



A Bank Book and Early Nebraska History

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Article Summary: David Butler, the first Nebraska governor, was impeached in 1871 for appropriating public school funds for his own use. Others later provided reasonable explanations for Butler's actions.

Cataloging Information:

Names: David Butler, Edward Rosewater, C H Gere, J B McDowell

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A Bank Book and Early Nebraska History

LORAIN FERRIS

We are indebted to the Pioneer Insurance Company of Lincoln for the gift of a bank book bearing date January 19, 1871, in the record of a deposit of \$195 by E. E. Brown in account with Cobb and Sudduth's Bank, now the First National Bank of Lincoln. The last entry was made October 1, 1872. Mr. Brown was a member of the legislature in 1879 and 1883.

The gift includes three yellowing checks written by Mr. Brown in May, July and August, 1875; and a note for \$500 given to the First National Bank on January 19, 1880, by David Butler, endorsed by J. B. McDowell. Herein lies history.

Back in 1869 it became apparent that David Butler, the first state governor of Nebraska, was under a heavy cloud of suspicion, and in the following January a committee was appointed by the senate to investigate alleged fraudulent practices by certain state officials in loaning the school money of the state. Against the vicious attacks of their political adversaries the governor's armor was particularly weak. It was specifically charged against him that he had unlawfully appropriated to his own use \$16,881.26 of the public school fund—in addition to the charges of unsafe and unlawful loans; and "that these transactions had been fraudulently concealed by withholding the conveyance papers from record."

In January, 1871, Representative Edward Rosewater fired the first gun of his attack upon Governor Butler, leading to his impeachment "for misdemeanors in office" and his removal in March—in which month "Honest John" Gillespie was also impeached. In June the senate found Butler guilty. In 1873 "the legislature authorized a commission . . . to liquidate and settle all claims of the state against David Butler by taking from him a warranty deed for lands in lieu and release of all mortgages against him . . . On April 4 this commission reported that it had taken a deed for 3,400 acres of land lying in Gage, Jefferson and Pawnee counties which it had appraised at \$7 an acre, or an aggregate of \$23,800."¹

In 1877 all record of the impeachment was expunged from the journals and archives of the state in spite of strong opposition speeches, notable among which was one by B. H. Barrows of Omaha. "In the future are there to be no rewards for official honesty and no punishment of official rascality?" he thundered. "There is an impurity in the moral atmosphere which a thousand expunging resolutions cannot make pure! . . . God alone can blot out the record."²

In 1880, when this note was given, David Butler was a cattle feeder on his beautiful farm adjoining Pawnee City. His friends never relaxed their effort to remove the stigma of his impeachment,

and in 1883 the home folks sent him to the senate both as vindication of his character and expression of their unbroken confidence in him.

Mr. C. H. Gere, editor of the *Lincoln State Journal*, had been Governor Butler's private secretary, and to the end of his long life never ceased to defend him as a traduced and persecuted man. . . . He had been the chief director of the movement which changed the location of the capital and made an important town out of Lincoln; and he had vigorously used his power and influence in promoting railroad enterprises calculated to benefit the state as a whole. . . . His removal activities were thought to have injured Omaha, and he had doubtless made enemies in that quarter who rejoiced in his downfall, if they had not actively contributed to it.

"Mr. Gere, a man of strong business integrity and distinctly 'on the inside' of state administration during these years, gave his personal view of the impeachment proceedings to the writer of this history. Briefly it was this:

"The founders of Lincoln had to fight every inch of the way, under fire from open opponents and pretended friends. They deliberately violated the law which required them to pay the proceeds of Lincoln lots into the state treasury, for they had found that the money, once there, would be tied up by adverse law suits and they would have to pay for the public buildings. They acquired the habit of doing things with a high hand. Their own personal credit was pledged to make the new capital city a success. They had induced many friends to invest. Their plans required large amounts of ready cash. They took the risk of 'borrowing' state funds to attain the objective set before them—the creation of a capital city and railroad center on the raw prairie. They believed they could put the project thru in spite of opposition. They did put it through. In the end the state got all of its money back and the new capital became the pride of Nebraska."³

Such is the background against which this note becomes significant. J. B. McDowell of Jefferson County was assistant secretary of state for about twenty-five years during the long Republican regime—an indispensable cog in the state machine because of his ability, his loyalty to the party, and the fact that tho other officials came and went, he remained from term to term until the complete rout of Republican forces. It was conceded that he knew more of state affairs and state officials than anyone else in the capitol. The fact that he endorsed David Butler's note for \$500 incindates not only that Butler needed the money but that McDowell trusted him in this very practical way.

As Barrows intimated, God alone can see the heart and God alone can judge.

¹ *History of Nebraska*, by Morton-Watkins; vol. III, p. 86.

² *Idem*, page 87.

³ *Nebraska, the Land and the People*, by Addison E. Sheldon; vol. I, pp. 446, 448, 450.