

A Civil War Emergency Issue

Colorado's Gilpin Drafts

BY CHARLES V. KEMP

WHEN COLORADO TERRITORY WAS CREATED BY Congress on February 28, 1861, the timing was hardly accidental. For several years the citizens of this remote area had pleaded for territorial status only to be continually put off by Congress. Now, however, the secession of the Southern states had quickly convinced Washington that a rich gold mining area with many Southern residents should be brought into the Union as quickly as possible.

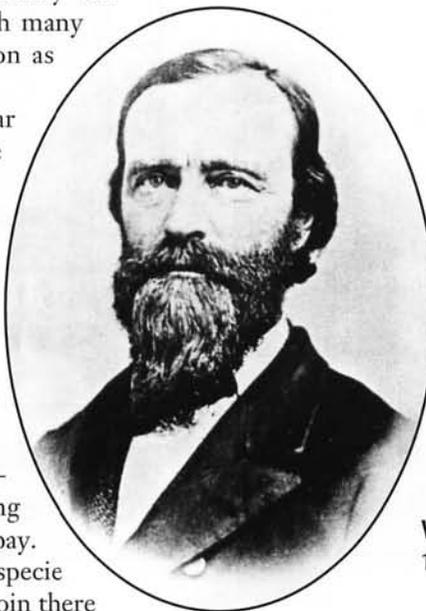
Besides the coveted territorial status, the Civil War was to provide Colorado with an interesting and unique currency: the controversial Gilpin drafts.

At the outbreak of the war, Colorado had only a handful of Federal troops within her borders. She faced threats from a large Confederate force in Texas, from the southern sympathizers in the territory and also from a large population of Indians. The new territory had no troops of its own and Washington could neither afford to send reinforcements nor provide funds to raise volunteers.

To the first governor of Colorado Territory – William Gilpin – would fall the onerous task of paying for uniforms, arms and supplies with only promises-to-pay.

Even in the best of times, Colorado was short of specie due to its remoteness. Now the war was driving what coin there was from circulation completely. The governor had no choice but to resort to desperate measures. When he signed his name to an issue of scrip, he must have realized that he was risking his career, but to a man like Gilpin there could be no other choice.

Although born in the East, William Gilpin became a true Westerner, a believer not just in *Manifest Destiny* but in the West and its future greatness. Born in 1815, on the family estate near Wilmington, DE, William's Quaker family were



William Gilpin
1815-1894

both wealthy and well-connected. Their circle of acquaintances included future Presidents Andrew Jackson and Martin Van Buren.

Gilpin received part of his education in England and then attended the U.S. Military Academy – but only for one year – an early sign of his life-long restlessness. Despite dropping out of West Point so early, Gilpin was quick to volunteer for the Seminole Wars. This willingness to serve his country was another characteristic personal trait. Military service proved to be a turning point in Gilpin's life since his first duty took him to St. Louis. There, in "The Gateway to the West," he would meet men who would influence him for the rest of his life. After a tour of active duty in Florida, he returned to St. Louis and never looked Eastward again.

In St. Louis, he carried on a half-hearted law practice but found it boring. He turned to the rough and tumble politics of the time. Gilpin became a friend of Montgomery Blair and a supporter of the powerful senator from Missouri, Thomas Hart Benton. A new career as a newspaper editor tied in nicely with his political interests, and he became an ardent supporter of the Benton branch of the Democratic Party.

Even as he became more politically active, the west continued to fascinate him. In time the two became hard to separate. The "Oregon Question" was of national interest and increased his desire to see it. Soon he moved to Independence, MO. In 1843, he joined his friend, Lt. John Fremont, on his expedition to the

Lincoln told Gilpin: "We have not a cent. I have just negotiated a loan of fifty millions of dollars from the banks of New York, and have called a special session of Congress to meet on the Fourth of July to know if they will hang me for this unconstitutional act. If you are driven to extremities you must do as I have done. Issue drafts on your own responsibility."

Oregon Country. Although not an official member of the party, he traveled with Fremont all the way to Vancouver, returning the following spring by himself. This journey gave him a first hand knowledge of a little known part of the continent and an insight into its nature and resources.

Gilpin sent a report on his trip to President Polk, which became widely read. Gilpin's maps and his writings on the West and its potential for mineral riches made him known throughout the country. Gilpin was too much of a visionary and not enough of a pragmatist to accomplish much himself, but still he managed to influence more successful men through his ideas.

In 1846, the U.S. and Mexico went to war once again. William Gilpin offered his services. Elected as a major in the Missouri Mounted Volunteers, he saw a year of action. First he commanded a long and arduous expedition against the Navajos. Then he led a charge in an important victory over the Mexicans. Gilpin returned home as the best known man in the county. An author, explorer, and war hero, he seemed destined for prominence.

Soon, first hand observance of the struggles between pro-slavery and anti-slavery forces in Kansas convinced the Quaker-born Gilpin to join the new Republican Party, which he helped to organize in Missouri. In the election of 1860,



Type I Gilpin Draft bearing the territorial seal, probably printed by the *Daily Colorado Republican*. This newspaper was given the contract for all territorial printing, adding to Gilpin's troubles since it made an enemy of the other Republican paper which then attacked him bitterly. Note that it is directed to the Secretary of the U.S. Treasury. Possibly these bore too great a resemblance to the normal Colorado warrants and were discontinued for that reason.

Gilpin walked to the polls through streets lined with pro-slavery toughs to cast the only vote in the county for Abraham Lincoln. When war became imminent, Gilpin set out for Washington to apply for a commission.

The new administration, however, had needs for more than just officers. Colorado needed a governor and Gilpin's book, *The Central Gold Region*, was well-known. Friends like Blair pointed out that he was not only a staunch Republican, but a man familiar with the region as well. On March 22, 1861, Congress confirmed him as the first governor of Colorado Territory. The appointment was not only unexpected, but left Gilpin wondering how he was supposed to defend a territory with nothing in the treasury.

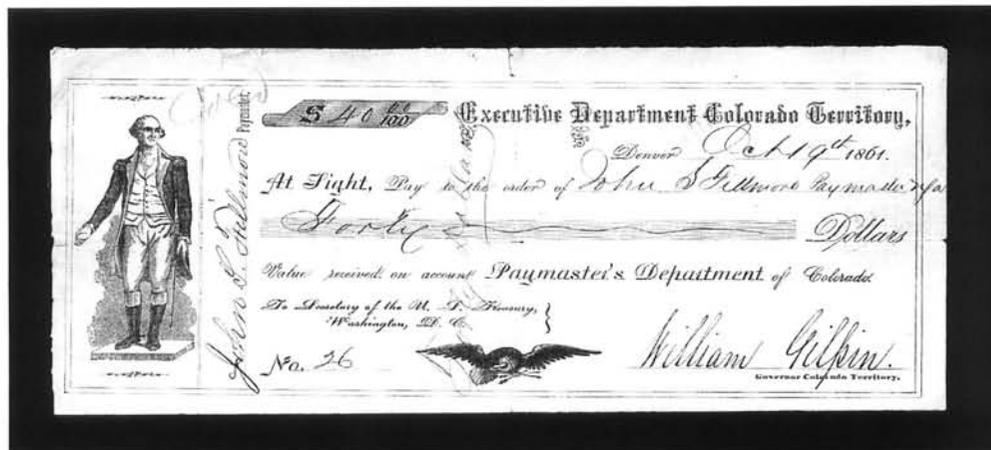
Gilpin was told that Secretary of War Simon Cameron would give him instructions. The new Governor finally caught up with Cameron late at night talking to the President outside the White House. As Gilpin recalled years later, the pair, with many more pressing problems on their minds, had time only to give him verbal orders.

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Gilpin was directed to raise troops and send the bills to Cameron, but given no clue as to the proper procedure for doing so. Since Congress was not then in session, there could be no special appropriation, but he was given \$1,500 out of a contingency fund. Aware that this was too little for his needs, Gilpin started for Denver by way of St. Louis. He arrived there just in time to witness a riot which left 28 dead and added to his already grave concerns.

Immediately after arriving to a warm welcome in Denver, Gilpin set on a tour of the territory taking a census as he went. His census showed a population of approximately 25,000, with about a third of these being from the South. By July 8, 1861, when he took the oath of office, rebel sympathizers were posting notices offering to purchase firearms. One of their leaders was boasting of 1,200 supporters in Denver alone. Meanwhile in Texas, the Confederate Army was preparing to invade New Mexico with the object of conquering the entire Southwest.

Realizing that he had no time to waste, Gilpin appointed a skeleton military staff, had the rebel leader arrested along with 40 of his followers, and obtained 1,800 rifles from Fort Leavenworth. When Colonel E.R.S. Canby, the Union commander in New Mexico, asked for two companies of volunteers from Colorado, they were quickly found, bringing an end to Gilpin's fears of Colorado's loyalty.



Type II Gilpin Draft made out to James P. Fillmore, Paymaster USA (United States Army), also countersigned by Fillmore and directed to the Secretary of the Treasury. It is printed in light blue ink possibly to make counterfeiting more difficult. In addition to the vignette change, note the line for the paymaster's signature added vertically to the right of Washington. AT SIGHT is now printed and ON ACCOUNT PAYMASTER'S DEPARTMENT OF COLORADO is also added.

Still remaining were the problems of feeding, clothing, and paying a force which would soon grow to 1,000. To meet these requirements, the Governor began issuing warrants in July, 1861, which were directed to the U.S. Treasurer for payment. These warrants, the so-called "Gilpin Drafts" were used to pay for all war-related expenses, including purchasing firearms from the civilian population and provisions for the volunteers.

At first these drafts were freely accepted, the merchants not only fearing an invasion but also probably realizing that the alternative would be outright confiscation. Many of the drafts went into circulation to form a badly needed emergency currency. However, a few were sent immediately to Washington for reimbursement, probably much to the surprise of U.S. Treasury officials.

By September, the territorial delegate to Congress was tactfully writing home that payments were being delayed by a "misunderstanding." In November, however, the U.S. Treasury declared that they would not accept these drafts. This promptly caused them to drop 10-percent in value. Some merchants traveled to the Capital themselves in fruitless efforts to get their money. Public opinion began to turn against Gilpin and recall petitions for the governor were circulated.

Despite all this, Gilpin was left with no choice but to continue to issue the drafts. The Commander of the Department of the West, Gilpin's friend John Fremont, ordered Colorado to raise a full regiment. The only way to do so was to issue more drafts. Once again, the ranks were quickly filled even though the volunteers realized that they might not be paid.

Sometime in late September or early October, the drafts were changed to a second design type with a vignette of George Washington. Possibly this was done because the first type bore too close a resemblance to the regular warrants used by the territory, and so were causing confusion. Since none of these has been located, even in the Colorado State Archives, this cannot be confirmed.

Whatever the reason for the design change, it did nothing to help the value of the drafts, as they continued to drop to a 60-percent discount. Still, out of necessity, they formed the major part of the circulating medium in the territory. When the holders grew nervous, they sold them to speculators which further injured the warrants' reputation.

In December, Gilpin decided to go to Washington himself, but his sudden and unexplained departure only created more unrest. The Colorado Volunteers went into a state of near mutiny. Despite this, they still performed excellently when finally sent to New Mexico in early 1862. They played a significant role in the battle of Glorieta Pass, which is considered to be the pivotal battle in the war for the southwest.

Governor Gilpin's trip resulted in only a few of the drafts being paid. Political enemies in Colorado and the Capital stepped up their criticism of him and his depreciated drafts. The Gilpin Drafts came under the scrutiny of a House Committee on the purchase of army supplies. There was much fraud involved in procurement, which was thoroughly investigated. The committee also looked into charges that Gilpin had over-reacted to the danger. No one could explain, however, just how he was to have known this at the time.

In April 1862, the pressure on the Lincoln administration became too great. William Gilpin was recalled from the office that he had held for only nine months.

By an ironic coincidence, almost simultaneously an audit of itemized expenses was completed which found the accounts to be legitimate. The U.S. Treasury announced that most of the Gilpin Drafts would be paid immediately. In May, Paymaster John Fillmore arrived in Denver with enough greenbacks to redeem some \$375,000 of the much-maligned drafts. Thus the Federal Government admitted that the expenses were justified and were the proper obligation of the Federal government.

William Gilpin had lost his post, but his methods had been justified. Gilpin's efforts on behalf of Colorado were recognized by the state's chief justice, Benjamin F. Hall who wrote Lincoln that "I know of no other statesman or soldier in this Republic who could have served the Country better." Even Coloradoans who had suffered from the drafts now had to admit that the Federal Government had been to blame and not Gilpin. Besides, they would soon learn that a depreciated currency would be a fact of life for both sides in this war.

All in all, Gilpin's political career was finished, but he was vindicated in everything that he had tried to do. Colorado had been preserved for the Union. Gilpin's military expenditures were found to be reasonable, allowing for wartime conditions. The volunteers that Gilpin had raised proved to be the decisive factor in defending Colorado and the entire southwestern region.

William Gilpin retired to a more-or-less private life. Successful land dealings left him comfortable. He passed away in 1894. The county of Gilpin, Colorado is named for him.

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