

THE CHOCTAW WARRANTS OF 1863

By *James F. Morgan**

As was the case with all the other Indian Nations following the formation of the Confederate States of America, the Choctaw Nation was faced with a dilemma. Should they stay with the United States of America, or ally with the Confederacy? Because of its institutions, economy, original area of settlement, and natural inclinations, the Choctaw Nation was extremely sympathetic towards the Southern people, their problems, and their desire for independence. The Choctaws eventually solved this predicament by joining with the Confederacy and loyally supporting it for the remainder of its history. Eventually the Choctaws, like the Cherokees before them, issued their own currency while allied with the Confederate government; but unlike their sister Indian nation, the Choctaws did not immediately set aside any money to redeem their paper. Instead they chose to hold back a part of any funds they received later. The Choctaw Nation, like the Cherokee Nation, obtained most of its funds from the government, both the Federal and, later, the Confederate authorities. The Five Civilized Tribes were all supposed to be paid large sums in settlement of treaties made with the United States, but those officials were reluctant to settle. Nevertheless, the Choctaws kept trying, even in early 1861, and they were partially successful in securing some of the money due them.

In March, 1861, the Choctaws were awarded a \$500,000 advance on an award granted in a treaty made with the United States on June 22, 1855. On March 8, 1861, the Choctaw delegation was in Washington, D.C., to collect this and made application for the sum due, in money and bonds. As late as April 8, they were still waiting and asked that they be paid in United States stock, which had a higher resale value, rather than in bonds. But this request was ignored and \$250,000 in bonds, which were kept by the Choctaws until after the war, finally was issued to them. By June 12, 1861, the Choctaw treasury had received a United States Treasury Department draft for \$112,000, in addition to the \$250,000 in bonds, and \$3,487.15 in specie.

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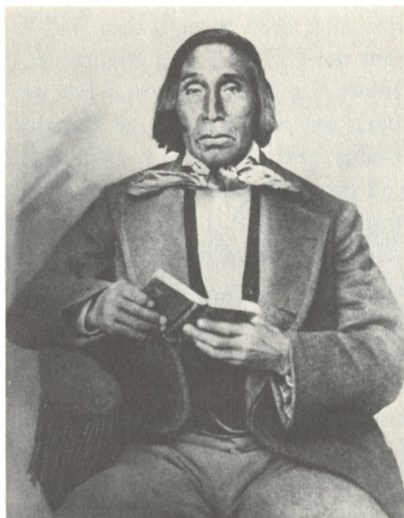
on July 12, 1861. By the terms of this agreement, the Choctaw Nation was not to assume any of the costs of the war, and, even though they had recently received a shipment of money from the United States government, the Choctaws clung to the letter of the treaty. On June 10, 1861, a law had been passed by the Choctaw Nation which set aside \$30,000 for the purchase of munitions to arm the Indian troops, and on June 14, 1861, Principal Chief George Hudson called upon all able bodied men to enroll in the militia. But on November 5, 1861, over a month before the treaty had been ratified by the Confederate Provisional Congress, the Choctaw Nation repealed their June 10, 1861, law and placed full responsibility for arming the troops in Confederate hands.²

The appropriations bill to pay all the Indians the money owed to them under the terms of the several treaties was voted on December 24, 1861. A total of \$265,927.55 of this was to be paid in coin and it quickly was procured through purchase from the banks. By January 28, 1862, Brigadier General Albert Pike, who had obtained the original treaties, was at Little Rock, Arkansas, and expected to be at Fort Smith, Arkansas, by the seventh of February at the latest. Pike carried with him over \$681,000 in paper money and specie and had requested that another \$3,000 be sent ahead of him to Major Elias Rector, the Confederate Superintendent of Indian Affairs. This last amount was to meet the expenses of the new Indian councils. Included in the money that Pike brought with him was a \$50,000 advance payment to the Choctaws. Most of this sum must have been in coin because Pike noted that "The Treasurer of the Choctaws means to sell the coin his people get, buy Confederate paper, and put the difference in his pocket." Pike believed that the treasurer must be stopped from doing this and urged that the principal chief be advised of the amount paid in coin and the treasurer paid this "in the presence of three Commissioners appointed by himself."³

² James E. Harrison and others to Edward Clark, April 23, 1861, United States Department of War, *War of the Rebellion: A Compilation of the Official Records of the Union and Confederate Armies* (70 vols., 128 books, Washington, D. C.: Government Printing Office, 1880-1901), Ser. IV, Vol. I, p. 323, Hereafter cited as *Official Records*; "A Treaty . . . between the Confederate States . . . and the Choctaw Nation [July 12, 1861,]," *ibid.*, pp. 445-466; "Proclamation," Principal Chief George Hudson, June 14, 1861, *ibid.*, Ser. I, Vol. III, pp. 591-592; "Resolutions of the Choctaw Nation," November 5, 1861, United States Bureau of Indian Affairs, Miscellaneous Documents, 1864-1865, Record Group 109, National Archives and Records Center, Washington, D. C. (copy deposited at Oklahoma Historical Society, Oklahoma City, Oklahoma).

³ James M. Mathews, ed., *The Statutes at Large of the Provisional Government of the Confederate States of America* (Richmond: R. M. Smith, 1864), p. 237; Albert Pike to Elias Rector, January 28, 1862, Records of the Wichita Agency, 1861-1862, Record Group 75, National Archives and Records Center, Washington, D. C.

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George Hudson called upon all able bodied men to enroll in the militia.

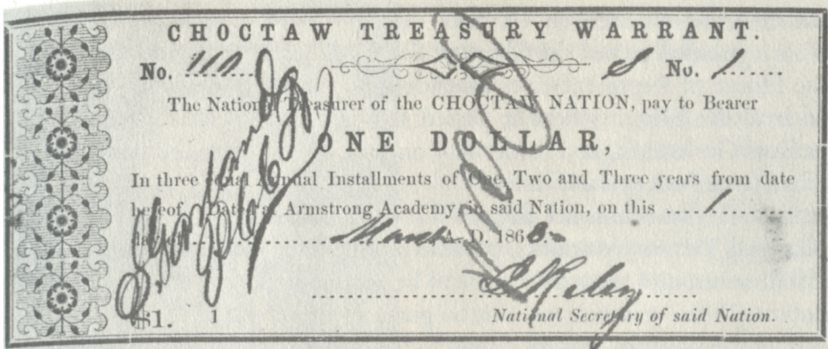
Even though Pike was at Fort Smith in early February, the money did not arrive at the Choctaw Nation until mid-April, 1862. It can not be said for certain why the delay, but it is possible that Pike had to await the final ratification of the treaty by the Choctaw Nation and then the appointment of the officials to receive the funds and transport them to the capital at Doaksville. It was in mid-April that F. E. Williams was paid to transfer the money to Scullyville, and L. L. Libby moved it from there to the capital. In all, a total of \$322 had to be paid the men who transported the money. But according to the treasurer's report, the total delivered by Williams, and paid by Pike, was \$35,520. It is possible that this was the sum paid in coin and the

rest was delivered at some other time in paper; because it also was mentioned that there was \$27,000 in the hands of E. Loman and T. Folsom, who may have been a relative of National Treasurer H. N. Folsom, as well as \$20,260 loaned from the delegation. Apparently there was sufficient money from the Confederates in the treasury to purchase munitions by May 6, 1862, because on that day Sampson Folsom received \$50,000 to purchase arms "as per treaty of 1861 and in accordance with an act of the Council in October A. D. 1861."⁴ The act to which the notation referred was the one stating that the Confederacy must purchase the implements of war.

Due to an excessive drought in 1862, the crop for that year was less than usual. However, a large supply of grain was still on hand from the previous year. Thus, agent S. S. Scott believed there was little likelihood of any of the Choctaws suffering. But some of the refugee Cherokees had settled in the area by that time, and if the supplies had to be shared, there must have been some hardship encountered. Also, the fact that many of the men were away

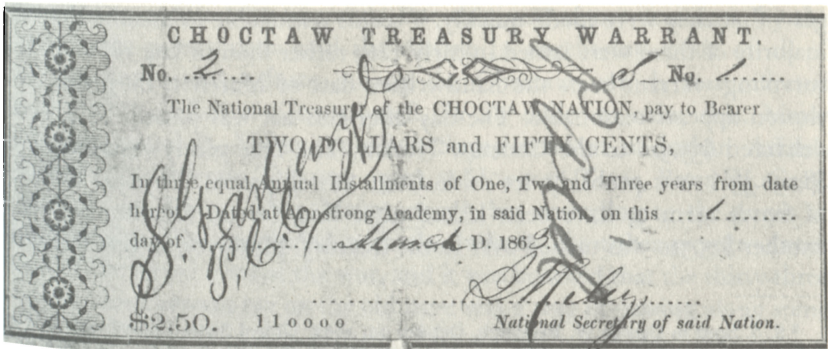
⁴ Choctaw National Auditor's Warrants paid by H. N. Folsom, Choctaw Papers, Indian Archives, Oklahoma Historical Society, Oklahoma City, Oklahoma; Treasurer's Report from 1861 to 1862, *ibid.*; Sampson Folsom, Receipt, May 6, 1862, *ibid.*

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Received per
A. J. [unclear] 1865
with five per cent
interest from
this date.
Allen Mighy
Nath. Treas.

Examples of Choctaw Treasury Warrants issued to the tribe during the 1860s.



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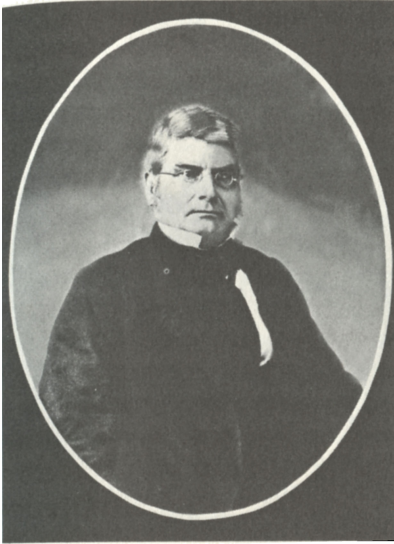
fighting in the war would have caused difficulty to some families. In order to provide for the suffering Choctaws, a bill was proposed in the Choctaw Council on October 18, 1862, to aid the indigent families. This legislation passed the Choctaw Senate on October 20, and the next day the House of Representatives amended it to include the blind and sent it back to the Senate where it passed the same day. The Principal Chief, Samuel Garland, signed it into law on October 21, 1862, the same day that it had passed out of the Council.⁵

By the terms of this act, \$25,000 was to be issued in the form of Choctaw National Treasury warrants, payable in one, two, and three years, in equal installments, and these bills were to be receivable for all money due to the nation. These warrants were to be given to those who were actually destitute and suffering, and any able bodied male citizen specifically was excluded. Those included were only the actually destitute and "more particularly the Females, Children, Sick, Crippled, Blind and Wounded." Monthly supplies of food also were distributed to these same groups. The sheriffs were required to make a list of the people receiving this aid, and it was subject to review by the Council. In essence then, this was a welfare act, designed to benefit those who were truly in need. But this law also provided for the only issuance of notes by the Choctaw Nation and gave them a status as currency.⁶

The warrants were issued without any individual's name on them, unlike all the previous warrants, and were for the denominations of fifty cents, one, two and one-half, and five dollars. The fact that no name appeared on them made them readily transferrable and served to give them status as a circulating medium. Even though the printing on the notes was crude and suggests that they were made quickly, it seems reasonable to assume that the majority of them were issued in early 1863 rather than in late 1862. As one surviving warrant bears the handwritten date of March 1, 1863, this conclusion appears reasonable. The day after this act was passed, S. S. Scott delivered \$35,520 to the Choctaw Nation. The first yearly installment of \$8,030.33¹/₂ was probably set aside from this shipment. Physical delivery of funds seem to have been halted after this, for on October 20, 1863, another \$35,520 was turned over to the treasury. However, in this instance,

⁵ S. S. Scott to George W. Randolph, October 22, 1862, United States Department of War, *Official Records*, Ser. I, Vol. XIII, pp. 890-891; "Senate Journal, October, 1862 Session," Choctaw Papers, p. 251; "House Journal, October, 1862 Session," *ibid.*, pp. 59-60; "Senate Journal, October, 1862 Session," *ibid.*, p. 251.

⁶ "An Act entitled An Act for the relief of certain families or persons in this Nation," October 21, 1862, Acts and Resolutions of the General Council of the Choctaw Nation, October Session, 1862, *ibid.*



Robert M. Jones was elected to the Confederate Congress as a delegate from the Choctaw and Chickasaw Nations.

it cost the Choctaw Nation \$20.00 to travel to Paris, Texas and return with the sum, unlike the previous year when Scott delivered it to them.⁷

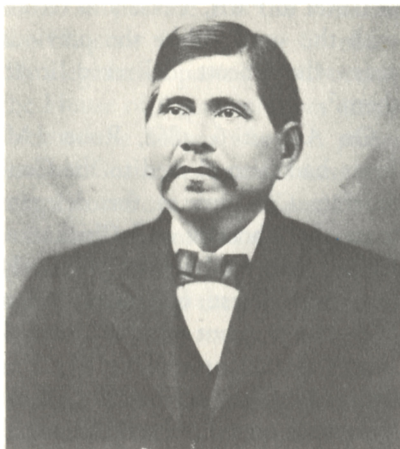
On August 6, 1862, Robert M. Jones had been elected to the Confederate Congress as the delegate from the Choctaw and Chickasaw nations. His total vote of 374 barely beat his closest opponent, Allen Wright's, 334, but was far ahead of Peter P. Pitchlynn's total of 137. Undaunted by their defeats here, Pitchlynn went on to be elected Principal Chief before the end of the war, and Allen Wright became his treasurer. Wright rose to even greater heights after the war. Jones, however, seems to have done little during his term in the Congress, and the Cherokee delegate, Elias C. Boudinot, overshadowed him in regards to legislation concerned with Indian affairs.⁸

With the Choctaw Nation continually receiving supplies of Confederate paper, it soon became the circulating medium in the nation and probably was used to redeem the warrants. But the issue of new currency by the Confederate government, and the decline in purchasing value of all of their paper, created a furor among the Choctaws which was reflected in the other Indian nations as well. In an effort to calm this, Major General Samuel B. Maxey, ex-officio Superintendent of Indian Affairs, asked the Confederate Treasury agent at Houston, Texas, Peter W. Gray, for advice on July 31, 1864. Maxey stated that according to the terms of the several treaties concluded with the Indians, the tribes were to incur none of the actual costs of the war, and it was believed that the thirty-three and one-third percent tax on the old issue was a way of passing along some

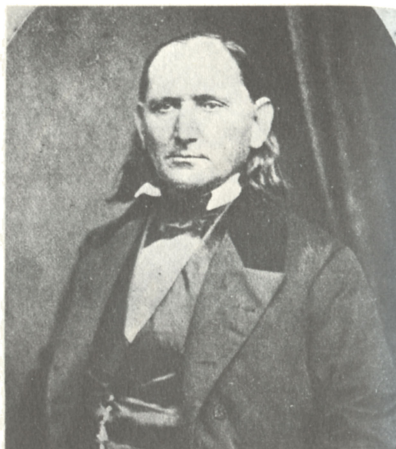
⁷ Maurice M. Burgett, "Obsolete Paper Currency of Indian Territory and Oklahoma," *Paper Money*, Vol. VI, No. 1 (April, 1967), p. 4; Treasurer's Report, 1862-1863, Choctaw Papers.

⁸ "Certification of election results, Douglas H. Cooper," October 7, 1862, United States Bureau of Indian Affairs, Miscellaneous Documents, 1864-1865 (copy deposited at Oklahoma Historical Society.)

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Allen Wright was made the Choctaw Nation's treasurer just before the end of the war.



Peter Pitchlynn played a big part in aiding the Choctaw Nation with their monetary affairs.

of the costs to them. But these efforts, like those of the Cherokee delegate Boudinot, seem to have failed, and in January, 1865, Principal Chief Peter P. Pitchlynn decried this tax as well as the general depreciation of Confederate currency. From his remarks it appears that the Choctaws were being paid by the Confederate authorities as though the paper was at par with specie. The annuities were to be paid in coin, but instead they were given in paper with one dollar in paper being given for what would have been one dollar in coin.⁹

In January, 1865, Principal Chief Pitchlynn addressed himself to the question of money. He stated that "few articles can be purchased with Confederate paper and then only at ruinous rates of discount." He continued that most of the items needed by the Choctaw people were of foreign manufacture and required "specie, or those stable commodities which are readily convertible into specie." Pitchlynn wondered if the Choctaws should continue to suffer by receiving Confederate notes at par with specie, particularly as speculators had depreciated the currency with their actions. Even the Confederate government adjusted the conversion rate at twenty dollars

⁹ Samuel B. Maxey to Peter W. Gray, July 21, 1864, Peter P. Pitchlynn Papers; *Message of P. P. Pitchlynn . . . delivered before the Choctaw Council in Extra Session . . . January, 1865* (Fort Towson, Choctaw Nation: Government Printing Office, n. d.), p. 4.

paper to one dollar in gold and declared that no debtor in any state who had a sum of money due to him which was payable in coin "will receive payment in Confederate paper at any discount." Pitchlynn left it to the Choctaw Council as to what action to take, but he gave strong hints as to which course of action he favored.¹⁰

Shortly before this, the Choctaw Nation began to steer a course away from paper money and towards commodities, as was the case in other states. It was on October 11, 1864, that \$35,000 had been appropriated from funds in the Choctaw treasury to purchase cotton and wool cards, which were required to make the raw product ready to be converted into cloth. These were to be for distribution to needy wives of Choctaw soldiers. The law further specified that people to purchase these cotton and wool cards later were to be elected by the Council, and Dr. F. J. Bonds and Mrs. J. M. Nail were selected. On December 1, 1864, these individuals left on their appointed mission, and they carried with them the sum of \$11,500 that had been given them by the National Treasurer, Allen Wright, and a draft on the Treasurer of the Confederate States for the remaining \$23,500. This draft was to be an advance on the interest money due the Choctaw Nation from funds invested in Virginia bonds. In order to cash this draft, the men had to first journey to Jefferson, Texas, and speak to Samuel F. Mosley, the Confederate Treasury agent in that city. They also carried with them a letter of introduction from Major General Samuel B. Maxey, commander of the District of the Indian Territory and ex-officio Superintendent of Indian Affairs. Maxey begged Mosley to do everything within his power to make certain that the draft was cashed so that the men could complete their mission of mercy. It is likely that the money was turned over to the two commissioners, although no documentation can be found to support this conclusion.¹¹

Monetary affairs in the Choctaw Nation were beginning to deteriorate even more rapidly by January of 1865. On January 19, a resolution was passed by the Choctaw Council regarding Confederate paper. It would seem that they had listened to the comments and suggestions made by Principal Chief Pitchlynn in his January, 1865, address and were prepared to act. But the action that they took was not as strong as it could have been. The resolution stated that the Confederate currency that the Choctaw Nation was accepting at par with specie was being heavily discounted, causing severe in-

¹⁰ *Ibid.*, pp. 3-4.

¹¹ "An Act entitled An Act to purchase Cotton and Wool Cards for the use and benefit of the indigent Choctaw Soldiers' Wives &c.," October, 1864, Acts and Resolutions of the Choctaw Nation, Choctaw Papers; Samuel B. Maxey to Samuel F. Mosley, Peter P. Pitchlynn Papers.

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jury to their "financial condition and involving the Nation in heavy losses yearly."¹² However, their only action was to authorize the opening of correspondence with the Commissioner of Indian Affairs in hopes of somehow improving the situation.¹³

In the meantime, cotton was beginning to play an even greater role in Choctaw monetary life, and on January 19, 1865, funds were voted to allow the transportation of cotton held by refugee Indians, in order to sell it and relieve their condition. This trade must have quickly grown in volume because on April 10, 1865, Confederate Brigadier General Douglas H. Cooper, Superintendent of Indian Affairs, directed a circular letter to the Choctaw officials and people. Cooper stated that only such quantities of cotton might be exported to Mexico as were absolutely necessary to obtain needed supplies. He further declared that all bales of cotton so exported must be the property of the Choctaw Nation collectively, and not of any one individual. Obviously, many of the Choctaw citizens had been shipping as much cotton as they could to Mexico or else this circular would have never been required.¹⁴

However, this was not the end of the Choctaw cotton trade. On January 17, 1865, the Confederate Congress, through the actions of the Cherokee delegate Boudinot, had authorized the Cherokee Nation to receive cotton at its specie value in lieu of the annual annuities which were due to them under the terms of the treaty. This law quickly was extended to all the other Indian nations and Boudinot carried copies of both laws back with him from Richmond. By May 15, 1865, Cooper had been informed of this and he gave the necessary orders to carry it into effect. By May 27, 1865, Cooper also empowered P. W. Gray, the Confederate Treasury agent at Marshall, Texas, to receive and receipt for cotton to be delivered to the Creek and Seminole nations in lieu of their annuities. It would seem reasonable to assume from this that similar orders were also given for the other tribes, and the cotton should have been delivered to the Indians before the final collapse came later that summer.¹⁵

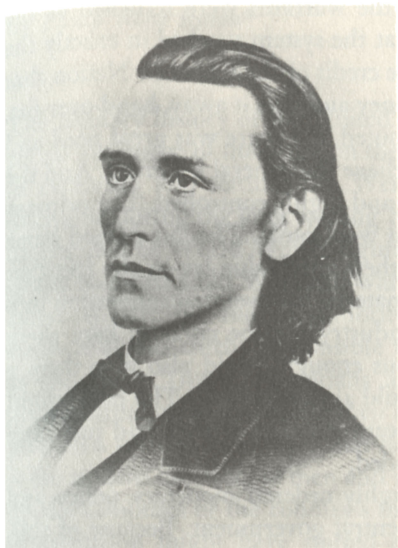
¹² Resolution, January 19, 1865, Acts and Resolutions of the Choctaw Nation, 1865, Choctaw Papers.

¹³ *Ibid.*

¹⁴ "An Act entitled An Act to appropriate Money to Enable James Thompson to Transport Refugee Cotton &c," *ibid.*; Circular, Douglas H. Cooper, April 10, 1865, Peter P. Pitchlynn Papers.

¹⁵ Charles W. Ramsdell, ed., *Laws and Joint Resolutions of the Last Session of the Confederate Congress* (Durham: Duke University Press, 1941), pp. 24-26; Elias C. Boudinot to Stand Watie, May 11, 1865, Cherokee Nation Papers, Western History Collections, Library, University of Oklahoma, Norman, Oklahoma; D. H. Cooper to E. Kirby Smith, May 15, 1865, Confederate District of Indian Territory, Letters Sent, May 10-27, 1865, Record Group 109, National Archives and Records Center, Washington, D. C.

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Elias C. Boudinot worked on the legislation concerned with the Indian Affairs.

With the fall of the Confederacy, the Choctaw Nation found itself in extreme financial difficulties. Most of the money they held was Confederate paper which was now totally useless, and crops could not be harvested or sold fast enough to satisfy the demands of the people for a medium of exchange. In order to deal with this problem, and pay the debts of the nation as well, the Choctaw Council decided to finance itself temporarily by resorting to credit or fiat currency. On October 17, 1865, a law was passed to authorize the National Treasurer, Allen Wright, to issue certificates of deposit, drawing five percent interest, for any national warrants that were returned to him.

Apparently a sizable number of these were outstanding and unpaid, and they must have been issued after the end of the war. At the

same time, the National Treasurer also was authorized to reissue, again with five percent interest, the treasury warrants that had been issued and then redeemed under the terms of the October 21, 1862, law. In this way, the Choctaw issuance of 1863 performed a double duty: first, it gave funds to the destitute during the conflict and served as a minor currency; and second, it served as a national currency after the war. It seems to have done its job well in both roles.¹⁶

Thus it was that the Choctaw Nation, like the Cherokee Nation which acted before it, pursued a monetary policy which was highly orderly and founded on Confederate money as a basis. A heavy reliance initially was placed on paper, a small regional issuance was produced, and they eventually came to shun paper money and rely more upon commodities and the specie produced by the sale of it in Mexico. But the Choctaw Nation did one other thing; it created a welfare system that did not break down over time. Food, cotton, and wool cards and other necessities were distributed

¹⁶ "An Act entitled An Act creating interest on National and Treasury Warrants," October 17, 1865, Senate Records, Choctaw Nation, Choctaw Papers.

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to the destitute in the nation, and \$25,000 in money was also given to them. From the fact that so many of the warrants were returned to the National Treasurer, it would appear that the system worked in exactly the way it was designed to work. It is to the credit of the Choctaw Nation that they resisted the temptation to print money and give it away, hand-over-fist, to their needy. Some money was distributed, but there was great need and it appeared to be the quickest way to relieve the general suffering. And the amount of money given was very small and highly controlled. The primary reliance was on food, on cotton, and on wool cards. The last named items could not be used as money or eaten; their only value lay in the fact that they could be used to prepare the raw material for eventual conversion into cloth. In this way they provided an industry for the citizens, kept them active, and, if someone were industrious enough, could also give them a source of income. Any surplus cloth could always be sold. The poor might have been better off for this type of treatment than if they had just been given money or whatever else they needed.

The Choctaw Nation then had a highly ordered monetary policy and received most of its income from the central government. Because of this, the Choctaws were able to have a fairly steady, guaranteed income, but they had to accept that paper as though it were specie. When the value of this paper declined, however, and the deliveries were delayed, other means of finance had to be located. The sufferings of the people demanded also some action, and in an effort to alleviate their plight, a series of small denomination treasury warrants was authorized for distribution to them. The national issuance of paper was very small and easily handled, and the Choctaws never fell into the pitfall of over printing like so many of the other governments. The Choctaw Nation's people survived, their treasury endured, and their paper money was stable and quickly retired.

These policies enabled the Choctaw Nation and its people to be in better condition to recover from the monetary chaos that ensued after the war. Of course there were some problems, but nothing like the great difficulties that were to be endured by some of the former Confederate states that lay east of the Mississippi River. In the Choctaw Nation there was no need to authorize large issues of bonds after the war, no general feeling that it was up to the next generation to redeem the mistakes of the fathers. Those who had assumed the costs took it upon themselves to pay their own debts, and for the most part this was done. The next leaders could make their own mistakes and, perhaps, profit from the example, both good and bad, that their predecessors had set. Unfortunately, the Indian nations were in the minority—they still had a lot to “learn” from the white man.