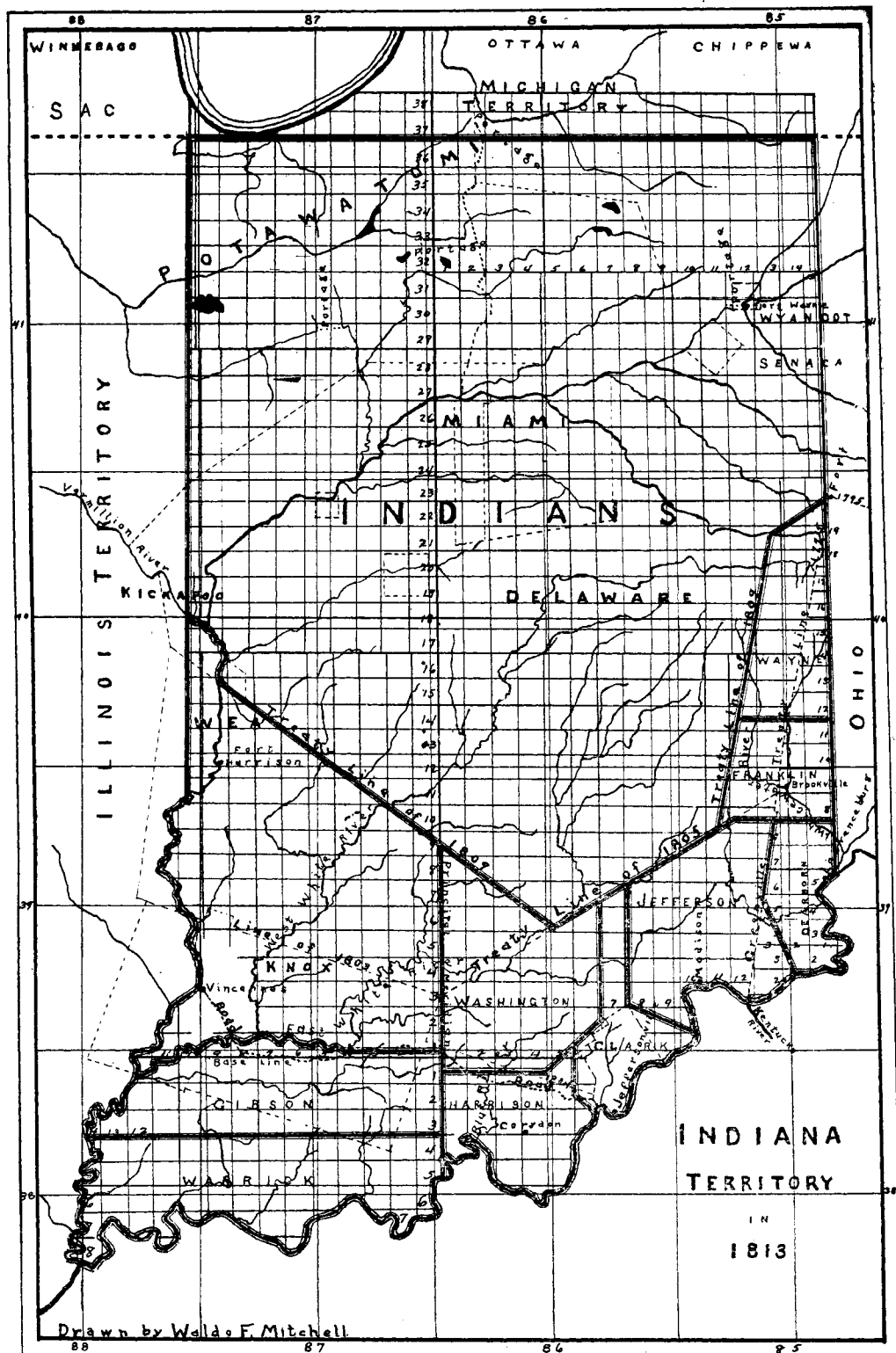
#### IMMIGRATION IN 1813

In spite of the continued Indian hostility and the unfortunate military failures on the northern frontier, the settlements in 1813 increased. Although in Ohio during this year the land sales very materially decreased, in Indiana they increased—about 57 per cent. at Jeffersonville over the preceding year, and at Vincennes about 35 per cent. At Jeffersonville the sales were the greatest they had ever been, and at Vincennes greater than in any previous year except in 1807, when the period of extensive sales in Indiana had begun. Purchases continued to be made where there was little danger from Indian attacks. The new town of Rising Sun, in Dearborn county (in Ohio county since 1844), was laid out by a planter who had come from Maryland a few years previously.<sup>9</sup> On March 2, 1813, the first tree was cleared away for the building of the town of New Albany.<sup>10</sup> Farther west great changes were taking place. Knox county was the largest county in the Territory, and until 1807 had been the most populous part of the Territory. Ever since Indiana had been erected into a Territory (1800) and even before, immigrants had been settling occasionally in the Wabash basin, above and below White river. Others had made clearings in the basins of the two White rivers. Still others had settled along the old “Buffalo Trace,” which the buffalo had followed from the Illinois prairies to the Blue Grass region of Kentucky, crossing the Ohio at the Falls, and the Wabash near Vincennes. Settlers now followed this path and settled farther and farther

<sup>8</sup> Vincennes, *Western Sun*, March 20, 1813.

<sup>9</sup> *Dearborn, Ohio, & Switzerland Counties* (1885) p. 356.

<sup>10</sup> *Ind. Hist. Disc.* 1, No. 4, p. 6. (Wis. Hist. Lib.)



west. After the passage of the Indenture Act of 1805, for the "introduction of Negroes and Mulattoes into this Territory,"<sup>11</sup> and the opening up in the same year of more lands for settlement, the number of settlers along the "Buffalo Trace," and along the lower White rivers, increased. By 1813 these settlements had increased enough back from the border, largely because Indian hostilities prevented settlements on the border, that the legislature felt justified in erecting two new counties, out of the southern part of Knox county (see map). Warrick county was to contain all west of the Principal Meridian and south of the line between townships three and four south (this line is the northern boundary of Spencer county). Gibson county was just north of Warrick county. (See map.)<sup>12</sup>

#### COMMERCE AND NAVIGATION

Commerce and navigation began to assume greater importance. Steam had just begun to be used on the Ohio, the first steamboat descending from Pittsburgh in 1811. But for many years the farmers used flatboats mostly in marketing their flour, corn, whisky, and meats at New Orleans. They would return either overland or would pole keel boats up the rivers.<sup>13</sup>

In order to facilitate navigation on Whitewater river, the legislature declared, in 1813, that that river should be navigable from the Ohio state line up the river and up its west branch to the three forks. The county courts in the various counties through which the river ran were instructed to lay the river off into divisions and to appoint an overseer over each division. These overseers were to call out the men to clear the river for navigation, just as they were called out to work the roads.<sup>14</sup>

This legislature also passed an act regulating exportation of meat products and flour. It provided for the inspection of flour, beef and pork, that were packed for shipment. A barrel of beef or pork should contain 200 pounds, and should be branded, "Indiana Territory, Mess Beef," "Prime Beef," "Mess Pork," or "Prime Pork," according as it was first or second grade. A barrel of flour should contain 196 pounds, and should be branded, "superfine," "fine," or "middlings," according as it was first, second, or third quality.<sup>15</sup>

<sup>11</sup> Dunn, J. P., *Indiana*, p. 329.

<sup>12</sup> *Territorial Laws*, 1813, p. 67.

<sup>13</sup> Smith, W. H., *Indiana*, II, 644.

<sup>14</sup> *Territorial Laws*, 1813, p. 4.

<sup>15</sup> *Territorial Laws*, 1813, p. 58.

Later in the year 1813 the legislature cut off the northern part of Harrison county and erected a new county—Washington. (See map.) Thus in one year of frontier hostilities three new counties were erected in Indiana, making the total number ten.

#### HOSTILITIES LESSEN IN 1814

September 12, 1813, Commodore O. H. Perry won his famous victory on Lake Erie, and a little later Harrison defeated the British at the River Thames in Canada. In this battle Tecumtha was killed. The war was now transferred to the Niagara frontier. On the eastern border in Indiana, along the upper branches of the Whitewater and East White rivers, the settlers began to feel secure about the middle of the year 1814. The war had not abated, so this cessation of Indian hostilities on the eastern frontier may have been due to the treaty of peace and alliance which Lewis Cass, General Harrison and Governor Shelby negotiated with the Wyandot, Delaware, Shawnee, Pottawattomie and Kickapoo tribes, July 22, 1814.<sup>16</sup> This treaty was made in pursuance of a letter from the War Department, instructing those officers to ally the Indians to the United States against Great Britain. It was signed by 112 Indians, including the three chiefs of the Wyandot, Delaware and Shawnee tribes—all three chiefs having previously signed the treaty negotiated by Wayne at Greenville in 1795. The United States later granted to about all of these chiefs grants of land in Ohio.<sup>17</sup> One of the commissioners negotiating this treaty said to the chiefs: "You have now come forward to take us by the hand; we are equally anxious and willing to take you by the hand, but you must take up the tomahawk and with us strike our enemies. Then your great father, the President, will forgive the past."<sup>18</sup> The Indians were furnished by the commissioners with sufficient whisky to whet their hatchets against the British.

Although hostilities lessened in 1814 on the eastern border, yet on the western frontier, along the Wabash hostilities continued till the end of 1815. Occasional murders were reported and stock was frequently run off. The *Western Sun*, August 14, 1814, stated that a number of horses had recently been stolen from Busseron creek, north of Vincennes, and that near Fort Harrison thirty-two horses and a large number of cattle had been stolen by the Indians.

<sup>16</sup> *State Pioneer Convention*, Indianapolis, Oct. 2, 1878.

<sup>17</sup> *United States Statutes* VII, also Dillon, J. B., *Indiana Hist. Soc. Pub.* I, p. 136.

<sup>18</sup> *Ibid*, p. 137.

## LAND SPECULATION INCREASES 1814

As hostilities on the eastern border ceased in 1814, settlers came in in great number. On the seaboard times were dull, the coast was blockaded, taxes were high, and the currency was in disorder. Agriculture was not flourishing, so there began a flow of emigration westward that threatened to depopulate some of the eastern States. The legislatures of Virginia and North Carolina lamented this great exodus of their people.<sup>19</sup> Dearborn county received a goodly share of the emigrants, including some New Englanders.<sup>20</sup> The additions of population to this county were such as to warrant the formation of a new county, Switzerland, out of Jefferson and Dearborn counties, with about the same boundaries as at present.<sup>21</sup> The main settlements of Switzerland county were those of the Swiss colonists who had settled there in 1802, to start the culture of grapes. Vevay, which had been laid out in 1813, was made the county seat. It was only a collection of huts in 1814, but it began a period of rapid growth.<sup>22</sup>

Farther down the Ohio, the town of Evansville was laid out, and the lots were put on sale. The site for this future city was described as having "an excellent harbor for boats, and as to situation, it is perhaps surpassed by none in the western country." The proprietor thought he could see its advantages for inland trade. He predicted that the time was "not distant when merchants and traders will, from economy, transport their goods across from Evansville to Princeton and Vincennes, in preference to the circuitous route of the Ohio and Wabash rivers." However, the town did not grow much during the next two decades.<sup>23</sup>

Other proprietors of towns were as enthusiastic as the proprietor of Evansville. Other towns were advertised in the vicinity of Evansville as being possible centers for the inland trade.<sup>24</sup> By the middle of 1814 the settlements along this part of Ohio had been so augmented by new settlers that the General Assembly which met in August erected two new counties out of Warrick. Posey county was between the Wabash and Ohio rivers and Perry was just west of the Principal Meridian. Warrick was cut down, to include the remainder between the other two new counties.<sup>25</sup>

<sup>19</sup> McMaster, J. B., *Hist. of the People*, IV. p. 383.

<sup>20</sup> Matthew, L. K., *Expansion of New England*, p. 201.

<sup>21</sup> *Territorial Laws*, 1814, p. 30.

<sup>22</sup> McMaster, J. B., *History of People of the U. S.*, IV., p. 385.

<sup>23</sup> *Western Sun*, July 2, 1814.

<sup>24</sup> *Western Sun*, Sept. 24, 1814.

<sup>25</sup> *Territorial Laws* 1814, p. 18.

With the increasing immigration, the land sales increased greatly. At Vincennes the increase was 245 per cent. over the preceding year, and at Jeffersonville the increase was 130 per cent. Although the increase at Jeffersonville still remained about three and one-half times those at Vincennes, thus showing that still in 1814 the immigrants were mostly stopping in the eastern part of the territory. Farther east the sales at the Cincinnati office were also great.<sup>26</sup>

#### CURRENCY AND BANKING 1814

With the increase in the sales of land arose also the demand for more money. There were no banks in the territory in which the government could deposit the money received at the land offices, so this money was taken east for depositing, thus draining coin from the West. The people of the West bought more goods of the East than the East bought from the West, so the balance must be paid the East in money. These two drains upon the supply of money in the West were so great that the people of the West were badly in need of some form of money. They saw that the easiest way to get this form of money was to create banks, which could make "money" as fast as printers could print the bills. So, the General Assembly, which met for the first time at the new capital, Corydon, in the summer of 1814, chartered two banks, the Vincennes Bank, and the Farmers' and Mechanics' Bank of Madison, the seat of Jefferson county. This last bank was to prove a boon to the farmers of the community, and it aided the merchants in their transactions with New Orleans and with the East.<sup>27</sup>

There were at the time three main ways in which money was secured for investments: the military campaigns in the West had brought a good deal of money to this region, as the contractors and merchants were paid for furnishing supplies for the army; the continual stream of immigration brought in money to invest; the banks could issue paper "money" almost without limit. Consequently, a period of active speculation in town lots began. During the year 1815, proprietors of various towns along White river and the Wabash advertised their towns for sale. Although the Indians were still hostile along the Wabash, the town of Carlyle on the Busseron, north of Vincennes, was advertised for sale, as being in the midst of a flourishing settlement.<sup>28</sup>

<sup>26</sup> *Senate Doc. 30, Cong. Sess. 1 Doc. 41, p. 67, ff.* The figures for the land sales are taken from this document.

<sup>27</sup> Esarey, L., *State Banking in Indiana*, p. 221, ff.

<sup>28</sup> *Western Sun*, June 30, 1815.



## PEACE RESTORED, SPECULATION INCREASES

Early in 1815 it became known throughout the country that peace was restored between the United States and Great Britain. With the return of peace, great quantities of English goods were put upon the American market. In 1815 the importations from Great Britain alone amounted to \$83,000,000, and in 1816 to \$155,000,000. While the merchants were sinking their circulating capital in these goods, American woolen, cotton, paper and iron manufacturing was being ruined.<sup>29</sup> These investments were felt along the frontier. The New England goods, too, found again a ready market in the West, before the rush of English goods crowded them out. Before the middle of the year 1815 the Vincennes merchants had laid in a supply—a “handsome assortment of New England cotton cloths.”<sup>30</sup>

With the return of peace, migration to Indiana Territory increased. In his message, December 1, 1815, Governor Thomas Posey said:

“Our emigration which is rapidly populating our fertile lands in a little time will enable us to be admitted into the political family of the Union, as an independent State. Permit me to recommend to the legislature the propriety as well as the justice of imposing as moderate taxes on the emigrants to this territory as may be compatible with the public interest. Most of them have moved from a great distance, at a considerable expense. They have to encounter money difficulties in opening their farms for cultivation, before they can derive a support, much more a profit from them; and consequently their ability will be lessened from contributing largely for a short time to the public exigencies.”<sup>31</sup>

This document expresses the essence of settlers' troubles—getting on a paying basis after expending so much of their limited capital to get to the new country and to pay for their farms. It took the greater part of the first year for a settler to get a small clearing made. Even on prairie land, it was a great task to get the sod broken and the soil subdued for planting. Labor was scarce, and there was little money to pay what labor was available. All of these factors, together with many others, made the task of forming a new settlement a difficult one. The capital of the West was thus used up in getting started, and in investments, so that there was little left in getting crops to market at a distance. In 1819 the

<sup>29</sup> Coman, K., *Industrial History of U. S.*, p. 189.

<sup>30</sup> *Western Sun*, April 8, 1815.

<sup>31</sup> *Nile's Register*, X, p. 351.

president of the Vincennes Bank wrote: "Our banking capital, here in the West, is all tied up in city improvements, and there is none to move our produce."<sup>32</sup>

In the meantime the ferries across the Ohio, and the roads leading north from them, had not been idle. Kentuckians had been crossing the Ohio at Henderson, and settling in Posey and Warrick counties, and the western part of Gibson county. Another road led toward the interior from the crossing at Rockport. Farther up the Ohio still another road led north from the crossing at Blue river, into Washington and Harrison counties.<sup>33</sup> By 1815 enough settlers had followed this and other routes to justify the formation of two new counties. Orange county was to consist of the territory from twelve miles west of the Principal Meridian to eight miles east, and north of Perry and Harrison counties to the Indian boundary line of 1809. Jackson county was to lie east of Orange, west of range eight east, and north of the Muscatatuck, to the Indian country. Both of these counties were in the basin of East White river.<sup>34</sup>

#### STATEHOOD

The General Assembly in 1815 followed the suggestion of the governor, and petitioned Congress to be allowed to pass to statehood. This petition stated that the inhabitants were principally composed of emigrants from every part of the union, and as various in their customs and sentiments as in their persons. However, Southerners predominated in numbers, except possibly in the southeast counties.

The petition asked for an enumeration, which was taken. This census showed a total population of 63,897—a little more than the 60,000 necessary to pass to statehood. This census also revealed the fact that the population was moving toward the interior, and settling there more than along the Ohio. In the Whitewater basin, Wayne and Franklin counties (see map; Randolph had not yet been erected), neither of which counties touched the Ohio, contained a larger population than Dearborn, Switzerland and Jefferson counties, by 30 per cent. The three counties, Posey, Warrick and Perry, all on the Ohio, practically the same territory as comprised Warrick in 1813, did not have a combined population equal to any one of the interior counties. Of all the eight counties on the

<sup>32</sup> *American State Papers*, Finance, III, p. 734.

<sup>33</sup> Cockrum, W. M., *Pioneer History of Indiana*, p. 136.

<sup>34</sup> *Territorial Laws*, 1815, pp. 3, 57.

Ohio, only Clark and Harrison had a population equal to the interior counties. More than 71 per cent. of the population was east of the Second Principal Meridian. The line between ranges five and six east (the line passes through Columbus) would have divided the population into two almost equal groups. About one-third of the population was in the three counties, Clark, Harrison and Washington, the first two of which were on the Ohio, and in the second was the new capital, Corydon. In this census the newly erected counties, Orange and Jackson, were counted as part of the original counties from which they were formed. The census showed two regions more thickly populated than any others—the upper White-water and the region west and northwest of Jeffersonville, about the new capital, Corydon.<sup>35</sup>

The petition asking for statehood also asked that 7 per cent. of the moneys received for the sales of public lands in the State be granted the new State to be used as it saw fit. When Ohio became a State in 1803 it was provided that 2 per cent. of the sales of lands in the State should be devoted to the building of roads to Ohio, by Congress, and 3 per cent. should be used by the State legislature of Ohio for roads within the State.<sup>36</sup> But Congress granted to Indiana only what had been granted to Ohio—that 5 per cent. of the sales should be reserved for the construction of public roads and canals, of which 2 per cent. should be used by Congress in making a road or roads leading to the State, and 3 per cent. to be used for roads or canals within the State, under the direction of the legislature.<sup>37</sup>

The petition also asked that section 16 in each township be granted the State for school purposes; that in counties where section 16 had already been disposed of, other lands be given instead; that township 2 south of range 11 west be granted for an academy, and that a township be given for a college. All of these grants of land were made by Congress, on condition that purchasers of United States lands within the State should be free from taxation on the lands purchased after December 1, 1816, for five years from date of purchase. Saline lands (lands about salt wells) not to exceed thirty-six sections, were granted the State for a site for a capital. The State boundary was extended north ten miles beyond the southern point of Lake Michigan, and the western boundary was to be the

<sup>35</sup> Cockrum, W. M., *Pioneer History of Indiana*, p. 390; census of 1815.

<sup>36</sup> Treat, P. J., *National Land System*, p. 109.

<sup>37</sup> Poore, B. P., *Charters and Constitutions*, I, 498. See also *Amer. State Papers, Public Lands*.

Wabash from its mouth to the point where the meridian of Vincennes last touched the river, and then north on this meridian. The eastern boundary was left as it had been—the meridian of the mouth of the Miami river.<sup>38</sup>

#### SETTLERS' RIGHTS

One of the reasons given by the petitioners for asking as much as 7 per cent. of the proceeds of the land sales was that the settlers had endured many dangers and hardships to found settlements in this wilderness, as a consequence of which the government lands were to be enhanced in value. It was thought that this fact would justify the settlers in asking for a large per cent. of the sales. These settlers had political theories almost as acute as those of the French philosophers, although they seldom made display of their theories unless they thought their rights were being interfered with. In the latter part of 1815, some of the settlers thought the general government was interfering with their rights. For about seven years the boundary between whites and the Indian country had been stationary, but the frontier line of settlement had moved onward, and many squatters could be found on Indian soil, where they had no legal right to be. So, December 12, 1815, President Madison ordered all such "unlawful occupants" or "uninformed or evil-disposed persons" to remove from such Indian lands by March 10, 1816, under penalty of the law. In case they had not removed by the time set, the United States marshal was to remove them.<sup>39</sup>

A storm of protest ensued, but it seems that perhaps a majority of the squatters never took the proclamation seriously. However, one editorial writer under the name of "Farmers' and Patriots' Rights," in a continued series of articles, vigorously asserted the rights of the squatters, and magnified what he thought was the high patriotism shown by the settlers as they "kept in awe for the last three years, a savage foe, whose tomahawks and scalping knives would otherwise have glittered in our houses. . . . Are they," said he, "when danger has ceased to threaten, to be called uninformed or evil-disposed and ordered off the land their presence alone has hitherto secured?" This writer maintained that the pre-emption laws passed by Congress at various times, benefitting those who had settled illegally on government land, were as surely violations of the law for preventing squatters from settling on

<sup>38</sup> Poore, B. P., *Charters and Constitutions*, I. 498; also *Western Sun*, Jan.

<sup>39</sup> 1816; see also Hinsdale, B. A., *Old Northwest*, p. 326.

<sup>40</sup> Richardson, J. D., *Messages & Papers*, I, p. 572.

Indian lands, as was settling there itself. He then continued: "Can it be contended that when Congress and the United States executive set an act at defiance, that the people should not?"

His final argument was that such a policy of removal would injure the Territory by weakening the frontier, by taking away those daring men who had been keeping back the Indians.<sup>40</sup> Additional force is given these squatter arguments when it is remembered that because of recent hostilities, many of the settlers could not pay the final or fourth annual installments on the farms which they had purchased from the government. Upon this failure to make the final payment, the settlers were obliged to forfeit their farms back to the government, thus losing what they had paid down, and their improvements. Such losses during the hostilities were comparatively great, running up to several thousands of dollars. In 1813 more than half as much land reverted to the government as was bought.<sup>41</sup> The same persons who were obliged to lose money because of the hostilities, were the daring men who had been engaged in protecting the frontier—which protection enabled the government to sell the lands at better advantage. The losses helped to unify the settlers in their expression of what they called their rights.

#### RUSH TO THE WABASH 1816

By the summer of 1816 the lands along the Wabash (as far north as Clinton), and inland for many miles east of the Wabash, were surveyed, and put on sale at Vincennes.<sup>42</sup> Troops and travelers had passed over these lands for several years, and had sent far and wide glowing accounts of the rich lands along the Wabash. All the west had heard of the prairies about Fort Harrison. Indian hostilities had ceased the preceding year, so that immigrants could safely take up land there. The fact that the State had grown to an equality with the other States of the Union advertised the lands in Indiana all the more. So a great flood of emigration set in toward Indiana, and a large part of it turned into the Wabash basin. In one day fifty wagons crossed the Muskingum at Zanesville, Ohio, all bound westward.<sup>43</sup> Indiana afforded cheaper lands than Ohio, so the tide of settlers flowed over and around Ohio to settle on the Wabash, and the lower White river. It is said that 42,000 came to Indiana in 1816.<sup>44</sup> The land sales at Vincennes increased enor-

<sup>40</sup> *Western Sun*, Jan. 27, Feb. 23, 1816.

<sup>41</sup> *American State Papers, Public Lands*.

<sup>42</sup> See map in Indiana Auditor's Report, 1842, 276.

<sup>43</sup> *Nile's Register*, November 23, 1816, p. 208.

<sup>44</sup> McMaster, J. B., *History*, V, p. 159.

mously. In 1815 the sales there had been only 30 per cent. as great as at Jeffersonville, but in 1816, although at Jeffersonville the sales increased 30 per cent., the sales at Vincennes were greater than at the other office—in fact, they had increased 425 per cent.<sup>45</sup> Many people came down the Ohio, others crossed over from Kentucky, but the majority came overland. They came in all manners of ways. Joseph Liston came from Ohio to Vigo county, bringing his family with him. He put his household goods on one horse, and placed his two boys on top of the goods. His wife rode the other horse and carried the youngest child, while another was tied on behind her. Mr. Liston walked behind.<sup>46</sup> This was the type of the immigrant family arriving daily on the Wabash. A study of the immigration to Vigo county, as disclosed in the biographies of Beckwith's *Vigo County*, shows that the majority of the permanent settlers were from New York, Ohio and Kentucky. The nativity of the settlers of neighboring counties was similar, except that the Quakers from North Carolina comprised a more prominent element in the settlement of Parke county.

The following table is compiled from a study of the biographies of permanent settlers in Vigo county. It does not take into account the many pioneers who stayed for a time and then moved on to other counties or states. In nearly all cases this table has taken into account the State where born, and not the State from which the settler came directly to Indiana. In some cases, if the settler had moved into another State at any early age, and had spent a good many years in that State, the table takes the latter State as the place of nativity. Although this table could not be absolutely indicative of the nativity, it is valuable in indicating the nativity of the people of Vigo county.

Year.	N. Y.	O.	Ky.	N. C.	Pa.	Tenn.	Va.	Ind.	Other.	Ttls.
1816	5	1	2	2	1	0	1	0	5	17
1817	5	1	0	0	1	1	0	0	3	11
1818	4	4	1	0	1	0	1	0	5	16
1819	0	1	0	2	0	0	0	1	0	4
1820	2	2	3	2	0	1	0	0	2	12
1821	1	1	0	0	0	0	0	0	0	2
1822	1	0	3	1	0	0	0	0	0	5
1823	1	1	1	0	0	1	0	0	0	4
1824	1	3	1	0	1	0	0	0	0	6
1825	0	0	1	0	0	0	0	0	0	1
Totals	20	14	12	7	4	3	2	1	15	78

<sup>45</sup> *Senate Documents*, 30 Cong. Sess. 1, Doc. 41, p. 67 ff.

<sup>46</sup> Beckwith, *Vigo County*, p. 464.

## GROWTH OF TOWNS 1817-1818

The growth of towns, that had been begun in 1814, increased, and much capital was invested in town improvements. Many paper towns were advertised during the year 1817, but a large part of these could not be found by the "tender-foot" purchasers and many of the towns have not been heard of since. Others, however, received a substantial growth. Vevay, which three years before was merely a collection of huts, had grown to be a flourishing county seat, with seventy-five dwellings, in which lived a prosperous people. In this town were thirty-one mechanics of various trades. It received mail three times a week, and supported a weekly newspaper.<sup>47</sup> In this year about 5,000 gallons of wine were pressed from the grapes at Vevay, averaging about 350 gallons per acre.<sup>48</sup>

The German colony of communists at Harmony on the Wabash, had grown in the two years to consist of three hundred families, with extensive farms, large barns and busy shops. All sorts of trades were carried on, such as shoemaking, saddlery, weaving, etc. These communists in 1817 reaped a harvest from many acres of vines, 200 acres of wheat, 40 acres rye, 20 of barley, 30 of oats, and they had a meadow of 50 acres. They had a large stock of cattle, hogs and merino sheep, the wool of which they manufactured into broadcloth. A large ornamental garden, well-tended, caught the eye and fancy of travelers.<sup>49</sup> In the fall this colony was largely augmented in numbers by a fresh immigration, about 1,000 being expected.<sup>50</sup> This town became for a few years, one of the most noted in America, and scientists from all parts of the world visited it.<sup>51</sup>

Another agricultural town further up the Wabash was as noted as the colony at Harmony, but for a different reason. The peculiar religious sect called Shakers had a small town of about two hundred people, who lived in eight or ten houses.<sup>52</sup>

The mail routes give a good indication of the settled regions of the State in 1817. There were the following weekly routes which touched it: (1) Cincinnati, North Bend, Mouth of Miami River, Lawrenceburg, Laughery Creek, Vevay, Madison, Bethlehem, Province, Lexington (Ind.), Charlestown, Jeffersonville and Louis-

<sup>47</sup> McMaster, J. B., *History*, IV, p. 385.]

<sup>48</sup> *Nile's Register*, Nov. 29, 1817, p. 224.

<sup>49</sup> *Nile's Register*, Sept. 6, 1817.

<sup>50</sup> *Nile's Register*, Dec. 20, 1817, p. 272.

<sup>51</sup> Lockwood, *New Harmony Movement*.

<sup>52</sup> Thomas, David, *Travels*, p. 149.

ville: (a) Lexington to Salem and Paoli; (b) Charlestown to Salem, Beck's Mills, Lindley's Mills, Perry's Ferry and Hawkins' Ferry to Vincennes; (c) Vincennes, Hazelton's Ferry, Columbia, Princeton, Harmony, Warrick Court House, Rebus's Ferry and Shawneetown; (d) Shawneetown (Ill.), Carmi, Palmyra to Vincennes; (e) Princeton to Henderson (Ky.); (2) Newcastle (Ky.) to Madison and Vernon; (3) Louisville to Corydon, Fredericksburg, Salem, Moser, Vallonia to Brownstown.<sup>53</sup>

During the year the speculation in town lots in the Wabash basin continued. Lots were put on sale at Clinton, on the Wabash, near the Indian country; at Bloomington, at places on the road from Vincennes to Louisville, on the Ohio and at other places in the State.<sup>54</sup> One town thus advertised will serve as a type of town that tried to spring up in the new State:

"Sprinklesburg is laid out on the banks of the Ohio 2 miles below the mouth of Cypress—so much has been said of the new towns laid off in this State that it is believed by the proprietors needless to point out its various advantages. It is presumed that none will become purchasers without viewing them; there is, however, no new town in point of eligibility will bear a comparison with his.

"Terms of payments—in 4, 8, 12, and 18 months, in equal installments.

"JOHN SPRINKLE,

"Proprietor."<sup>55</sup>

Surplus capital at this time was invested in town property rather than in farms. In fact, there was a very rapid and steady decrease in the sales of lands at Jeffersonville from 1816 till 1819, and at Vincennes till 1820. However, the sale at both places yet remained considerable. The sales in Indiana at the Cincinnati office were of lands between Brookville and Vevay, on the head branches of Tanner's, Hogan, Laughrey and Indian creeks, west of Lawrenceburg and Rising Sun and farther north in the extreme end of the Twelve Mile Tract, on the branches of the White and Mississinewa rivers.<sup>56</sup> In this latter region a new county, Randolph, was erected along with two other border counties, Vigo and Monroe, with Terre Haute and Bloomington as the chief towns of these two. South of Monroe county, Lawrence county was erected in the East White river basin. Ripley county, which had been laid out two years before, was now organized. On the lower Ohio, Vanderburg, Spencer and Crawford

<sup>53</sup> *Western Sun*, Aug. 30, 1817.

<sup>54</sup> *Western Sun*, Aug. 30, 1817.

<sup>55</sup> *Western Sun*, Aug. 1, 1818. (Cypress creek is in Warrick County.)

<sup>56</sup> *Nile's Register*, July 4, 1818, p. 318.



counties were organized, with Evansville, Rockport and Fredonia as the chief towns—all being ports on the Ohio.<sup>57</sup> This seemingly healthful growth, however, was accompanied with economic distress, which was felt quite generally in 1818.

#### ECONOMIC DISTRESS 1818

The lands purchased from 1800-1820 could be bought of the government on credit, so the greater part of them were bought on credit. Nearly all the purchasers were in debt to the government, to the banks, or to their neighbors. There was a great scarcity of money in the west, and this was the main cause of the economic distress. The president of the State Bank at Vincennes stated the situation in a letter dated January 9, 1819:

"The present situation of the western people is distressing; they cannot get for their produce one dollar of the kind of money that will be received in payment of their debts to the United States. It is not for want of a sufficient quantity of produce that the western people do not pay their debts, but for want of system in bringing the products of their labor to its market. The banks of the United States west of the mountains issue but few notes, and these few are immediately collected by the merchants and sent east. The State banks of the western country have generally perverted the system of banking and instead of encouraging and fostering those who were employed in collecting and exporting the produce from which their country derives its wealth, they have built up their capital in cities and towns, from which they may, perhaps, derive the interest of their money, but cannot again withdraw their funds, at least for a long time. . . ." <sup>58</sup>

An English farmer living near Princeton stated the economic and social condition as seen through the eyes of an *Englishman*. He said:

"Money cannot be gained by cultivation, produce may, perhaps, be sold at some price, but you cannot get your money of the cheats and scum of society who live here." <sup>59</sup>

Following the expiration of the First United States Bank in 1811 was a period of reckless banking. A great many State and private banks sprang up. James Flint, a judicious Scotch traveler, who spent part of the year 1819 at Jeffersonville, described the situation of the banks as follows:

"The total number of these establishments in the United States

<sup>57</sup> *Special Laws* 1817, p. 12; 1818, p. 34.

<sup>58</sup> *American State Papers, Finance*, III, p. 735.

<sup>59</sup> *W. Faux, Journal*, Nov. 3, 1819, p. 222.

could not, perhaps, be accurately stated on any given day. The enumeration, like the census of population, might be affected by the births and deaths. The creation of this vast host of fabricators, and venders in base money, must form a memorable epoch in the history of the country."<sup>60</sup>

It is but just to the Farmers' and Mechanics' Bank of Madison, however, to observe that it fared better than the State Bank of Indiana and most private banks, for it continued to pay specie until all State bank paper was refused at the land offices, and even then it continued to favor the farmers of the Jeffersonville land district by redeeming its bills when presented by persons indebted to the Jeffersonville land office.<sup>61</sup>

Yet the Second United States Bank, which was instituted at the beginning of 1817, acted as a great restriction on the State banks. Although their number in the United States increased from 208 in 1815 to 307 in 1820, their note issues were reduced from \$100,000,000 in 1817 to \$45,000,000 in 1819, and to \$40,000,000 in 1820. This greatly reduced the amount of money in circulation.<sup>62</sup> As has already been pointed out, the branches of the United States Bank never issued money notes in the West. By order of October, 1819, the western branches were prohibited from issuing any more notes at all.<sup>63</sup> This lessened the available supply of circulating medium, and compelled the government to receive more and more of the State bank issues in the West and South. The State banks were anxious to loan as much of this paper money as possible to the investors. Bad banking stimulated greater investments, and desire to invest stimulated bad banking.

In the early part of 1818 the Indiana State legislature passed an act for the execution of the estates of insolvent debtors—a law that seemed fair to debtors and creditors, but which was oppressive to the debtors, however just it might appear. The debtor, after legal exemptions for personal property were made, was to surrender the remainder of this property to the county courts which would sell the property to pay the creditors.<sup>64</sup> Because money was scarce, and debtors could not pay, sheriff sales became common. The condition in Vigo county is a good example. In one day at Terre Haute in 1816 there were sold lots to the value of \$21,000, and the best farm

<sup>60</sup> Thwaites, R. G., *Western Travels*, IX, p. 133.

<sup>61</sup> *State Papers* 17, *Cong Sess.* I, Vol. 6, Doc. 66, p. 58 ff.

<sup>62</sup> Dewey, D. R., *Financial History*, 154, 166, and 228.

<sup>63</sup> Catterall, R. C. H., *Second Bank of the United States*, p. 454.

<sup>64</sup> *Laws of Indiana, 1817-1818*, p. 324.

land in the vicinity were quickly sold at five to ten dollars an acre when the minimum was two dollars. During the fall of 1816, 906 tracts of 160 acres each were sold in the Vincennes district.<sup>65</sup> This was evidently speculation, and the crisis of 1818 and following fell heavily on the purchasers. In October, 1819, the sheriff of Vigo county advertised for sale ninety-seven tracts of farm land and sixty-four lots in Vigo county and Terre Haute, and twelve lots at Greenfield. All but seven of the tracts advertised were 160-acre tracts; only two tracts were larger, and one of these was a 329-acre tract of third rate land.<sup>66</sup>

The United States Treasury was puzzled as to what kind of money would be receivable for lands purchased. By order of Congress, after February 20, 1817, no money would be receivable for lands except in coins, United States bank notes, treasury notes, and specie-paying notes of the State banks. The Vincennes Bank petitioned to be allowed to accept the deposits from the land sales at Vincennes and this arrangement was made. Secretary Crawford granted the petition, and deposits were made there. But in 1819 the bank failed to meet the United States drafts, so the bank was deprived of this privilege for a time.<sup>67</sup>

The western branches of the United States Bank, after sustaining serious losses by receiving notes of State banks, were ordered after June 30, 1818, not to receive anything except specie and their own notes. They withdrew all their deposits from the State banks, and ceased all relations with them. This compelled the Indiana banks to cease issuing notes, which were being used to drain their vaults of specie by being presented for redemption as soon as issued.<sup>68</sup>

By order of August 28, 1818, the branches of the United States Bank were prohibited from receiving each other's notes. The Cincinnati banks could not meet their obligations, and failed in November. By January, 1819, all the Kentucky banks had suspended payments and their notes were at a discount of 20 to 30 per cent. Throughout the years 1818-1820 State banks in the West and South failed. Finances became so bad that the United States Bank could not find a bank in Indiana, Illinois or Tennessee which it considered perfectly sound. Conditions in Indiana and other western States

<sup>65</sup> David Thomas's *Travels*; *Nile's Register*, Oct. 12, 1816, p. 107; *Western Sun*, Oct. 5, Nov. 9, 1816.

<sup>66</sup> *Indiana Centinel*, Oct. 31, 1819.

<sup>67</sup> Esarey, L., *Indiana Banking*, p. 223 ff.

<sup>68</sup> *Ibid*, 224.

were further complicated by replevin laws, which threw hindrances in the way of creditors to prevent their collecting from debtors.<sup>69</sup>

After the government and the United States Bank refused to accept anything but specie and United States Bank notes, a farmer wishing to pay for his land had to have this kind of money to pay his annual installment on his land. But where was he to get either? Both were very scarce in the West. When the farmer sold his produce, he had to accept the various issues of paper money then in circulation, or the "shin plasters" issued by the merchants. If he did accept this paper for his produce he could not pay for his land with it, and neither could he take it to a bank and exchange it at par, either for specie or for United States Bank notes, because State bank notes were greatly at a discount in 1819.<sup>70</sup> The debtors were really in an aggravating and embarrassing position. They laid a goodly share of the blame on the United States Bank. The State constitution of 1816 forbade that bank from having branches in Indiana.<sup>71</sup> In this opposition the people were led by the politicians, about all of whom were personally interested in the new State bank.<sup>72</sup> If the debtors could not make their final payment for their land, it would be forfeited to the government. Such condition, according to Governor Jonathan Jennings, would afford "commensurate opportunities for speculation for those who can command funds which are receivable, unless Congress shall interfere in their behalf."<sup>73</sup> If land could be paid for only at a heavy discount on the money which the farmers were compelled to accept for their produce, this discount, the governor said, was "an indirect but exorbitant tax on the farmer." He said that there were two reasons for this condition:

(1) There was a mere regulation adopted to the interest of the stockholders of the national bank, referring to the fact that this bank, in 1818, refused after June 30, 1818, to accept any money except its own notes and specie.

(2) The national bank was aided in this purpose by the Treasury Department, which refused to accept from the debtors anything but specie and currency of the national bank. Undoubtedly the governor was expressing the general view of the West at *that* time, 1818-1819. The westerners did not realize that their own bad bank-

<sup>69</sup> Catterall, R. C. H., *Second Bank of United States*, 60-64, 83.

<sup>70</sup> Catterall, R. C. H., *Second Bank of United States*, p. 454.

<sup>71</sup> Poore, B. P., *Constitutions*, I, p. 509.

<sup>72</sup> Esarey, L., *Indiana Banking*, p. 226.

<sup>73</sup> *Nile's Register, Supplement*, XV, p. 77.

ing and excessive speculation were responsible for this depressing economic condition.

The State legislature came to the aid of the debtors, and legislated for their benefit. The amount of personal property exempted from sale, under execution for debt, was considerably enlarged.<sup>74</sup> A few days later the General Assembly passed an act, to go into effect in January, 1819, compelling the creditor to accept the paper of the State bank and its branches and of all other chartered banks whose money was "current with the merchants" at the time, or, should the creditor refuse to accept it at par, the debtor should have a stay of execution for one year. Obviously this was partial to the debtor, entirely unfair to the creditor, a political job, and, under less distressing conditions, would have appeared a disgrace upon the General Assembly.<sup>75</sup> In the State senate, all members except one, voted for the measure, and this one represented border counties where land purchasers had not yet been oppressed by the necessity of paying the final installments on their lands.<sup>76</sup>

Such legislation soon raised opposition on the part of certain classes, for it was evident that the law passed for the relief of debtors was aimed as much for the relief of the State bank and its branches as for the relief of debtors. A meeting of citizens was called, at Salem, in Washington county, and resolutions were adopted at the meeting condemning the banking system of the State as injurious and dangerous, and that its influence was "already too prevalent in our legislative councils."<sup>77</sup> The incoming settlers opposed the State bank, because they suffered more from it than other people. As the settlers came in from the East, they stopped at the State bank branch at Brookville and exchanged their specie and United States Bank notes, etc., for State bank notes, not knowing that the latter would be discounted when passed at some distant town.<sup>78</sup>

The people and editors in the West in 1819 began to awaken from their dream and delusion. One Western editor wrote:

"There is one cause in the western country which has operated very powerfully in producing the present state of things, and which must continue to operate in the same way: I mean, speculations in the public lands. Capitalists, both real and fictitious, have engaged very extensively

<sup>74</sup> *Laws of Indiana*, 1818-1819, p. 87.

<sup>75</sup> *Laws of Indiana*, p. 68.

<sup>76</sup> *Senate Journal, Indiana*, 1818-1819, p. 36.

<sup>77</sup> *Western Sun*, June 7, 1819.

<sup>78</sup> Esarey, *Indiana Banking*, p. 234.

in this business. The banks have conspired with the Government to promote; the former by lending money to the speculators, and the latter by this wretched system of selling the lands on credit. Nearly all the money which is paid, goes over the mountains; the Government has but little use for it in the western country.<sup>79</sup>

This last grievance was a very real one, and was felt by all. Many of the immigrants brought good money with them to pay for the lands. The government, having little need for the money in the West, and having no branch of the United States Bank in Indiana in which to deposit the land revenues, the money received for lands was taken to the Eastern banks for deposit. At the beginning of 1819 the State bank of Indiana at Vincennes petitioned the Secretary of the United States Treasury asking that the revenues of the Vincennes land office be deposited in the bank there. The petition stated:

"That your memorialists are strongly of opinion, that the citizens of this state have a right to the use of the public moneys raised within this State, when they are not wanted by the Government, an opinion in which they believe they are seconded by the unanimous voice of their fellow citizens of this State."<sup>80</sup>

The petition was granted, but the last deposit was made in June, 1820, because the bank failed to meet its drafts.<sup>81</sup>

When the General Assembly met in the winter of 1819, it had to struggle with the distressing conditions. The popular opposition which had shown itself to the State bank had been active, and now appeared in the General Assembly, 1819-1820. The previous General Assembly had ordered that all county and State collectors of revenue should collect the bills of the State banks and of about all the State and private banks of the surrounding States as long as such paper passed current in the State. The notes of the United States Bank were not included in the list.<sup>82</sup> During the year 1819 it was found that scarcely any of the bills passed current, so the new General Assembly of 1819-1820, repealed the former act, and passed an act authorizing the collectors to accept notes of "the banks of the United States or its branches, or in the notes of the chartered banks of this State, or their branches, or any of the State banks and branches of other States, that passed at par within this State."<sup>83</sup>

<sup>79</sup> *Nile's Register*, Sept. 4, 1819, p. 10.

<sup>80</sup> *State Papers*, 17 Cong. Sess. 1, Doc. 66, p. 47.

<sup>81</sup> Esarey, *Indiana Banking*, p. 232.

<sup>82</sup> *Laws of Indiana*, 1818, p. 142.

<sup>83</sup> *Laws of Indiana*, 1819-1820, p. 159.

Thus the United States Bank, by the end of 1819, was coming into favor in Indiana. The State election of 1820 was conducted upon the question as to whether the State bank should be compelled to redeem its notes or not. Only a few friends of the State bank were returned to the General Assembly.<sup>84</sup>

The General Assembly also passed one of those ingenious laws for the "relief of debtors." By this act, if a debtor could not meet his obligations, the sheriff should provide for "an inquest of five respectable freeholders," who should estimate the value of the property of the debtor whose property was to be sold under execution. No property was to be sold "for less than two-thirds of the returned value of the inquest." If the property would not sell for at least two-thirds of its assessed value, there should be a stay of execution for one year. It is obvious that in a country where nearly all the people were debtors, it would be impossible to get "five respectable freeholders who would assess the property low enough that it would find a purchaser even at two-thirds its assessed value.

Congress also came to the relief of the debtors. In fact, relief acts of some kind had passed Congress nearly every year since lands were first put on sale in Indiana. In 1818, 1819, and 1820 relief acts were passed for the relief of debtors. By these acts, debtors whose lands were subject to forfeiture, were given an extension of credit for one year, if the holding did not exceed 640 acres. The final period, at the end of which forfeiture of land for non-payment should take place, was extended by the last of these acts, to March 31, 1821.<sup>85</sup>

All the factors mentioned by the various writers quoted possibly were instrumental in bringing this distressing condition upon the West in 1819. Lack of good money; extravagant living; excessive buying from the East; the drain of money from the West through the land offices; excessive speculations in lands and town property; bad and reckless banking; the restrictions placed by the United States Bank and by the Secretary of the Treasury on what money would be received at the branch banks and at the land offices. All these undoubtedly operated in bringing disaster to business and farming in the West. But one factor, though perhaps not so distinct, was really above all other causes, and yet related to them. The credit system had been abused. Banks and individuals would loan money without sufficient security, on investments that were not likely to pay

<sup>84</sup> Esarey, L., *Indiana Banking*, p. 234.

<sup>85</sup> Treat, P. J., *National Land System*.

dividends. The government would give four years' credit to land purchasers, and this unduly encouraged credit in all financial operations. As a result, the greater part of the people in the West were in debt, and could not meet their obligations, as the amount of acceptable money available became less and less. By December 31, 1820, the total indebtedness at the land offices in Indiana was \$2,214,168.63, which amounted to a per capita indebtedness of \$15 to the United States Government alone, in a population of 147,178.<sup>86</sup> This was a great indebtedness in a land where money was so scarce. Probably this indebtedness was not more than half of the entire indebtedness in the State.

Twenty years of the credit system in its operations on the public land sales had shown its incompetency. It had worked disastrously to the Western people. In 1820 Congress passed an act establishing a new system of land sales. Treat, in speaking of the act, said it "was the most important piece of land legislation since the Congress of the Confederation laid down the principle of the American land system in 1785." Credit was abolished, and the minimum price was reduced from \$2 to \$1.25 per acre. After July 1, 1820, cash must be paid for land, and land could be purchased in tracts as small as eighty acres.<sup>87</sup>

With credit on lands abolished, and speculation stopped of necessity, the country could only wait for better times. As David Brown, the new president of the Bank at Vincennes, wrote to the Secretary of the Treasury, April 5, 1821: "It will be a gradual work, and a steady perseverance will accomplish it."<sup>88</sup> The new land system helped in this, for it required that prospective purchasers should bring their money into the West with them. The General Land Office, too, arranged to deposit the money for the public land sales in the various State and private banks throughout the West, so that it might enlarge the amount of much-needed money.<sup>89</sup> The mania for selling town lots subsided, and men gave up their dreams of immediate wealth, for more sober considerations.<sup>90</sup> The West was beginning to recover from its awful delirium.

#### GROWTH OF INDIANA DURING THE DEPRESSION

By the beginning of 1819 the number of counties had been raised to thirty where five years before there had been only one-third as

<sup>86</sup> *American State Papers, Public Lands*, III, p. 561.

<sup>87</sup> Treat, P. J., *National Land System*.

<sup>88</sup> *State Papers*, 17 Cong. Sess. 17, Doc. 66, p. 54.

<sup>89</sup> *Ibid* Doc. 66.

<sup>90</sup> Thwaite, R. G., *Early Western Travels*, IX, p. 217.



many. During the next year, in spite of the depression, settlements and land sales continued, but less rapidly than before. Indiana had a bright outlook for expansion northward, and for the expansion of trade on the Ohio. The steamboat had just been improved so that it now became practicable on the western rivers. By 1818 there were thirty-one steamboats on the Mississippi and its tributaries, "in the full tide of success," and thirty more were being built.<sup>91</sup> Goods could be brought from New Orleans to Vincennes for \$4 per hundred, and from Pittsburg for \$1. On the other hand, produce could be shipped to New Orleans for \$1 per hundred and to Pittsburg for \$3. Because of this arrangement of freight rates most of the clothing and other necessities from the East were hauled to Pittsburg and shipped down the Ohio, and up its branches to the north. Sugar and coffee were obtained at New Orleans in exchange for corn, whiskey, flour, pork, and beef.<sup>92</sup> Before steamboats were introduced on these rivers, it was almost impossible to ship bulky goods up the Mississippi from New Orleans, or up the Ohio to Pittsburg. With this advantage numerous little towns along the Ohio and Wabash soon began to lift up their heads.

On the north, settlements had been encroaching upon the Indian country, and the Indians had expressed a desire to cede some lands.<sup>93</sup> In conformity with this desire, United States commissioners met the Indians in October, 1818, and obtained large cessions. The Delawares gave up all claim in the State, except that they retained the right to use their improvements for three years. They were to receive a home beyond the Mississippi. The Weas gave up all claims in Ohio, Indiana, and Illinois, except a tract about seven miles square on the Wabash, just above the mouth of Raccoon creek. The Miamis gave up all land south of the Wabash and Maumee, except some reservations, as follows: (1) adjoining the Wabash, from the mouth of Salamonie river west to the mouth of Eel river; south from the mouths of these rivers a distance equal to the distance between them. (2) Thorntown Reserve, ten miles square on Sugar Tree creek. (3) Four other reservations from two to ten miles square on the Wabash and Salamonie rivers; (4) and a great many small individual grants. The Pottawattomies gave up claim to all south of the Wabash, and to the strip north of the Wabash, bounded by that river, by the Vermillion; by the Tippecanoe, and by a line drawn practically parallel to the Wabash from two points on the

<sup>91</sup> David Thomas's, *Travels*, p. 61, 272.

<sup>92</sup> *Ibid.*, p. 193.

<sup>93</sup> *Nile's Register*, Feb. 8, 1817, p. 400.

other two rivers, the points being twenty-five miles up from the mouths of the rivers. With the exception of the Miami reserves, these treaties gave up to the whites all the central part of the State.<sup>94</sup> The treaties had not yet been ratified, when in the first part of 1819, the General Assembly organized two new counties on the border, Owen and Fayette.<sup>95</sup>

A decade had seen many changes in Indiana. It began with Tecumtha's conspiracy to prevent further advances of the whites. The hostilities which were thus precipitated lasted till the middle of 1814 on the eastern border, and till the end of 1815 on the Wabash. During this period continued migration to Indiana consolidated the territory in the older regions and increased population in 1814 and 1815 enabled the territory to become a State in 1816. As hostilities lessened, increased immigration, excessive speculation, reckless banking, and the credit system, began to affect the economic situation. These causes were stimulated in 1816 when Indiana became a State, and the middle Wabash region began to be peopled. The climax of these operations came in the form of the financial depression of 1819. There were in 1819 thirty counties, extensive farming lands, and many new towns, more or less prosperous. The settlements arranged themselves in the form of a crescent, with the tips in Randolph and Vigo counties, and the center at the capital, Corydon. The next decade was to see the filling in of the rich country between the two tips of the crescent, and the moving to the new capital at Indianapolis. With the cession of the Indians in 1818 of the central part of the State, settlers began rapidly to move toward the interior. Hardly had the treaties been signed when Jacob Whetzel cut the famous "Whetzel Trace" inland from Brookville to the White river, below the future site of Indianapolis.<sup>96</sup> In 1820 Indianapolis was located,<sup>97</sup> and five years later the General Assembly met for the first time in the new capital. Settlers pushed up the branches of the Wabash, and overland bound for the heart of the land. A new commonwealth was coming into its prime where only a few years before had been nothing but wilderness, savage beasts, and Indiana.

<sup>94</sup> *United States Statutes*, VII, p. 185 ff.

<sup>95</sup> *Laws of Indiana*, 1818-1819, p. 11.

<sup>96</sup> Banta, D. D., *Johnson County*, (1881), p. 9 ff.

<sup>97</sup> See "Tipton's Journal" on locating capital, *Indiana Magazine of History*, I, pp. 9-15; pp. 74-79.

In 1784, Philip Freneau, prophetic of what was to be, penned the following stanzas:

"To western woods and lonely plains,  
Palamon from the crowd departs,  
Where Nature's wildest genius reigns,  
What wonders there shall Freedom show,  
What mighty States successive grow!

\* \* \*

What charming scenes attract the eye  
On wild Ohio's savage stream!

\* \* \*

From these fair plains, these rural seats,  
So long concealed, so lately known,  
The unsocial Indian afar retreats,  
To make some other clime his own,  
Whither other streams, less pleasing, flow,  
And darker forests round him grow."