

THE NINTH
ANNUAL REPORT OF THE
BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA
TO THE
LEGISLATURE OF THE STATE OF MINNESOTA.
1860



TO THE LEGISLATURE OF THE STATE OF MINNESOTA:

In accordance with the requirements of the act organizing the University of Minnesota, I herewith transmit to your honorable body the ~~seventh~~ ^{ninth} annual report of the Board of Regents of that institution. My last report advised the Legislature in regard to the work undertaken by the Board in the erection of a building at the Falls of St. Anthony for the use of the University. The building has since been completed in accordance with the contract, (with the exception of a part of the plastering, which does not interfere with the use and occupation of the premises) and the Board have settled with the contractors therefor. In the spring of 1858, the Board of Regents employed Professor Barber, a competent instructor, to take charge of the Preparatory Department, at a salary of eight hundred dollars per annum. The attendance, however, was altogether too limited to justify the Board in continuing the school at such an expense, as the amount received from tuition was insufficient to meet one half the salary of the teacher. At the expiration of six months the school was therefore discontinued, and has not since been resumed. The building is occupied the present winter for a school under charge of Professor Butterfield, who is not however employed by the Board of Regents.

From a statement of the Treasurer it appears that the financial condition of the institution is as follows, viz:

The whole amount received to date from the sale of bonds and stumpage	-	-	-	\$58,316.00
Notes now due the University	-	-	-	3,157.00
Whole amount paid to date	-	-	-	\$61,473.00
Amount of notes given to contractors of the University building in settlement	-	\$		16,600.00

The amount of bonds issued under the two acts of the Legislature for that purpose is \$55,000. The amount of the outstanding notes against the University as

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above stated is \$16,600. There is also about one thousand dollars still due on the purchase money of the University site, making the amount of outstanding obligations against the institution \$72,600. Of this amount, one thousand dollars is contingent upon the full completion of the University building according to contract.

The amount of bonds authorized to be issued by the act of March 8, 1858, was forty thousand dollars, secured by mortgage upon twenty one thousand acres of land. The first issue of bonds is secured by mortgage upon the University site. The issue under the act of March 8, 1858, was negotiated last winter in New York with the firm of Sewall, Ferris & Co., at par; fifty-eight hundred dollars of the amount being retained in their hands to meet the interest up to December 1st, 1859, on all the bonds issued. The firm above named, after considerable delay, paid the interest falling due on the first day of June last, but as their failure has since been announced, there is reason to fear that they have not met the semi-annual interest falling due on the first instant, and indeed, informal notice of such failure to meet said interest, has been received by the undersigned. How the bonds purchased by the firm above named may be affected (?) (as to principal or interest) by their failure to meet the interest according to contract, is a question which may require consideration.

From the foregoing statement it will be obvious, that some action is imperatively demanded on the part of the Legislature, to meet the emergency occasioned by the present state of affairs of the institution. Whether the course adopted by the Board in the erection of so large a structure at the time, was the wisest, may now admit of doubt. Suffice it to say, it was undertaken in good faith, and in accordance with what then seemed for the best interests of the Institution. The large immigration which Minnesota was then receiving, afforded good reason to believe that the accommodations provided for students in the building then contracted for, would be all demanded within a very few years, and it was thought better to provide at once, for what would apparently be required within a comparatively short period of time. It was believed

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that the interest upon the investment might be met by receipts from the stumpage on the pine lands belonging to the institution. These expectations have not been realized, owing to the financial revulsion which has since occurred, and which commenced soon after the contract was entered into. From the same cause, the cost of the building was largely increased, the Board having been compelled to pay a large interest for many months to meet their engagements, from the impossibility of negotiating the bonds as early as had been expected. The Board having no power to dispose of, or control over the lands donated by Congress for the University, except such as is specially given by the Legislature, are powerless to take any measures to either cancel the debt or pay the interest on the same. It is believed that measures may be adopted to considerably reduce the outstanding debt, and place it on a more satisfactory basis, and the attention of the Legislature is earnestly requested on the part of the Board of Regents to this object.

In the autumn of 1858, the Rev. E. D. Neill was elected Chancellor, in pursuance of the authority vested in the Board of Regents by the charter. Mr. Neill has given much attention to the subject of education in its various departments, more particularly to the system of University education in this State. Should the Legislature desire, he would doubtless be willing to communicate the results of his inquiries on this subject, which might prove interesting and valuable to all who feel an interest in this important subject.

About eleven thousand acres of land under the grant of Congress to the State for University purposes still remain to be selected. It is thought by the Board that these lands should be selected at as early a day as may be practicable, as the choicest locations are each year being selected by immigrants. Some trespasses have already been committed on the lands already entered, and it is suggested that an agent for the State should be appointed, whose duty it should be to select the balance of the two townships to which the state is entitled for the use of the University, as well as to take charge of all the real estate belonging to the institution. Probably a

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comparatively small amount of the meadow and farming lands might advantageously be leased, without detriment to their present or future value, and so as to remunerate the agent without expense to the State.

The term of office of four of the Board of Regents expired last February, to wit; Hon H. M. Rice, the Hon. Messrs. J. H. Stevens and Socrates Nelson, and Rev. J. G. Riheldaffer, and it will devolve upon the present Legislature to elect in their stead. I take the liberty in this connection of againsuggesting the importance of either so amending the charter that a less number than seven shall constitute a quorum for the transaction of business, or of selecting a sufficient number of Regents from the vicinity of one locality to afford a reasonable certainty of obtaining a quorum when a meeting of the Board shall be called. The Regents receive no compensation for their services, and members residing in distant parts of the State are either unable or unwilling to attend the called meetings. The consequence has been that numerous meetings of the Board have been called, at which a quorum was not present, to the serious embarrassment and delay of important business, and the great inconvenience and loss of those members who have been punctual in their attendance. This evil may be remedied without prejudice to the interest of the Institution as above suggested.

All of which is respectfully submitted.

I. ATWATER,

Secretary Board of Regents.

SUPPLEMENTARY REPORT
CALLED FOR
BY
THE STATE LEGISLATURE OF 1860.

TO THE SENATE OF THE STATE OF MINNESOTA:

IN reply to the resolution of the Senate of December last, of which I only received official notice on the 9th inst., I would state that the number of notes given to the contractors for the University building was 39, as follows, to wit:

One of \$44.29, one of \$108.96, one of \$109.19, one of \$282.69, one of \$79.63, one of \$475, one of \$463.55, one of \$799.59, one of \$92.61, fifteen of \$500, three of \$300, one of \$366.51, two of \$200, one of \$700, one of \$510, one of \$300, one of \$200, one of \$300, one of \$310, and one, (conditional) of \$4000. This I believe to be the correct number and amount of each, although it is possible that some small errors may occur. All these notes bear the same date, which I am unable to give precisely, but it was on or about the 25th of February, 1859. All said notes are not past due, and draw interest at the rate of twelve per cent. per annum. The said notes were signed by Franklin Steele, as President of the Board of Regents and by I. Atwater as Secretary.

In regard to the bonds issued under the act of February 21st, 1856, I would state that I understood they were negotiated by the Hon. H. M. Rice, in June (I think) of the year 1856. There was received thereon, to the best of my knowledge and belief, \$14,925, the face of the bonds, less one per cent. discount of drafts of Gov. Aiken on Charleston, which were given in part payment for the bonds. Of this amount, I think \$10,227.46 was paid to the contractor and the balance paid on notes given for moneys borrowed to pay for the University site, with the exception of thirty dollars paid to Goodrich, Somers & Co., for printing the bonds.

The forty thousand dollars of bonds issued under the act of March 8th, 1858, were negotiated in the month of January, 1859, by Governor Sibley. At a meeting of the Board of Regents the autumn previous, the subject was discussed as to whether these bonds were State Bonds. I think it was the opinion of the

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majority of the Board that they were; but the matter was referred to the Attorney General, who gave his opinion in writing, that the bonds were State Bonds. It was under that ruling as I understood, that the Auditor consented to receive the Bonds as a basis for banking. I am not aware that any arrangement was made, or any authority given to any member of the Board of Regents that the bonds should be used for banking. I understood from one of the members of the firm of Sewell, Ferris & Co., to whom the bonds were sold, in a conversation with him after the negotiation that they proposed using some, or all the bonds as a basis for banking, but do not know what amounts were so used; nor do I know of my own knowledge that any were, although I have understood that the issues of the Nicollet County Bank were based on these bonds.

The moneys received on these bonds were paid, as I understand, in different kinds of Minnesota currency, and New York exchange. The amounts were paid as follows; For moneys borrowed by the Regents to carry on the building during the years 1857 and '8 to J. G. Stern & Co., \$6,800; to Craig & Kidder, \$3,500; to I. Atwater, \$3,549.82; W. H. Hall, \$1,178.32; R. Martin, \$2,129.57; F. Steele, \$563; Dana & White, \$3,174.09; R. Crooks (interest on first issue of bonds,) \$939.52; A. H. Barber, salary as teacher, \$225; J. G. Riheldaffer on salary as Treasurer, \$304.85; to the contractors and their order, \$1,162; to Graves, Town & Co., \$900; incidental expenses, (printing, and agent to examine timber lands,) \$33.02. This I believe shows all that has been paid on the amount realized from a sale of the bonds. I would state in this connection that several unsuccessful attempts were made to negotiate the last issue of bonds; and some members of the Board expended several hundred dollars in the effort, for which they have rendered no bill and received no compensation. And none of the officers have received any compensation for their services, (with the exception of the Rev. Mr. Riheldaffer as above stated,) although the by-laws allow a compensation to the Secretary, Treasurer, and Librarian. Also several members of the Board have devoted considerable time to locating and examining lands, without any remuneration for their services.

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There are three notes due the University, to wit: One made by Samuel Stanchfield for \$2,644, dated August 22, 1856, due four weeks from date, on which are two endorsements - one of \$1077, 54-100; and one of 160 dollars. Another note dated July 13, 1854, for \$100, made by Samuel Stanchfield, William Hanson and William Brown, due July 1st, 1855; and one dated January 5th, 1857, for \$579, made by H. S. Plumer & Co., and due June 1st, 1857. This last note was not mentioned in my last report, as it had been mislaid among the Treasurer's papers and was overlooked. These notes were all given for stumpage on pine lands leased by the parties, except the last mentioned, which was taken in part payment of the amount endorsed of S. Stanchfield's note above mentioned.

The above and foregoing statement I believe answers the inquiries contained in the resolution of your honorable body, and is respectfully submitted.

I. ATWATER,

Secretary of the Board of Regents.

A REPORT
MADE BY THE STANDING COMMITTEE OF THE
SENATE AND HOUSE
1860

The committee on University and University lands submitted the following report:

A proper disposition of the public lands belonging to the United States, has for many years been a subject of deep and absorbing interest. The subject, in various ways, has occupied the attention of our ablest and wisest statesmen. For the purpose of encouraging and pushing forward internal improvements in the shape of Railroads, immense grants of lands have been made at different periods. While these schemes have been placed on foot of opening up and developing the physical resources of the country, a most commendable spirit has also been evinced by magnificent grants, to aid in the great cause of education. The Northwest has been made the fortunate and happy recipient of many of these favors, millions of acres having been given for this purpose.

In preparation of the celebrated ordinance of 1787, the subject of education occupied a large share of attention. In the careful framing of an organic system for a large but yet unpeopled region, a keen perception as to the wants and interests of the future millions destined to occupy the same, was evinced. By the illustrious statesmen who framed this ordinance, it was regarded that the stability of free government depended for sustenance upon the highest possible intelligence among all classes of people. In that instrument it was declared, that "religion, morality and knowledge being necessary to good government, and the happiness of mankind, schools and the means of education shall be forever encouraged."

Among all the donations made to carry out the grand object so fitly expressed above, none has been more liberal than that conferred on Minnesota in aid of a State University. Congress seems to have properly regarded the University as the most elevated of all our public schools, although closely related to, and greatly dependent upon the success and prosperity of the common schools.

The donation was made for our State University

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on the 19th of February, 1851. The second section of the act of Congress on the subject reads as follows: "Sec. 2. And be it further enacted, That the Secretary of the Interior be, and hereby is authorized and directed, to set apart and reserve from sale out of the public lands within the Territory of Minnesota, to which the Indian title has been or may be extinguished, and not otherwise appropriated, a quantity of land not exceeding two entire townships for the use and support of a University in said Territory, and for no other use and purpose whatever, to be located in legal subdivisions of not less than one entire section."

Such is the extent of the munificent grant, near fifty thousand acres. The location of the University was made at the Falls of St. Anthony by the Territorial Legislature. The Constitutional Convention of 1857 confirmed this location by inserting the following section in Article VIII, of the Constitution:

"The location of the University of Minnesota, as established by existing laws, is hereby confirmed, and said institution is hereby declared to be the UNIVERSITY OF THE STATE OF MINNESOTA. All the rights, immunities, franchises and endowments heretofore granted or confirmed are hereby perpetuated unto the said University and all lands which may be granted hereafter by Congress, or other donations for said University purposes, shall vest in the institution referred to in this section."

Thus, it will be observed, was the highest importance attached to this grant. The Convention, in its wisdom, determined to incorporate this important section in relation to it, in the fundamental law. In this solemn and deliberate manner, the highest sanction was given to the matter. The encouragement and protection of an institution founded on this splendid grant of lands, was thus made a part of the permanent policy of the State; almost as much so as the sustaining the three distinct branches of the State Government, the Legislative, Executive and Judicial. By an almost unanimous approval of the Constitution by the people, it was determined that Minnesota should at least have one literary and scientific institution in which should center a common interest.

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A precedent for this has been furnished in several of the older States, among other ways, by providing in their Constitutions for the maintenance of different benevolent institutions. The principal is surely a most commendable one. It displays a laudable spirit of public pride, and commits the State to the great cause of education in a manner that cannot admit of revocation. The faith of the State has thus become pledged in the management of this institution, the basis of this grant. It is a subject well worthy the attention of the representatives of the people in their legislative capacity, as to what can and should be done to promote the welfare of the institution, and to carry out the idea upon which the grant was originally made. It is the common property of the State, and as such is deserving of the care and attention of every locality within our borders. By that fostering attention which the importance of the case demands, the day is not far distant when the institution will make such contributions to the stock of literary and scientific information, as cannot fail to be regarded as matter of personal pride with every citizen of our growing and promising Commonwealth.

It is believed that the immediate location of the University Building tends to throw around it additional attraction. It stands in full view of the celebrated cataract, which has the world-wide reputation, receiving its name near two hundred years ago, from the adventurous Hennepin. The renowned and beautiful falls of Minne-ha-ha are almost within "hearing distance." The "Father of Waters" sweeps majestically in its onward course to the "Sunny South," and it is only some two hundred yards distant from the edifice. Several of the most beautiful limpid lakes, skirted with native groves, are in the immediate neighborhood. From the summit of the building the eye is delighted with a view, seldom excelled in grandeur and beauty. These varied attractions, taken in connection with the important fact of the healthfulness of the position, are well calculated to enlist the decided favor of those, even in distant portions of the country, who have sons to educate. Enough has already been indicated on this part of the subject, to warrant the belief that the institution will meet with a large patronage, as soon as it is placed in a position to receive students.

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It is to be regretted that in the progress of the University thus far, public expectation has been disappointed. On examination the committee are led to attribute this disappointment, among other causes, to an imperfect organization in the Board of Regents.

The manner in which they have been chosen is surely very objectionable. The assembling of the Legislature in Joint Convention for this purpose, seems to associate it too much with partizan politics. It is thought that the new plan furnished in the bill which has recently become a law, of making it the duty of the Governor to nominate suitable persons and the Senate confirm, comports much better with the proper management of a literary institution.

The number of Regents has undoubtedly been too great. Twelve persons located in different quarters of the State, often a great distance apart, and taking seven to constitute a quorum to do business, has been the undoubted source of a serious obstruction to an efficient management of the affairs of the institution. The new law reduced the number to five, and that three of the five may constitute a quorum to transact business, should the Governor, Lieutenant Governor, and Chancellor, who are to act with them in the general management of the University for any reason be absent. One meeting annually is to be held at St. Anthony, with the view of giving the Board an opportunity of personally inspecting the University Building, and the grounds connected therewith.

It would seem in looking back at the course pursued, that too much haste had been shown in organizing departments of instruction.

A University is necessarily of slow development. It is the outgrowth of the common school system. Ten years must sometimes elapse before there is sufficient strength to make a good beginning, and in thentwice ten its influence will begin to have its due effect. A University in a new and sparsely settled State must not precede, but succeed the common school. When these nurseries of education are fairly estab-

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lished, and begin to have their full measure of influence, then follows a demand for a style of education which no one locality can afford to give, and which it is the peculiar province of the University to furnish. By a premature organization of State institutions, the seeds of decay have been sown in the beginning. Incipient consumption takes place, and in a decade of years they dwindle down to large infant schools, or at best to Academies no more respectable than can be found in other localities of the State.

In reviewing the course of policy that has been pursued, the financial management especially, can scarcely fail to merit with general disapproval. In fact, in many respects, it would be appropriate to term it reckless, and apparently in total disregard of the true interests of the State and University. The general course pursued by the Board of Regents has been unfortunate. The first organization took place under the Territorial law of 1851. Not long after, it was proposed by careful and judicious men, that a commissioner should be appointed for the purpose of visiting other State Universities, and reporting upon their defects and advantages. An unexpected opposition was offered to this, and the resolution on this subject was withdrawn.

Shortly a feverish desire is manifested to erect a large and costly building. Governor Ramsay, who was present at one of the meetings, with characteristic foresight, offered a resolution limiting the expense of building to ten thousand dollars. This proposition looking to a wise economy, was overruled, however, and a building which is the subject of just criticism in its arrangements, is commenced, the completion of which it is estimated will cost over one hundred and twenty thousand dollars. Here was the great error. The high state of prosperity which seemed to exist at the time in the financial world, can hardly be plead in commendation of such a system of extravagance as was here entered upon. The result was that those who attempted to carry out the injudicious plan, borrowed large sums of money on private notes at the ruinous rate of three or five per cent. a month. The unwise policy by pledging personal responsibility without knowledge of the source where-

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by they could be relieved of the burden, was fully shown in subsequent events.

When the financial crisis came, and all chances of revenue from the University lands seemed at an end then it was that the Legislature was appealed to. It would seem that the demand for relief was founded much more upon personal considerations, than a disinterested regard for the public welfare. The act of March 8th, 1858, (before the State had ever been admitted in the Union,) authorizing the issue of forty thousand dollars in University bonds, has resulted as the heaviest blow against the prosperity of the institution. The real object in view did not seem to be for the purpose of carrying forward the work begun; at least there seems to be no evidence of scarcely anything being done after the bonds were negotiated. Their negotiation was soon followed by an entire suspension of work on the building; and such has been the case up to the present time. Personal relief being obtained by a release from private obligations, all active interest in the progress of the University appeared to subside.

From a provision in the enactment of the present session in relation to donations to the State University, the committee are very hopeful of results.

The Universities of our Western States have generally excited but little interest among the friends of education. The Legislature has been the only "alma mater" to which they could look for nutrition, and too often they have been made to feel, in the literal signification of the word, that they were "alumni". Good men fearing constant and hasty changes in policy by succeeding Legislatures, have preferred to endow institutions of learning under the supervision of some branch of the church. Already in our commonwealth, Baldwin, the distinguished manufacturer of locomotives, and public spirited citizen of Philadelphia, has given thousands of dollars to an institution of learning at St. Paul, and Hamline, an honored Bishop of the Methodist Episcopal church, has given a large sum to the college at Red Wing.

Such security is given to the philanthropist, in

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the fifth section of the act providing for the government and regulation of the University of Minnesota, that it is believed that in the course of three or four years, the State may expect similar endowments from individuals who love to build up establishments for sound learning, the greatest ornaments a republic can possess.

Indeed we do not see, with the guards thrown around donations, by the provisions of the sections alluded to, why men of every school of philosophy, and shade of religious belief, should not become zealous supporters of one great University, which shall be known far and wide as the University of the State.

The framer of the Declaration of Independence, Thomas Jefferson, at the close of his life, looked back with the greatest pleasure to the share he had in the foundation of the University of Virginia, and he desired that record of the fact should be engraved on the marble that marks his grave. There can be no doubt that it is the wise policy of every State so to conciliate all of ~~her~~ her best citizens as to enlist their sympathies in behalf of her eleemosynary institutions.

Nothing so cultivates a proper State pride as an institution of learning in which the youth of the State can be educated, and feel that their advantages *are* have inferior to none. The committee, therefore, notwithstanding the difficulties that have grown out of the culpable carelessness of the late Board of Regents, would commend the institution to the most favorable regard of the Legislature, and the citizens whom they represent.

Time, toil and great patience will be needed to perfect a University system. The oaks of California majestic in appearance now, required centuries for development after the acorn was buried in the soil. For five years nothing may be done by the Regents which is visible or tangible, and yet these silent and invisible processes are necessary to permanent growth.

The General Government for years employed skilful

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engineers in throwing vast rocks into the ocean, at the entrance to Delaware Bay. To the class of men who looked for results in a day, it seemed a foolish and expensive work, but little better than "building castles in the air"; but now that these piles of rock have reached the surface of the waters, and are surmounted by massive walls behind which ships nestle in the fiercest storm, with the security of the brood under the shadow of themother's wing, the humblest mariner appreciates the work, and as he sails along, prays "God save the Commonwealth." Let us lay the foundation stones of the University, and the generation which follow us, when they behold the superstructure, will be sure to bless the foresight and the persevering labor which has secured to them the priceless boon of a complete education; a breakwater against the waves of anarchy, superstition, and "science falsely so-called."

The Committee regret to state that they have been unable to bring the investigation of the affairs to the University to a satisfactory conclusion. An interview was had with the Honorable Isaac Atwater, the Secretary, and it was indicated by him that he would place the books containing the proceedings of the Board of Regents, in their hands. Important business, we are informed, shortly after called him out of the State, and he is still absent.

We therefore recommend the adoption of a resolution to the effect that the new Board of Regents be authorized to continue the investigation, and send for persons and papers, and report at the next session of the Legislature.

DAVID HEATON,

J. F. BALDWIN,

Committee on part of the Senate.

ORANGE WALKER,

G. W. GREENE,

L. H. GARRARD

A. M. HAYES,

Committee on part of the House.