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Ex-Slave Pension Frauds.

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Monograph

Ex-Slave Pension Frauds.

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Professor of History in the Louisiana State University.

Next to the "forty acres and a mule" swindle* the slave pension schemes have drawn more hard earned dollars from the ex-slaves than any other of the numerous frauds perpetrated on them. Unlike the "forty acres and a mule" swindle, which was contrary to the interests of the Southern whites and was therefore opposed by them, the pension fraud owes much of its success to the fact that influential Southern whites have favored slave pensions and have spoken or written or introduced bills in Congress to secure them, and numerous Camps of Confederate Veterans have proposed or endorsed the pensioning of faithful slaves. So the old negroes have felt that, after all the promises made, something surely was due them.

While the pension fraud is not one of the Reconstruction swindles, it is not of recent origin. The state of mind in black and white that made it possible dates from the returning good feeling between the races after the downfall of Reconstruction. There was some talk of it and some resulting swindling during the 80's, but the most important movement began with the early 90's and was not effectually checked for ten years. The former slaves were growing old, often too old to work, and the idea of pensions appealed strongly to them.

The immediate cause of the great swindling movement of the 90's was the activity of one man whose intentions, however mistaken, were probably sincere. This man was William R. Vaughan, a native of Alabama, a Democrat in politics, who removed to the Northwest and was at one time mayor of Council Bluffs. He was an eccentric person, probably ill-balanced mentally, and was possessed by two ideas: that the South was being robbed by the Federal pension system, and that the negroes by slavery had been robbed of proper returns for their labor. In order to right these wrongs he originated his slave pension scheme and between 1890 and 1903 secured the introduction into Congress of nine bills in succession. These bills were introduced "by

*See North American Review, May, 1906.

request" by Connell of Nebraska, Cullum and Thurston of Nebraska, Mason of Illinois, Curtis of Kansas, Pettus of Alabama, Blackburn of North Carolina, and Hanna of Ohio—all men of standing. The bills were identical, each one providing that ex-slaves should be made pensioners of the United States and that pensions should be granted according to the following scale: negroes 70 years old and upward to receive \$500 cash and \$15 a month; those 60-70 years old to receive \$300 cash and \$12 a month; those 50-60 years old to receive \$100 cash and \$8 a month; those less than 50 years old to receive \$4 a month.*

To push the bills in Congress several organizations were formed, the first of them by Vaughan himself, the others by tricksters who grasped the opportunity to gather a golden harvest. Vaughan declared that he formed his slave pension plan as early as 1870, but not until 1890 did he begin to organize his work. In 1890 he published a small book entitled "Vaughan's Freedmen's Pension Bill, A Plea for American Freedmen," which contained a sketch of prominent negroes, opinions of Vaughan and others about slave pensions, and a number of symbolic pictures, such as Justice giving reparation (pensions) to the blacks; negroes working in cotton, cane and tobacco fields, with this sentiment attached: "Southern products grown by stolen negro labor for over a hundred years;" a woman (the South) handing gold (Federal pensions) to another woman (the North); and on the inside cover a slave in chains faced on the opposite page by a picture of W. R. Vaughan of Selma, Council Bluffs, Chicago, and District of Columbia. This book was sold for one dollar to help defray expenses. The first edition of 10,000 was sold in one year, and several new editions were printed. In 1892 a large poster containing about the same matter was published. It also contained a picture of Vaughan and his five sons, all "pledged to plead that justice be done America's former slaves by the United States government and Great Britain."

The circular announced the organization of a secret order entitled "Vaughan's Ex-Slave Pension Club." The object of the club was to elevate the race, to act as a fraternal order, and to assist Vaughan in getting information about ex-slaves with a view to securing pensions for them. Any negro over sixteen years

*See Senate bill 1176, 56 Cong., 1 Sess., and House bill 11404, 57 Cong. 1, Sess.

of age could join, but, the circular stated, "no white person will be allowed to join said organization except it be a member of the family of the originator of the order." The headquarters of the society were in Chicago where Vaughan lived. Should any negroes wish to organize a branch of the Society they might, Vaughan said, send one of their number to Chicago "to obtain the secret work, grip, pass-word, etc. I will initiate such in the Chicago or Parent Lodge and give them full authority to establish such subordinate orders. For the present there are but two secret degrees. It is my purpose to increase the degrees within the next twelve months. The paraphernalia, masks, secret work, etc., for each subordinate lodge will cost \$25."

Numerous branch clubs were established, and the certificates of membership state that each person paid twenty-five cents entrance fee and ten cents a month dues, the proceeds to be used in pushing the pension bill. On all these certificates appear Vaughan's picture and the member's slave record, that is, the date of his birth, name of his master, etc. In 1897 Vaughan issued a circular denouncing by name individuals who were imitating his methods in order to get money from the negroes. He warned the ex-slaves that he was the sole author of the pension bill and that it was copyrighted by him; others claiming to be his agents were swindlers.

Until 1897 Vaughan's headquarters seem to have remained in Chicago, but in that year they were removed to Nashville, Tennessee. Vaughan, whose title had been Grand National Director, delegated his authority to one P. J. Hill to whom all records and secret work were turned over. In a circular announcing the change Vaughan stated that no persons would be "considered by me" or be entitled to any benefits under Senator Thurston's bill "without they hold a certificate" from Hill. A year later the name of the order was changed to the "Ex-Slave National Pension Club Association," and local clubs were notified that unless they sent in their dues they would be dropped. Agents were urged to push the work, to induce other ex-slave organizations to unite, and thus make a strong organization that could "make old Rome howl."

For several years Vaughan continued the work of collecting fees from the negroes and agitating in a small way the matter of

slave pensions. Rival societies gave him much trouble, so in 1899 to help in the work he established a newspaper called the *U. S. Department News-Eagle*.^{*} The paper had a semi-official appearance and name to which the United States authorities objected, and publication was stopped. In 1902 Vaughan's "Justice Party" appeared. The old organization had fallen into the hands of rivals, and Vaughan invented a distinctive title for his new order which emphasized the injustice to the South of the Federal pension laws.

In 1903 Vaughan succeeded in getting his pension bill re-introduced by Senator Hanna, and since then nothing has been heard of him. He expended, he said, \$20,000 in the pension work, but there is no doubt that he made more than he spent. The Commissioner of Pensions in 1899 estimated that he had collected \$100,000 in dues. Such was the history of the more honest part of the slave pension movement.

The other organizations were all fraudulent, designed merely to secure money from the ignorant blacks by the most barefaced misrepresentations. The most noted were the "National Ex-Slave Mutual Relief, Bounty, and Pension Association," and the "Ex-Slave Petitioners' Assembly." Smaller organizations were the "Western Division Association," the "Ex-Slave Pension Association of Texas," and "the Ex-Slave Pension Association of Kansas." In every Southern State there were also numerous local organizations, all formed by shrewd negroes to fleece their own race, and in addition to these there were numbers of individual swindlers not connected with any organization. Of all the swindlers the worst were I. H. Dickerson and Mrs. Callie House, two negroes who for several years conducted the "National Ex-Slave Mutual Relief, Bounty, and Pension Association." Dickerson was for a time one of Vaughan's agents but was suspended with others for embezzlement. He and the others at once organized a new society and with literature and blanks stolen from Vaughan went to work. They copied Vaughan's methods, detached his followers to themselves, and even used his name in their literature. The *National Capital*, later the *National Industrial Advocate*, published in Nashville, was their official organ. Mrs. House was the leading missionary of the order and was sent out to form

^{*}U. S. Department News-Eagle, Dec. 1899, Jan. 1900. Washington Star, Sept. 1, 1899.

branches. Unlike Vaughan, Dickerson and his agents often falsely represented that the pension bill had become law and that those who wanted pensions must join his order. Dickerson and Mrs. House were so reckless in their promises to the blacks that the Post Office Department forbade them the use of the mails, and the headquarters were then removed to Washington. Driven from there they returned to Tennessee, and then again went to Washington. So closely were they watched that they were unable to keep up their organization. At one time they claimed 600,000 members, old and young, each of whom was supposed to pay twenty-five cents entrance fee and ten cents a month dues.

The "Ex-Slave Petitioners' Assembly" of Madison, Arkansas, organized in 1897, was managed by three negroes. I. L. Walton, the secretary, published a paper called the *Ex-Slave Assembly*, in which he published regularly the old pension bills making it appear that they were laws. He announced that he had accepted the agency for the slave pension business and authorized his agents to collect from each member twenty-five cents and to forward each name with ten cents to him. In 1899 agents were authorized to collect money on the highway without organizing clubs. At that time Walton claimed 285,000 members, and in one issue of the *Assembly* he published the names of 130 travelling agents. Walton would himself enroll names at twenty-five cents each; to agents and others he sold constitutions and rituals at fifteen cents each. Agents were permitted to write letters for publication in the *Ex-Slave Assembly*, but when they were too long the writer had to pay for printing them. Walton was driven out of business in 1899 by a "fraud order" of the Post Office Department. The smaller orders sooner or later suffered a like fate.

Various methods were used in the field by the agents of these societies and by the local swindlers. Some of the agents were honest, but most of them were dishonest; the methods used and the results were similar. Each pension organization had numerous representatives who went over the South explaining to the negroes the pension scheme. Sometimes they represented themselves as agents of the United States Pension Office, and often without transgressing the law they managed to create the impression among the negroes that they possessed authority from

the government to enroll and receive fees from claimants for pensions. The usual procedure was as follows: an agent, usually a "professor" or a "reverend," went into a negro community, made a speech in the negro church to announce his business, and then proceeded to organize the ex-slaves into a club which paid \$2.50 for a charter, and each member paid twenty-five cents entrance fee and monthly dues of ten cents. A portion of the fees and dues was sent to the headquarters of the organization. In organizing the clubs the agent would show papers "with the District of Columbia seal which he said authorized him to do this work,"* would exhibit and read copies of the pension bills which he would say had "passed the White House," or had been read twice and had to be read only once more before it became a law. In Illinois an agent of the "Petitioners Assembly" warned the members that they must not "rite to the white house to find out," for it was like a "society," that is, secret. An agent named Butler Harris in North Carolina gathered together the ex-slaves, read a chapter from the Bible, prayed and then made the negroes swear on the Bible to give correct information in regard to their masters, their own ages, terms of slavery, etc. One rival pension organization was denounced by the agents of another. Much emphasis was placed upon the fact that some certain man, e. g., Vaughan, was the "author" of a bill, and held a "copyright" and that his company was "chartered" or "incorporated." Certificates of membership were given to those entitled by the bills to pensions. In North Carolina an agent told those who held this certificate that "it must be kept in their trunk" and not exhibited until the proper time; he represented his certificate as coming direct from "the Department." Some agents, especially those representing only themselves, offered reduced rates—one certificate for fifteen cents or two for twenty-five cents.

The promises made to the blacks were numerous and attractive. A North Carolina agent offered to secure \$75 within ten days for a fifty cent fee or \$100 for a one dollar fee, and for each additional dollar fee a \$100 extra pension. Those who paid no fees could get no pensions. A Georgia negro agent promised a uniform pension of \$12 a month for services from 1863 to 1865. The

*The quotations in this paper are taken from letters written by negroes to the authorities in Washington. These letters are on file in the Interior Department.

larger organizations insisted that the fees must continue to flow to headquarters until the pension "passed." One club of ex-slaves was informed that the "United States government was now ready" to pay pensions of \$4 a month to ex-slaves under fifty years of age and \$8 dollars a month to those over fifty years of age. A North Carolina ex-slave wrote to President McKinley that a man had promised his "society" that for twenty-five cents each he would write a letter to the "Pension Department" which would then send them \$200 dollars each and a monthly pension afterwards. A "ginger-cake nigger" in Virginia called on the sick and helpless ex-slaves and convinced them that for a fee of one dollar he could secure \$200 outright for each man and \$50 for his wife.

Great show was made by the swindlers of making out and carrying away full records of the ex-slaves. The local clubs also were required to keep records and to send transcripts to headquarters along with the dues. Some of the record books were sent to Washington by United States officers. It is not a pleasant experience to look over the long lists of names, with the attached records of age, master's name, old slavery name, etc., and the pitiful accounts of the ten cents monthly dues which were often paid for years. Of three books that the writer examined one had 110 names, another 293, and a third 330. Some lists of members, it is said, ran into the thousands.

Most of the pension orders distributed printed constitutions and rules, with suggestions for exercises at the meetings of the local clubs. Poems on slavery and "ex-slave pension songs" found a place on the program of the meetings. The various pension bills were read each month and explained. To keep the clubs together the "Mutual Relief, Bounty, and Pension Association" and other similar organizations sent out quantities of literature to inform and excite the negro members. This literature consisted of circulars containing reprints of the pension bills, statistics of the amounts due the ex-slaves, pictorial histories of the pensions movers—Vaughan, Dickerson, Callie House and others—statistics of membership, and denunciation of rival organizations. In some sections, notably in Tennessee and in the District of Columbia, conventions of pension seekers were held under the supervision of the agents. At these meetings the exer-

cises were calculated to incite those present to a firm belief in the certainty of slave pensions. In Tennessee posters were sent among the blacks announcing the forthcoming conventions, the programs, and speakers. Barbecues were held on convention days, and the harvest from the new members was great. The pension bills were always read, and very few negroes knew that they were not really law. One negro preacher said "I was in a meeting in New Bern, North Carolina, where there were over 400 people, and the Thurston bill was read and every one in the audience except myself believed it had already passed. Those in charge of the meeting collected money and the people gave it freely—forty cents a head."

The swindlers met opposition from the better class of negro preachers and teachers. Consequently in their speeches and in the advertising matter sent out the pension people warned the negroes that they must expect opposition from preachers and teachers who were in league with their enemies. One report asked for by the Dickerson-House people from the local clubs was for the names of "ministers, teachers and other prominent negro opposers." The Interior Department has in its files many pathetic letters from preachers asking the government to do something to stop the frauds which were not only making the black people poorer, but were injuring the work of the ministers and teachers. The advice given by the pension agents against the influence of the preachers and teachers often had serious results. Schools were broken up because the teachers pronounced the scheme a fraud. Negro ministers lost popularity and influence; churches were divided and sometimes ruined. One agent told the members of one church that the minister's opposition had delayed the pension, and the minister reported that as a result of this statement "a great many refuse to tend church on that account," and that "these poor people reads only one paper—the *National Capital*, said paper is almost run some of them crazy." A Tennessee preacher demanded that the movement "be nipted in the bud" for it was "a Robbery." The letters show that the negro ministers withstood temptations, suffered persecutions, and made material sacrifices in order to check this robbery of their people.

The young negroes also often opposed the movement. The old negroes were instructed to expect this attitude from those who would not profit by slave pensions. Usually it was ordered that

whites be not consulted; agents only must be dealt with. Whites who denounced the movement were to be considered enemies of the race and boycotted. A circular sent out by Dickerson and House stated that opposition had been encountered from ministers, politicians and teachers which only proved that these men were "enemies to the race, fakes, and frauds" and that while education is "grand" it is "dangerous for fools to have." One minister wrote: "I got the floor to explain to the people that they were being deceived, and I got in some dispute with the parties and had to get out a warrant and have them arrested for obtaining money under false pretenses."

The pension movement resulted in a considerable correspondence directed by ex-slaves to Presidents Cleveland and McKinley and to the Pension Bureau. Many of the letters excite a reader's sympathy, for they frequently lay bare quiet tragedies and always pitiful anxiety. A Louisiana teacher wrote that he wanted a job to look after the ex-slaves who were to get pensions under "Senator" Hanna's bill. A petition signed by 110 Alabama negroes and sent to McKinley states that "we old people are Whoring [worn] out, no good in us now...[we are] praying god to open the heart of each congressmen"...[for] "if any race need pension we do need them bader than any Race under the Sun." Another letter stated that "ther was a agent saying that the presentdent sent her around saying for them to pay 25 cents...and she got a good many Siners [signers]." A Kansas City negro wanted "sum idea of this great Bill now pending known as the Pettus Bill no. 1176 of Alabama." One old Georgia negro wrote that a man had gotten his "pension papers" some time before and fearing crooked dealing he instructed the President to "pleas hole them" when presented. The officers of a pension club wrote to get news of the pension bill, stating that 293 ex-slaves "have pade theare 25 cent for thear stiffacate." A Florida preacher said that "the report did cause a many pore ex-slave heart to rejoice with fals Joy for his Pension." Reuben McCoy of Woodlawn, Alabama, was disgusted with Dickerson and Vaughan. "I have got tired," he wrote, "of so much foolishness...of state celisiters and treasure holders," who promised pensions which never came. In 1898 a delightful letter came to Mr. McKinley from Tennessee. "I will set down to Drop you a few lines to let you here from me I

am will at this time and I hope when this Reach you I hope it will find you and all of your family Doin Will...I am agent for your Life and Distinguished Services and know your wife's name," and he wanted news of his pension. A letter from Sparta, Illinois, is typical of many received by McKinley from old negroes. It began with the usual polite expressions: "It is with much pleasure that I write you a few lines to inform you of my health I am well & hope you are the same." He had heard of the pension law and suggested to McKinley that "you might send me a couple of dollars" in advance. He lived "in a little old Cabin... [and] it rains in same as if there was no roof...I am eighty-four years old,—stove up with old age and rheumatism."

So great was the interest of the colored people in the proposed pensions and so wide spread were the fraudulent operations of the societies which claimed to be working for the ex-slaves that the Pension Bureau took steps to disabuse the minds of the old negroes in regard to the matter and to check the illegal activities of the pension agents. Information was given to the press generally, and especially to the colored newspapers, to the preachers, teachers, and prominent men in the districts infested by the swindlers. Beginning in 1896 circulars were sent to all negro men known to be active in the slave pension business warning them against representing themselves as agents of the government or saying that the slave pension bills had become law. Agents who pretended to have official authority would be prosecuted under a law of 1884 which made it a crime to pretend to be an officer of the United States. This action of the Pension Bureau had at once a distinctly good effect. A person like Vaughan hastened to make clear his aims which heretofore had been vague and misleading. Some of those who had been claiming official authority ceased to do so, others quit the business.

In answer to circulars some amusing letters were received. One agent of the "Ex-Slave Petitioners' Assembly" wrote in reply that his business was official and perfectly legitimate and requested the pension authorities to strike off for him a lot of circulars containing the seal and endorsement of the Bureau. Many wrote stating that they had believed themselves to be authorized by the government. An agent of the Vaughan movement wrote: "If I have been wrong in receiving money in this way the National

Convention that was held in Nashville is wrong." This agent in 1897 was still basing his work upon the Connell bill of 1890. One man wrote to McKinley that he had "Rec'd a nice letter from the law division" (of the Pension Bureau) and evidently felt flattered. A Georgia negro was alarmed and sent an urgent request: "please don't authorize an officer to accompany me to you, just send me word an I will go as strait to you, as a babe to its mother."

But the swindlers though checked were not stopped. The United States authorities in order to prevent fraud by pretended officials sent officers to the ex-slave meetings to watch the agitators and to arrest those who claimed to have authority from the government. The Pension Bureau has record of eight or ten convictions in United States courts, and many more were secured in state courts. This action practically stopped the illegal frauds, but the worst swindlers were now operating inside the law—collecting money under the pretense of paying the expenses of organizing the ex-slaves and pushing pension bills in Congress. The leaders in this were again Vaughan, Dickerson, Walton of Arkansas, and Callie House, with two new ones, T. Starr Murfree in Tennessee and A. A. Washington in Mississippi. To put an end to the schemes of these people the aid of the Post Office Department was asked, and "fraud orders" were issued against all of them. As a result none of them could continue his business through the mails. It was a deadly blow, and only Dickerson and House survived it for any time. They changed their addresses several times and tried to work through the express companies, but finally they were, it is thought, driven out of business. As soon as a money collection scheme based on the slave pension idea was heard of, the receiver of the money was "fraud ordered" and the old negroes then kept their dimes and quarters. Much credit is due the officers of the Interior and Post Office Departments for their persistent efforts to run the swindlers out of business.

A remarkable feature of the business is the ease with which the members of Congress were unknowingly made to lend their aid to these fraudulent schemes. Between 1890 and 1903 ten bills were introduced "by request," and not until 1899 did any one call attention to the bad results of such bills. In December, 1899,

when Senator Pettus introduced an ex-slave pension bill, Senator Gallinger of New Hampshire, chairman of the Senate Committee on Pensions, declared that such bills were harmful because they deluded the negroes and subjected them to fraud. Senator Mason, who had once introduced the same bill, then said that he was convinced that bad use had been made of it. An "immense correspondence" from all over the South proved to him that it had resulted in fraud. Senator Thurston made a similar statement as to the results of the bill introduced by him; he said he had received about 2,000 letters indicating that the bill had cloaked a scheme of fraud. Upon this information and upon a mass of facts presented by H. Clay Evans, Pension Commissioner, Senator Gallinger in January 1900 made a strong report exposing "the mischievous features of the movement" in order to prevent the introduction of more such bills. Senator Hoar, however, unwittingly used a few expressions which seemed to show that he favored the principle of the measure, and thus unfortunately further swindling was aided. In 1903 Senator Hanna re-introduced "by request" the same hoary bill, and with copies of its windlers at once descended upon the black South.

Since 1903 there has been little visible evidence of renewed ex-slave pension frauds. It is not illegal and cannot of course be made illegal to organize ex-slaves and advocate slave pensions and collect money to push the pension bills, but the literature and correspondence of the pension agitators cannot be carried on through the mails. Some swindling probably still goes on and will continue as long as any number of ex-slaves are alive. This, however, is done by individuals with no organization behind them. One of the last cases in which the United States secured a conviction will illustrate the utter meanness and the tragedy of the business. An old negro woman living near Norfolk, Virginia, had saved her money and purchased a house, lot and well stocked chicken-yard and pig-pen. One spring evening about dusk she was sitting in front of her house resting after the day's work. A well dressed negro man came to the front gate, fired a pistol three times, and marched up the walk to the house. "I am an officer of the United States," he told the old woman, "see my white pants, see my blue coat, see my pistol. Magnum!" All of which impressed the old colored woman, especially the fre-

quently repeated word "Magnum," which she thought had a magic meaning. The negro then announced: As an officer of the government I am entitled to free board at your house, to have fried chicken and waffles for supper and clean sheets on the bed." So he was established as a boarder. The negro woman being an ex-slave her boarder offered his services to get her a pension. She was on the records, he said, to get lands in far off Arkansas and also to receive \$700 in gold, but to get the latter she had to prepay the "freight" which amounted to \$90. A mortgage secured the \$90. The pension agent lived on the best the woman could give until she became nervous about the \$700 in gold. Then he discovered that a slight mistake had been made. She was due \$1800 in gold without any western lands, but the "freight" was \$250. A second mortgage secured this and she went with him to a public telephone, heard him drop the money in, as he said, and ring up the "Department" which would send, he told her, the \$1800 as soon as the "freight" tinkled in the telephone. Since he had consumed the entire substance of the old woman, he now left. When the United States authorities caught him he was given ten years in the penitentiary.

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