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A BIOGRAPHY OF ALEXANDER MITCHELL

1817 - 1887

by

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CHAPTER I

A Young Scot in Wisconsin

1839 - 1849

On the marble floor of the exchange in Milwaukee bustling speculators, merchants and industrialists scrambled to get a look at the latest stock quotations from New York. Other groups of men stood around discussing the latest variations in stocks. All spoke respectfully to the immaculately groomed old man who barely noticed their greetings. One of them attempted to talk to him, but the old man deliberately strode away leaving his listener bewildered.

Alexander Mitchell, the Hon. Alexander Mitchell, had grown testy as he had grown older. Former congressman and manipulator of people and companies, Mitchell, the Northwest's richest man, rude as he was, commanded great respect in his native Milwaukee even as he did in far off New York City. Rumor had it--it was the year 1883--that he had lost a great deal of money in an attempt to corner the grain market. Testily the short heavy-set Scotchman answered his second questioner and then abruptly turned away. Alexander Mitchell was tired--tired of being nice

to people--of signing his letters "Respectfully yours" and of observing all the niceties of civilization.¹

He relaxed only among old friends like Hans Crocker and Daniel Wells, Jr. Like him his greying associates had been active in developing the industrial and commercial activity of Milwaukee. All had seen it grow from a swampy little village on the shores of Lake Michigan to a bustling metropolis of the Northwest. Alexander Mitchell, the millionaire expert on finance and railroading, was in sharp contrast to the ruddy cheeked young man who, standing on the decks of a lake steamer in May, 1839, first saw the few buildings which comprised the village of Milwaukee.

Milwaukee was then a village of some two or three hundred small buildings set along the lake shore and the bank of the Milwaukee river. Swampy lands bordered the village of some 1500 inhabitants which still showed the effects of the depression of 1837. Nevertheless men of enterprise and vision foresaw a great future for Milwaukee

¹James S. Buck, Pioneer History of Milwaukee, from 1833 to 1846, Inclusive. (Milwaukee, 1886), II, 242; Milwaukee Sentinel, April 20, 1887; Bayrd Still, Milwaukee, The History of a City. (Madison, 1948), 327.

and the Wisconsin territory.²

Some of these men were foreigners like George Smith, a young Scotchman, whose coming to America in the early 1830's eventually greatly influenced Mitchell's career in the new world. Smith was born in the year 1809 in the parish of Old Deer, Scotland. He attended the parish schools at Stricken and prepared for college at a private school at Udney. Later Smith entered King's College, Aberdeen, where he remained for two years with the intention of studying medicine. But the strain of constant study upon his weak eyes caused him to leave school. He rented a farm in the parish of Turriff which he managed with success for nearly three years. In 1833, hearing that a friend intended to go to Canada, Smith decided to accompany him and make a tour of America. Arriving in New York in the same year, Smith made his way west to Buffalo. After spending the winter of 1833-34 in Buffalo the young Scotchman traveled to the small village of Chicago, whose future possibilities greatly impressed him. Enthused by the prospects of reaping a rich harvest on investments in lands in the Chicago area, Smith wrote home

²Milwaukee Sentinel, April 21, 1887; Milwaukee Journal, January 27, 1927; Milwaukee Advertiser, July 24, 1836; Family Diary and Record Book of Edward H. Holton, December 25, 1845, p. 5.

to his friend and legal adviser, Alexander Anderson, to sublet his farm and to convert his goods and chattels into cash. The resulting small fortune of 3000 pounds enabled Smith to invest in a considerable amount of land in Chicago and in the equally small but promising village of Milwaukee.³

Between 1834 and 1836 the price of land rose rapidly. In 1836, Smith, sensing that the good times could not last forever, sold all the land he held for one quarter cash, taking notes for the balance. He returned to Scotland in the same year, thinking he had made a fortune.

Smith's great financial success in America amazed his friends and neighbors and they sought to imitate his example. Alexander Anderson with the help of Patrick Strachan, a neighbor of Smith's, and of William D. Scott, a young business man, formed the Scottish-Illinois Investment Co. with a capital of 60,000 pounds.

³H. W. "Early Banking in the Mississippi Valley" in Money. From the Middle-West Advocate (Rock Island, Illinois), June, 1906, 19-20; A. T. Andreas, History of Chicago, From the Earliest Period to the Present Time (Chicago, 1884), II, 616; John Jay Knox, A History of Banking in the United States. (New York, 1900), 740.

⁴Andreas, History of Chicago, II, 616-617.

Meanwhile the depression of 1837 hit the Northwest and Smith found himself obliged to return to Chicago to take over all the land he had sold. Smith worked closely with Strachon and Scott who came to America to set up an office in Chicago for the Scottish-Illinois Investment Co. The Scottish bankers and speculators loaned money on real estate and transacted a sort of banking business.⁵

An ambitious and farsighted man, Smith soon became aware of the tremendous profits that could be made in banking in the Wisconsin-Illinois area. In the late 1830's the population of both Wisconsin and Illinois showed a great increase. In the period 1836-1840 Wisconsin alone increased its population 150 per cent. The rapidly expanding population had need for a currency of some sort. However, since the settlers in the Wisconsin Territory opposed the chartering of banks, the Territorial Council refused to authorize charters for banks of issue. Undeterred by this fact Smith went ahead with his plans to become a banker. Impressed by the success of the Chicago Marine and Fire Insurance Company, which had been chartered by the Illinois legislature in 1836-37, the canny Scotchman decided to copy its charter. The charter of the Chicago

⁵Andreas, History of Chicago, II, 617.

Marine and Fire Insurance Company prohibited the company from doing a banking business but authorized it to receive money on deposit. This situation led to the issuing of certificates of deposit in denominations similar to bank bills, which, owing to the credit of the company, passed freely from hand to hand as money. In like manner Smith saw that he could establish a bank in Wisconsin under the pretense of establishing an insurance company.⁶

Smith turned to his young friend in Milwaukee, Daniel Wells, Jr., to aid him in his projected enterprise. Wells, who was born in Maine, came to Milwaukee in May, 1836. Like Smith he engaged in land speculating activities there and the two soon became business associates. Elected to the territorial legislature in 1838, Wells, as a member of the council, was in an excellent position to render assistance to Smith. On January 25, 1839, Wells introduced into the council the bill to give a charter to the Wisconsin Marine and Fire Insurance Company. With the assistance of a colleague, William A. Prentiss, also of Milwaukee,

⁶Knox, History of Banking, 740. During the period 1840-1850 the population of Wisconsin expanded at an even greater rate, increasing from less than 31,000 to over 300,000 an increase of over 885 per cent. James D. Butler, "Alexander Mitchell, the Financier" in Collections of the Historical Society of Wisconsin (Madison, 1888), XI, 441; Knox, History of Banking, 740, 726.

Wells succeeded in getting his bill passed. On February 28, 1839 Governor Dodge signed the bill.⁷

The act authorized the Wisconsin Marine and Fire Insurance Company to insure for all kinds of insurance and to receive deposits and loan money at legal rates of interest. However, the charter also stated that nothing in it should give the company banking privileges. Smith disregarded the latter clause as he felt that specific authority to receive deposits carried with it the authorization to issue certificates of deposit. Within a short time Smith began organizing the Wisconsin Marine and Fire Insurance Company.

Smith arranged to have stock in the Wisconsin Marine and Fire Insurance Company sold at the office of H. N. Wells and Hans Crocker, his Milwaukee attorneys. On Monday and Tuesday, May the 6th and 7th, the insurance company offered its stock to the public. The public had little faith in the enterprise, however, and bought only a few

⁷The National Cyclopaedia of American Biography, Being the History of the United States, as Illustrated in the Lives of the Founders, Builders and Defenders..... (New York, 1907), XI, 536; Bayrd Still, Milwaukee, The History of a City (Madison, 1948), 58. Journal of the Council, 2 Assembly, 2 session (1838-39), 18; Milwaukee Sentinel, April 23, 1887; Journal of the House of Representatives, 2 Assembly, 2 session, (1838-39), 161.

shares. Crocker and Daniel Wells, Jr. both subscribed to shares of stock but Smith, holding 4000 of the 4052 shares sold, kept control of the company in his hands.⁸

On Tuesday evening, May 7, Smith called a meeting of the stockholders and by virtue of his vast holdings in the company elected his own board of directors. Crocker, Patrick Strachan and Wm. D. Scott, Smith's Scottish business associates, William Brown, a former employee of the American Fur Company, and Smith comprised the board of directors. The Board of Directors elected Smith president of the concern.

As well as being president of the Wisconsin Marine and Fire Insurance Company, Smith was also an advisory director of the Scottish-Illinois Land Company. The firm of Strachan & Scott had been established in Chicago to manage and direct the affairs of the land company. Smith worked closely with the firm in their land speculating activities. Because of his interest in the firm and his own large holdings of land in the Chicago area, he decided to locate there.⁹

⁸Knox, History of Banking, 740-741; Wisconsin Marine and Fire Insurance Company Papers, 1839-53, in the Library of the State Historical Society of Wisconsin.

⁹Wisconsin Marine and Fire Insurance Company Papers; James S. Buck, Pioneer History of Milwaukee, I, 244; Andreas; History of Chicago, I, 532.

England to Aberdeenshire about the middle of the Seventeenth Century. Alexander's father, John Mitchell, an industrious and prosperous farmer, owned a farm about 12 miles from Aberdeen called Mill Fortrie. Well liked in his community and with some knowledge of the common law, John Mitchell served as a kind of legal adviser for the whole district, as well as an arbitrator of neighborhood disputes. Alexander's mother, whose maiden name was Margaret Lendrum, was a lady of pure Scottish descent. She died a few years after Alexander's birth and he grew up on his father's farm under the care of his eldest sister. Young Mitchell received his elementary education at the parish schools where he also gained a knowledge of higher mathematics.¹¹

Soon after Alexander reached his middle teens he began the study of law in the legal firm of Adams and Anderson at Aberdeen. Although he eventually gave up the study of law after nearly two years of work, it was there that he became acquainted with George Smith, the man who so

¹¹Ellis Baker Usher, Wisconsin, Its Story and Biography, 1848-1813 (New York, 1914) VII, 2013; Alexander Mitchell, Reception and Banquet, Proceedings and Speeches at the Reception and Banquet in Honor of Alexander Mitchell on his return to Milwaukee from a visit to Scotland (Milwaukee, 1884), 5; Milwaukee Sentinel April 20, 1887.

greatly influenced the course of his life. Mitchell worked for a while as a clerk in a bank at Peterhead, a town several miles north of Aberdeen. In 1839 the Aberdeen legal firm, Adams and Anderson, recommended him for a position in America.

On May 28, 1839 Alexander Mitchell landed in Milwaukee from a lake steamer. Although less than twenty-two years of age, the young Scotchman had been entrusted with a safe containing \$50,000 which he delivered to Smith. The arrival of the manager and the cash necessary for the business gave added impetus to the Wisconsin Marine and Fire Insurance Company. On June 8, 1839 Smith envoked a meeting of the stockholders of the company at Milwaukee House and called for election of a new board of directors. Mitchell and two other Scotchmen, William Smith and Thomas Webster, replaced Hans Crocker, William Brown and William Scott as members of the Board.¹²

Smith remained as president and had Mitchell elected secretary of the concern at a salary of \$1100 a year. Although Smith wrote Daniel Wells, Jr. that he was "half inclined to build a respectable office at once", he eventually

¹²Alexander Mitchell, Reception and Banquet, 5; Buck, Pioneer History of Milwaukee, II, 317; Wisconsin Marine and Fire Insurance Company, 1839-53 Papers.

decided a simple frame building owned by Wells would be suitable. Mitchell outfitted the modest office at a cost of \$280.44. As he was the sole employee of the Wisconsin Marine and Fire Insurance Company in Milwaukee, the young Scotchman had to sweep his own office.¹³

On July 20, 1839 Mitchell duly notified the stockholders by advertisement that they owed an installment of \$10.00 on each share of stock, the payment being due on or before August 1, 1839. On August 10, 1839 Daniel H. Richards, editor and publisher of the Milwaukee Advertiser, informed his subscribers that the Wisconsin Marine and Fire Insurance Company had opened for business. The editor assured his readers that the "high character and abundant capital possessed by the gentlemen of the company" gave every indication that there would be perfect safety to those who availed themselves of the advantages offered by the company.

Mitchell boarded with the Wells family and through them gained much knowledge of Milwaukee and the surround-

¹³ Wisconsin Marine and Fire Insurance Company, 1839-53 Papers; George Smith to Daniel Wells Jr., July 16, 1839 in the Daniel Wells Jr. Papers in the Milwaukee County Historical Museum; Russel H. Austin, The Milwaukee Story, the Making of an American City (Milwaukee, 1946), 88; Butler, Collections, II, 435, Milwaukee Journal, January 27, 1927.

ing territory. Mitchell was a quiet, shy person and this characteristic plus his uncommon dress--he wore a long dress coat and pantaloons of Scotch plaid--made him the theme of many a jest during his first few months in Milwaukee. Mitchell's youth and quiet reserve caused some Milwaukeans to believe that they could get the better of him in a business deal. But Mitchell's fellow Scotchmen had not picked him for his job because he was a bumpkin. He soon acquired a reputation for being a shrewd business man. Even the Territorial Legislature of Wisconsin, despite the animosity of many of its members towards Mitchell and the insurance company, borrowed funds from the young Scotchman's concern. As early as 1841, the territory owed the insurance company more than \$16,000.¹⁴

Milwaukee, in 1839, had a population of more than 1500 people. Situated on the Milwaukee River and Milwaukee Bay it competed vigorously for trade with its neighbor, Chicago, some 90 miles to the south. Oak, walnut and maple trees grew on the high ground in and around the town. Close to the river and near its mouth the land was low and swampy. Milwaukeans often harvested a rich crop

¹⁴Milwaukee Advertiser, July 20, 1839; Ibid, August 10, 1839. Milwaukee Journal, January 27, 1927; Butler, Collections, XI, 444.

of fish from the swamps. In the spring the fish crowded so closely in the water on the grassy swamplands that a wagon load could be shot and collected in a few minutes. Duck hunting too was excellent in the swamplands and Mitchell spent many an afternoon there. Enterprising men like Solomon Juneau and Morgan Martin filled the swamps to provide choice building lots in the rapidly growing western village.

In 1840, despite the low price of land due to the panic of 1837, a revival in business became evident. Money was plentiful as immigrants from Germany, Norway and Sweden passed through Milwaukee bringing with them much silver. Although Mitchell had little capital when he came to Milwaukee he, along with other shrewd capitalists, purchased lots at \$100 each which had previously sold for \$1000 and \$1500. One lot which he bought for \$600 in 1840, he sold less than a year later for \$850.00. Smith had great trust in Mitchell and in December 1840 gave him a power of attorney to sell and buy lots for him.¹⁵

¹⁵Buck, Pioneer History of Milwaukee, 78-80; Austin, The Milwaukee Story, 88; Buck, History of Milwaukee, I, 182; Alexander F. Pratt, "Reminiscences of Wisconsin" in Collections of the State Historical Society of Wisconsin. (Madison, 18--), I, 133; Land Deed Book "H", (March 3, 1841 to January 19, 1842) in Milwaukee County Court House.

Mitchell was a Milwaukee resident for only a short time when he had something other than land on his mind. In the summer of 1839 he saw a young lady from Vermont, Martha Reed, ride by on a side saddle. Mitchell became greatly attracted to the young horsewoman, whom he considered the most skilled and graceful equestrianne he had ever seen. Martha Reed was the daughter of Seth Reed, a native of Vermont, who had come to Milwaukee in 1837. Her brother, Harrison Reed, was editor and publisher of the Milwaukee Sentinel. Martha was a highly cultured young woman, having studied at the famous Emma Willard School at Troy, New Hampshire. Mitchell successfully pursued his romance with Miss Reed and on October 6, 1841 the Reverend M. Aiken married the young couple at Cleveland, Ohio.

When he left for Cleveland in October Mitchell left the office of the Wisconsin Marine and Fire Insurance Company in charge of David Ferguson, a native of Aberdeenshire, Scotland who had come to Milwaukee in 1840 to serve as a clerk for the company. Four years younger than Mitchell, he proved to be a faithful and hard working employee.¹⁶

¹⁶Austin, The Milwaukee Story, 91; Frank A. Markel, In Memoriam, John Lendrum Mitchell, (Milwaukee, 1906), 461; Frank A. Flower, History of Milwaukee, Wisconsin from... (Chicago, 1881) 94-95; Milwaukee Sentinel; October 23, 1841; Buck, Pioneer History of Milwaukee, II, 98.

On March 1, 1840 the total circulation of the Wisconsin Marine and Fire Insurance Company was only \$7145.00. By the end of the year, however, its circulation had climbed to over \$20,000. In addition to providing currency for the Northwest the company, under Mitchell's management, assisted colonists to take up government land. The company would purchase the farms for newcomers under an agreement by which the land would be deeded to the farmer at the end of four years. Farmers in southwestern Wisconsin and northern Illinois, though paying an interest rate of nearly 13 per cent on their loans, benefited greatly from the service offered by the insurance company. They showed their gratitude to the company by supporting it during its many years of troubles with the legislature at Madison.

The company also issued marine and fire insurance policies. The fire insurance business, however, was the least profitable line of the company's business. For a three and a half year period, from December 1839 to June 1843, the company gained a profit of less than \$300.00 although it insured \$370,000 worth of property during that time. Numerous fires in Milwaukee made the fire insurance business a poor one. One large fire in April 1845, which destroyed two blocks of Milwaukee downtown district, caused the Wisconsin Marine and Fire Insurance Company to

pay out damages amounting to \$4000. So dangerous had the fire danger become that Mitchell joined with representatives of other fire insurance companies in issuing a notice to all persons to whom they had issued policies that their companies could not be held liable to pay losses by fire in buildings where the persons occupying them took up their ashes in wooden pails or boxes or kept them in such pails within 4 rods distance of the building.¹⁷

The marine insurance business of the company fluctuated greatly. In December 1842, Mitchell insured \$259,500 worth of goods and property while six months later the amount of insurance carried by the company amounted to \$5,500. Flour, grain, pork and barley were the main goods insured by the company. Altogether the profits from marine and fire insurance policies were slight.

The primary function of the Wisconsin Marine and Fire Insurance Company was to issue notes of deposit to

¹⁷Wisconsin Marine and Fire Insurance Company Papers; Leon and Bayliss Krueger, History of Commercial Banking in Wisconsin (Madison, 1933), 53; Journal of the House of Representatives, 4 Assembly, 2 session, (1843), 18; Buck, Pioneer History of Milwaukee, II, 236; Milwaukee Sentinel, January 19, 1846.

the currency starved Northwest. In 1839 George Smith started a banking house in Chicago under the firm name of George Smith & Company. In 1840 when Strachan & Scott moved to New York, after having sold out their land business to Smith, the firm of George Smith & Co. became the Chicago outlet for the Wisconsin Marine and Fire Insurance Company. Smith used all the power and prestige his money and business skill commanded to circulate the insurance company's notes in the Chicago area and elsewhere. Strachan & Scott agreed to receive them in New York and in Chicago the Scottish banking firm of Murray & Brand agreed to pay out specie to customers who presented the notes. Canal contractors like George Barnet, George Armour, Robert Milne and George Hale, all fellow Scotchmen who banked with George Smith & Company took the certificates and paid them to their workmen. In this manner and also by securing the written endorsement of Strachan & Scott and of George Barnet, Smith got the notes of the Wisconsin Marine and Fire Insurance Company accepted as currency in the Chicago area.¹⁸

¹⁸Journal of the House of Representatives, 4 Assembly, 2 session, (1843), 18; Wisconsin Marine and Fire Insurance Company Papers; Knox, History of Banking, 727. It is probable that the firm of Strachan & Scott acted as the New York redeeming house for the Wisconsin Marine and Fire Insurance Company. Andreas, History of Chicago, II, 617.

Meanwhile Mitchell had troubles in Wisconsin. Still a territory and lately populated by people who had little faith in banks, Wisconsinites were none too friendly toward the sight of the insurance company certificates circulating in the territory. The editor of the Miners Free Press noted:--"There are we perceive, some straggling notes of the Milwaukee Marine and Fire Insurance Company in circulation in this part of the Territory...". The editor warned his readers that to assist in circulating the notes would only be to indirectly aid in swindling the community. Like many other editors of newspapers outside of Milwaukee the editor of the Miners Free Press, as if to emphasize its local nature, spoke of the company as the Milwaukee Marine and Fire Insurance Company.¹⁹

Papers outside of Wisconsin also warned their subscribers against accepting the notes of the Wisconsin Marine and Fire Insurance Company. In Mississippi editors constrained their readers not to receive the notes of the company. In St. Louis and Galena, Illinois rival bankers made efforts to discredit the currency of the institution. The success of the Wisconsin Marine and Fire Insurance Company inspired other individuals to adopt names for

¹⁹Miners Free Press, April 14, 1840.

their own companies such as the Grant County Wisconsin Marine and Fire Insurance Company and the Mississippi Marine and Fire Insurance Company. The location of both of these institutions was in Sinipee, a small town located in the extreme southwest of Wisconsin. In 1849, in Buffalo, counterfeit issues of the Wisconsin Marine and Fire Insurance Company's currency came to light. Fortunately the police nabbed the culprit before he succeeded in disposing of a large number of the counterfeit notes.²⁰

Meanwhile Milwaukee had grown at a rapid rate. In 1838 the village had only 700 persons, but by 1846 the community had expanded into a town of nearly 10,000 people. The circulation of the Wisconsin Marine & Fire Insurance Co. certificates kept pace with the rapidly growing population of Milwaukee and other cities of the west. By the end of 1843 the rate of circulation had reached \$100,000 and by 1845 it had soared to nearly \$250,000. The certificates issued by the company bore a likeness to bank notes. They had engraved on the left an Indian and on the right a female figure pointing to a shield. Made of silk paper and engraved by Durand & Co. of New York, the certificates became a familiar sight

²⁰ Milwaukee Courier, November 9, 1842; Milwaukee Sentinel, November 23, 1842; Ibid, July 27, 1844; Ibid, December 13, 1845; Ibid, July 23, 1849.

to the people of Wisconsin and the surrounding states and territories in the 1840's and the early 1850's.²¹

In November of 1849 the Wisconsin Marine & Fire Insurance Company had its most noted run. Smith ordered his Chicago bank, George Smith & Co., closed in observance of the Thanksgiving holiday. Other Chicago banks did not close that day. Rival bankers took advantage of the resulting confusion to spread the rumor that "George Smith's bank had closed". Immediately brokers rushed to Milwaukee to demand redemption of their Wisconsin Marine & Fire Insurance Co. certificates of deposit in coin. Mitchell notified Smith who sent a shipment of gold to Milwaukee to save the concern. The insurance company paid off its notes to all who demanded it and the run soon stopped.

Bank runs, newspaper editorials, imitators and counterfeiters were little more than an annoyance to Mitchell. By far a more potent and dangerous opposition to the insurance company he managed was that which originated in the territorial legislature. Opponents of banking and jealous rivals of the company sought to restrict its activities and indeed revoke its charter through legis-

²¹Still, Milwaukee, 26; Knox, History of Banking, 742; Alexander Mitchell, Reception and Banquet, 27, 19.

lation. For nearly twelve years Mitchell had to journey to Madison at every session of the Territorial and later of the State legislature to defend his company's interests.²²

²²Knox, History of Banking, 742; Reubin Gold Thwaites, The Story of Wisconsin (The Story of the States Series). (Boston, 1890), 220.

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²²Knox, History of Banking, 742; Reubin Gold Thwaites, The Story of Wisconsin (The Story of the States Series). (Boston, 1890), 220.

CHAPTER II

The "Bank War"

1840 - 1852

The Wisconsin Marine and Fire Insurance Company had only been in operation for little more than a year when the legislature of the territory took up consideration of its mode of conduct. On December 10, 1840 the legislature instructed the Committee on Corporations to inquire into the expediency of memorializing Congress, asking that body to disapprove of the act of the legislature incorporating the Wisconsin Marine and Fire Insurance Company. On Thursday February 18, 1841, the committee, headed by Edward Whiton of Rock and Walworth Counties reported unfavorably on the resolution. In a few months the legislature again discussed the activities of the Wisconsin Marine and Fire Insurance Company. On December 15, 1841 Mr. J. Upham of Milwaukee County introduced into the Council a resolution that the President and Secretary of the Wisconsin Marine and Fire Insurance Company be requested to furnish the Council with a report on the various activities of the company. On January 10, 1842, Mitchell replied to the resolution and presented the Council with a statement

of the assets and liabilities of the company. Mitchell said his company was happy to present to the legislature a full statement of its affairs which would put an end to the unfounded charges that had been put in circulation against it.¹

Meanwhile rival groups had been busy in Milwaukee getting up petitions condemning the insurance company. Hans Crocker, writing to J. H. Tenny, his law partner, stated that he had signed a remonstrance against the company though he knew that it was a great convenience to Milwaukee. Crocker favored an examination of the company saying, "if anything is wrong, let it go down...". On January 10, 1842, Moses Strong, the representative of Iowa County, presented the petition of 125 citizens of the town of Milwaukee asking the legislature to repeal the charter of the Wisconsin Marine and Fire Insurance Company. Mr. Upham of Milwaukee County immediately presented a remonstrance of citizens of Milwaukee against the repeal prayed for by the petition. Upham explained

¹ Moses M. Strong, History of the Territory of Wisconsin, from 1836 to 1848, preceded by an Account of Some Events Previous to the Year 1836 (Madison, 1885), 314; Journal of the House, 3 Assembly, 1 session, (1840-1841), 302; Journal of the Council, 3 Assembly, 1 session, (1840-1841), 61, 542.

that he had recently been among the citizens of his county and he knew that the petition presented by Mr. Strong did not represent their wishes.²

Papers throughout the state and even outside of the state took sides in the controversy as it gained heat throughout the Forties. On November 9, 1842 Elisha Starr, editor of the Milwaukee Sentinel, replying to stories in the St. Louis papers reflecting upon the integrity of the Wisconsin Marine and Fire Insurance Company editorialized, "all we have to say is that the company keep the money in better credit than [do] Missouri [banks]."³

On April 6, 1843, the opponents of the company in the Assembly attempted to introduce a bill to repeal the charter of the company but the representatives from Milwaukee combined with other friends of the insurance company to kill the measure. On April 17, 1843, however, its enemies pushed through a resolution which called for a complete examination of the financial condition of the company and of its business policies.⁴

²Hans Crocker to J. H. Tweedy, December 27, 1841 in J. H. Tweedy Papers in the Library of the State Historical Society of Wisconsin; Milwaukee Sentinel, January 22, 1842.

³Milwaukee Sentinel, November 9, 1842.

⁴Journal of the House, 4 Assembly, 1 session, (1842-1843), 304, 430; Journal of the House, 4 Assembly, 2 session, (1843), appendix 26.

The joint committee appointed to conduct the investigation of the Wisconsin Marine and Fire Insurance Company included Mason C. Darling, representing the Assembly, and Edward Whiton, of the Council. Prior to June 15, 1843, the date agreed on for the investigation to begin, Whiton, the lawyer member of the delegation, notified his partner that he would be unable to aid in the inquiry because of ill health. Thereupon Darling asked Mitchell for permission to bring a lawyer with him. Mitchell politely declined his request as he did "... not feel authorized to consent to any legal gentleman's taking part in the investigation, who has not been appointed for that purpose by the legislature". Undeterred Darling presented Mitchell with a series of questions which he answered in writing.⁵

On December 15, 1843, in his report to the legislature, Darling, citing the forms and fabric of the bills issued by the insurance company and the method by which they attained circulation, stated that he could arrive at no other conclusion than that the company designed the certificates of deposit to circulate at large as money in violation of its charter. Acknowledging that the men in charge of the insurance company's interests were men of

⁵Journal of the House, 4 Assembly, 2 session, (1843), appendix 15, 27.

character and shrewdness, Darling pointed to the fact that the majority of the company's stock was in the hands of foreigners who might at any time appoint other officers of less character to run the insurance company's activities. On motion of Mr. John T. Troubridge of Racine County the assembly ordered 1000 copies of the report printed.⁶

The appearance of Darling's report brought a divergent comment from editors of newspapers throughout the territory. The editor of the Milwaukee Sentinel stated that "we must not make up our minds on the matter till we see a report from the minority". The editor of the Wisconsin Democrat on the other hand thought that Darling's report showed most conclusively that "the company has been suffered by the supineness of the people and the legislature to do as they please, and that all the security which the people have from loss, is the mere promise of some three or four strangers".⁷

Darling's recommendation that the charter of the Wisconsin Marine and Fire Insurance Company be repealed

⁶Journal of the House, 4 Assembly, 2 session, (1843), appendix 20-24, 107.

⁷Milwaukee Sentinel, December 23, 1843; Madison Wisconsin Democrat, December, 28, 1843.

brought an immediate reply from Mitchell. Hastening to Madison, he arrived there on Saturday, December 16, 1843 and immediately began a personal investigation of the situation. On December 21, 1843 he addressed a communication to the legislature declaring that by its actions that body had "tended to embarrass the company in its operations and create unnecessary claims in the minds of people at a distance". Stating that the company would agree to have its charter modified so as to "give the most ample and satisfactory security for the payment of all its debts...", Mitchell presented five suggestions for revising the company's charter. In addition, citing the press of business in Milwaukee, he asked that the legislature defer action on the resolution to revoke the charter of the company till January 6, 1844 at which date he intended to return to Madison.⁸

Mitchell's communication caused sharp comment in the Assembly. Mr. A. G. Ellis objected to postponing consideration of the Wisconsin Marine and Fire Insurance Company until January 6, 1844 as there was no assurance Mitchell would be present at that time. Moreover the

⁸Journal of the House, 4 Assembly, 2 session, (1843-1844), appendix 51-52.

session would not continue for more than thirty or forty days. In regard to Mitchell's proposals for modifying the charter, Ellis regarded them as "but a repetition of the old-tricks and resorts of bank managers to perpetuate their privileges and deceptions by the aid of legislative bodies". Mr. Darling objected that Mitchell's message reflected upon the committee. Calling attention to Mitchell's error in interpreting the committee's report as a recommendation for an unconditional repeal of the insurance company's charter, Darling stated that the committee suggested repeal or a modification of the company's charter. Despite these objections the assembly agreed to defer consideration of the Wisconsin Marine and Fire Insurance Company until Mitchell's return from Milwaukee.⁹

After a conference with Smith and the attorneys for the insurance company, Mitchell returned to Madison. On January 8, 1844 in a communication to the legislature, Mitchell called attention to the service the company had rendered to the territory. Citing the fact that men of wealth, of Great Britain and the United States, with a view wholly to a safe and permanent investment had invested nearly \$250,000, relying and confiding in a

⁹Wisconsin Democrat, December 28, 1843.

contract believed to be irrevocable, Mitchell stated that company shunned all speculations and extra-ordinary hazards. Furthermore asserted Mitchell the company could not "conceive that the legislature [could] determine its rights, while acting in the three-fold capacity of a party interested, a jury and a court". Continued Mitchell, "the company as it believes relies only upon its plainest rights, in insisting that the question of the violation or forfeiture of a charter can only be determined by a competent legal tribunal".¹⁰

On Tuesday, January 9, 1844 the assembly replied to Mitchell's letter by referring to the committee on corporations certain resolutions which would have prohibited the company from issuing any evidences of debt. The committee in a letter to Mitchell on January 11 proposed that he answer certain questions concerning the insurance company in writing. Wearily Mitchell objected to what he called the "ex parte character" of the investigation and invited the committee "... to submit to the courts of the country the investigation of the various matters embraced in its interrogatories". Nevertheless he replied to their questions. On the all important question of whether the

¹⁰Journal of the House, 4 Assembly, 2 session, (1843-1844), appendix 130-134.

company designed its certificates of deposits to act as currency he blandly replied, "I can only say that certificates are issued in form and size to suit applicants, and that the company does not conceive itself responsible for the use they make of these certificates". The wily Scotchman admitted that, of course, he had "seen, as others no doubt have, the certificates passing in the community".¹¹

As the legislative members verbally dueled with Mitchell, the editor of the Milwaukee Sentinel praised him saying, "the capacity and integrity of the officers never have been questioned. Confidence is the main thing in a business community, and this the people have". Confidence in the company was a debatable issue in the assembly. On January 17, 1844 the majority members of the committee on corporations made its report to the Assembly. Though stating that a court of law was the proper place to determine whether or not the company had violated its charter, the majority of the committee added that they were "not satisfied that it would at this time be expedient to commence any new territorial suits". All three men came from counties where Mitchell's company was an important business asset. The minority members of the

¹¹Journal of the House, 4 Assembly, 2 session, (1843-1844), 83, appendix 125-128.

committee bluntly accused Mitchell and other company officers of violating the company's charter by an "... almost entire departure from the business for which it was constituted, to wit, Insurance; and entering almost exclusively upon that of dealing in exchanges, and furnishing a paper circulation". As evidence the minority members pointed to the fact that the company's deposits were "next to nothing, while its evidences of debts and liabilities are very great". Continued the report, "That in place of being a benefit to the public, as Mr. Mitchell avers; it is the reverse...". An attempt to curb the activities of the company again failed as its friends succeeded in defeating a resolution authorizing Congress to restrict the corporation.¹²

As usual the debates in the legislature echoed in newspaper editorials throughout Wisconsin. The editor of the Milwaukee Sentinel observing that the legislature refused to repeal the insurance company's charter could lead one to "judge their business has been legal". The editors of the Wisconsin Democrat sadly lamented that through a division in the Democrats in the legislature

¹²Milwaukee Sentinel, January 13, 1844; Journal of the House, 4 Assembly, 2 session, (1843-1844), appendix, 109-126. Ibid, 318-319.

"the unlawful and impudent proceedings of the company are to be countenanced for another year".¹³

Other papers--"loco foco papers"--sneered the Milwaukee Sentinel kept digging away at the Wisconsin Marine and Fire Insurance Company. The editor of the Milwaukee Sentinel was kept busy defending the company against "false and malicious statements" that some of the papers in the territory repeated from time to time. One that particularly irritated the editor of the Milwaukee Sentinel was that which credited the insurance company with having a million dollars in circulation. They have less than \$80,000 in circulation he wrote, and added "the money in Milwaukee is better than New York funds...".¹⁴

Mitchell had not been idle in considering new ways to relieve the pressure on the insurance company. He was not sure that tact, persuasive talk and an occasional basket of champagne would always protect his concern. After the legislature adjourned in the spring of 1844, Mitchell decided to try a new tactic. On November 30, 1836, an act had passed the legislature incorporating the

¹³Milwaukee Sentinel, February 3, 1844; Wisconsin Democrat, February 15, 1844.

¹⁴Milwaukee Sentinel, March 9, 1844; Ibid, February 24, 1844.

Bank of Milwaukee. Mismanagement and the slack in business due to the depression of 1837 brought the bank to ruin and eventual public disfavor. On March 11, 1839 the legislature passed an act repealing the charter. In the coming years the stock came into the hands or became subject to the control of Joseph and Lyndsey Ward. Mitchell, after conferring with his lawyer, J. E. Arnold, made a contract with the Ward brothers. The contract provided that if the validity of the charter of the Bank of Milwaukee should be established beyond a question either by the courts or legislature, the Ward brothers would convey to Mitchell all their stock and control of the bank. Failing to get the Attorney General to agree to all the facts concerning the repeal of the charter of the Bank of Milwaukee so that the question could be put to the State Supreme Court for adjudication, Mitchell had to turn to legislative means.¹⁵

On Friday, January 14, 1845 James Kneeland, the representative of Washington and Milwaukee counties, offered

¹⁵Buck, Pioneer History of Milwaukee, II, 254; Report of the Committee on Incorporations to whom was referred a Memorial from the President, Directors and Company of the Bank of Milwaukee, 1-4; Journal of the House, 4 Assembly, 3 session, (1845), 352-354.

to the council a resolution declaring that the legislature had transcended its just power in passing the act of March 11, 1839 which repealed the charter of the Bank of Milwaukee. Within a few weeks Kneeland presented petitions from Solomon Juneau, J. H. Tweedy and 63 other citizens of Milwaukee remonstrating against any legislative interference with the Wisconsin Marine and Fire Insurance Company and praying for the revival of the Bank of Milwaukee. Kneeland also presented a similar petition from the town of Delafield signed by 19 of its citizens as well as others from Watertown and Milwaukee. The former president and the former board of directors of the Bank of Milwaukee added their plea for the reestablishment of the Bank of Milwaukee. The editor of the Milwaukee Sentinel completed the chorus of voices loudly calling for a revival of the charter of the Bank of Milwaukee by coming out in favor of the idea.¹⁶

The Committee on Corporations to whom the petitions had been referred reported favorably on the plan of reviving the Bank of Milwaukee. James Kneeland and Randall Wilcox, committee members, pointed out that in this manner

¹⁶Journal of the Council, 4 Assembly, 3 session; (1845), 239, 136, 219; Milwaukee Sentinel, February 7, 1845.

the Bank of Milwaukee would come into the "hands of men of Capital and integrity", while "the surrender of the objectionable features of the Insurance Company's charter, can be obtained peaceably and without expense to the territory". The committee filed with its report a letter from Mitchell in which he stated that if the legislature revived the charter of the Bank of Milwaukee, the Wisconsin Marine and Fire Insurance Company, would surrender "those provisions in its charter, in virtue of which it now claims to do the business regarded by some as objectionable". Gleefully Mitchell reported to Daniel Wells, Jr. that the report of the committee "is a good document for us and has had a good effect". But continued Mitchell, some of the Milwaukee members "want heavy backing and it will be necessary to obtain the names of Noonan and Crocker and other leaders to a paper recommending the measure before they will consent positively to go for it".¹⁷

Meanwhile the enemies of Mitchell's plan did not remain idle. On January 22, 1845 they pushed through a resolution calling on the Committee in the Judiciary to inquire into the legality of passing a law repealing the

¹⁷Report of Committee on Incorporations, 4-6; Alexander Mitchell to Daniel Wells, Jr. in Daniel Wells, Jr. Papers.

charter of the Wisconsin Marine and Fire Insurance Company. The committee decided against recommending such a law on the grounds that the legislature had no legal right to do so. But, added the committee's report, the Attorney General should be requested to institute legal proceedings against the company so that the "soulless being" could be brought to a "lively sense of its duties" and behold its "enormous iniquities".¹⁸

While arguments raged in the legislature, Milwaukee citizens too divided sharply over whether the Bank of Milwaukee should be revived. On February 11, 1845 both anti-bank and pro-bank factions held meetings at the court house in Milwaukee. Upham at the anti-bank meeting urged that remonstrances be circulated against reviving the charge^r of the Bank of Milwaukee. On Monday, February 17, 1845 Mr. Ray of Milwaukee and Washington counties, of whose bank feelings Mitchell had expressed misgivings to Wells, introduced remonstrances containing more than 400 names against reviving the charter of the Milwaukee Bank. The agitation against Mitchell's proposed rejuvenation of the Bank of Milwaukee had its effect and the council voted

¹⁸Journal of the Council, 4 Assembly, 3 session, (1845), 74, 93, 106-109.

against it by a majority of more than two to one.¹⁹

After the legislature adjourned in the spring of 1845 Mitchell could return to Milwaukee with the knowledge that while he had failed in his attempt to have the defunct Bank of Milwaukee revived, he had at least staved off any legislative action against the insurance company. But in November of that year came hints of more trouble in the 1845-46 session of the legislature. In November a group of citizens at a meeting in Walworth County adopted a number of resolutions assailing the credit of the Wisconsin Marine and Fire Insurance Company. Democrats in particular, led attacks against the insurance company. And in the coming session of the legislature the Democrats would have a clear majority.²⁰

On Wednesday, January 7, 1846, two days after the legislature convened, James MaGone of Milwaukee and Washington counties introduced into the Assembly a bill calling on the Attorney General to institute legal proceedings against the Wisconsin Marine and Fire Insurance Company to compel forfeiture of its charter. The Assembly passed

¹⁹Milwaukee Sentinel, February 13, 1845; Journal of the Council, 4 Assembly, 3 session, (1845), 263, 354.

²⁰Milwaukee Sentinel, November 20, 1845; Lake County Herald, in Milwaukee Sentinel, December 2, 1845.

the bill but the council admended it and the Assembly refused to accept the admendment. Almost simultaneously with the MaGone bill the opponents of the Wisconsin Marine and Fire Insurance Company tried two other tactics. One was an effort to memorialize Congress asking it to repeal and disapprove of the act of 1839 incorporating the company. However, it too failed of enactment. More favorably received, however, was a bill introduced into the Assembly on Friday, January 16, 1846, calling for repeal of the act incorporating the company. This bill passed both houses and on January 29, 1846 the governor signed his approval.²¹

Reaction from the officers of the Wisconsin Marine and Fire Insurance Company was swift. Mitchell and Smith, after conferring with the insurance company's attorneys and being informed that quo warranto was the only legal proceeding which could effect the company, decided to ignore the effects of the legislature. However, in order to reassure their customers, they caused to be published in newspapers throughout the west a notice to the public

²¹Journal of the House, 4 Assembly 4 session, (1846), 26; Wisconsin Democrat, January 10, 1846; Strong, History of the Territory of Wisconsin, 492; Journal of the House, 4 Assembly, 4 session, (1846), 63-67, 74, 96, 109, 203.

giving a statement of the concern's financial stability and notifying their depositors that "the recent action of the legislature of the Territory in reference to this institution will not in any way effect its right or interrupt its business". The presentation of the financial statement caused the editor of the Southport Telegraph to call it "an insult to common sense to call it an evidence of solvency". So great was the credit and reputation of the insurance company, however, that no run developed on the bank. Even in Buffalo and New York businessmen and the general public continued to receive the company's issues. The fact that the United States government continued to use the insurance company as a government depository, helped to increase the confidence of the people in the company's solvency.²²

The close of the legislative session at Madison did not bring an end to the attacks on the Wisconsin Marine and Fire Insurance Company. Newspapers, Democratic ones for the most part, throughout the territory continued to

²²William Ward Wight, "Early Legislation Concerning Wisconsin Banks" in Proceedings of the State Historical Society of Wisconsin at its Forty-third Annual Meeting held December 12, 1895 (Madison, 1896), 156-157; Milwaukee Sentinel, February 19, 1846; Southport Telegraph in Milwaukee Sentinel, February 19, 1846; Milwaukee Sentinel, February 25, 1846.

carry editorials attacking it as a wild cat bank and carried stories alleging that Smith had made off to Scotland with the company's funds. These tactics as the editor of the Milwaukee Sentinel pointed out tended to damage the credit of the company and cause a depreciation of its currency "but who is the sufferer by it?" asked the Sentinel's editor. Answering his own question he said the laborer and the farmer who took the currency at face value were the real sufferers. Alarmed by false stories they hurried to brokers to redeem the currency, and the brokers taking advantage of the false fears raised, charged a rate of from three to five per cent for the redemption. The brokers then turned the currency into the office of the Wisconsin Marine and Fire Insurance Company and received the full face value. "And", concluded the editor, "this game is encouraged and kept up by those [Democratic papers] who profess to have the interests of the working man so much at heart".²³

The opposition to banking was so great that the constitutional convention which met in 1846 to draw up a state constitution for Wisconsin included in its provisions a prohibition against banking. Business men and others who

²³Milwaukee Sentinel, April 16, 1846.

sensed the need of a currency in the expanding economy in the territory and the coming new state combined to oppose the new constitution. Marshall Strong, a member of the legislature, helped to lead the fight against the constitution. On January 15, 1846, writing to J. H. Tweedy in Milwaukee he warned that the violent opposition of so many Milwaukee men to the constitution caused some rural politicians to regard such opposition as a bank move. One such politician, Mason Darling, had already confined this fear to Strong and said perhaps he should fight to sustain the constitution. The Milwaukee Courier agreed that the opposition to the constitution consisted of monopolists and speculators allied with the Wisconsin Marine and Fire Insurance Company. . One correspondent of Moses M. Strong, a leading Democratic politician, told him to be sure to "make ole Iowa [county] toe the mark, and put in her veto to the banking, swindling operations of Mitchell and his hireling".²⁴

Despite the vigorous support of many Democrats, the people of Wisconsin rejected the constitution, as Rufus

²⁴Marshall Strong to J. H. Tweedy, January 15, 1847, in J. H. Tweedy Papers; Milwaukee Courier in Milwaukee Sentinel, February 3, 1847; J. G. Knapp to Moses M. Strong, March 21, 1847, in Moses M. Strong Papers in the Library of the Historical Society of Wisconsin.

King, ardent Whig and editor of the Milwaukee Sentinel had predicted. The prohibition of banking clause in the proposed constitution helped to bring about its defeat. The second constitution which the delegates drew up in December 1847 contained a provision calling for a vote of the people to determine if Wisconsin should allow banks to operate in the State.

In December 1847, reassured by the defeat of the anti-bank constitution, Mitchell went on a visit to Scotland to visit his old father. Coming back to Milwaukee in May 1848 he arrived a month before the first State Legislature convened. Only a few of the members who comprised the membership of the Council and House in the legislature of 1846, which repealed the charter of the Wisconsin Marine and Fire Insurance Company, were members of the Senate and Assembly of the first State Legislature. While hostility toward the insurance company manifested itself in rejection of an act authorizing a loan from the company, an attempt to inquire into its legal existence got little support. In January 1849 an attempt to have the Attorney General give his opinion as to the necessary and proper steps to be taken to restrain the activities of the

insurance company similarly met with defeat.²⁵

With the new constitution calling for a public vote on the question of whether the State should authorize banking, Mitchell had hope for a quick decision which he felt sure would show that the people of the State wanted banks. However, the State Senate defeated an Assembly act which submitted the bank bill to the people. The action of the Senate deferred for a time Mitchell's hopes for an end of his conflict with the territorial and now the State government over the question of whether his insurance company violated its charter in issuing certificates of deposit.²⁶

Governor Nelson Dewey's administration showed great hostility to the Wisconsin Marine and Fire Insurance Company. In his annual message delivered on January 10, 1850 the Governor urged that a law be passed directing proceedings to be instituted to determine judicially whether "the company has a valid corporate existance". Wm. A. Barston, the Secretary of the State in a letter to the United States Secretary of Treasury, pointedly wrote in reply to a ques-

²⁵Rufus King to J. H. Tweedy, November 1, 1846 in J. H. Tweedy Papers; Milwaukee Sentinel, December 20, 1847; Ibid, May 19, 1848; Journal of the Assembly - 1 Legislature, (1848), 185; Ibid, 2 Legislature, (1849), 138.

²⁶Journal of the Senate, 3 Legislature, (1850), 2-4.

tion concerning banks in Wisconsin that "there does not legally exist in this State any bank, or institution of any kind". The State administration's Attorney General, S. Park Coon, did provide some comfort for Mitchell by rendering an opinion declaring that the 1846 repealing act of the territorial legislature was null and void.²⁷

On Friday, January 10, 1851, Governor Dewey again attacked the Wisconsin Marine and Fire Insurance Company for its alleged illegal activities and urged the legislature to take such action "as will reach the evil, correct it and ascertain the legal rights and powers of this corporation under its charter...". Rumors of contemplated legal action against the insurance company spread throughout the State. On March 31, 1851, frightened customers began to crowd the bank and demand payment in specie for their certificates. Alarmed, Mitchell hastened to assure his customers that no interruption of the company's business could take place "under any circumstances". His attorneys assured him and the public that "there is no power to restrain that institution [insurance company]

²⁷ Journal of the Senate, 3 Legislature, (1850), 25-28; Condition of the Banks in the United States, 1850 (31 Congress, 1 session, House Executive Document No. 68, Washington, 1851), 364; Milwaukee Sentinel, March 13, 1850.

from redeeming its issues, or to take from it the possession and control of its assets". Smith hastened into print with a notice that George Smith & Company would hold themselves personally responsible for and would continue to receive all issues of the Wisconsin Marine and Fire Insurance Company. By Wednesday, April 2, 1851 the "very small breeze" raised by frightened customers and depositors with the insurance company had come to "rest".²⁸

While Mitchell had succeeded in preventing a run on the insurance company he still had to reckon with the State Administration. On April 8, 1851 Attorney General Coon asked the circuit court of Washington County for an injunction to restrain the Wisconsin Marine and Fire Insurance Company from doing any further business. Judge Charles H. Larrabee refused to grant the injunction, ruling that proper notice had not been given to the company. However, the judge gave the Attorney General time to serve the notice. In June 1851, when the next term opened the Attorney General filed notice of discontinuance and dropped the suit. Outraged, the editor of the Madison Argus cried that he would have little reason to doubt the intentions of the

²⁸Journal of the Senate, 4 Legislature, (1851), appendix 18-19. Milwaukee Sentinel, April 1, 1851, Ibid, April 4, 1851, Ibid, April 2, 1851.

Attorney General, "particularly if it turns out that ... [he] ... is largely indebted to the bank."²⁹

Meanwhile petitions flooded the legislature from people throughout the State urging the enactment of a bank law. Taking heed the legislature authorized the submission of the question of "bank or no bank" at the general election held in the following November. The result was a resounding defeat for the anti-bank faction. More than three-fourths of the voters cast ballots in favor of banks. With this overwhelming public sentiment in favor of the establishment of banks, the Legislature in 1852 would have to frame a general banking law. Mitchell foresaw the end of his squabbles with the officers of the State government over the legality of the insurance company's activities.³⁰

Unhappily for the young banker, the incoming administration did not intend to let him and the insurance company be at peace. Governor Leonard Farwell instructed his Attorney General to reopen the proceedings of quo warranto against Mitchell and the Wisconsin Marine and Fire Insurance

²⁹Milwaukee Sentinel, April 14, 1851; Washington County Blade, April 24, 1851, in Milwaukee Sentinel, April 26, 1851; Madison Argus in Milwaukee Sentinel, July 7, 1851.

³⁰Banks and Banking (m.p., n.d.), 1-20.

Company. The editor of the Wisconsin Argus, rejoicing that action had again been started against the "Moneyed Power", predicted that this time no "political or social influence" could delay or defeat the process. But in Milwaukee the astute manager of the insurance company was not idle. He conferred with Smith and prepared to meet this latest attack on the Wisconsin Marine and Fire Insurance Company.^{30a}

In March Mitchell went to Madison to bring pressure on the State government to discontinue their suit. On Monday, March 22, 1852 he addressed a letter to Attorney General Experience Estabrook reminding him that it was common knowledge that the Wisconsin Marine and Fire Insurance Company had agreed in Governor Dewey's administration to either discontinue business as soon as the State adopted a banking law or to organize under such law. The astute Mitchell warned the Attorney General that the insurance company, if subjected to legal proceedings, would insist that the question if necessary be taken to the "highest tribunal in the land". Such action he added, "would invoke a litigation for years, vexatious to the

^{30a}Wisconsin Argus, February 4, 1852.

company, and injurious and expensive to the state".³¹

Receiving Mitchell's letter, Estabrook called at the Governor's office to examine the executive records "to ascertain what policy had been pursued by the former administration in regard to this subject". Finding evidence that an agreement, such as Mitchell had spoken of, had been made, Estabrook called Governor Farwell's attention to the papers. Estabrook informed the governor that he considered public interest and sentiment demanded that the same policy should be adhered to and that he deemed it his duty to stipulate for a continuance. Governor Farwell objected vigorously to this course of action and angrily informed the Attorney General that he had no power to make such a stipulation.³²

On March 28, 1852, ignoring the governor's feelings, Estabrook granted the continuance to the Insurance Company. The vexed governor immediately informed the legislature of the Attorney General's impudent action and stated he disclaimed "most fully the compromise and continuance of this case" and would "insist upon its determination by due course of law". The members of the Assembly called for

³¹Madison Wisconsin Daily Democrat, March 22, 1852; Journal of the Assembly, 5 Legislature, (1852), 568-570.

³²Journal of the Assembly, 5 Legislature, (1852), 632-638.

letters of explanation from Estabrook and also James P. Doolittle, a prominent lawyer from Racine, who had been employed by the governor to help prosecute the case against the Wisconsin Marine and Fire Insurance Company. Doolittle stated that he had not been consulted about the move for continuance of the case and if he had, he would have deferred to the judgment of the governor upon whom "the responsibility of the prosecution as an administrator measure rested...".³³

The editor of the Wisconsin Daily Democrat hinted darkly at personal motives behind the governor's efforts to prosecute the Wisconsin Marine and Fire Insurance Company at a time when the adoption of a banking law appeared imminent. The editor accused Governor Farwell of conspiring with Samuel Marshall, a private banker in Milwaukee, as an agent of "eastern bankers" to bring about Mitchell's downfall. The scheme, related the editor, involved removing Mitchell's company by the aid of "the strong arm of the law". The resulting vacuum in the money market would create a demand for a new banking house which Farwell in partnership with Marshall and his eastern friends would

³³ Journal of the Assembly, 5 Legislature, (1852), 567-568;
Wisconsin Daily Democrat, April 2, 1852; Journal of the
Assembly, 5 Legislature, (1852), 688-691.

attempt to fill. Sarcastically the editor observed that "the purity of law and the dignity of office are nobly sustained in making the Executive the adjunct of a brokerage!"³⁴

Meanwhile the Assembly adopted a resolution calling upon the Governor to submit to the Supreme Court of the State the "important question of prerogative between the Executive and the Attorney General". The governor declined to take such action. Press comment throughout the State, even among Democratic papers, generally condemned the Governor for attempting legal action against the insurance company. "Badly timed...unfortunate business for all parties" exclaimed the Janesville Democratic Standard. The editor of the Racine Advocate, rejecting the idea that Mitchell had the Attorney General in his pay, praised the Scotch banker as a "sound business man" who took "great pride in doing business as it ought to be done".³⁵

Mitchell in a communication to the Assembly offered to allow the stipulation to be discharged, though he deemed it entirely binding upon the State, as being made by its

³⁴Wisconsin Daily Democrat, March 25, 1852.

³⁵Wisconsin Daily Democrat, April 8, 1852; Milwaukee Sentinel, April 12, 1852; Ibid, April 10, 1852.

legal representative. The Assembly, however, declined to accept Mitchell's offer, preferring to let the matter rest. In a few months the people of the State would vote on the proposed banking law and all indications were that banking would become legal in Wisconsin.³⁶

In November of 1852 at the general election the voters of Wisconsin overwhelmingly approved of the proposed banking law, voting in favor of the proposition by nearly a four to one ratio. Smith and Mitchell thereupon filed the proper papers for a banking institution in Milwaukee to be capitalized at \$100,000. After twelve years of almost continuous and uninterrupted battles with the legislative and executive authority of the territorial and state governments of Wisconsin, Mitchell could see ahead of him years of comparative peace. The young banker had conducted himself well at Madison and earned the admiration, sometimes grudgingly given, of many of the State's politicians and business men. On December 18, 1852 the Attorney General took legal action to end the litigation against the Wisconsin Marine and Fire Insurance Company and the editor of the Sentinel could fittingly remark, "So endeth the bank war".³⁷

³⁶Milwaukee Sentinel, April 16, 1852.

³⁷Banks and Banking, 1-2; Milwaukee Sentinel, November 23, 1852; Ibid, December 23, 1852.

CHAPTER III

Wisconsin's Foremost Banker

The advent of a banking law in Wisconsin brought to an end the activities of the Wisconsin Marine and Fire Insurance Company. In the last month of its activities in December 1852 its circulation, under Mitchell's management, had soared to a high of nearly \$1,500,000. Never again was the insurance company, - organized legally in 1853 as the Wisconsin Marine and Fire Insurance Co. Bank, - to have such a large circulation. In the coming years its notes in circulation rarely went above \$50,000. The law limited the organization of new banks to a capital between \$25,000 and \$500,000. Notes could be issued only if secured by a deposit with the State Treasurer of United States bonds, State bonds or Wisconsin railroad bonds. The value of the bonds when based on New York market quotations, but not exceeding par value, had to be equal to the value of the notes issued. This provision, while protecting the people of the state, severely restricted the practices of such wild cat banks as the Wisconsin Marine and Fire Insurance Company.¹

¹Wisconsin Marine and Fire Insurance Company Papers; Knox, History of Banking, 744-745, 742.

Recognizing this fact Smith decided to pull out of banking activities in Wisconsin as far as they concerned the maintenance of a bank. However, he did not intend to give up the lucrative practice of issuing notes for circulation purposes there. On January 27, 1852, the canny Scotsman prepared to meet the new situation that would arise in Wisconsin. He secured from the State of Georgia a charter authorizing him to organize the Bank of Atlanta with a capital of \$300,000. The capital comprised 3000 shares valued at \$100 a share, of which Smith owned 2991 shares and the remaining nine belonged to Patrick Strachan, W. D. Scott, George Menzie and Mitchell.²

Smith in appreciation of Mitchell's former services helped him in his attempt to organize the Wisconsin Marine and Fire Insurance Co. Bank. He lent Mitchell the money, at a seven per cent interest rate, to set himself up in the banking business. In this manner Mitchell secured control of all of the \$100,000 capital stock of the bank. Since the state law called for further security to depositors, Smith also went on Mitchell's personal bond.

²John P. McGregor, Alexander Mitchell, A Memorial Address by John P. McGregor, President of the Milwaukee Pioneer Association, at its Annual Meeting, February 22, 1888 (Milwaukee, 1888), 3; Knox, History of Banking, 744.

By 1853 Mitchell had become a well known figure in Milwaukee business circles. Engaged in banking in Milwaukee for fourteen years, he had gained the confidence of many people. Increasingly as the years passed the people in Milwaukee and the surrounding territory began to speak of the Wisconsin Marine & Fire Insurance Company Bank as "Mitchell's Bank".³

In Georgia, Smith now owned another bank, the International Bank of Griffin, Ga., besides the Bank of Atlanta. He used these banks to issue currency, which, with Mitchell's help, he circulated throughout Wisconsin and Illinois. He accomplished this through his own bank, the Bank of America in Chicago, and through Mitchell's Wisconsin Marine and Fire Insurance Co. Bank in Milwaukee. In addition Smith arranged to have his Georgia notes redeemed in New York at a one and one-half per cent discount rate while all other Georgia banks had their notes discounted at five per cent. This fact also helped to make his Georgia currency generally current in Wisconsin and Illinois.⁴

³ Alexander Mitchell, Reception and Banquet, 28; Annual Report of the Bank Comptroller for the State of Wisconsin for the year 1854 (Madison, 1855), 30; Anson W. Buttles Papers in the Library of the State Historical Society of Wisconsin.

⁴ Knox, History of Banking, 728, 741.

Many Wisconsin bankers hated Smith. He lessened their profits with his tactics and they had little use for the shrewd medium sized Scotchman. A stern man of sinewy build Smith had a large head. It seemed appropriate to his business associates who regarded him as somewhat of a mastermind. Like Mitchell, Smith wore sideburns. Smith spoke with deliberateness in a Scotch accent, as did Mitchell, but unlike Mitchell he did not hesitate at times to speak out in loud voice which his friends claimed could be heard a block away. Not an overly-friendly man, Smith had a keen business sense as the Wisconsin and Illinois bankers found to their sorrow in the early 1850's. When Smith organized his Georgia banks, a cry of outrage went up from the bankers of Wisconsin.⁵

Smith saw that by issuing his bank notes from Georgia he could protect himself better against sudden demands for redemption. Many Illinois and Wisconsin bankers tried again and again to force a run on Smith's Georgia banks which would put him out of business. C. C. Washburn and Cyrus Woodman, who owned a bank in Mineral Point, Wisconsin, sent their agents with thousands of dollars worth

⁵Milwaukee Sentinel, August 18, 1893.

of Smith's currency to his Georgia banks to demand payment in gold.⁶

On September 12, 1855 all the Milwaukee banks except Mitchell's issued a signed circular informing the public that they would not receive the currency of Georgia or Tennessee banks after the 17th of the month. Mitchell refused to combine against his old friend and former employer. Smith, however, tired of the continued runs on his banks. In 1856 he called in the currency of his Atlanta banks and returned to Chicago to invest his money, estimated at some \$10,000,000, in railroad securities and land. In 1858 Smith left Chicago and severed all but nominal connections with banking activities in the Western states.⁷

⁶Milwaukee Sentinel, August 18, 1893; E. B. Washburn to Cyrus Woodman, September 20, 23, 1855 in Cyrus Woodman Papers in the Library of the State Historical Society of Wisconsin. Other banks which joined in the attack on Smith's Georgia banks were N. Cornith & Co., R. K. Swift & Co., and J. Young Scammons & Co., Milwaukee Sentinel, August 18, 1893.

⁷Annual Report of the Commerce, Manufacturers, Public Improvements, and Rail-Road System of Milwaukee for the year 1855 (Milwaukee, 1856), 12; Milwaukee Sentinel, August 18, 1893. Smith invested his money in the Chicago, Milwaukee and St. Paul, the Chicago & Northwestern and the Rock Island railroads. Milwaukee Evening Wisconsin, October 9, 1899. Smith died on October 7, 1899 in London at 92 years of age and left a fortune estimated at more than \$50,000,000. London Times, October 9, 1899; Knox, History of Banking, 742.

Smith's protege, Alexander Mitchell, learned the banking business well. In 1853 he and Marshall & Ilsley, private bankers in Milwaukee, secured the \$50,000 state loan. The bonds bore an annual interest rate of eight per cent and the bankers took them at a rate of 98 cents on the dollar. A month or so later Lucius Seever, Milwaukee city treasurer, negotiated the city's bonds in the New York money market at a one per cent premium. The editor of the Wisconsin Daily Democrat raised an embarrassing question in asking why it was that the city of Milwaukee with a debt of over \$250,000 could sell its bonds at a premium while the bonds of Wisconsin which had a \$100,000 limit in its constitution, had to be sold at a loss of two cents on the dollar when negotiated with Milwaukee bankers. For once Mitchell was not the prime target. The editor leveled his fire at Governor Farwell, whom he accused of being a silent partner in the firm of Marshall and Ilsley.⁸

In 1853 when Wisconsin offered another loan of \$50,000 to the bankers of the state, Marshall & Ilsley did not take any part of it. Mitchell, as usual got the lion's share, some \$30,000 while C. C. Washburn, Smith's arch rival in Wisconsin negotiated \$10,000 of the loan. Lesser banking figures in the state took the rest of the loan.

⁸Milwaukee Sentinel, April 21, 23, 1852; Wisconsin Daily Democrat, April 28, 1852; Ibid, May 8, 1852.

As president and sole owner of the Wisconsin Marine and Fire Insurance Co. Bank, Mitchell conducted the operation of the institution in a conservative manner. Although on January 31, 1854 there were twelve banks in the state with a total currency circulation of nearly \$600,000, Mitchell kept his bank's circulation to a bare \$50,000. The usual denominations of currency issued by the Wisconsin Marine and Fire Insurance Company Bank were two's, three's and five's. However, in the matter of loans, Mitchell was much more liberal. His bank held over \$300,000 in loans, this amount being equal to over one-third of the loans made by all the state banks. Mitchell had been president of the Wisconsin Marine and Fire Insurance Co. for scarcely a year when disaster struck.⁹

On a very hot Thursday in August 1853, fire broke out at noon in the hay loft of a livery barn of S. M. and J. Davis. The frame structure standing on the corner of Broadway and Huron Streets burned rapidly. The fire quickly spread to adjoining buildings and soon consumed two whole blocks of the business district destroying twenty-five separate buildings. Mitchell barely had time

⁹Milwaukee Sentinel, April 16, 1853; Report of Bank Comptroller for the year 1853, 3-6; Report of Bank Comptroller for the year 1854, 41, 49.

to load the books and papers of his bank on the tug 'Tift' which took them down the river to safety. Undeterred by the fire Mitchell opened his bank offices the next morning in the Exchange Bank building. Then he announced to the press that he would immediately build a fire proof bank building on the site of his former bank. Further currying public favor for his bank, Mitchell graciously sent a check for \$100.00 to the Fire Department for "...faithful services rendered...at the destructive conflagration...". On October 10, 1854 Mitchell opened for business in his new bank building.¹⁰

During the fifties the number of banks operating in Wisconsin increased with each year. The large profits--some banks declared six per cent dividends every six months--encouraged more and more people to start banks and to invest in bank stock. Ten new banks opened offices in the latter half of 1855 but four banks closed their doors, grim evidence that banking took more than capital. Mitchell continued to operate his bank in a wise manner, never over expanding or taking risky loans.

¹⁰James S. Buck, Milwaukee Under the Charter from 1847 to 1860 Inclusive (Milwaukee, 1886), IV, 41-44; Milwaukee Sentinel, August 25, 26, 29, 1854; Ibid, October 10, 1854.

On March 10, 1856 the Wisconsin Marine and Fire Insurance Company Bank secured a new employee. John Johnston, a native of Scotland, came to work as book-keeper for his uncle. A compact wiry man with a muscular frame, Johnston served Mitchell for many years as a trusted employee.¹¹

Business at Mitchell's bank was so profitable that the prosperous Scotchman had scarcely spent three years in his newly erected bank building before he had decided to tear it down and build a bigger building. Mitchell's new \$40,000 structure was the pride of Milwaukee. Completed in March 1858, the four story building constructed in the "Italian-Florentine style" of architecture, had a tin roof "warranted not to leak". With the first floor and basement devoted to banking offices, business offices occupied the second and third floor, while bachelor apartments occupied the top story.¹²

In August 1857 the Milwaukee bankers urged on by Edward Holton, President of the Farmers and Millers Banks, called a Bankers Convention of Milwaukee. Holton attempted to get the Convention to adopt a resolution calling for a

¹¹Milwaukee Sentinel, July 3, 1855; Report of Bank Comptroller for the year 1855, 5-6; Buck, Milwaukee under the Charter, IV, 135-137.

¹²Daily Milwaukee News, January 29, 1858.

central redemption point for Wisconsin currency. The convention, however, refused to accept the resolution. In September 8, 1858 the Wisconsin Bankers Association came into being with Mitchell as its president. Officers of forty-five banks subscribed to the constitution. In October of the same year at Milwaukee the bankers of the state held a second convention. Here they adopted a rule requiring all banks in the state which were not accessible by regular express to redeem their currency at Milwaukee or Madison. The Association, under Mitchell's guidance, succeeded to a moderate degree in securing the cooperation of the state banks in this project.¹³

The industrial depression of 1857 affected the banks of Wisconsin in only a limited degree. Some had to suspend specie payments for awhile but none failed and there were no losses to noteholders. The Wisconsin law had provided for a bond to be executed by the officials of each bank equal to one-fourth of the circulating notes issued by the bank. In this manner the law provided additional security to indemnify the bill holder against any loss that might be sustained in case the securities deposited

¹³Annual Report of Commerce for the year 1858, 27; Milwaukee Sentinel, September 10, 1858 Annual Report of Commerce for the year 1859, 5.

with the comptroller should not prove sufficient to redeem the bills. This provision provided a cushion against the shock of the depression of 1857.¹⁴

However, the banking laws of Wisconsin had serious defects in other respects. The provision that only securities paying 6 per cent or more could be deposited as security for bank notes prevented the purchase of the better securities which paid less than 6 per cent. In addition higher quality securities often sold above par and note issues could not exceed the par value of the securities deposited. Consequently few bankers wanted to invest in securities which sold above par. As a result most of the currency of Wisconsin came to be based on southern bonds which sold at a rate considerably below par. In 1855 out of \$1,033,000 in bonds deposited as security with the Comptroller, some \$925,000 was in bonds of southern states. The Comptroller's advice that it was dangerous that the "state should be restricted to the basing of nearly its entire currency upon the debts of other states over which it had no control" went unheeded. Mitchell had never used southern bonds as a basis for

¹⁴Theodore Albert Anderson, Wisconsin Banks 1848-1948; unpublished Phd thesis at the University of Wisconsin, 49. Report of Bank Comptroller for the year 1854, 10.

his note issues and needed no such word of warning.

But many Wisconsin bankers did.¹⁵

The mounting tension between the states seriously affected the bond market as southern bonds began to depreciate in value. In October of 1860 the Comptroller called for a 2 per cent additional security on Missouri bonds and on November 25th of the same year he made a call for an additional 6 per cent on Virginia bonds. The bonds of Tennessee and North Carolina fell during the latter part of November but before a third call could be made by the Comptroller, the legislature by a joint resolution asked him to refrain from such action till they could make provisions to lessen the tension. At the beginning of 1861 Wisconsin had some \$4,500,000 in notes in circulation. Unfortunately the rapidly depreciating southern bonds had been posted as security for a vast part of the currency.¹⁶

The Banking Committee of the Assembly attempted to remedy the situation by recommending a law requiring all banks to redeem their currency either in Milwaukee or Madison. Pointing to the fact that exorbitant rates of exchange in Eastern cities created a heavy burden on Wis-

¹⁵Anderson, Wisconsin Banks, 1848-1948; 46; Report of Bank Comptroller for the year 1854, 6, 14.

¹⁶Report of Bank Comptroller for the year 1861. 4-5: Annual Report of Comptroller.

consin currency, the committee stated that this condition was caused in part by the "inconvertible character of currency". The bulk of Wisconsin's currency the committee stated did not issue from accessible points but "in truth the banks issuing most of the circulation are purposely located at distant and inaccessible points". As an illustration the committee reported that the total circulation of all the Milwaukee banks was only \$86,521 while in the comparatively small town of Eau Claire, located several miles from any railroad, the circulation of bank issues total \$536,764. The legislature adopted the committee's recommendation and ordered the new banking act to go into effect on December 1, 1861. This action by the legislature was of little aid to the harrassed bankers, however.¹⁷

Mitchell and other leading bankers of Milwaukee and Madison for a time attempted to deal leniently with those banks whose resources daily became greatly reduced. However, on April 1, 1861 Chicago bankers discredited the currency of a number of Illinois banks and later added Wisconsin banks to the list of unacceptable currency. Panic reigned in Wisconsin and brokers rushed much of the

¹⁷Report of the Committee on Banks and Banking to the Assembly, Saturday, March 16, 1861. (Madison, 1861), 2-3.

rejected Wisconsin currency to Milwaukee for redemption. Headed by Mitchell, the Milwaukee bankers held a meeting and decided not to receive the notes of Wisconsin banks that had failed to respond to the call of the Comptroller for additional securities. This decision, which resulted in discrediting nineteen banks having a circulation of nearly \$1,500,000, gained much public disfavor and created further panic.¹⁸

A second convention of bankers on April 20 resulted in the discrediting of eighteen additional banks and reduced the currency of the state to about \$2,000,000. But the adoption of a resolution agreeing to receive and pay out as currency the notes of the remaining banks until December 1, the date when the new banking law would go into operation, had a stabilizing effect.

Not for long, however, did business and banking circles remain calm. Before the middle of June, ten of the banks that signed the agreement to receive the currency until December 1 failed. Many of the country banks, themselves in a precarious position, and all the railroads refused to take the issues of the defaulting banks. On June 22,

¹⁸Annual Report of Commerce for the year 1861, 33-34.

1861 the Milwaukee bankers, unwilling or unable to carry the failed banks, refused to receive their issues any longer.¹⁹

Alexander Mitchell's name headed the list of Milwaukee bankers who, on Saturday morning after banking hours, signed a circular notifying the public that they would no longer accept the issues of the ten discredited banks. Businessmen in Milwaukee charged the bankers with a "breach of faith" and the report circulated that the banks first paid out the notes of the discredited banks before the public received the circular. The laboring people of the city were especially angry and on Monday morning, June 24, an ugly situation developed.²⁰

In mid-morning of that day a mob, made up in good part of Germans and led by a brass band proceeded to the banking section of the city. The mob, numbering more than a thousand and increasing in force every minute, surged to the front steps of Mitchell's bank. Mayor Brown, Chief of Police Beck and Mitchell attempted, in vain, to placate the mob. Stones flew through the air and Mitchell and

¹⁹ Annual Report of Commerce for the year 1861, 33-34.

²⁰ Milwaukee Sentinel, June 24, 1861; Chicago Post, June 25, 1861 in Milwaukee Sentinel, June 26, 1861.

his friends quickly retreated. A luckless clerk received a severe beating and Mitchell himself received slight injuries. The mob wrecked the interior of Mitchell's bank and then proceeded to several other banks where the destructive process continued. The rioters dumped the shattered contents of the banks in the street to form huge bonfires of furniture and bank papers. Fortunately Mitchell and the other bankers succeeded in stalling off the mob until the currency and other valuable bank papers could be locked in safes. The police aided by troops and firemen succeeded in bringing the mob under control before more serious damage was done. The police and militia arrested forty of the rioters. Mitchell, thoroughly frightened by his narrow escape from the mob, earnestly sought and received a portion of the Montgomery Guard to patrol his residence. The excitement prevailed in the city for nearly a week.²¹

²¹Milwaukee Sentinel, June 25, 1861; Diary of Anson W. Buttlos, June 25, 1861; Philadelphia Press, June 25, 1861; Howard Louis Conard, History of Milwaukee From its First Settlement to the Year 1895. (Chicago, 1898), I, 270. So upset were Mayor Brown and Police Chief Beck that they telegraphed Governor Randall, "Terrible Riot Raging. Bankers are being murdered....". James S. Brown and Wm. Beck to Governor A. W. Randall, June 24, 1861 in Governors Documents in the Library of the State Historical Society of Wisconsin.

The action of the rioters only made it more imperative that the state take action to put its currency on a sound basis. Several weeks before the riot, on May 27, 1861 the legislature had authorized an issue of \$1,000,000 in State bonds. The loan was to be negotiated by a board of commissioners consisting of Governor A. W. Randall, L. C. Harvey, Secretary of State, and S. D. Hastings, State Treasurer. Hastings went to New York but failed to negotiate the loan there. On June 21, 1861 the loan commissioner met with Mitchell and other leading bankers of Milwaukee. Meeting again on Tuesday, June 25, 1861, the two groups listened to a plan which would solve both of their problems. Mitchell proposed that the bankers of the State take over \$800,000 of the State's \$1,000,000 war loan on favorable terms and that these bonds be used to back the currency of the State in place of the depreciated southern securities. The agreement provided that payment would be made as follows: 70% in cash on delivery of the bonds; 60% of the 70% in coin on New York exchange, and the balance (40% of the 70%) in currency, the remaining 30% to be paid from the coupon attached to the bonds as they mature at the rate of one per cent semi-annually.

The bonds bore an interest rate of 6 per cent.²²

The matter of the ten discredited banks also came to a satisfactory ending. The bankers and merchants of Milwaukee combined to raise a joint subscription of \$100,000 to make good the circulation of the ten broken banks. This group appointed a committee to dispose of the securities of the ten banks and to redeem their issues at par. In this manner the currency of the State again came to rest on a sound basis. Exchange declined gradually, and by the 23rd of September had gone down to a one per cent premium. Behind the plan which led to a sound currency for Wisconsin was the guiding hand of Alexander Mitchell. A reticent Scotchman, he had no need to brag of his financial genius, for others were well aware of it.²³

Delighted to have a man of Mitchell's financial genius among its citizens, the officials of Milwaukee called upon him to extract the city from a muddled, financial condition. Like many western cities, Milwaukee, in the fifties, had given generously of her aid to prospective railroad com-

²²Minority Report of the Joint Select Committee Appointed to Investigate Affairs Pertaining to the Raising and Equipping of Troops, And the Disposition of the War Bonds, (Madison, 1862) 6; Negotiation of the State Loan, Letter From Treasurer Hastings (n.p.n.d), 1.

²³Annual Report of Commerce for the year 1861, 33-34.

panies. The panic of 1857 drove many Wisconsin railroads into bankruptcy. By 1861, Milwaukee had \$1,614,000 in bonds outstanding, of which nearly \$900,000 represented bonds in default as to interest. In addition the city had outstanding a floating debt of a quarter of a million dollars, consisting of liens, judgments, unpaid city orders, and over-drawn accounts. So bad was the city's credit that city orders were at a discount of from 25 to 40 per cent on the dollar. Mitchell used his influence to perfect a plan which received the approval of the legislature. In 1861 the legislature passed a readjustment act authorizing the city to issue \$825,000 in bonds, having 30 years to run, and bearing 4 per cent annually after that time. These bonds were to be exchanged at par for all the outstanding liabilities of the city. The act also provided for a sinking fund for their retirement with the stipulation that there should be no further issue of bonds or credit until the total city indebtedness should be reduced below \$500,000. Mayor Brown appointed Mitchell to be one of the three commissioners of public debt called for under the act to manage Milwaukee's debt retirement program.²⁴

²⁴Anderson, Wisconsin Banks, 1848-1948, 50; Milwaukee Evening Wisconsin, April 20, 1887; Milwaukee Sentinel, March 30, 1861.

On September 19, 1861 Mitchell again received the presidency of the Wisconsin Bankers Association. As industrial recovery began in the fall of 1862, the Bankers Association under Mitchell's leadership took steps to see that "wild cat" banking did not, too, revive. The Association agreed to reject the notes of banks established without its consent. In addition it required banks to obtain the approval of their board of directors before they increased their circulation. The Association dealt severely with banks that attempted to operate outside of its rules. The member banks of the Association collected the notes of the offending bank and sent them to Milwaukee. When the Association had acquired a sufficient number of the bank's notes, it presented them for redemption until the bank's specie had been thoroughly drained. Protesting the unpaid notes, the Association in this manner forced the undesirable bank out of business.

These tactics plus the unstable security provided by the southern bonds helped to reduce the number of banks in Wisconsin by nearly one-half in a year's time. On October 1, 1861 there were 107 banks in operation but by the same date of the following year there were only sixty-five. Mitchell's Wisconsin Marine and Fire Insurance Bank remained a tower of strength. By far the most powerful of

the banks it controlled nearly one-eighth of all the resources available to the banks and handled one-fifth of the total loans made by them.²⁵

Wisconsinites had scarcely congratulated themselves on having recovered from the currency troubles of 1861 when the United States Congress enacted the National Bank Act. Passed on February 25, 1863 this act provided for a national currency. Wisconsin bankers, heavily loaded with state bonds which had little market value elsewhere, had no desire to buy United States bonds. On March 3, 1865, however, Congress levied a 10 per cent tax on circulation of banks which issued or paid out state bank notes. The Wisconsin Marine and Fire Insurance Company Bank which had resources totaling more than \$1,335,000 had less than \$31,000 worth of notes in circulation. Many of the Wisconsin state banks, however, had large amounts of currency in circulation and the tax put them in a bad position as their notes lost much of their acceptability, for receiving banks could not afford to pay them out. This loss of acceptability caused the holders of the notes to try to redeem them. Most bankers did not have enough

²⁵Milwaukee Sentinel, September 21, 1861; Anderson, Wisconsin Banks, 1848-1948, 70-71; Report of Bank Comptroller for the year 1862, 1032, 1102, 1108.

specie on hand to pay off all their notes. In order to get more specie the bankers turned in their notes for State bonds which they attempted to sell on the open market.²⁶

Meanwhile in Milwaukee several of the National banks announced they would no longer accept state bank notes. On March 10, 1865 the rest of the Milwaukee banks, including Mitchell's, followed suit and requested the Legislature, then in session, to provide a market for the bonds. Taking action quickly, the legislature brought the small panic to an end by passing a resolution assuring financial protection to note holders of State banks. The main problem facing the State representatives was that of creating a market for the bonds. Milwaukee's financial wizard, Alexander Mitchell, came forth with a plan which he instructed his lawyer, Judge Lynde of the firm of Finch, Lynde & Miller, to compile as a law. Judge Lynde hurried to Madison with the plan where, on April 11, 1865, the Legislature enacted it into the statutes. The act directed all insurance companies in Wisconsin to deposit with the

²⁶ Kreuger, History of Banking in Wisconsin, 97-99; Anderson, Wisconsin Banks, 1848-1948, 71-74; Report of Bank Comptroller for the year 1864, 297; Anderson, Wisconsin Banks, 1848-1948, 74.

State Treasurer as surety, State bonds to an amount equal to their total business for the previous year. The thirty-six insurance companies in the state vigorously opposed the plan, arguing that it had no other object than to unload upon them bonds that had been purchased below par and which were still worth less than par in the open market. Thirty-one of the insurance companies complied with the provisions of the law furnishing a market for more than \$365,000 in bonds. In the previous year a law had been passed ordering the commissioners of school and university lands to liquidate their investments in mortgages and to invest their funds in State bonds. By 1866 this plan resulted in absorbing the greater part of the State bonds, permitting the repeal of the obnoxious insurance act without depressing the price of the bonds.²⁷

Meanwhile the Scottish born financier had been guiding his bank with a steady hand. With the National Bank Act crisis of 1865 the number of State banks in operation in Wisconsin decreased from sixty-four to twenty-one. In Milwaukee there were now five national banks and only four State banks. Business was excellent for Mitchell's bank,

²⁷Anderson, *Wisconsin Banks, 1848-1948*, 74-75; Richard H. Marshall, "Samuel Marshall, Pioneer Banker" in *Wisconsin Magazine of History* (Madison, 1948), XXXII, 38-39. Frederick Merk, *Economic History of Wisconsin during the Civil War Decade* (Madison, 1916), 218; Anderson, *Wisconsin Banks, 1848-1948*, 76.

however, and he continued to make huge profits reporting more than \$77,000 as taxable income for the fiscal year 1865-66. In 1869 the financial genius of Wisconsin handled more than half of the loans made by State banks and had nearly sixty per cent of the total resources of such banks. His bank with resources of more than \$2,500,000 was the largest bank by far in Wisconsin. Mitchell's financial genius recognized throughout Wisconsin, was in the coming years to become nation-wide among the bankers of America.²⁸

²⁸ Report of Bank Comptroller for the year 1865, 2; Annual Report of Commerce for the year 1865, 56; Milwaukee Sentinel, July 31, 1866; Report of Bank Comptroller for the year 1869, 18.

CHAPTER IV

Railroad Czar of Wisconsin

Milwaukee businessmen early turned their thoughts to tapping the wealth of the hinterland. In 1836 the editor of the Milwaukee Sentinel observed that the proposed railroad from Milwaukee to the Mississippi River was "of the utmost importance to the territory and deserving of the earliest attention...". However the Wisconsin territory had neither the population nor the capital to support a railroad at this time. The panic of 1837 even further reduced the possibility of such a project.¹

Alexander Mitchell, the young secretary of the Wisconsin Marine and Fire Insurance Company, like many others in Milwaukee, turned his attention in the forties to the possibility of lake and river transportation. Joining with Dr. L. U. Weeks, Mitchell financed the construction of a pier in Milwaukee harbor. But water transportation was of little use to Milwaukee businessmen when the rich farm-land of the interior had no adequate transportation facilities to the rapidly rising city.²

¹Milwaukee Advertiser, September 15, 1836.

²Buck, Pioneer History of Milwaukee, II, 185.

Acutely aware of this fact the business and financial leaders of Milwaukee held many meetings to increase the interests of the citizens in building roads to nearby towns. Mitchell took an active part in such meetings, invariably serving as secretary. In 1847, Hans Crocker, Anson Eldred, Joshua Hathaway and other Milwaukee business^{men} and speculators began construction of the Milwaukee and Watertown Plank Road. Completed in four years, the road did a prosperous business till completion of the Milwaukee to Watertown railroad in 1885. Meanwhile Mitchell had joined with other Milwaukee citizens to organize the Madison, Watertown and Milwaukee Plank Road Company. Mitchell served as treasurer of the company which constructed forty-five miles of road. In 1850 Mitchell helped organize the Milwaukee and Waukesha plank road and served for a time as director of the company. Five other plank road companies came into being during Milwaukee's "craze for plank roads". Mitchell and other far-sighted men, however, did not forget railroads.³

In November, 1845 Mitchell, Rufus King, Daniel Wells, Jr. and thirty other businessmen signed a call for a pub-

³ Buck, Pioneer History of Milwaukee, II, 214; Milwaukee Sentinel, May 29, 1844; Holton, Diary, 274-275; Milwaukee Sentinel, April 27, 1848; Buck, Pioneer History of Milwaukee, II, 326-327.

In 1850 the railroad borrowed \$234,000 from the city.⁵

Encouraged by their success in Milwaukee the directors of the railroad solicited aid from farmers along the proposed right away. As the people had little money, commodities became acceptable payments on subscriptions. In the fall of 1849 the grading of the road began and continued for a year on the basis of orders drawn on merchants, payable in goods. The directors received the goods--carts from wagon makers, harnesses from harness makers, beef, pork, oats, corn, potatoes from farmers--on account of stock subscriptions, and turned them over to the contractors in payment of work done upon the road. Commodities could not be used to purchase iron nails or locomotives, however, and the budding railroad magnates looked to a new source besides the city of Milwaukee for funds.⁶

Funds from the sale of federal land had been accumulated by the state in a school fund. Speculators and others eager to find an easy source of capital hungrily eyed the school fund. Early in December 1849 the editor

⁵Buck, Milwaukee Under the Charter, III, 168-169; Holton, Diary, 275-276.

⁶Holton, Diary, 275-276.

of the Oshkosh True Democrat noting that the railroad men of Milwaukee wished to use the school fund to finance their railroad project, warned his subscribers that the school fund should be held sacred and not loaned to railroads or other speculators. Undeterred by such criticism Mitchell and the other directors of the Milwaukee and Waukesha railroad, now known popularly as the Milwaukee and Mississippi, memorialized the State legislature for a loan of \$250,000 out of the school fund.⁷

The plan, though approved by an Assembly committee met with vigorous objection throughout the state. Citizens of the towns of Rock and Beloit remonstrated against the proposed loan. Newspapers, notably Democratic ones, throughout the state opposed the plan and the editor of Wisconsin Democrat warned his readers that such a loan would lead to a "repetition of the frauds perpetuated in New York and Ohio". Sarcastically the editor remarked that if the legislature desired to dispose effectively of the fund "let it be loaned on a mortgage, or moonshine or a few square acres of fog" but not on a railroad. So

⁷ Oshkosh True Democrat, December 14, 1849; Report of a Majority of the Committee to whom had been referred the Memorial of the Milwaukee and Waukesha Rail-Road Company (Madison, 1850), 7-11.

vigorous was the opposition to the proposed bill that on February 1, 1850 the legislature rejected it.⁸

The defeat of the proposal to use the school fund to build railroads did not discourage Mitchell and his fellow railroad enthusiasts. In the spring of 1850 the legislature chartered four more railroads. Mitchell had an interest in two of them, the Milwaukee and Fond du Lac Railroad Company and the Milwaukee and Watertown Railroad Company. However, during the fifties the canny Scotchman was never a large stockholder in any company. But Mitchell had great prestige as president of the Wisconsin Marine and Fire Insurance Company Bank. His recognized financial genius made his presence on the board of the various railroads a welcome. Too, although his own investments in railroad stock were small, he had no qualms about lending to others to buy railroad stock. The best way Wisconsin's financial genius could determine the security of a railroad's stock was to study its operations.⁹

⁸Journal of the Assembly, 3 Legislature, (1850), 108, 250; Wisconsin Democrat, January 26, 1850; Journal of the Assembly, 3 Legislature, (1850), 258.

⁹Acts and Resolves passed by the Legislature of Wisconsin in the Year 1851 Together with Memorials to Congress, (Madison, 1852), 72-80, 172-188, 256-260; Milwaukee Daily Journal, April 19, 1887.

In the early fifties it soon became apparent to the railroad manipulators of Wisconsin that various consolidations were necessary to run the roads profitably. In 1853 two roads of which Mitchell served as a director, the Milwaukee and Fond du Lac Railroad, chartered in 1851, and the Milwaukee, Fond du Lac and Green Bay railroad, chartered in 1852, consolidated under the name of the latter. In 1853 Byron Kilbourn broke with the directors of the Milwaukee and Mississippi road and started the rival La Crosse and Milwaukee Road. In 1854, the La Crosse and Milwaukee road absorbed the Milwaukee, Fond du Lac and Green Bay railroad. Meanwhile in 1851 the legislature incorporated the Milwaukee and Watertown railroad of which Mitchell became a director and authorized it to construct a line from a point on the Milwaukee and Mississippi line to Portage city.¹⁰

The line of the Milwaukee and Mississippi road ran west to the Mississippi River while the La Crosse and Milwaukee's proposed line lay in a northwesterly direction toward the river. The Milwaukee and Watertown road ran in the same general direction as the La Crosse and Milwaukee

¹⁰ John W. Cary, The Organization and History of the Chicago Milwaukee & St. Paul Railway Company (Milwaukee, 1893), 13-18.

Road, thus bringing the two into conflict. More than a line of a railroad was at stake however, for the United States Congress had voted a land grant to Wisconsin to aid in the construction of railroads. The Wisconsin legislature had the authority to designate which railroad should get the land known as the North Western Grant. To secure the land grant for his company, Kilbourn entered into a series of agreements resulting in the so-called "La Crosse Scandal".¹¹

Kilbourn entered into an agreement with Mitchell and other directors of the Milwaukee and Watertown road whereby the latter company passed into the hands of the La Crosse and Milwaukee railroad. The Watertown road had a debt of over \$800,000 when Kilbourn and his associates took control of it, agreeing to pay all the liabilities it had outstanding. Mitchell and two other directors of the Watertown went into the La Crosse board to make sure that the La Crosse and Milwaukee adhered to the terms of the agreement. Not satisfied with eliminating the opposition of the Watertown road, Kilbourn and his associates sought the aid of the officers of the St. Croix and Superior

¹¹Richard Nelson Current, Pine Logs and Politics, A Life of Philetus Sawyer 1816-1900 (Madison, 1950), 132.

railroad. The St. Croix company agreed to aid the La Crosse company in getting the land grant in return for a portion of it. Mitchell lent his influence in securing passage of the bill giving the North West Land Grant to the La Crosse Company. The unscrupulous Kilbourn lent more than his influence to secure the land grant for his company.¹²

In 1858 a legislative investigating committee disclosed that Kilbourn and his associates had paid out more than \$1,000,000 in bonds and stocks for expenses incident to the land grant. In 1856, the report revealed that the legislature, the governor and a supreme court justice had together received more than \$630,000. The scandal broke while Mitchell was overseas visiting his homeland. In September 1858 the middle-aged Scotchman returned to Milwaukee to find his name connected with the scandal.¹³

Marshall Strong, a legislator, testified that he had been approached and offered a bribe to vote for the bill. The indignant Strong reported that he had retorted

¹²Report of the Joint Select Committee Appointed to Investigate into Alleged Frauds and Corruption in the Disposition of the Land Grant by the Legislature of 1856 and for other purposes (Madison, 1858), 27-28; Milwaukee Sentinel, April 6, 1860; Report of Committee to Investigate Frauds, 28, appendix p. 15.

¹³Austin, The Story of Milwaukee, 430.

to his questioner, "that if he would multiply the capital stock of the company by the number of leaves in the Capital Park, and give me that amount in money and then have himself, Kilbourn, Moses Strong, and Mitchell blacked, and give me a clear title to them as servants for life, I would take the matter under consideration". The hapless Kilbourn testified that Mitchell had received \$10,000 in bonds for aiding and assisting the La Crosse company in procuring passage of the act. Mitchell indignantly denied that he had been involved in any unscrupulous deal. He said that he had no knowledge of the bribes handed to the members of the legislature. He pointed out that his connection with the La Crosse board was only nominal and that he had resigned from it in a short time, as he only went into the board to protect the interests of the Watertown company. As for the \$10,000 in bonds, the Milwaukee banker explained he considered them payment for services rendered. He had served for four years on the board of the Milwaukee and Watertown road, making numerous trips to New York to purchase iron and to sell securities, without pay. By the terms of the agreement with the Watertown road, the La Crosse company became liable to him for his "just and valid claim". Although he never presented his claim Mitchell claimed that

he saw nothing wrong in accepting the bonds from the La Crosse company as he considered himself entitled to compensation. He did not know of the scandal until the committee's report appeared.¹⁴

Mitchell's connection with the La Crosse scandal had little effect on his reputation. Most people came to believe his story. Even during the bitter political campaigns of the late sixties and of the seventies, Mitchell's opponents rarely attempted to connect him with the scandal. In connection with the scandal the editor of the Milwaukee Sentinel, the businessman's newspaper, wrote "no man in Wisconsin doubts the integrity, capacity or responsibility of Alexander Mitchell, or would hesitate to endorse him to any extent". In later years the Sentinel took a more vigorous stand condemning Mitchell's participation in a railroad bond deal which cost the city of Milwaukee several hundred thousand dollars.¹⁵

Meanwhile during the fifties, Wisconsin had gone on a railroad binge. On February 25, 1851 the Milwaukee and

¹⁴Report of Committee to Investigate Frauds, 113-114, 9, 17; Alexander Mitchell to Wm. A. Guest, September 15, 1858 in Milwaukee Sentinel, May 14, 1859.

¹⁵John M. Bernd, "The La Crosse and Milwaukee Railroad Land Grant, 1856" in Wisconsin Magazine of History, XXX, 153; Milwaukee Sentinel, May 14, 1859.

Mississippi Road of which Mitchell was a director, formally opened its tracks to Waukesha and by January 4, 1853 the road had been opened to Janesville. In August of 1852 Milwaukee dedicated its first railroad depot and in the same year Milwaukeans could point with pride to the newly built "Menomonee", the first locomotive built west of Cleveland.¹⁶

In 1854 Milwaukee looked forward to a bright future. In 1853 immigration and the wheat crops, both sources of wealth, had been large. The Board of Trade optimistically estimated the population of the city to be 40,000 people. In the same year the Milwaukee and Watertown opened part of its tracks for business. Net proceeds of the Milwaukee and Mississippi road soared from \$88,483.37 in 1854 to \$470,617 in 1857. At first the citizens of Milwaukee had refused to commit their credit to the aid of railroads. Later as the enthusiasm for railroads became infectuous, the railroads received liberal loans. In 1854 the city council passed an ordinance for the issue of \$100,000 in city bonds to the Lake Shore Road. The city also lent aid to the La Crosse and Milwaukee and to the Milwaukee, Green Bay and Lake Superior railroads. When the panic

¹⁶Buck, Milwaukee Under the Charter, III, 332, 417, 404, 408-409.

of 1857 hit the country the citizens of Milwaukee discovered that they had issued bonds to the amount of \$1,380,000 in aid of railroads.¹⁷

In January 1859, Mayor Prentice of Milwaukee reported that the Milwaukee and Watertown, the Milwaukee and Beloit, the Milwaukee and Horicon, the Milwaukee and Superior and the Milwaukee and Mississippi railroads had all defaulted on their interest payments. Milwaukee was typical of dozens of towns and cities in Wisconsin. Individuals suffered too, particularly the farmers. Some 6000 of them had mortgaged their farms to the extent of nearly \$5,000,000 to purchase railroad securities. The misfortune of many Wisconsinites brought good fortune to others.¹⁸

The canny Mitchell, always conservative, had refrained from investing too heavily in railroad stocks in the boom period. In the early 1860's he and his Wall Street

¹⁷ Buck, Milwaukee Under the Charter, III, 14-15; Annual Report of Commerce for the year 1854, 1; Buck, Milwaukee Under the Charter, IV, 164; Report of Bank Comptroller for the year 1854, 25-26; Daily Milwaukee News, February 11, 1858; Buck, Milwaukee Under the Charter, III, 406; Ibid, IV, 21; Ibid, III, Ibid, IV, 170, 222-223.

¹⁸ Buck, Milwaukee Under the Charter, IV, 306; Anderson Wisconsin Banks, 1848-1948, 50.

associates brought in the securities of many of the bankrupt Wisconsin railroads at 25 per cent of their cost.

In 1862 Russell Sage and other businessmen of New York state secured control of the Milwaukee and Western railroad. Mitchell and a business associate, S. S. Merrill, had some interest in this railroad which controlled the Milwaukee division of the La Crosse and Milwaukee Road.¹⁹

On May 5, 1863 Mitchell, Sage, Merrill and others organized the Milwaukee and St. Paul railroad. David M. Hughes of New York became its first president. The Milwaukee and St. Paul railroad secured control of the old La Crosse and Milwaukee road. In June 1865 Mitchell secured the presidency of the Milwaukee and St. Paul. Under Mitchell's direction, the road expanded quickly taking over numerous small railroads throughout Wisconsin, Minnesota and Iowa. Mitchell was fortunate in having two able assistants in this work.²⁰

John A. Cary, a Vermont born lawyer, handled the legal work for the St. Paul road. In 1859, Cary, a former law partner of James R. Doolittle, moved to Milwaukee.

¹⁹Milwaukee Sentinel, May 19, 1874; Cary, History of St. Paul System, 35.

²⁰Cary, History of St. Paul System, 290; William F. Ranay, "The Building of Wisconsin's Railroads" in Wisconsin Magazine of History, XIX, 392-393.

He became acquainted with Mitchell and from 1863 to 1895 headed the legal department of the St. Paul. Sherburne S. Merrill, the St. Paul's general manager was also a close friend of Mitchell's. A tall, muscular man, the quick tempered Merrill proved a valuable aide to Mitchell. He served as general manager of the St. Paul road till his death in 1884.²¹

Mitchell entered into his job with enthusiasm. He made frequent visits to New York and took pains to expand the road in a wise manner. However, New York interests held a controlling voice on the board of directors and they did not always approve of Mitchell's plans. Soon after taking over direction of the St. Paul, Mitchell advocated acquiring the Chicago and Milwaukee railroad in order to get the lake route to Chicago. Unable to see the wisdom in this move, the eastern directors refused to consent to it. Later the St. Paul's chief competitor, the Chicago and Northwestern, acquired the road forcing the St. Paul to build a costly and in some ways a more inferior route to Chicago.²²

²¹Cary, History of St. Paul System, 507-508; Buck, Milwaukee Under the Charter, III, 348-351.

²²Austin, The Milwaukee Story, 91.

Mitchell was more successful in his attempts to secure control of the Milwaukee and Prairie du Chien railroad which operated as a competitor to the St. Paul's route between Milwaukee and the Mississippi River. In the fall of 1865 there occurred in Wall Street the famous "Prairie Dog Corner" on the common stock of the Milwaukee and Prairie du Chien railroad. H. C. Stimson, a New York speculator, succeeded in cornering the majority of the common stock of the railroad. In April of 1866 he agreed to sell 30,000 shares of this stock to the St. Paul in exchange for 30,000 shares of the preferred stock of the St. Paul and 25 per cent of the common stock of the St. Paul. Mitchell accepted the offer and later secured control of 2500 additional shares of the preferred stock of the Prairie du Chien road. In this manner Mitchell got control of a majority of the combined types of stock of the Prairie duChien road but he had control of only a minority of the preferred stock. According to the charter of the Prairie du Chien road only preferred stock holders could vote for board of directors. However, early in 1866, in the last days of the legislative session in Madison, Mitchell secured the passage of a bill giving this privilege to common stock holders as well. Having a majority of the voting stock Mitchell and his friends

secured control of the Prairie du Chien railroad. In 1866 and again in 1867 Mitchell served as president of the road.²³

The profitable Prairie du Chien was not yet safely in Mitchell's control. At least so thought Meyer and Company, a firm interested in speculating in railroads. In the fall of 1866 this firm bought up what they thought was a controlling interest in the preferred stock of the Prairie du Chien road. They then threatened to veto any action of the board of directors unless the St. Paul's officers settled with them on their own terms. Relating the story to Moses Strong, an occasional lawyer of the St. Paul, Mitchell remarked, "They were acting on Meyer's idea that it required a majority of each class to assent to anything. The trouble is he got caught in his own trap".²⁴

Mitchell worked hard to build up the network of railroads comprising the St. Paul system. He was quite successful in earning a profit for the company but he

²³Cary, History of St. Paul System, 80-81; Milwaukee Sentinel, February 12, 1867; Cary, History of St. Paul System, 96-97.

²⁴Alexander Mitchell to Moses Strong, February 20, 1867 in the Moses Strong Papers in the Library of the Historical Society of Wisconsin.

persuaded his railroad colleagues to declare no dividend. Instead Mitchell used the earnings in construction and other necessary improvements to the railroad. By purchases and stock manipulation deals such as the Prairie du Chien incident Mitchell gained control over all the railroads leading into Milwaukee except for the Chicago and Northwestern. The effect of the consolidation was to give more efficiency to railroad operations in Wisconsin. Business increased and the stock of the St. Paul rose rapidly in the market. In 1867 the St. Paul had 835 miles of main track in operation. By 1869 the St. Paul had 935 miles of track in operation and controlled the only railroad to St. Paul and Minneapolis. Under Mitchell's direction other additions had been planned. Lines under construction included a branch line 300 miles long across the state of Iowa to Yankton, South Dakota, to be completed by January 1871; a line of road from Black River Falls, Wisconsin to St. Paul; one from Conover, Iowa to Decorah, Iowa; and several minor branch lines.²⁶

Mitchell, however, was not the type of person to give of himself without seeking a reward. In combination

²⁶Cary, History of St. Paul System, 98; Milwaukee Sentinel, October 22, 1869; Cary, History of the St. Paul System, 97; Milwaukee Sentinel, October 22, 1869.

with other directors of the St. Paul he made arrangements to secure control of the Western Union railroad which ran from Rock Island, Iowa to Racine, Wisconsin. In 1869 the City Bank of Glasgow, in Glasgow, Scotland owned substantially all the stock and bonds of the Western Union road. In November 1868 Mitchell left for Scotland ostensibly to visit "Auld Scotia", amid rumors he had drawn \$80,000 from a private banking house in Milwaukee. Before he left Mitchell resigned as president of the St. Paul road but the board of directors refused to accept his resignation. Arriving in England in December of 1869, Mitchell headed directly for Scotland. Meeting in Glasgow with the officials of the City Bank of Glasgow, Mitchell arranged to buy a controlling interest in the Western Union Railroad. He secured 20,010 shares of the 40,000 shares of stock outstanding for himself and his associates. The transaction was strictly a personal one and did not officially involve the officers of the St. Paul. After an extended European trip Mitchell returned to Milwaukee. On June 29, 1869 Mitchell had himself elected president of the Western Union road. In April 1870 Mitchell and his associates traded off their 20,010 shares of Western Union stock for 15,010 shares of common stock in the St. Paul road, assuring themselves a handsome profit and giving

the St. Paul control of 191 miles of track through fertile country.²⁷

The St. Paul's greatest rival in the territory, comprising Wisconsin, Iowa, Minnesota and S. Dakota was the Chicago and Northwestern railroad. As early as June 1867 Mitchell and other railroad magnates of Chicago and New York attempted to get control of the Chicago and Northwestern. In June 1868 Mitchell and three other members of the board of directors of the St. Paul railroad received election to the board of directors of the Chicago and Northwestern railroad. On September 1, 1869, following the death of Henry Keep, president of the Chicago and Northwestern road, the board of directors of the railroad elected Mitchell president. For a time Mitchell with a reported income of \$200,000 a year presided over the greatest system of railroads in the world. The editor of the Chicago Post likened the railroad magnate to "Alexander the Great" but supposed "the weeping would not commence until the conqueror had gobbled up such little side tracks as the Union Pacific, New York Central, etc." However,

²⁷Cary, History of St. Paul System, 123-124; Milwaukee Sentinel, November 12, 1868; Ibid, November 25, 1868, Ibid, November 9, 1868; Ibid, December 7, 1868; Ibid, December 30, 1868; Cary, History of St. Paul System, 339.

Alexander Mitchell unlike Alexander the Great had no chance to weep for lack of railroad empires to conquer. His position as president of two competing railroads proved unpopular to the public and unthinkable to those who controlled the Chicago and Northwestern. At the next annual meeting in June 1870, Mitchell lost the presidency of the Chicago and Northwestern road.²⁸

Though disposed as head of the Chicago and Northwestern Mitchell was still firmly in control of the St. Paul road. Aided by the loyal Merrill, Mitchell continued to expand the operations of the St. Paul system. In July 1870 he bought the Hastings and Dakota railroad for the St. Paul and encouraged residents of eastern Wisconsin to raise sufficient money to interest the board of directors of his company in a projected Milwaukee to Fond du Lac line via West Bend.²⁹

²⁸Milwaukee Sentinel, June 8, 1867; Ibid, June 6, 1868; Robert J. Carey and W. A. S. Douglas, Pioneer Railroad, The Story of the Chicago and North Western System (New York, 1948), 133; Oshkosh Trade Reporter in Milwaukee Sentinel, October 22, 1869; Chicago Post in Milwaukee Sentinel, September 4, 1869; Carey, Pioneer Railroad, 133.

²⁹Milwaukee Sentinel, July 28, 1870; Ibid, July 7, 1870.

In the summer of 1871 the wily president of the St. Paul informed the people of Dubuque that he would put Dubuque in direct communication with Milwaukee for \$50,000 cash. The projected line of the road, the Dubuque and Milwaukee railroad, connected at Monroe with the St. Paul system. Rival towns fought to have the railroad pass through their town. The people of Shullsburg, Wisconsin raised \$125,000 for the proposed line with the understanding that it would pass through their town, leaving the rival village of Darlington, eight miles to the north, untapped.³⁰

In April, 1872 Mitchell, Hans Crocker, John Cary and S. S. Merrill cooperated with some Chicago men in forming the Chicago, Milwaukee and St. Paul Railway Company. Organized to construct a railroad from Chicago to the Wisconsin-Illinois state line, the company performed as a subsidiary of the Milwaukee and St. Paul railroad. The Chicago, Milwaukee and St. Paul Railway Company formed one link in a projected 400 mile route from St. Paul to Chicago via Milwaukee. Later, on February 7, 1874, by vote of the stockholders, the term Chicago, Milwaukee

³⁰Milwaukee Sentinel, August 5, 1871; Ibid, August 14, 1871.

and St. Paul Railway Company became the name of the entire St. Paul system.³¹

The expanding operations of the St. Paul led to a vigorous clash with public opinion as expressed by politicians and newspapers. The St. Paul and the Chicago and Northwestern road were not always enemies. In 1867 the Wisconsin legislature enacted a law forbidding the two companies to own or operate any portion of the railroad of the other. In the early 1870's the term "pooling" came into being to describe a similar operation. Amid rumors of a "pooling" arrangement between the St. Paul and the Chicago and Northwestern, the assistant Attorney General announced that such an agreement would violate the spirit of the law.³²

In 1873 Mitchell's railroad and he himself again incurred the anger of the people of Wisconsin. Congress by acts of 1856 and 1864 had granted the state two and a half million acres from the federal domain within its boundaries. The state in turn conferred the land on railroads in the form of land grants. In the spring of 1873, Mitchell's company and the Chicago and Northwestern rail-

³¹Milwaukee Sentinel, April 3, 1872; Cary, History of the St. Paul System, 305.

³²Carey, Pioneer Railroad, 133; Milwaukee Sentinel, June 4, 1873.

road fought a bitter battle to secure control of the St. Croix and Superior land grant. The St. Paul won the fight and secured the grant. However, Mitchell and his associates found the grant unacceptable due to certain restrictions in the bill conferring it. On May 2, 1873, Governor Washburn gave notice of the forfeiture of the land grant by the St. Paul railroad due to their failure to file the bonds required by the legislature. Mitchell and the St. Paul received severe criticism for refusing to accept the grant after striving so valiently to secure it.³³

The St. Paul under Mitchell's guidance came under even greater and much more severe criticism in its reaction to the Potter Law. The St. Paul like many railroads throughout the country charged exorbitant and arbitrary rates. Under no public control and subject only to the whims of Mitchell and his associates the St. Paul railroad soon came into disrepute in Wisconsin. Various factions combined to fight the dominating railroad in the state. In 1873, William R. Taylor, the Democratic candidate for Governor, succeeded in breaking the long rule of the Republicans in Madison. A "reform" governor, Taylor had the

³³Current, Philetus Sawyer, 132; Milwaukee Sentinel, June 4, 1873.

backing of an anti-railroad faction in both houses of the legislature. Republicans, Democrats, anti-Grant Republicans, and so-called "reformers" responding to public pressure enacted the so-called Potter Law.³⁴

The law introduced by Robert L. D. Potter, a Republican senator from Waushara County, was brief and comprehensive. The Act divided the railroads of the state into three classes, fixing maximum passenger rates per mile for each class. It divided freight into special classes and fixed maximum rates to be charged for transportation of each class. The law also provided for a railroad commission of three members. The commission had the power to investigate into the actual cost of the roads, their gross and net receipts and their indebtedness. In addition it had the power to reduce the freight rates fixed by the law when it could be done without injury to the road. The two roads principally affected by the bill were the St. Paul and the Chicago and Northwestern.³⁵

In April 1874 the railroad magnates held a meeting in New York to determine their course of action. Returning from the conference, Mitchell granted an interview

³⁴Clara Lyon Hayes, William Penn Lyon, (Madison, 1926) 57-58.

³⁵Hayes, Lyon, 58.

to the reporter from the Sentinel. The reporter assured his readers that he did not find Mitchell to be an "un-compromising savage and tyrannical looking personage" but instead a "pleasant spoken, benevolent and cheerful, ruddy faced, well preserved gentleman". Pleasant spoken though he was, the "well preserved gentleman" had little words of comfort for residents of Wisconsin. Calling the new law suicidal for the railroads, Mitchell said the railroads could not accept it. Emphatically Mitchell declared that if the state sought to enforce the law the railroads would cease to operate.³⁶

Scoffing at Mitchell's assertion that the law was suicidal for the railroads the reformers cited figures to prove the opposite to be true. One of them writing to the Sentinel declared that the real reason the railroad magnates hated the "Potter Law" lay in the fact that it gave the railroad commissioners the right to provide blank forms to the railroads for detailing their fiscal returns. Such "a clause to expose and break up their (railroads) ring stealings was worthy the hazard of open and defiant resistance" stated the reformers. Citing the company's own figures the writer pointed out that for the St. Paul's

³⁶Milwaukee Sentinel, April 13, 1874; Ibid, April 24, 1874.

operations in Wisconsin, gross net receipts equaled more than fifty per cent of the gross receipts. Furthermore, stated the writer, the Potter Bill provided a yield of 2:42-100 cents a mile or 12-100 of a cent more than what the St. Paul claimed they earned per mile in 1872. In addition the reformer pointed out that the Potter Bill did not effect freight that passed through or across the state.³⁷

In answer Mitchell and his associates claimed the law was nothing more nor less than confiscation. S. S. Merrill, general manager of the St. Paul reported that operating figures equalled 75 per cent of the gross receipts. A reduction in freight rates he declared would diminish the receipts 25 per cent and bankrupt the road. Believing the law to be unconstitutional Mitchell and his associates decided to ignore it. On April 27, 1874, the day before the Potter Law went into effect, the St. Paul published a new rate schedule in defiance of the law. Outraged the editor of the Sentinel, who had opposed the "Potter Law", severely criticized this "first reliable evidence" of "a really rebellious purpose" on the part of the St. Paul. He urged the state to take action to repeal

³⁷Milwaukee Sentinel, April 23, 1874.

the St. Paul's charter if the St. Paul persisted in its "rebellious purpose".³⁸

To defend their position both Albert Kerp, president of the Chicago and Northwestern, and Mitchell, president of the St. Paul road, wrote letters to Governor Taylor of Wisconsin. The presidents of both companies announced they would ignore the "Potter Law" as they believed it to be unconstitutional. Mitchell took the same stand in defending his railroads action as he did in the 1840's in defending the rights of the Wisconsin Marine and Fire Insurance Company. Relying on the sanctity of contracts he declared that the state had no power to regulate the railroads in such a manner as to deny the stockholders the right to "a fair and reasonable return for the capital invested". And this he declared was what the Potter Law would do. Stating that he and his associates felt justified in relying on the advice of their "eminent counsel", Mitchell bluntly announced that "the Directors feel compelled to disregard the provisions of the law so far as it fixes a tariff of rates for the company" until the courts passed upon the validity of the law. Mitchell took

³⁸Chicago Railway Review in Milwaukee Sentinel, April 23, 1874; Milwaukee Sentinel, April 25, 1874.

pains to deny any disrespect for the state and its constituted authorities.³⁹

Despite Mitchell's assurance of respect for the authorities of the State, his action brought violent criticism down on his head. Robert M. La Follette, writing of the incident in his autobiography years later, said, "A more brazen defiance of law could scarcely be conceived."⁴⁰

The officials of Wisconsin, however, had no intention, publicly at least, to give in to the managers of the railroads. Governor Taylor appointed the three commissioners called for under the law one of whom, George H. Paul, had close connections with Mitchell. On receipt of Mitchell's letter the governor visited Milwaukee to confer with the railroad magnate. On May 1, 1874, Governor Taylor issued a proclamation enjoining all railroad corporations, their officers and agents to submit peaceably to the law. Many of the residents of Wisconsin backed their state officials. Passengers on both the St. Paul and Chicago and Northwestern

³⁹ Albert Kerp to Governor William R. Taylor, April 27, 1874 and Alexander Mitchell to Governor William R. Taylor, April 28, 1874 published in Milwaukee Sentinel, April 30, 1874.

⁴⁰ Robert M. La Follette, La Follette's Autobiography, A Personal Narrative of Political Experiences (Madison, 1911), 18-19.

lines often refused to pay the companies' rates, tendering instead the rate set by the Potter Law.⁴¹

To enforce obedience to its laws, the State officials of Wisconsin sought an injunction against the St. Paul and Chicago and Northwestern railroads. On September 15, 1874 the State Supreme Court delivered its opinion. Chief Justice Ryan read the decision of the court which sustained the jurisdiction of the court and upheld the right of the State to control its corporate creations by reasonable regulations. A reporter for the Sentinel found the unhappy Mitchell walking up and down in his public office in the Wisconsin Marine and Fire Insurance Company Bank. Replying to the reporters opening question, Mitchell emphatically declared, "We shall respect the decision of the court sir; we shall respect the decision of the court, whatever it is".⁴²

Although the railroad magnate had respect for the courts of Wisconsin, he did not propose to let the Potter Law remain on the statutes. Denying a report that the St. Paul had plans to transfer all its property to him

⁴¹Milwaukee Sentinel, April 30, 1874; Ibid, May 2, 1874; Ibid, May 7, 1874.

⁴²Hayes, Lyon, 58-59; Milwaukee Sentinel, September 16, 1874.

in trust, so as to run the road as private property and thus evade the Potter Law, Mitchell decided to try a course of conciliation. George H. Paul, his friend in the railroad commission, informed him that the governor and two of the railroad commissioners favored "moderation in railroad legislation this winter". Complimenting Mitchell on his forbearance, Paul concluded, "Much is due to the conciliatory disposition manifested by you for whatever is accomplished in this direction". The St. Paul, determined to pacify public opinion, offered every facility to the railroad commissioners to examine their books and even extended free passes to them. Unable to secure revision of the Potter Law in 1875, Mitchell and his associates bided their time. By 1876 the excitement against the railroads had subsided sufficiently for Mitchell and his cohorts to seek repeal of the dreaded Potter Law. Mitchell appeared in Madison along with other railroad lobbyists. Declaring that the prosperity of the railroads depended on the favor of the people, the railroad magnate blandly stated that railroads making extortionate charges suffered a loss of business. With little opposition Mitchell and his fellow lobbyists succeeded in getting the

obnoxious Potter Law repealed and a harmless act passed in its place.⁴³

While fighting the officials of the state over the Potter Law Mitchell had also become engaged in an internal dispute in the board of directors of the St. Paul system. New York men largely controlled the board of directors of the St. Paul railroad. Some years prior to 1875, Mitchell had procured the passage of the so-called Classification Act by the Wisconsin legislature. The bill provided that the stockholders should choose one-third of the board of directors of the St. Paul road each year to serve for a term of three years. Russell Sage, vice-president of the St. Paul railroad and two associates, F. P. Jones and N. A. Cowdry, both members of the board of directors of the St. Paul, reportedly took advantage of the bill to speculate in stock of the railroad. The scheme was that the directors interested in speculating activities, having been elected for three years, had no further occasion to hold stock during their term. Interested in quick profits

⁴³George H. Paul to Alexander Mitchell, December 10, 1874 in the George H. Paul Papers in the Library of the Historical Society of Wisconsin; S. S. Merrill to Alexander Mitchell, May 18, 1875 in the Alexander Mitchell Papers in the Library of the Historical Society of Wisconsin; Milwaukee Sentinel, February 2, 1876; Hayes, Lyon, 60.

they unloaded and bought stock at will attempting to advance or depreciate its price to their own advantage. Mitchell had no use for such activities and secured the passage of a bill by the legislature of Wisconsin which let the stockholders decide whether the directors served a three or a one year term.⁴⁴

Fully aware of Mitchell's activities, Sage in company with other directors of the St. Paul system, circularized the various stockholders for proxies to fight Mitchell's plan. But the wily Mitchell had planned well. In May 1875 with aid of those directors opposed to Sage, Mitchell ousted the speculator and several of his fellow directors from the St. Paul's board of directors. S. S. Merrill applauded Mitchell's move and calling for more reforms, remarked that "it will have a good effect all through the state, and hereafter we shall have less trouble in getting fair legislation". The editor of the Sentinel, suspicious of Mitchell's manipulations, remarked that Mitchell could no longer blame Sage for "every act of outrage and oppression" as he had done for "the last ten years".⁴⁵

⁴⁴Milwaukee Sentinel, May 7, 1875.

⁴⁵(Unsigned) to Alexander Mitchell, May 3, 1875 in the Alexander Mitchell Papers; Milwaukee Sentinel, May 19, 1875; S. S. Merrill to Alexander Mitchell, May 14, 1875, in the Alexander Mitchell Papers; Milwaukee Sentinel, June 29, 1875.

With his victory over Sage, Mitchell's grasp upon the presidency of the St. Paul became even more secure. He continued his efforts to build up the St. Paul by increasing its trackage and substituting the improved steel rails for the less efficient iron ones. On June 8, 1877, in Milwaukee, the board of directors and a few stockholders in the railroad assembled to elect directors for the coming year. Mitchell again secured the presidency, a position which he held till his death. A report read to the assembled railroad operators revealed that the St. Paul system had more than 1400 miles of completed road. The total included 665 miles in Wisconsin, 351 miles in Minnesota, 337 miles in Iowa and 47 miles in Illinois. In 1876 despite a decrease in gross earnings of \$201,572.25, the railroad showed an increase in profit of \$15,457.43.⁴⁶

In the following years Mitchell's name became prominently mentioned as a possibility for the presidency of the Chicago and Northwestern. In July, 1879, when the railroad manipulator went on one of his numerous trips to England, rumor had it that he had gone to Europe to buy up control of the Northern Pacific. Despite the hopes of the editor of the Milwaukee Sentinel the rumor proved un-

⁴⁶Milwaukee Sentinel, June 9, 1877.

founded. Nor did Mitchell become president of the Chicago and Northwestern railroad.⁴⁷

His interests in railroads throughout the west increased however. In 1878 with Merrill, his general manager; and Cary, his legal adviser, and several other men, Mitchell formed the Minnesota Midland Railway Company. In March of the same year he joined with Eastern and Western operators in proposing a Dakota road to be called the Dakota Southwestern Railway. On September 24, 1879 Wisconsin's greatest railroad manipulator won re-election to the board of directors of the Northern Pacific Railway Company. Through the coming years Mitchell steadily pushed the interests of the St. Paul system. Next to his beloved bank, the aging financier's greatest pride and joy was the constantly expanding Chicago, Milwaukee and St. Paul Railway Company. Financial skill and an adroit handling of railroad companies intermixed with politics had made Alexander Mitchell the railroad czar of Wisconsin.⁴⁸

⁴⁷Milwaukee Sentinel, May 20, 1878; Ibid, July 9, 1879.

⁴⁸Milwaukee Sentinel, November 4, 1878; Ibid, March 28, 1878; Ibid, September 25, 1879.

CHAPTER V

Politics and Business

Alexander Mitchell, secretary of the Wisconsin Marine and Fire Insurance Company, was conservative in his political opinions. In the 1840's the young Scotchman had taken a small part in village politics as a fire warden. In 1846, after Milwaukee became a city, Mitchell won election to the office of school commissioner. In 1851 he had helped frame a new city charter for Milwaukee and in the same year had been chosen a member of the Sack Company No. 1, members of the organization assisted at fires by acting as special police to control the crowds. In 1852, Mitchell, in company with a number of other prominent business men, journeyed to New York City to hear Jennie Lind. The group got along so well together that a social club soon took form. In a few months the social club gave way to politics and the members made an attempt to dictate the political officials of Milwaukee. E. G. Ryan, a prominent politician, made an attack on the Jenny Lind Club with such biting satire that the organization soon disbanded.¹

¹Milwaukee Sentinel, January 8, 1842; Buck, Milwaukee Under the Charter, III, 377, 359-360. Evening Wisconsin, April 20, 1887.

In national politics, Mitchell naturally turned towards the Whig Party as the Democrats professed to be an anti-bank party. In 1856 in Milwaukee an enthusiastic group of Democrats and Republicans formed a Freemont Club with Mitchell as its president. But Mitchell, the banker and financier of railroads and plank roads, as yet, had little interest in politics.²

In the spring of 1860 the business men of Milwaukee of both the Republican and Democratic parties attempted to get Mitchell to run for mayor but he promptly declined to take a nomination from either party. However, he did consent to serve as a delegate to the Republican State Convention in Madison for that year. In 1860 Mitchell became an enthusiastic supporter of Lincoln and on the evening of October 24, 1860 marched in a huge Republican torch light parade in company with other prominent Milwaukee businessmen. Carl Schurz, a pompous Republican politician of that era, watched the parade in admiration as he saw that "at the lead...[was]...a new banner which had upon [it] painted in oil, my picture and on the other

²Alexander Mitchell, Reception and Banquet, 16-17; Milwaukee Sentinel, July 4, 1856.

side a sentence out of my notification speech..."³

The resulting secession of southern states due to Lindoln's election shocked and alarmed the businessmen of Milwaukee. They had no desire to see the Union rent by conflict. On Monday, February 4, 1861, over 1800 people attended a meeting at the Academy to consider "the all-engrossing subject of National trouble". The businessmen succeeded in electing Mitchell president of the meeting and beat back attempts of radicals to adopt a war resolution. Rufus King and James S. Brown, business associates and friends of Mitchell's, comprised part of the Committee on Resolutions. They presented almost immediately a series of concilatory resolutions and called upon the State Legislature to send as delegates to Washington in compliance with the request of the State of Virginia, "discreet men who shall endeavor to devise a plan for harmonizing the different sections of our country".⁴

Mitchell grew more interested in politics and struck up a warm friendship with Senator Doolittle of Wisconsin.

³Milwaukee Sentinel, February 13, 1860; Ibid, April 2, 1860; Ibid, February 20, 1860; Buttles, Diary, October 24, 1860; Joseph Schafer, Intimate Letters of Carl Schurz 1841-1869 (Madison, 1928), 227.

⁴Milwaukee Sentinel, February 5, 1861.

He recommended various men to Doolittle for federal positions in Milwaukee. The great interest Doolittle took in getting Lt. John Mitchell transferred to a more suitable post during the Civil War made a favorable impression on Mitchell and his wife. The grateful Mitchell rewarded the hard working Senator with a railroad pass.⁵

The conservative banker, though giving generously to the various war funds, had no great enthusiasm for the war. As a businessman he wanted peace for economic reasons and as a father he disliked having his only child go off to war. Disgusted with John F. Potter, the radical Congressman from his district, Mitchell, in the fall of 1862, deserted the Republican Party to work for his defeat. Mitchell denied that Secretary of State Seward wrote to him, asking for Potter's defeat. Sharply Mitchell retorted that "the result of the election can be accounted for without attributing it to influence outside the district".⁶

Mitchell was not the only one unhappy to see the nation plunged in conflict. On December 1, 1862, Colonel C. H. Larrabee wrote to Mitchell asking him to recommend

⁵Alexander Mitchell to James R. Doolittle, April 19, 1863 and March 21, 1864 in the James R. Doolittle Papers in the Library of the State Historical Society of Wisconsin.

⁶Milwaukee Sentinel, August 10, 1866; Ibid, January 7, 1863.

to Governor Horatio Seymour of New York that a peace convention be called. Related the colonel, "If New York takes the lead, others will be apt to follow and then the Administration will be inclined to listen to overtures for an Armistice". Stationed in Nashville, the Colonel termed as absurd "the idea of over-running and holding this vast country by mere force of arms...". Mitchell, however, made no public demand on his close friend in New York to call a convention of the states for peace.⁷

Unable to break completely with the Republican party during the war, Mitchell had no hesitancy in doing so after the conflict ended. Writing to Senator Doolittle in the spring of 1866, Mitchell remarked, "The President and yourself have bourne much and have much to complain of--but time will do you justice". On July 30, 1866, Mitchell made public a letter which he had written one week earlier to Senator Doolittle. Bitterly attacking the Radicals who controlled Congress he said they seemed to have forgotten that the question "was not how to execute vengeance or inflict punishment and political disgrace, but how the seeds of loyalty could best be planted and

⁷C. H. Larrabee to Alexander Mitchell, December 1, 1862 in Alexander Mitchell Papers.

fostered throughout the recently rebellious South". The doubt, uncertainty, and distrust engendered by the Radical Republicans he wrote, "injure[s] our financial position and retard[s] the material prosperity and development of the South". Mitchell ended his letter by calling on "all liberal-minded patriots" to sustain the administration so that the foundations of the Union could be reestablished in the affections of the whole people.⁸

The editor of the Sentinel vigorously attacked Mitchell's letter, declaring that it presented the same argument that Doolittle had given. Mitchell, he wrote, ignored "both the claims of justice and the dictates of prudence". Commenting that Mitchell seemed to have united with Seward and Doolittle in recommending a conciliatory policy, the editor remarked "that we, and not the rebels ought to be conciliated". The editor hastened to add that he had no desire to provoke a controversy with "a gentleman who appears to be so little ambitious to figure in politics as Mr. Mitchell".⁹

⁸Alexander Mitchell to James R. Doolittle, May 14, 1866 in James R. Doolittle Papers; Milwaukee Sentinel, July 31, 1866. /

⁹Milwaukee Sentinel, July 31, 1866.

The editor was wrong. Mitchell had a great interest in politics. In November of 1866 he persuaded the Democrats to nominate his lawyer and friend, James S. Brown, for member of Congress from the Milwaukee district. Brown lost to Halbert E. Paine the Republican candidate by more than 4000 votes. Two years later Mitchell himself accepted the Democratic nomination for Congress from his district. The Kenosha Telegraph caustically observing that the "money prince in Milwaukee" had been nominated by Democrats, commented that the party must have come to the conclusion "that brains are of no use in the...campaign...hence they will try what money will do...". The "money prince" didn't do so well. Although carrying Milwaukee County by a substantial margin, Mitchell lost the district by a small margin to Paine, the incumbant congressman.¹⁰

Undeterred by his defeat in 1868, Mitchell determined to try again. On September 21, 1870, the Democrats obliged by unanimously nominating him as their candidate for Congress. The Republicans nominated Judge William Penn Lyons. The editor of the Republican Milwaukee Sentinel tartly observed that "Mr. Mitchell has been getting rich" while

¹⁰Milwaukee Sentinel, September 18, 1868; Ibid, September 17, 1868; Conard, History of Milwaukee, 93.

"Judge Lyon has been serving the public as law maker...". Suffering from the glib from the Sentinel's editor, Mitchell reportedly bought a controlling interest in the Milwaukee News.¹¹

During the early days of the campaign the Sentinel pictured Mitchell as a decent citizen who somehow had been taken to run as a "figurehead" for the Democracy. But as it became increasingly evident that the "figurehead" stood a good chance of being elected to office, the Sentinel grew violent in its attacks upon him. The editor pictured Mitchell as being of a class of "vampires" who made their wealth out of others. This class screamed the editor "draw themselves inside their shells and only reach out their hands to receive 'the collaterals' and become enormously rich all alone". Not content with that the editor charged Mitchell with sending agents around to offer contributions to churches in exchange for the votes of their parishes. Unhappily for the editor of the Sentinel the majority of the voters decided against his views.¹²

Elected to an important public office for the first time, the exuberant Mitchell waved to the crowd that came

¹¹Milwaukee Sentinel, September 22, 1870; Ibid, October 6, 1870; Ibid, October 19, 1870.

¹²Milwaukee Sentinel, October 22, 1870; Ibid, November 2, 1870; Ibid, November 7, 1870.

to cheer him. Smiling between puffs on his cigar, Mitchell stood at the top of his steps by his front gate receiving the plaudits of the crowd. A "motley crowd of boys mainly" sneered the Sentinel and only "eleven torches" among them. But Mitchell had won and he graciously thanked the audience for their presence and for their support at the polls. After making an "undignified and contemptible fling" at Judge Lyon, and expressing his distrust of his ability to perform the duties of Congressman, the Congressman-elect bowed and retired.¹³

Alexander Mitchell had at least one distinction among Wisconsin's six congressmen, he was the richest. His first year in Congress was hardly notable, however. He presented various petitions that constituents sent to him and introduced a bill to repay to the City of Milwaukee certain moneys she had spent on harbor work. A member of the Committee on Indian Affairs, Mitchell dutifully introduced several bills dealing with Indian treaties though he had no liking for his assignment. Mitchell spent little time in the house, being busy with railroad and other business affairs. During the early months of 1872 he went to Florida with his wife. Salmon P. Chase writing

¹³Milwaukee Sentinel, November 18, 1870.

to Mitchell about a political appointment supposed that he found the rest and quiet in the "balmy air of Florida" more agreeable than the "tumult of the House".¹⁴

By April Mitchell had left the "balmy air" of Florida and had taken his seat in the House. On April 6, 1872 he made a speech on ship-building, opposing the granting of subsidies to ship builders. Declaring that subsidies were more likely to be premiums on incapacity and laziness, Mitchell presented a two-fold plan to revive ship building. First, he told the House, the tariff must be reduced on materials used in ship-building, including iron. Secondly he asserted, American citizens must be given the right to buy foreign-built vessels when they found it more profitable to do so. The speech made no great effect on Congress though the usually hostile Sentinel found it to be a sensible one.¹⁵

On September 5, 1872, again nominated for Congress by the Democrats, Mitchell addressed the convention calling upon the members to support Greeley. Financial interests

¹⁴Current, Philetus Sawyer, 92; Congressional Globe 42 Congress, 1 session, (1871), 341, 507; Ibid, 42 Congress, 2 session, (1871-72), 1582; Salmon P. Chase to Alexander Mitchell, March 14, 1872 in the Alexander Mitchell Papers.

¹⁵Congressional Globe, 42 Congress, 2 session, (1871-72), 2241-2243; Milwaukee Sentinel, April 26, 1872.

would be less likely to suffer under Greely than under Grant, Mitchell told the delegates. Son John Mitchell, now a Democratic State Senator, had no use for Greely, however, nor did Frederick W. Horn. Horn, a former Democratic National Committeeman for Wisconsin, announced his candidacy for Congress on an anti-Greely ticket. Horn had little use for Greely's high tariff doctrines or for his belief that the "government must take care of the rich, and the poor will take care of the poor". The Republican Sentinel added to Mitchell's woes by detailing his numerous absences from the House when important bills came to a vote. The Sentinel totaled nearly eighty such absences and bluntly said he wasn't worth \$5000 a year and mileage. Despite the deflection of Horn and the Sentinel's attacks, Mitchell was reelected to Congress.¹⁶

This time, due to reapportionment changes, Mitchell took his seat in Congress as a representative from the fourth rather than the first district. Mitchell's constituents got more for their money during Mitchell's second term in Congress. He undertook to vote against a bill authorizing an issue of \$25,000,000 to be furnished to banking associations organized or to be organized in cer-

¹⁶Milwaukee Sentinel, September 5, 1872; Ibid, June 29, 1872; Ibid, September 18, 1872; Ibid, October 31, 1872.

tain states and territories. Conscious of his constituents interest in harbor improvements, he voted for the Rivers and Harbors bill. Although Mitchell voted for the increase in Congressmen's salaries, he returned to the treasury his back pay due under the act. An anti-inflationist because of his financial investments, Mitchell ardently wished for a position on the Committee on Banking and Currency. His Milwaukee Republican business associates, fully aware of his views, urged Speaker James G. Blaine to appoint him to that position. Blaine complied with the requests and the grateful Mitchell never forgot the favor.¹⁷

Within a few months leading bankers throughout the country too were grateful for Mitchell's presence on the committee. The panic of 1873 held the country in its grip when Mitchell got up in Congress to make his currency speech. On March 27, 1874, speaking for little more than half an hour, Mitchell attacked those who wished to inflate the country's currency. Reading from notes, the House's

¹⁷ Milwaukee Sentinel, March 27, 1872; Congressional Globe, 42 Congress, 3 session, (1872-73), 1425; Milwaukee Sentinel, February 22, 1873; Ibid, May 27, 1873; Ibid, December 1, 1873. In the extremely bitter presidential campaign of 1884, Blaine came to Milwaukee to make a speech. A parade in his honor passed by Mitchell's house which was brilliantly lit up in behalf of the occasion. No other leading democrat in Milwaukee made such a gesture. Evening Wisconsin, April 21, 1887.

richest member gained an attentive audience as he strongly opposed the idea of inflating the currency with greenbacks.. Instead of increasing the issues of legal tender, Mitchell told the House, the true remedy for the depression could be found in the adoption by Congress of a fixed policy for the gradual withdrawal of greenbacks by funding them into bonds. Compliments poured into Mitchell's office from bankers throughout the country. The Congressman received many letters asking for copies of his speech. Congressman Holman of Indiana considered the speech the best one from a banker's standpoint that had yet been given in the House. From Milwaukee Edward Holton, close friend and business associate of Mitchell's, wrote that he felt honored that his Congressman had stepped forward to protest against "the criminal conduct of Congress in inflating an already rotten currency thereby threatening a dark future for the country...".¹⁸

Mitchell's currency speech which made him a well known figure among banking circles, was his only notable speech in Congress. Having had his say, Mitchell soon turned his

¹⁸ Milwaukee Sentinel, March 28, 1874; Ibid, March 31, 1874; Ibid, April 1, 1874. Numerous letters asking for copies of Mitchell's speech are in the Alexander Mitchell Papers. Edward D. Holton to Alexander Mitchell, April 2, 1874, in the Alexander Mitchell Papers.

attention to matters of more importance to him personally. Bitten by the political bug and anxious for the honor of membership in the nation's most exclusive club, Mitchell decided to run for the Senate. The Sentinel angrily charged that the Chicago, St. Paul, and Milwaukee railroad controlled the Democratic Party ticket. The editor pointed out that the Democratic candidate for sheriff was John A. Hinsey, detective for the railroad company; the candidate for State Senator was John W. Cary, head of the railroad company's legal department; the candidate for Assemblyman was Charley Larkin, a close friend and "servant" of Mitchell's; while Mitchell himself had eyes on the Senate seat of Matthew Carpenter. Despite the reported expenditure of \$14,000 to secure the election of Mr. Cary and as large amounts on the other St. Paul candidates, only Charley Larkin received the office he sought. Unhappily for Mitchell the Republicans triumphed in both houses of the State Legislature capturing control of the Assembly from the Democratic-Reform element and dashing Mitchell's hope for a seat in the United States Senate. However, if Mitchell couldn't have the senate seat he was also determined that his enemies wouldn't.¹⁹

¹⁹Milwaukee Sentinel, September 21, 1874; Ibid, November 2, 1874; Ibid, November 4, 1874.

Mitchell, through years of hard work involving numerous trips to New York City and even to Europe, had built the Chicago, Milwaukee and St. Paul to be one of the world's largest railroads. With the majority of its track laid in Wisconsin territory, the large corporation and particularly its president had come to have immense power in Wisconsin politics. When Mitchell left the Republican Party the Democrats embraced him with open arms. It was a lucrid spectacle, the Democrats, reputedly inflationists and railroad reformers, joining hands with Alexander Mitchell, spokesman for anti-inflationists and one of the railroad world's most powerful figures.²⁰

The editor of the Sentinel caustically commenting on Mitchell's bid for the Senate noted that "railroad influence is the predominate spirit that is endeavoring to fan and blow this so-called Reform tinder into life...". Mitchell's endeavor to "fan and blow" the politics of Wisconsin in such a way as to safeguard the economic well being of his railroad empire was usually done discreetly. However, in the matter of the election of a senator to the United States Senate, he acted more openly. Piqued by the fact that a Republican controlled legislature

²⁰ Milwaukee Sentinel, October 17, 1874.

would not send him to the senate, he determined that no one unfavorable to railroad interests should go either.²¹

Early in the fall of 1874, he reputedly joined with others to raise a \$25,000 fund to insure Matthew Carpenter's defeat for reelection to the Senate. In the violent controversy resulting from the passage of the so-called Potter Law, Carpenter had greatly angered Mitchell and other railroad magnates. In 1874 in a speech at Ripon the famous lawyer had praised the constitutionality, necessity and sound public policy of the Potter Law.²²

When the legislature met in January to elect a Senator, a deadlock developed with Carpenter unable to get a majority from his Republican colleagues. C. C. Washburn, former Governor of Wisconsin, wanted the seat too and he had the vote of a small group of Republicans; thus blocking Carpenter's election. Mitchell, well aware of the deadlock, hurried to Madison by special train. Calling a meeting of the leading Democratic members of the Legislature and also the leaders of the bolting Republicans he pledged

²¹Milwaukee Sentinel, October 17, 1874; Ibid, November 4, 1874.

²²Milwaukee Sentinel, September 21, 1874; Frank A. Flower, Life of Matthew Hale Carpenter, A View of the Honors and Achievements that, in the American Republic, are the Fruits of Well-Directed Ambition and Persistent Industry (Madison, 1883), 291.

them to support a single candidate. Unfortunately for Washburn, as governor, he had antagonized Mitchell and other railroad capitalists by vetoing a bill authorizing the St. Paul to build a bridge across the Mississippi. Unwilling to see Washburn elected to the senate, the railroad magnate persuaded the group of Democrats and Republicans to vote for Angus Cameron. Cameron, a resident of La Crosse and the attorney for the St. Paul railroad there, easily won the senate seat. Mitchell was exuberant over the victory and openly claimed that he had aided in bringing about the defeat of Carpenter. Lamented the editor of the Milwaukee Sentinel: "We believe we crowed over the results of the election in Wisconsin in the fall. We take it all back--it was a Democratic victory".²³

The firm manner with which Mitchell controlled the Reform-Democratic Party in Wisconsin and threw its support behind Angus Cameron only served to emphasize his immense power over the party. In the mid-seventies the reported

²³Flower, Carpenter, 291; Allen Fraser Lovejoy, La Follette and the Establishment of the Direct Primary in Wisconsin, 1890-1904 (New Haven, 1941), 18; Herman J. Deutsch, "Carpenter and the Senatorial Election of 1875 in Wisconsin" in Wisconsin Magazine of History, XVI, 42; Milwaukee Sentinel, February 4, 1875.

boss of the Democratic Party in Wisconsin bore himself well. In his early sixties, the well dressed financier and railroad magnate usually wore conservative dark clothes. A whitish-grey color permeated his hair and the beard circling the sides of his face. With his compact figure of early days increased to a portly one by years of fine eating and drinking, Mitchell's stern well rounded face dominated his political associates.²⁴

Mitchell though controlling the Democratic party in Wisconsin also contributed to the Republicans. Democratic politicians more interested in politics than in the well being of the St. Paul railroad, looked with alarm upon Mitchell's obvious friendship for the Republican candidates and political bosses. One of them writing to Dr. Wendell A. Anderson, chairman of the Democratic State Committee, wondered if "it [would] not be well for our side to look after the Northwestern [R.R.] a little...". Meanwhile on October 26, 1875 H. C. Payne, the Milwaukee member of the Republican State Central Committee, "laid down" on the St. Paul Railroad for "funds". Mitchell with little hesitation replied to the request, thus aiding an old friend, Harrison

²⁴Picture of Alexander Mitchell dated 1875 in the Library of the State Historical Society of Wisconsin.

Ludington, to win the governorship of Wisconsin.²⁵

Though Mitchell played both sides of the political game in Wisconsin--in 1875 he reportedly contributed \$3000 to the ill-fated campaign of William R. Taylor, the Democratic nominee for governor--in national politics he went along with the Democratic party. Politely declining the nomination for mayor of Milwaukee, Mitchell laid plans to capture control of the Democratic State Convention for Samuel Tilden. He sent Dr. Anderson a pass on the St. Paul railroad and informed the Democratic State Chairman that his railroad would transport the delegates to the State Convention at sixty per cent of the regular local rates.²⁶

Meanwhile Percy H. Smith, railroad lobbyist and vice president of the Chicago and Northwestern Railroad, toured Wisconsin before the county conventions convened arranging the Tilden boom. Commenting on the coming Democratic Convention to be held in Milwaukee, the editor of the Sentinel

²⁵A. L. Glaze to Wendall A. Anderson, September 30, 1875 in Wendall A. Anderson Papers in the Library of the State Historical Society of Wisconsin; H. C. Payne to E. W. Keyes, October 26, 28, 1875 in the E. W. Keyes Papers in the Library of the State Historical Society of Wisconsin.

²⁶Milwaukee Sentinel, November 1, 1875; Ibid, February 28, 1876; Pass in Wendall A. Anderson Papers; S. S. Merrill to W. A. Anderson, May 4, 1876.

predicted that Mitchell's henchmen would "run the coming convention as they did the last;...". The Sentinel's editor, unfortunately for the Granger element in the Democratic party, was right. Agents of the Milwaukee and St. Paul and Chicago & Northwestern railroads took charge of the primaries. Meeting in Milwaukee on June 7, 1876, the members of the convention, controlled by Mitchell, dutifully nominated railroad men as delegates to the National Convention in St. Louis. In addition to Mitchell the delegates included John A. Hinsey, Joseph Rankin and John Sawler, all agents of the Milwaukee & St. Paul and George B. Smith, an occasional attorney of the road.²⁷

On Friday, June 23, 1876, the Wisconsin delegation left for St. Louis where they took up headquarters in the Southern Hotel. Mitchell served on the committee on resolutions and gave enthusiastic assistance to the Tilden candidacy. Reportedly Tilden's choice for Secretary of the Treasury, Mitchell worked valiently for the Democratic candidate. His nephew, John Johnston, arranged to speak for Tilden while Mitchell worked best behind the scenes. He donated money to the Wisconsin campaign as well as to

²⁷New York Times, July 7, 1876 in Milwaukee Sentinel, July 12, 1876; Milwaukee Sentinel, May 23, 1876; New York Times, July 7, 1876 in Milwaukee Sentinel, July 12, 1876.

the national one, dolefully commenting however, that "the State [Democrat] officers ought to double their subscriptions". Despite all Mitchell's efforts, however, Wisconsin voted Republican and Hayes won the much disputed presidential election.²⁸

The election of 1876 marked the high-light of Mitchell's active participation in national politics. The reformers and cheap money advocates again secured control of the Democratic party. In 1877 the editor of the Sentinel noted that the Wisconsin Democratic party's platform was "a half communistic declaration of war against the property interests...of every citizen of the State". Alexander Mitchell, owner of vast real estate interests, had no enthusiasm for such a platform. In November 1877 hearing of the Democratic Party's defeat, he feelingly remarked, "its a defeat that I can bear with a great deal of Christian Fortitude...".²⁹

²⁸Milwaukee Sentinel, June 23, 1876; Breslin, Darling & Co. to W. A. Anderson, June 2, 1876 in Wendall A. Anderson Papers; Milwaukee Sentinel, June 28, 1876; John Johnston to Wendall A. Anderson, August 29, 1876, in Wendall A. Anderson Papers; Alexander Mitchell to Wendall A. Anderson, September 22, 1876 in Wendall A. Anderson Papers.

²⁹Milwaukee Sentinel, November 3, 1877; Ibid, November 12, 1877.

Retiring from active participation in party politics, Mitchell, however, never quit fighting for his financial theories. Still an ardent anti-inflationist, he helped to organize the Milwaukee chapter of the Northwestern Honest Money League. Opposed to "further tinkering [with] the financial policy of the government" by inflationists the members of the Association united for the "propagation of sound financial views...". Two weeks later, on March 15, 1878, the Northwestern Honest Money League held a meeting at the Grand Hotel in Chicago. Alexander Mitchell won a place on the executive committee. A few months after returning from the Honest Money meeting, Mitchell met with the suggestion that he be the Democratic candidate for governor. He promptly declined, unable to go along with the party's strong inflationist policies. Despite his refusal the Democrats nominated him anyway. Mitchell, traveling in Europe, promptly cabled that his declination was absolute and that he would not serve if elected.³⁰

Mitchell's brusque refusal of the Democratic nomination for all practical purposes ended his connection with the Democratic party. Conservative by nature he looked

³⁰Milwaukee Sentinel, March 4, 1878; Ibid, March 16, 1878; Ibid, September 1, 1879; Ibid, September 12, 1879.

at politics with a practical viewpoint, always supporting the party which would best meet his economic interests. In February 1885 Senator Doolittle, Mitchell's friend and political mentor, told Cleveland that if he should go outside of New York and go west for a Secretary of the Treasury, he would find "Mr. Alexander Mitchell of Wisconsin, ... one of the ablest if not the ablest man west of the Alleghany Mountains for such a position". President Cleveland never went West for a Secretary of the Treasury and Alexander Mitchell, financier and railroad magnate, had to be content with a political career of little national importance in America.³¹

³¹Alexander Mitchell, Reception and Banquet, 17-18;
J. R. Doolittle to Alexander Mitchell, February 6, 1885
in James R. Doolittle Papers.

CHAPTER VI

The Mitchells of Milwaukee

On a warm spring day in 1885 Alexander Mitchell, Wisconsin's foremost financier and railroad magnate rode down to his bank in his carriage. Always punctual, at about nine in the morning, the ruddy faced, heavy-set Scotchman alighted from his carriage and entered the building houseing the Wisconsin Marine and Fire Insurance Company Bank. Greeted by his nephew, John Johnston, and David Ferguson, both old and trusted employees, Mitchell returned their salutation with a smile. Sixty-seven years old, Mitchell had begun to feel the press of old age. Several years before he had always walked jauntily the few blocks to his beloved bank building.¹

Financiering had been the old gentleman's first love. Coming to America in 1839, he had settled in Milwaukee when Wisconsin was still a territory. Under the guiding hand of George Smith, a leading financier of the west, the young Scotchman learned his trade well. He fought many battles with the legislatures of Wisconsin

¹Evening Wisconsin, April 20, 1887.

and with rival bankers to protect the Wisconsin Marine and Fire Insurance Company Bank. He had seen it grow from a small concern in a one room frame building to be Wisconsin's leading financial institution. Throughout its long years of existence from 1839 to 1885 the bank had never failed to meet demands upon it. Conscious of his bank's reputation for stability, Mitchell sought to insure the safety of its depositors long after he severed his connections with it. In March 1880 he procured the enactment of a law authorizing the stockholders of any state bank to file a declaration in writing with the state treasurer, consenting and agreeing to hold themselves individually responsible for all debts, demands and liabilities incurred by the bank. Mitchell's bank was the only bank in Wisconsin to file under this law.²

As Mitchell paced back and forth in his bank--"a stoutish man, with a broad round face"--he could reflect upon his success in railroad manipulations. Under his leadership the many little lines which went into bankruptcy in Wisconsin following the panic of 1857 had been consolidated into the Chicago, Milwaukee & St. Paul Railway Company. In his younger days he had fought with

²Conard, History of Milwaukee, I, 279.

other railroad magnates and would-be-railroad magnates for control of the railroads of the Northwest. With vision he had pushed the St. Paul system into the Dakota territory before many settlers had populated the land. Mitchell, South Dakota stood witness to his foresight. Unlike the presidents of most railroads Mitchell held little stock in the railroad he headed. He owned several millions of dollars in bonds but he only bought what stock he considered to be his portion of a new issue. Invariably he sold his stock at the first opportunity, replying to his remonstrating associates that he was a banker and had constant need for money. Mitchell was proud of the St. Paul and proud of the fact that the St. Paul had more "grey heads" than any other railroad. He treated his railroad employees as human beings. Now Mitchell was old and tired. He tried to retire as president of the St. Paul but his associates on the board of directors wished him to stay on. He deferred to their wishes.³

Although Mitchell's first love in the commercial world was banking and his second was railroading, he did not neglect other business opportunities. As one of his

³William George Bruce, "Memoirs of William George Bruce" in Wisconsin Magazine of History, XVII, 208; Cary, Pioneer Railroad, 172; Milwaukee Sentinel, April 20, 1887; Milwaukee Daily Journal, April 22, 1887.

close friends said, Mitchell had "deliberately purposed to win vast wealth". Interested in some degree in water transportation facilities for the Northwest, in the 1840's Mitchell lent money to the territory of Wisconsin on canal bonds. Shortly after the Civil War he took an active part in forming the Niagara Ship Canal Company and the Sturgeon Bay Ship Canal Harbor Company.⁴

Wary of the insurance business because of the bad luck he had had with fire and marine policies held by customers of the Wisconsin Fire and Marine Insurance Company, Mitchell neglected this business opportunity for some time. In the early 1850's he was a creditor of the Merchants Mutual Insurance Company of Milwaukee and shortly after the start of the Civil War he bought stock in the Phoenix Insurance Company of Milwaukee. It was not until 1869 that he became actively engaged in the insurance business. Then in July of that year he helped organize and became president of the Northwestern National Insurance Company. Hard hit by the Chicago fire of 1871, the insurance company carried on under Mitchell's strong direction until it became the largest marine and

⁴Milwaukee Sentinel, April 20, 1887; Evening Wisconsin, April 21, 1887; Journal of Assembly, 2 Legislature, (1850), 81; Milwaukee Sentinel, May 12, 1866; Ibid, October 5, 1866.

fire insurance company west of Buffalo. The Northwestern National Insurance Company with the Chicago, Milwaukee & St. Paul Railway Company and the Wisconsin Marine and Fire Insurance Company Bank formed the three concerns in which Milwaukee's leading financier was most interested.⁵

However, in the 1870's and 1880's, he developed other commercial interests, being a large stock holder in the Milwaukee Iron Company of Milwaukee and the Beaufort Iron Company of Michigan. In 1873 the Milwaukee plant, employing 1000 men, was the second largest in the United States. Mitchell's mining interests consisted of stock in the Mineral Mountain Mining Company and the Mukwonago Mining Company, both Wisconsin concerns. The conservative Mitchell invested his money near his home so he could keep an eye on it. He had an interest in the Milwaukee Construction Company and the Milwaukee Gas Company. Because of his railroad connections he developed

⁵Journal of the Assembly, 3 Legislature, (1851), 1112-1114; Shares of stock in Alexander Mitchell collection in the Museum of the State Historical Society of Wisconsin; Milwaukee Sentinel, July 2, 1869; Flower, History of Milwaukee, 1104-1105. The Chicago fire by ruining so many insurance companies created a big demand for reliable insurance. In response to the demand Mitchell entered the insurance field as an individual underwriter. Conrad, History of Milwaukee, II, 47.

a financial interest in grain elevators.⁶

A great deal of Mitchell's wealth came from his vast real estate holdings in and around Milwaukee. In the 1840's and early 1850's the astute Scotchman invested much of his savings in land. In April, 1857, prior to the panic of that year he sold 130 acres of his land to another land capitalist of Milwaukee, Dr. L. A. Weeks, for \$130,000. In the fifties Mitchell had combined with Thomas L. Ogden, member of the law firm of Ogden and Brown, to erect several business buildings in Milwaukee. In the seventies and early eighties Mitchell erected the two buildings in which he took the most pride. Entirely financed out of his own capital the "Mitchell Building" was the finest of its size and kind in the West. Mitchell had planned the building for some time. Portly columns of polished Aberdeen granite from his beloved Scotland flanked either side of the main entrance. Italian and Vermont marble added to the interior beauty of Milwaukee's

⁶Milwaukee Sentinel, March 13, 1868; Stock certificates in Alexander Mitchell collection; Mark, Economic History of Wisconsin, 143; stock certificates in Alexander Mitchell Collection; Receipts for stock in Alexander Mitchell Papers; Charter and By-Laws of the Milwaukee Gas Light Company with the Articles of Agreement with the City. (Milwaukee 1882), 3; Milwaukee Sentinel, January 10, 1871.

finest building. Completed in 1878 the six story brick and granite building housed the offices of Mitchell's three great interests--banking, insurance and railroad business.⁷

Soon after Mitchell opened his new office building he made plans to build another fine business building in Milwaukee. Milwaukee's Board of Trade for some time had occupied a downtown structure known as the Chamber of Commerce Building. Owned by Mitchell and two other men, Thomas Ogden and James L. Brown, the structure had grown old and dilapidated. Most of the occupants of the building had moved to the "Mitchell Building" leaving the Chamber of Commerce building all but deserted. The members of the Board of Trade, because of expanding business in Milwaukee, loudly demanded a new building to suit their needs. Most of them favored tearing down the Chamber of Commerce building and erecting a new structure upon the favorably located site. Mitchell, agreeing with this view, decided to buy out his partners in the building, tear it down, and build a newer and finer Chamber of Commerce building which he would lease to the Board of Trade.⁸

⁷Land Deed books in Milwaukee County Court House; Milwaukee Sentinel, April 7, 1857; Buck, Milwaukee Under the Charter, III, 181-182; Ibid, IV, 293; Milwaukee Sentinel, March 12, 1878.

⁸Milwaukee Sentinel, September 5, 1878; Ibid, March 14, 1879.

Mitchell, placing a value of \$100,000 on the building, offered to buy out his partner, Thomas Ogden, and the heirs of William Brown. They refused to sell claiming that each partner's share should be valued at \$45,000. The impatient banker sued to force sale of the building to himself at his price, declaring that the building did not pay any profit from office rentals. While admitting Mitchell's reference to the lack of profits, the defendants claimed that he had never applied for an amicable division. Contending that the financier did not desire a just and fair partition, the defendants claimed Mitchell wished to force a sale of the property at a price unfavorable to their interests. Anxious to secure a new Chamber of Commerce building as soon as possible, the members of the Board of Trade hoped to see Mitchell become sole owner of the old Chamber of Commerce building. Fulfilling the hopes of the business community of Milwaukee, Mitchell arranged a compromise with Ogden and the heirs of James L. Brown. He agreed to pay each \$35,000, thus placing the value of the property at \$105,000, only a few thousand over Mitchell's first estimate of the value of the property. On April 19, 1879, the board of directors of the Board of Trade formally adopted Mitchell's proposition. In 1880 the building had been completed, giving the business

community of Milwaukee another fine building in which it took great pride.⁹

Mitchell contributed more than fine buildings to grace the city of Milwaukee. In the 1840's when it was a small village, he had acted as fire warden in his ward. Later as his financial genius came to be recognized Mitchell helped to reorganize the city's finances. From 1861 to his death he served as a commissioner of the public debt using his talents in the realm of finances to put the city on an even keel and money in the hands of Alexander Mitchell.¹⁰

In the 1850's the city of Milwaukee, anxious to aid railroad construction in its area, issued bonds in enormous amounts to various railroads. In 1856 the city issued to the Milwaukee & Beloit railroad and the Milwaukee & Superior railroads \$100,000 each in 8 per cent twenty-year bonds. Later the United States District Court for the Milwaukee area held the bonds to be fraudulent and void. The bonds, considered utterly worthless by most people, had little market value. However, Mitchell in combination with two

⁹Milwaukee Sentinel, September 5, 1879; Ibid, March 14, 1879; Ibid, April 19, 1879.

¹⁰Buck, Pioneer History of Milwaukee, II, 198. Milwaukee Sentinel, April 20, 1887.

New York speculators, Russell Sage and Frederick P. James, who were also directors on the St. Paul railroad, bought the bonds at a fraction of their face value. Mitchell, thereupon, used his influence as a public debt commissioner to strongly urge upon the city the wisdom of buying up these bonds for fifty cents on the dollar. The city officials refused and in 1871 Frederick P. James brought suit against the city on the bonds. With John W. Cary, head of the legal department of the St. Paul railroad as his attorney, James carried the suit to the United States Supreme Court. In December of 1872 the court decided the suit in favor of James declaring the bonds to be valid debts against the city. Early in 1873, Mitchell resigned as commissioner of public debt, but later withdrew his resignation. Commenting on the significance of this move, the editor of the Sentinel warned, "Let the voters look to it". The warning was ineffective. With Mitchell concurring the commissioners of the public debt ordered the bonds paid. Charles H. Larkins and W. P. Lynde, the other commissioners, were business associates of Mitchell's. Although the city of Milwaukee never received a "dollar on the bonds" and "not a rod of railroad" had been built and operated by the railroads involved, the city found itself straddled with a debt of nearly \$500,000. Like

many other citizens of Milwaukee, the editor of the Sentinel questioned Mitchell's right to buy the bonds when he was in a sense "a trustee of the city's finances".¹¹

Despite Mitchell's questionable actions involving the railroad bonds, the city officials continued to appoint him public debt commissioner, a post which he held to his death. Mitchell's financial operations with the city were not always tinged with dishonor. In 1853 he had loaned the city \$10,000 on agreeable terms. In the seventies the bid of the Wisconsin Marine and Fire Insurance Company Bank almost always contained the lowest interest rate when the city wished to borrow money and the highest when the city desired to deposit its funds.¹²

Mitchell's service to the state and to Milwaukee county was even less than that he gave to his city. On October 4, 1856, the governor of Wisconsin appointed Mitchell along with Alexander Spaulding of New York City as trustees for the state in the matter of the Fox and Wisconsin River and Improvement Company. Mitchell gave

¹¹Milwaukee Sentinel, October 26, 1874; Ibid, October 29, 1874; Ibid, April 1, 1873; Ibid, October 26, 1874; Ibid, November 2, 1874.

¹²Milwaukee Sentinel, March 27, 1874; Ibid, August 12, 1853; Ibid, September 1, 1876; Ibid, April 18, 1871.

five years of service to the State in this matter engaging in much correspondence with the New York directors of the company. In 1860 he bought twenty-five shares of stock at \$25.00 a share in the Wisconsin Agricultural and Mechanical Association. For a brief time Mitchell served as a director of this association whose main activity was the promotion of a fair, usually held in September. Altogether Mitchell gave little time to public enterprises or civic affairs being too engaged in making money. As one of his friends noted Mitchell achieved his purpose because "he deliberately permitted no other of the lesser obligations or aims of life...to stand in his way".¹³

Despite his vast wealth and his uncanny knowledge of finances and railroad matters Mitchell was not a truly happy man. His intense desire to achieve monetary gain led him to lead a much traveled life. Often separated from his wife and only living child, Mitchell took pains to give them all the happiness that money could buy. Money could not buy life, however, and five of the Mitchell children died in infancy. In 1861 still saddened by the

¹³Deed of Trust of Fox and Wisconsin Improvement Company in the Library of the State Historical Society of Wisconsin; Milwaukee Sentinel, July 18, 1861; Receipt for stock in Alexander Mitchell Papers; Milwaukee Sentinel, January 24, 1862; Evening Wisconsin, April 21, 1887.

loss of George, aged 7 months, 21 days and William Herbert, aged 22 months, 9 days within a span of six years, Mitchell had a statue sculptured honoring the boys, which he placed over their grave.¹⁴

When the Civil War broke out, John Lendrum Mitchell, a young man of eighteen, stayed home. In August 1862, after coming to the conclusion that it was "the duty of every man, physically fit, to turn out and show himself at the front", John in company with his cousin, Robert Chives, joined the Union armies. A lieutenant in the 24th Wisconsin Volunteer Infantry, John, in company with his regiment, marched to the vicinity of Louisville.¹⁵

Young John had scarcely been away two months when Mrs. Mitchell wrote to her husband urging him to visit their only child. In New York, Mitchell replied that it was impossible to visit the regiment while it was on the march. On the 24th of November, 1862, urged on by his nervous wife, Mitchell visited his son at a camp near Louisville. Again, in February 1863, Mitchell visited his son and found him dissatisfied with his position.¹⁶

¹⁴Milwaukee Sentinel, December 14, 1847; Ibid, April 1, 1853; Ibid, September 18, 1861.

¹⁵[Frank A. Markle]; In Memoriam, John Lendrum Mitchell (Milwaukee, 1906), 22-23; John Mitchell to Alexander Mitchell, December 14, 1862 in Alexander Mitchell Papers.

¹⁶Alexander Mitchell to Martha Mitchell, October 13, 1862 in Alexander Mitchell Papers; Milwaukee Sentinel, February 11, 1863.

Securing a letter of recommendation of his son's ability from John's colonel, Mitchell sought to get him transferred to General Rufus King's staff. Mitchell called on James S. Brown, business associate and congressman from the Milwaukee district, for help. Brown complied and wrote a letter to Secretary of War Stanton urging that Mitchell's request be given attention. Noting that Mitchell had contributed about \$3000 to the Soldier's Fund, the Congressman stated that Mitchell had "done at least as much as any other man in the States toward aiding and procuring enlistments".¹⁷

Despite Brown's letter Mitchell's plea got little consideration in Washington. General King did not get the post he wanted at Norfolk, Virginia and thus had no use for John on his staff. Next Mitchell turned to General Hamilton of Wisconsin for aid. Both Wisconsin senators, Timothy Howe and James Doolittle, wrote letters to General Hamilton recommending John for his staff. The General indicated his willingness to accept young Mitchell. However, General Hamilton found himself unable to work with his superiors and resigned his commission. Fortunately

¹⁷Alexander Mitchell to Martha Mitchell, March 2, 1863 and James S. Brown to Secretary of War Stanton, February 23, 1863 in Alexander Mitchell Papers.

for the Mitchells young John proved to have such bad eyes that in 1863 the army discharged him.¹⁸

If John Mitchell's presence in the army proved a source of worry to his parents, his presence at home was of scarcely less worry to them. A well educated young man, having studied at Chester, England; Geneva, Munich and Dresden, John, shortly after the end of the war, entered upon the study of law. In 1867, his eyes failing him, he gave up his law studies. In 1871 and 1875 he won election to the Wisconsin Senate on the Democratic ticket. Shortly before the state election of 1877, a scandal broke over the Mitchell household.¹⁹

John Mitchell had married Bianca Cogswell, daughter of George Cogswell a former law partner of Matthew H. Carpenter. The marriage proved to be a failure and in August, 1877, Bianca sued her husband for divorce charging drunkenness and adultery. Two children had been born of the marriage, Alexander, ten years old and David, two years old. The boys lived with their wealthy grandfather. Angered by Mitchell's refusal to let her visit her son

¹⁸Alexander Mitchell to Martha Mitchell, March 14, 1863 in Alexander Mitchell Papers; General C. P. Hamilton to James R. Doolittle in James R. Doolittle Papers; (Markle), John Lendrum Mitchell, 3.

¹⁹(Markle), John Lendrum Mitchell, 3.

David, on his second birthday, Bianca sued for a writ of Habeas Corpus against the multimillionaire for possession of her child. Through his attorneys Mitchell replied that Bianca was often "very drunk". Further he charged that her use of liquor made her become of a "violent, harsh and uncontrollable temper" and rendered her "unfit to have the child".²⁰

Mitchell also sought to prove his right to keep David on contractual basis. On July 28, 1897 he had entered into an agreement with John Mitchell providing for custody of the children to be in their grandfather. By the agreement John agreed to grant the "possession, care, custody, control and education" of his two young sons to their grandfather until they arrived at twenty-one years of age. In return Mitchell agreed to receive Alexander and David into his "possession, care and keeping" and to provide in "all respects" for their education and maintenance until they reached twenty-one years of age.²¹

²⁰Milwaukee Sentinel, June 30, 1904; Buck, Milwaukee Under the Charter, III, 114; Milwaukee Sentinel, August 30, 1877; Ibid, August 28, 1877; Ibid, August 18, 1877.

²¹Milwaukee Sentinel, August 18, 1877; Agreement between Alexander Mitchell and son John Mitchell in the Alexander Mitchell Papers.

Declaring that she never knew or consented to the agreement, Bianca denied she was unfit to have custody of her child. In defense of the charge of excessive drinking, she stated she had never drunk before her marriage. After her marriage she found her husband to be a confirmed drunkard. To please him she affirmed that she drank with his friends. But for a long time she stated she had entirely abandoned the use of all kinds of liquor.²²

Meanwhile John had put in a counter-claim for divorce, also on grounds of drunkenness and adultery. The divorce trial took on an even more scandalous nature as John Mitchell called on a parade of witnesses to substantiate his charges against his wife. A coachman testified that Bianca made advances toward him; a cook for the Mitchells saw Bianca "drunk morning, noon and night"; a policeman had seen her out on the streets of Milwaukee between two and three in the morning with "a traveling salesman from Boston". Before more vivid details of misconduct could be detailed, Mitchell moved to compromise the differences in the family. On September 5, 1877, the editor of the Sentinel noted that the "Mitchell scandal" had been with-

²²Milwaukee Sentinel, August 18, 1877.

drawn "from the public gaze" and would be settled quietly.²³

The next day Mitchell signed an agreement with his daughter-in-law. The financier guaranteed the payments to Bianca by John of \$2000 a year in lieu of alimony. In return Bianca not only gave care and custody of her children to Mitchell but also agreed that he be appointed their legal guardian. The agreement provided that Bianca could visit her children as often as once a week at Mitchell's residence. Having secured the future of his children with their grandfather John Mitchell sailed for Europe, remaining abroad four years.²⁴

Mrs. Mitchell, who had married her husband in 1841, conducted herself more discreetly than did her son. A well educated woman she took a great interest in art. She encouraged young painters of Wisconsin like Lydia Ely and Frederick Perkins, sending the latter to Europe to study and to copy "old masters" for her home. She promoted the Milwaukee Museum of Fine Arts and managed the Milwaukee Art School. She donated two Italian paintings

²³Milwaukee Sentinel, August 28, 1877; Ibid, September 5, 1877.

²⁴Agreement between Alexander Mitchell and daughter-in-law Bianca Mitchell and agreement between John Mitchell and his wife Bianca Mitchell in the Alexander Mitchell Papers.

to the Chapel at St. Rose's Orphan Asylum and offered to start an art collection for the state university. Great American artists like Thomas Moran and George H. Yewell corresponded with her and visited her home.²⁵

Interested in women's organizations Mrs. Mitchell helped to found the first Woman's Club in Wisconsin and became its president. An ardent patriot, she served as vice regent of the Ladies Mount Vernon Association, an organization formed to buy the home of the famous president for a public shrine. A charitable person Mrs. Mitchell gave generously to orphanages, hospitals and other like organizations. During the Civil War she gave freely of her time and money to soldiers aid societies.²⁶

Alexander Mitchell and his wife had a reputation for being generous hosts. In 1847 he built a house for his

²⁵ Alexander Mitchell, Reception and Banquet, 18; Amherst Willoughby Kellogg, Recollections of life in Early Wisconsin Magazine of History, VII, 493; Austin, The Story of Milwaukee, 91-92. Conard, History of Milwaukee, II, 88, 90; Milwaukee Sentinel, October 4, 1887; Ibid, December 9, 1876; Mrs. Sarah F. Dean to Lucius Fairchild, August 3, 1876 in the Lucius Fairchild Papers in the Library of the State Historical Society of Wisconsin; Milwaukee Sentinel, September 20, 1877.

²⁶ Conard, History of Milwaukee, II, 124; Milwaukee Sentinel, February 13, 1860; Ibid, April 17, 1876; Conard, History of Milwaukee, II, 264-266.

wife. Throughout the years as he grew more prosperous he added to and improved his residence. A diligent reader the Scotchman took particular pride in his library. In 1867 he had a catalogue printed in book form giving a detailed description of each of the 1203 books in his library. The volumes occupied book cases in the library, sitting room and billiard room of his mansion. Paintings and works of art lined the walls and corners of his home. An elegant mantelpiece of black walnut done in the Louis XIV style occupied one room. Mrs. Mitchell brought brocaded velvets from Florence and Venice to use on the walls of the house and imported a wood-carver from Venice to ornament the costly teak woodwork.²⁷

A lover of flowers and good things to eat, Mitchell spent huge sums to decorate the grounds of his residence. He built several hot houses, each house performing a different function. In one, his gardener, Joseph Pollard, tended to flowers from all parts of the world; in another he raised soft wooded plants and mushrooms. In other hot

²⁷Hans Crocker to J. H. Tweedy, December 30, 1847 in the J. H. Tweedy Papers; Milwaukee Sentinel, April 20, 1887; Ambrose P. Dietz, ed., A Descriptive Catalogue of Works in the Private Library of Alexander Mitchell, Milwaukee, (Milwaukee, 1867), 447; Milwaukee Sentinel, September 20, 1875; Ibid, June 9, 1877; Austin, The Milwaukee Story, 91.

houses the gardner grew roses, grapes, peaches, apricots, figs, pineapples and nectarines for his master. Three huge boilers and 4000 feet of waterpipe formed the apparatus keeping the houses at the required temperature. The largest fountain in the West, stocked with 200 brook trout, occupied the center of attention in the financier's yard. A costly \$20,000 fence surrounded the grounds of his home. Elaborate stone gate posts topped with huge urns filled with flowers guarded the main entrance to Mitchell's mansion.²⁸

Not satisfied with owning Milwaukee's most elaborate mansion, the financier bought homes in Florida and in the Thousand Islands. In addition he owned a farm in Beaver Dam which he stocked with fine horses.²⁹

Mitchell and his wife had always had an interest in education. His wife gave active support to the first kindergarten ever started in Milwaukee. In 1849 Mitchell served as a trustee of the Milwaukee Grammar School. In the fifties the successful banker supported Milwaukee

²⁸Milwaukee Sentinel, January 25, 1870; Ibid, August 28, 1874; Ibid, May 25, 1876; Ibid, March 27, 1871; Ibid, August 19, 1871.

²⁹William Hooker, Glimpses of an Earlier Milwaukee, (Milwaukee, 1929), 72; Milwaukee Sentinel, December 20, 1878; Ibid, June 15, 1877.

Female College and served as a school commissioner for the fifth ward. When the land grant for colleges contained in the Morrill Act for Agricultural Colleges threatened to lapse, Mitchell signed a paper calling for a convention for the information of the public. In 1867 and 1868 he donated prizes to be awarded to the best scholars in the public schools. In 1872 he arranged to buy the text books for all poor children unable to procure them for themselves and kept up this practice till his death. Mitchell gave little to the University of Wisconsin. Asked to pay for the school's proposed observatory, Mitchell replied that he had too many local charity obligations.³⁰

In 1863 a member of the Board of Visitors of the Milwaukee Hospital, Mitchell contributed generously to its upkeep. He donated \$100.00 every year for some time to the Milwaukee Home for the Friendless, a protestant orphanage. St. Rose's Orphanage, a Catholic operated institution also benefitted from his generosity. The Young

³⁰ Austin, The Milwaukee Story, 77; Buck, Milwaukee Under the Charter, III, 284, 429; W. H. Glover, "The Agricultural College Lands in Wisconsin" in Wisconsin Magazine of History, XXX, 264; Milwaukee Sentinel, July 17, 1867; Ibid, December 10, 1868; Conard, The History of Milwaukee, 150; Merle Curti and Vernon Carstensen, The University of Wisconsin, A History 1848-1925. (Madison, 1949), I, 365; Milwaukee Daily Journal, April 20, 1887.

Men's Association received contributions from him and though no temperance man, the banker offered to erect a suitable hall for the Young Men's Christian Temperance Union.³¹

One of the most favored recipients of Mitchell's generosity was the State Historical Society. In May 1855 Lyman Draper, secretary for the society, informed Mitchell that he had been selected as a corresponding member of the society. Pleased by the honor Mitchell offered to aid in promoting the objects of the society. However, Mitchell at this time gave little aid to the society either in the form of money or time. Fourteen years later, having been selected vice president of the society, Mitchell's offer to promote the aspects of the society took on a more tangible form. In 1870 the wealthy financier modestly presented the society with a bust of himself which he had sculptured while in Rome. In 1872 the wealthy banker and congressman received the honor of

³¹Rev. Herman L. Fritschel, The Story of Milwaukee Hospital, "The Passeurant", During Four Score Years, 1863-1943 (Milwaukee, 1945) 43-44; Annual Reports of the Milwaukee Home for the Friendless (Milwaukee, 1868-1888); Rev. Peter Leo Johnson, Daughters of Charity in Milwaukee, 1846-1946 (Milwaukee, 1946), 185; Milwaukee Sentinel, March 18, 1871; Ibid, June 5, 1879.

being made president of the Historical Society. From the Congressman the society received government publications and Draper a railroad pass. Mitchell served as president of the society for six years giving it many books and other publications from his private collection. Up till 1884 he generously sent Draper a pass every year and donated more than \$3000 to the Society.³²

Like his parents Mitchell was a Presbyterian. When he came to Milwaukee he served for some years as a trustee of the First Presbyterian Church. In 1855 the congregation of the St. James Episcopal Church selected him as a vestryman. Mitchell served upon the vestry for some years though he never became a communicant in the church. In 1868, Mitchell personally assumed one-third of the cost of building a new St. James Episcopal Church. Other churches throughout the city also benefitted from his generosity. He opened his grounds outside the city to church picnics and donated trains to carry church goers to special religious events. On Easter, flowers from the famous Mitchell hot houses

³²Alexander Mitchell to Lyman C. Draper, May 15, 1855, August 11, 1869, March 8, 1872, January 18, 1873 in the Lyman C. Draper Correspondence in the Library of the State Historical Society of Wisconsin; Historical Collections of the State Historical Society of Wisconsin (Madison, 1876), VII, 28, 62; Ibid, VIII, 61; Ibid, IX, 29.

decorated practically all the churches in the city.³³

Like most businessmen, Mitchell was a member of many clubs. In 1856 he helped form the Milwaukee Boat Club. Later he joined the Old Settlers Club and the Milwaukee County Pioneer Association. Mitchell never forgot his Scottish background and enthusiastically pushed the formation of a St. Andrews Society. This club sponsored the annual "Burns Supper". One member described the evening as one featuring, "haggis" and several other Scottish dishes, with Scotch whisky 'galore' and always a good time". In his later years the banquets and entertainments of the St. Andrews Society drew his presence but he rarely tended other public functions.³⁴

To the people of Milwaukee, Alexander Mitchell was an unknown, forbidding figure. They knew of him only through the newspapers. His name became most prominent during the late 1860's and early 1870's when he had taken an active and forceful role in politics. But after the

³³Flower, History of Milwaukee, 1077; Milwaukee Sentinel, April 20, 1887; Ibid, July 27, 1868; Ibid, November 29, 1870; Ibid, October 31, 1879; Ibid, July 24, 1865; Ibid, April 3, 1872.

³⁴Charles King, "Memories of a Busy Life" in Wisconsin Magazine of History, V, 375; Buck, Pioneer Milwaukee, I, 203; Ibid, II, 314-315; Buck, Milwaukee Under the Charter, III, 325.

presidential election of 1876, active participation in the realm of politics had all but ceased for the financier and railroad man. In that year, irked by the results of the election, Mitchell had openly voiced his disgust with politics. He still worked behind the scenes, however, using the influence commanded by his financial position to protect his economic interests.³⁵

In 1849, starting with little capital, Mitchell, by 1885, had built a fortune worth several millions of dollars.³⁶ Deliberately setting out to build a fortune, the canny and somewhat unscrupulous Scotchman had let nothing stand in his way. He had openly thwarted the laws of Wisconsin to operate the Wisconsin Marine and Fire Insurance Company as a bank in a territory where, by legislative enactment, the people had forbidden banks. As the railroad czar of Wisconsin Mitchell had publicly refused to adopt for his railroad the rates fixed by the "Potter Law". Instead the portly railroad magnate had tried to bully the state into modification of the law by

³⁵Milwaukee Sentinel, April 20, 1887; Ibid, November 22, 1876.

³⁶Estimates of Mitchell's wealth varied from \$5,000,000 to \$30,000,000. Milwaukee Daily Journal, April 20, 1887; Hans Crocker, an old friend of Mitchell's estimated it at between \$4,000,000 to \$5,000,000. Milwaukee Sentinel, April 20, 1887.

threats to stop the trains of the St. Paul system from running. In 1856 Mitchell had become involved in the "La Cross Land Grant Scandal" and in 1873 he had used his position as public debt commissioner for Milwaukee to enhance his financial position.³⁷

In building his great wealth, Mitchell had made many enemies. He had few close friends. Published accounts of his immense fortune had brought pleading letters from the poor throughout America. Well-dressed strangers approached him with expressions of friendship and respect. Their apparent attempts to part him from his money only served to make the reticent financier more retiring than ever. Always reserved, Mitchell developed a suspicion of strangers and of the public which drove him to seek the company of only a small circle of friends.³⁸

A generous and hospitable host, Mitchell entertained famous people at his home like Governor Horatio Seymour

³⁷Evening Wisconsin, April 20, 1887; Milwaukee Daily Journal, April 20, 1887.

³⁸Madison State Journal, December 20, 1882. Requests for money came from a woman in Massachusetts who wrote "... please send me a check for forty dollars to get a set of teeth"; and from a man in St. John, New Brunswick asking for money for a religious cause. Mrs. Ashley Holland to Alexander Mitchell, January 15, 1876 and D. M. MacLise to Alexander Mitchell, January 1, 1876 in Alexander Mitchell Papers. Milwaukee Daily Journal, April 20, 1887.

of New York and President Hayes. With his wife Mitchell gave thousands of dollars to charitable and church organizations in and around Milwaukee. But in comparison to what he had, Milwaukee's wealthy banker had hardly been generous with his gifts to public supported institutions. He spent much more money on a fence around his mansion than he ever gave to charity.³⁹

Early in 1887 Mitchell went to Florida with his wife. A year before he had been in good health. But his health had failed since then and the medium-height Scotchman tottered considerably when he walked. Reverend Dr. Keane, a close friend, accompanied the Mitchells to their Florida home. In the first week of April Mitchell traveled to New York City to attend to business matters. On Wednesday, April 13, Mitchell went to the Metropolitan Opera House to see the opera "Semiramide". Before the performance was over, Mitchell complained of feeling a draught in the box. His friends took him home in a cab. Within a week the "Rothschild of the West" had died. On April 19, 1887 bronchial pneumonia proved too much for the old man's

³⁹Madison State Journal, December 20, 1882; Mitchell left \$50,000 in bequests to various organizations after his death. Alexander Mitchell will in Milwaukee County Court House.

heart. Despite his tremendous impact on industry and business in Milwaukee and throughout Wisconsin, the people of his community soon forgot the name Alexander Mitchell. The taciturn Scot had no desire for publicity while he lived and received little after his death. In Milwaukee his relatives marked his grave in Forest Home Cemetery with a simple tombstone scarcely six inches high bearing the initials A. M.⁴⁰

⁴⁰Evening Wisconsin, April 20, 1887; Bruce, "Memoirs of William George Bruce", Wisconsin Magazine of History, XVII, 207. Briefly, in 1944 the name of "Alexander Mitchell", again came to public light when the United States Maritime Commission chose that name for one of the numerous Liberty ships it launched during World War II. "The Society and the State", Wisconsin Magazine of History, XXVII, 372.

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