

ALL OUR LABORS ARE GONE TO THE DEVIL:  
THOMAS F. MCKINNEY, SAMUEL MAY WILLIAMS  
AND THE TEXAS REVOLUTION

THESIS

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**ABSTRACT**

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**SUPERVISING PROFESSOR: JESÚS F. DE LA TEJA**

Thomas F. McKinney and Samuel May Williams were aggressive entrepreneurs in early Texas who formed a partnership in 1834. Their ventures in land speculation and the cotton market led to their participation in the Texas Revolution of 1835-1836. However, their politics placed them at odds with the Texas independence movement and their vast material aid to the war left them deeply in debt.

## CHAPTER I

### INTRODUCTION

By mid-December 1835, the Texas Revolution was two and a half months old and Thomas F. McKinney was angry. He was not a man noted for his patience or forbearance of others, but in the short time since the outbreak of hostilities with Mexico, he had watched years of effort almost completely wiped away by the provisional government of Texas. Situated at Quintana, Texas, McKinney could stand on the wharf of his mercantile warehouse on the Brazos River and watch the water empty into the Gulf of Mexico. The waterway from New Orleans to the Brazos River Valley was the life-blood of his cotton and hardware business. However, McKinney's thoughts at this moment were dominated more by his land holdings and the new Texan government than by his coastal trade. In desperation, he wrote a letter to his old friend Stephen F. Austin and came right to the point. "I fear if a stand is not taken against these self dubbed patriots, all our labors in Texas are gone to the devil and me with it."<sup>1</sup>

The mercantile firm of McKinney and Williams had already advanced several thousand dollars to aid the Texan revolt against the Mexican government. In return, the revolutionary government of Texas had suspended all land sales and nullified 700 leagues

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<sup>1</sup> Quote from Thomas F. McKinney to Stephen F. Austin, December 17, 1835, John H. Jenkins, ed., *The Papers of the Texas Revolution. 1835-1836* (Austin: Presidial Press, 1973), 3:228; Mary Austin Holley, diary entry for May 7, 1835, *The Texas Diary 1835-1838*, edited with an introduction by J.P. Bryan (Austin: University of Texas Press, 1965), 15.

worth of land grants held by the firm and its associates. Apart from the immediate financial impact these measures were sure to have on McKinney and his friends, the government's blatant disregard for property rights was also certain to gain the ire of any capitalist who might otherwise invest money in the Texan war effort. The consequences for McKinney and his partner Samuel May Williams were clear: they would be left holding considerable debt against a government with no ability to pay them back. Given McKinney's character however, it perhaps did not occur to him that his situation, and that of his partner, were largely of their own making.<sup>2</sup>

Since 1830, McKinney and Williams had been involved in various land and cotton speculation schemes designed to bring the American cotton economy to Texas and bring considerable profit to themselves. The centripetal nature of each man's common interest brought the two together in a business partnership by early 1834; however, this new partnership did not noticeably change the tenor of their business dealings. Publicly, McKinney and Williams were two of the foremost advocates for peace and harmony with the Mexican government. In their business, however, they committed all the sins the Mexican government was so intent on eradicating in Texas. They engaged in rampant land speculation with American foreigners; they avoided tariffs, sold cotton to American merchants rather than Mexican ones, and took part in the illegal trafficking of African slaves. Their mercantile built its success on a contradiction. They needed the support of state officials for their land business, but they also needed a government too weak to oppose their smuggling operation. As Antonio López de Santa Anna's centralist regime

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<sup>2</sup> Thomas F. McKinney to R.R. Royal, October 28, 1835, Malcolm D. McLean, ed., trans., *Papers Concerning Robertson's Colony in Texas* (Arlington: University of Texas at Arlington Press, 1978-1993), 12:172-174; Paul D. Lack, *The Texas Revolutionary Experience: A Political and Social History, 1835-1836* (College Station: Texas A&M University Press, 1992, 1999), 44, 57

took an increasingly hard stance against the permissive legislature of Coahuila and Texas, this contradiction was forced into the open. Caught between their Mexican land grants and their American merchant clients, they chose the middle path and joined the federalists of the state in the revolt against the central government.

The conflict, however, soon took on a life of its own due in no small part to the Americanization of Texas that McKinney and Williams had worked so hard to foster. Many of their plantation clients had interests in American cotton markets; they were disturbed by their new home's intolerance for slavery and had no incentive to remain with Mexico. Many of McKinney and Williams's land competitors were jealous of the partners' close relationship with state officials and saw independence as an entre to the land market. By December 1835, the reality for McKinney and Williams was that they were trapped between Mexican centralists and the Americans who were working to break Texas away from Mexico entirely. Neither faction had much sympathy for the partners' political and business ties to Mexican statehood.

Forced to choose sides, they chose Texas. The firm provided invaluable assistance to the rebellion in the form of money, supplies, and ships. Using their vast network of credit, they financed nearly ten percent of the war's total cost to the Texas government. However, the result was much as McKinney predicted. At war's end, the firm of McKinney and Williams was \$100,000 in advance to a government unable to pay them in cash and unwilling to pay them with land. The partners scrambled to recover their losses over the next several years, but their business did not survive the effort. In the face of crippling debt, they sold off their mercantile in 1841 and gradually pursued separate interests.

The firm of McKinney and Williams was the financial powerhouse behind the Texas Revolution. It was a war that they publicly sought to avoid, but one they nevertheless helped to start. The firm's assistance to the Revolution was invaluable, but it cost them much of their land, all of their credit, and the business they had worked so hard to create.

The multiple factors that pushed McKinney and Williams toward rebellion in the 1830s have all received a good deal of attention from historians of the era. The first among these, the rise of Mexican centralism, was originally cited as a cause of the war by many of the participants themselves. Faced with pending occupation by centralist soldiers, the proponents of war declared that the government intended to subject Texas citizens to a cruel dictatorship that would take their weapons and property. Early historians of the Twentieth Century, most notably Texas history giant Eugene C. Barker, placed the rise of centralism within the context of a struggle in Texas that took place between Spanish autocracy and American frontier culture. Barker's major works, *The Life of Stephen F. Austin* and *Mexico and Texas*, both contended that the increasing presence of rugged American frontiersmen in Mexico laid the groundwork for rebellion. Once Mexico's experiment with federalism failed, the Americans defended their inherent rights from dictatorship. Barker's interpretation was repeated by William C. Binkley in his 1952 work, *The Texas Revolution*, and the presentation of the war as a culture clash brought on by dictatorship has proven remarkably resilient.<sup>3</sup>

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<sup>3</sup> Eugene C. Barker, *The Life of Stephen F. Austin, Founder of Texas, 1793-1836. A Chapter in the Westward Movement of the Anglo-American People* (Nashville: Cokesbury Press, 1925; reprint, Austin: University of Texas Press, 1980), 80-83; 405-406, Eugene C. Barker, *Mexico and Texas 1821-1835* (Dallas: Turner Publishing Co., 1928), v; William C. Binkley, *The Texas Revolution* (Baton Rouge, Louisiana State University Press, 1952; reprint, Austin, Texas State Historical Association, 1979), 3-5, 34-35.

This resiliency is due in large part to the fact that most modern scholars do not deny that the rise of centralism alongside a distinctly American culture was a major factor in the war. However, recent authors, uncomfortable with the cultural bias of Barker's analysis, have reduced the role of centralism as an aggressive force, placed it within the context of the on-going internal struggles of Mexico, and given Texans a larger role in bringing its effects close to home. In 1992, Paul D. Lack asserted in *The Texas Revolutionary Experience* that Texas "had not been badly treated" by the government and that its official stance on slavery and Catholicism were largely nominal. More recently, William C. Davis argued in *Lone Star Rising* that the American culture Mexico allowed to settle within its boundaries was patently aggressive and had long desired Texas. Centralism may have played upon the immigrants' discomfort with authoritarian government, but in reality, it only interfered with activities that were either illegal or deeply at odds with Mexico's self image. Centralist officials aggressively sought to end American influence in Texas, but that desire came from a pattern of Anglo activity that they found unacceptable.<sup>4</sup>

Another revision of Barker's interpretation comes from authors who argue that studies of Americans in 1830s Texas should be classified as southern, rather than western American history. Abolitionist Benjamin Lundy was the first to make this case in 1836 with his anti-slavery polemic *The War in Texas*, when he argued that the rebellion had been started by southern slave-holders. However, this framework has been largely ignored and as late as 1989, Randolph B. Campbell complained of the phenomenon in *An Empire for Slavery*, citing that most historians labored under the mistake that "somehow

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<sup>4</sup> Lack, *The Texas Revolutionary Experience*, 3; Williams C. Davis, *Lone Star Rising: The Revolutionary Birth of the Texas Republic* (New York: Free Press, 2004), 5, 81, 121-123.

the institution of Negro slavery was not very important” in Texas. Starting with its earliest colonization by Americans, Campbell argued, slavery and cotton were an essential part of the Anglo-Texan economy. Others, such as Andreas V. Reichstein in *Rise of the Lone Star* from 1984, and William C. Davis, also argued the case for southern influence in early Texas. Reichstein, by analyzing the demographics of the War Party members, made a compelling case that they were almost exclusively upper-class southern men. Davis, in his exploration of the Anahuac Disturbances, noted the similarities between the Texan conflict with Mexico’s tariff laws and the Nullification Crisis, which took place at the same time in South Carolina.<sup>5</sup>

The concept of an American culture in Texas that was distinctly southern, rather than western in orientation is an important framework for the study of McKinney and Williams as a firm. They were cotton factors; their clients were planters, and their creditors were located in New Orleans, Mobile, and Baltimore. They were opposed to the tariff and smuggled cotton and slaves rather than concede to Mexican law. These activities place the partners squarely in the confines of what Campbell called the “immediately profitable way” southerners brought slavery and the cotton economy to Texas. It was this culture that came into conflict with Mexican centralists and McKinney and Williams were at the center of it.<sup>6</sup>

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<sup>5</sup> Benjamin Lundy, *The War in Texas* (Philadelphia: 1836), quoted from An Abolitionist’s Explanation of the Cause of the Texas Revolution, Ernest Wallace, David M. Vigness, and George B. Ward, eds., *Documents of Texas History, Second Edition* (Austin: State House Press, 1994), 118; Randolph B. Campbell, *An Empire for Slavery. The Peculiar Institution in Texas, 1821-1865* (Baton Rouge: Louisiana State University Press, 1989), 1, 32-34; Andreas V. Reichstein, *Rise of the Lone Star: The Making of Texas*, Translated by Jeanne R. Wilson (College Station: Texas A&M University Press, 1989), 79-82, 90, William C. Davis, *Three Roads to the Alamo: The Lives and Fortunes of David Crockett, James Bowie and William Barret Travis* (New York: HarperCollins Publishers, 1998), 264-265; Davis, *Lone Star Rising*, 78-81.

<sup>6</sup> Campbell, *An Empire for Slavery*, 34.

The final impetus for McKinney and Williams's movement towards the war camp was their participation in land speculation. Land speculation was cited as a major cause of the rebellion by contemporary critics of the war such as Lundy, but also by many people living in Texas at the time. In 1852, William M. Gouge's *Fiscal History of Texas* also listed land speculation as a prime factor leading up to the revolution. However, its place as a key source of conflict has long been disputed due to the complexity of the subject; its importance remains controversial. Eugene Barker conceded that land jobbing was a source of tension between centralists and Americans, but argued that its significance was over exaggerated. If speculators were accused of stirring up rebellion, Barker argued, it was only because they had been into the Mexican interior and seen the horrors of centralism first-hand. However, Barker soon encountered resistance to his contentions. Writing in 1949, economist Elgin Williams argued that speculation in land was not only the primary cause of the war, but was the "spirit of the age" and pervaded every activity in Texas from the rebellion to annexation. Williams contended that every major player in the Texas Revolution was tied to land speculation and stood to profit from a break with Mexico. Barker, however, was not impressed with Williams's work and declared that it was "not history." He pointed out that Williams seemed more interested in using selected evidence and misused sources to support an economic theory than he was in providing a history of past events. Barker's critique was well warranted. However, Williams's basic premise, overstated as it was, could not be cast aside by later historians with the same ease that Barker took in his own writing on the topic.<sup>7</sup>

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<sup>7</sup> Eugene Barker, "Land Speculation as a Cause of the Texas Revolution," *Quarterly of the Texas State Historical Association* 10, no. 1 (July, 1906), 88-89, 94-95; William M. Gouge, *The Fiscal History of Texas Embracing an Account of its Revenues, Debts, and Currency, from the Commencement of the*

Other scholars took a more nuanced approach to the subject. In the 1970s, Malcolm McLean argued in the *Papers Concerning Robertson's Colony in Texas* that while land speculators did not start the war for profit, they brought it on by engaging in flagrant speculation despite orders from the central government that they stop. Once the central government nullified their claims, these speculators tried with little success to rouse other Texans to fight. Their reluctant fellow citizens were drawn into the conflict when national troops came to Texas to arrest the offenders. For McLean, the chief culprit in this regard was Samuel May Williams, whom he practically blamed for starting the war single-handedly. McLean overstated his case, but a scaled-down version of his interpretation was adopted by Reichstein, who argued that the activities of the speculators, combined with the smugglers, provoked the central government into action. To this, Paul Lack added that by the time the issue of land speculation came to a head in 1835, the attitude of the Mexican government had "hardened" to the point that the actions of Samuel Williams and others provided centralists the excuse, rather than the reason, for sending soldiers into Texas.<sup>8</sup>

Williams's participation in land speculation has been very well documented. However, his reputation as a land jobber has overshadowed the vast material aid he and Thomas McKinney gave to the Texas Revolution. To compound the matter, what little has been written on their mercantile fails to connect their pre-war business with their war-time efforts. The only work devoted exclusively to the firm is Joe B. Franz's 1952

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*Revolution in 1834 to 1851-52, with Remarks on American Debts* (Philadelphia: Lippincott, Grambo, and Co., 1852, reprint, New York: Augustus M. Kelly Publishers, 1968), 17; Elgin Williams, *The Animating Pursuits of Speculation: Land Traffic in the Annexation of Texas* (New York: Columbia University Press, 1949), 23; Eugene C. Barker, "Review of *The Animating Pursuits of Speculation* by Elgin Williams," *The American Historical Review* 55, no. 1 (October, 1949), 157.

<sup>8</sup> McLean, ed., *Papers Concerning Robertson's Colony*, 11-51; Reichstein, *Rise of the Lone Star*, 90-92, 129, 133; Lack, *The Texas Revolutionary Experience*, 18-19

article, “The Mercantile House of McKinney and Williams.” Using evidence mainly from Binkely’s *Correspondence of the Texas Revolution* and the Samuel May Williams Papers in Galveston’s Rosenberg Library, Franz analyzed the firm from an economic perspective. By working with the theme that “business-makes-it-possible,” Franz argued that the partners’ actions demonstrated how businessmen always fill a pressing social need. Their hardware goods brought civilization to frontier Texas and their credit financed the revolution. By using this framework, Franz provided an excellent description of the partners’ mercantile operation, but he made little mention of land speculation and no mention of smuggling. No explanation was given for why the partners funded the war beyond their patriotism and desire to make money by simultaneously helping Texas. Franz noted that McKinney frequently disagreed with the Texan government, but concluded that such was the “hazard for business and businessmen when performing patriotic business service.” Analyzing the broader political and economic trends behind the war was, admittedly, beyond the scope of Franz’s article. However, Franz’s omission leaves ample room for fresh scholarship. When the partners’ land and smuggling operations are placed in the context of why the war started, a new picture of their activities between 1835 and 1836 becomes evident.<sup>9</sup>

In 1974, Margaret Swett Henson provided a much-needed addition to the scholarship on the partners with her PhD dissertation on Williams, which was published two years later as *Samuel May Williams: Early Texas Entrepreneur*. Henson’s sympathetic biography attempted to “clarify” Williams’s role in early Texas. She

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<sup>9</sup> Joe B. Franz, “The Mercantile House of McKinney & Williams, Underwriters of the Texas Revolution,” *Bulletin of the Business Historical Society* 26, no. 1 (March, 1952), 1-2, 4-10, quotes from 1, 14

acknowledged that what little had been written on him was less than flattering since “many of his contemporaries disliked him.” Henson painted a picture of a man who never thought of himself as wrong, but who was, nevertheless, much misunderstood. As Stephen F. Austin’s secretary, Williams was often blamed for carrying out Austin’s policies while Austin himself was able to stand aloof from the minutia of running his colony. Henson conceded that Williams perhaps went a bit too far in the Monclova speculations of 1835, but contended that, when taken as whole, his contributions to Texas far outweighed any character defects.<sup>10</sup>

Henson’s solid scholarship makes any disagreement with her opinion of Williams difficult. However, evidence later provided by Malcolm McLean in *Papers Concerning Robertson’s Colony* demonstrates that Williams played a larger role in the disturbances surrounding the 1835 Monclova legislature than Henson allowed. Also, Henson’s focus on Williams’s politics and personal relationships reduced her analysis of the business activities that lay at the heart of Williams’s public life; like Franz, her sympathetic treatment of Williams neglected his more controversial activities, such as slave smuggling. Williams did indeed contribute a great deal to early Texas, but those contributions were always linked with some new business scheme.<sup>11</sup>

Williams’s relationship with Thomas McKinney is also explored in Henson’s biography. She devoted a good deal of space to their business and their contributions to the war. Since the two men were seldom together before 1838, however, McKinney’s actions are often performed off-stage and much of his activities in running the day-to-day

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<sup>10</sup> Margaret Swett Henson, *Samuel May Williams: Early Texas Entrepreneur* (College Station Texas A&M University Press, 1976), xii-xiii, 68, 71.

<sup>11</sup> McLean, *Papers Concerning Robertson’s Colony*, 10:210.

operations of their mercantile are left out of her narrative. Towards the end of her life, Henson began work on a book devoted to McKinney exclusively. Her research was incorporated into a brief chapter in a short book published on McKinney Falls State Park in 1999, but a full biography was not completed before she died in 2001. Six chapters, describing McKinney's life from birth to 1830, reside at the Rosenberg Library in Galveston and constitute the most material ever written on Thomas McKinney. Unfortunately very little evidence is available for McKinney's life during this period and Henson filled in the gaps with regional history and McKinney family genealogy.<sup>12</sup>

Henson's decision to write about McKinney and Williams in two separate books is indicative of the central problem in writing about them as business partners. They were involved in a variety of different activities and were very seldom together. However, it was each man's distinct temperament and background that contributed to the success of their firm and made them indispensable during the Texas Revolution.

Thomas Freeman McKinney was born November 1, 1801, in Kentucky. His family moved to Missouri in 1819, and by 1824 McKinney had joined a trading expedition down the Santa Fe Trail into Mexico. However, poor profits in Santa Fe drove him through *El paso del norte* to Chihuahua. McKinney sold goods there, and the return trip brought him to Texas where he decided to stay. At the age of 23, he was granted a league of land in Stephen F. Austin's colony. After he had located his claim, he moved to Nacogdoches and opened a mercantile business with his uncle, who was already a resident. McKinney soon became prominent in the community; he maintained

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<sup>12</sup> Henson, *Samuel May Williams*, 50-51, 81; Margaret Swett Henson, *McKinney Falls The Ranch Home of Thomas F McKinney, Pioneer Texas Entrepreneur* (Austin: Texas State Historical Association, 1999), Margaret Swett Henson, *Unfinished Biography of Thomas F. McKinney*, Margaret Swett Henson Papers, Rosenberg Library, Galveston, Texas.

a regular correspondence with Austin, and the two became good friends. By the late 1820s, he began experimenting with the keelboat trade between Nacogdoches and New Orleans. McKinney's trips brought mixed success, but he became interested in the possibility of maintaining regular gulf-coast commerce.<sup>13</sup>

Samuel May Williams came into the Texan mercantile business through a more circuitous route, but business was in his blood. Born on October 4, 1795, to a well-established Rhode Island merchant family, Williams learned the family trade at his uncle's mercantile in Baltimore. He mastered Spanish and French, sailed about the Americas on business, and by 1823, had escaped a large amount of debt in New Orleans by moving to Texas under a false name. Stephen F. Austin, who was just beginning to bring Americans into Texas, was delighted to find someone with Williams's language skills. At the age of 28, Williams became Austin's personal secretary, and helped establish Austin's colony and headquarters at San Felipe. Austin, who was two years Williams's senior and also had New England roots, formed a close friendship with him that almost lasted to Austin's death. The two men worked closely together and Williams quickly acquired land; he was granted two leagues and three labors for his services in 1824, and in 1828 he was given an additional four leagues for his work with the San Felipe *ayuntamiento*. Williams handled most of Austin's correspondence, and personally wrote many of the land titles for Austin's original 300 settlers. Austin's work was

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<sup>13</sup> A Spanish league is equal to 4,428 acres; a labor is equal to 177 acres. Henson, *McKinney Falls*, 6-9, Margaret Swett Henson, "Chapter 4: The Adventure, Santa Fe, Chihuahua, Coahuila-Texas, 1822-1824," *Unfinished Biography of Thomas F. McKinney*, Margaret Swett Henson Papers, 4-10, 12; Margaret Swett Henson, "Chapter 5: Entrepreneur in Mexican Texas, 1825-1829," *Ibid.*, 1, 15-18; Thomas F. McKinney land grant, file 4-17, Spanish Files, Land Grant Collection, Archives and Records Division, General Land Office of Texas (hereafter, GLO), Austin; Thomas F. McKinney to Stephen F. Austin, March 14, 1828, Eugene C. Barker, ed., *The Austin Papers*, (Washington, D.C.: United States Government Printing Office, 1928), 2.24-26.

complicated and in Williams's capacity as secretary to the empresario, he proved indispensable.<sup>14</sup>

At the beginning of 1830, Thomas McKinney and Samuel May Williams had little personal contact with each other and no business relations. That would soon change. A series of events that began that year put the two men on the road to their partnership four years later. The impetus for their actions would be land speculation, the cotton market, and their efforts to keep the central government from controlling either one.

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<sup>14</sup> Henson, *Samuel May Williams*, 5-9, 12, 18; Gregg Cantrell, *Stephen F Austin. Empresario of Texas* (New Haven: Yale University Press, 1999) 20-22, 150-151, 163-164; Samuel M Williams land grants, files 3.43 and 6 24, Spanish Files, Land Grant Collection, Archives and Records Division (hereafter, ARD), GLO, *Registro* for Austin's Colony, ARD, GLO.

## CHAPTER II

### FEDERALISM, SPECULATION AND THE COTTON ECONOMY:

#### THE INTERLOCKING STRANDS OF GOOD BUSINESS

In 1828, Manuel de Mier y Terán, Commanding General of the Eastern Interior States, made an official visit to Texas. His mission was to make a survey of the situation there and report back to President Guadalupe Victoria on his findings. What he discovered alarmed him. Apart from his surprise at the American colonists' ignorance of Mexican law, Mier y Terán made an astute observation. "The wealthy Americans of Louisiana and other western states," he wrote the president, "are anxious to secure land in Texas for speculation, but they are restrained by the laws prohibiting slavery. If these laws should be repealed—which God forbid—in a few years Texas would be a powerful state which could compete in productions and wealth with Louisiana."<sup>15</sup>

Mier y Terán understood the link between land speculation and the cotton economy in Texas. Wealthy southerners would not move to Texas and buy land from speculators unless they could grow cotton. They could not grow cotton without their slaves. However, Mier y Terán also understood that the current laws against slavery in the state of Coahuila and Texas did not actually prevent Texans from keeping slaves. He therefore urged the president to take actions to stem the flow of Americanization in Texas

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<sup>15</sup> Manuel de Mier y Terán to President Guadalupe Victoria, June 30, 1828, Wallace, Vigness, and Ward, eds., *Documents of Texas History*, 65

before it was too late. However, it may have already been too late. Wealthy speculators were taking an interest in Texas and the government would have little power to stop them. As Mier y Terán might have predicted, James Bowie, a land speculator and slave smuggler from Louisiana, was one of the first to do so; McKinney and Williams soon followed.<sup>16</sup>

#### The Bowie Connection: 1830

James Bowie came to Texas in the winter of 1829-30 well in advance of the American creditors who were only then starting to realize the extent of his land fraud. Bowie and his associates had almost succeeded in their plan to forge Spanish land grants and pass them off as legitimate to other speculators. Now in Texas, Bowie had a new plan to get an empresario contract and open up a cotton mill. Before he could accomplish this scheme however, he needed a letter of reference in order to settle. To that end, Bowie stopped in Nacogdoches and visited his distant relative, Thomas McKinney. Bowie and McKinney had probably only met once before, but McKinney gave him a letter of introduction to Stephen F. Austin anyway. McKinney's letter spoke of Bowie's high character and purpose in Texas. "I hope you and Mr. Bowie may concur in sentiments," he told Austin, "and that you may facilitate his views."<sup>17</sup>

Bowie's "views" were shortly apparent to Austin and others. After he left Nacogdoches, Bowie spent the next month with Jared Groce at the latter's plantation near present-day Hempstead. Since Groce was one of the richest planters in Texas, Bowie stood to gain from Groce's support in the cotton venture, and might have persuaded him

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<sup>16</sup> Ibid.

<sup>17</sup> DAVIS, *Three Roads to the Alamo*, 228, 246-250, 254, quote from Thomas F. McKinney to Stephen F. Austin, February 13, 1830, Barker, ed., *The Austin Papers*, 2:331-332.

that such a scheme would increase his profits by avoiding American tariffs at New Orleans. The cotton mill plan involved using overland trade routes to markets in the interior. Because of this, Bowie probably suggested McKinney as a business partner given McKinney's experience on the Santa Fe Trail.<sup>18</sup>

Bowie soon took advantage of McKinney's letter of introduction. While staying with Groce, Bowie traveled to San Felipe de Austin and met with Austin and Samuel Williams. Austin and Williams both took notice of the plan and gave it their endorsement. The idea was simple, and Austin and Williams were interested in advancing the wealth and productivity of Texas. When Bowie parted San Felipe, he left with the blessing of Austin, Williams, McKinney and Groce. However, when Bowie reached Saltillo, his scheme changed to something altogether different.<sup>19</sup>

Bowie's change in plans had to do with the unexpected actions of the Mexican government. The report Mier y Terán had made concerning the affairs of Texas did not go unnoticed. After a contested presidential election in 1828, and a thwarted Spanish invasion in 1829, the Mexican centralist party came to power by force. With the backing of the army, Anastasio Bustamente became president of Mexico, decided to confront the growing problem of Americans in Texas, and had the congress issue the Law of April 6, 1830. This law called for a duty on cotton goods starting in January 1831, ended free coastal trade to all but foreigners, banned the immigration of Americans into Texas, canceled all empresario contracts that were not completed, and authorized the building of

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<sup>18</sup> Davis, *Three Roads to the Alamo*, 251; Henson, *McKinney Falls*, 7-9. Davis states that McKinney already had plans to enter into a partnership with Groce by March of 1830. However, this is unlikely as McKinney did not express an interest in the cotton trade until June. See Thomas F. McKinney to Stephen F. Austin, June 24, 1830, Barker, ed., *The Austin Papers* (hereafter cited as *AP*), 2:430-431.

<sup>19</sup> Davis, *Three Roads to the Alamo*, 252-253; Stephen F. Austin to S. Rhodes Fisher, June 17, 1830, Barker, ed., *AP*, 2:423-429.

forts garrisoned by convict-soldiers for the purpose of accomplishing these ends. While Stephen Austin scrambled to protect his colonization contracts from the new law, Bowie discovered a way to bypass it.<sup>20</sup>

Bowie's new scheme was far grander than his first. Unable to secure an empresario contract of his own, he planned to take advantage of a loophole in the state colonization law of March 24, 1825. Among its many provisions, this law allowed native Mexicans to buy up to eleven leagues of land from the state. Although Mexican officials intended the sale of land grants for Mexican citizens exclusively, the law failed to restrict the holders of "eleven league grants," as they came to be known, from selling them. Spain and Mexico had traditionally prohibited foreigners from owning land, but since the owner could wait up to six years before farming or improving the land, enforcement of these laws would be difficult. Bowie could simply ask a Mexican citizen to petition for a grant and then buy it from him. Bowie had six years to sell the land or improve it. Although he could not legally sell to an American, Bowie realized that a lot could change in six years. The law March 24, 1825 intended to increase the population of Coahuila and Texas; what it actually did was provide a blueprint for entrepreneurs such as Bowie to work around the Law of April 6, 1830, sell land to Americans without the consent of the Mexican government, and profit from it.<sup>21</sup>

In short order Bowie acquired fifteen or sixteen eleven league grants from Mexicans in Saltillo. He also got a charter for a cotton and wool mill, but never opened

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<sup>20</sup> Reichstein, *Rise of the Lone Star*, 56-57; The Law of April 6, 1830, Wallace, Vigness, and Ward, eds., *Documents of Texas History*, 66-67.

<sup>21</sup> Law for Promoting Colonization in the State of Coahuila and Texas, March 25, 1825, H.P.N. Gammel, ed., *The Laws of Texas* (Austin: The Gammel Book Company, 1898), 1:99-106; José María Viesca to Ramón Músquiz, December 31, 1830, McLean, ed., *Papers Concerning Robertson's Colony* (hereafter cited as *PCRC*), 5:363-366; Davis, *Three Roads to the Alamo*, 253-256.

one. In August, Isaac Donoho, one of Bowie's companions in Saltillo, arrived in San Felipe and told Williams of Bowie's accomplishments. Austin and Williams did not have time to act on Donoho's information since Austin had only recently won the fight to keep his three unfinished contracts in the face of Law of April 6, 1830. However, they were interested in the idea of selling grants and would soon act on that impulse.<sup>22</sup>

Thomas McKinney was also not immune to Bowie's persuasion. Soon after Bowie left for Saltillo, McKinney approached the state land commissioner's secretary José Justo Liendo about selling his eleven league grant. Liendo agreed and McKinney was made the agent for ten of the leagues. That summer, McKinney also entered into a partnership with Jared Groce. McKinney had been interested in the coasting trade, but after April 6, it was no longer free for residents of Texas. Given this fact, and the American tariffs at New Orleans, McKinney and Groce decided to try Mexican markets in the interior per Bowie's original plan. McKinney, as senior partner in McKinney, Groce, and Company, moved his mercantile to San Felipe and took Groce's cotton overland to Saltillo by mule train in December. The route was difficult as well as dangerous; bandits were known to prey on the slow-moving trains. However, the price for cotton was greater at Saltillo than at New Orleans and the trip was an overall success. While in the state capital, McKinney continued to follow Bowie's example and bought more land. He obtained a power of attorney from Pedro Garza of Nuevo León to sell Garza's eleven leagues. McKinney also persuaded one of his hired hands to apply for a grant of five leagues. McKinney paid all the costs, and upon returning to San Felipe,

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<sup>22</sup> Barker, "Land Speculation as a Cause of the Texas Revolution," 76-77; Davis, *Three Roads to the Alamo*, 257-258, James Bowie to Samuel May Williams, August 1, 1830, Box 2H370, Samuel May Williams Papers, The Center for American History, Austin, TX (hereafter cited as CAH); S. Rhodes Fisher to Stephen F. Austin, August 14, 1830, Barker, ed., *AP*, 2: 462-465.

McKinney sold the grant to Samuel May Williams, who acted as the agent for San Felipe resident William H. Jack. Apart from McKinney's first application for a league of land in Austin's colony, this was probably the first business transaction that McKinney and Williams made together; their transactions would soon become more frequent.<sup>23</sup>

By the end of 1830, land speculation, cotton and Mexican centralism were already prevalent in the lives of McKinney and Williams. Bowie's plans caught the attention of both men and they soon followed his example. While neither man was directly involved with the politics of Mexico City, the law of April 6, 1830 provided the first of many centralist stimuli to which McKinney and Williams reacted. Over the next two years, the men's public politics remained staunchly loyal, but their personal interests became increasingly opposed to the central government.

#### Playing the Turtle: January 1831-June 1832

The law of April 6, 1830 made life difficult for Austin and Williams. It had plainly declared that all uncompleted empresario contracts were void, and that Americans could no longer immigrate to Texas. Strictly speaking, only the first of Austin's contracts was complete. For the others, he had simply applied for new contracts that covered the old ones when they were set to expire. However, using his connections with men such as Mier y Terán, Austin successfully got his colony exempted from these provisions of the law. One problem remained, however. The Law of April 6, 1830 also declared that any

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<sup>23</sup> Affidavit of José Justo Liendo, April 20, 1830, Grant to José Justo Liendo for Five Leagues of Land, McLean, ed , *PCRC*, 7 503; Margaret Swett Henson, "Chapter 6: Land Speculating and Other Ventures, 1830-1835," Unfinished Biography of Thomas F. McKinney, Margaret Swett Henson Papers, 1, 5, This chapter breaks off abruptly in April 1830. Henson, *McKinney Falls*, 9; Abigail Curlee Holbrook, "Cotton Marketing in Antebellum Texas," *Southwestern Historical Quarterly* 73, no. 4 (April, 1970), 432-433, Agreement between Thomas F McKinney and Pedro Garza, January 14, 1831, Grant to Pedro Garza for Eleven Leagues of Land, McLean, ed , *PCRC*, 7:582-584; Testimony of Thomas F. McKinney, 1830, Grant to José María Sánchez for 5 Leagues, *ibid* , 7:608-609; *Ibid*, 7:502-503

foreigner who entered Mexico needed a visa. Austin could allow Americans to settle in his colony only if they possessed the necessary papers to show authorities that they had been selected by Austin for colonization. Austin, however, had never pre-selected his colonists and had no structure in place for doing so. In order to remedy this problem, Austin contacted McKinney to see if McKinney knew anyone in Nacogdoches who would be willing to issue such papers. McKinney suggested that Michel Menard, a French-Canadian resident and one of McKinney's business associates, might serve well. Austin contacted Menard, but Menard, after consulting Colonel José de las Piedras, the local garrison commander, concluded that such a plan was clearly illegal and told Austin so.<sup>24</sup>

Austin was undeterred, but was forced to leave the situation as it was. He had been elected to the state legislature in Saltillo and was making preparations to leave. Austin departed San Felipe in December 1830 and left Williams in charge of the land business. On his way to Saltillo, however, Austin learned of the continued political struggles in Mexico City, and came upon the solution to his problem. In San Antonio de Béxar, he signed his name to 200 blank pieces of paper, and sent them to Williams with instructions to print land certificates over them. This solution allowed any potential colonist to simply write his own name in the blank and get a land grant. Austin was convinced this plan was not illegal. He was still allowed to settle Americans under the new Federal Law, and Williams had often been in charge of issuing titles due to his frequent absences. However, Austin knew the scheme was controversial and would need the tacit support of state officials. He reluctantly concluded that the best policy was to

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<sup>24</sup> Gregg Cantrell, *Stephen F. Austin*, 222-224; Stephen F. Austin to Michael Menard, November 13, 1830, Barker, ed., *AP*, 2:535-536; Menard to Austin, November 27, 1830, McLean, ed., *PCRC*, 5:254-256.

keep centralist officials such as Mier y Terán happy, while privately gaining federalist support in Saltillo. If successful, this plan would accomplish a relaxation of the laws governing Texas. Austin told Williams that they were now playing a “double game” that was “dangerous.” Williams’s job was simply to keep things calm at home by doing whatever Mier y Terán ordered. Austin, on the other hand, intended to court the liberals with land.<sup>25</sup>

Many high-ranking state officials in Coahuila and Texas had taken advantage of the colonization law of March 24, 1825 and bought eleven league grants. These men were interested in locating their grants in Texas for speculation. When Austin stopped in Monclova on the way to Saltillo, he stayed at the home of Victor Blanco, the vice-governor of the state. In what seems to have been a pre-arranged plan, Blanco gave Austin his own eleven league grant for location in Austin’s colony along with the grants of eleven others. The eleven other grants were signed over to Williams for location on the Trinity River, north of the San Antonio Road, and intended for speculation. That section of Texas was not included in Austin’s colonies, but was part of a large amount of territory claimed by a Nashville speculating firm. Robert Leftwich, agent for the firm, had received a colonization contract in 1825 for 800 families, but the company did not take any steps to bring in settlers. Only in 1830, had the new agent, Sterling C. Robertson, brought in nine families, but these were barred from settling due to the immigration ban. When Mier y Terán ordered their expulsion from Texas, Robertson appealed to Austin for aid. Austin agreed to help, but it is very likely that he and Williams had already decided to get the Nashville Company’s land for themselves.

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<sup>25</sup> Cantrell, *Stephen F. Austin*, 230-231, 237; quote from Stephen F. Austin to Samuel May Williams, December 28, 1830, McLean, ed , *PCRC*, 5:354-357.

Whatever Austin's motives were when he agreed to help Robertson, he and Blanco nevertheless designated 132 league's worth of land grants for location in Robertson's colony a few months later. They sent the grants to state land commissioner Francisco Madero, and power of attorney was given to Samuel May Williams for location rights.<sup>26</sup>

Austin arrived at Saltillo in January 1831, just as Thomas McKinney secured his first eleven league grant there. McKinney soon bought another five leagues of land to sell and left for San Felipe with his mule train. Austin's plans, however, were more ambitious. Apparently moved by the new-found good will of Saltillan politicians, Austin petitioned the legislature on February 4 for a new colonization contract, naming himself and Williams as empresarios. The proposed grant included not only two of Austin's previous contracts, but that of Leftwich's also. Although Leftwich's agreement had been treated as a dead letter since April 6 of the previous year, it did not technically expire until April 1831. In spite of this fact, or perhaps because of it, Austin asked the legislature to grant his petition immediately so that he and Williams could begin settling the 800 families required in the contract. The legislature approved the petition at the end of the month.<sup>27</sup>

Austin's motives for including Williams in the new colony are not altogether clear. It is possible that the entire plan was Williams's idea; however, the most probable

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<sup>26</sup> Stephen F. Austin to Samuel May Williams, January 9, 1831, Barker, ed., *AP*, 2: 581-582; J. Francisco Madero to Williams, March 15, 1831, McLean, ed., *PCRC*, 6:102-105; Reichstem, *Rise of the Lone Star*, 44-45; Eugene C. Barker, *Stephen F Austin*, 284-286; Cantrell, *Stephen F. Austin*, 233-234; Manuel de Mier y Terán to Antonio Elosúa, December 30, 1830, McLean, ed., *PCRC*, 5:342-343.

<sup>27</sup> Cantrell, *Stephen F Austin*, 232; Stephen F. Austin to Samuel May Williams, February 19, 1831, McLean, ed., *PCRC*, 5:542-550; Stephen F Austin's Application for a Colonization Contract for Himself and Samuel May Williams, February 4, 1831, *ibid.*, 5:487-491; The Austin & Williams Contract, February 25, 1831, *ibid.*, 5:563-570; Reichstein, *Rise of the Lone Star*, 48.

explanation is that Austin and Williams planned the venture together in December 1830 and Austin simply intended for Williams to do the leg work. This is most likely why he and Blanco agreed to give Williams power of attorney over the eleven league grants in Monclova. Austin, the consummate politician, had plans to enlist Mier y Terán, or “Boss” as Austin called him, in the venture. The new arrangement was not in the spirit of the centralist stance on American empresarios and Austin thought Mier y Terán’s endorsement essential. Because of this, Austin needed to remain aloof from Williams’s activities and the partnership provided Austin with much-needed plausible deniability. On top of this, Austin and Williams had their own agenda. Although the contract specified that they would not bring in any American families per the Law of April 6, 1830, they had no intention of doing any such thing. Bringing in Europeans was prohibitively expensive, and neither Austin nor Williams had a real desire to attract Mexican families for the colony. They were not going to stop bringing U.S. citizens to Texas if they could possibly avoid it. They simply needed to keep Mier y Terán happy, just as Austin had kept Coahuilan federalists happy, all while accomplishing the relaxation of the new immigration law.<sup>28</sup>

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<sup>28</sup> Power of Attorney from Samuel May Williams to Stephen F. Austin, December 17, 1830, McLean, ed., *PCRC*, 5:338-339, Austin to Williams, February 5, 1831, Barker, ed., *AP*, 2:594-595; Austin to Williams, March 5, 1831, *Ibid.*, 606-607. The exact plan of Austin and Williams, and when they developed it are difficult to determine. This is a result of the cryptic nature of Austin’s letters and the fact that Williams actually had two petitions for land. One was for seven leagues, and one was the colonization contract encompassing Robertson’s Colony. This makes it seem that Williams intended to be the sole empresario of the new colony. Barker, in *The life of Stephen F. Austin*, 297-298, suggests that after Williams’s petition for seven leagues could not be found in the Saltillo archives, Austin simply combined the two and added his name. Margaret Henson, in *Samuel May Williams*, 51-52, does not deviate from Barker’s interpretation. However, McLean in *PCRC*, 5:335, 499, argues that getting Robertson’s colony was Austin’s idea exclusively. He maintains that Austin probably wrote the power of attorney in Saltillo and back-dated it. That way, Austin could get the Leftwich colony and used Williams’s lost petition for seven leagues as an excuse for turning in a new petition. McLean’s interpretation seems outlandish, but it does explain why Austin had to explain the situation to Williams after the fact. Williams may not have known. Cantrell, in *Stephen F. Austin*, 234-235, simply states that Austin and Williams planned to get the Leftwich contract together before Austin left for Saltillo.

This plan was complicated and Williams, for his part, was already having problems on his end. The difficulty came from the confrontation between Francisco Madero, the land commissioner, and John Davis Bradburn, the centralist commander of the new Anahuac garrison. Soon after Madero arrived in Texas, he violated federal colonization laws by forming the town of Liberty within the ten-league coastal limit. Bradburn placed him under arrest. This situation caused problems for Williams in more ways than one. Since Madero was a federalist and ally in the Austin-Williams land scheme, his arrest was a great hindrance to their plans. Madero's actions also raised the ire of Mier y Terán, who had appointed Bradburn. That Mier y Terán was already suspicious of Madero's activities did not bode well for the political situation. Bradburn had also made himself extremely unpopular with the colonists by implementing the government's new tariff on foreign imports. A true centralist, Bradburn intended to enforce national laws to the letter and made it very hard for Williams to keep the peace in the colonies.<sup>29</sup>

Austin, as usual, readily offered advice to his protégé. "Do as I have frequently been compelled to do," Austin wrote from Saltillo, "play the turtle, head and feet within your own shell—some of the people may curse and abuse—no matter." With Madero arrested, Williams wanted to go to the Trinity himself to supervise the eleven league surveys, but Austin instructed him to let the matter rest. "Better to break all the timber in Texas [Madero] than to break *Boss*," advised Austin. Mier y Terán's support was much more important and Williams needed to get the colonists to obey the law.<sup>30</sup>

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<sup>29</sup> Henson, *Samuel May Williams*, 33-34, Reichstein, *Rise of the Lone Star*, 61-62; Lack, *The Texas Revolutionary Experience*, 6

Bradburn appeared momentarily weak when the collector of customs, George Fisher, resigned after a confrontation with merchants in Brazoria. However, Williams offered Bradburn a show of support by asking the local government at San Felipe to call out the militia in opposition to smugglers. Bradburn was grateful for the effort, and after Mier y Terán acknowledged that Bradburn's interpretation of the tariff law was too strict, Bradburn appointed Stephen Austin's cousin, John Austin, as tax collector at Brazoria in March. The move calmed the situation for the moment, and Williams's part of the plan could proceed. The Nashville Company's contract expired on April 15 without incident, Miguel Arciniega, the new land commissioner for Austin's colony soon arrived, and the nine families brought into Texas by Sterling C. Robertson were allowed to settle in Austin's colony. However, affairs in Texas did not remain calm for long.<sup>31</sup>

John Austin's appointment as tax collector at Brazoria did not fix the unrest in Texas because it did not solve the problem. Bradburn was intent on collecting duties and Texan colonists did not want to pay them. Stephen F. Austin's return to Texas in June did not considerably alter the situation. By October 1831, Mier y Terán became concerned enough with the growing difficulty that he came to Texas himself. Appalled at the situation upon his arrival at Anahuac, Mier y Terán reinstated George Fisher as customs collector, and disbanded the *ayuntamiento* of Liberty. That being accomplished, he left. Austin did not even have enough time to arrange his long-desired meeting with

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<sup>30</sup> Quotes from Stephen F. Austin to Samuel May Williams, February 19, 1831, McLean, ed., *PCRC*, 5:542-550; Austin to Williams, March 12, 1831, *Ibid.*, 6:94-98; Williams to Austin, March 22, 1831, Barker, ed., *AP*, 2: 628-629.

<sup>31</sup> Samuel May Williams to F W. Johnson, March 20, 1831, Barker, ed., *AP*, 2: 621-622; Juan Davis Bradburn to Williams, March 31, 1831, Samuel May Williams Papers, Rosenburg Library, Galveston, TX; Williams to Stephen F Austin, March 22, 1831, Barker, ed., *AP*, 2: 628-629; Austin to Williams, April 2, 1831, *Ibid.*, 636-639; Austin to Williams, April 16, 1831, *Ibid.*, 645-647; Henson, *Samuel May Williams*, 33-34; Cantrell, *Stephen F Austin*, 237; Williams to F.W. Johnson, April 8, 1831, McLean, ed , *PCRC*, 6 166; Manuel de Mier y Terán to Austin, June 30, 1831, *Ibid.*, 6:288-289.

the general before the latter was back at Matamoros. Mier y Terán had expressed his doubts about Austin's ability to settle Europeans in the Nashville colony, saying that it would take "miracles." Austin desperately sought a chance to change his mind.<sup>32</sup>

Events over the next few months did not help Austin and Williams's situation with Mier y Terán. Upon his reinstatement as customs collector, Fisher declared that all shipping needed to clear his agency at Anahuac before leaving Texas. This decree required merchants in the Brazos River valley to make a round trip of 200 miles over land before they could sail. The law was understandably unpopular. Brazoria merchants openly flouted Fisher's decree by sailing down the Brazos past Fort Velasco and into the Gulf of Mexico without clearance. By December, the situation had grown violent and a member of the Velasco garrison was wounded in an exchange with a merchant ship. Austin, with Williams's help, crafted a message to Mier y Terán in an attempt to smooth things out. Austin declared the tariff laws "impractical" but stressed his colonists' support for the government. However, Austin, in an uncharacteristic move, also sent a strongly-worded letter to Bradburn. In it, Austin declared that Fisher's policies would destroy colonial commerce and asked why Bradburn, as an American, was so intent on the ruination of Texas. Bradburn was taken aback by Austin's directness, and forwarded the letter to Mier y Terán. When the letter reached him, the general was not amused. In a scathing letter to Austin, he replied, "You say to Mr. Davis [Bradburn] that the people in Texas have just complaints. This must be very new, and you must be the only one who knows what they are." Mier y Terán told Austin in no uncertain terms that every

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<sup>32</sup> Manuel de Mier y Terán to Stephen F. Austin, October 3, 1831, Samuel May Williams Papers (hereafter cited as "SMWP"), Galveston; Francisco Ruíz to Austin, December 11, 1831, McLean, ed., *PCRC*, 7:66-67, quote from Mier y Terán to Austin, March 21, 1831, *Ibid.*, 6:127-128.

civilized country had tariffs and that only Brazoria merchants seemed to have a problem with that fact. Furthermore, the general was personally insulted by Austin's accusation since he felt that his leniency towards Texas bordered on dereliction of duty to Mexican law. Austin had clearly overreached.<sup>33</sup>

Apart from the political consequences these disturbances caused for Austin and Williams's plan to settle Americans in their new colony, the unusually direct nature of Austin's response to Fisher's tariff policy was probably due to the fact that he and Williams planned to use the Upper Colony, as the Leftwich land was now being called, as part of a broader plan to stimulate cotton production in Texas. This aspect of the Upper Colony was most likely influenced by James Bowie, who was also involved in the venture. Considering the difficulties faced with the overland trade to the interior, the ability of the Brazos merchants to trade with New Orleans was crucial to their success. Austin and Williams knew that if Fisher's policy was enforced, it would radically reduce coastal trade. The problem needed resolution, and once it was clear that strongly-worded emotional appeals to Bradburn did not work, Austin tried a different tactic; he sent Thomas McKinney.<sup>34</sup>

McKinney had his own reasons for wanting the tariff situation resolved. Apparently also dissatisfied with the effort involved in taking cotton into the Mexican interior by land, McKinney took Groce's cotton to Matamoros by schooner on his next trip. Once there, he again took the cotton overland to Saltillo, but the market did not

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<sup>33</sup> Stephen F. Austin to Juan Davis Bradburn, December 30, 1831, Barker, ed., *AP*, 2:731-732; Austin to Manuel de Mier y Terán, January 8, 1832, McLean ed., *PCRC*, 7:105; quote from Mier y Terán to Austin, January 27, 1832, *Ibid.*, 7:116-118; Henson, *Samuel May Williams*, 35-36.

<sup>34</sup> Manuel de Mier y Terán to Stephen F. Austin, June 30, 1831, McLean, ed., *PCRC*, 6:288-289; Austin to Samuel May Williams, March 21, 1832, Barker, ed., *AP* 2:75; Austin to Williams, May 8, 1832, McLean, ed., *PCRC*, 7:202-204; Williams to Spencer H. Jack, March 26, 1834, SMWP.

appear promising, so he continued on to San Louis Potosi. McKinney made good profits there, but his mule train was attacked by bandits on the return trip. This incident apparently put an end to McKinney's desire to sell cotton in Mexico. He was once again interested in the coasting trade and was probably quite receptive when Austin asked him to visit Bradburn.<sup>35</sup>

McKinney visited Bradburn at Anahuac, explained Austin's position on the tariff, and suggested a meeting between the two. McKinney's influence must have worked because Bradburn wrote Austin thanking him for the clarification and stating that a meeting was, in fact, a good idea. Austin and Bradburn convened somewhere along the San Jacinto River in February 1832. They discussed the matter, and whatever they may have actually concluded, Austin wrote Mier y Terán soon after stating that Fisher needed to be removed from office. Mier y Terán was initially hesitant, but in April he relented to Fisher's removal and the re-opening of the customs house at Brazoria. His concession on the issue was probably less of a change in policy than it was his recognition that he had larger problems. In January 1832, a federalist revolt had begun at Veracruz under the leadership of General Antonio López de Santa Anna, and control of the Mexican government was once again in question.<sup>36</sup>

In the midst of these changes, Austin prepared to leave again for Saltillo as a member of the state legislature. His biggest goal for the session was to gain support for voiding the immigration ban in the Law of April 6, 1830. When he left San Felipe in

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<sup>35</sup> Henson, *McKinney Falls*, 9; Holbrook, "Cotton Marketing in Antebellum Texas," 433.

<sup>36</sup> Juan Davis Bradburn to Stephen F. Austin, January 24, 1832, Barker, ed., *AP*, 2:740; Austin to Manuel de Mier y Terán, February 5, 1832, *Ibid.*, 747; Austin to Samuel May Williams, April 9, 1832, *Ibid.*, 763; Austin to Williams, April 28, 1832, *Ibid.*, 767; McLean, *PCRC*, 7:38.

March 1832, he again put Williams in charge of the land business and admonished Williams to keep things quiet at home. Williams did not succeed.<sup>37</sup>

Williams saw the necessity of maintaining peace in the colonies, but was far more interested in developing the cotton potential of his colony. The previous year, he had purchased an interest in McKinney, Groce and Company, but he now sought the assistance of family members in his land and cotton scheme. To that end, he invited his brother-in-law, Samuel St. John, to Texas. St. John was a planter and merchant from Mobile, Alabama, and when he arrived in Austin's colony, he was impressed with its potential. He and Williams decided that they needed stimulate the cotton trade and then monopolize it. Williams and St. John paid visits to local planters and offered them high premiums for their cotton, payable in New Orleans. When St. John left, he went immediately to New Orleans to speak with his cotton factor, Elliot W. Gregory about buying Texas cotton.<sup>38</sup>

The first ship Williams sent bound for Gregory's mercantile in the Crescent City left Brazoria in April without paying the tariff. When it arrived, Gregory paid 11 cents per pound for the cotton. Gregory did not like the plan and thought that the shipment was hardly worth the price given its condition, but he acquiesced to St. John's wishes. The next month, the three cotton gins that St. John purchased from Natchez, Mississippi arrived in New Orleans and Gregory complained that they were too expensive for use in

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<sup>37</sup> Stephen F. Austin to Samuel May Williams, March 21, 1832, Barker, ed., *AP*, 2:758-759; Austin to Williams, April 9, 1832, *Ibid.*, 762-763; Austin to Williams, April 12, 1832, *Ibid.*, 764-765.

<sup>38</sup> John Coles to Samuel May Williams, November 19, 1831, *SMWP*; Samuel St. John Jr. to Henry Smith, February 22, 1836, McLean, ed., *PCRC*, 13:495-496; Stephen F. Austin to James Perry, December 17, 1835, *Ibid.*, 12:471-722; Holbrook, "Cotton Marketing in Antebellum Texas," 433; E. W. Gregory to Williams, April 24, 1832, *SMWP*.

Texas. Nevertheless, he forwarded them to Williams aboard McKinney, Groce, and Company's new schooner *Brazoria*.<sup>39</sup>

McKinney and Williams's new participation in the coasting trade was the start of a dilemma that was never resolved. Williams was buying cotton and shipping it to New Orleans using carrying companies already in place, such as McKinney's. McKinney had given up on Mexican markets and was again trading with the United States. Both had to deal with the Mexican tariff and both were publicly pledged to Austin's policy of non-confrontation. Austin had little trouble keeping the support of most state officials in Saltillo, but the centralists, such as Mier y Terán and Bradburn, were harder to please. If Austin's version of playing "the turtle" meant keeping both Mexican political factions happy at the same time, McKinney and Williams's interpretation involved pledging their support for the law while breaking it.<sup>40</sup>

The situation in Texas did not improve over the next few months. The removal of George Fisher and the re-opening of the customs house at Brazoria did little to settle the tariff issue since Brazoria merchants had no intention of paying it. To make matters worse, the state legislature passed a new colonization law in March that placed more restrictions on Texas slaveholders. The 1827 Constitution of Coahuila and Texas had outlawed the importation of slaves and made provisions for the gradual abolition of the institution where it existed in the state. Texan slave owners could keep what slaves they

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<sup>39</sup> E.W. Gregory to Samuel May Williams, April 23, 1832, SMWP; Holbrook, "Cotton Marketing in Antebellum Texas," 433-434; E.W. Gregory to Williams, June 10, 1832, SMWP; D. Vorveck to Williams, June 1832, *Ibid* ; Jonathan W. Jordan, *Lone Star Navy: Texas, The Fight for the Gulf of Mexico, and the Shaping of the American West* (Washington, D.C.: Potomac Books Inc., 2006), 4; E.W. Gregory in account current with McKinney, Groce & Co., February 19, 1834, SMWP.

<sup>40</sup> For Tejano involvement in the cotton industry, see Stephen F. Austin to Samuel May Williams, May 9, 1833, SMWP; Ramón Músquiz to Williams, April 17, 1834, McLean, ed., *PCRC*, 8:381-383.

had, but the children born of slaves were free. However, this impediment was avoided because of the laws concerning Mexican debt peonage. No longer allowed to import or sell “slaves,” most planters had their laborers sign contracts pledging service for life. The new colonization law of March 28, 1832, however, restricted such contracts to a term of ten years. Neither Austin nor Williams had any love for slavery, but each considered it an economic necessity. Austin had worked, with much less success than in other areas, to convince Mexican politicians to remember the planters in Texas. However, many in Texas were not as patient as Austin, and decided that both the slave issue and the tariff were grounds for more radical action.<sup>41</sup>

The new extremist faction, called the “War Party” by more conservative Texans, favored aggressive action to resolve the issues with the government. Some called for complete independence from Mexico. Although McKinney and Williams were both opposed to this emerging faction, the patron of the group was Jared Groce, McKinney’s partner in the cotton trade. Groce’s son-in-law, William H. Wharton and William’s brother John were two of the most conspicuous members of the group because of this connection, but the War Party also included Brazoria school teacher Henry Smith and Aaron Burr sympathizer Branch T. Archer. All opposed Austin’s politics of compromise and frequently worked to undermine his efforts to reach an understanding with Mexican

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<sup>41</sup> Stephen F. Austin to Samuel May Williams, April 28, 1832, Barker, ed., *AP*, 2:767-768; Campbell, *An Empire for Slavery*, 23-29; Constitution of the State of Coahuila and Texas, Wallace, Vigness, and Ward, eds., *Documents of Texas History*, 61; S. Rhoads Fisher to Austin, August 14, 1830, Barker, ed., *AP*, 2:462-465, Austin to Williams, April 16, 1831, *Ibid.*, 645-647.

officials. The new federalist revolt taking place in Mexico under Santa Anna only helped their efforts.<sup>42</sup>

The most outspoken member of the War Party was Alabama lawyer William Barrett Travis. In May 1832, Travis caused problems at Anahuac by publicly opposing Bradburn's decision to harbor run-away slaves. Bradburn was well aware of the state policy on slavery, and was intent on enforcing it as he enforced the tariff. However, Bradburn felt vulnerable due to his relatively weak position in Texas, and when several Anahuac men organized themselves into a militia under the leadership of Travis and Patrick Jack, Bradburn had both men arrested. The situation soon got out hand. As the militia demanded the release of Travis and Jack, men such as John Austin and Henry Smith came from as far away as Brazoria to join it. Williams's close friends Robert M. Williamson and Francis W. Johnson left from San Felipe as well. The militia tried to negotiate with Bradburn for the release of the prisoners but efforts at compromise soon broke down. A small skirmish erupted and the militia retreated from Anahuac to nearby Turtle Bayou. There they signed a compact pledging their support for Antonio López de Santa Anna's rebellion, and declaring their loyalty to the federalist constitution of 1824. With the motives for their armed uprising sufficiently placed within the context of Mexico's internal struggles, John Austin and Henry Smith left for Brazoria and planned to return with artillery.<sup>43</sup>

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<sup>42</sup> Reichstein, *Rise of the Lone Star*, 79-82; Stephen F. Austin to Samuel May Williams, March 21, 1832, Barker, ed., AP, 2:758-760.

<sup>43</sup> Reichstein, *Rise of the Lone Star*, 82-84; Davis, *Three Roads to the Alamo*, 265-271; The Turtle Bayou Resolutions, Wallace, Vigness, and Ward, eds., *Documents of Texas History*, 73; John Austin to Samuel May Williams, June 19, 1832, SMWP.

Despite their ties to the people behind the revolt at Anahuac, McKinney and Williams's reaction to it was ambivalent at best. McKinney had an interest in getting the tariff reduced, but it is unlikely that he would have favored violence as a means to get it. He had publicly denounced the abortive revolt of Haden Edwards at Nacogdoches in 1827, and although McKinney was frequently at odds with the local Mexican garrison there, he typically sought refuge in the court system when faced with direct confrontation. McKinney may well have been one of the smugglers contributing to the problem on the Brazos in 1832, but he was absent from Texas in June and did not participate in any of the activities surrounding the uprising. Williams, despite his new foray into the cotton trade had far more to lose by the actions of his friends than he might possibly gain. Austin repeatedly instructed him to keep the peace, and that peace was essential if Austin was to gain any concessions on American immigration. Williams did not like the tariff laws, but with the victory of Santa Anna far from certain, prudence was a far better course of action. On this, Austin and Williams agreed. Williams attended a public meeting at San Felipe in late June and was elected secretary. The gathering drew up resolutions calling for a peaceful solution to the recent problems and asked the militia to return home. The next day, the San Felipe *ayuntamiento* issued a public address officially asking all those under arms to cease their activities. Williams was outspoken in his condemnation of the militia, and in his capacity as secretary, signed both documents.<sup>44</sup>

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<sup>44</sup> Henson, "Chapter 5: Entrepreneur in Mexican East Texas, 1825-1829," Unfinished Biography of Thomas F. McKinney, Margaret Swett Henson Papers, Thomas F. McKinney to Stephen F. Austin, November 3, 1828, Barker, ed., *AP*, 2:138-139; Henson, *McKinney Falls*, 10; Austin to Samuel May Williams, April 28, 1832, Barker, ed., *AP*, 2:767-768; Austin to Williams, June 20, 1832, SMWP; Anthony Butler to Williams, September 23, 1832, *Ibid* ; Williams to Capt. Bartlett Sims, July 1, 1832, Charles Adams Gulick and Katherine Elliot, eds., *The Papers of Mirabeau Buonaparte Lamar*, (Austin: A.C.

It is unlikely that the mild rebuke of San Felipe would have stopped John Austin and Henry Smith, but at any rate, the resolutions came too late. The two men arrived in Brazoria and took possession of two cannon left in the town by one of the coastal traders. In need of a transport vessel, they pressed the McKinney and Groce schooner *Brazoria*, into service. McKinney's employee John Rowland, *Brazoria's* shipmaster, went along with the plan. Austin and Smith loaded the guns and left with around 150 armed men bound for Anahuac. However, they only made it as far as Fort Velasco at the mouth of the Brazos. Domingo de Ugartechea, the fort's commander, challenged the expedition and was quickly attacked by Austin and Smith's men. The *Brazoria's* cables and moorings were heavily damaged by Mexican guns during the battle, but the ship escaped major damage. Ugartechea's garrison, however, soon surrendered.<sup>45</sup>

When Williams heard news of Fort Velasco's surrender, he was beside himself. "This once happy and prosperous country is now a perfect charnel house of anarchy and confusion," Williams wrote a friend, "it appears, as if every bad passion was uniting for the complete destruction of the Country." Williams believed that Texas needed more than ever to demonstrate its loyalty to the government. However, the worst was over for Texas. Colonel José de las Piedras of the Nacogdoches garrison intervened in the Anahuac situation and arranged the release of Travis and Jack. Bradburn fled to Louisiana, and Ugartechea's Velasco garrison left Texas. On July 2, Travis and Jack left the cell that had held them for seven weeks; the next day, Manuel de Mier y Terán

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Baldwin & Sons, 1920), 1:131, Citizens' Meeting, June 25, 1832, *Ibid.*, 1:120-121; Ayuntamiento Address to the Citizens, June 26, 1832, *Ibid.*, 1:123-124.

<sup>45</sup> John Austin to Samuel May Williams, June 19, 1832, SMWP; Stephen F. Austin to Williams, March 21, 1832, Barker, ed., *AP*, 2: 759; Jordan, *Lone Star Navy*, 4; Davis, *Lone Star Rising*, 85, Jim Dan Hill, *The Texas Navy in Forgotten Battles and Shirtsleeve Diplomacy* (New York: A.S. Barnes and Company, 1937, 1962), 15-16.

committed suicide. The residents of Texas rejoiced at the outcome and Samuel May Williams suddenly found himself very unpopular. To make matters worse for Williams, Austin wrote him soon after that it was now time to support Santa Anna's rebellion.<sup>46</sup>

Austin had been at Matamoros when José Antonio Mexía's federalist army captured the city without violence. When the centralist commander of the town agreed to switch allegiances, Mexía decided to put down the rebellion in Texas and Austin agreed to join him. When the force landed at Brazoria, Mexía and Austin discovered that the violence was over and the rebels had declared for Sana Anna. Austin took full advantage of the situation by publicly announcing his support for the uprising. He and Mexía celebrated the federalist victory with the rest of Brazoria's population. As part of the festivities, however, Williams was burned in effigy along with two others. In an effort to calm his friend's wounded pride, Austin told Williams that all would soon be forgotten if he made some form of public apology saying that he "wished to do for the best...[or] something of this nature..." If nothing else, wrote Austin, Williams could take comfort from that fact that some of the best men in American history had been hanged in effigy.<sup>47</sup>

Williams made no apology. Like Austin, he had no shortage of pride and was deeply wounded by Austin's public betrayal. He had, after all, only been following Austin's instructions. The fact that he should take the blame for Austin's policies did not seem right. He stayed on as Austin's secretary and partner, but as Mexía left Texas

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<sup>46</sup> Quote from Samuel May Williams to Capt Bartlett Sims, July 1, 1832, Gulick and Elliot, eds, *The Papers of Mirabeau Buonaparte Lamar* (hereafter cited as "PMBL"), 1:131; Davis, *Lone Star Rising*, 85-90; Henson, *Samuel May Williams*, 41-42; Stephen F. Austin to Williams, July 2, 1832, Barker, ed., *AP*, 2:810

<sup>47</sup> Henson, *Samuel May Williams*, 40-41; Cantrell, *Stephen F. Austin*, 254-255, Stephen F. Austin to Samuel May Williams, July 1, 1832, Barker, ed., *AP*, 2:807-808; quote from Austin to Williams, July 19, 1832, SMWP.

taking almost all of the garrison troops with him, Williams took stock of the future. He had a growing cotton business, a large land contract to work with, and over 500,000 acres worth of state land grants to sell. It was time to look out for himself.

A Change in Politics: July 1832-February 1834

The victory in the June uprisings had considerably altered the political landscape in Texas. Nearly all the garrison soldiers were gone and no one was left to collect import duties. Given this new situation, the colonists felt emboldened to ask for more. In October, delegates convened at San Felipe to draw up their requests to the government, and Austin was elected president. The resulting resolutions, which included separate statehood and tariff exemption, were entirely ignored, but in January 1833 Santa Anna was finally successful in his revolution and marched into Mexico City with his army. With a federalist in power, more good things were sure to come to Texas, and elections for a second convention were called.<sup>48</sup>

The second Convention met at San Felipe in April. In a signal that the War Party was gaining strength, William Wharton was elected president of the proceedings. Also in attendance were James Bowie, and Sam Houston, the former governor of Tennessee. Houston was an original investor in the Nashville Company whose contract had been given to Austin and Williams; he was friends with New York land speculators James Prentiss and Samuel Swartwout, and was in Texas as an agent for the former to buy up as much of the Upper Colony as possible. Wharton, Bowie, Houston and around 50 other delegates met for two weeks and re-affirmed the resolutions of the previous convention. However, this time, they wrote up a potential constitution for the Mexican state of Texas

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<sup>48</sup> Davis, *Lone Star Rising*, 91-95, Cantrell, *Stephen F. Austin*, 262-263; Anthony Butler to Samuel May Williams, December 30, 1832, SMWP

with a separation of powers and guaranteed trial by jury. Stephen F. Austin was elected to carry the petitions to Mexico City, and reluctantly agreed to go. He was not in favor of such a bold move, but given his apparent reduction in influence, could not refuse such an assignment.<sup>49</sup>

Williams, who had so frequently been the secretary at such meetings, did not attend either convention. Instead, Williams was making preparations to sell land in the Upper Colony. In the spring of 1832, while Austin was in Saltillo, he had made it clear to Williams that the Upper Colony was Williams's problem alone. Austin was concerned with the volatile political situation then brewing at Brazoria and Anahuac, and wanted nothing more to do with the controversial colony. Austin warned Williams to be wary of James Bowie and land speculation, but gave him complete authority to sell the eleven league grants they had obtained together in 1830, along with two of the three that Austin had recently secured. Now, with the political crisis of June now in the past and his friendship with Austin strained, Williams was ready to take advantage of the free reign Austin had given him.<sup>50</sup>

In the fall of 1832, Williams's friend R.M. Williamson contacted Asa Hoxey, an Alabama acquaintance, about moving to Texas and buying land. Hoxey was receptive and planned to consult other potential investors. The plan bore fruit in April and Hoxey, along with seven other Alabamians combined to buy four of Williams's eleven league grants. One of the investors, Edward Hanrick, was close friends with Williams's brother

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<sup>49</sup> Davis, *Lone Star Rising*, 95-98; Cantrell, *Stephen F Austin*, 263-264; Reichstein, *Rise of the Lone Star*, 119-121.

<sup>50</sup> Stephen F. Austin to Samuel May Williams, May 8, 1832, McLean, ed., *PCRC*, 7:202-204; Austin to James Perry, December 17, 1835, *Ibid.*, 12:471-472; Henson, *Samuel May Williams*, 42-43.

Nathan in Mobile. Williamson was to hold the land as their agent since they could not immigrate to Texas or own the land unless they did.<sup>51</sup>

Despite Austin's warnings, Williams also worked with Bowie and his associates. Bowie's influence over the plan for the Upper Colony is difficult to determine, but he had been involved in the scheme since at least the spring of 1832 and perhaps earlier. Bowie was in San Felipe for the Convention in April 1833 and soon took advantage of Austin's reduced influence over Williams. Bowie had his own eleven league grants to locate in the Upper Colony and may have been the one who suggested that Williams begin selling location privileges. One of the first that Williams sold was to William H. Wharton, the president of the convention, for eleven leagues.<sup>52</sup>

Thomas McKinney soon took an interest in the Upper Colony as well. He had been content to hold onto his two eleven league grants, but in March 1833, he informed Anahuac veteran John Austin, Williams's new partner in the Upper Colony, that he had changed some of his "politics." McKinney told Austin that he wished five of the leagues from the Liendo grant located in the Upper Colony and agreed to sell the Garza grant to John Austin so that Austin could settle some debts. Williams allowed the location of McKinney's five leagues in August.<sup>53</sup>

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<sup>51</sup> Asa Hoxey to R M Williamson, December 2, 1832, McLean ed., *PCRC*, 7:256-357; Agreement Between Robert M. Williamson and Hooper W Coffee, April 13, 1833, *Ibid.*, 7:440; Articles of Association between Edward Hanrick, Daniel Carpenter, Justus Wyman, George Whitman, Asa Hoxey, Thomas Brown, Hooper Coffey, and Cornelius Robinson, August 26, 1833, *Ibid.*, 7.508-509.

<sup>52</sup> Stephen F Austin to Samuel May Williams, May 8, 1832, *Ibid.*, 7:202-204; Austin to Williams, May 31, 1833, SMWP, Davis, *Three Roads to the Alamo*, 356-357; McLean, *PCRC*, 7.49.

<sup>53</sup> Grant to Pedro Garza for Eleven Leagues of Land, April 5, 1833, *Ibid.*, 7.582-584; *Ibid.*, 7:502-503, Thomas F McKinney to John Austin, March 17, 1833, SMWP, McLean, *PCRC*, 7.79

McKinney's change of mind concerning his land grants had to do with his decision to expand his business, and he probably needed the credit. George Fisher had once again been appointed collector of customs, but he took up residence on Galveston Island rather than Anahuac. After the uprising of the previous June, Fisher's influence was much reduced, and the time seemed right to make the move. Given Williams's interest in McKinney, Groce and Company, it was most likely Williams who pushed McKinney in this direction. Williams had been working with an assortment of merchants for shipments to New Orleans, but if McKinney were to become a more dominant trader, Williams would have a close associate in his business, and both men would profit. McKinney located a labor of land at the mouth of the Brazos River opposite Velasco. With fresh credit from his land sale, he planned to close the mercantile in San Felipe, and open a new one at Brazoria. He remained in partnership with Jared Groce, but the relationship must have been strained given their difference in politics.<sup>54</sup>

Williams was also interested in expanding his trade and had far more resources to draw upon than did McKinney. His business with St. John had simply involved buying cotton, but Williams soon brought in his brother Nathan's firm of Dobson and Williams at Mobile. Dobson and Williams worked through New Orleans merchant Thomas Toby, and soon Sam Williams was placing orders with both firms for items such as sugar, flour, and whiskey. In August, Williams left the Upper Colony in John Austin's hands and took passage to visit his brother in Mobile. There he made arrangements to expand the

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<sup>54</sup> Stephen F. Austin to John Austin, May 31, 1833, Barker, ed., *AP*, 2: 981-982; Stephen F. Austin to Samuel May Williams, May 31, 1833, SMWP; John Coles to Williams, November 19, 1831, *Ibid*, Edward Brewster care of E.W. Gregory to Williams, December 30, 1832, *Ibid*; Thomas F. McKinney Land Grant, November 20, 1832, Spanish Files, Land Grant Collection, ARD, GLO.

Texas business in concert with both Nathan and Samuel St. John. He also made a trip to Montgomery to close the land deal with Asa Hoxey and Edward Hanrick.<sup>55</sup>

Hoxey and Hanrick, apart from buying 44 leagues of land, were also interested in slave smuggling. Hoxey already had plans to bring slaves to Texas from Alabama, but the new plan involved bringing in West African slaves from Cuba. The two men thought that the restrictions on slavery in Texas made for a good market there and contacted James W. Fannin of Georgia to see if he would be interested in transporting slaves for such a venture. Williams was hesitant about smuggling slaves and thought that people in Texas would not condone such a blatantly illegal activity. Benjamin Fort Smith, who had recently located land in the Upper Colony, had made such a trip, and it was not popular. Williams promised the two men that he would watch for any changes in public opinion in the matter. If any took place, they would be notified. James Fannin, however, did not intend to wait for public opinion to shift. He was on the brink of poverty and needed the money. Fannin left for Cuba in August 1833.<sup>56</sup>

Stephen F. Austin was in Mexico City by the spring of 1833, and was starved for information on Williams's activities. What little he heard did not please him. "You are engaging in one business [before the o]ther is finished and may spoil [everything]," Austin admonished his secretary in May. "Finish the records of the office... then give it

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<sup>55</sup> Thomas Toby & Brother to Samuel May Williams, July 2, 1833, SMWP, Dobson and Williams to Samuel May Williams, July 16, 1833, Ibid; Articles of Association between Edward Hanrick, Daniel Carpenter, Justus Wyman, George Whitman, Asa Hoxey, Thomas Brown, Hooper Coffey, and Cornelius Robinson, August 26, 1833, McLean, ed., *PCRC*, 7:508-509; Stephen F. Austin to Samuel May Williams, August 28, 1833, Barker, ed., *AP*, 2:1003.

<sup>56</sup> Edward Hanrick to Samuel May Williams, August 28, 1833, SMWP; Stephen F. Austin to Williams, May 31, 1833, Ibid; McLean, *PCRC*, 7:30; Williams to Hanrick, November 11, 1833, Ibid., 8:104, Williams to Hanrick, November 27, 1833, Ibid., 8:139; Asa Hoxey to Hanrick, November 27, 1833, Ibid , 8 140-141

up in toto and go the merchant's occupation, but finish first and keep clear of land jobbing." Austin was worried about Bowie's influence on the reputation of the Upper Colony and about Benjamin Fort Smith's trip to Cuba in particular. Williams's reaction to the Alabama speculators was an indication that he was still taking Austin's advice on some matters. In August, Austin reminded Williams that under the Colonization Law of April 28, 1832, October 1833 was the deadline for locating the eleven league grants. Austin was distressed when he got a letter from Williams stating that he was in Mobile on business, and Austin again scolded him for putting other interests before their own.<sup>57</sup>

For Williams, Austin's new interest in the Upper Colony was grating, and he stopped writing back. Because of this silence, Austin's letters became more panicked as the October deadline drew closer. Victor Blanco, who had turned over the grants to Williams in 1830, was now very concerned, and Austin began to fear that Williams had been killed in the cholera epidemic that was sweeping Texas. However, Austin mentioned something in his letters that must have caught Williams's attention. Sterling C. Robertson, the agent for the Nashville Company, had submitted a petition to the state legislature showing proof that he had fulfilled the colonization requirements necessary to sustain his contract before the Law of April 6, 1830 had passed. If he was successful, Robertson would get the Upper Colony back and Williams was faced with the urgent need to return to Texas.<sup>58</sup>

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<sup>57</sup> Stephen F. Austin to Samuel May Williams, May 31, 1833, SMWP; Austin to Williams, August 21, 1833, Barker, ed., *AP*, 2: 999-1001, Austin to Williams, September 5, 1833, SMWP; Austin to Williams, September 11, 1833, Barker, ed., *AP* 2:1005.

<sup>58</sup> Stephen F. Austin to Samuel May Williams, August 21, 1833, *Ibid.*, 2: 999-1001; Austin to Williams, August 28, 1833, *Ibid.*, 2:1003; Austin to Williams, September 11, 1833, *Ibid.*, 2:1005; Austin to Williams, September 5, 1833, SMWP.

By the end of October, Williams had located 178 leagues in the upper colony. The astonishing pace of his work was due in no small part to his system of operating the land office. In June 1833, F.W. Johnson and John Austin made a trip to the Upper Colony for the purpose of making surveys of the land. Johnson acted as the principal surveyor and Austin went as Williams's agent in the enterprise. The two men made one survey for a 144 league "reserve" and eight other surveys by "meandering," as Williams later put it, along the front part of an 88 league tract. These eight surveys were designated for the grants of Bowie, Isaac Donoho, R.M. Williamson, Stephen F. Austin, McKinney, and three others. In other words, Johnson did not actually make surveys. He simply made sketches of the approximate location for eight grants and made a bloc survey for the rest. For his work, he was paid almost \$3,000.<sup>59</sup>

Williams had given a good deal of responsibility to John Austin for carrying out the locations in the colony, and instructed Austin to take care of the business during his absence in Alabama. However, the delay that vexed Austin's cousin Stephen so much was caused by John's death in the cholera epidemic. Williams returned home and found that most of the work was unfinished. However, after a serious bout with illness that was probably cholera, he soon began issuing titles from his home outside San Felipe in rapid succession. These titles were prepared in advance by others and signed by San Felipe Alcalde Luke Lesassier while blank. The necessary surveys for the titles were written in Spanish by Williams based on Johnson's sketches, and then signed by Johnson. The tax on the titles was collected by Williams in his capacity as Post Master of San Felipe. All that remained was filling in the name of the man whom Williams intended to receive the

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<sup>59</sup> McLean, *PCRC*, 7:49; Quotes from Williams & Austin in Account with F.W. Johnson, 1833, SMWP, F.W. Johnson, diary entries for June 8-21, quoted in James Armstrong, *Some Facts on the Eleven League Controversy* (Austin: Southern Intelligencer Book Establishment, 1859), 14-15.

grant. These names included local lawyers and planters who paid upwards of \$3,000 to buy one. R.M. Williamson located eleven leagues of his own, and Thomas McKinney located sixteen. Five of McKinney's leagues were from his Liendo grant, but the other eleven were from the grant of Pedro Garza, which McKinney apparently got back from John Austin upon the latter's death.<sup>60</sup>

While Williams was busy issuing these grants, he began to worry about Sterling C. Robertson's claim to the Upper Colony. Robertson had made threats against the Austin-Williams claim in 1831, but had legal troubles in Tennessee which prevented him from taking any real action at that time. With those now resolved, Robertson came back to Texas intent on revenge. The state legislature had yet to approve Robertson's petition for the Upper Colony, but Robertson planned to take local action by having the San Felipe *ayuntamiento* decide his case. Williams publicly denied that Robertson had any rightful claim to the Upper Colony, but the possibility of Robertson's victory was too great to leave to chance. As a precaution, Williams retained former Anahuac radical William Barrett Travis to defend his title and gave Travis three leagues in the Upper Colony as payment. Travis, R.M. Williamson and Alcalde Luke Lessassier met Williams at his house and discussed their strategy. Failing to find any alternatives, the four men concluded that a court decision was the best way to settle the issue.<sup>61</sup>

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<sup>60</sup> Henson, *Samuel May Williams*, 48; Samuel May Williams to Edward Hanrick, November 11, 1833, McLean, ed., *PCRC*, 8.104; Armstrong, *Some Facts on the Eleven League Controversy*, 11-12; Testimony of Samuel May Williams, *Ufford v Dyches et al*, quoted *Ibid.*, 11; McLean, *PCRC*, 7:49, 12.174.

<sup>61</sup> Cantrell, *Stephen F. Austin*, 234-235, McLean, *PCRC*, 7:49, 8:196; Sterling C. Robertson to Samuel May Williams, October 29, 1833, *Ibid.*, 7:626; Williams to Edward Hanrick, November 11, 1833, *Ibid.*, 8.104; Henson, *Samuel May Williams*, 55.

As the October deadline passed, Williams was anxious to tie up the land business. However, he realized he was still two grants short for the land he had promised the Alabama speculators. Asa Hoxey was already living in Texas on his share of the land, but Hanrick was in Alabama getting anxious. In early November, Williams obtained six more eleven league grants, two of which were for Hanrick's associates, and located all of them in the Upper Colony. The fact that these locations were past the deadline did not seem to matter. These latest grants brought the total amount of land located in the Upper Colony to 244 leagues, which amounted to twelve more leagues than Johnson had "surveyed" the previous June. Soon after Williams had completed his work, he received good news. Austin wrote him on November 26 that a repeal of the ban on American immigration had been approved and would take effect in six months. Austin had not been successful in convincing Santa Anna to make Texas a separate state, but the repeal of the most hated part in the Law of April 6, 1830 was enough. Austin was happy that Americans could now be settled in the Upper Colony and was on his way home. With this news, Williams could devote all his time to the mercantile business.<sup>62</sup>

Williams hurried to Brazoria in December 1833. McKinney, who had made two trips to see Gregory in July as part of McKinney and Groce, had agreed to cast his lot with Williams's enterprise. Williams was overjoyed that he would now have full access to the *Brazoria* and anxiously awaited the arrival of John Rowland and what Williams called the "new" schooner. McKinney arrived in Brazoria from New Orleans by mid-

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<sup>62</sup> McLean, *PCRC*, 8:21; Samuel May Williams to Edward Hanrick, November 11, 1833, *Ibid*, 8:104; Williams to Hanrick, November 27, 1833, *Ibid.*, 8:139; Stephen F. Austin to Williams, November 26, 1833, Barker, ed., *AP*, 2.1016

December and the *Brazoria* was not long behind him. The two men planned for the future of their business, but they were soon interrupted by Stephen F. Austin.<sup>63</sup>

Just after the New Year, Williams received word from Austin explaining that he had been arrested in Saltillo on January 3. A letter he had written to the *ayuntamiento* at Béxar in October had aroused officials in Mexico City and Austin soon found himself imprisoned there. Austin protested his innocence, but the reality of the situation was that he had been arrested for sedition and no one could say when or if Austin would ever come home. Williams needed to return to San Felipe and look after Austin's affairs. He left McKinney at Brazoria to look after the business.<sup>64</sup>

As a result of his new position, McKinney disbanded his association with Groce. Groce's position with the Wharton radicals had probably made McKinney uncomfortable since early 1833, but now that partnership was at an end. McKinney sold the *Brazoria* to E.W. Gregory to settle the debts of his old firm, and Gregory sent McKinney \$8,100.00 in specie to cover Groce's interests. Over the next few months, McKinney would run the business started by Williams in 1832.<sup>65</sup>

Williams was back in San Felipe by the end of January and learned that Sterling C. Robertson planned to present his petition to the *ayuntamiento* at its February meeting. Fearing the worst, he hired Thomas McQueen, a local merchant, to make the trip to the

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<sup>63</sup> Quote from Samuel May Williams to Edward Hanrick, November 27, 1833, McLean, ed., *PCRC*, 8 139; E.W. Gregory to Williams, December 16, 1833, SMWP; Gregory to Williams, December 30, 1833, *Ibid*, E.W. Gregory in account current with McKinney, Groce & Co, February 19, 1834, *Ibid*.

<sup>64</sup> Stephen F. Austin to Samuel May Williams, January 12, 1834, Barker, ed., AP, 2: 1024-1026; Cantrell, *Stephen F. Austin*, 271-272, 277-278.

<sup>65</sup> E.W. Gregory to Samuel May Williams, February 19, 1831, SMWP; E.W. Gregory in account current with McKinney, Groce & Co, February 19, 1834, *Ibid*.

new state capital at Monclova and present his case. Williams's fears proved well founded. Despite the presence of newly-elected Alcalde R.M. Williamson, the *ayuntamiento* ruled that Robertson was entitled to his contract. Robertson left immediately to press his claim at Monclova and Williams sent McQueen three days later. McQueen arrived safely in San Antonio later that month, but was attacked by Indians when he left. He suffered serious injuries and soon died.<sup>66</sup>

Williams was faced with a serious problem. He was in the midst of finally breaking away from Austin's control, but was forced to resume his old position in Austin's colony. He had finally expanded his business to include cotton and hardware shipments, but was not able to run it. Over the next year and a half, McKinney's partnership would become invaluable as Williams took full control of the land business. Both the land and cotton aspects of their association would soon expand, but the next eighteen months presented more challenges they might have wished for.

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<sup>66</sup> Henson, *Samuel May Williams*, 55-56; Samuel May Williams to Thomas McQueen, February 4, 1834, McLean, ed., *PCRC*, 8:237-240; Report of the Ayuntamiento of San Felipe de Austin to the Government of Coahuila and Texas, February 5, 1834, *Ibid.*, 8:241-242; Williams to McQueen, February 8, 1834, SMWP; McQueen to Williams, February 14, 1834, *Ibid.*; José Antonio Padilla to Williams, February 26, 1834, *Ibid.*; Ramón Músquiz to Williams, April 17, 1834, McLean, ed., *PCRC*, 8:381-383.

### CHAPTER III

#### CENTRALISM, SMUGGLING AND THE MAMMOTH SPECULATION: THE BUSINESS REASONS FOR ARMED REBELLION

In 1952, Joe B. Franz noted that 1830s Texas was hardly the best location for a business. Mexico was wracked with internal conflict, hard money was in short supply, and the United States was beginning to feel the pains of what would become the Panic of 1837. Despite these facts, Franz conceded that McKinney and Williams “worked on a fairly expansive scale.” Indeed they did.<sup>67</sup>

The success of the federal system, as Paul Lack observed, “brought little more than a shadow of government over Texas.” It was this political environment that gave McKinney and Williams support for their land speculations and the freedom to smuggle goods without fear of law enforcement. As a result of this system of operation, the partners became, in Elgin Williams’s words, “the largest merchants in Texas as well as two of the largest operators in land.” The rise of centralism, however, soon threatened everything. McKinney and Williams built their business and became leading advocates of Austin’s peace party, but by the spring of 1835, centralism’s interference with their business practices convinced both men that war with the government was a necessity.<sup>68</sup>

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<sup>67</sup> Franz, “The Mercantile House of McKinney and Williams,” 3-4, quote from 4.

<sup>68</sup> Lack, *The Texas Revolutionary Experience*, 11; Williams, *The Animating Pursuits of Speculation*, 69.

Complications: March-December 1834

While Williams looked after Austin's affairs at San Felipe in the spring of 1834, McKinney organized the cotton enterprise. For an operation that depended heavily on credit, it was not a good time to do business. E.W. Gregory had become extremely concerned about the poor economy in the United States and asked McKinney and Williams to see about collecting the loans that were due him. McKinney did what he could to help Gregory, but the scarcity of money made any repayment difficult. Given this situation, McKinney was careful not to overextend Gregory's credit when dealing with Brazos planters. Gregory wanted the cotton as soon as possible so that he could sell it, but the cotton had to be paid for with Gregory's money. It also did not help that the same planters who owed Gregory money were also his clients. Faced with this dilemma, McKinney bought cotton at a higher price than he otherwise might have done, but was able to extend the length of time Gregory had to pay the planters back. McKinney was concerned that Gregory would not accept the arrangement; however, he felt certain that he had worked out a solution to Gregory's economic issues. "The accounts received from N. Orleans justify almost anything," McKinney told Williams in April. The arrangement was the best one possible to help Gregory while protecting the firm's credit. "One little thing of that sort," McKinney noted, "will play mischief with us."<sup>69</sup>

McKinney and Williams also worked to expand their shipping. The firm still had use of the *Brazoria*, but one schooner was not enough for their trade. In order to remedy the problem, McKinney bought the schooner *San Felipe* in New Orleans that April, while

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<sup>69</sup> E.W. Gregory to Samuel May Williams, January 25, 1834, SMWP; Gregory to Williams, February 19, 1834, Ibid.; Gregory to Williams, March 17, 1834, Ibid.; Thomas F. McKinney to Williams, March 23, 1834, Ibid.; McKinney to Gregory, April 6, 1834, Ibid.; McKinney to Williams, April 18, 1834, Ibid.; Quotes from McKinney to Williams, April 5, 1834, Ibid.

Williams entered into negotiations to buy a steamer for the river trade. Like E.W. Gregory, Williams's steamboat contact in Louisville, Kentucky was hesitant to do business owing to the bad economy. He urged Williams to seek other investors. To this end, Williams wrote to Edward Hanrick in Montgomery and urged Hanrick and his associates to invest in the steamer since it was sure to increase the value of their land grants. Whether or not Hanrick invested in the plan is unclear, but Williams's letter strongly indicates the link between cotton and land for McKinney and Williams. They were not simply cotton merchants or simply land speculators. Since 1830, the two had been inextricably intertwined.<sup>70</sup>

As a partner, McKinney brought some connections of his own to the business. He had long associated with Michel Menard, and the two owned several leagues together. McKinney soon engaged Menard to sell his land in the upper colony to the Alabama speculators. Expanding the mercantile was expensive, and McKinney was anxious to get his hands on the money he knew was "lying idle in Mobile." However, Menard's greatest contribution to the firm first took shape that spring. In March, Menard developed a plan to get a league and labor on Galveston Island. Menard had made contact with prominent *Bexareño* Juan Seguín and asked Seguín to apply for a land grant. Once that was done, he could obtain the government's permission to locate the grant on Galveston and then sell it to Menard. McKinney was excited about the plan and told Williams. Galveston land would be suitable for their mercantile business and McKinney wanted the three of

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<sup>70</sup> Thomas F. McKinney to Samuel May Williams, March 25, 1834, SMWP; McKinney to Williams, April 5, 1834, *Ibid.*; Robert Wilson to Williams, March 7, 1834, *Ibid.*; Williams to Edward Hanrick, March 10, 1834, McLean, ed., *PCRC*, 8:299-300.

them to split the project in equal shares. However, he did not want to press the issue and told Williams that going halves with Menard was better than nothing.<sup>71</sup>

Menard also involved the firm in land speculation in the Nacogdoches District. Many Americans, including President Jackson, argued that the rightful boundary of the Louisiana Purchase was the Neches River, rather than the Sabine. Despite the Adams-Onís Treat of 1819, many intended to press the issue. In 1830, Jackson had appointed Anthony Butler *chargé de 'affaires* for American interests in Mexico and instructed him to obtain Texas for the United States. When it became apparent that Jackson intended to uphold the Neches claim at a minimum, speculation in that part of Texas became rampant. By 1835, American speculators had bought almost 500 leagues. John K. and Augustus Allen, soon to be the founders of the city of Houston, were buying land there and Menard was eager to sell. McKinney and Menard sold one of their grants to the brothers, and McKinney and Williams soon bought a third of an interest in twelve of the 108 leagues owned by the Allens.<sup>72</sup>

For Williams, however, the Upper Colony remained his primary land concern. After Thomas McQueen's death, the possessions he had carried came into the hands of former state land commissioner José Antonio Padilla. Padilla had been accused of murder in 1830 and lost his citizenship. Eager for an excuse to go to Monclova and get it back, Padilla suggested to Williams that he might go in McQueen's stead. Williams was

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<sup>71</sup> Hensen, *McKinney Falls*, 10, Thomas F. McKinney to Samuel May Williams, March 23, 1834, SMWP; Quote from McKinney to Williams, April 19, 1834, *Ibid*; Jesús F. de la Teja, ed., *A Revolution Remembered: The Memoirs and Selected Correspondence of Juan N. Seguín* (Austin: Texas State Historical Commission, 2002), 17

<sup>72</sup> Reichstein, *Rise of the Lone Star*, 94-96, Edward L. Miller, *New Orleans and the Texas Revolution* (College Station: Texas A&M University Press, 2004), 53; Thomas F. McKinney to Samuel May Williams, April 7, 1834, SMWP, Memorandum of Purchase of Land, July 1, 1835, *Ibid*

probably hesitant to send such a controversial figure, but since Padilla was already in Béxar and had all the documents, Williams gave his consent. Williams also contacted Béxar Political Chief Ramón Músquiz about possibly helping with the Upper Colony claim. In exchange, Williams offered to locate eleven leagues in the colony for him. Músquiz took the opportunity to reassure Williams that his claim would be respected in Monclova.<sup>73</sup>

With this reassurance, Williams wrote the governor asking that a land commissioner be appointed for the colony and sent Spencer H. Jack to Tenoxtitlan on the upper Brazos in March to open up a land office. Williams instructed him to sell only to families and not single men. Families were certain to be more productive. James Bowie and Isaac Donoho had been pressing Williams to sell their land to Americans, but Williams informed Jack that the two men deserved no special favors. The ban on American immigration did not end until May, and only then would he sell Bowie and Donoho's land. However, Jack was hesitant about the propriety of opening the land office at all. The *ayuntamiento* had only recently given the colony back to Robertson. In an uncharacteristic move, Williams explained his motives to Jack. "It may be my vanity," he wrote, "but I have believed that from my experience I could organize a Colony better than any other person, and...whether I am an aristocrat or a democrat, I care not a straw for the fat nor its consequences." To this, Williams added, "I have too much regard for my own rights, not to be anxious about the rights of others...but

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<sup>73</sup> José Antonio Padilla to Samuel May Williams, February 26, 1834, SMWP; Spencer H. Jack to Williams, September 16, 1834, *Ibid.*, Ramon Músquiz to Williams, March 20, 1834, McLean, ed., *PCRC*, 8:316-317, Músquiz to Williams, April 17, 1834, *Ibid.*, 8:380.

whenever I think proper, [I] shall select between them, and not be governed by a principle that one man is as good as another.”<sup>74</sup>

Sterling C. Robertson’s claim still worried Williams, however, and he soon informed Political Chief Músquiz that Robertson was fomenting rebellion in an attempt to gain the colony back. This was partially true. Robertson had issued a public statement saying that the national government supported his claim and that his colonists should “rise like men” in support of their rights. The phrase was ill-advised and Williams took full advantage of Robertson’s lack of verbal restraint. Músquiz soon sent a letter to San Felipe alcalde R.M. Williamson informing him that the actions of the *ayuntamiento* concerning Robertson’s contract were invalid; only the state legislature could nullify the Austin-Williams claim. In his letter he also noted that the use of force to maintain Robertson’s claim was quite unacceptable. Músquiz sent letters to prominent state officials at Monclova, urging them to support Williams’s right to the Upper Colony, and with that finished, wrote to San Felipe and told Williams what he had done. In return, Músquiz requested that Williams provide him with the documents relative to his new land. “You can furnish me one [title] for ten and with another separate document for one league,” he told Williams, “that would complete the eleven.” Tired of politics and eleven leagues richer, Músquiz also asked advice on how to open up a mercantile in Béxar.<sup>75</sup>

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<sup>74</sup> Henson, *Samuel May Williams*, 57; McLean, ed., *PCRC*, 8:336; quotes from Samuel May Williams to Spencer H. Jack, March 26, 1834, SMWP.

<sup>75</sup> Samuel May Williams to Ramon Músquiz, March 25, 1834, McLean, ed., *PCRC*, 8:324; first quote from Sterling C. Robertson’s Notice to the Public, December 2, 1833, *Ibid.*, 8:146-147; Músquiz to the Alcalde of San Felipe, April 17, 1834, *Ibid.*, 8:378-379; Músquiz to the Secretary of the Government of the State, April 19, 1834, *Ibid.*, 8. 387-388; second quote from Músquiz to Williams, April 17, 1834, *Ibid.*, 8.380.

Now that Williams was confident he had taken the necessary steps to secure the Upper Colony, he realized the need for paying closer attention to his own mercantile. E.W. Gregory had written on April 16 that economic conditions in New Orleans were so bad that he was unwilling to do anything beyond what was absolutely necessary for business. Faced with this problem, Gregory proposed a new arrangement. "Would it not be well," he asked, "for our Texas customers to do their business with you, particularly the planters?" Gregory was tired of the risk involved in dealing with Texas. While he would still work in conjunction with Williams and McKinney, it was time for them to assume the financial burden. Gregory assured Williams that a suitable arrangement could be made in May when Williams was to visit New Orleans and arrange the purchase of the new steamer. Soon after Williams received the letter, he and McKinney formed an official partnership and went into business for themselves.<sup>76</sup>

McKinney, now senior partner in the firm of McKinney and Williams, was not so much concerned with the new enterprise as he was getting the existing business off the ground. In the first place, McKinney was still having trouble collecting Gregory's debts. He felt that some of the planters had reasonable excuses for falling behind on their payments, but for others he had less sympathy. "Make old Dr. Punchard pay us," he told Williams, "or play the devel with him or tell him I will." Money, however, continued to be a problem. A second issue was transportation. McKinney had purchased cotton from the planters, and arranged the 20 percent commission for the firm, but had no means to get the cotton down the Brazos to Velasco. To remedy this problem, McKinney spent \$20 on a flatboat but the men he hired to crew it were a "vagabond lazy set," he told

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<sup>76</sup> Quote from E.W. Gregory to Samuel May Williams, April 16, 1834, SMWP; Holbrook, "Cotton Marketing in Antebellum Texas," 434.

Williams, and would not work. The flatboat was left on the banks of the river and McKinney was not sure when he would be able to retrieve it. Furthermore, the partners planned to leave Brazoria and move their base of operations downriver to McKinney's property at Quintana. However, the lumber for building had not yet arrived, and McKinney acknowledged that nothing could be done there until it did. He told Williams that he had been able to arrange shipment for some local furs to New Orleans, but the need for a steamboat was dire.<sup>77</sup>

Williams left for New Orleans in mid-May with the intention of buying a steamer. However, his plans were interrupted by bad news from Monclova. On April 29, the legislature gave the Upper Colony back to Robertson. Soon after, Governor Francisco Vidaurri nullified the Austin-Williams contract insofar as it encompassed Robertson's colony. José Antonio Padilla had not reached Monclova in time to affect the outcome and the legislature had referred the question to the governor. Vidaurri, who was strongly rumored to be in Robertson's pay, had acted accordingly.<sup>78</sup>

Williams did not linger in New Orleans, and only stopped briefly to see E.W. Gregory. Jared Groce and William Wharton needed supplies for their plantations and Williams placed their orders at Gregory's mercantile before continuing on to Mobile. The Alabama speculators had not yet closed the deal on their land in the Upper Colony and getting that done was now a priority. My mid-June, Williams reached Montgomery

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<sup>77</sup> First quote from Thomas F McKinney to Samuel May Williams, April 14, 1834, SMWP; second quote from McKinney to Williams, April 18, 1834, Ibid ; McKinney to Williams, April 19, 1834, Ibid.

<sup>78</sup> Henson, *Samuel May Williams*, 51; Decree of the Congress of Coahuila and Texas Awarding the Colony to Robertson, April 29, 1834, McLean, ed , *PCRC*, 8:401, Decision of the Governor Canceling the Austin & Williams Contract insofar as it Affects the Lands Petitioned for by the Nashville Company, May 22, 1834, Ibid , 8.435-436, Spencer H Jack to Samuel May Williams, September 16, 1834, SMWP.

and signed the finished contract with Hanrick and the others. Williams had located 43 of the 44 promised leagues and pledged himself to locate the last upon his return to Texas. Hanrick must have been pleased with the arrangement, and took the opportunity to reopen discussions on slave smuggling.<sup>79</sup>

James W. Fannin had left Havana on June 12 with a schooner bought with the credit of E.W. Gregory. A few days later, he unloaded sixteen slaves at the mouth of the Brazos. McKinney was building his warehouse at Quintana at the time and must have been aware of Fannin's landing. Given Fannin's connection to Hanrick and Williams, along with the lack of any apparent reason for Fannin's landing at Velasco, it is quite possible that his intended destination was McKinney's warehouse. However, it is unclear whether McKinney bought any of the illicit cargo, and Fannin's returns on the trip were insufficient to repay Gregory for the schooner. Fannin therefore contacted Hanrick in Montgomery about making another trip. Hanrick agreed to invest, and this time, so did Williams. Williams told Hanrick that Fannin's prices were reasonable and Fannin was soon in Mobile planning another trip much larger than his first.<sup>80</sup>

While Williams stayed in Mobile, McKinney worked out some delicate political maneuvers at home. Colonel Juan Nepomuceno Almonte had been in Texas since late spring and was making an assessment of the area similar to the one that Mier y Terán had done in 1828. Publicly charged with doing a statistical survey, Almonte's secret

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<sup>79</sup> Thomas F. McKinney to Samuel May Williams care of E.W. Gregory, June 2, 1834, SMWP; Statement Relative to the Purchase of Forty-Four Leagues of Land, June 19, 1834, McLean, ed., *PCRC*, 8:460; Williams to Edward Hanrick, July 1, 1834, *Ibid.*, 8:489-490.

<sup>80</sup> Clarence Wharton, *Remember Goliad! Texas, March 27, 1836* (privately published, 1931; reprint, Glorieta, NM: The Rio Grande Press, Inc., 1968), 25; Contract Between Harvey Kendrick and J.W. Fanning, May 26, 1834, quoted *Ibid.*, 25; Fannin to ? Thompson, August 22, 1834, quoted *Ibid.*, 26; Samuel May Williams to Edward Hanrick, July 1, 1834, McLean, ed., *PCRC*, 8:489-490.

instructions were to see how inclined Texans were to rebellion, and what sort of threat they would pose if they were. With Austin in prison, McKinney worked with Austin's brother-in-law James Perry, and Spencer Jack's brother William to insure that Almonte received a warm welcome in the colonies. Since rumors circulated in Mexico that he would be roughly treated, Almonte had been worried about his safety; however, when he reached San Felipe, he was surprised to find that he was well received.<sup>81</sup>

The source of these rumors came from letters that had circulated in Texas since Austin's arrest in January. An anonymous author using the pseudonym "OPQ" sent letters to Texas from Mexico City urging Texans to capture Almonte and hold him as security for Austin's release. In April, Williams got a hold of one of the letters in San Felipe and determined that OPQ was actually Anthony Butler, Andrew Jackson's *chargé de'affaires* in Mexico. Butler was a known advocate of Texan separation from Mexico and was also no friend of Austin. Butler knew, as did McKinney and Williams, that holding Almonte hostage was one of the worst ways to secure Austin's release. Butler was fomenting rebellion. Williams forwarded the letter to McKinney in Brazoria, who flew into a rage, went directly to see War Party member John Wharton, and asked to see Branch T. Archer's mail. Wharton hesitated since Archer was away at Matagorda, so McKinney broke into Archer's mail and found another OPQ letter. McKinney denounced Butler as a "damed fool" and determined to put the letters to good use. Now in late July with Almonte on his way to Quintana, McKinney made copies of the letters

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<sup>81</sup> Almonte's Public Instructions, 1834, Jack Jackson, ed., John Wheat, trans., *Almonte's Texas: Juan N Almonte's 1834 Inspection, Secret Report and Role in the 1836 Campaign*, (Austin: Texas State Historical Association, 2003, 2005), 38-39; Confidential Instructions [to Almonte], 1834, *Ibid.*, 42-44; William H. Jack to Thomas F. McKinney, July 24, 1834, Barker, ed., *AP*, 2:1064-1065; McKinney to James Perry, July 27, 1834, *Ibid.*, 2:1067.

and gave them to Almonte when he arrived. Almonte was pleased and included them in his report to Mexico City. For the meantime, Almonte seemed convinced that any insurrectionist plots were the work of Americans and not the good-natured immigrants living in Austin's colonies. Almonte assured McKinney, Perry, and the Jack brothers that Austin's release was a near certainty.<sup>82</sup>

In reality, Almonte was far from convinced. American influence was rampant and he was shocked that nearly all Texan commerce was done with New Orleans rather than Mexican ports; no one paid the tariff. Slave smuggling was also a problem and there was no government presence able to stop either activity. Furthermore, he noted that "pernicious speculation" in land was selling the country to American foreigners one grant at a time. Almonte suggested that troops be immediately brought into Texas. Customs houses needed to be opened at the major ports, and revenue cutters should be sent into the gulf.<sup>83</sup>

Despite his distrust for Anglo-Texan motives, Almonte was apparently quite sincere about Austin's release. Spencer Jack and Austin's friend Peter W. Grayson accompanied Almonte when he left Texas and planned to submit petitions on Austin's behalf in Mexico City. Almonte agreed to help them in whatever way he could. Spencer Jack, who had only recently stopped issuing titles as agent for the Austin-Williams colony, was also under instructions from Williams to stop in Monclova to see what might

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<sup>82</sup> O.P.Q to B.T.A [Archer], January 28, 1834, Jackson, ed., Wheat, trans., *Almonte's Texas*, 67-71; O.P Q to ?, February 8, 1834, Ibid., 71-74; quote from Thomas F. McKinney to Samuel May Williams, April 14, 1834, SMWP; Peter Grayson to James Perry, July 25, 1834, Barker, ed., *AP*, 2:1064-1065; McKinney to James Perry, July 27, 1834, Ibid., 2:1067.

<sup>83</sup> Juan Nepomuceno Almonte, Secret Report on the Present Situation in Texas, 1834, Jackson, ed., Wheat, trans , *Almonte's Texas*, 217-219, 227-229, 240-241, 246-247, 253-254, quote from 254.

be done to get the colony back. However, when Grayson and Jack reached Monclova in September, the capital was in chaos.<sup>84</sup>

The movement of the capital from Saltillo to Monclova in 1833 had been a victory for state federalists, but it soon brought trouble. Farther removed from the influence of the central government, the 1834 legislature passed a new land law allowing the sale of eleven league grants to foreigners not yet living in Mexico, and auctioned off 400 leagues to raise money against internal threats. In Mexico City, however, Santa Anna used the failed policies of liberal Vice President Valentín Gómez Farías as an excuse to court centralist favor and consolidate power for himself. His new Plan of Cuernavaca restored the privileges of the military and Catholic clergy lost under the policies of Gómez Farías. Santa Anna's actions made Monclova federalists nervous, and they called for a special state session to meet in August. Thomas McKinney and Stephen F. Austin were elected as delegates, but Austin was still in prison and McKinney was busy with his mercantile; neither could attend. In fact, so few federalists traveled to the special session that it did not meet. The centralist Saltillo faction of the state took the opportunity to move the capital back to their city and elect their own governor.<sup>85</sup>

It was this situation that met Spencer Jack and Peter Grayson when they arrived at Monclova in September. Jack informed Williams that nothing could be done concerning the Upper Colony because there was no meeting of the legislature. The rivalry between Monclova and Saltillo had paralyzed the state government and the federalists were still

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<sup>84</sup> Henson, *Samuel May Williams*, 58; Cantrell, *Stephen F. Austin*, 294; Spencer H. Jack to Samuel May Williams, September 16, 1834, SMWP.

<sup>85</sup> Decree Governing Sale of Public Lands, March 26, 1834, McLean, ed., *PCRC*, 8:326-332; The Four Hundred League Law, April 19, 1834, *Ibid.*, 8:384-385; Spencer H. Jack to Samuel May Williams, September 16, 1834, SMWP; Davis, *Lone Star Rising*, 112-114; de la Teja, *A Revolution Remembered*, 21.

very much concerned about the Plan of Cuernavaca. Jack warned Williams that Santa Anna's plan smacked "strongly of despotism," but unable to accomplish anything on Williams's behalf, the two men continued on to Mexico City.<sup>86</sup>

Williams was concerned about the unstable political situation. While politically vested in the federalist cause, the disruption of effective government in the state hampered his plans to get the Upper Colony back. Sterling Robertson had already come back to Texas with a land commissioner and was issuing titles to Americans. The titles were often in conflict with the ones already issued by Williams. The situation required a rapid solution. To this end, Williams began a correspondence with Almonte, whom he had met when they both worked in New Orleans. Apparently tired of federalist intrigue, Williams told Almonte of a plot between Béxar Political Chief Juan Seguín and Brazos Political Chief Henry Smith to call for a convention and separate Texas from Coahuila. In truth, Seguín was concerned over the meltdown of the state government and simply called a convention to determine Texas's course of action. However, Williams was closer to the mark about Smith, a long-time member of the War Party, who saw separation from Coahuila as a precursor to complete independence. Williams told Almonte that while he was personally in favor of Texan statehood, he deplored the extralegal means used in the attempt to get it. The convention idea had been defeated, Williams said, in no small part because of his own influence. Almonte was grateful for the information and passed it on to centralist officials in Mexico City.<sup>87</sup>

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<sup>86</sup> Spencer H. Jack to Samuel May Williams, September 16, 1834, SMWP.

<sup>87</sup> Henson, *Samuel May Williams*, 59-60; Juan Almonte to Samuel May Williams, October 10, 1834, Jackson, ed., Wheat, trans., *Almonte's Texas*, 199-200; Williams to Almonte, November 11, 1834, *Ibid.*, 299-300; Almonte to Williams, December 20, 1834, *Ibid.*, 300.

As an elected member of the state legislature and now leading spokesman for the Austin faction, McKinney had also worked to defeat Smith and Seguín's plan. Apart from his partnership with Williams and interest in the Upper Colony, McKinney, along with Perry, Grayson, and the two Jack brothers, earnestly worried for Austin's safety. Such rash political action could have an adverse effect on his promised release. While in prison, Austin continually maintained that a political calm in Texas was the *sine quo non* of separate statehood and McKinney helped carry out this policy at home. He and Perry published Austin's letters in local newspapers as an answer to the activities of Smith and the Whartons. Austin was also thankful for McKinney's role in sending Grayson and Spencer Jack to Mexico City on his behalf, and was very pleased that McKinney and others had not forgotten him. By December, Austin informed McKinney that Santa Anna had sided with the Monclova federalists and called for new elections to be held for the 1835 session. Things were looking up, and Austin suggested that Williams go to Monclova himself in order to get the Upper Colony back. It was an idea he would later regret.<sup>88</sup>

#### A Beautiful Tangle: January-June 1835

The start of 1835 brought promise for McKinney and Williams. In early January, Austin wrote that he had been released from prison on bail, and was glad to say that officials in Mexico City were seriously considering Texan statehood. Despite the loss of the schooner *Brazoria* after she ran aground on the Brazos bar, McKinney was in the last stages of obtaining a steamboat for the firm. Later that month, elections were held for the

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<sup>88</sup> Peter W. Grayson to James Perry, July 25, 1834, Barker, ed., *AP*, 2: 1064-1065; Stephen F. Austin to Thomas F. McKinney, October 18, 1834, McLean, ed., *PCRC*, 9:82-86; James F. Perry to Austin, December 7, 1834, *Ibid.*, 9:168-170; Austin to McKinney, December 12, 1834, Barker, ed., *The Austin Papers* (Austin: University of Texas Press, 1927), 3:30-31.

new state legislature, and despite the efforts of Sterling Robertson and the War Party, Austin and McKinney were elected again. Williams successfully got the San Felipe *ayuntamiento* to reverse its decision concerning the Upper Colony and planned to visit Monclova in person when the legislature met in March.<sup>89</sup>

Unlike Austin, who was confined to Mexico City, McKinney chose not to attend the Monclova session because he was too busy. With the cotton harvest over, it would soon be time for shipments to New Orleans and McKinney needed to be on hand to supervise the operation at Quintana. Santa Anna had recently ordered customs officers to Galveston Bay, and McKinney no doubt worried about the trouble that was likely to bring. He was also still busy collecting Gregory's debts. When Thomas Westall, one of McKinney and Williams's clients, died in January, McKinney submitted a bill to Westall's estate for nearly \$3,000 in loans and interest accrued since 1832. McKinney wrote that he was hesitant to ask for the money, but he and Williams were "much in want," he said, "and would be glad to [get] all we can." Although his mercantile needed funds, McKinney was very pleased when he went to New Orleans the next month and brought home the *Laura*, the firm's first steamer. *Laura* was a small side-wheel ship of only 65 tons, but with her purchase, McKinney and Williams opened up the first regular steam-driven commerce on the Brazos River. She made regular trips as far as Bell's Landing near Columbia, and made off-loading supplies at Quintana much less dangerous

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<sup>89</sup> Stephen F. Austin to Samuel May Williams, December 31, 1834, Barker, ed., *AP*, 3: 36-37; Williams to Austin, April 22, 1835, Jenkins, ed., *The Papers of the Texas Revolution*, 1:81-82; Williams to James F. Perry, January 7, 1835, McLean, ed., *PCRC*, 9:304; Henry Smith to Sterling C. Robertson, January 24, 1835, *Ibid.*, 9:331.

to schooners by taking on a portion of their cargo before they crossed the treacherous Brazos sandbar. With business sure to boom, McKinney had little time for politics.<sup>90</sup>

While McKinney looked after the mercantile, Williams made preparations to go to Monclova in McKinney's place. Part of his reason for going was to petition the legislature for permission to open a bank. Gregory's troubles in the United States had impressed Williams with the need for stable lending practices in Texas, and a bank would help his mercantile do better business with the debt-ridden planters. However, Williams's primary concern was the Upper Colony. It has been more than seven months since Robertson had taken the colony back. Since then he had issued several titles which conflicted with the grants Williams located there. Williams fumed while he watched Robertson undo all his work, but now he could set things right. "Col Austin and myself are deeply indebted...for injuries," Williams told James Perry before leaving Texas. He intended to "pay them in their own coin."<sup>91</sup>

In late January, Williams, Spencer Jack, and F.W. Johnson left San Felipe in a carriage on loan from William Travis. When they arrived at the capital, they were met by James Bowie, who had recently been made the agent for the sale of 400 leagues acquired by John Mason under the 1834 state land law. Mason, in turn, was the agent for James

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<sup>90</sup> Campbell, *An Empire for Slavery*, 40; Samuel May Williams to Stephen F. Austin, March 31, 1835, McLean, ed., *PCRC*, 10:149-151; Williams to James W. Perry, January 14, 1835, Barker, ed., *AP*, 3:38-39, quote from McKinney and Williams to Perry, February 20, 1835, Box 2E434, Thomas F. McKinney Papers, CAH; Williams to Austin, April 22, 1835, Jenkins, ed., *The Papers of the Texas Revolution* (Hereafter cited as "*PTR*"), 1:81-82, Pamela Ashworth Puryear and Nath Winfield, Jr., *Sandbars and Sternwheelers: Steam Navigation of the Brazos*, with an Introduction by Joseph Milton Nance (College Station: Texas A&M University Press, 1976), 44.

<sup>91</sup> Henson, *Samuel May Williams*, 60, James F. Perry to Stephen F. Austin, December 7, 1834, McLean, ed., *PCRC*, 9:168-170; quote from Samuel May Williams to Perry, January 14, 1835, Barker, ed., *AP*, 3: 38-39.

Prentiss, the wealthy New York speculator who had also employed Sam Houston to buy land in 1833. Bowie was well acquainted with Monclova politics and helped Williams find his way around the city. Austin soon wrote Williams urging him to press the Upper Colony matter and counter the influence of Robertson's Monclova agent, Thomas Jefferson Chambers. Annoyed by his mentor's frequent letters, Williams confidently responded that he would soon do so. "All I require of you is to look on," he told Austin, "and if you can't be for me please don't be against me." Williams added that if Austin needed any more money, he could draw on McKinney and Williams.<sup>92</sup>

Gaining a bank and the Upper Colony remained Williams's stated goals at Monclova and he petitioned for a bank soon after his arrival; however, his plans were considerably altered by the continued political feuding between the centralist and federalist factions. Williams's move to take advantage of this situation placed him as one of the ringleaders of what came to be known simply as the "Monclova speculations." These speculations had dire consequences for Texas and set off a chain of events that aligned the interests of Williams, McKinney and their associates with those of the War Party. Texas would be at war in six months.<sup>93</sup>

Santa Anna had upheld Monclova's claim as the capital of Coahuila and Texas, but like Almonte, he was suspicious of federalist activities there. As part of the deal, he appointed his close relative Martín Perfecto de Cos the Commandant of the Eastern

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<sup>92</sup> DAVIS, *Three Roads to the Alamo*, 420-421, 448; Henson, *Samuel May Williams*, 60-61; Reichstein, *Rise of the Lone Star*, 119-121; Stephen F. Austin to Samuel May Williams, February 14, 1835, Barker, ed., *AP*, 3:42-44; quote from Williams to Austin, March 31, 1835, McLean, ed., *PCRC*, 10:149-151.

<sup>93</sup> McLean, *PCRC*, 11:51; Henson, *Samuel May Williams*, 62-63.

Interior States and ordered him to Saltillo. Cos was known to favor the Saltillo centralists and proved an intimidating presence when the legislature convened on March 1.<sup>94</sup>

Events at the legislature quickly went awry. When the two factions could not reach agreement, the Saltillans submitted a letter of protest to the legislature and walked out on March 11. Undeterred, the federalist remnants of the legislature prepared for conflict with Cos. Taking advantage of the situation, Williams and John Durst, the delegate from the Department of Nacogdoches, submitted a bill that allowed the governor to sell 400 leagues in order to fund the state's defense. The legislature approved the bill on March 14.<sup>95</sup>

Williams and Durst had arranged an excellent deal for themselves. Under the previous Law of March 26, 1834, which governed the state sale of public lands, the minimum cost for a league was \$250; no one person could buy more than eleven leagues, and any auction of land needed to be publicized for three months in advance. This law was quite liberal and Williams himself had declared in 1834 that it was "one of the most flattering events that [had] transpired for Texas." However, the Williams-Durst bill of March 14, 1835 stipulated that the governor need not abide by these rules. Two days after the passage of the new law, Williams, Durst, and James Grant, a recent Scottish immigrant and delegate from Parras, bought all 400 leagues. Williams got 100 for himself at \$50 per league. Unable to afford the full amount, he made a deal with James Grant. Grant paid for half of Williams's land in exchange for stock in the bank Williams had proposed. Williams was to sell 200 leagues of Grant's land in the United States as

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<sup>94</sup> Reichstein, *Rise of the Lone Star*, 76-77; Jackson and Wheat, *Almonte's Texas*, 200-201.

<sup>95</sup> Henson, *Samuel May Williams*, 67; McLean, *PCRC*, 9:56, 10:50-51; The Second Four Hundred League Law, March 15, 1835, *Ibid.*, 9:519; de la Teja, *A Revolution Remembered*, 22-23.

part of the effort to raise capital for the bank, and since Grant owned a cotton and wool mill in Parras, Williams also promised that McKinney and Williams would start making shipments there. In short, Williams gained control of 300 leagues for \$2,500, some promises, and stock in a bank that did not exist. Had he bought 300 leagues the year before, it would have cost \$75,000.<sup>96</sup>

The 400 league law and subsequent sale caused a political firestorm throughout the state. From his vantage point in Mexico City, Austin bemoaned the law as having “involved matters in a beautiful tangle.” The legislature’s actions, he argued, would produce a strong centralist response and cause public unrest in Texas. “In short,” he told Williams, “everything bad that can be imagined.” Thomas Jefferson Chambers immediately condemned the sale as illegal and claimed that the law was passed without a legal quorum. Under the state constitution, the legislature needed two-thirds of its delegates present in order to pass laws, and the departure of four delegates in the Saltillo walkout dropped the legislature below the required number. However, if Williams was acting in McKinney’s place as he claimed to be doing, then Williams himself provided the eighth delegate necessary to maintain a quorum and the law was technically legitimate. Such legal skullduggery notwithstanding, the speculation was controversial to say the least, and General Cos was not amused. Cos declared the land sale contrary to national law; he instructed Domingo de Ugartechea, Principal Commandant of Coahuila

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<sup>96</sup> Henson, *Samuel May Williams*, 67-69; Decree Number 272, March 26, 1834, H.P.N. Gammel, ed., *The Laws of Texas* (Austin: Gammel Book Company, 1898), 357-358; quote from Samuel May Williams to Edward Hanrick, July 1, 1834, McLean, ed., *PCRC*, 8:489-490; The Second 400 League Law, March 14, 1835, *Ibid.*, 9:519; James Grant to Williams, July 10, 1835, *Ibid.*, 10:515-516; Williams to the People of Texas, July 25, 1835, *The Texas Republican*, Brazoria, Samuel and Austin May Williams Papers, CAH.

and Texas, not to allow any locations in Texas, and prepared to move against Monclova.<sup>97</sup>

Cos's letter of protest was read in the legislature on March 18, but the federalists continued on with business. Eight days later the delegates installed Augustín Viesca and Ramón Músquiz as governor and vice governor, respectively. Both were friendly to Williams. Viesca's eleven league grant had been given to Williams in 1830 for speculation and Músquiz had gotten eleven leagues in the Upper Colony for helping Williams in 1834. With these allies as the new executives of the state, Williams petitioned the legislature for the removal of Sterling C. Robertson's land commissioner, William Steele. Steele's removal would incapacitate Robertson's ability to validate titles, but the legislature responded to Williams's petition by simply ordering Steele to suspend operations pending an investigation. Williams realized that more drastic action would be needed, but he would have to wait. Cos and the regulars were approaching the city.<sup>98</sup>

The Monclova politicians realized the gravity of the situation and organized their defense. While the militia was mustered, the legislature decided that upon any evacuation of the city, it would reconvene at Béxar the next month. Governor Viesca issued a proclamation to all Coahuila and Texas urging residents to maintain their allegiance to the state government. The copy of Viesca's letter sent to the American

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<sup>97</sup> Quote from Stephen F. Austin to Samuel May Williams, April 15, 1835, Barker, ed., *AP*, 3:62-63; Henson, *Samuel May Williams*, 68; Article 101, Section 5, Constitution of Coahuila and Texas, March 11, 1827, Gammel, ed., *The Laws of Texas*, 1:437; McLean, *PCRC*, 10:50-51; Williams to Austin, March 31, 1835, *Ibid.*, 10:149-151; Martín Perfecto de Cos to the Principal Commandant of Coahuila and Texas, March 21, 1835, *Ibid.*, 10:85-86; *Ibid.*, 9:56.

<sup>98</sup> *Ibid.*, 10:51, 9:56; J. Francisco Madero to Samuel May Williams, March 15, 1831, *Ibid.*, 6:102-105; Ramón Músquiz to Williams, April 17, 1834, *Ibid.*, 8:380; Henson, *Samuel May Williams*, 65; Secretary of State to the Commissioner of the Colony of the Nashville Company, April 1, 1835, McLean, ed., *PCRC*, 10:152.

colonies was translated into English by someone under the name of “Coahuiltexanus.” In addition to the governor’s message, Coahuiltexanus added his own thoughts on the matter. “Citizens of Tejas, arouse yourselves or sleep for ever! Your dearest interests, your liberty, your property, nay your very existence depend upon the fickil [sic] will of your direst enemies.” He went on to argue that separate Texan statehood would be a precursor to turning Texas into a territory under the direct control of the tyrannical central government. Texans needed to remain a part of Coahuila and Texas and support their state in the present crisis.<sup>99</sup>

Many in Texas, including William Austin, James Perry, William Jack, and the Whartons, believed that the true identity of Coahuiltexanus was Samuel May Williams. They were probably right. Given his connection with Viesca, his stake in the Upper Colony, and the 300 leagues being threatened by the central government, a change of politics for Williams makes sense. Although he had previously supported separate statehood for Texas, Williams cast his lot with Mexican federalists in an effort to save his land. Williams’s motives, however, were too transparent to convince most Texans of the need for action. The War Party had no intention of helping Mexican federalists, and the Austin faction was still receiving letters from its leader in Mexico City describing Santa Anna as friendly to Texas. Neither faction had any interest in helping land jobbers maintain what one Texan called their “Mammoth Speculation;” as a consequence, Monclova received no help from the colonies when Cos arrived.<sup>100</sup>

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<sup>99</sup> Davis, *Lone Star Rising*, 122; The Constitutional governor of the State of Coahuila and Texas to its Inhabitants, April 15, 1835, McLean, ed., *PCRC*, 10:198-199; Verso of Coahuiltexanus, April 15, 1835, *Ibid.*, 10:200.

<sup>100</sup> Henry Austin to James F. Perry, May 5, 1835, *Ibid.*, 10:276; Stephen F. Austin to Samuel May Williams, October 12, 1836, *Ibid.*, 15:218-219; quote from J.G. McNeel to James Perry, June 22, 1835, Barker, ed., *AP*, 3:77. McLean argues that Coahuiltexanus was certainly Williams. However, Henry

Fortunately, Cos's arrival proved somewhat anticlimactic. The militia assembled outside the town to meet the advance of the regulars. The very presence of the militia was a direct violation of the new national law reducing the state militias to one man per 500 residents, but in spite of this and the many other reasons Cos had for action, he did not attack. After a brief standoff, Cos withdrew without shots being fired.<sup>101</sup>

With the immediate threat from the army at an end, the legislature reconvened and Williams could get back to work. Governor Viesca, at Williams's behest, submitted a petition asking the delegates to nullify the ruling of the previous April and give the Upper Colony back to Austin and Williams. Williams gained another victory when the legislature approved his bank the next day. The Commercial and Agricultural Bank got permission to open in the Brazos Department as soon as \$100,000 was in the vaults, and shareholders had purchased up to \$300,000 in stock backed by "real estate in the Republic." Williams had yet again joined the interests of his mercantile with his land speculation.<sup>102</sup>

The legislature continued its session, but it soon realized the centralist threat was far from over. Word reached the capital that the national congress had nullified the Law of March 14, and Williams's speculations were now officially void if centralists took control of the state. To make matters worse, Santa Anna was marching at the head of an army for the state of Zacatecas, which had also opposed centralist rule. The message was

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Austin simply stated in the above letter that William Wharton told him that Williams was Coahuiltecanus. Austin believed Wharton and was able to convince Perry of the fact as well. Stephen F. Austin, when informed by William Jack of Williams's Monclova activities, believed it also. Margaret Henson does not include the Coahuiltecanus writings as part of the Monclova narrative in *Samuel May Williams*.

<sup>101</sup> Davis, *Three Roads to the Alamo*, 423-424; Federal Militia Law, March 31, 1835, McLean, ed., *PCRC*, 11.50.

<sup>102</sup> Excerpts from the Minutes of the Congress of the State of Coahuila and Texas, April 29, 1835, *Ibid.*, 10.175; quote from Decree Number 308, April 30, 1835, Gammel, ed., *The Laws of Texas*, 1:406.

not lost on Monclova and Viesca again issued a call for militia support. 150 men from Béxar under Juan Seguín soon arrived in response to Viesca's earlier proclamation, but the American colonies remained silent. In an attempt to remedy this problem, Coahuiltexanus sent another letter to the colonies declaring Santa Anna's intent to supplant the federal system with Catholic despotism and make war on all Americans in Mexico. He urged Texas to take up arms to "show the world that we are not to be oppressed with impunity—and...give a convincing proof to all tyrants that no force is sufficient to conquer men born to liberty." The colonies, however, did not act.<sup>103</sup>

Despite the recalcitrance of the American colonies, Williams's plans had been far more successful than he could have wished for when he arrived at Monclova in February. However, he was not finished. In conjunction with Robert Peebles and F.W. Johnson, Williams submitted a petition to the legislature asking for 400 leagues under the Law of April 19, 1834. Although this law provided for Indian defense, Williams, Peebles and Johnson declared that in exchange for the land, they would raise 1,000 men for whatever purpose the state thought necessary. That purpose soon became apparent when word reached the capital that Santa Anna had defeated the Zacatecas militia and sacked the city. To make matters worse, Cos had declared Monclova in rebellion on May 12, and was coming back. The legislature was in no mood to argue with the petitioners and quickly proceeded to business. They refused to comply with the national congress's nullification of the Law of March 14 and approved the petition of Williams, Peebles and

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<sup>103</sup> Mexican Federal Law of April 25, 1835, Invalidating the State Decree of March 14, 1835, McLean, ed., *PCRC*, 10:231; Stephen F. Austin to Samuel May Williams, April 15, 1835, Barker, ed., *AP*, 3: 62-63; de la Teja, *A Revolution Remembered*, 23; Williams to Capt. Wylie Martin, May 3, 1835, McLean, ed., *PCRC*, 10:268-269; quote from Coahuiltexanus to the People of Texas, May 4, 1835, *Ibid.*, 10:271-274.

Johnson. Two days later, Williams was awarded the Upper Colony and Viesca signed the renewed contract on May 18. When Cos arrived on the 21<sup>st</sup>, the legislature had fled. Williams left for Texas with a bank charter, his colonization contract, and a claim to 700 leagues of new state land grants. The trip had been a success.<sup>104</sup>

Williams's actions at Monclova soon had radical consequences for Texas. After the legislature dispersed, Colonel Ugartechea received a report that Williams was on his way to the colonies with the intent to raise the militia for the support of the state government. Confident that Austin's colony alone could produce 1,000 men, Ugartechea wrote to Cos asking for reinforcements. He had scarcely more than 100 men at his disposal and those were dispersed throughout Texas. In response, Cos ordered two presidial companies from Nuevo León to Béxar and prepared the movement of the Morelos regular battalion from Matamoros to Copano Bay. The presidial companies would be sufficient to hold Béxar against the Texan rebellion until the regular battalion arrived, giving Ugartechea numeric superiority. Cos also wrote to Mexico City asking for additional reinforcements beyond what he had available in Coahuila and Texas. The soldiers were to be sent to Texas in order to crush the militias Williams was supposedly raising. With the arrival of these new troops, Cos assured Ugartechea that Texan arrogance would soon be "humbled."<sup>105</sup>

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<sup>104</sup> Petition of Samuel May Williams, F.W. Johnson, and Robert Peebles for 400 leagues, May 11, 1834, *Ibid.*, 10:293; Barker, "Land Speculation as a Cause of the Texas Revolution," 83; de la Teja, *A Revolution Remembered*, 24; Henson, *Samuel May Williams*, 71-72; Proclamation by Martín Perfecto de Cos, March 12, 1835, McLean, ed., *PCRC*, 10:286-288; Contract Between the State of Coahuila and Texas and Samuel M. Williams, F.W. Johnson & Robert Peebles for Four Hundred Leagues of Land, May 13, 1835, *Ibid.*, 10:293-295; State Decree Awarding Robertson's Colony to Austin & Williams, May 18, 1835, *Ibid.*, 10:312; Davis, *Lone Star Rising*, 122.

At the time Ugartechea asked for reinforcements, Williams had not yet crossed the Rio Grande and there was no rebellion in Texas. Ugartechea later admitted to Cos that his reports about Williams were inaccurate, but Cos was eager to punish the American speculators who had played a role in the Monclova uprising. He informed Ugartechea that the reinforcements were still coming and instructed the Colonel to arrest Williams and other “foreigners” making their way back from the capital. For Cos, the time for negotiation had passed. Coahuila and Texas would be brought under centralist control and any resistance offered by Texas would be swiftly crushed.<sup>106</sup>

Williams reached the Rio Grande on May 30 and was promptly arrested by the local garrison commander. Arguing that some misunderstanding had occurred, Williams convinced his captors that if he was sent on to Béxar, he could quickly work things out with Ugartechea and the colonists. When Williams arrived in San Antonio under guard on June 3, he told Ugartechea that any militias being formed in Texas were acting under the direction of Governor Viesca, who had not countermanded his order for them to assemble. If sent to San Felipe, Williams promised to insure that all militias disbanded in compliance with national law. Ugartechea was not convinced. He ordered Williams detained pending further orders from General Cos. However, Ugartechea’s security was not as strong as it might have been and Williams escaped five days later with the help of local federalist José Antonio Navarro. When he arrived at San Felipe, Williams kept a low profile and made preparations to leave for the United States.<sup>107</sup>

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<sup>105</sup> Domingo de Ugartechea to Martín Perfecto de Cos, May 22, 1835, McLean, ed., *PCRC*, 10:332-333; quote from Cos to Ugartechea, May 17, 1835, *Ibid.*, 10:339; Cos to the Minister of War and Navy, May 28, 1835, *Ibid.*, 10:341-342.

<sup>106</sup> Domingo de Ugartechea to Martín Perfecto de Cos, June 2, 1835, *Ibid.*, 10:360; quote from Cos to Ugartechea, June 8, 1835, *Ibid.*, 10:378-389.

Thomas McKinney had not been idle during Williams's absence. The cotton crop had been particularly bad that season, which turned to the firm's advantage on both ends of the business. McKinney found he could negotiate better loans with the planters. With a crop shortage, he was able to sell the cotton in New Orleans at sixteen and a half cents per pound when the going rate for choice U.S. cotton the year before was around thirteen cents. Business was good, and with the firm's blossoming success, McKinney invested in more land. Michel Menard had become Juan Seguín's agent for a league and labor on Galveston Island a year earlier and had offered the partners a half share for \$400, which he called a "trifling risk." McKinney, however, had deferred to Williams's judgment at the time and Williams did not take up the offer. Now with Williams gone to Monclova, McKinney felt free to act. He paid Menard for half a share in April 1835.<sup>108</sup>

Given McKinney's success in business that spring, the government's new-found interest in tariff enforcement must have made him anxious. McKinney, like the other Texas merchants, had been operating in a *de facto* free trade zone since the Anahuac uprising in June 1832. He still had to pay taxes in New Orleans, but the cost of doing business there was less than trading with the interior. The profits were well worth the risk of smuggling. Colonists and native Mexicans alike took advantage of tariff-free goods which were traded for silver and furs as far inland as San Antonio. However, after Santa Anna's turn to centralism and Almonte's inspection, efforts were made to enforce

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<sup>107</sup> Manuel Rudecindo Barragán to Domingo de Ugartechea, May 30, 1835, *Ibid.*, 10:344; Ugartechea to Martín Perfecto de Cos, June 3, 1835, *Ibid.*, 10:363; Henson, *Samuel May Williams*, 73-75; receipt of Agustín del Moral to José Antonio Navarro, June 6, 1835, SMWP; Ugartechea to Cos, June 15, 1835, McLean, ed., *PCRC*, 10:408.

<sup>108</sup> Samuel May Williams to Stephen F. Austin, April 22, 1835, Jenkins, ed., *PTR*, 1:81-82; *New-Orleans Wholesale Prices-Current*, April 12, 1834, SMWP; quote from Michel Menard to Williams, October 9, 1834, *Ibid.*; Bill of Sale between Michel Menard, McKinney and Williams, John K. Allen, and Mosely Baker, December 14, 1836, Samuel May Williams Papers, CAH; Henson, *Samuel May Williams*, 94.

the law. A garrison of soldiers was returned to Anahuac and the revenue cutter *Moctezuma* began patrolling the Gulf. McKinney should not have been surprised, therefore, when *Moctezuma* forced his schooner *Columbia* to heave to just off the Brazos bar. On May 15, the same day that Williams got the Upper Colony back in Monclova, McKinney was charged with smuggling. He was taken ashore and allowed to return home, but his schooner and cargo were confiscated as contraband.<sup>109</sup>

The seizure of *Columbia* was a turning point for McKinney. As a leading member of the Austin party, he had fought against the more radical elements in Texas society. He had even turned Branch T. Archer's O.P.Q letter over to Almonte in an attempt to court centralist favor on Austin's behalf. But now centralism was no longer an abstract concept threatening only the state legislature in Monclova. It was an immediate danger to his business. McKinney later referred to *Columbia's* capture as the beginning of "our rupture with Santa Anna." In May 1835, however, most Anglo-Texans were still sneering at the transparent rhetoric of McKinney's partner, "Coahuiltexanus." The colonists were not preparing for war. The rupture was entirely McKinney's, and he responded by arming his remaining schooner, the *San Felipe*.<sup>110</sup>

McKinney's change of mind concerning the central government came in time for the arrival of James W. Fannin from Cuba. Fannin had negotiated a \$5,000 loan from Samuel St. John's Mobile firm, and arrived at Quintana in early June from Cuba with 152 West African slaves. How many McKinney bought from Fannin is not known, but given

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<sup>109</sup> Campbell, *An Empire for Slavery*, 40; Juan Nepomuceno Almonte, Secret Report on the Present Situation in Texas, 1834, Jackson, ed., Wheat, trans., *Almonte's Texas*, 247-248; Hill, *The Texas Navy*, 21; Thomas F. McKinney to the Provisional Government of Texas, December 25, 1835, Jenkins, ed., *PTR*, 1:312-313; Mary Austin Holley, diary entry for May 15, 1835, J.P. Bryan, ed., *The Texas Diary*, 13.

<sup>110</sup> Quote from Thomas F. McKinney to the Provisional Government of Texas, December 25, 1835, Jenkins, ed., *PTR*, 1:312-313, Henson, *McKinney Falls*, 11.

the involvement of Williams and Edward Hanrick, McKinney's percentage of the illicit cargo was most likely pre-arranged. Fannin retained part of the shipment for himself, and McKinney organized what slaves he did buy into what one observer called a "camp" next to his warehouse. The slave camp was visible from the river and must have been fairly large. The fact that McKinney still had 23 of the slaves on hand to sell to a local planter in 1841 suggests that McKinney and Williams had at least a one-sixth share of Fannin's cargo. If McKinney and Williams acted as agents of sale for Edward Hanrick's portion of the speculation, then the slave camp at Quintana might have held 50 or more Africans.<sup>111</sup>

Despite the timing of Fannin's arrival, McKinney's participation in slave smuggling was not a result of his new political stance concerning the central government. The arrangement with Fannin had been made the previous summer and the completion of the Cuban voyage happened to coincide with a rise in centralist enforcement of the law. However, unlike previous instances of enhanced centralist presence in Texas, McKinney's business had grown far beyond simply taking Jared Groce's cotton to New Orleans. He and Williams now had a virtual monopoly on Brazos Valley cotton. McKinney and Williams had always provided the planters with essential supplies, and the introduction of new slaves was simply an expansion of their existing business plan. In 1832, Mexican tariffs simply inconvenienced them; now centralism threatened to undermine everything they had built. Williams, of course, had advocated rebellion

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<sup>111</sup> Wharton, *Remember Goliad!*, 26; James W Fannin to ? Thompson, September 15, 1835, quoted Ibid, 26; quote from Holley, diary entry for June 10, 1835, J.P. Bryan, ed., *The Texas Diary*, 29; Receipt of David Randon to Thomas Toby, June 21, 1841, *Randon v Toby*, Supreme Court of the United States, March 11, 1851, "U S. Supreme Court Cases, Lawyers Edition," *LexisNexus Academic*, accessed August 20, 2008, Agreement between McKinney and Williams and David Randon, March 14, 1844, Ibid.; Deposition of John Randon, 1848, Ibid.; Opinion of the Court, Justice Robert Grier for the Majority, March 11, 1851, Ibid.

against the government since May. Mexico City had nullified the land granted to him by the state and declared him a wanted man. In 1832, neither advocated violent actions as a solution to their grievances. In 1835, however, the situation had changed. This time, the rise of centralism merged their interests with those of the War Party.<sup>112</sup>

#### Confluence: July-September 1835

The rest of Texas was not nearly as ready as McKinney and Williams to fight the central government. When Williams's lawyer, William Barrett Travis, forced the surrender of Captain Antonio Tenorio's garrison at Anahuac in a move reminiscent of 1832, public sentiment obliged Travis to make a public apology. Williams was also forced to explain his actions at Monclova. In July he issued a statement in the *Brazoria Texas Republican* defending his actions as a man who had simply made the best of a bad situation. Citing John Mason's purchase of 400 leagues from the 1834 legislature, Williams asked the people why they considered his own actions "criminal" while they did not care about what Mason had done a year earlier. The legislature was out of funds, Williams argued; the land would have been sold anyway and he had simply taken advantage of the situation presented to him. Williams stated his willingness to return the land if the state was willing to return his money.<sup>113</sup>

Williams's revisionist article did little to sway public sentiment. He neglected to mention that he and Durst had proposed the 400 league bill or that he had bought the land before it was available for public sale. Fortunately for Williams, people in Texas were also not aware of the second 400 leagues that he, Peebles and Johnson had acquired

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<sup>112</sup> Thomas F. McKinney to Samuel May Williams, October 5, 1835, SMWP.

<sup>113</sup> Davis, *Lone Star Rising*, 126-127, 30-31; quote from Samuel May Williams to the People of Texas, *The Texas Republican*, Brazoria, July 25, 1835, Box 2H370, Samuel May Williams Papers, CAH.

before the close of the legislature. Peebles and Johnson had already sold most of the grants for as high as \$1000 a piece and a promise of military service. If the public had known, Williams's reputation would doubtless have suffered more. However, with the concessions of Travis and Williams, the "war and speculating parties," as they were called by one San Felipe resident, seemed permanently discredited and the majority hoped for a lasting peace with Mexican authorities. For centralist officials, however, the state of affairs already precluded reconciliation, and their actions soon accomplished what the War Party and speculators could not.<sup>114</sup>

In late July, McKinney brought Lorenzo de Zavala to Texas aboard the armed schooner *San Felipe*. Zavala, a federalist and land speculator, landed at Brazoria and immediately began making speeches against the central government. His actions raised the ire of Colonel Ugartechea, who on July 31 sent letters to all the municipalities in the Brazos Department demanding the surrender of Zavala, Travis, Williams, F.W. Johnson, and R.M. Williamson. About the same time, the Morales Regular Battalion, promised to Ugartechea in May, landed at Copano aboard three ships of the Mexican navy. The last of these ships, the *Correo de México*, was a schooner of war commanded by an Englishman, Thomas M. Thompson. Thompson had been ordered to assist Tenorio's garrison at Anahuac, but finding that the garrison had been taken by Travis, he declared a blockade of the Texan coast. When the citizens of Anahuac ignored him, he imposed marshal law and threatened to burn the town. These actions, along with Ugartechea's demands and the arrival of more centralist troops, completely destroyed the Peace Party's

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<sup>114</sup> Binkley, *The Texas Revolution*, 52-53; Barker, "Land Speculation as a Cause of the Texas Revolution," 87, Statement of Samuel May Williams in Account with Austin, Smith and Williamson, 1835, SMWP; quote from James H.C. Miller to John W. Smith, July 25, 1835, McLean, ed., *PCRC*, 10:563-564.

ascendancy in Texas. The people allowed the fugitives to go into hiding, condemned the actions of Thompson, and began to call for a convention of all Texas.<sup>115</sup>

By the time Ugartechea had issued an order for his arrest, Sam Williams had already left the country. After publishing his defense in the *Texas Republican*, Williams again designated Spencer Jack as the agent for the Upper Colony and traveled downriver with his family to Quintana, where he reunited with McKinney. The two men had not seen each other in more than six months and a great deal had transpired during that time. When Williams left for Monclova, both had been ardent supporters of Austin's Peace Party. Now, their speculation and smuggling activities placed them in direct opposition to Mexico. Williams stayed at Quintana only a short time. He planned to raise capital for his bank in the United States and his arrest on the Rio Grande only added to his desire to leave Texas. Before departing, he gave McKinney ten of the leagues purchased under the Law of March 14, 1835. McKinney was no doubt aware that the central government had nullified the law, and the transfer of land simply added to the list of reasons McKinney had for fighting the central government. With the business arrangements complete and his family secure at Quintana, Williams left for New Orleans aboard the *San Felipe* and promised to return in a few months. His departure left McKinney as the sole representative of their company in Mexico; however, he would not return until June 1836.<sup>116</sup>

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<sup>115</sup> Henson, *McKinney Falls*, 11; Domingo de Ugartechea to Antonio Tenorio, July 31, 1835, McLean, ed., *PCRC*, 11:231-232; Ugartechea to Martín Perfecto de Cos, August 1, 1835, *Ibid.*, 11:246-247; Ugartechea to Wylie Martin, August 4, 1835, *Ibid.*, 11:255; Hill, *The Texas Navy*, 24-26; Binkley, *The Texas Revolution*, 57-58; Lack, *The Texas Revolutionary Experience*, 30-31.

<sup>116</sup> Announcement of Spencer Jack from San Felipe, August 11, 1835, McLean, ed., *PCRC*, 11:282, Antonio Tenorio to Domingo de Ugartechea, August 4, 1835, *Ibid.*, 11:256; Thomas F. McKinney land grant, August 12, 1835, GLO; Henson, *Samuel May Williams*, 76.

As McKinney continued the business at Quintana, he joined those in favor of a meeting of all Texas to discuss the situation. McKinney, who had until now never favored war, grew distant from the conservatives and must have thought it strange when he joined William Wharton and Branch T. Archer in a public meeting at Brazoria. On August 9, the three men along with several others signed their names to a public statement officially calling for a convention at San Felipe. Columbia soon followed and called for a “consultation,” the name that eventually stuck. The next day, Political Chief Wylie Martin wrote Colonel Ugartechea that most of the fugitives were beyond his political jurisdiction or, as in the case of Zavala and Travis, had completely disappeared.<sup>117</sup>

Williams, as one of the fugitives beyond Martin’s reach, stayed in New Orleans for most of August. There he encountered Stephen F. Austin, who had been released from his parole in May and recently arrived from Veracruz. Austin was a changed man. Free from the surveillance of Mexico City, he openly expressed doubts about Santa Anna and stated that Texas needed to become part of the United States. Williams certainly shared his old mentor’s opinion of Santa Anna, but was probably hesitant to break with Mexico entirely. His land speculation required that the actions of the Monclova legislature be sustained. Complete independence would make that scenario unlikely. However, the two men apparently did not discuss the Monclova speculations and Austin was eager to help Williams gain contacts in the United States. He bought shares in

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<sup>117</sup> Binkley, *The Texas Revolution*, 58; Lack, *The Texas Revolutionary Experience*, 31-32; Brazoria Meeting in Favor of San Felipe Convention, August 9, 1835, Jenkins, ed., *PTR*, 1:323; Meeting of the Citizens of Columbia, August 15, 1835, McLean, ed., *PCRC*, 11:289-290; Wylie Martin to Domingo de Ugartechea, August 16, 1835, *ibid.*, 11.303.

Williams's bank, and furnished Williams with a letter of introduction to prominent residents of New York City. Austin understood the dual nature that Williams's trip abroad could play in the coming war. Williams was hoping to raise capital for his bank, but in the process could be instrumental by aiding Texas. Speaking of James Prentiss and his associates, Austin counseled, "The New York folks have much at stake and ought to exert themselves to send families without delay...much and perhaps all, may depend on the emigrations this fall and winter." Williams needed to remind American investors that Santa Anna was as much a threat to their interests as he was to the interests of those in Texas. Williams soon left New Orleans and was in New York by late September. Austin boarded the *San Felipe* on August 25 and headed home. His arrival in Texas, however, would not be peaceful.<sup>118</sup>

On September 1, the American brig *Tremont* arrived at Quintana with a load of lumber for Brazoria. Too heavy to make the trip over the Brazos bar, she dropped anchor while McKinney's steamer *Laura* took portions of her cargo across. In the middle of this process, Lieutenant Thompson and the *Correo de México* appeared and demanded the *Tremont*'s papers. Unable to obtain the necessary documents, Thompson sent a party of marines onboard and claimed her as a prize. As McKinney watched at his warehouse a few hundred yards from the sandbar, he could barely contain his anger. He had already lost one schooner to a Mexican revenue cutter and hated Thompson in particular because of several threats Thompson had made against the *San Felipe*. With the *Correo* obstructing his business in plain view, McKinney could not remain idle. He gathered around fifteen armed men, boarded the *Laura*, and steamed out the mouth of the Brazos.

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<sup>118</sup> Cantrell, *Stephen F. Austin*, 306-308; Henson, *Samuel May Williams*, 76-79; Stephen F. Austin to H. Meigs, August 22, 1835, SMWP; quote from Austin to Samuel May Williams, August 22, 1835, Barker, ed., *AP*, 3:104-105; Samuel May Williams to Sarah Williams, September 30, 1835, SMWP.

As they approached the *Tremont*, McKinney and his men opened fire on the marines with their rifles. The boarding party, surprised by the sudden violence of McKinney's response, left the brig and made for the *Correo*. As they did so, Thompson opened fire on *Laura* with his guns, but failing to score a hit, maneuvered for better position. As both ships prepared to square off against each other, the *San Felipe* came into view from the east. Thompson immediately broke off the engagement.<sup>119</sup>

McKinney had no intention of letting Thompson go so easily. As he steamed alongside the *San Felipe*, however, he was startled to find Stephen F. Austin onboard. McKinney, overcome with joy, gave a shout and threw his hat into the Gulf in celebration. The *Correo* could wait. McKinney brought the *San Felipe* to Quintana and set Austin safely ashore in Texas. While the *Laura* unloaded *San Felipe*'s cargo, however, the *Correo* crept closer and stopped just out of range of McKinney's guns. Around dusk, a slight off-shore wind allowed *San Felipe* to engage, and McKinney watched the hour-long battle from shore. Although he could not see much in the darkness, the better-armed *San Felipe* was able to unship Thompson's guns and wound most of his crew. Thompson, wounded by rifle balls in both legs, turned to run, but the wind died down, leading to a slow chase. At dawn, McKinney saw that both ships were still well in sight of land and resolved to end the conflict. He called for the *Laura*'s engines to be fired up, steamed out to the *San Felipe*, and towed her upwind of the

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<sup>119</sup> Facts to which Thos. F. McKinney Begs Leave to Call to the Attention of the Committee on Public Debt, Senate Bill 162 for the Relief of Thos. F McKinney, 1871, Box 2E434, Thomas F. McKinney Papers; Jordan, *Lone Star Navy*, 12-13.

*Correo*. Thompson reluctantly surrendered. He and his crew were taken to New Orleans and charged with piracy.<sup>120</sup>

The battle between the *San Felipe* and *Correo de México* inflicted the first Mexican casualties in Texas since 1832 and can justifiably be called the first battle of the Texas Revolution. McKinney's actions caused a firestorm of outrage in Mexico City as newspapers called for violent retribution against Texas and General Cos sent another schooner into the Gulf with orders to arrest all rebels she found. However, the incident did not profoundly alter the course of events. Austin and many others had already concluded that Texas needed political autonomy even at the cost of war. General Cos was already planning to land troops in Texas to suppress a rebellion that, in his mind, began in May. McKinney's actions on September 1-2, therefore, were the first shots fired in a war that many had already decided was inevitable.<sup>121</sup>

Stephen F. Austin reached San Felipe soon after the battle and promptly threw his weight behind the Consultation. An assembly at Austin's capital publicly announced its support for the meeting on September 12. A few days after Austin's return, reports came to San Felipe that Cos had landed at Copano with 500 men; the question of war was no longer open for discussion. "I now believe that our rights are attacked—and that war is our only remedy," Austin told McKinney later that month. "I am therefore for *War in full*," he concluded, "and no halfway measures." Austin urged complete unity on the

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<sup>120</sup> Cantrell, *Stephen F. Austin*, 309; Hill, *The Texas Navy*, 27-29; Jordan, *Lone Star Navy*, 15-16; Facts to which Thos. F. McKinney Begg Leave to Call to the Attention of the Committee on Public Debt, Senate Bill 162 for the Relief of Thos. F. McKinney, 1871, Box 2E434, Thomas F. McKinney Papers.

<sup>121</sup> Jordan, *Lone Star Navy*, 17-18.

subject and wanted old party divisions forgotten. For McKinney, however, trouble had already started and unity was already compromised.<sup>122</sup>

McKinney desperately wanted to be elected to the Consultation. He had been twice elected to represent the Brazos Department at Monclova, and his position as one of the leading members of the Austin faction made him a viable candidate. However, his connection to Williams and the Monclova speculators proved a political vulnerability that the Whartons quickly exploited. Projecting a populist image, the Whartons railed against speculation and were successful in moving up the date of the elections to take advantage of public uproar over Cos's arrival. McKinney was irate. "I am totally disgusted with the infernal damned politics of Texas," he wrote Austin at month's end. McKinney was sure that Texas had "such evolution of vanity" that it was "[going] to hell, head foremost." McKinney asked James Perry to insure that the elections at Brazoria and Columbia were fair, but was devastated when he lost to his old rivals in the War Party. However, despite the growing rift between McKinney and the party in charge of the Consultation, he had reason for optimism.<sup>123</sup>

As McKinney learned of the skirmish at Gonzales in early October, he wrote Williams that things in Texas were going well. The state government had suspended its inquiry into *Columbia's* capture, and McKinney was sure he could get all the goods back

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<sup>122</sup> Speech of Col. Austin, September 8, 1835, Barker, ed., *AP*, 3:116-117; San Felipe Meeting, September 12, 1835, McLean, ed., *PCRC*, 11:422-423; San Felipe de Austin Committee of Safety to Columbia Committee of Safety, September 19, 1835, *Ibid.*, 11.459-460; Binkley, *The Texas Revolution*, 63-66; Stephen L. Hardin, *Texan Illiad. A Military History of the Texas Revolution* (Austin: University of Texas Press, 1994, 2004), 13-14, quote from Stephen F. Austin to Thomas F. McKinney, September 26, 1835, Barker, ed., *AP*, 3: 137-138.

<sup>123</sup> Lack, *The Texas Revolutionary Experience*, 46; Thomas F. McKinney to F.C. Gray, September 29, 1835, Jenkins, ed., *PTR*, 1:503, McKinney to Stephen F. Austin, September, 1835, Box 2E434, Thomas F. McKinney Papers, CAH

to New Orleans. Spencer Jack was receiving several petitions for land in the Upper Colony despite Ugartechea's order to cease all such activities and the fact that Sterling C. Robertson still refused to recognize Williams's claim. The onset of war had increased the value of their land and the mercantile industry was booming. "All the business from Galivston [sic] and San Jacinto is centering here, and a little management and industry will secure it all," he boasted. McKinney was sure that Thomas Toby in New Orleans would loan them \$200,000 for advances to the planters in the coming season. All that was needed from Williams was a schooner of war. If Williams could manage to buy one, Texas would maintain the naval dominance of the Gulf necessary for the war effort and continued trade. With that done, Williams should come home so that McKinney could "go to the Wars." However, Williams did not come home. He had only just landed in New York and set about to raise money for his bank and volunteers for Texas. McKinney could not go off to fight and probably realized what his place in the conflict would be when Austin wrote him on October 10 asking for all the munitions he could spare.<sup>124</sup>

Over the past eight months, McKinney and Williams had played pivotal roles in bringing on a war that each would have publicly denounced in earlier years. Now, with vast amounts of land and a prosperous business at stake, both men used their talents to defend what they had built. Using the credit network and merchant connections they had fostered since 1832, McKinney and Williams became the premier financiers of the Texas

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<sup>124</sup> Quotes from Thomas F. McKinney to Samuel May Williams, October 5-6, 1835, SMWP; Domingo de Ugartechea to the Political Chief of the Brazos Department, September 3, 1835, McLean, ed., *PCRC*, 11.390; Henson, *Samuel May Williams*, 76; Stephen F. Austin to McKinney, October 10, 1835, Jenkins, ed., *PTR*, 2:82.

Revolution. However, their land soon became a vulnerability they could not overcome. With their mercantile interests in the United States and their land tied to the interests of Coahuila and Texas, they essentially had their feet planted in two rapidly dividing camps. American volunteers flooded into Texas, and the political leaders, many of whom had come to power by opposing speculators, became decreasingly concerned with the vested rights of Monclova grantees. Texas would soon drift closer to complete independence; McKinney, for one, would not go quietly.

**CHAPTER IV**  
**MUSKETS, CREDIT AND THE PUBLIC DOMAIN:**  
**THE LIFEBLOOD OF REVOLUTION**

War is expensive. Armies in the field need food, clothing, weapons, and ammunition in order to be successful, and these must come from somewhere. The Texas Revolution was no different. However, the situation in 1835 was all the more complicated because Texas did not have an established government, army, or system of revenue.

Between October 1835 and April 1836 Texas was chaotically governed by five different bodies and each sought desperately to raise funds. William Gouge observed in 1852 that by war's end the government had "completed the financial circle of taxing, borrowing, begging, selling, robbing, and cheating." Even Eugene Barker, who lauded the supposed resourcefulness of Anglo-American frontiersmen, conceded that all attempts at raising revenue were "experimental," but "fortunately the revolution was over before it was proved that most of them were failures."<sup>125</sup>

In the midst of this chaos was the firm of McKinney and Williams. They had extensive credit, the infrastructure to deliver basic supplies, and as Joe Franz argued, "rated higher" than the government in both "financial standing and organizational

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<sup>125</sup> Gouge, *Fiscal History of Texas*, 27; Eugene C. Barker, "The Finances of the Texas Revolution," *Political Science Quarterly* 19, No. 4 (December, 1904), 613.

ability.” However, their relationship with the government was fragile. The two men had very definite interests in the war and it soon became apparent that the government did not share them. The government desperately needed and continually used the material aid provided by McKinney and Williams, but it enacted policies that ran counter to everything the men hoped to gain from the conflict. The partners, however, were trapped by the contradictions of their business. Since they could not side with the centralists, they were forced to work with their new government.<sup>126</sup>

Patriotism is a Slender Foundation: October 1835-January 1836

The rebellion in Texas quickly got underway. The skirmish at Gonzales that excited McKinney so much took place on October 2 as Ugartechea’s troops made an effort to carry out General Cos’s order to confiscate the arms of the civic militias. Soon after, militias from Matagorda and Refugio captured the garrison at Goliad and volunteers from throughout Texas congregated at Gonzales and elected Stephen F. Austin Commanding General of the Army of the People. Austin’s army set out for B  xar where it found Cos well prepared for the conflict. Austin, lacking the resources or manpower to attack, settled in for a siege.<sup>127</sup>

Given that both James Bowie and James Fannin had already joined the army and were given command positions under Austin, McKinney must have been frustrated by his inability to break away from his mercantile. However, he was in an excellent situation to help the war effort where he was. Austin’s army had almost no artillery, very little ammunition, and some of his soldiers did not even have weapons; McKinney began to

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<sup>126</sup> Franz, “The Mercantile House of McKinney and Williams,” 7.

<sup>127</sup> Mart  n Perfecto de Cos to Domingo de Ugartechea, July 7, 1835, McLean, ed , *PCRC*, 10:501; Hard  n, *Texian Illiad*, 7, 15, 26.

remedy these defects. At the request of Austin and a few committees of public safety, he began shipping in gunpowder, iron, muskets, cartridge boxes, and artillery from New Orleans. By month's end McKinney had supplied nearly 200 American muskets and four large field pieces for the army. These were not enough to fight Cos's 600-man army, but Austin needed all the help he could get.<sup>128</sup>

McKinney also worried about the continued presence of the Mexican navy in the Gulf. To deal with the situation, he increased the armament on the *San Felipe* and fortified his position at the mouth of the Brazos River. Fort Velasco had not been well maintained since its abandonment in 1832 and McKinney hired men to put it back into working order. He fitted the fort with a number of artillery pieces, and when it was finished, McKinney declared that he could hold Velasco "against any conceivable force." He must have been surprised, therefore, when the first armed body to make an appearance at Velasco was a sixty-man company calling itself the New Orleans Grays. McKinney gave out spare muskets to men who needed them and ferried the Grays to Brazoria aboard the *Laura*. The new men were a valuable addition to the Texan army and McKinney felt confident that the war was going well. However, when he reached Brazoria, McKinney heard rumors concerning the actions of the new government at San Felipe. When these reports were confirmed, McKinney was not at all pleased.<sup>129</sup>

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<sup>128</sup> Ibid., 26-27, 29; Stephen F. Austin to Thomas F. McKinney, October 10, 1835, Jenkins, ed., *PTR*, 2.82; R. R. Royal to McKinney, October 10, 1835, Ibid., 2:91; McKinney and Williams to ? Gray, October 11, 1835, Ibid., 2:98-99; Royal to Austin, October 25, 1835, Ibid., 2:219; McKinney and Williams to Royal, October 26, 1835, Ibid., 2:223; McKinney and Williams to Royal, October 28, 1835, Ibid., 2:251-252; Statement of B. J. White Capt. then Comm'd the Company of Volunteers but was Superseded by Capt. Geo Collinsworth, October 27, 1837, Folder 4, Box 2-23/934, McKinney, Williams and Company Papers (hereafter cited as "MWACP"), Archives and Information Services Division, Texas State Library and Archives Commission, Austin.

In mid-October, the delegates of the Consultation met at San Felipe. Since not enough men were present for a quorum, the members postponed the meeting until November 1 and the remaining few organized themselves into the Permanent Council. The Council, owing to its lack of legal authority, did not do much, but what it did accomplish hurt McKinney and Williams where they were most vulnerable. Under pressure to remove the specter of land speculation as a cause of the war, delegate Sam Houston proposed on 18<sup>th</sup> that all large grants made by Coahuila and Texas since 1833 be nullified when the Consultation met. The council was eager to appease the land-hungry volunteers of the army and quickly adopted the resolution.<sup>130</sup>

McKinney was outraged at Houston's proposal and quickly fired off a letter to the council declaring that it had no legal authority to pass such a measure. Like Williams, McKinney offered to sell his Monclova land to Texas at the price he paid for it. However, he vowed to "resist so far as I have the means of resisting," any effort to take his land without his consent or due process. McKinney also hit upon a theme that would become one of his strongest and most frequent arguments against the land seizure. Texas needed money, he argued, and the only funds the rebellion could hope to get would come "principally from capitalists who are interested in lands in Texas." The Council's blatant disregard for property rights seriously compromised the war's finances. "If patriotism

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<sup>129</sup> Receipt of The War Department of Texas to William Hall, October 13, 1835, Folder 3, Box 2-23/934, MCACP; Receipt of Thomas McKinney to R. Clokey, October 15, 1835, *Ibid.*, quote from Thomas F. McKinney to Gale Borden and R.R. Royal, October 24, 1835, Jenkins, ed., *PTR*, 2:211-212; McKinney and Williams to Branch T. Archer, November 15, 1835, *Ibid.*, 2:422-423; Miller, *New Orleans and the Texas Revolution*, 82-83.

<sup>130</sup> Barker, "The Finances of the Texas Revolution," 613; Barker, "Land Speculation as a Cause of the Texas Revolution," 92-93; Lack, *The Texas Revolutionary Experience*, 43.

alone is to be the inducement by which we are to raise means,” McKinney concluded, “we will depend upon a slender foundation.”<sup>131</sup>

McKinney’s argument was based in fact, but he was speaking more for himself and his associates than he liked to admit. The Council was mainly concerned with attracting volunteers for the army and could always attract new investors with the land gained by nullifying the Monclova speculations. By the time McKinney wrote his letter to the Council, it had already ordered the closure of all land offices in Texas until the Consultation met. The move was popular with the army, but created deep resentment among McKinney and his friends. Robert Peebles, who had a share in the 400 military leagues and had also been appointed land commissioner for the Austin-Williams colony, accused the Council of trampling Texan rights as much as Santa Anna; he promptly disregarded the order. Apart from ignoring the new government, however, there was little that McKinney or any other speculator could do to reverse the policy.<sup>132</sup>

McKinney’s arguments against the land policy of the Permanent Council were also compromised by his selective recognition of its legal authority. The same day that he wrote to San Felipe arguing that the Council did not have the power to nullify his land, McKinney sent a separate letter asking it to grant him letters of marque and reprisal so that he could legally defend the coast. The next day, a Mexican schooner of war opened fire on Velasco and McKinney again petitioned the Council for “papers” so he might begin arming ships. However, McKinney’s opinion of the Council changed again when

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<sup>131</sup> Thomas F. McKinney to R.R. Royal, October 28, 1835, McLean, ed., *PCRC*, 12:172-174.

<sup>132</sup> Lack, *The Texas Revolutionary Experience*, 43; Excerpts from the Journal of the Permanent Council, October 27, 1835, McLean, ed., *PCRC*, 12:152-153; Robert Peebles to R. R. Royal, October 29, 1835, *Ibid.*, 12:177; Henson, *Samuel May Williams*, 76.

the San Felipe politicians ordered him to obtain loans in New Orleans based on “Public Faith, the Public Domain, or both.” Shocked by the presumption that he would willingly sell land that the government was about to take from him, McKinney wrote back that the Council did not have the authority to send him abroad on such a mission. He expressed a willingness to go should the Consultation later ask him, but in the mean time, the government could borrow money from McKinney and Williams.<sup>133</sup>

The government soon acted on McKinney’s offer. The Consultation formed on November 3, and three days later approved a \$500 loan from McKinney and Williams. However, acting on the advice of President Branch T. Archer, the new governing body also moved quickly to codify the land policy adopted by the Permanent Council. As part of the organic law adopted for the provisional government, the Consultation nullified all land grants “illegally or fraudulently made by the legislature of Coahuila and Texas,” and closed all land offices for the duration of the conflict. Once the Consultation adjourned on November 14 to make way for the provisional General Council, McKinney, Williams, and their friends had lost 800 leagues with no realistic means to get it back.<sup>134</sup>

The actions of the Consultation infuriated McKinney, but he did not write any more letters to the government asking it to reconsider. Since an alliance with Mexican centralists was out of the question, there was very little he could do. His last hope was that a coordinated federalist effort might defeat the central government and uphold the

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<sup>133</sup> McKinney and Williams to R.R. Royal, October 28, 1835, Jenkins, ed., *PTR*, 2:251-252; first quote from McKinney and Williams to Royal, October 29, 1835, *Ibid.*, 2:260-261; second quote from Royal to McKinney and Williams, October 27, 1835, *Ibid.*, 2:240; McKinney to Royal, October 31, 1835, *Ibid.*, 2:278-279

<sup>134</sup> Barker, “The Finances of the Texas Revolution,” 615; Meeting of the Convention, Address of the President, November 3, 1835, McLean, ed., *PCRC*, 12:215-217; The Journals of the Consultation, November 6, 1835, Gammel, ed., *The Laws of Texas*, 1:521; Plan and Power of the Provisional Government of Texas, The Journals of the Consultation, November 13, 1835, *Ibid.*, 1:538-545.

Monclova legislature. Texas would remain a part of Coahuila, and all would be well. However, that outcome was increasingly unlikely.

While the Texan government nullified his land, McKinney continued to receive military supplies at his warehouse and arm the volunteers coming in from the United States. Unable to get letters of marque from the Consultation, McKinney must have been pleased when the Columbia Committee of Safety gave him one for the *San Felipe* with instructions to patrol the coast. The *San Felipe*'s tenure as a privateer was short-lived however, and she wrecked near Matagorda Pass a week after McKinney received her papers. In need of another ship, McKinney intervened in the negotiations between the Matagorda Committee of Safety and the owner of the schooner *William Robins*. He offered to buy the ship for the committee and promised *William Robins*'s owner that his note would be forthcoming. With that done, McKinney's employee William Hurd was given command of the new ship and she entered into the service as a privateer.<sup>135</sup>

McKinney's purchase of *William Robins* shows the extent to which he intermingled personal business with the war effort. McKinney promised to buy the schooner for defense against the Mexican navy but first used her to recover his cotton from the *San Felipe*. The food and whiskey that were destined for the army onboard *San Felipe* were hopelessly spoiled by the time the salvage crew arrived; however McKinney spent eight days using a team of oxen to haul cotton from the wreck to a point where the *Williams Robins* could pick it up. The cotton was soon sold and McKinney recovered

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<sup>135</sup> Jordan, *Lone Star Navy*, 29-30; McKinney and Williams to R.R. Royal, November 9, 1835, Jenkins, ed., *PTR*, 2:367-368; Thomas F. McKinney to Royal, November 11, 1835, *Ibid.*, 2:379-380; McKinney and Williams to Branch T. Archer, November 15, 1835, *Ibid.*, 2:422-423; Receipt of McKinney and Williams to Robert Blakey, November 14, 1835, Folder 3, Box 2-23/934, MCACP; Receipt for Supplies, November 19, 1835, *Ibid.*, S. Rhodes Fisher to the People of Texas, December 17, 1835, Jenkins, ed., *PTR*, 4:211-213.

almost \$600 when the wreck was sold at auction in late November. However, he probably did not have any second thoughts about his use of the new schooner. The government and army of Texas were in dire need of what his mercantile could offer; they had gladly used his services, yet both were infinitely ungrateful as far as McKinney was concerned. The nullification of his Monclova land was something he could not forgive.<sup>136</sup>

McKinney was not alone in mixing the needs of war and the needs of his business. Sam Williams spent the fall of 1835 in New York City raising funds for his bank. In addition to this, Williams worked with his brother Henry, who owned a mercantile in Baltimore, to raise money and buy supplies for Texas. Henry and his associates bought munitions and obtained loans, but the biggest contribution Henry made was the purchase of the schooner *Invincible* in November. *Invincible* matched anything the Mexican navy had afloat since she was clipper-rigged for speed and could be well-armed. She also cost \$10,000. The schooner *William Robins*, by contrast, only cost \$3,500 when McKinney gave his word to buy her. *Invincible* was a far better ship, however, and Williams gave his note for the clipper the next month when he was in Baltimore.<sup>137</sup>

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<sup>136</sup> Thomas F. McKinney to R.R. Royal, November 11, 1832, *Ibid.*, 2:379-380; Receipt of McKinney & Williams to William Nye, November 28, 1835, Folder 3, Box 2-23/934, MCACP; An Account of the Sales of the Wreck of the Schooner *San Felipe*, November 29, 1835, *Ibid.*; Receipt of the Wreck of Schooner *San Felipe* to J.M. Shreve, December 20, 1835, *Ibid.*; Schooner *San Felipe* Account of Owners for the Following Provisions Used and Lost at the Wreck near the Pass of Matagorda, December 25, 1835, *Ibid.*

<sup>137</sup> Henson, *Samuel May Williams*, 80-82; James Hodge to Samuel May Williams, October 27, 1835, SMWP; Hodge to Williams, November 14, 1835, *Ibid.*; George Slacum to Williams, November 21, 1835, *Ibid.*, McKinney and Williams Claim for the Schooner *Invincible*, December 29, 1836, Reel 254, Unpaid Claims, Republic Claims Files, Comptroller's Office, Archives and Information Services Division (hereafter cited as "AISD"), Texas State Library and Archives Commission (hereafter cited as "TSLAC").

The renewed contract for the Upper Colony also became useful to Williams while he was in New York. By mid-November, the U.S. Circuit Court in the city ruled that while sending volunteer soldiers to Texas was a violation of neutrality laws, holding rallies and raising money for the rebellion were not. Acting on this information, Williams offered a quarter league to any man willing to settle in Texas during a war rally on Wall Street. 200 men signed up, and Williams soon wrote the New York Committee for the Relief of the People of Texas asking it to fund the venture. The Committee agreed. On November 21, the 200 so-called settlers left New York under the command of their elected officers on a brig bound for Texas. Williams was well-versed in exploiting loopholes in the law and his trip to New York proved no exception. He stayed in the city until early December before going to Washington and then Baltimore, where he paid for the *Invincible*. He had not raised enough money for his bank, but had accomplished a great deal for the rebellion using his land and family connections.<sup>138</sup>

Back in Texas, McKinney was discovering that the government's animosity towards land speculators did not extend to him personally. Recognizing McKinney's importance to the war, the new General Council authorized the issuance of letters of marque and gave three to McKinney. Two days later, it passed a resolution authorizing him to raise \$100,000 for the rebellion by selling public land. McKinney, however, was not in a forgiving mood. While he took the letters of marque, McKinney objected to the loan authorization on the grounds that it was for himself alone and not McKinney and

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<sup>138</sup> "Decision of the Circuit Court on the Texas Question," *New York Herald*, November 14, 1835, McLean, ed., *PCRC*, 12:319; quote from, *New York Herald*, November 23, 1835, *Ibid.*, 12:65; Samuel May Williams to Daniel Jackson, November 16, 1835, SMWP; Jackson to Williams, November 16, 1835, *Ibid.*; Receipt of Samuel May Williams to William J. Bunker, December 5, 1835, *Ibid.*; Receipt of Samuel May Williams to John Gadsby, December 13, 1835, *Ibid.*; Henson, *Samuel May Williams*, 81-82.

Williams. The Council, however, was unwilling to add Williams's name. The authorization had barely passed over the veto of Governor Henry Smith, and most of the council members were uncomfortable with empowering an infamous speculator to sell land. As a result, McKinney made no effort to raise the money and simply continued issuing loans and supplies using his private funds.<sup>139</sup>

By mid-December, word reached McKinney of General Cos's defeat after a four-day battle in Béxar. Stephen F. Austin had given up command of the army by mid-November in order to become a loan commissioner to the United States, and the army had maintained the siege in his absence. Faced with the coming winter, the men decided to take the city by force rather than give up. The move was astonishingly successful and Cos's army soon left Texas. However, that victory was accompanied by news of General José Antonio Mexía's complete defeat in the Tampico Expedition. Mexía, who had come to Texas in July 1832 with Austin after taking Matamoros, had attempted to land a federalist army south of the Rio Grande in the fall of 1835. The campaign quickly fell apart and Mexía soon landed at Quintana with around 100 men. McKinney was interested in supporting federalist efforts elsewhere in Mexico; he paid the expense of their passage and helped Mexía prepare for another invasion. The General Council, however, ordered Mexía's force to San Antonio instead. Mexía did not recognize the Council as a legally-constituted body and consequently disputed its authority to send him

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<sup>139</sup> An Ordinance and Decree Supplementary to an "Ordinance and Decree" entitled, "An Ordinance and Decree Granting Letters of Marque and Reprisal," November 29, 1835, Gammel, ed., *The Laws of Texas* 1:942; Journal of the Proceedings of the General Council, November 27, 1835, *Ibid.*, 1:587; Henry Smith to Thomas F. McKinney, December 2, 1835, Jenkins, ed., *PTR*, 1:81-82, Mirabeau B. Lamar, "Governor Smith," *Historical and Biographical Notes*, 184?, Gulick and Elliot, eds., *PMBL*, 6:178-179; Receipt of Thomas F. McKinney to Robert Clokey, December 2, 1835, Folder 3, Box 2-23/934, MWACP; Joshua Fletcher to McKinney & Williams, December 10, 1835, *Ibid.*

anywhere. Nevertheless, an agent from the Council arrived at Quintana and began ordering McKinney to obtain more supplies for Mexía's Texas-based force. McKinney took Mexía's side and argued that support of Mexican federalists in the interior was essential for success in Texas. If nothing else, he contended, federalists could help fund the war and Mexía's force could be useful in the overall fight against centralism.<sup>140</sup>

In the midst of this dispute, McKinney received a letter from Austin saying that he was on his way to Quintana with orders for McKinney to give him \$500. Austin was soon to leave for New Orleans and needed money for his stay there. McKinney seized upon the letter and turned to Austin for help. Caught between the central government and the new Texas government, McKinney recognized that the Council's refusal to support Mexía indicated a Texan shift towards complete autonomy. If Texas became independent, the Monclova land was gone for good and his firm would be riddled with debt. "I fear [that] all our labors in Texas are gone to the devil and me with it," he told Austin. "We must fail altogether...all for being a little fearful of opposing Red-hot, unthinking politicians." McKinney argued that since the Texan government had voided all the Monclova land, Texas would "decline in credit" as well. No self-respecting capitalist would invest money without the guarantee of property rights and the war debt would consequently fall to the people of Texas. "Where is the money to come from to pay 10 or 15 Million of Dollars with our present populations?" McKinney asked. Texas

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<sup>140</sup> Hardin, *Texian Illiad*, 60, 68-69, 79-90; Miller, *New Orleans and the Texas Revolution*, 92-98; Receipt of the Provisional Govt. of Texas to McKinney & Williams for General Mexía, December 10, 1835, Folder 3, Box 2-23/934, MCACP; William Pettus to Thomas F. McKinney, December 13, 1835, Jenkins, ed., *PTR*, 3.189-190; McKinney to the Provisional Government of Texas, December 22, 1835, *Ibid.*, 3.293-294.

needed to remain a part of Mexico and Austin needed to save Texas from the politicians.<sup>141</sup>

McKinney was fighting a losing battle. Austin had already decided that Texas needed to be part of the United States, and the General Council, outraged by Mexía's refusal to comply with its orders, ordered McKinney to impound all of Mexía's supplies. However, when Austin reached Quintana, he took McKinney's side and wrote a letter to San Felipe urging the Council to support Mexía's efforts in the Mexican interior. McKinney also wrote to the Council and argued that the support of Mexican federalists was essential. Those "preaching a crusade throughout the country against all Mexicans & in favour of immediate declaration of independence," he said, were a serious threat to the war effort. The Council relented a few days later. By that point, however, Mexía had tired of Texan politics and McKinney paid for his passage to New Orleans along with half of his men. The remaining half of Mexía's force stayed behind and went to Béxar.<sup>142</sup>

McKinney's opinion of the Texan government did not improve. Over the next several days he spent \$1,300 outfitting the schooner *William Robins* and finally gave her owner the \$3,500 he had promised over a month before. She would soon be ready to defend the Gulf, but on Christmas day, McKinney got more bad news; the General Council had imposed an import tariff. McKinney had detained some of his shipments in New Orleans due to the lack of coastal defense and told the Council that tariffs hurt the

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<sup>141</sup> Stephen F. Austin to Thomas F. McKinney, December 16, 1835, *Ibid.*, 3:210, quotes from McKinney to Austin, December 17, 1835, *Ibid.*, 3:234-235.

<sup>142</sup> Miller, *New Orleans and the Texas Revolution*, 97-100; James W. Robinson to Thomas F. McKinney, December 17, 1835, Jenkins, ed., *PTR*, 3:234-235; McKinney to Provisional Government of Texas, December 22, 1835, *Ibid.*, 3:293-294; Proceedings of the General Council, December 23, 1835, Gammel, ed., *The Laws of Texas*, 1:689; Receipt of McKinney and Williams to J.A. Delores, December 23, 1835, Folder 3, Box 2-23/934, MWACP.

merchants supplying the war. He also did not shrink from reminding the politicians that that the Mexican tariff was a large reason for the war in the first place. McKinney received a conciliatory letter from San Felipe a few days later asking him to accept the post of Commissary General but he rejected the offer out of hand. He wrote the Council that he was supplying the war because no one else could. He did not want a public office and did not have the time for one. However, McKinney's refusal to accept a public appointment seemed motivated by spite more than anything else. The position simply would have recognized a reality that had existed for months, but McKinney did not want to become beholden to the San Felipe politicians.<sup>143</sup>

While McKinney's attitude towards the government hardened, his outlook on the war itself soon changed. At the time McKinney refused the Council's offer, he was providing supplies for units under the command of James Fannin. Fannin's men told him about the proposed expedition to take Matamoros, south of the Rio Grande, and McKinney was intrigued. He wrote back to the Council restating that he would not accept a commission, but would offer any supplies necessary for the Matamoros campaign. For McKinney, any military action outside of Texas was beneficial and worthy of support. In this case, however, the Council agreed. In response to his earlier letters, it had already exempted him from the tariff and offered him the post of "special agent" for supplies. McKinney accepted, but asked to be replaced as soon as possible.<sup>144</sup>

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<sup>143</sup> The Provisional Govt of Tx for Schr *Williams Robbins* bot of McKinney and Williams, December 22, 1835, Folder 3, Box 2-23/934, MWACP; Receipt of the Provisional Govt of Tx for Schooner *Williams Robbins* to McKinney and Williams, December 22, 1836, *Ibid.*, Receipt of William Watlington for the Schooner *William Robbins*, December 23, 1835, *Ibid.*; Receipt of Schr *Wm Robins* to J. C. Hoskins, December 23, 1835, *Ibid.*; Thomas F. McKinney to the Provisional Government of Texas, December 25, 1835, Jenkins, ed., *PTR*, 3:312-313; McKinney to the Provisional Government of Texas, December 29, 1835, *Ibid.*, 3.363-364.

In his capacity as special agent for the army, McKinney soon got help in the form of a new steamer. In December, Thomas Toby, McKinney and Williams's closest associate in New Orleans, bought the 144-ton, side wheeler *Yellow Stone* for the partners. She arrived at Quintana in early January with 50 new volunteers aboard. McKinney intended to use her for mid-river trade between Columbia and San Felipe, but she soon joined the *Laura* in carrying supplies for the army as well.<sup>145</sup>

At the same time the *Yellow Stone* arrived, the *Invincible* appeared off Galveston Island from Baltimore and McKinney was pleased that he finally had the war ship he had asked Williams to buy. With a little work, *Invincible* would soon be ready to patrol the gulf with the *William Robbins*. The latter ship had already gone to New Orleans with loan commissioners William Wharton, Branch T. Archer and Stephen Austin. When they arrived, they agreed to buy her from McKinney on behalf of the government; she was rechristened the *Liberty*.<sup>146</sup>

The Council was pleased with McKinney's efforts. When *Invincible* arrived, the committee on naval affairs proposed that the Council buy both the *Invincible* and *William Robbins* from McKinney. Governor Smith, however, did not like the plan. When the

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<sup>144</sup> Receipt of Geo. Battalion to McKinney and Williams, December 28, 1835, Folder 3, Box 2-23/934, MCACP; Receipt of Capt Guarro's Co., Fannin's Command to McKinney and Williams, January 2, 1836, Ibid.; McKinney and Williams to Wiatt Hanks and J.D. Clememts, January 4, 1836, Jenkins, ed., *PTR*, 3:442; McKinney to the General Council, January 5, 1836, Ibid., 3:424; quote from The Proceedings of the General Council, January 3, 1836, Gammel, ed., *The Laws of Texas*, 1:735.

<sup>145</sup> Puryear and Winfield, *Sandbars and Sternwheelers*, 46; Receipt of the Govt. of TX to the Steam Boat *Yellow Stone*, January 24, 1836, Folder 3, Box 2-23/934, MCACP.

<sup>146</sup> Jordan, *Lone Star Navy*, 38-39. Technically, the *Williams Robins* belonged to the Matagorda Committee of Safety. According to S. Rhodes Fisher, McKinney gave his note on behalf of the Committee when he bought her. However, it does not appear that he was ever reimbursed for this expense. McKinney and Williams only submitted one claim for the *William Robins*. They charged the government \$3,500 plus two and a half percent interest. See S. Rhodes Fisher to the People of Texas, December 17, 1835, Jenkins, ed., *PTR*, 4 211-213, Asa Brigham and H.C. Hudson to Thomas F. McKinney, August 1836, Ibid., 8:355-357.

Council passed the resolution, he vetoed it. Smith argued that the commissioners already had authority to buy *William Robbins*, and demanded to know why the Council wanted the *Invincible* so badly. Smith's defiance in the case of *William Robbins* was well warranted. The commissioners did have authority to buy her and had already done so. However, his objection to the purchase of *Invincible* was motivated more by politics. He did not like McKinney and was against the Matamoros expedition. Smith correctly assumed that the clipper would be used to ferry troops for the new offensive. However, the Council disagreed; it passed the resolution over Smith's veto and made McKinney the commander of the *Invincible*. Two days later, the Council resurrected McKinney's \$100,000 loan, added Williams's name, and passed the measure. Smith was incensed. McKinney already had authorization to raise \$100,000, he argued. Calling McKinney a "deceiver and a land pirate," Smith declared that the new bill defrauded the government of \$200,000. Furthermore, the Council had authorized McKinney's friends, F.W. Johnson and James Fannin, to obtain loans totaling \$5,000 for supplies from McKinney and Williams for the Matamoros expedition; this was on top of whatever McKinney might charge for the *Invincible*, which was also to be used for the Matamoros expedition.<sup>147</sup>

Smith was convinced that some conspiracy was afoot. The Council had consistently ignored him and overridden his vetoes for over a month. Given the precarious nature of the revolution, Smith was appalled that Council wanted to wage an

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<sup>147</sup> Proceedings of the General Council, January 8, 1836, Gammel, ed., *The Laws of Texas*, 1:754; An Ordinance and Decree Authorizing the Purchase of Certain Armed Vessels of M'Kinney & Williams, and Regulating the Naval Service, January 8, 1836, Ordinances and Decrees of the General Council, *Ibid.*, 1:1031-1033; An Ordinance and Decree Authorizing and Empowering Thomas F. M'Kinney and Samuel M. Williams of the firm of "M'Kinney & Williams," to effect a Loan of on Hundred Thousand Dollars, and for Other Purposes, January 10, 1836, Ordinances and Decrees of the General Council, *Ibid.*, 1:1029-1031; quote from General Council to Henry Smith, January 11, 1836, Proceedings of the General Council, *Ibid.*, 1:771.

offensive war and fund it by using a hodgepodge of loan agents, many of whom Smith did not trust. The loan authorization to McKinney and Williams proved the breaking point, and Smith ordered the Council disbanded until the meeting of the Convention on March 1. The Council, however, responded by removing Smith from office, and continued with its business. When Smith refused to abdicate, Texas continued with two self-proclaimed governing entities until March. Although the breakup of the government was hugely detrimental to Texas, the situation would play to McKinney's advantage over the coming months.<sup>148</sup>

The irony surrounding Smith's indictment of the Council, due in part to gratuitous spending in McKinney's favor, was most likely lost on McKinney himself. McKinney was against such spending only when it ran counter to his interests, and in mid-January James Fannin arrived at Quintana with his \$3,000 loan commission from the Council. Eager to help his friend, McKinney provided over 600 muskets with bayonets, two field guns and nine kegs of powder, along with beef, flour, brandy, clothes, cooking utensils, and tobacco. He then paid for the transportation of Fannin's men to Copano and gave Fannin a small skiff for use in the harbor there. Things were finally going McKinney's way and he could reasonably expect that the Matamoros campaign would go a long way towards helping his political interests. However, in the middle of supplying Fannin for the expedition, McKinney received terrible news from New Orleans.<sup>149</sup>

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<sup>148</sup> Lamar, "Governor Smith," *Historical and Biographical Notes*, 184?, Gulick and Elliot, eds., *PMBL*, 6: 178-179; Henry Smith to D.C. Barrett, February 16, 1836, Jenkins, ed., *PTR*, 4:363-364; Lack, *The Texas Revolutionary Experience*, 58-60; Miller, *New Orleans and the Texas Revolution*, 179-180, 183-184.

<sup>149</sup> Receipt of the Georgia Battalion to McKinney and Williams, January 20, 1836, Folder 3, Box 2-23/934, MCACP; Receipt of Lieut. Chaffin's Company to McKinney and Williams, January 22, 1836, *Ibid.*; Receipt of Capt. Ticknor's Company to McKinney and Williams, January 22, 1836, *Ibid.*; Receipt of

The three loan commissioners reported to the Council on January 10 that they had arranged two loans based in the public domain. One was for \$250,000 and the other was for \$50,000. However, both were made with the promise that Texas would declare independence when the Convention met in March. Stephen F. Austin was well aware of McKinney's stance on independence and defensively wrote his friend on January 16 that the terms of the two loans "could not have been otherwise." Mexican federalists, Austin argued, had allied with Santa Anna against Texas and independence was the only remedy. Furthermore, Austin had finally heard the particulars of the Monclova speculation. If McKinney had any doubts about Austin's stance on the issue, Austin made his position clear. "Years will not relieve Texas from the evils produced by that legislature," he wrote, and it was now clear that Austin did not have McKinney's interests at heart.<sup>150</sup>

McKinney was enraged. One of his oldest friends in Texas had completely betrayed him and gone over to the Wharton faction. In spite of his anger, or perhaps because of its intensity, he did not write back. He continued supplying Fannin's men and oversaw the shipment of their supplies to Copano. However, McKinney received another letter from Austin a few days after Fannin left on the *Invincible*. Austin explained that the loans were made at 50 cents per acre, and compared his loan to the Monclova grants that gave away land at \$50 a league. Texan unity would maintain Texan credit, Austin

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the Provisional Govt of TX for Col Fanning's Company, January 22, 1836, *Ibid.*; J.W. Fannin to McKinney and Williams, January 22, 1836, *Ibid.*; Receipt of the Provisional Govt. by Col. J.W. Fannings to McKinney and Williams, January 23 and 24, 1836, *Ibid.*; Receipt of J.W. Fannin to McKinney and Williams, January 23 and 24, 1836, *Ibid.*; Statement of J.W. Fannin concerning the \$3,000 loan, January 23, 1836, *Ibid.* Fannin to Thomas F. McKinney, February 4, 1836, *Ibid.*; Fannin Receipt, Port of Copano, February 1, 1836, Jenkins, ed., *PTR*, 4:232-233.

<sup>150</sup> Barker, "The Finances of the Texas Revolution," 629-631; quotes from Stephen F. Austin to Thomas F. McKinney, January 16, 1836, Barker, ed., *AP*, 3:304-305.

argued, and McKinney should support the loans. McKinney was not persuaded and continued to fume in silence. However, Austin's closing thoughts in his letter were on their mutual partner, Sam Williams. "No news from W," Austin declared. "I fear he is dreaming somewhere. God grant that his dreams may be less injurious to Texas than some which were drempt at Monclova." Austin's views on his former protégé had certainly changed. However, McKinney took a page from Williams's book. He suppressed his anger, and did not respond.<sup>151</sup>

Neither Austin nor McKinney had received much news about Williams because there was not much to report. Williams had returned to New York in late December, but true to McKinney's predictions, he found that the ardor to support Texas had cooled among potential investors. Samuel Swartwout in particular, had heard about the nullification of Williams's grants and was concerned about the 400 leagues he and James Prentiss had obtained from Monclova in 1834. A Committee of Citizens, of which Swartwout and Prentiss were members, told Williams that they were interested in supporting the Texan cause, but since the situation in Texas seemed "unsettled," the committee suggested that Williams provide the loan through his bank. The bank, however, did not exist and Williams could not make such an agreement. He soon left New York for Philadelphia, where he had stereotypes for his bank notes engraved. From there, he continued back to Baltimore. He gave Henry his note for the balance of supplies and weapons that Henry had shipped on the *Invincible* and made preparations to return to Texas.<sup>152</sup>

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<sup>151</sup> Quote from Stephen F. Austin to Thomas F. McKinney, January 21, 1836, *Ibid.*, 3:308-309; Gary Brown, *James Walker Fannin: Hesitant Martyr of the Texas Revolution* (Plano, TX: Republic of Texas Press, 2000), 95.

We Have Been Used Up: February-May 1836

By late January, McKinney was becoming desperate. The supplies for the Matamoros expedition had been expensive and McKinney's warehouse was running out of provisions. The firm had also extended its credit beyond its means and McKinney was starting to worry that he and Williams might go out of business. Realizing that independence was inevitable, McKinney decided that the best course of action was to work with the Texan government. The loan commissioners had been able to sell land to raise money, and McKinney hoped that by working with the Council, he and Williams might recoup some of their losses in land scrip.

McKinney soon put his new scheme into action and planned to go to New Orleans in person. He told the Council that his firm had "been used up in the way of money & supplies," and asked them not to spend any more of his money until he could make some new arrangements in the Crescent City. Indicating his new stance towards Texas, McKinney wrote that his efforts would hopefully be of some use to "our country."<sup>153</sup>

McKinney also tested the limits of his standing with the Council. Many of the Wharton faction had departed, leaving a largely pro-Austin majority, and McKinney tried his luck. He wrote acting Governor James W. Robinson that he and his friends had 700 leagues that might be of "great interest" to Texas. The loan commissioners had sold land at 50 cents per acre, he argued, and if the Council bought the 700 leagues at the price McKinney and his friend had paid for them, the government could turn a handsome

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<sup>152</sup> Samuel Swartwout to Sam Houston, February 15, 1836, Jenkins, ed., *PTR*, 4:346-347, quote from Committee of Citizens to Samuel May Williams, January 8, 1836, SMWP; Receipt of Samuel May Williams to William J. Bunker, January 11, 1836, *Ibid.*; Henson, *Samuel May Williams*, 83; McKinney and Williams Claim for the Schooner *Invincible*, December 29, 1836, Reel 254, Unpaid Claims, Republic Claims Files.

<sup>153</sup> McKinney and Williams to Provisional Government of Texas, January 25, 1836, Jenkins, ed. *PTR*, 4:143-144

profit. He conceded that the land was “not held by the best titles in the world,” but he was sure that Robinson would act on a deal that could gain Texas nearly \$1.4 million. Robinson, however, probably concluded that buying up the land from the Monclova speculation was not a politically sound move and did not respond. Disappointed, McKinney arrived in New Orleans by early February.<sup>154</sup>

Once in the Crescent City, McKinney met up with William Bryan and Edward Hall. The two men had been appointed agents for Texas by Austin earlier that year in recognition of their financial efforts to support the war. The Bryan-Hall agency’s debt nearly equaled McKinney and Williams’s, and McKinney was astonished at their dire situation. When he learned that \$10,000 of the \$300,000 in loans the commissioners had obtained was given in cash and deposited at the Bank of New Orleans, McKinney wrote the Council that Bryan and Hall should be given the money. He and Tampico veteran John M. Allen also wrote to the loan commissioners asking them to raise more money on behalf of the Bryan-Hall agency. However, McKinney realized his situation was also dire. He and Williams had strained their credit to the breaking point, and Thomas Toby, their main supplier in New Orleans, was nearly bankrupt. Bryan and Hall, therefore, were competitors for government money. While he sent letters on behalf of the Bryan-Hall agency, McKinney also bought \$40,000 worth of supplies and convinced the Bank of New Orleans to lend him \$30,000 in notes. Toby sat on the board of the Bank, and McKinney got the loan with the promise that the Texan government would pay it back. McKinney did not ask for \$40,000 in loans because the \$10,000 difference was already in the vaults of the bank. For McKinney, that \$10,000 had come at the expense of his

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<sup>154</sup> Lack, *The Texas Revolutionary Experience*, 59; Quotes from Thomas F. McKinney to James W. Robinson, January 29, 1836, Jenkins, ed., *PTR*, 4:182-183.

Monclova land, and despite his promises, he was not about to give it up without a fight.<sup>155</sup>

Once McKinney had obtained the loans and bought the supplies, he found time to lash out at Stephen Austin. The \$10,000 must have kept Austin in the forefront of McKinney's mind, and he caustically explained that they must "sever totally in anything of a political character," if they ever met again. "All the difficulty I have ever had in [Texas] has been on your account," McKinney continued. "I do not intend to say you are dishonest, no Sir, but you are from your nature useless in any thing like a public capacity, and your illusions and remarks in that letter to me from N. Orleans are \_\_\_\_\_."

McKinney had a deep sense of loyalty, but could not forgive Austin's actions. Austin, for his part, was profoundly hurt by McKinney's personal insults and the two men never reconciled. However, McKinney did not have time to dwell on his anger. With the Convention about to meet at Washington-on-the Brazos, McKinney realized that he had just spent a great deal of money and needed to make sure that the government would pay for it.<sup>156</sup>

On March 1, delegates from throughout Texas met at the Convention. They took their seats amid reports that Santa Anna had arrived in Béxar with a large army and was intent on crushing the rebellion personally. However, many delegates, including Sam

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<sup>155</sup> Miller, *New Orleans and the Texas Revolution*, 132, 140, 177-178; Thomas F. McKinney to William Bryan et al in the Government of Texas, February 13, 1836, Jenkins, ed., *PTR*, 4:324; William Bryan to The Governor and the Honorable Council of Texas, February 15, 1836, *Ibid.*, 4:342-343; McKinney and John M. Allen to Stephen F. Austin, William Wharton, and Branch T. Archer, February 18, 1836, *Ibid.*, 4:377-378; McKinney to Barily Hardaman, March 23, 1836, *Ibid.*, 5:172.

<sup>156</sup> Thomas F. McKinney to Stephen F. Austin, February 22, 1836, Barker, ed., *AP*, 3:316-317.

Houston, believed such reports were the work of alarmists and the Convention quickly got down to business.<sup>157</sup>

McKinney and Williams had very few friends at Washington. McKinney's old friend Michel Menard and recent immigrant James Collinsworth supported the firm, but minor land speculators such as Richard Ellis and Robert Potter quickly allied with the partners' old enemy Sterling C. Robertson and Robertson's nephew George Childress to oppose those who had received large Mexican land grants. However, the Convention's first order of business was declaring independence. George Childress, whose uncle had much to gain by a separation, wrote the declaration that was read and adopted the next day. A week later, the constitution committee had finished its work and read the constitution of the Republic of Texas to the delegates. Among its many general provisions, the constitution specifically voided several land grants, including those made under the law of March 14, 1835. When the Convention ratified the constitution, therefore, it officially nullified McKinney and Williams's Monclova land.<sup>158</sup>

McKinney reached Washington-on-the-Brazos just after the constitution was adopted. He was undoubtedly disappointed by the new governing document, but it did no more than follow the land policy originally set by the Permanent Council. By now McKinney was used to disappointment and he had other business to pursue. Unfortunately, his arrival also coincided with the news that Santa Anna's army had captured the Alamo in Béxar without giving quarter. The Convention was eager to

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<sup>157</sup> Davis, *Three Roads to the Alamo*, 542, 547-548.

<sup>158</sup> James Collinsworth to M. B. Lamar, undated, Jenkins, ed., *PTR*, 4:475-476; Journals of the Convention, March 1-3, 9, 1836, McLean, ed., *PCRC*, 13:541, 548, 551, 591-592.

adjourn. However, before it did, James Collinsworth, the chair of the finance committee, recommended that the government relieve McKinney and Williams as soon as possible. Collinsworth commended McKinney in particular as a man who had “acted with a liberality & energy more than ordinary in promoting the best interests of Texas.” Taking advantage of his friend’s recommendation, McKinney approached David G. Burnet, the new *ad interim* president of the Republic. Due to the chaos surrounding the government over the past months, Burnet did not know of the existence of the Bryan-Hall agency in New Orleans and McKinney was apparently aware of this fact. He described the efforts made on behalf of Texas by himself and Thomas Toby, and urged Burnet to give him the \$10,000 from the Bank of New Orleans. Burnet agreed. The \$10,000, along with \$5,000 recently given to Texas by Williams’s brother-in-law, Samuel St. John, would be at McKinney’s disposal. The government would also assume all \$40,000 of McKinney’s latest purchases in the Crescent City. Furthermore, Burnet appointed Thomas Toby the official Texas agent in New Orleans and authorized Toby to sell 300,000 acres of Texas land scrip to fund his debts. McKinney was pleased with the arrangement. However, he was still badly in need of money. Before he left Washington, McKinney met with his old friend Michel Menard and agreed to transfer all seven leagues the two owned together over to Menard exclusively. With that done, he traveled down-river to Quintana. Santa Anna’s armies were moving into Texas and McKinney needed to take care of family. As word reached the colonies of the capture of James Fannin’s command at the battle of Coleto Creek, McKinney prepared to leave Quintana with his wife and the families of Sam Williams, William Jack, and James Fannin. By the time they left aboard the *Laura*, Fannin’s command had been executed at Goliad. McKinney took the four women and

their children to land he owned on the Neches River. From there, he continued to New Orleans.<sup>159</sup>

The few weeks that McKinney spent in the United States were not productive. Thomas Toby was notified of his new position with the Texas government, but when William Bryan found out, he placed an injunction on the \$10,000 in the Bank. Bryan and Hall could not believe that no one in Texas knew of their existence and were convinced that someone had been intercepting their correspondence with the Texan government. McKinney seemed like the likely suspect. McKinney may well have kept Bryan and Hall's letters from the government and certainly had motive to do so, but given the chaos surrounding the breakup of the Council in January, Bryan and Hall could just have easily fallen through the cracks without McKinney's help. They were unconvinced, however, and the confrontation lasted until June. McKinney left the argument to Toby and returned to Texas in mid-April.<sup>160</sup>

When McKinney reached Quintana, he learned of a further setback to his business. While he was in Washington-on-the-Brazos, McKinney had arranged for the delivery of \$20,000 worth of goods to a general store there. Certainly this was one expense on which McKinney and Williams could get a good return. However, the *Laura* hit a snag just shy of her destination and the goods were stored at a local plantation. The *Yellow Stone* was sent to finish the shipment, but when she reached Groce's Landing, near present-day Hempstead, she was pressed into service by Sam Houston, whose army

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<sup>159</sup> Lack, *The Texas Revolutionary Experience*, 96-98; quote from Journals of the Convention, March 16, 1836, McLean, ed., *PCRC*, 13:668-669; Samuel St. John Jr. to Henry Smith, February 22, 1836, *Ibid.*, 13:495-496; Miller, *New Orleans and the Texas Revolution*, 182-183; Thomas F. McKinney to Barily Hardaman, March 23, 1836, Jenkins, ed., *PTR*, 5:172; McKinney to David G. Burnet and Cabinet, March 28, 1836, *Ibid.*, 5:216-217; Agreement Between M.B. Menard and Thomas F. McKinney, March 17, 1836, SMWP; Henson, *McKinney Falls*, 11, 14.

<sup>160</sup> Miller, *New Orleans and the Texas Revolution*, 183-187, 191.

needed a way to cross the Brazos River on its retreat towards East Texas. Houston promised that the ship's owners would be "indemnified" against any loss; he offered the crew a third of a league each in return for help and kept the steamer for two weeks. When he finished the crossing, Houston gave Captain J.C. Ross a promissory note from the government for nearly \$7,000. At that point, however, Ross had little choice but to make for Quintana. The Mexican army was closing fast and *Yellow Stone* was fired upon by Mexican *soldados* as she rounded Fort Bend farther downriver. The supplies bound for Washington were destroyed and McKinney and Williams were owed another \$20,000 by the government that it could not repay. By now, however, the debt had become one among many. McKinney despaired at the loss of a chance for some real profit, but he had already concluded that the company could not get clear of its debts without government help. The government had taken much of his land; McKinney was determined to use the government's debt to get it back.<sup>161</sup>

While McKinney was busy trying to figure out how to keep the business afloat, Williams continued his efforts in the United States. By early March he had gotten as far as Saint Louis and traveled down the Mississippi to New Orleans. He planned to return home from there, but when he heard about the fall of the Alamo, he left New Orleans for Mobile only a few days before McKinney arrived in late March. Using his family in Mobile, Williams was able to arrange the purchase of the schooner *Emeline*, as well as the *Ocean*, a side-wheel steamer. McKinney had forwarded the \$100,000 loan

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<sup>161</sup> Statement of James Welsh to A. Brigham, July 29, 1836, Folder 4, Box 2-23/934, MWACP; quote from Sam Houston to Capt J.C. Ross of the S.B. *Yellowstone*, April 2, 1836, Ibid.; Receipt of the Govt. of TX to Steamer *Yellowstone*, March 31-April 14, 1836, Folder 3, Box 2-23/934, MWACP; McKinney and Williams Claim for Goods Lost in Consequence of the Imprisonment of Steamer *Yellow Stone*, July 24, 1836, Ibid; Puryear and Winfield, *Sandbars and Sternwheelers*, 47.

authorization passed by the General Council, and with it Williams raised \$7,000 from the people of Mobile to help pay for the *Ocean*. *Emeline* was bought for \$1,000 cash borrowed from Dobson and Williams.<sup>162</sup>

Williams hurried back to New Orleans in late April to arrange for volunteers to accompany his new fleet to Texas. Once there, he heard about Sam Houston's victory over Santa Anna at the battle of San Jacinto. Williams was overjoyed and wrote his wife that he would soon be home; it had been almost nine months since he had left. However, the *Emeline* was delayed in leaving Mobile and did not arrive until mid-May. Williams had to wait another month to return to Texas.<sup>163</sup>

While his partner lingered in the United States, McKinney was finding out that supplying a victorious army was just as much work as supplying one still at war. After the Texan victory at San Jacinto, the armies simply stayed in camp on Buffalo Bayou where the battle had been fought. Two weeks later, however, McKinney's steamers were pressed into service to move and supply them. The *Laura* and *Yellow Stone* began moving flour, pork, sugar, coffee, tobacco, wagons, muskets, and men between Galveston Island, Harrisburg and Buffalo Bayou. Mexican prisoners were taken to camps on Galveston Island and the Texan soldiers were ferried between all three points. During the migration, David Burnet and his cabinet arrived at San Jacinto and took passage on board

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<sup>162</sup> Henson, *Samuel May Williams*, 83-87; Henson incorrectly identifies the *Ocean* and *Emeline* as the same vessel; Puryear and Winfield, *Sandbars and Sternwheelers*, 49; Samuel May Williams to Sarah Williams, March 17, 1836, SMWP; Receipt of Samuel May Williams for a Room in Mobile, April 23, 1836, Folder 4, Box 2-23/934, MWACP; Receipt of Samuel May Williams to Isaac D. Spear, April 25, 1836, *Ibid*, Contract between Samuel May Williams and David N. Soullard for purchasing Schooner *Emeline*, May 2, 1836, *Ibid*.

<sup>163</sup> Samuel May Williams to Sarah Williams, April 30, 1836, Box 2H371, Samuel and Austin May Williams Papers, CAH; Samuel May Williams to Sarah Williams, May 9, 1836, SMWP; W. Hastings to Samuel May Williams, May 14, 1836, Folder 4, Box 2-23/934, MWACP.

the *Yellow Stone* with Houston and Santa Anna to Galveston. On May 10, the *Laura* took Santa Anna, Burnet and the cabinet to Velasco, opposite McKinney and Williams's warehouse, where Santa Anna recognized Texan independence four days later.<sup>164</sup>

All the work McKinney was doing cost money. He was given receipts for the shipments, but he had yet to see any cash from the government to pay his expenses. Although the government had given Thomas Toby land scrip to make up for some of the losses, McKinney realized that 300,000 acres was an insufficient amount and the loans obtained in January would not help the situation quickly enough. He therefore asked the government for more land. "We have been Exhausted in a pecuniary point of view," McKinney told Burnet on May 15, "with an understanding that some permanent arrangement would be made by which we would be reimbursed." McKinney suggested that Toby be given an additional 200,000 acres. The scrip could be sold in sections at 50 cents an acre, thus providing the state with \$250,000 to pay off its debts. Burnet agreed and gave Toby his new commission a few days later.<sup>165</sup>

McKinney's influence over Burnet proved the decisive blow in his battle with Bryan and Hall. Toby's stubborn refusal to work with anyone except McKinney greatly vexed the other two agents, but once it became apparent that Toby had exclusive government backing, Bryan and Hall relented. Bryan released the \$10,000 from the Bank

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<sup>164</sup> Lack, *The Texas Revolutionary Experience*, 104; Receipt of Spencer H. Jack to McKinney and Williams, May 3, 1836, Folder 4, Box 2-23/934, MWACP; A List of Freight transported on board the Steamer *Laura* from Galveston Island to Camp on Buffalo Bayou on a/c of the Govt of TX, May 4, 1836, Ibid.; Receipt of the Govt. of TX to Steam Boat *Laura*, May 5, 1836, Ibid ; Receipt of the Govt. of TX to S.B. *Laura*, May 6, 1836, Ibid.; Receipt of the Govt. of TX to S.B. *Laura*, May 8, 1836, Ibid.; Receipt of the Govt of TX to SB *Yellow Stone*, May 9, 1836, Ibid.; Receipt of the Govt of Texas to Steam Boat *Laura*, May 10, 1836, Ibid.

<sup>165</sup> McKinney and Williams to the President and Cabinet of Texas, May 15, 1836, Jenkins, ed., *PTR*, 6:294-296; McKinney and Williams to the President and Cabinet, May 20, 1836, Ibid., 6:343; David G. Burnet to Thomas Toby, May 25, 1836, Ibid., 6:369-370; Miller, *New Orleans and the Texas Revolution*, 197.

of New Orleans. In early June, Burnet declared Toby the sole Texas agent in New Orleans; Bryan closed his agency with Hall, and submitted \$77,000 worth of expenses to the Texan government. However, McKinney's victory had unintended consequences for his firm. The 500,000 acres of scrip in New Orleans, combined with the scrip that had been issued to cover the two January loans, flooded the market and made sales at 50 cents per acre nearly impossible. Land scrip would not be the cure-all of McKinney and Williams's financial woes.<sup>166</sup>

Williams landed in Texas on June 3 with the steamer *Ocean* and the schooner *Emeline*. As the partners reunited with their families at Quintana, they took stock of the changes that had taken place since October of the previous year. Many of their old associates were dead. James Bowie, who had started them in land speculation, had died at the Alamo along with Williams's lawyer, William Travis. Their slave-smuggling associate, James Fannin, had been executed at Goliad. James Grant, who had enabled Williams to obtain so much land at Monclova, had also been killed leading the remnants of the Matamoros Expedition. The union with Mexican federalists the two had wanted so badly had been shattered in the wake of Texan independence and they had lost all the land they had gained at Monclova. They were also \$100,000 in debt to a government that had spent \$1.2 million to gain independence. McKinney and Williams would spend the rest of their lives trying to get their money back.<sup>167</sup>

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<sup>166</sup> Ibid., 186-192; Barker, "The Finances of the Texas Revolution," 626, 632.

<sup>167</sup> Puryear and Winfield, *Sandbars and Sternwheelers*, 49; Statement of Thomas J. Green, October 30, 1836, Folder 2, Box 2-23/934, MWACP; Hardin, *Texian Iliad*, 146, 148, 159, 174; Asa Brigham and H C. Hudson to Thomas F. McKinney, August 1836, Jenkins, ed., *PTR*, 8:355-357.

That Monclova Trip Has Been a Curse

Throughout the summer of 1836, McKinney and Williams continued to supply the Texan army with basic necessities and began submitting their expenses to the government. However, their situation was growing more desperate. The same day that they submitted their second expense report, one of their notes defaulted in New Orleans. The government paid them with treasury bonds, but their creditors were not all that interested in Texas paper. As the situation worsened, Williams decided to leave for the United States again. There he would sell the Toby scrip in markets more receptive to Texas land. He left for New Orleans in late July and received 250,000 acres of scrip to sell abroad.<sup>168</sup>

As Williams was preparing to leave New Orleans, he heard rumors that Stephen Austin was denouncing him at home. Austin was running for president of the new republic and found that his connection to Williams hurt him politically. He distanced himself from speculation and decried the corruption of the Monclova legislature. Williams was hurt and wrote his old mentor asking for an explanation. Austin waited to respond until after he lost the election to Sam Houston on September 3. “Those cursed Monclova speculations and Contracts...involved yourself and friends and country in evils which will last for years, Austin wrote. “You say your motives were good—In the name of god convince me of that.” Austin was deeply hurt that Williams had tried to incite

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<sup>168</sup> Receipt of the Govt of Texas to Steam Boat *Laura*, June 2, 1836, Folder 4, Box 2-23/934, MWACP; Receipt of the Govt. of Texas to SB *Yellow Stone*, June 8, 1836, Ibid.; A. Somerville to McKinney & Williams, June 22, 23, 26, 29, Ibid.; Republic of Texas to McKinney and Williams, June 1836, Ibid., Claim 490, June 18, 1836, Ibid., Claim 126, July 2, 1836, Ibid.; Instrument of Protest, Union Bank of Louisiana, July 2, 1836, SMWP; Asa Brigham and H.C Hudson to Thomas F. McKinney, August 1836, Jenkins, ed., *PTR*, 8:355-357, Samuel May Williams to Sarah Williams, August 4, 1836, SMWP; Thomas Toby to Samuel May Williams, September 10, 1836, folder 3, box 401-1195, Naval Correspondence, Navy Papers, Texas Adjutant General’s Department , AISD, TSLAC.

Texas to rebellion while he was still held in Mexico City; a move that was clearly done for personal gain. Austin asked Williams to explain himself, but added that no explanation could atone for McKinney's actions. Austin had completely lost faith in Williams's partner. However, no justification was forthcoming from Williams himself, so Austin wrote again in early November. "That Monclova trip of yours has indeed been a *curse* to you and to me and to the country and to everybody else," he explained, but he was willing to let the matter rest if Williams would simply abandon his wild schemes and come back to Texas. "Williams you have wounded me very deeply," Austin continued, "but...you are at heart too much like a wild and heedless brother to be entirely abandoned—Come home." By the time Austin wrote the letter, Williams was already in Baltimore selling scrip. He had no intention of returning home just yet and Austin died the next month without getting a response. Apart from everything else, the war cost McKinney and Williams one of their closest friends.<sup>169</sup>

Williams remained in the United States until January 1838. During that time, he traveled between major cities avoiding creditors, selling the scrip and trying to raise money for his bank. However, at the same time Williams arrived in the east, the schooners *Invincible* and *Brutus* landed in New York for repairs and subsequently incurred so much debt that they were impounded. Williams found it necessary to spend a great deal of scrip to pay for them. His needs were great, but the loss of two Texan warships, one of which Williams had bought himself, was unacceptable. He sold 100

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<sup>169</sup> Samuel May Williams to Stephen F. Austin, August 29, 1836, Barker, ed., *AP*, 3:424-426; Reichstein, *Rise of the Lone Star*, 158-159; first quote from Austin to Williams, October 12, 1836, McLean, ed., *PCRC*, 15.218-219, second quote from Austin to Williams, November 3, 1836, Barker, ed., *AP*, 3:446-447; Charles Sayre to Williams, October 27, 1836, folder 2, box 401-1309, Naval Correspondence; Cantrell, *Stephen F. Austin*, 263-264.

certificates at 50 cents an acre to pay for the two ships, and another 60 to pay off their crews.<sup>170</sup>

The rest of Williams's scrip sales were equally disappointing. In Baltimore, he bought the brig *Flight* from his brother Henry and loaded it with supplies for 24 certificates, but the *Flight* ran aground in San Louis Pass, just west of Galveston on her trip to Texas. Williams was able to sell 150 certificates during trips to Baltimore, Philadelphia, Richmond and Petersburg, and made just over \$3,000 in commissions on the sales. However, his sales in Virginia were made in exchange for tobacco and the total amount of money he gained for Toby's agency was only about \$40,000. Williams had disposed of almost all the scrip Toby had given him in September 1836 and had very little to show for it. When he finally returned home, he found that affairs were not much better in Texas.<sup>171</sup>

When Williams left for the United States in July 1836, McKinney continued supplying the army as he had done since October of the previous year. Although the government continued to pay him with bonds for his expenses, all hope of recovering his debt with land sales ended when Sam Houston took office as president in October and ordered Thomas Toby to stop selling scrip. McKinney realized that his business was

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<sup>170</sup> Henson, *Samuel May Williams*, 89-92; Thomas F McKinney to Samuel May Williams, January 21, 1838, SMWP; Edward Hanrick to Williams, December 21, 1836, *Ibid.*; Charles Sayre to Williams, December 26, 1836, folder 4, box 401-1195, Naval Correspondence; F.J. Wells to Williams, December 29, 1836, folder 3, box 401-1309, *Ibid.*; Statement Explanatory of the Result and Issue of 100 Scrip Disposed of in New York for the *Brutus & Invincible* and for Shoes, 1837?, folder 15, box 401-1195, *Ibid.*; Disposition of Scrip for Schor *Brutus* and Discount of Notes, 1837?, folder 16, box 401-1309, *Ibid.*; Statement of Scrip Appropriated for the Payment of Demands Against Schooner *Invincible*, 1837, *Ibid.*

<sup>171</sup> Samuel May Williams in Account with the Republic of Texas, January 2, 1837, SMWP; Sarah Williams to Samuel May Williams, March 14, 1837, *Ibid.*; Sales of Scrip made in the City of Richmond, 1837?, folder 15, box 401-1195, Naval Correspondence; Sales of Scrip made in the Town of Petersburg, 1837?, *Ibid.*; Account of 15 sections of land scrip disposed of for Tobacco in Petersburg and Richmond Virginia by S. M. Williams due to collector at Galveston, 1837?, folder 16, box 401-1309, *Ibid.*

bankrupt. When the first session of congress met, he wrote a petition to both houses asking them to recognize Williams's bank charter. Although he stopped short of telling the government that it owed McKinney and Williams for their efforts during the war, McKinney made plain that the contributions of the firm had been invaluable and that the present state of affairs had so "crippled" their business that it was "merely nominal." McKinney was not exaggerating. The partners had not made any profit in more than a year, and what little business they had transacted during that time was greatly hindered by the war.<sup>172</sup>

McKinney and Williams had two items of interest before congress during its initial session. The first was the bill recognizing Williams's claim to his bank. The second was a bill allowing Michel Menard to keep his league and labor on Galveston Island. McKinney and Williams still owned a share in the venture, but the strategic importance of the island to the republic made many politicians hesitant to recognize Menard's claim. The strongest voice of opposition came from Senator Sterling C. Robertson, Williams's old adversary. However, by the end of the session, congress granted Williams's bank charter and allowed Menard to keep his claim provided he could pay \$50,000 for it. Menard, McKinney, John K. Allen, and Mosely Baker quickly formed the Galveston City Company and borrowed the money from David White, the

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<sup>172</sup> Receipt of the Republic of Texas to McKinney and Williams, August 11, 13, 15, 20, 23, 27, 1836, Folder 4, Box 2-23/934, MCACP, Claim 555, September 28, 1836, *Ibid.*; Facts to which Thos. F. McKinney begs leave to call to the attention of the committee on Public Debt, 1871, Box 2E434, Thomas F. McKinney Papers; Miller, *New Orleans and the Texas Revolution*, 199; quotes from Thomas F. McKinney to the Honorable Senate and House of Representative of the Republic of Texas in Congress Assembled, October 27, 1836, Box 2E434, Thomas F. McKinney Papers.

Texas agent in Mobile. McKinney and Williams's share of Galveston was not much, but it would be an excellent place to relocate their business and start over.<sup>173</sup>

McKinney began rebuilding the mercantile throughout 1837, but progress was slow. Congress had passed an import tariff and their treasury bonds were soon only worth 75 percent of their face value. McKinney fumed as he watched others speculate on Texas debt while his own bonds deflated. The government, however, was not completely unsympathetic and allowed McKinney and Williams's debt to be funded at a rate of two percent. The partners were paid \$23,500 interest on their debt the next year, but as McKinney tried to get the mercantile off the ground, the thought of their accumulating interest was of little consolation.<sup>174</sup>

McKinney was eager to get the mercantile moved to Galveston as soon as possible and began building a warehouse there that summer. However, that fall, a hurricane hit the island, destroyed what progress he had made, and probably sank the *Yellow Stone* also. Since the *Ocean* had sunk in November 1836, only the *Laura*

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<sup>173</sup> First Congress, First Session, in the Senate, *Telegraph and Texas Register*, December 1, 1836, McLean, ed., *PCRC*, 15:336, First Congress, First Session, in the Senate, *Telegraph and Texas Register*, December 2, 1836, *Ibid.*, 15:338-339; First Congress, First Session, in the Senate, *Telegraph and Texas Register*, December 6, 1836, *Ibid.*, 15:359-361; Joint Resolution for the Relief of Messrs. M'Kinney and Williams, December 10, 1836, Gammel, ed., *The Laws of Texas*, 1:1135; Henson, *Samuel May Williams*, 94-95; Bill of Sale Between Menard, McKinney & Williams, John K. Allen, and Mosely Baker, December 14, 1836, Box 2H370, Samuel May Williams Papers, CAH; Receipt of the Treasury Department to M.B. Menard, December 14, 1836, quoted in Charles W. Hayes, *Galveston: History of the Island and City* (Cincinnati: 1879, reprint, Austin: Jenkins Garret Press, 1974), 179.

<sup>174</sup> Thomas F. McKinney to the Honorable Senate & House of Representatives of the Republic of Texas in Congress Assembled, June 9, 1837, Memorials and Petitions, Texas State Legislature, AISD, TSLAC; Joint Resolution for the Relief of McKinney and Williams, Folder 2, Box 2-23/934, MWACP; Statement of James Webb, Acting secretary of Treasury Department, April 29, 1839, *Ibid.*; Statement of Joseph C. Eldredge, Treasury Department, April 30, 1839, *Ibid.*

remained fit for use. McKinney did not have a whole lot to show for his efforts by 1838 and was still living at Quintana when Williams arrived home in January of that year.<sup>175</sup>

The Texas Revolution had crippled McKinney and Williams, but they were not yet ready to give up. Between 1838 and 1841, the partners revitalized their business, and to all outward appearances, were quite prosperous. In the spring of 1838, they began selling lots in Galveston and had a one-fifth share in the Galveston City Company. By that summer, McKinney was living on the island and was once again doing business. He commenced building a new warehouse and wharf, and was confident that he and Williams would soon regain control over the Brazos cotton market. McKinney began shipping cotton to Williams's brother Henry in Baltimore in the hopes that any profit would alleviate their debt to him. In the spring of 1839, McKinney and Williams also successfully made the first direct shipment of Texas cotton to England. McKinney expended a great deal of money and all the resources of the firm to buy up as much cotton as possible to load on the foreign schooner. The shipment was highly publicized and brought great renown to the partners. In fact, they obtained such a solid reputation for business that in 1841, the republic granted them the privilege of issuing bank notes despite the fact that Williams had not yet realized enough capital to open up his bank.<sup>176</sup>

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<sup>175</sup> Hayes, *Galveston*, 269, 284; Donald Jackson, *Voyages of the Steamboat Yellow Stone: The Life and Times of an Early American Steamboat as it Pioneered on the Upper Missouri River and Played a Major Role in the War for Texas Independence* (New York: Ticknor and Fields, 1985), 148; Puryear and Winfield, *Sandbars and Sternwheelers*, 49; Thomas F. McKinney to Samuel May Williams, January 21, 1838, SMWP.

<sup>176</sup> List of [Galveston] Lots sold to Asa Ufford by McKinney and Williams, April 1, 1838, SMWP; List of Lots purchased of the Galveston City Co. by McKinney and Williams, April 20, 1838, Ibid.; Galveston City Company Schedule of Lot Purchases, April 20, 1838, Ibid.; Receipt of McKinney & Williams to M.B. Menard, May 28, 1838, Ibid.; Thomas F. McKinney to Samuel May Williams, July 16, 1838, Ibid., McKinney to Williams, July 20, 1838, Ibid.; McKinney to Williams, July 28, 1838, Ibid.; McKinney to Williams, October 13, 1838, Ibid.; McKinney to Williams October 22, 1838, Ibid.; McKinney to Williams, January 1, 1839, Ibid.; McKinney to Williams, January 29, 1839, Ibid.; McKinney to

Despite their success, however, McKinney and Williams were overextended and deeply in debt. The profits from the European trade were less than expected and by the winter of 1839, McKinney confessed to Williams that maintaining their business “required more of us than man can accomplish.” To make matters worse, the congress was finally settling the matter of Robertson’s Colony. Despite the efforts of Williams’s long-time friend R.M. Williamson to have the Austin-Williams claim recognized, the bill concerning Robertson’s colony only extended protection to existing headright grants. The final bill, passed January 28, 1841, legalized all the acts of Robertson’s land commissioner William Steele. The land Williams had sold, which did not conflict with Steele’s patents was still valid, but Williams lost all claim to any un-sold land in the colony. Although many years had passed, the infamy of the Monclova legislature still hung over Williams’s reputation. Given the situation, McKinney and Williams could no longer remain in business on their own. Faced with insurmountable debt, they sold their mercantile to Henry Williams in mid-1841.<sup>177</sup>

Between 1841 and Williams’s death 17 years later, the partnership between the two men gradually declined. They maintained their banking operation in Galveston, but that came to an end when the republic sued them for loaning out government funds. The partners argued that they had acted fairly because they were still owed money by the state, but still lost their case. The government demanded the repayment of \$21,000 from

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Williams, February 4, 1839, *Ibid.*, McKinney to Williams, February 24, 1839, *Ibid.*; Holbrook, “Cotton Marketing in Antebellum Texas,” 438-440; An Act to Authorize the Firm of McKinney, Williams and Company, to Issue their Notes for Circulation as Money, February 3, 1841, Gammel, ed., *The Laws of Texas*, 2:598-600.

<sup>177</sup> Quote from Thomas F McKinney to Samuel May Williams, December 10, 1839, SMWP; Excerpts from the Journals of the House of Representatives, January 9, 1841, McLean, ed., *PCRC*, 18:136; Excerpts from the Journals of the House of Representatives, January 27, 1841, *Ibid.*; 18:138; An Act Legalizing the Official Acts of Wm H. Steele, January 28, 1841, *Ibid.*, 18:181; Henson, *McKinney Falls*, 14.

the venture, along with \$3,500 in damages. However, in 1844, the government allowed them to turn in \$54,000 worth of their bonds at par in exchange for 108,000 acres of land scrip. After Texas was annexed to the United States and the Mexican-American War ended, the pair located the land in South Texas. They sold portions of it to Henry Williams and their old cotton factor E.W. Gregory to settle their debts with them. Once that was done, enough land was left over for Williams to finally open up his bank, which he did in 1848. Williams operated the bank for ten years despite constant legal battles resulting from the state's anti-banking laws. When Williams died in 1858, the State of Texas shut the bank down. Its short life provided Williams with a reasonable level of success in Galveston, but by that point, McKinney had left the island and settled on a ranch outside of Austin.<sup>178</sup>

Unlike, Williams, McKinney did not enjoy much success after the partnership declined. In 1848, he joined with Menard and Williams to form the Galveston and Brazos Navigation Company for the purpose of building a canal between Galveston Bay and the Brazos River. The company was incorporated in 1850 and the canal was completed four year later; however, it proved only moderately successful and left the company \$72,000 in debt.<sup>179</sup>

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<sup>178</sup> Thomas F. McKinney to Samuel May Williams, January 5, 1842, SMWP; McKinney to the Honl. Legislature of the State of Texas, December 30, 1847, Box 100-432, Memorials and Petitions; Report of the Joint Special Committee to the President of the Senate and the Speaker of the House of Representatives of the State of Texas, January 24, 1848, *Ibid.*; An Act for the Relief of McKinney and Williams, February 5, 1844, Gammel, ed., *The Laws of Texas*, 2:1007; San Patricio District Files 10-38, 48, Scrip Files, ARD, GLO; Henson, *Samuel May Williams*, 139-142, 160-162.

<sup>179</sup> Puryear and Winfield, *Sandbars and Sternwheelers*, 20-23; Henson, *Samuel May Williams*, 147; An Act to Incorporate the Galveston and Brazos Navigation Company, February 8, 1850, Gammel, ed., *The Laws of Texas*, 3:571-576; An Act to Grant Ninety-Four Sections of Land, or Six Hundred and Forty Acres Each, to the Galveston and Brazos Navigation Company, February 11, 1854, *Ibid.*, 4:131-132.

Once McKinney moved to Austin in early 1847, he began to petition the government in regular intervals for repayment of his war-time expenses. When the United States assumed all of Texas's debt in 1850, McKinney petitioned for repayment of a third of all the money he and Williams had spent. The resulting bill passed the Senate, but died in the House. The following year, McKinney petitioned for a repayment of \$80,000, and followed up with a similar request in 1853, but made no headway. However, in 1856, the legislature decided that McKinney and Williams were entitled to \$40,000 and the old partners were able to realize \$31,000 after McKinney made good on his "promises" to state politicians. McKinney was quite pleased, but noted that much of the money needed to be spent settling old debts. The men only netted \$16,000 between the two of them.<sup>180</sup>

McKinney's fortunes continued to decline. After Williams's death in 1858, McKinney maintained his ranching operation outside Austin until the Civil War broke out. True to form, he opposed secession but lost a great deal of money trying to smuggle cotton through Mexico and was virtually bankrupted. McKinney never recovered. In 1871, at the age of 70, he wrote a final petition to the state that detailed his contributions to the Texas Revolution and asked that a fund be set up for himself and his wife out of the interest on the money that was still owed to him. Defiant even in old age, McKinney contended that he "would rather go to work to make the amount than ask for it," but he

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<sup>180</sup> Henson, *McKinney Falls*, 20; Thomas Lloyd Miller, *The Public Lands of Texas: 1519-1970* with a forward by Ralph Yarborough (Norman: University of Oklahoma Press, 1972), 61; Thomas F. McKinney to the Honorable Senate of the State of Texas, 1850, Box 100-432, Memorials and Petitions; McKinney to the Hon'l. House of Representatives of the Legislature of Texas, 1850, *Ibid.*; McKinney to the Senate and House of Representatives of the State of Texas, December 19, 1851, *Ibid.*; McKinney the Honorable Senate & House of Representatives, December 8, 1853, *Ibid.*; Report on the Thomas F. McKinney Claim, 1854, *Ibid.*; McKinney to Samuel May Williams, February 5, 1856, SMWP; Quote from McKinney to Williams, February 1856, SMWP.

acknowledged his desperate situation and declared that Texas's debt to him was "just and doubly due." The state agreed; however no money was available for such a fund and McKinney died on his ranch two years later.<sup>181</sup>

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<sup>181</sup> Henson, *McKinney Falls*, 31-36; quotes from Facts to Which Thos F. McKinney Begs Leave to Call to the Attention of the Committee on Public Debt, 1871, Box 2E434, Thomas F. McKinney Papers.

## CHAPTER V

### CONCLUSION

The Texas Revolution brought financial ruin to the firm of McKinney and Williams. When the war began in 1835, the partners were at the head of the largest and most powerful mercantile in Texas. Six years later, they were forced to sell off their assets to settle old debts. Both partners were aware of the irony of their situation. The war that they funded to save their business ended up crippling it beyond salvation. However, the partners were never willing to acknowledge the fact that their own contradictory actions played a large part in their demise.

Lax tariff enforcement and cooperative Coahuilitexan officials were the foundation of McKinney and Williams's pre-war success. Starting in 1830, each man took advantage of the situation to speculate in eleven league grants and smuggle cotton to New Orleans. Realizing that their accomplishments came only with the cooperation of a weak government, both courted politicians at the state level while attempting to conceal the extent of their activities from centralist officials. This economic situation, combined with the close friendship both men shared with Stephen F. Austin, proved the backbone of their political stance, which was, in essence, to not offend anyone. However, unlike Austin, who always did what he thought was politically expedient for Texas, McKinney and Williams generally did things that were expedient only for themselves.

These two ends were never, in reality, that far apart from one another, especially where Austin and Williams were concerned. The result was that Williams and McKinney became leading members of Austin's peace party, and outspoken opponents of the American-based War Party. However, Williams always took matters one step further than Austin was willing to go; McKinney was never far behind. Austin pragmatically considered land speculation as a political end first. He wanted to Americanize Texas and maintain favor with Mexican federalists. The eleven league grants and the plan to get Robertson's Colony fulfilled both ends. Profit was a secondary motive to be sure, but Austin was not at all pleased when Williams used Robertson's colony to enrich himself and associates such as James Bowie with bald-faced land jobbing. Austin also disapproved of the tariff, but did his best to reduce restrictions on Texan commerce by legal means. McKinney and Williams, however, began smuggling cotton and eventually slaves. Despite the fact that they were all members of the same political faction, these two different approaches to the situation in Texas eventually created a rift that was never healed. For Austin and Williams, that split began after the Anahuac disturbances in 1832 and culminated with the Monclova legislature of 1835. McKinney's more dramatic break with Austin came only when Austin decided that independence was more expedient to Texan interests than Mexican federalism. Austin was thinking in terms of Anglo-Texas; McKinney was looking out for himself.

However, the larger contradiction in their pre-war political stance came from their simultaneous need for and opposition to the Mexican government. The union of land speculation with their cotton interests created conflict between the partners' requirement for friendly government relations and the necessity for *de facto* free trade. This might

have been resolved if McKinney and Williams had been content to sell cotton and pay tariffs at Mexican ports, but the lure of higher profits in New Orleans was too great. After the Anahuac disturbances, the reduction of centralist influence allowed the two men to build a foundation for what would become a formidable business. Williams could buy eleven league grants from friendly federalists and McKinney could deal in smuggled cotton and slaves without fear of law enforcement. However, the successful rise of centralism in 1834-35 forced this conflict into the open. Centralism threatened both their land and cotton interests, but rather than break with Mexico entirely as Austin had mentally done by the time he left prison, McKinney and Williams tried to maintain the status quo. They adopted the federalist cause of Coahuila and Texas and charted the middle course between centralism and independence. That middle course quickly hit a dead end when faced with centralist armies and the growing independence movement, both of which saw the partners' support for federalism as a transparent excuse to retain their land speculations. In that regard, neither General Cos nor Henry Smith was far from the mark. McKinney and Williams had speculated in land on a grand scheme and were flagrant smugglers. In the end, these activities proved as offensive to the new Texan government as they had been to Santa Anna's.

The final contradiction concerned the nature of their business itself. McKinney and Williams built a mercantile firm in Mexico by catering to American interests. Their land speculation fed a growing American expansionism and their cotton fed the growing textile revolution. Between 1830 and 1835 this business plan was a great asset, and their ability to manipulate the sensibilities of both Mexican federalists and American businessmen proved highly successful. However, when a confluence of events brought

war to Texas, McKinney and Williams were left with few like-minded friends. The Americanization of Texas combined with the American interest in Texas, and by 1836 very few people involved in the war had any desire to remain part of Mexico. McKinney might have complained that immigrant soldiers had too much sway over the political destiny of Texas, but he and Williams were shipping them in and supplying them with weapons; their interest in Texas came from the fact that men like McKinney, Williams, Austin, and others held up Texas as a land of opportunity for Americans. In this respect, perhaps more than others, McKinney and Williams played a very direct role in their loss of control over the war.

By using what they had built since 1830, the partners played an indispensable role during the Revolution. They supplied the Texan government with money, food, muskets, artillery, clothes, ships, and men. By war's end, the government's debt to them was nearly ten percent of the war's total cost. Except for the Bryan-Hall agency in New Orleans, no other men could come close to claiming that they had given as much material aid to the war as had Thomas McKinney and Samuel Williams. However, the partners went bankrupt in an effort to save their accomplishments. Trapped by their own contradictions, they ended the war as citizens of a republic unable to pay them with cash and unwilling to pay them with land. They tried desperately to win the favor of the new government, but what little headway they did make did not help much. The partners were left largely to their own devices for recovery. Faced with a debt that exceeded \$100,000 by the fall of 1836, the two men stubbornly clung to their business and in a few years seemed to be doing well. Their Galveston mercantile had all the outward appearances of success. However, as the interest on their debts mounted, the situation

grew hopeless and they were forced to concede defeat in 1841. Gradually pursuing separate interests, the two men tried for the rest of their lives to recover their losses. Williams, to a limited degree succeeded. McKinney did not. As he penned his final petition to the state legislature in 1871, McKinney's exasperation was much the same as when he had written Stephen F. Austin in December 1836. "We must decline in credit," he told Austin, "and means will be withheld from us and we must fail altogether." McKinney was speaking of Texas, but, as usual, he was also speaking for himself. As he watched the war move beyond his ability to control it, he understood that nearly everything he and Williams had worked for would be lost. However, the Devil did not take it. It was lost between their Mexican land grants, their American cotton, and their own over-reaching grasp.<sup>182</sup>

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<sup>182</sup> Quote from Thomas F. McKinney to Stephen F. Austin, December 17, 1835, Jenkins, ed., *PTR*, 3:228.

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