On 2 March 1861, President James Buchanan created Dakota Territory as one of his last official acts, ending a struggle of almost three years. A popularly held conception had been that settlers were anxious to move into the western region left unorganized when Minnesota became a state (1858). Such, however, was not the case. The speculator, not the settler, agitated for creation of Dakota Territory. Booms in Iowa, Kansas, and Nebraska had illustrated the plunder available to those owning town lots in unsettled territories. The speculators had also noticed the additional benefits accruing from federal contracts, political offices, and patronage attached to territories. The Upper Missouri Land Company (Yankton), Western Town Lot Company (Dubuque, Iowa), and Dakota Land Company (Saint Paul, Minnesota) actively sought territorial status for material gain. The latter, a financial venture of Minnesota’s Democratic party, had by far the most ambitious plans.

Saint Paul, Minnesota Territory, was a hotbed of speculators in 1857. The territorial capital’s entire population seemed to have speculative fever. Lots in mythical cities were commanding exorbitant sums. The story is told of a real estate agent who purchased land for $1.25 per acre, gave it a fancy name, and quickly doubled his money. The same property, after changing hands several times, eventually sold to gullible immigrants for $15 per
acre. Such profitable ventures attracted many of Minnesota's leading citizens.¹

The speculative fever reached its zenith in the spring of 1857. Minnesota was on the eve of statehood and opportunities were running high. A Democrat, James Buchanan, occupied the White House, and Samuel Medary, a loyal party worker, had recently been appointed Minnesota's last territorial governor. The soon-to-be-created state's own southwestern corner was relatively undeveloped. Conditions favored a politically motivated endeavor.²

To this end, the Minnesota Territorial legislature incorporated


the Dakota Land Company. Governor Samuel Medary approved the charter on 23 May 1857. Contemporaries portrayed the Dakota Land Company as a "company of gentlemen, principally residents of St. Paul," who "represented some of the leading capitalists of New England." Listed among the incorporators were Samuel A. Medary, William H. Nobles, Joseph R. Brown, Alpheus G. Fuller, Jefferson P. Kidder, Samuel J. Albright, Byron M. Smith, Judge Charles E. Flandrau, James M. Allen, Franklin J. DeWitt, N. R. Brown, and James W. Lynd. Most were professional politicians active in Minnesota Territorial affairs, and several were destined to play roles in the development of Dakota Territory. All original incorporators of the Dakota Land Company professed strong Democratic convictions.

The articles of incorporation were most generous. Capital stock was not to exceed $400,000, divided into shares of $100 each. The Dakota Land Company was authorized to secure "title to or dispose of lands or other property east of the Missouri River, and for their purpose may purchase, select, claim or otherwise secure such tract or tracts of land as may be for sale, or shall hereafter be offered for sale in this territory or future state of Minnesota." The corporation was further authorized to plot townsites and construct "such buildings and machinery to be worked by steam or other power as they shall deem expedient." In addition, the Dakota Land Company was given exclusive rights for a period of twenty years to build and operate ferries spanning the Sioux, James, and Missouri rivers.

As if this were not enough, the territorial legislature passed a companion measure creating several new counties in Minnesota's unsettled southwest. Three of these—Cottonwood, Murray, and...

Pipestone—were within the Dakota Land Company’s sphere of influence. The development of county seats, plus the possibility of a railroad being built through the area, promised a prosperous future.7

In early June 1857, company officials plotted townsites in the infant counties, claiming 320 acres about sixty miles south of Upper Sioux Agency. Here, Great Oasis, seat of Murray County, would be located. In addition to being “the garden spot of Minnesota,” the settlement would certainly be on a future mail route between New Ulm and the West.8 Eighteen miles farther across the prairie would be Saratoga, Cottonwood County seat. This settlement, to arise sixty miles west of New Ulm, conveniently bordered the Nobles government road.9 The 640-acre site was later surveyed by Frederick P. Leavenworth, who saw the Dakota Land Company as “an association resembling in power and resources the East India Company.”10 These mythical settlements formed the basis for the speculators’ empire.

The promoters reaped quick rewards from the just located county seats. Partisan politics were rabid as Minnesota prepared to enter the Union. The established Democrats wrestled the upstart Republican party for control of the future state government. The Moccasin Democrats, fur traders and their followers, needed their party in power to insure continued federal subsidies. Land speculators, such as the Dakota Land Company officials, also courted political patronage as an opportunity to exploit. To them, newly created counties meant not only townsites to be boomed but also employment as county officials.11

The state Democratic convention offered an opportunity for such political patronage. Although unsettled, the counties organized a few weeks before were entitled to representation. When the convention opened in mid-July 1857, at least two Dakota Land Company incorporators were present. Franklin J. DeWitt purported to represent Murray County, while Nathaniel Brown spoke for the mythical settlements of Cottonwood County. A credentials fight ensued, but both delegates were seated. A

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7. Forrest, “Mythical Cities,” p. 244; Lamar, Dakota Territory, pp. 42-44.
coalition of fur traders and land speculators dominated the proceedings and nominated Henry H. Sibley for governor.\textsuperscript{12}

The Dakota Land Company's mythical cities were given a further semblance of authenticity in early September 1857. Governor Samuel Medary created some forty new precincts for the upcoming statewide election. Those in the southwestern part of Minnesota Territory bore a striking resemblance to located, but undeveloped, cities of the Dakota Land Company.\textsuperscript{13} Charges of graft and ballot box stuffing characterized the ensuing gubernatorial election. Early returns indicated Republican Alexander Ramsey had defeated the Democrat Sibley. Two weeks later, returns from the southwestern region gave Sibley a majority. Although the area contained only a handful of whites, Dakota Land Company officials reported 223 ballots had been cast—221 of them for Sibley. Other frontier settlements reported similar inflated returns. A three-man canvassing board was established to investigate charges of fraud by both sides. Samuel Medary and J. R. Brown, both Democrats as well as land company directors, served on the board. Some returns from the company's Murray and Cottonwood Counties were discounted. Nonetheless, the board proclaimed Henry H. Sibley the victor by a mere 240 votes. The Democratic party would guide Minnesota when it entered the Union.\textsuperscript{14}

Just when it appeared the Dakota Land Company would prosper from its holdings in southwestern Minnesota, the bottom dropped out. The bubble of speculation burst late in 1857. Eastern banks and capitalists called in their loans, and the Panic of 1857 spread across the nation. Lots in mythical cities could not be sold at any price.\textsuperscript{15} On the brink of disaster, speculators looked for other sources of plunder. The Saint Paul firm shifted its emphasis westward. When Minnesota became a state in May 1858, the area beyond its western borders would be left unorganized. The Dakota Land Company was quick to realize the profits available. With their political ties to the Democratic administration in Washington, company promoters thought territorial status could be achieved for this western area. Judge Charles E. Flandrau explained that the speculators hoped to "avail themselves of the advantages of being proprietors of the capital city and several lesser ones, that might become the seats of the

\textsuperscript{12} Forrest, "Mythical Cities," pp. 245-46.
\textsuperscript{13} Ibid., pp. 249-53.
\textsuperscript{14} Ibid., pp. 246-53; Blegen, Minnesota, p. 226.
\textsuperscript{15} Folwell, History of Minnesota, 1:363-64.
There was also the matter of a host of appointive jobs that accompanied any new territory. The capitalists envisioned a monopoly, not just of land but of governmental offices as well, if they secured an organic act for Dakota Territory.

The preparations for such an endeavor had started in 1856. Minnesota Territory memorialized Congress for construction of a portion of the Pacific Wagon Road. Several future Dakota Land Company incorporators were identified with this effort. They believed such a roadway would be an avenue for future westward migration and possibly the route of the transcontinental railroad. Congress had granted their wish on 22 July 1856 when funds were appropriated for the Fort Ridgely to South Pass Road. The thoroughfare was to run west from the Minnesota River and across the future Dakota Territory. William H. Nobles had been named field superintendent and Samuel A. Medary, son of Minnesota's territorial governor, chief engineer. A majority of the surveying work was completed during the summer of 1857.

It was after this federal appropriation had been secured that Nobles and others formed the Dakota Land Company to profit from it and other speculative interests. The company planned to concentrate its holdings in a strip of land running through southwestern Minnesota and southeastern Dakota as far as the Missouri River. Most of its settlements would border the Fort Ridgely-South Pass Road. If a railroad materialized to connect its holdings, the Dakota Land Company would have an economic stranglehold on the region.


In early June 1857, Franklin J. DeWitt and Alpheus G. Fuller led a Dakota Land Company expedition from Saint Paul bound for the Big Sioux Valley. They traveled by steamboat down the Minnesota River to New Ulm. Here they disembarked and traveled west overland until reaching Lake Benton, reportedly “6 miles long and one in width, full of fish of all kinds.” The quality of land and timber, plus the nearness of the Nobles government road, induced the speculators to claim 640 acres as the city of Mountain Pass. Several men were assigned to develop the area and plowing began.

The remaining men split into two groups and pushed on until striking the Big Sioux River, where additional townsites were planned. DeWitt’s party moved due west and found the Big Sioux River approximately twenty-five miles from Mountain Pass. At a point near where the Nobles road crossed the river, the party claimed 220 acres for the future location of Medary. This settlement, named in honor of Minnesota’s governor, was to be, in the words of one present, “the Capital of this territory when Minnesota is divided.” A few men remained here, while the balance followed the river south for fifteen miles before plotting the settlement of Flandrau (Flandreau). The townsite, named in honor of Judge Charles E. Flandrau, a Dakota Land Company incorporator, covered 640 acres.

In the meantime, the party headed by Alpheus G. Fuller and Byron M. Smith had traveled south from Mountain Pass. On 20 June 1857, the party arrived in Sioux Falls, an area coveted for its potential as a waterpower site. Much to their surprise, the Minnesota group found they were too late. Representatives of the Western Town Lot Company of Dubuque, Iowa, were already in possession of the choice locations. Undaunted, the Dakota Land Company laid claim to an adjoining 320 acres, naming its settlement Sioux Falls City. In view of the profits to be made, both companies agreed to pool their efforts for the common good. The Fuller-Smith party began construction of a stone house and claimed a second site thirteen miles below Sioux Falls City, near

21. Ibid.
the mouth of Split Rock Creek. This 640 acres was to be the future metropolis of Emanija. Leaving James L. Fisk and James McBride to look after company interests at the falls, the remainder of the expedition returned to Saint Paul to publicize the company's efforts.²⁴

The columns of Saint Paul's Pioneer and Democrat wholeheartedly endorsed the Dakota Land Company's project. Periodic articles appeared in the influential publication throughout the summer. Samuel Wigfall, secretary of the Dakota Land Company, reprinted letters he had received from Clay Bryan. Bryan, a member of the locating party, described the Sioux Valley in glowing terms. Compliments, such as "land lays well,"

“timber here is very fine,” and “land is well watered,” laced the promoter’s narratives.25

The press threw its power fully into the speculators’ scheme. Readers were informed that several thriving settlements existed beyond their western borders. Medary supposedly consisted of “upwards of twenty houses and probably as many families,” and Emanija was hailed as “the head of navigation on the Big Sioux.”26 The following description of Sioux Falls City in 1857 exemplifies such exaggerations: “there are about 30 houses, a steam mill and several stone buildings... such was the demand for lumber that the mill was running night and day and that settlers were hauling their logs to the mill, readily paying $20 per 1000 feet for sawing.”27 These and similar fabrications were employed to draw attention to the unorganized territory west of Minnesota.

The strong propaganda campaign was necessary to insure the promoters’ success. Plotted townsites had to have the appearance of settled, thriving communities. The Dakota Land Company’s plans had changed from merely booming townsites to creating an entire territory. They now needed an organic act from Congress in order to gain control of the new territorial government. Therefore, numerous newspaper columns extolled the advantages of the new territory. The Saint Paul Pioneer and Democrat told its subscribers that “the speedy organization and settlement of Dakota Territory, if the people of Minnesota exercise proper foresight, can be made, in a commercial point of view, highly advantageous to our State.”28 This party organ was “glad that prominent citizens of Minnesota are interesting themselves in the welfare of the new territory” and assured readers “whatever political, social or commercial influence they may acquire will be exerted not only to advance Dakota, but to benefit Minnesota.”29 Such boomer literature heralded the profits available to Minnesota as the gateway of western expansion.

Not all Saint Paul newspapers, however, concurred with this view. The Daily Minnesotian, official organ of the Republican party, came out in opposition to company plans. This journal labeled Dakota Territory a “myth which any amount of fabrica-

27. Ibid.
28. Ibid.
29. Ibid., 30 Dec. 1857.
tion is just now being used to galbanize [sic] into existence." It explained that such falsehoods were "manufactured here in St. Paul for consumption by the fools at Washington." The Minnesotian warned that the Dakota Land Company aimed to "gull Congress into passing an organic act, and Buchanan will be only too glad of an opportunity to reward a dozen or two hungry Democratic leeches with fat offices, good pay, and nothing to do." This accurate assessment came on the heels of a Republican defeat in Minnesota's first statewide election. Partisan politics was dictating opposition to the speculators' ploy to gain a new Democrat-controlled territory.

The Dakota Land Company continued to use political connections for personal gain. The Minnesota Territorial legislature created Big Sioux, Midway, and Rock Counties late in 1857. Not surprisingly, Sioux Falls City, Medary, and Flandrau (Flandreau) were named as county seats. Governor Samuel Medary was being mentioned as a possible governor for the new territory, and he willingly participated in the territorial scheme by appointing officials for Big Sioux County. Fellow incorporators were to divide the spoils with the rival Western Town Lot Company. Sioux Falls City, jointly occupied by both companies, was now being boomed as the future territorial capital. Dakota Land Company officials hoped the county organization would give their settlement an advantage after Congress bestowed territorial status on Dakota.

To secure the desired action, Medary went to Washington to lay the groundwork. At the same time, the promoters were also conspiring to send a delegate to Congress. They reportedly held a mass meeting in Sioux Falls City on 24 October 1857 in the home of David McBride, a Dakota Land Company employee. They discussed the need for territorial organization and called for a convention of all settlers in the Big Sioux Valley to be held 16 November at Medary. To call attention to themselves, they sent the proceedings of their session to Saint Paul and Sioux City for publication.


32. Daily Minnesotian, 29 Dec. 1857; Saint Paul Pioneer and Democrat, 10 Nov. 1857; Lamar, Dakota Territory, pp. 44-45.
In early May 1858, the speculators sent their elected representative Alpheus G. Fuller to Washington, armed with letters of introduction to several influential congressmen. He requested to be seated as the delegate from Dakota, the area left unorganized when Minnesota entered the Union in May 1858. To back up his claim, Fuller presented an election certificate signed by the officers of Midway County. The speculators did not expect Fuller to be seated, but they hoped he could persuade Congress to create Dakota Territory.  

Representative Thomas L. Harris of Illinois presented Fuller's credentials on 29 May 1858. Delegate Fuller explained that he
was sent to Washington by settlers “believing Congress, in its discretion, had the power to admit and recognize such delegate, though elected by a people resident of an unorganized portion of the public domain.” 34 The land company’s agent told House members that from ten to fifteen thousand people resided in the unorganized area. “Within the valley of the Big Sioux River large settlements have sprung into existence as if by magic,” Fuller reported, “and scarce twenty miles can be traversed on its banks without passing a compact settlement.” In addition, Fuller’s memorial explained “entire counties, which formed a portion of Minnesota, are now destitute of law.” 35 In spite of such eloquent pleas, the House Committee on Elections refused to seat Fuller. It based its case on the fact that he could not represent a territory that Congress had not created. 36

Fuller lobbied in Washington throughout the summer of 1858, meeting periodically with the House Committee on Territories and urging the organization of Dakota. He had little success. Galusha Grow, chairman of the committee, was an outspoken opponent of all frontier speculators. He was also aware of the Dakota Land Company’s connections with the Democratic Party. An ardent Republican, Grow used his position to blunt Fuller’s arguments in favor of Dakota Territory. 37 The exaggerations that had produced such favorable results at the state level failed to work nationally. The hoped for support of the Democratic administration was not forthcoming. The question of slavery in the territories and the popular sovereignty issue made Congress reluctant to create any new territories in 1858.

Conditions were also bleak in the Big Sioux Valley. On 10 June 1858, the Yanktonais Sioux attacked and burned the settlement at Medary. A few days later Flandrau (Flandreau) was sacked. The settlers fled to Sioux Falls City and built a fortification around the company’s stone headquarters, dubbing their stockade Fort Sod. 38 Saint Paul learned of the incidents ten days later. Franklin J. DeWitt, who had been in Medary when it

35. Ibid., pp. 2677-79. Fuller’s memorial and other related documents are reprinted in “Settlement at Sioux Falls,” pp. 135-44.
37. Lamar, *Dakota Territory*, p. 55; Saint Paul Pioneer and Democrat, 29 Aug. 1858.
burned, informed the *Saint Paul Pioneer and Democrat* that 110 lodges of Sioux had destroyed the city's nine cabins (considerably fewer than had reportedly existed the previous fall in published reports) and made off with a number of horses. DeWitt announced plans to recruit volunteers to protect the frontier.\(^9\)

The next day, Governor Henry H. Sibley requested the Minnesota legislature to raise a militia to protect settlers on the frontier. To outfit the force, he requested an appropriation of $10,000. Sibley's action drew quick rebuttal from Saint Paul's *Daily Minnesotian*. This Republican organ saw the appropriation as a governmental subsidy to speculators and exhibited a clear understanding of the Dakota Land Company, its goals, and its connections to the state house. Readers were reminded it was "the same company whose agents last fall made such strenuous efforts, by skillfully cast votes . . . to elect Mr. Sibley to the Governorship." In the editor's opinion, the appropriation was Sibley's way of returning the favor.\(^4\)

These contentions received credence as additional reports reached Saint Paul. Smith Kinsey, who represented the Western Town Lot Company in Sioux Falls, sent a letter to the *Dubuque Times*, telling of his meeting with F. J. DeWitt. The latter had informed Kinsey that 125 Sioux had attacked Medary. This was a far cry from the 2500 reported in the *Saint Paul Pioneer and Democrat*.\(^4\) W. J. Duley of Winona, Minnesota, related a similar story on his return from a journey through Dakota. At Medary, he had found "but one inhabitable building, which is mainly occupied by members of the Dakota Land Company, 12 or 14 able bodied men waiting to prey upon emigrants, or at least for something to turn up." The Indians burned the cabin and carried off four barrels of flour and one of pork, according to Duley.\(^4\)

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\(^9\) *Saint Paul Pioneer and Democrat*, 21 and 24 June 1858. According to DeWitt's 21 June dispatch, the Indians burned all claim cabins in the area and pulled up a field of potatoes. DeWitt believed that the government had enough supplies at nearby Fort Snelling to outfit two to three hundred men.

\(^4\) *Daily Minnesotian*, 23 June 1858. The paper urged the legislature not to believe the testimony of only one witness who was also a speculator hoping to profit. The editor further urged that DeWitt be compelled to testify under oath. These statements prompted a rebuttal by the *Saint Paul Pioneer and Democrat* on 24 June 1858.

\(^4\) Letter to the editor of the *Dubuque Times* (Iowa), reprinted in *Daily Minnesotian*, 10 July 1858. The *Minnesotian* used this letter to launch another blast at the Dakota Land Company as well as Governor Sibley.

The *Daily Minnesotian* again editorially urged the legislature not to grant the requested appropriation, stating that the funds were not to “protect the settlers on our western frontiers but actually to replenish the pockets of the Dakota Land Company.” An astute observer of current events, the journal commented further: “If it were not for some of the organized companies of land speculators, we would hear but little of the Indian depredations...the origin of the difficulties are [sic] either traceable to speculators or they have been exaggerated after having occurred as to place them beyond the pale of belief.” The Minnesota legislature apparently agreed, for it failed to grant Sibley’s request.

Despite these setbacks in Washington and Saint Paul, the speculators forged ahead. They launched a publicity campaign to inform the nation in general, and Congress in particular, of the need for an organized Dakota Territory. Printed broadsides, circulated nationally, described the company’s activities in the Big Sioux Valley. Letters to the editor appeared in regional newspapers. Perspective settlers of Dakota Territory were notified that “the rivers are well wooded and afford good water power, the soil is unsurpassed anywhere in depth and fertility.” In addition, it was “the policy of the Company to grant lands to actual settlers at minimum prices, and to render substantial aid to all enterprises that may promise good to southwestern Minnesota and Dakota.” Some reports contained gross exaggerations as well as many out-and-out fabrications. A letter to the *Saint Paul Pioneer and Democrat* reported tobacco three feet high and sorghum stalks sixteen feet high growing near Sioux Falls City. The water power potential at Sioux Falls was overstated as was the region’s population. In spite of the Indian uprising that nearly drove all white men from the region, immigration reportedly “set in brisk and has steadily increased.” In the same account, the mythical city of Emanija was pictured as a “flourishing little town,” and Sioux Falls City’s Fort Sod con-

44. *Saint Paul Pioneer and Democrat*, 27 Nov. 1858. The paper concluded “While we are no special friends of corporations we shall not withhold from the Dakota Land Company the credit of developing a fine portion of Minnesota, where more claims stakes have been driven during the past year than any other part of the State.”
45. Ibid., 19 Oct. 1858.
tained houses built “of a specimen of pipestone and presenting a handsome appearance.”

To further indoctrinate the public, company officials sent a printing press to Dakota. On 27 August 1858, A. G. Fuller, F. J. DeWitt, and Samuel J. Albright departed from Saint Paul. The latter, formerly editor of the *Saint Paul Free Press*, announced his intention to publish a “western paper devoted to western interests.” The speculators reasoned that the establishment of a newspaper in Sioux Falls would give the settlement the appearance of a settled, thriving community. It would also aid their efforts to procure the seat of any future territory. In addition, there would be several thousand dollars worth of governmental printing available after the passing of an organic act.

The initial copy of the *Dakota Democrat* appeared on 2 July 1859. It was the first newspaper published in what was to become the state of South Dakota. The *Democrat* appeared at irregular intervals the next year, with only a small amount of copy devoted to advertising or foreign affairs. Instead, Editor Albright used his columns to advance the area and call for its political creation. The Big Sioux Valley was characterized as a land “where the earth needed only to be tickled with a hoe to laugh with a harvest.” What was needed to elevate the region, according to the *Dakota Democrat*, was “legions of industrious, steady, and honest men, with or without families.” Perspective immigrants were advised to apply “in person upon any quarter section within ten miles of the Sioux River, from its rise to its mouth.” To attract financiers, the real estate firm of Albright and Allen offered shares of the parent Dakota Land Company at $150 per share.

The Dakota Land Company distributed its tabloid throughout the East. The *Dakota Democrat* claimed subscribers “from every portion of the Union.” Editor Albright saw this as “flattering evidence of the growing interest felt throughout the country in behalf of our young and prosperous Territory.” In spite of this

46. Ibid., 9 June 1858. These descriptions are in the form of a letter to the editor signed SJA (Samuel J. Albright). Albright penned similar glowing accounts throughout 1858.
47. *Saint Paul Pioneer and Democrat*, 28 Nov. 1858.
49. Ibid., 5 Aug. 1859.
51. Ibid., 26 Aug. 1859.
52. Ibid., 8 Nov. 1859.
reported optimism, it is unlikely many of the subscribers were paying customers. The speculators were only too glad to send their publication to anyone who would help them attain their goal.\textsuperscript{53}

The failure of Alpheus G. Fuller's mission to Congress in May 1858 prompted company officials to call a meeting of settlers. If Congress would not organize their territory, Dakota Land Company officials meant to do it themselves. To this end they held a mass convention at the Dakota House, company headquarters at Sioux Falls, on 18 September 1858. The squatter gathering called for the selection of a governor, formation of a legislature, and election of a delegate to plead their cause in Congress. Election day was 4 October.\textsuperscript{54}

The election, the first in Dakota history, occurred as scheduled. It was a typical frontier election, complete with fraudulent returns from nonexistent voters. The selected government actually assembled in Sioux Falls during November 1858. Dakota Land Company officials shared top offices with their rivals: Henry Masters of the Western Town Lot Company was named governor; Samuel J. Albright, editor of the \textit{Dakota Democrat}, was chosen speaker of the house; and fellow promoter, Ephriam Pierce, a member of Minnesota's last territorial assembly, won a seat in Dakota's first legislature.\textsuperscript{55} In a letter to the \textit{Saint Paul Pioneer and Democrat}, Albright described the settlers' activities. He informed the Minnesota editor, "a genuine, simon pure squatter sovereignty organization has been effected by the people of Dacotah Territory, without even doing the great father in Washington the grace of saying by your leave sire. A new star has been born into the milky way of territories."\textsuperscript{56}

The squatter government petitioned Congress to legalize its creation. Alpheus Fuller was again sent to Washington to direct the political activities on behalf of a new territory. The House refused to seat him for a second time, but, undaunted, Fuller remained at the nation's capital. He found an ally in Senator Henry Rice, a Minnesota Democrat. A railroad speculator himself, Rice

\textsuperscript{53} Bailey, \textit{Minnehaha County}, pp. 16-17; Goodspeed, \textit{Province and the States}, 6:213. For a full account of this newspaper, see Robinson, \textit{History of South Dakota}, 1:178-81.

\textsuperscript{54} \textit{Saint Paul Pioneer and Democrat}, 10 Nov. 1858. The election notice is reprinted in Robinson, \textit{History of South Dakota}, 1:175.


\textsuperscript{56} \textit{Saint Paul Pioneer and Democrat}, 29 Oct. 1859.
was familiar with the Dakota Land Company and sympathetic to its cause. The senator, who was influential in securing Minnesota's organic act a decade before, introduced a bill to create Dakota Territory in December 1858.57

With such powerful allies, the Dakota Land Company seemed on the verge of realizing its goal. Such hopes, however, were short lived. Early in 1859, the Senate Committee on Territories reported Rice's bill unfavorably. The issue of slavery in the territories as well as the rise of the Republican party made Congress hesitant to act. The company's political allies were once again unable to coax favorable action from Congress.58

The adverse action of Congress did not diminish the Dakota Land Company's enthusiasm. The future was bright, or so shareholders were told at their annual meeting held in Saint Paul during October 1859. Secretary Samuel Wigfall's report of the activities since 1 August 1858 indicated that the company envisioned total domination of the future Dakota Territory. The company had eleven town sites plotted, covering 2640 acres of public domain. In June 1859, a company expedition had "planted the flag of the Dakota Land Company on each valuable site as may be found from the mouth of the Sioux to Old Fort Lookout on the Missouri; and on the James, Vermillion and Wananri rivers." The party supposedly "sounded for the points to which steamers may practically run, and there, also, commenced the nuclei of towns." Shareholders were informed "there are more than two thousand miles of navigable waters bordering and within the ceded portion of Dakota, and this Company will have already secured the most desirable centers for trade and commerce and governmental organizations on all those rivers."59 These pretended settlements indicate that the Dakota Land Company tended to view any newly created Dakota Territory as its own private real estate.

Wigfall admitted the company was in dire financial straights, having spent $3,713.90 the previous year, which left a cash balance of $25.10. The corporation's 150 shareholders had been forced to pay a $2.50-per-share assessment to keep the company solvent. However, stockholders were assured, if the company

57. U.S., Congress, House, Congressional Globe, 35th Cong., 2nd sess., 20 Dec. 1858: 138. The Daily Minnesotian, 10 May 1858, published an editorial critical of Rice, arguing that he was using his position for personal gain.
assets were to be divided up, each share would receive sixteen lots in the six cities the company had purchased. The corporation would not, moreover, sell any of these townsites for $200,000. The Board of Directors envisioned assistance from the federal government to improve their condition. The losses incurred in the 1858 Indian uprising would supposedly be paid for by Yanktonnais Sioux treaty funds. More importantly, the promoters were certain “Congress, at its next session, will grant to Dakota a permanent Territorial organization.”

The Board of Directors’ optimism did not reflect the true state of affairs. The Republican party was gaining popularity, and any delays in organizing Dakota Territory could prove fatal. For the Dakota Land Company to succeed, the territory had to be created while the Democrats still controlled the national government. President Buchanan could be counted on to appoint partisan company members to all territorial offices. Therefore, efforts to secure the needed legislation were redoubled during 1859. A second election was held in Dakota on 13 September 1859. Fraudulent returns were again in evidence as some two thousand votes were supposedly cast. Midway County tallied over a thousand votes, in spite of the fact that all whites had left the area following the burning of Medary the previous year. Jefferson P. Kidder, newly arrived from Saint Paul, was selected to replace Alpheus Fuller in Washington. Kidder, a former lieutenant governor of Vermont, had many influential friends in the nation’s capital, and the speculators hoped this would enable Kidder to secure the necessary organic act.

Once again the scheme failed. The House Committee on Elections refused to seat Kidder as Dakota’s delegate on 12 April 1860. His memorial seeking admission was filled with land com-

60. Wigfall, “Report,” p. 177-79. Similar assessments were levied against shares in 1860 at a board of directors meeting held at Saint Paul International Hotel on 12 April 1860. Each share was assessed two dollars, to be paid by 12 May 1860. Any shareholder that did not pay by 23 June 1860 was to forfeit his share. See Saint Paul Pioneer and Democrat, 20 Apr. 1860. The number of shares sold never exceeded 900 although the company was authorized to issue 2000.


62. Ibid., p. 178.


64. U.S., Congress, House, Memorial of the Legislative Assembly of Dakota, Misc. Doc. 73, 36th Cong., 1st sess., 1860, reprinted in “Settlement at Sioux Falls,” pp. 149-152.
pany propaganda. Kidder explained that the area he hoped to represent contained eight to ten thousand inhabitants. This would appear somewhat high as the 1860 federal census placed the figure at 2376. The memorial continued “there are flouring and saw mills and hundreds of farms opened; mechanics and merchants are there; a newspaper has been published for nearly a year at Sioux Falls City.” The memorial’s wishful thinking had little effect on Congress, for it once again turned a deaf ear to Dakota requests.

A final effort to organize Dakota Territory occurred on 18 December 1860. The House Committee on Public Lands reported favorably a bill (H-611) to “constitute the Dakota land district and to provide for the admission to the House of Representatives of a Delegate therefrom.” Eli Thayer, the committee’s chairman, favored colonization of the public domain by private companies. The Dakota Land Company was, in his opinion, such an enterprise. He told his colleagues, “the people of Dakota have formed their own government.... This government is now in full operation. The people are satisfied with it.” A lively debate ensued. The House of Representatives dissolved itself into a Committee

of the Whole where Thayer’s bill was defeated. The Dakota Land Company’s last effort to secure control of Dakota Territory failed. While it is true that lame duck president James Buchanan signed the organic act for Dakota Territory two days before leaving office in 1861, it had been agreed beforehand that incoming president Abraham Lincoln, a Republican, would appoint all territorial officials.

The Dakota Land Company’s failure is attributable to two sources—partisan politics and counter lobbying. From inception, the company exhibited a marriage of speculator and politician. Nearly all the conspirators of the company were members of the Democratic party, which fact they hoped would ally them to the Buchanan administration and guarantee a speedy creation of Dakota Territory. Once the territory was organized, they expected that the required territorial officers, as well as a host of lesser officials, would be selected from their ranks. As it turned out, their political affiliation led to their undoing. The recently created Republican party was gathering strength rapidly. Republican congressmen balked at any plan to organize a new territory that would increase the number of Democrats in Congress. By invoking the slavery issue, the Republicans were able to thwart the Dakota Land Company’s plans.

Rival speculators also worked against the Dakota Land Company’s settlement in the Big Sioux Valley. Daniel Frost and J. B. S. Todd had organized the Upper Missouri Land Company in 1858 and established townsites in the southeastern portion of what was to become Dakota Territory. These speculators boomed their settlement at Yankton as the capital of any future Dakota Territory. Todd lobbied in Congress during 1858-59, successfully exposing the exaggerations presented by the Dakota Land Company. The additional fact that Todd was related to Mrs. Abraham Lincoln probably influenced the decision that made the Upper

68. Lamar, Dakota Territory, p. 55; Robinson, History of South Dakota, 1:184; Wilmot W. Brookings to the editor of the Sioux Falls Press, cited in Kingsbury, History of Dakota Territory, 1:111. Brookings stated that “Where the Dakota Land Company made the mistake was when Minnesota was admitted to statehood they did not induce territorial officers to move to that portion of the territory not included in the state boundary and continue the government of Minnesota Territory. Had they done this they would undoubtedly have been recognized by Congress, for Buchanan, who was Polk’s secretary of state, favored the recognition of Wisconsin Territory after the State of Wisconsin had been admitted to the Union as a state, and this was the ground taken by many republicans.”
Missouri Land Company's Yankton settlement the capital when Dakota Territory was finally created.⁶⁹

The desire to profit from the creation of a new territory had motivated the incorporators of the Dakota Land Company. They were aware of the fortunes to be made by controlling the land where future cities would arise. The Dakota Land Company employed the methods of larger land companies as well as those of the corporations of the post-Civil war period. Promoters claimed large tracts of public domain at strategic locations and secured a federal appropriation to build a road to connect their holdings. Thus, when settlers arrived, they would be forced to purchase their land from the company at whatever price it chose to ask.

The promoters sought political as well as economic control of their area. They were aware of the potential wealth from political office and patronage and realized that a major source of revenue in any new territory was federal funds. The Dakota Land Company planned to create a territory, govern it, and dispense contracts to fellow shareholders. They viewed territorial government as simply another source of personal income.

As Doane Robinson, South Dakota historian, remarked, "never were plans better laid, by more acute men."⁷⁰ The Minnesota speculators were men of power and wealth. Most were professional men—politicians, lawyers, editors. Once the land was

⁶⁹. Lamar, Dakota Territory, p. 71.

Yankton, capital of Dakota Territory, 1861.
secured, they enlisted the support of the media to promote their scheme. The Saint Paul Pioneer and Democrat became a willing ally, and to a reader of that publication, the future Dakota Territory was a paradise needing only governmental organization to make it prosper. The promoters created this illusion through the press in hope of securing an organic act from Congress. Land company officials were dispatched to Washington to herald the case. In spite of such attention to detail, their project failed, and the few incorporators who actually resided in Dakota Territory returned to Saint Paul during the Sioux Uprising of 1862.71

Although a failure, the Dakota Land Company made its contributions to South Dakota history.72 James M. Allen, a company employee, was appointed the first postmaster of Sioux Falls in 1859. Largely because of company efforts, township lines were surveyed in the Sioux Valley during 1859. The present cities of Flandreau and Sioux Falls are located on sites selected by the company. A monument marks the spot of Medary, once heralded as the future capital of Dakota. It seems ironic, but a band of Minnesota Democrats almost created South Dakota, a traditionally Republican state.

71. Charles E. Flandreau to Edward Ely, 3 Sept. 1879, cited in Kingsbury, History of Dakota Territory, 1:109. Flandreau explains, "When the Sioux outbreak occurred, in August, 1862, all the improvements at Sioux Falls, Flandreau and Medary were burned by the Indians and the places were virtually abandoned by the company. The United States Government made reparation to the company for its losses, which enabled it to make its first and only dividend on its capital stock."

72. See Armstrong, Southeastern Dakota, p. 42. Armstrong points out that "to this company we are indebted for all that part of Dakota east of the Big Sioux River; for in the original enabling act to admit Minnesota to a state, the western boundary extended to the Big Sioux River; but as there was no land west of the river from which the Indian title was extinguished, the Dakota Land Company procured an amendment of the act, having the western boundary run due south from the foot of Big Stone Lake to the Iowa State line, leaving some 30 miles east of the Big Sioux."