

REPORT

OF THE

JOINT COMMITTEE,

APPOINTED BY THE

EIGHTH GENERAL ASSEMBLY,

TO

INVESTIGATE THE AFFAIRS

OF THE

IOWA HOSPITAL FOR THE INSANE.

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DES MOINES, IOWA.

JOHN TEESDALE, STATE PRINTER.

1860.

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The Committee appointed by a Joint Resolution of the Senate and House of Representatives to investigate the affairs of the Hospital for the Insane, have discharged that duty and now report.

The Committee proceeded to Mt. Pleasant, and decided upon the following as the proper points and subjects of investigation and inquiry.

1. Why the Asylum has cost so much greater amount of money than the previous Legislation so manifestly contemplated, and the people had just reason to expect.
2. Whether the amount appropriated has been fairly and honestly expended in erecting the building.
3. The probable and approximate estimate of the cost of completing the Institution as originally designed.
4. Whether there had been any abuse or bad faith on the part of the Board or officers in disbursing the money to the laborers and others, who have furnished material and labor for the building.

1. In the first place your Committee find that the Commissioners appointed by the act of the Legislature of 1855, visited the eastern States for the purpose of examining other Institutions of this character, and to procure a place for the contemplated building. That a plan was procured from Jonathan Preston of Boston, on the recommendation of Doctors Bell and Kirkledge, from which the present structure has been erected. That no correct or even approximate estimate in detail has ever been made out, and that



the Commissioners relied upon mere opinion as to the probable cost, leaving a margin of one hundred thousand dollars between the minimum and the maximum cost of the building. The plan obtained was for a first class Institution with all the modern improvements, and is said to be the largest and most perfect building of the kind in the United States.

The Commissioners evidently acted almost wholly with reference to the character of the Institution when completed, and were thoughtless and indifferent as to the ultimate cost.

They intended that the expenditures should be carefully made, and that the State should receive a full consideration for every dollar expended. The Commissioners hoped for low figures for the expense, but resolved upon erecting a first class institution. In this they may have deceived themselves as to the cost, but they have most certainly deceived the people, and disappointed a just expectation of the expense of erecting the building and time of its completion.

Had a truthful and fair estimate of the expense of erecting this building been presented to the Legislature, no one can believe that it would have received their approbation or obtained a dollar of appropriation.

The fault in this matter may be said to rest with both the Legislature and the Commissioners. No appropriation should ever have been made until a complete plan and estimate had been made out and submitted to the Legislature. On the other hand the Commissioners should never have expended a dollar until such plan and estimate was made, and under no circumstances should the Commissioners have proceeded to expend the appropriation until they were fully satisfied that the cost of the building would not exceed the just expectations of the Legislature and the people.

Your committee can hardly credit the supposition that the Commissioners have acted with perfect candor in asking the Legislature to make appropriations heretofore. They have not told the whole truth. They have produced the belief that the expenditures would be largely less than the facts would justify.

They have induced the belief that the institution would be completed and ready for the reception of patients years before that event can occur.

They have carried out their favorite measure by procuring a policy, which, in its tendency, compels the Legislature to make

heavy and unexpected appropriations, as the only means of saving past expenditures from total loss.

According to the testimony of Mr. Winslow, the Superintendent, he, by general estimate, expected to erect the building, &c., at an expense of \$300,000, when it was designed to make the walls of brick; but when that was changed, and stone was substituted, he estimated the cost at \$360,000. These opinions and estimates of the Superintendent were never made known to the Legislature, although well understood by the Commissioners.

The manner of conducting the financial matters, has been various. From March 17th, to Oct. 30, 1855, the Board obtained the warrants from the Auditor and paid them out. The following sums were obtained in this manner:

March 17th.	Huldia Evans.....	\$4,325 00
do do	Fred. Barnes.....	100 00
do do	C. L. Clarke, Treasurer.....	1,500 00
		<hr/>
		\$5,925 00

After these sums were obtained, Mr. Presley Saunders was appointed Treasurer, and M. L. Edwards, Secretary. The system then adopted required Mr. Winslow, the Superintendent, to certify to persons furnishing labor or material, the amount, &c., which was presented to the Secretary by the party entitled, and the Secretary drew an order or check upon the Treasurer for the amount. These were called Asylum checks, and were negotiable by delivery. Some of these checks were made so as to have preference over others, as to payment; but this was only done in cases where immediate payment was a necessity.

The Commissioners made their orders upon the State Treasury directly in favor of Mr. Saunders, who drew all the money that had been received since Oct. 30th, 1855. The amounts and dates of these allowances in favor of Mr. Saunders as Treasurer, are as follows:

1855.		
October 30 .....		\$2,075 00
November 26 .....		5,000 00
1856.		
April 22 .....		10,000 00
August 13.....		10,000 00
August 14.....		5,000 00



August 14.....	5,000 00
August 14.....	2,000 00
August 14.....	6,166 54
1857.	
January 9. 5 orders of \$10,000 each.....	50,000 00
April 23.....	40,000 00
August 1.....	4,171 88
December 2.....	9,000 00
1858.	
March 5.....	2,614 10
March 23.....	499 80
March 23.....	1,292 45
May 22.....	7,168 15
May 22.....	1,551 70
May 22.....	5,045 22
May 22.....	6,580 33
June 10.....	11,028 74
July.....	12,960 14
July.....	13,117 58
September 21.....	12,559 45
October.....	9,005 86
November 1.....	6,195 65
December 23.....	4,463 32
1859.	
January.....	2,437 06
March.....	2,186 77
February.....	1,063 23
June.....	803 90
June.....	1,142 76
July 7.....	1,307 73
July 7.....	1,256 27
September.....	919 29
September.....	815 45
December 1.....	1,533 72

December the 3d, 1857, the Commissioners made an order, allowing A. & W. A. Saunders interest at the rate of *one and one third per cent per month*, on all moneys by them previously advanced, or that they should afterwards advance.

Under this order the following sums have been allowed to Messrs. Saunders:

May 23, 1858.....	\$7,168 15
September 21, 1858.....	587 74
November 1, 1858.....	893 64
February 28, 1859.....	1,084 44
May 1, 1859.....	1,675 14
August 11, 1859.....	481 26
November 1, 1859.....	284 49
February 1, 1860.....	290 88
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	\$12,465 74

Messrs. Saunders were also allowed express charges,  
September 21, 1858..... \$38 00  
July 7, 1859..... 99 00

The Commissioners did not arrange with the Messrs. Saunders for any specified sum to be advanced, or make any arrangement as to the time they should continue to pay the checks of the Secretary. It was all left to the discretion or convenience of Messrs. Saunders.

Mr. Presley Saunders, the Treasurer, is the brother of A. & W. A. Saunders, who are brothers, in Mt. Pleasant, and the entire business has been done through the banking house of the latter. All the money has been received and paid out by them. In regard to this large amount of interest paid to Messrs. Saunders by the Commissioners, your Committee must say that it was paid out without authority, and in violation of law; that the interest paid was usurious and excessive. It was illegal to give or receive such interest. The State, in this instance, actually paid twenty-four per cent interest. As soon as the warrants were issued, they were by the agents of the State presented for payment, and the usual endorsement by the Treasurer of non-payment made upon them, and from that day interest has been computed upon the warrants at the rate of eight per cent per annum. These warrants were held by the Treasurer, and Messrs. A. & W. A. Saunders made advancements for which they were paid sixteen per cent. This interest was taken from the appropriation, so that the Asylum received the original appropriation with the eight per cent interest from the State, and paid sixteen per cent for the money advanced by Messrs. Saunders; the State actually paying both items of interest. The total amount of interest paid by the State on warrants issued, amounts to \$10,422 28



The am't paid to Messrs. Saunders for advancements, 12,465 74

Total interest .....	\$22,887 02
Add to this express charges,	
September 21, 1858.....	38 00
July 7, 1859.....	99 00
	<hr/>
	\$137 00
Messrs. Saunders expenses going east to borrow money	146 00

Makes an aggregate sum..... \$23,150 00

This sum has been paid out by the State, and the Asylum has received no direct benefit therefor, and may be set down as so much actually lost, and by this process there has been paid out by the State to the Treasurer of the Commissioners, \$10,422 28, which is not charged to the original appropriation. If the interest paid on the appropriation upon the Auditor's warrants whilst they were held by the Treasurer of the Asylum, is not charged as interest paid by the State, and is credited as part of the original appropriation, then the interest that the State paid should be stated at sixteen per cent, the exact amount allowed Messrs. Saunders for the amount advanced by them.

Your Committee cannot but condemn the practice of allowing interest on warrants whilst they remain in the hands of the agents of the State. It is only an indirect way of increasing the appropriation, and obtaining from the Treasury a greater amount than has been appropriated by law.

The annexed table will explain and exhibit the condition of the accounts:

To total amount drawn from the Treasury, including interest up to the time the warrants have been paid, and the outstanding warrants.....	\$258,856 16
The amount of warrants issued by the Com'rs, was..	254,118 48
To which add the amount drawn by the Commissioners and less \$721 received by Saunders from Mr. Clarke.....	5,203 02

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\$259,921 50

Your Committee take pleasure in bearing testimony to the general correctness of the books, both of the Secretary of the Board of

Commissioners, and also of the Treasurer and his Agents; one error only having been discovered. That showed a small balance on interest account, due to A. & W. A. Saunders. Your Committee would here remark, that there is an apparent discrepancy in regard to the amount of interest paid by the Commissioners, between their books and their report to the Governor. The matter is explained this way:—that the difference only between the amount of interest paid for moneys borrowed, and the amount of interest received on warrants after the contract was made was reported, which we find to be true.

Your Committee find a small discrepancy in the amount of interest on State Warrants, issued in favor of the Asylum, as shown by the books of the Institution, and by the books of the State Treasurer, which discrepancy is accounted for by the officers, in this way. The Treasurer, or his Agents, have been in the habit of disposing of Auditor's Warrants, and the persons purchasing them have received the interest on the same, from the time of reception to the time of redemption, which your Committee after examination find to be the case.

On examining the Auditor's books, and the State Treasurer's reports, your Committee find a warrant drawn in July 1856, for 2070 30-100 dollars in favor of P. Saunders, and paid the same day. For this sum no order was found on the books of the Commissioners, and none was found among the papers of the Auditor's office. This warrant appears to have been drawn without any order of the Commissioners, and for which the State has not received any credit on the books of the Treasurer of the Asylum. In the absence of the *then* acting Auditor and State Treasurer, your Committee are unable to explain this discrepancy. As the matter now appears, this amount of \$2070 30-100 is not accounted for by the Treasurer or any officer of the Asylum.

3. Your Committee procured the best mechanics and practical men they could find to estimate the cost of completing the building, gas works, heating apparatus, &c., &c. The result is as follows:

Mr. I. Stover, Architect, estimates for joiner work, iron work, plastering, hot and cold air chambers, gas house, retorts, gasometer, fan in engine house, ice house, carriage house and barn, coal and wood room, cisterns, &c..... \$75,850 00



Charles Hurdec, foundryman and machinist, for steam engine and boilers, hot water boiler, pipes, tanks, conductors and putting up.....	39,000 00
David Simpson, plumber and gas fitter, for gas works, fitting up water closets, baths, sinks, basons, fitting and plumbing with gas fixtures.....	12,500 00
E. T. Gardner, mechanic and house furnisher, for the furniture, carpets, &c.....	22,900 00

Total estimated cost of finishing and furnishing the entire building..... \$150,250 00

To this sum the improvements required on the land and fencing shrubbery, ornamenting, &c., will require several thousand dollars more.

It is but just to state that the estimates made as above are considered entirely too high by the Superintendent, Mr. Winslow. He proposes to fill these estimates for \$125,000 00.

We cannot too highly commend the conduct of Mr. Winslow in his management and superintendence of the erection of this building. Everything appears to have progressed with the most perfect system. Every part of the work appears to have been done in the most substantial manner, and in the opinion of your Committee there can be produced no other instance where the public interest has been so carefully and successfully followed and advanced, or where the public have received so full a consideration for the amount expended.

4. We have heretofore explained the manner of issuing the Asylum checks.

These checks were issued monthly to the laborers and others, and with the exception of those that were issued as *preferred checks*, were generally if not always paid in the order of their dates or time of being issued.

For a considerable portion of the time there was no money in the Treasury to pay them when issued. When there was no money in the Treasury they become the subject of barter and were traded for goods and discounted for money; their value was determined by the date of the check and the time that it would probably be paid; the discount ranged from five to fifteen per cent, most commonly ten per cent. The order of payment and the fact of

their being preferred checks in circulation, not being fully understood by the holders of these checks, gave rise to a strong feeling of dissatisfaction and suspicion that frauds were practiced. It was charged and honestly believed that the money in the Treasury was improperly withheld, and used in purchasing the outstanding checks. That favoritism was exercised in the payment of those paid. That when money was about to be received by the Treasurer, such information was withheld and the checks purchased at an unjust discount.

These charges were so confidently made and so pertinaciously persisted in that your committee determined to investigate the matter fully, and for this purpose invited information from all sources, and sent for many witnesses. The evidence taken is herewith returned.

The result of this part of our investigations, we think fully exonerates the Treasurer or his Agents, Messrs. A. & W. A. Saunders, from the least imputation or just ground for complaint.

The Asylum is constructed upon a principle that makes it an entirety. The whole depends upon the completeness of all the parts. The expense of completing the centre building and east wing will cost comparatively but little less than the whole; the difference will not much exceed twenty-five thousand dollars.

Considering the advanced state towards completion of the institution, the large sum of money actually expended, the great and increasing public necessity for such an institution, your Committee can see but one course to be pursued.

To refuse to go forward we lose the interest of all that has been expended, which in two years will amount to a sum that would go far toward completing the building, and by delay, the most unfortunate class of human beings, will suffer two years longer.

On the other hand, to make an adequate appropriation in the present condition of the Treasury, and the financial embarrassments of the country stands out strongly against the policy. A small appropriation will do no good. A sum less than ninety thousand dollars cannot be relied upon as sufficient to complete the centre building and east wing, with the necessary out-buildings, gas works, &c., necessary to operate the institution, and properly accommodate patients. With this sum your Committee believe accommodations for from one hundred and fifty to two hun-



dred patients can be provided, and that every consideration of duty towards this unfortunate class of people requires that such appropriation be made by the present Legislature. With this sum your Committee believe that the institution will be in readiness by the first of January, 1861, at the latest.

Your Committee specially refer to the depositions of Messrs. Johnston, Clarke, Winslow and Stone, as containing much information upon the subject under investigation.

The other depositions taken, and facts gathered, are also herewith returned and submitted to your Honorable Body.

The expense incurred will be reported.

All of which is respectfully submitted.

J. C. HALL,

Chairman on part of the House.

The undersigned, a portion of the Committee appointed to investigate the affairs of the Insane Asylum, beg leave to make the following supplemental report:

While your Committee would speak in complimentary terms of the business capacity of Mr. Winslow, they cannot refrain from condemning a certain letter written by that gentleman, to the Hon. James W. Grimes, dated August 14th, 1859, in reference to the amount it would take to finish the Insane Asylum.

Whilst the statements in that letter are true, yet the facts are stated in such a manner, that different constructions may be placed upon them, and at best, are calculated to and did deceive the people of this State.

It is to be regretted that Mr. Winslow, after the publicity that was given to that letter, and the different constructions that were put upon it, (different, no doubt from what was intended); and the false impression it created, did not at once publish an explanatory letter, setting forth the facts in a more concise manner, in order that the people might know and understand the true state of the Insane Asylum, and the amount it would actually take to finish any part, or all of it.

A. O. PATTERSON,  
J. C. HALL.

*To the General Assembly of the State of Iowa:*

The undersigned, members of the Joint Committee appointed by your honorable body to investigate the affairs of the Hospital for the Insane at Mt. Pleasant, while concurring in most of the report made to you by the Chairman of said Committee, beg leave to submit the following statements, which are according to our understanding of the matter, although differing somewhat from those made in said report:

The whole amount of interest paid to A. & W. A. Saunders, as shown by the books of the Commissioners, to February 1st, 1860, is.....\$18,697 89

Paid as follows:

From May 1, 1856, to May 1, 1858:

Paid May 22d, 1858.....	18,713 46
“ September 21, 1858.....	587 74
“ November 1, 1858.....	893 64
“ February 28, 1859.....	1,084 44
“ May 1, 1859.....	1,675 14
“ August 11, 1859.....	481 26
“ November 1, 1859.....	284 49
“ February 1, 1860.....	290 88

Total.....\$19,011 05

Deduct on acc't of \$10,000 borrowed east, refunded... 313 16

\$18,697 89

The amount of interest paid by the State on Auditor's warrants, as shown by the books of the Auditor and State Treasurer, was..... 10,422 28

This amount, deducted from the whole amount of interest paid A. & W. A. Saunders, would leave..... 8,275 61

As the amount of interest paid out of the appropriation.

*Second*—As to the rate of interest actually paid by the State, we do not understand it to have been 24, but 16 per cent. It is



true that the Auditor's Warrants after being presented to the State Treasurer, draw eight per cent interest until paid; but A. & W. A. Saunders did not receive the interest paid on these warrants, and 16 per cent *out* of the appropriation in addition. They only received 16 per cent on the money advanced by them, and gave the State credit for the interest received on Auditor's Warrants, as a part of the appropriation. To illustrate the matter fully, we will suppose that Messrs. Saunders advanced \$10,000, and on the same day received an Auditor's Warrant for the same amount, drawing 8 per cent interest—both run one year. Now if the State actually paid 24 per cent interest, somebody must have received \$2,400 as interest, which is not the fact, for Messrs. Saunders are the only ones receiving any interest, and they received only \$1,600. Eight per cent of which is paid out of the appropriation, and eight per cent out of the State Treasury.

*Third*—We cannot concur in the opinion expressed in the report, that the Asylum has received no direct benefit from the interest paid by the Commissioners, and that it is an actual loss to the Institution. For with the money the Commissioners were enabled to procure labor, and materials, on much more favorable terms than they otherwise could. They were also enabled to carry forward the work at a time when, if it had stopped, the damage the building would have sustained in consequence of the exposed condition of the walls, would have been great.

Considering the circumstances under which the Commissioners acted, we do not feel at liberty to unqualifiedly condemn them for borrowing money, although they may not have been authorized by law to do so. The rate of interest paid Messrs. Saunders, though usurious, was less than they charged their regular customers.

DANIEL ANDERSON,  
GEO. W. BEMIS,  
ED. WRIGHT.

## THE DEPOSITIONS

*Of persons summoned before the Hons. J. C. Hall, Dan Anderson, and A. O. Patterson, appointed to investigate the affairs of the Hospital for the Insane, in Mount Pleasant.*

A. R. H. Allen, of lawful age, being duly sworn, doth depose and say, to wit:

*Interrogatory 1.* What is your age, residence, and how long have you resided where you now reside?

*Answer.* I am thirty-nine years of age—reside in this city, and have resided here over three years, last past.

*I. 2.* Have you ever had any business transaction with the Insane Hospital of this State, situated in Mt. Pleasant? If so, state what it was—how you were paid—who paid you, and what kind of funds you received.

A. Never had any, further than to furnish posts to fence in the grounds, belonging to the Hospital. Furnished said posts about four months since, and received a privileged check for less than \$100,00. I also furnished some lumber, to build stairs, and got a check, which was not privileged. Was shaved ten per cent on it. I have traded merchandize for checks, to the amount of \$300 or \$400, and I do not think I ever got par for any check, except the privileged one. A. & W. A. Saunders, always discounted my checks. I generally took the check at a discount for any store goods. The difference, in my estimation, between a privileged and a general check, is, I consider, ten per cent.

A. R. H. ALLEN.

This is to certify, that the above is a correct copy of the deposition of A. R. H. Allen, as given before the Joint Committee of Investigation, to visit the Hospital for the Insane, at Mt. Pleasant.

Attest:

W. F. DAVIS,

Clerk to said Com.



Jesse Smith being duly sworn doth depose and say, to wit:

I. 1. What is your age, place of residence, and how long have you resided where you now reside?

A. I am 29 years of age, reside in this city, and have resided here for six years.

I. 2. Have you ever had any business transaction with the Hospital for the Insane, in this city, or with any of its officers? if so, state what it was, when, how you were paid, who paid you, and what kind of funds you received?

A. I have done blacksmithing for the Hospital to the amount of from \$100 to \$300, and received Hospital checks from Mr. Winslow, and Mr. Edwards, the Secretary. I presented the checks to A. & W. A. Saunders, and got them cashed at their face, until lately I have been compelled to stand a shave of from five to ten per cent. I was of the opinion that if I could have kept the checks until there was money in the Hospital Treasury, I would have received par for them.

JESSE SMITH.

This is to certify that the above is a correct copy of the deposition of Jesse Smith, who personally appeared before the Committee of Investigation to visit the Hospital for the Insane in Mt. Pleasant.

WM. F. DAVIS,

Clerk for said Com.

J. M. Dawson being duly sworn, made answer to the following questions, to wit:

What is your age, residence, and how long have you resided where you now reside?

A. I am forty-two years of age. I reside in this city and have resided here about four years.

Have you ever had any business transactions with the Insane Asylum of this city?

Nothing further than to have purchased some of the Asylum checks for provisions sold the persons who owned them, some of which I received par for, and others were discounted at ten per cent by A. & W. A. Saunders at their banking house. I generally received the pay for the check in currency; never asked for silver or gold. I generally received said checks at par; never recollect to have taken them at a discount. I understood there

was no money in the treasury, and considered it an accommodation to get them discounted. Furthermore, I was anxious to get the trade of those persons who owned said checks.

J. M. DAWSON.

A. B. Porter being duly sworn, made answer to the following questions, to wit:

What's your age, residence, and how long have you lived where you now reside?

A. I am fifty years of age, and reside in Henry county, and have resided there for twenty-two years.

Have you ever had any business with the Insane Hospital of this city?

Never, except to have purchased in the way of trade a considerable amount of the Asylum checks, which I took at par for goods, and on debts due me; some of which I kept until there was money to redeem them out of the Treasury, and some I have sold to A. Saunders, at a discount of from 5 to 10 per cent, which I considered a great accommodation to me. The last amount I had was about \$600, which I offered to A. Saunders, and he (Saunders) informed me if I needed some funds he would give it to me; but he thought the checks would soon be paid and it was better to wait until there was money in the Treasury than to stand a discount of ten per cent. Saunders advanced me some money on the checks at the usual interest,  $1\frac{1}{2}$  per cent per month, and the money was paid on the checks in a short time. I think the discount on said checks did not cost me more than  $2\frac{1}{2}$  per cent.

Were you acquainted with the firm of E. F. Winslow & Staples, whilst they were doing mercantile business in this city, and whether they were in the habit of dealing in the Asylum checks, and whether they dealt differently from any other firm in this city?

I was acquainted with the firm of W. & S., whilst they did business in this city; they were in the habit of dealing in Asylum checks as other merchants did in this city, to wit: at par for goods and on debts.

Do you know whether the firm of Staples & Winslow had any arrangement with the Treasurer of the Asylum or Banking House



of A. & W. A. Saunders, by which these checks had preference over others?

I do not know that they had. I feel very sure that they had not, indeed I am certain they had not.

State whether you had an opportunity of knowing whether there was any arrangement between Henry Winslow, the Superintendent of the Asylum and the firm of Staples & Winslow, by which the latter were in any manner favored by the former in their commerce in these Asylum checks, and if so, state the facts.

A. I had a good opportunity of knowing. E. F. Winslow has been in my employ for eighteen months. I feel certain—I certainly know there was no arrangement why they had preference over any one else.

Q. What kind of funds have you received for Asylum checks when presented to the Treasurer; if specie has been required at any time, and has been refused by the Treasurer; if so, state the reasons given by the Treasurer?

A. I have always received specie, or its equivalent, from the Treasurer, or his agents, A. & W. A. Saunders.

A. B. PORTER.

R. S. Scott, being duly sworn, made answers to the following questions, to-wit:

Q. 1st. What is your age, where do you live, and how long have you resided there?

A. 1st. I am nearly fifty-three years old; I reside in Mt. Pleasant, Henry county—I have resided here five years.

Q. 2d. State your connection, directly or indirectly, with the Asylum, or officers connected with it, if you have had any.

A. I kept boarders that worked at the Asylum; for boarding they paid me in Asylum checks. I had to have the orders cashed to keep my house up. I presented the orders at the banking house of A. & W. A. Saunders, where they were discounted ten per centum. I was informed at the time, that there was no money in the Treasury with which to pay the checks. I think this was in the summer of 1858.

ROBERT S. SCOTT.

WEDNESDAY MORNING—EXAMINATION.

Peter Melcher, of lawful age, being duly sworn as the law directs, doth depose and say:

Q. 1. What is your age, residence, how long have you resided where you now reside?

A. 1. Am thirty years of age. Reside in Mt. Pleasant. Lived here near six years.

Q. 2. Have you had any business transaction, directly or indirectly, with the Insane Asylum in this place, or its officers? if so, state what that has been?

A. 2. Am a stone cutter. Cut and delivered stone, under contract, to the amount of about \$12,000 or \$14,000. Commenced work in 1857. Continued work at different times, into the summer of 1859. Every month I received a check and received money upon the same at Saunders' bank. First year I got check of Winslow; after that I got certificate of work, and received checks of Secretary. Got checks paid in paper money. Got face of checks, which I used as par currency. Never had any checks discounted. Had to wait from June to New Year, in 1858, for money upon my checks. When I was told there was no gold in the Treasury, I did not ask for it. Was never refused when there was gold. Went to Saunders, and was told there was no money, and therefore held on to my checks. Got no interest on old delayed checks.

Q. 3. Do you know of any person who was refused money upon checks, when there was money in the Treasury, and others were being paid? if so, whom?

A. Do not know of any.

PETER MELOHER.

Eugene Winslow being upon oath, doth depose and say:

I. 1. What is your age, residence, and how long have you resided where you now reside?

A. 1. Am 26 years of age, have resided here since the fall of 1856.

I. 2. Have you ever had any business transactions with the Insane Asylum or its officers, in this city? If so state what those transactions have been, and how you were paid, and who paid you, and what kind of funds you received?

A. Have been employed upon the Asylum since the laying of the foundation. Paid the first year, in winter of 1856, and spring of 1857, in coin. Since then have been paid in checks. Checks were drawn at the end of every month, and paid at Mr. Saunders' Bank. Always paid when presented—but most of them were dis-



counted. Were not discounted when there was money in the Treasury. Checks were generally discounted 10 per cent—never any higher than that. Checks were paid in paper currency. Never demanded gold.

I. 3. Did you ever know of checks being paid in Keokuk or Wapello Scrip, or Burlington Insurance money?

A. No recollection—could not tell what kind of paper was paid out. Took whatever was current.

I. 4. Do you know of any other persons presenting warrants which were not paid, when there was money in the Treasury, being paid out?

A. I do not.

I. 5. Did you have any preference over others, in payment of warrants to you, for services rendered the Asylum?

A. Not that I know of.

I. 6. Do you know of any workmen or contractors there, to whom any preference was made, in payments for their services?

A. I do not, except upon contracts with Railroads for freights. Am a son of Mr. Winslow, Superintendent of the Institution.

EUGENE WINSLOW.

Zachariah Willbourne, being upon oath, doth depose and say:

I. 1. What is your age, residence, and how long have you resided where you now reside?

A. Am 52 in May—reside in Henry county. Have resided in this county 29 years.

I. 2. Have you had any business transactions directly or indirectly with the Insane Asylum in this place, or with any of its officers? If so, state what those transactions were—how you were paid, who paid you and what kind of funds you received?

A. Have done a great deal of hauling and delivered considerable material, probably to the amount of \$7000 or \$8000. Between the periods of 1856 and 1859, never received any money or checks from the officers of the Asylum. Received some second handed. The checks I received I presented to Mr. Saunders, who said there was no money in the Treasury, but that he would advance his own funds at a discount of ten per cent. That he had advanced about \$30,000 and would advance on my checks at 10 per

cent discount. Told Mr. Saunders that wouldn't suit my purpose. Turned the checks over to the Sheriff in satisfaction of a judgment existing against me, at par value. Can't say I ever knew Mr. Saunders to refuse to pay checks when there was money in the Treasury. The checks which I held did not amount to more than \$50 in the aggregate.

Z. WILLBOUR.

Dominique Dambrun being upon oath, doth depose and say:

I. 1. What is your age, residence, and how long have you resided where you now reside?

A. Am 31 years of age; came here in 1856. Reside in this county, about 3 miles from this city.

I. 2. Have you ever had any business transaction with the Insane Asylum in this place, or with any of its officers? if so, state what it was, how you were paid, who paid you, and what kind of funds you received?

A. In 1856, in May, I contracted to furnish dressed stone—(three of us in partnership)—for 60 cents per foot, and paid on monthly estimates. First pay day came; went to see Mr. Winslow. Mr. W. kept something back. He told us that when the Asylum was finished, he wanted something to be coming to us. Every pay day in 1856, he kept something back; sometimes \$30, sometimes \$50, or something like that. There is still due me \$264, which has never been adjusted, and to which I claim I am justly entitled, and for the collection of which I am advised. I have no remedy except by the action of the Legislature. For these items suit was brought in the District Court of Henry county, by an arrangement with the Commissioners against said Commissioners, in which they acknowledged service on the 29th day of September, 1858, but no trial was had. The attorney for the defendants, answering to the jurisdiction of the Court, that no suit could be brought against the Commissioners, for the amount due, a copy of which notice, endorsed with the acknowledgment of service, is herewith attached and made part of my deposition. In 1858, I worked five or six months cutting stone for the Asylum, amounting to from \$300 to \$400. I worked for August Richard, who shaved me 10 per cent, because, as he said, he had to submit to a shave of 10 per cent at the Bank, on the checks. Mr. Richard had from 10 to 12 hands, and as I understood, they all had to



submit to the same shave. Richard told me and the other hands, that there were no moneys in the Treasury.

Dissolved partnership above referred to, in January, 1857.

DOMINIQUE DAMBRUN.

The following sheet is an Exhibit of notices and acceptance of service in suit between deponent and Asylum Commissioners.

W. F. DAVIS.

Dominique Dambrun <i>vs.</i> Ralph P. Lowe, Charles S. Clarke and Edward Johnson, as Commissioners of Iowa Insane Hospital.	}	In District Court, Henry County, Iowa.  (Original notice.)
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*To said Commissioners* :—Take notice, that a petition will be on file on the 15th day of October next, in the office of the clerk of the District Court of said county, claiming of you the sum of three hundred dollars, and for cause of such claim, says that the same is founded upon a contract for the delivery of stone to said Hospital, and for the delivery of stone by plaintiff for said Hospital in the months of April, May, and June, 1857, amounting to \$1,177 65, upon which there has been paid, as plaintiff alleges, the sum of \$913 65. Plaintiff claims a balance of \$264 and interest thereon at the rate of six per cent per annum, from April, 1857; and unless you appear and answer to said petition by the 2d day of next term of said Court, judgment will be rendered against you thereon.

AMBLER & WOOLSON,

Attorneys for Dambrun.

We acknowledge service of the above notice, and agree not to object that the suit is brought in Henry County, but demand a copy of notice, petition and bill of particulars of items as may be set forth in petition, September 21, 1858.

(Signed)

RALPH P. LOWE,

CHARLES S. CLARKE.

Hand papers to M. L. Edwards.

John Tirney <i>vs.</i> Ralph P. Lowe, Charles S. Clarke and Edward Johnson, as Commissioners of the Iowa Insane Hospital.	}	In District Court, Henry County, Iowa.
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*To said Commissioners* :—Take notice, that a petition will be on

file on the first day of October, 1858, in the office of the clerk of the District Court of said county, claiming of you the sum of one thousand dollars, as money due him for stone, and upon a contract for the delivery of stone for said Hospital, and as a balance due him for stone delivered for said Hospital, from the month of June, 1856, to the month of September, 1857, and demanding interest from the first day of July, A. D. 1858; and unless you appear and answer to said petition, on or before the second day of the next term of said Court, judgment will be rendered against you thereon.

AMBLER & WOOLSON,

Attorneys for Plaintiff.

We acknowledge service of the above, and waive the place in which suit is brought, but demand copy of notice, petition and bill of items accompanying petition, September 21, 1858.

(Signed)

R. P. LOWE,

CHARLES S. CLARKE,

Hand papers to M. L. Edwards.

Abraham Fletcher, being upon oath, doth depose and say:

I. 1. What is your age, place of residence, and how long have you resided where you now reside?

A. Am about 23 years of age—have been in Mt. Pleasant for about 3 years.

I. 2. Have you ever had any business transactions with the Insane Asylum in this place, or any of its officers? If so, state when it was, what it was, how you were paid, who paid you, and what kind of funds you received?

A. I contracted for cutting and delivering stone for the Asylum, in February, 1857, to the amount of, perhaps \$2,000 or \$3,000. Previous to September 2d, 1857, we were paid every month in par currency. Up to September 2d, 1857, I received checks from Mr. Winslow, which I presented to Mr. Saunders, who paid the same, dollar for dollar. I received an October check, payable 30 days after date, which was not paid when presented. The reasons given me for non-payment were, that there was no money in the Treasury. Presented checks a great many times after that, and was told there was no money. I purchased goods of Presley Saunders, and paid for the same with a part of my October check. The balance of my check was discounted at 10 per cent. I held



some three checks, or more, subsequently. The June check I waited for until there was money in the Treasury. From September, 1857, to June, 1858, I got no money upon checks, unless they were discounted. The money I received in part, previous to September, 1857, was Lagrange, Georgia money, and some Burlington money, but received none that was not current, at par. I cannot say that my checks were ever discounted when there was money in the Treasury.

ABRAHAM FLETCHER.

J. L. Penn, being upon oath, doth depose and say:

I. 1. What is your age, place of residence, and how long have you resided in the place where you now reside?

A. Am near forty years of age—have resided in Mt. Pleasant over three years.

I. 2. Have you ever had any business transactions with the Insane Asylum, in this place, or with any of its officers? If so, state what the same was, when it was, who paid you, and what kind of funds you received?

A. Had no particular transactions, except to trade for Asylum checks. I keep a cash store—have invariably taken Asylum checks at par; at the same time have taken our own county orders at ten per cent discount. Most of the checks we held were cashed—sometimes we held them until we were notified that there was money in the Treasury, and received bankable funds for them. At one time I presented checks to the amount of perhaps \$300, for which I received par currency. At another time I sold Mr. Saunders about \$100 in checks, at a discount of five per cent.

I. 2. Had you good means, or was you knowing, how the monetary affairs of the Asylum were transacted?

A. I always understood that when there was money in the Treasury, the checks were paid—but when none, the checks were bought up at a discount of from five to ten per cent, by different parties about town. Other parties besides A. & W. A. Saunders, discounted these checks, and held them until there was money in the Treasury, when they presented them and received the face of checks.

I. 3. Have you any reason to believe that any Asylum checks were discounted at the banking house of A. & W. A. Saunders, or

any other parties, when there was money in the Treasury with which to pay them?

A. I have no reason to believe there were any, either from my own knowledge, or from business men generally.

J. L. PENN.

A. Beers, being recalled, states as follows:

I. 1. When you presented the order spoken of in your deposition on yesterday, to the Treasurer, what reply was made by the Treasurer?

A. When I presented the check referred to in my deposition, at the banking house of A. & W. A. Saunders, I was told, *I think* by A. Saunders, that he could not pay the check, as there was an arrangement with the Treasurer, P. Saunders, for said Gaulden's checks. I then called upon said P. Saunders, who told me that he (Gaulden) had agreed to let him have his checks, or a part of them, in payment of his (Gaulden's) debt to said P. Saunders; but by agreeing to see some certain amount then stated, paid from Gaulden to P. Saunders, I received the face of said check in par currency, and in a short time afterwards was released from said liability by said Saunders.

E. BEERS.

John Eshelman, of lawful age, being sworn as the law directs, deposes and says as follows, to-wit:

I. 1. What is your age, where do you live, and how long have you lived where you now reside?

A. 1. I am thirty-eight years old—reside in Mount Pleasant—have lived here fourteen years.

I. 2. Have you ever had any business, directly or indirectly, with the Asylum at this place, or its officers? if so, state what?

A. 2. I have dealt some in said Asylum checks; have traded for some of them in my mercantile business, probably two or three hundred dollars, mostly, and probably all, at their face. I traded for those checks, understanding that I would have to wait until there was money in the Treasury to pay them. I do not now recollect of discounting but one, of about one hundred dollars; that was to A. & W. A. Saunders, at a discount of ten cents. I have no reason to believe that Asylum orders were discounted at



A. & W. A. Saunders' banking house, when there was money in the Treasury with which to pay them.

JOHN ESHELMAN.

William R. Hill, of lawful age and capacity, being sworn as the law directs, doth depose and say as follows, to-wit :

*I. 1.* What is your age, where do you live, and how long have you lived where you now reside ?

*A. 1.* I am twenty-eight—I reside in Mt. Pleasant—have resided here from time immemorial.

*I. 2.* Have you had any business, directly or indirectly, with the Lunatic Asylum at this place, or its officers ?

*A. 2.* I have sold them goods for said Hospital, not to any considerable amount—was paid by checks on Treasury of said Hospital, which checks were paid by Treasurer in par currency, when presented. I have had checks of other parties; where I have paid cash or its equivalent, I have bought them at ten and less discount. I have always received the face of all checks presented, when notice was given that there was money in the Treasury to pay off said checks.

WM. R. HILL.

John Smith, of lawful age, being duly sworn as the law directs, states as follows, to wit :

*I. 1.* What is your age, where do you live, and how long have you lived where you now reside ?

*A. 1.* I am about 28; I live near Mt. Pleasant, have lived here four years.

*I. 2.* Have you had any business directly or indirectly with the Asylum or its officers, if so, state what.

*A.* I have worked for the Asylum in cutting stone for some time. I received the pay for my work monthly—probably up to 1857. After that I received what is called Asylum checks, which I traded in part for goods; let P. Saunders have some of them for goods and money at par; some of them I sold at the Banking House of A. & W. A. Saunders, at five per cent discount. The checks were drawn in James Kelley's name.

JOHN SMITH.

James B. Shaw, of lawful age being duly sworn, testified as follows, to wit :

*I. 1.* What is your age, place of residence, and how long have you resided where you now reside ?

*A.* Am 52 years of age, reside in Mt. Pleasant,—have resided here about seven years.

*I. 2.* Have you ever had any business transactions with the Insane Asylum of this place, or with any of its officers? If so, state when, where, who paid you, and what funds you received.

*A.* Have had some transactions with Mr. Winslow, Superintendent of the Asylum—have been in mercantile trade for about six years, and have sold goods to Mr. Winslow, for the Asylum. My business is selling hardware principally. I received my pay uniformly in Asylum checks from the Secretary. Checks were cashed at the Banking House of Alvin & W. A. Saunders, up to the fall of 1857 my checks were never discounted. Since then I have had some discounted 10 per cent by Messrs. Saunders'. Was in company with William Saunders, brother to Alvin Saunders, something over 18 months—commencing probably in December 1857. Was then in the dry goods trade. We took a good many of the Asylum checks, furnishing such goods and groceries as we had. I believe we uniformly took such checks for their face. When we disposed of those checks at the Bank, we submitted to a discount of 10 per cent, when others were doing the same.

*I. 3.* Had you any reason to believe that those checks were discounted by A. & W. A. Saunders, (or other parties) at any time when there was money in the Treasury of said Asylum, belonging to the State ?

*A.* I had not. I have every reason to believe there was not.

*I. 4.* Do you know what has been the usual rate of interest at A. & W. A. Saunders' Banking House, and other Banking Houses in this place for four years past? If so, state what it has been.

*A.* My impression is that it has been usually one and one and a half per cent per month.

*I. 5.* Can you state whether there has been more money in the Banking Houses of these places for the last three or four years than could be let at one and one and a half per cent per month ?

*A.* I think there has not been as much.

*I. 6.* Do you know of any preference being given to any par-



ties holding those checks of the same class, in payment of them?

A. I do not. I have no reason to believe there has been. From the intimacy existing between Messrs. Saunders and myself, I have every reason to believe that I would have received as much favor as any other holders of such checks. The last checks I had discounted by Mr. Saunders, (dated October 1859,) were discounted very reluctantly, and only because he had previously promised so to do.

All of which is according to the best of my knowledge and recollection.

JAMES B. SHAW.

E. S. Hill, of lawful age being duly sworn, testified as follows, to wit:

I. 1. What is your age, where do you reside, and how long have you resided in your present place of residence?

A. Have resided here 25 years.

I. 2. Have you ever had any business transaction with the Insane Asylum of this place, or any of its officers? If so, state what it was, who paid you, and what kind of tunds did you receive?

A. When the Asylum was commenced, I was in business in this place, (in 1858.) I commenced taking Asylum checks at their face, understanding at the end of every month, we were to draw the gold for the same. The first orders I presented I got the gold, all in \$1 pieces; and after that, perhaps once, received gold for amount of checks presented from Treasury. Since then I have had no personal connexion with either of the Messrs. Saunders. I have been out of business since 1856. My understanding since then has been that my boys have taken Asylum checks at a discount of 10 per cent—some more—some less. They have never to my knowledge obtained any gold from the Treasury, but have been compelled to take currency. I have frequently advised the boys not to purchase Asylum checks. But when in their possession they have always been able to hold them without submitting to a shave. They have money enough to carry on the Banking business as well as some other folks. When they disposed of checks they took currency. The boys to whom I refer above, are my sons, in business in this city, one of whom is now deceased. Persons holding Asylum checks have been in the store and offer-

ed them to my sons at a discount of 10 and 15 per cent. Sometimes they would remark that they could do better with Mr. Saunders. Sometimes would come back from him, and sometimes not. Names of such persons I do not recollect. We got some checks of May, June, July, and so on unpaid. I asked my son if there were any checks that had never been presented for payment. These checks never had—but that he had been informed by Mr. Stone, in the Banking House of the Messrs. Saunders, that no checks had been paid since April 1859. I also understood from the Mt. Pleasant Branch of the State Bank, that they were not paying any since April 1859. On Sunday last, week ago, I understood that Presley Saunders had been sent for, and that Mr. Thompson was going to Des Moines. I never had been at Des Moines, and thought it would be a good time to go there. Went to my son and told him I would like to know about these checks of May, June, July, and others; before I went up Monday morning I met Mr. Saunders' clerk (Mr. Page,) at the store door; asked him how far they had paid Asylum checks. He replied, that they had paid April checks up to May.

Went to see if Mr. Thompson was going, who was not positive, but thought he would go. He did go. Then went to Presley Saunders, in his store, and told him what I had heard, that he was going to Des Moines. He replied that he was not certain of going—that his brother had written to him to be ready in case he was sent for; at same time he told me he thought of starting for New York that afternoon. I then said that I was going to Des Moines, and wished to know what amount of checks had been issued unpaid. He said that he did not know—his brother Alvin attended to that business—did not know anything more about it than I did, or something to that effect. The reason why I did this was because there had been a great deal of talk about shaving of checks, &c., by people in general. Called on Mr. Jones, Treasurer of State, in Des Moines, told him what my business was. Mr. Jones took me into the Auditor's office, and was introduced to Mr. Cattell's clerk. The following are the items I found in that office, to wit:

1859.

January 28.	P. Saunders, for warrant, audited.....	\$2,437	00
April 9.	do do do .....	3,250	00
June 20.	do do do .....	3,253	97



July 14.	P. Saunders, for warrant, audited . . . . .	1,256 00
October 7.	do do do . . . . .	1,050 00
October 8.	do do do . . . . .	1,734 00
October 5 and 10.	do do do . . . . .	7,927 70
December 23.	do do do . . . . .	1,533 72

Went into Treasurer's Office to ascertain how many of these warrants had been paid. Mr. Jones said that it would take him some time to look over his books, and I think that he said that "here is one that is marked paid," looking upon his book as he spoke.

I. 3. Can you name any one person who offered to sell checks to your sons, as referred to above?

A. Cannot think of any now, but can furnish them.

I. 4. With whom did you have an understanding that you were to receive gold, monthly, for your checks?

A. It was understood generally that they were to be paid in gold. For proof of this, I give the fact, that Mr. Saunders paid those checks in gold, which he would not do, unless he were compelled. I had no private understanding with Mr. Saunders that my checks were to be paid in gold.

E. S. HILL.

Edward Johnstone, of lawful age, being duly sworn, testified as follows, to wit:

I. What is your age, place of residence, and how long have you resided where you now reside?

A. Am 44 years of age—reside in Fort Madison—have resided there since 1839.

I. 2. Have you ever had any business transactions with the Insane Asylum in this place, or with any of its officers? If so, state what they were, when, how you were paid, and what kind of funds you received?

A. Appointed a Commissioner for the erection of the Asylum, by the act of 1855. The only moneys I have ever received, have been the per diem and expenses, as shown by the books. I continued acting as Commissioner until January 14th, 1859, when I resigned, in a letter to Gov. Lowe, which is hereto attached, and marked "Exhibit B."

"EXHIBIT B."

(Copy.)

HON. R. P. LOWE, *Dear Sir*:—Absence from home, and other causes, have prevented me from attending any meeting of the Commissioners of the Hospital for the Insane, since, I believe, the 7th of August, 1857.

With the exception of signing one or two orders on the State Treasurer, I have not been able, since that time, to participate in any of the proceedings of the Commissioners.

My engagements for the present year will afford me but few opportunities of co-operating with them.

In view of this State of things, and in justice to the State and myself, I feel constrained to resign my position as Commissioner.

Trusting that my successor may co-operate more efficiently with the Commissioners, than I have been able to do for more than a year past,

I remain, very respectfully yours,

EDWARD JOHNSTONE.

Ft. Madison, Iowa, Jan. 14, 1859.

1. 3. Did you, at any time, as such Commissioner, request any party, or parties, to advance means, if necessary, to carry on said Insane Hospital? If so, state who, and the circumstances connected therewith.

A. Cannot recollect the date, but at one time, indeed several times, having been informed by the Treasurer of the Hospital that there were no funds of the State in the Treasury, and that money was necessary to carry on the construction of the building, I did, in conjunction with the other Commissioners, Gov. Grimes and Doctor Clark, request Alvin Saunders, of this place, to furnish from time to time, as he was able, means to carry on the work upon said Hospital. I think no special sum was agreed upon; there may have been—but if so, I don't recollect what it was; but it was understood that he was to receive a fair compensation for so doing. I was not present at the time a fixed sum was agreed upon, as appears by the minutes of the Commissioners. The Commissioners were induced to take this course, from the fact that they believed the interests of the State would suffer greatly by the stoppage of the work. At that time a number of hands were employed, large



quantities of materials were on hand, &c., &c. I have always understood, and believe, that Mr. Saunders did furnish the pecuniary aid, *when* necessary to carry on the work, and that during the late financial crisis. (In this connection, it is but justice to Mr. Saunders to say, that without his aid the work must have stopped. The Commissioners could not learn from what other source this pecuniary aid could have been derived. Mr. Saunders very reluctantly, and only after repeated solicitations, consented to furnish such means.)

I. 4. Was there ever any formal and complete estimate of the expense for the erection of the Insane Hospital?

A. I have no recollection of any special estimate. We based our ideas of the cost of the building, from the statements of Doctor Bell, Kirkridge, and other parties in the Eastern States. The general conversation with persons east, indicated that a suitable building would cost \$200,000 or \$300,000. The Commissioners confided fully in Mr. Winslow. He came to us with the highest recommendations with which any man ever came to the Western country. We knew little or nothing about such a building, and therefore confided all to Mr. Winslow, so far as the construction of the building was concerned. This confidence in Mr. Winslow, on my part, was increased, in the examination by me of vouchers showing the expenditures of money on the Asylum, (while he was Superintendent,) amounting to many thousands of dollars, all of which I found in every instance, strictly correct. The Hospital was located at Mt. Pleasant by the *Legislature*. I have no doubt that other places might have been found in the State, where the building might have been constructed for less money. For example, we were compelled to purchase an engine, planing-machine for making of sash, planing, &c., &c.; also to erect brick-machines, for the purpose of making brick for the Hospital, which might have been avoided in other localities. Another item, making an extra expense, was the hauling of sand, which amounts to a large sum, from a long distance, as he has been informed. In addition to all this, the difficulty and cost of getting money during the late financial crisis, added to the expense. The unfavorable weather has increased the expense. The Hospital might have been erected somewhat more cheaply, if we had used materials such as are frequently used in this country, of an interior character. But it was

the determination of the Commissioners, that no material of an inferior quality, either of wood, stone, &c., should be placed in the building; and that it should be a first-rate building. Mr. Winslow, the Superintendent, can answer this interrogatory more fully than I can.

I. 5. Please explain the following passage on page 5, in the report of the Commissioners of 1858-9. Was that report based upon the estimate of Superintendent Winslow?

A. I have no recollection of any formal or special estimate being made by Mr. Winslow. The amount stated in the report I presume was obtained from conversation with Mr. Winslow, and from the impressions of the Commissioners themselves. I was of the opinion at the the time of the making of this report, that this sum would complete the building.

I. 6. Was that opinion concurred in by the Superintendent, Mr. Winslow.

A. I repeat that Mr. Winslow made no formal or special estimate. He may have expressed that opinion, and as we had all confidence in him the Commissioners probably relied on that opinion. The report was probably based upon information derived from Mr. Winslow, and the impression of the Commissioners. But about all this I have no distinct recollection.

EDWARD JOHNSTONE.

I wish to make this additional statement. The Commissioners hoped to keep the total of the expenses of the construction of the Hospital in or about the sum of \$200,000; but like the cost of all other buildings, either public or private, they grew on their hands. The difficulty of procuring materials of the best character, the change from brick to stone, in erecting the building—the change in the original intention about the heating apparatus—the bad seasons, and trouble of obtaining money, &c., &c.; all contributed largely to increase the expenses. I think no formal estimate of the total cost was made. The Architect in Boston could not make one with any degree of accuracy, as he was wholly unacquainted with price of material, labor, &c. The plans were before the Superintendent and Commissioners, and estimates were made from time to time, of such material, &c., as were required in the progress of the work. The original contemplated cost, as



before stated, was kept in view by the Commissioners, and it was upon that basis their report had been made.

For the last two years, I have had but little connection with the business of the Hospital, and am not as well posted on the subject as I might otherwise have been.

EDWARD JOHNSTONE.

Ralph P. Lowe, of lawful age, being duly sworn, testified as follows, to wit:

*I. 1.* What is your age, place of residence, and how long have you resided where you now reside?

*A.* Am of lawful age, reside in Keokuk.

*I. 2.* At what time did you enter upon the discharge of your duties as Commissioner of the Lunatic Hospital in Mt. Pleasant?

*A.* By virtue of my office, as Governor, I was made ex-officio member of the Board of Commissioners, and entered upon the discharge of my duties as such, early in the spring of 1858.

*I. 3.* Please state upon what principle the Board allowed A. & W. A. Saunders interest on advancements made by them, commencing May 23d, 1858, and continuing during the time you served as member of said Board?

*A.* That allowance was made by virtue of a previous arrangement, or contract, entered into with Messrs. Saunders, by my predecessors, which was the amount due them for interest on previous advancements, up to that time. The subsequent allowances made were for balances due on advances made by the Messrs. Saunders, up to the time the interest was allowed.

*I. 4.* Upon what principle were orders directed to be drawn upon the Auditor of State, for the moneys appropriated for the Hospital of the Insane, during the years 1858 and 1859?

*A.* Upon actual estimates of work done, as reported by the Superintendent to the Commissioners, who carefully examined each item of the same, before they issued their order upon the Auditor of State for warrant. No order was issued, or authorized, until a personal inspection of the estimates presented to the Board of Commissioners, by the Superintendent, was made. The Commissioners strictly pursued the requirements of the law in examining the estimates and issuing their orders.

*I. 5.* State whether any examination was made with Presley

Saunders, the Treasurer of said Board, in regard to the amount of moneys he had received and paid out during the year 1859? and whether there was ever any money found to be in his hands which had not been paid out upon the order of the Board?

*A.* I made no such personal investigation or inquiry, myself, but learned the condition of the Treasury through our Secretary, who lived there and professed to know the condition of the Treasury.

*I. 6.* By the minutes of the Board, of January 20th, 1859, there appears to be allowed A. Saunders, \$146 for expenses in going east after money. Can you explain what money he went after, and what the said expenses were for?

*A.* We had a large amount of State warrants on which we could not get the money from the State Treasury to prosecute the work. These warrants were drawing eight per cent interest. It occurred to the Board that as money was said to be plenty in the east, that these warrants could be cashed for a very small advance over the interest they were drawing. In order to obviate the interest we were paying for advances at home, the Board employed Col. A. Saunders to go east with about \$40,000 of warrants, and to get the money, if possible, on the same, which he agreed to do and charge us no more than his expenses. The amount allowed him was his expenses. He only succeeded in negotiating \$10,000, by going personally the security of the State. Our object was to reduce the interest we were paying for money at home; but in this we succeeded only to a limited extent, but more than enough to cover the expense of that trip.

*I. 7.* Do you know anything more about the subject matter under investigation, that will be of any service, or throw light upon it?

*A.* During the two years of my connection with the institution, if one single dollar has been misapplied or wrongfully squandered, I have no knowledge of the fact; but on the other hand, my solemn conviction is, that all things in connection with the erection of that institution, have been done in the most perfect good faith.

R. P. LOWE.

Charles S. Clarke, of lawful age, being duly sworn, testified as follows, to wit:



*I. 1.* What is your age, place of residence, and how long have you resided where you now reside?

*A.* Am of lawful age, reside in Fairfield, have resided there about three years.

*I. 2.* At what time did you enter upon the discharge of your duties as Commissioner of the Hospital for the Insane in Mount Pleasant?

*A.* I was appointed one of a Board of Commissioners to Superintend the erection of a building as an Asylum for the Insane, by the act of 1854-5, and entered upon the discharge of duties at the first meeting of the Board March 15th, 1855, and have continued a member of the Board until the present time. I was first Treasurer of the Board. I resigned in the fall of 1855, after which Presley Saunders was appointed Treasurer.

*I. 3.* How much have you received for your services?

*A.* I have received in all less than \$350.

*I. 4.* Did you at any time as such Commissioner, request any party or parties to advance means if necessary, to carry on said Hospital?

*A.* The Commissioners employed a Superintendent, who engaged workmen and bought material for the building in good faith, expecting the money would be received from the State Treasury to pay such laborers, and for such material, promptly. But failing to receive money from time to time, they were compelled to borrow to satisfy the urgent demands of creditors. We thought this arrangement would be only temporary, still hoping that there would soon be funds in the State Treasury to pay all our drafts, that we might meet our indebtedness. This condition of things, however, continued until the progress of the work was such, that we deemed it necessary to borrow still more, in order to preserve what had already been done. If we had not done so, the loss to the State by exposure of the work to the elements, would have been far greater than the cost of the interest. I may add here, also, that the difference in the purchase of materials for cash from time to time has more than paid the interest on such loans. This being the condition of the funds in the State Treasury, which has existed from nearly the commencement of the work to the present, and the condition of the work, the Commissioners did make contracts with A. & W. A. Saunders, to advance money to pay for materials and labor. When these arrangements to borrow money were

made, from time to time, the Messrs. Saunders were assured they should receive reasonable compensation for the use of it. For the rate per cent allowed them by the Commissioners, I refer you to the books kept by the Secretary, as I cannot positively state from memory.

*I. 5.* Upon what principle were orders directed to be drawn upon the Auditor of State, for the monies appropriated for the Hospital for the Insane, during the years 1858-59?

*A.* After the liabilities for each month were incurred, an exhibit of the same was made out and certified to by the Superintendent and Secretary; an order was then drawn and signed by the Commissioners. This with the exhibit, was sent to the Auditor of State.

*I. 6.* State whether any examination was made with Presley Saunders, the Treasurer of said Board, in regard to the amount of moneys he had received and paid out during the year 1859? And whether there was any money found to be in his hands, which had not been paid out on the order of the Board?

*A.* The Treasurer has rendered the account of his receipts and disbursements from time to time, to the Board. And I have learned the condition of his account from personal examination, and from the Secretary, who gave them a careful examination; compared them with the accounts kept by him, as Secretary of the Board. I am confident that there has not been any money in his hands unpaid on the order of the Board. The fact is, that at no time, to the best of my knowledge, has there been sufficient funds in the hands of the Treasurer to pay our orders; and for this reason the Commissioners were compelled to borrow money to stop the clamor of the creditors from time to time.

*I. 7.* By the minutes of the Board of January 20th, 1859, there appears to be allowed, A. Saunders, \$146 for expenses in going east after money. Can you explain what money he went after, and what the said expenses were?

*A.* The Commissioners wished to borrow money at a lower rate of interest to pay off all indebtedness, so that the interest received from the State on warrants should pay the interest on the money borrowed. We had learned that money was abundant east, at lower rates than it was west. The Commissioners, therefore, employed Col. Saunders to visit the east to negotiate a loan, agreeing to pay his expenses, which amounted to \$146. I will add, that



he failed to get only about \$10,000. Mr. Saunders went east the last of November 1858, and our indebtedness then to him, was about \$17,000, and several thousands to the hands.

*I. 8.* Do you know anything more about the subject matter under investigation, that will be of any service, or throw any light, whatever, upon it?

*A.* I have been familiar with the progress of the work on the building, for nearly five years. I believe that all the other Commissioners, the Treasurer, and his agents, the Secretary, the Superintendent and all others immediately interested, in any way, have in all things acted towards the State, with strict honesty and fidelity, and have, to the best of their ability, so discharged their duties, as to promote the highest interests of the State, in the erection of the building. I do not believe that either one of them, has ever, knowingly, misapplied a single dollar. I believe that the building, when completed, is no more—no less—than the wants of the State demand, at a low cost.

*I. 9.* Do you pay the Treasurer, or his agents, for receiving and paying out the funds? If so, state how much.

*A.* The Board have never paid any salary to the Treasurer, or his agent, for his or their services. The Treasurer was informed at the time of his appointment, that he would be appointed on the condition that he would receive and pay out the funds, without compensation, and on this condition he accepted the office.

CHARLES S. CLARKE.

Additional testimony of Dr. Clarke:

*I. 10.* Did you sign the report of the Commissioners, of 1858-9? If not, why?

*A.* I will state, in reply, that Judge Johnstone was not present at the last meeting of the Board immediately preceding the session of the Legislature of 1858-9. At this time the report should have been written and signed. Judge Johnstone was Secretary of the Board until the appointment of Judge Edwards. I expected that he would write the report, and I have been informed that he did write the report; and I have been informed that he did write it at Fort Madison, but I did not have an opportunity to sign it, and did not see it until some time after it was published.

CHARLES S. CLARKE.

“EXHIBIT C.”

BURLINGTON, MARCH 2D, 1860.

To the Hon. Committee appointed to investigate the affairs of the Lunatic Asylum at Mount Pleasant:

I find, on examination of the plans of the building, that there is wanted, first, four steam boilers 48 inches diameter, two flues 28 feet long, cost . . . . . \$4,000 00  
 1 hot water boiler, with condensing pipe . . . . . 1,000 00  
 1 20 horse power engine . . . . . 1,500 00  
 70,000 feet of inch pipe . . . . . 12,500 00  
 600 feet of six inch cast pipe . . . . . 600 00  
 Steam tresses and fixtures . . . . . 5,000 00  
 Nine tanks for attic . . . . . 1,800 00  
 Two hot water and one relief tank . . . . . 700 00  
 Pumps, cold water pipe, fan and cold air conductor . . . . . 4,500 00  
 Stock case and pipe to same . . . . . 1,500 00  
 Putting up the work, estimated about . . . . . 6,000 00

\$39,100 00

I believe the above to be as low as the work can be done, in carrying out the present plan.

C. HENDREE.

Charles Hendree, of lawful age, being duly sworn, doth depose and say, to-wit:

*I.* What is your age, place of residence, and how long have you resided where you now reside, and what is your occupation?

*A.* Am forty-six years of age—reside in Burlington—have resided there 18 years—am a machinist and foundryman.

*I. 2.* Have you made any examination and estimates of the cost of the necessary and essential heating apparatus, tanks, water pipes, &c., for the Hospital for the Insane, in Mt. Pleasant? If so, state what those estimates are?

*A.* I have; and the result of my examination, and the estimates made, are hereto attached, and marked “Exhibit C.”

*I. 3.* In your opinion, is an immediate appropriation, sufficient to cover said estimates, necessary and indispensable to put said Hospital for the Insane in a condition suitable for the reception of patients?



A. It is. I see no way in which the building can be used without these necessary fixtures; anything less would be money thrown away. Having furnished similar fixtures, in part, to a like Institution in Wisconsin, I consider myself competent to express the above opinion.

CHAS. HENDREE.

M. K. Brown, of lawful age, being duly sworn, made answers to the following questions, to-wit:

I. How old are you, and how long have you resided where you now reside?

A. I am fifty years of age, and have resided in Mt. Pleasant near three years.

I. Have you had any business transaction with the Insane Asylum situated at Mt. Pleasant, or with any of its officers? If so, state what it was?

A. I have owned some of the Asylum checks—from \$100 to \$250, which I sold to A. & W. A. Saunders, at a discount of ten per cent. A part of the transaction was made about one year ago, and a part about 18 months since. I understood that I would get the money for an order, either \$100 or \$110, for a horse I sold, when I called for it, as it was represented to me as good as cash; but after I got it, Col. Saunders informed me there was no money in the Treasury. I am not of the opinion that any orders were discounted by Col. Saunders, whilst there was money in the Treasury.

M. K. BROWN.

James Kelly, of lawful age, being qualified, made answers to the following questions, to-wit:

I. How old are you, and how long have you resided where you now reside?

A. I am thirty years of age, and have resided in Henry county over four years.

I. Have you ever had any business transaction with the Insane Asylum, of this city, or with any of its officers? if so, state what it was.

A. I furnished over \$5,000 worth of cut stone for the Asylum, and got paid in checks at their face, up to Sept., 1857, the amount being about \$3,000. I presented some checks since that, to Saunders' banking house, and was told by Col. Saunders that he did

not like to take my checks at ten per cent discount, but would loan me some money at  $1\frac{1}{2}$  per cent per month, which he did, to the amount of \$430; the checks were paid within a month of the time.

JAMES KELLY.

Charles Kellogg, of lawful age, being duly qualified, deposed as follows, to-wit:

I. How old are you, and how long have you resided where you now reside?

A. I am thirty years of age, and have resided in Henry county over five years last past.

I. Have you ever had any business transaction with the Insane Asylum, of this city, or any of its officers? If so, state what it was.

A. I have cut stone for the Insane Asylum, to the amount of several thousand dollars, and received Asylum checks for pay. I got par for the most of them, and was discounted at the rate of five per cent on some, at the bank of Col. Saunders, except one small check of \$14 10, which I received \$12 for. I have no reason to believe that checks were discounted when there was money in the Treasury.

CHARLES KELLOGG.

S. M. Bailey, of lawful age, being duly qualified, made answers to the following interrogatories, to wit:

How old are you and how long have you resided where you now reside?

I am fifty-two years of age, and have resided in Henry County for seven years last past.

Have you had any business, either directly or indirectly, with the Insane Hospital at Mt. Pleasant, or with the officers thereof?

I cut and delivered rock from the year 1857, up to 1st of August, 1858, amounting to from \$5,000 to \$10,000 worth, for which I received Hospital checks and got them cashed at their face at the Treasury, all but about \$200, which was discounted by A. Saunders at 5 per cent discount. I was told at the time there was no money in the Treasury.

S. M. BAILEY.

I. 2. Have you any reason to believe that Asylum checks were at any time discounted by A. & W. A. Saunders, or any



other party or parties when there were funds in the Treasury, with which to pay the same?

*A.* I have none. My means of knowledge are good, from being frequently in at said banking house, and on intimate terms with the Messrs. Saunders. I have every reason also, to believe that Saunders borrowed the money with which they shaved the orders above alluded to.

S. M. BAILEY.

Wm. H. Taylor, of lawful age, being duly sworn, testified as follows, to wit:

*I.* What is your age, place of residence, and how long have you resided where you now reside?

*A.* Am 43 years of age—reside in Mt. Pleasant. Resided here three years.

*I. 2.* Have you ever had any business transaction with the Insane Hospital in this place, or with any of its officers? If so, state what, when it was, who paid you, and what kind of funds you received?

*A.* Have had some dealings with them. Sold some harness and repaired some for the Hospital Superintendent, and charged the same to the Asylum, amounting in all to about \$100. I received checks at different times, for this sum. I also purchased and traded for Asylum checks. One check I received, of \$185, for hair, used in plastering. That check I presented to the bank of Messrs. Saunders, and was offered Keokuk scrip and Lagrange, Georgia, money in payment. I declined receiving such money, and disposed of the check to Messrs. Barclay, Ogg & Swan, for its face. All the checks I received directly from the Asylum, except this one, I got cashed without discounting, at Saunders bank. I think it was in the summer of 1858. I traded for about \$35 more of Asylum checks, for which I paid their face, and traded the same for goods, at their face. I wanted the goods and there was no money in the Treasury to pay checks. I do not know that there was any money in the Treasury at the time of presenting the \$185 check.

*I.* Did you or did you not know that the paper money which you named above, was par currency?

*A.* It was passing here for par currency.

W. H. TAYLOR.

John Syp, of lawful age, being duly sworn as the law directs, deposes and says as follows, to wit:

*I. 1.* What is your age, where do you reside, and how long have you lived where you now live?

*A.* I am about fifty—live in Henry County, near Mt. Pleasant—have lived here some nine years.

*I. 2.* Have you had any business directly or indirectly with the Insane Hospital at this place, or its officers? If so, state what it has been?

*A.* I have indirectly had a good many Hospital checks which I got second hand, which I presented at the banking house of A. & W. A. Saunders, as agents for the Treasurer of said Hospital, a part of which were paid off at their face; a smaller part of which were discounted; but Col. Saunders invariably told me when I presented those checks for payment, if there was not money in the Treasury, that if I would wait until there was money received into the Treasury, I would get the full face of my orders. All the money I received for those checks was par money. So far as I am or have been concerned with these checks, I have had no reason to complain. I never had to discount more than 10 per cent, and I think some of them as low as five per cent.

JOHN SYP.

John S. Bartroff, of lawful age, being duly sworn, doth depose and say, to-wit:

*I. 1.* Have you had any business transaction with the Hospital for the Insane, or with any of its officers. If so, when, where, who with, who paid you, and what kind of funds did you receive?

*A.* I have never had any transactions either with the Hospital, its officers, checks, or any thing else.

*I. 2.* Have you at any time said that you believed the Treasurer of the Hospital for the Insane, or A. & W. A. Saunders, or any others connected with either party, had discounted orders on the Treasurer when there was funds in the Treasury, with which to pay the same? If so, what were the grounds for said opinion or belief.

*A.* If ever I said so, it was upon the remarks of other persons, a part of whom have been examined before this Committee, and have here stated that they have no reason to believe that such



discounts were ever made; and as my remarks were made upon their assertions, I of course must say, that I have no reason to believe they ever did; everything I know, or have heard, has been hearsay.

JOHN S. BARTROFF.

This is to certify that the above is a true copy of the testimony of John S. Bartroff, given before the Joint Committee for investigating the affairs of Hospital for the Insane, in Mt. Pleasant. The original having been taken in pencillings.

Attest:

WM. F. DAVIS,  
Clerk for said Com.

Henry Winslow, of lawful age, being duly sworn, testified as follows, to wit:

I. 1. What is your age, place of residence—how long have you resided where you now reside, and what is your occupation?

A. I am 53 years of age—reside in Mt. Pleasant—have resided here about five years. Builder and contractor.

I. 2. What have you been engaged at during your residence here; and how did you become so engaged?

A. Have been engaged in the erection of a State Hospital for the Insane in this place, and was employed by the Commissioners to superintend the erection of such Hospital.

I. 3. Who was the Architect for said Hospital?

A. Jonathan Preston of Boston, Massachusetts; and the plan as drawn by him, was adopted by the Board of Commissioners for such Hospital.

I. 4. Do you know whether any estimates were ever made by said Architect, or by any other person? If so, state all you know about it?

A. I know there never was any itemized estimate made, or at least none ever came to my knowledge; a comparative estimate of my own was all that I ever knew of. My generally expressed opinion was, "that I hoped to get it in for \$300,000." We commenced in favorable times for the erection of such a building, so far as money matters were concerned. The next season a panic seized our people from the financial crisis, which caused our laborers to think that they would not get their pay.

I expected when I came here to find competition among all branches of industry. But upon my arrival, I found that we were

compelled to work at great disadvantage, owing to location, remoteness from mills and from building material. We were therefore compelled to furnish our own Engine, Planing Machine, Brick Machines, at our expense, which would not have been incurred in other and more favorable localities; and which necessarily retarded the progress of the work. I expected to get the building originally designed, (the material of which was brick,) in for \$300,000. But a change of material from brick to stone, was deemed absolutely necessary, for causes to wit:

The material for making brick was very ordinary, and not as good as I expected to find; also the facilities for *making* brick, that were suitable for the outer walls, were very poor. The change from brick to stone was made at my suggestion, after the foundation wall was laid, or nearly laid in the season of 1857. And that change was based upon the opinion that it would facilitate the work and make a more substantial building. My estimate to the Commissioners, of the cost of the Hospital, after this change in the material was about \$360,000. The report of the Commissioners made two years ago I never saw before it was made to the Legislature. I never gave the Commissioners any items of a particular nature, which would indicate that the building could be finished for \$100,000 more, upon which they could have based their report of 1858. I do not recollect of ever having given an opinion as to what said Hospital would cost, in presence of Edward Johnstone. I feel sure that I did state to Gov. Grimes that said Hospital would cost my general estimate as above expressed; but after the change from brick to stone was made, I told Gov. Grimes that I yet hoped to get the building in for \$300,000, from the progress we were then making with said building, at a cheaper or more economical rate than I had anticipated. I cannot say that I ever expressed this opinion to Dr. Clarke when Gov. Grimes was present. I have however, stated the same in substance to him, when alone, in ordinary conversation.

I. 5. Under what circumstances did you write the letter over your signature, addressed to Gov. Grimes, dated August 14th, 1859?

A. It was written in reply to a letter received by me from Gov. Grimes. I was not aware that the letter would be made public. I thought the letter was a letter of inquiry about the Asylum build-



ing proper. Had I supposed that my letter was to be made public, I should have been more explicit in my statements. I have seen some of the newspapers of the State which did not give a correct copy of my letter. I therein stated that about \$20,000 would finish the Asylum building; not including machinery, pipe, &c.

HENRY WINSLOW.

The fourth deposition of M. L. Edwards, in the matter of the Insane Hospital at Mt. Pleasant, of lawful age, being duly sworn, says upon his oath:

What is your age, where do you reside, and what is your occupation?

A. I am 49 years of age. I have resided in this place where I now reside, twelve years. I have been employed for the last two and a half years as Secretary of the Board of Commissioners of the Insane Hospital at this place, and have kept the books and accounts of the institution.

Do you know why the amount of interest received by the Treasurer of the Board was not exhibited in the report of the Commissioners made to the present Legislature? State what you know and believe in regard to the matter.

A. I know not why said interest was not exhibited in the report. The Commissioners failed to hold a meeting here in the fall prior to the meeting of the Legislature. In their absence, and at the request of the Chairman, I wrote out the report. In preparing it I made out two sheets marked "Exhibit A." The one published, as part of the report, appears on page 8. The other was exactly like it, with the exception that the amount of interest received from the State on State warrants was added to the total amount of appropriations on one side, and the same amount was added to the interest account on the other side, both sheets exhibiting the same balance. These two sheets with the balance of the report, as I prepared it, were handed by me to Mr. Winslow, Supt., who, as he informed me, handed the same to the Chairman of the Board, on the cars at this place on his way to the Capitol, a short time before the meeting of the Legislature. I had no conversation or communication with either of the Commissioners in regard to the propriety of exhibiting or not exhibiting said interest in said report. I made out the two sheets as I stated,

because, in conference with Mr. Winslow in regard to the matter to be embraced in the report, the question was raised whether the Commissioners would wish to make such an exhibit or not. I suppose the leading reason why the Commissioners did not make such exhibit was a fear that it might operate to influence the Legislature against an appropriation to complete the Hospital.

What balances do the accounts of the Treasurer of the Board show from time to time, as rendered to the Board?

A. They are as follows:

	In favor of Treasurer.	Against the Treasurer.
December 14, 1857.....	\$13,662	45
April 21, 1857.....	18,871	43
May 19, 1858.....	\$4,119	70
June 1, 1858.....	13,937	57
June 15, 1858.....	20,969	98
August 1, 1858.....	22,358	02
September 17, 1858.....	21,102	68
December 1, 1858.....	17,227	98
January 17, 1859.....	34,364	73
April 1, 1859.....	49,037	29
May 19, 1859.....	13,493	72
August 11, 1859.....	6,729	35
Since report to the Legislature.		
February 14, 1860.....	7,277	48

The balances prior to May 19, 1858, include some Commissioners drafts on which the money had not, at the time, been received, embracing all from Nos. 4 to 18 inclusive. The others are set forth as cash balances.

M. L. EDWARDS.

Subscribed and sworn to before me the 5th March, 1860.

ROY G. PALMER, *Notary Public*.

George A. Stone, of lawful age, being duly sworn, doth depose and say:

I. 1. What is your age, place of residence, and how long have you resided where you now reside?

A. Am 27 years of age, reside in Mt. Pleasant, and have resided here over nine years.

I. 2. What is your business, and how long have you been so engaged?



A. Have been acting as Cashier for A. & W. A. Saunders, since the organization of their banking house, in the spring of 1856.

I. 3. Has the banking house of A. & W. A. Saunders acted as agent for the Treasurer of the State Lunatic Hospital in paying out funds appropriated for the erection of said building? If so, how long have they so acted?

A. They have so acted since the organization of their banking house.

I. 4. State whether at any time when there was money in the Treasury or in the Bank belonging to the Treasury of said Hospital, any warrants or checks, commonly known as Hospital checks were discounted at any rate? If so, state to what amount, or what rate?

A. There were none discounted at any time when there was money in the Treasury, either from the State or from other sources, provided for such Hospital.

I. 5. Have the credits of the State at any time, by deposits in said Bank been equal to the indebtedness of said Hospital to said Bank, subsequently to any discounting of Hospital checks?

A. They never have.

I. 6. What has been the highest rate of interest paid upon any loans negotiated with said Bank, for the use of said Hospital?

A. One and one-third per cent per month.

I. 7. Has any money been provided, through said banking house, to carry on the erection of said Hospital, at a less rate of interest than one and one-third per cent? If so, state what amount and at what interest?

A. There has been—\$10,000, at one time, which, I think, was borrowed by Mr. Alvin Saunders in Hartford, Conn., at six per cent per annum, made payable in New York City. This sum was charged to the account of the Hospital, at the same rate of interest which Mr. Saunders paid, with express charges, &c., added, making perhaps seven per cent which the Asylum paid for said sum.

I. 8. Has said banking firm ever discounted Hospital checks? If so, state what amount, and at what rate of discount?

A. They have discounted, in all, \$178,096 92. The rate of discount has varied—I should think the average would be less than 10 per cent. Have sometimes discounted as low as  $2\frac{1}{2}$  and 5 per cent, and a very few over 10 per cent—none to exceed 15.

I. 9. Has there ever at any time, been any preference given to any party, or parties, holding Hospital checks, over others, in their payment, by said banking firm, as agent for the Hospital Treasurer?

A. None, that I now recollect of.

I. 10. State if at any time said banking firm has had more moneys on hand than they could have used at the usual rate of interest, outside or apart from said Hospital? also, what their usual rate of interest has been?

A. We could have, at any time, loaned all the money in the bank, at our usual rate of interest, one and one-half per cent per month?

I. 11. Please state it, in your opinion, the profit made upon such discounted checks was equal to the profit which might have been made by loaning the funds of said banking firm at the usual rate of discount?

A. In my opinion, it would have been more profitable to the bank, to have used the amount which we did in discounting checks, for other and our ordinary business.

I. 12. From your knowledge, and with reference to the books of A. & W. A. Saunders, can you state the date when said firm received money from the State Treasury, the amounts, and how received?

A. I can, by reference to the books of said firm, and herewith present a statement made from said books, marked "Exhibit D," and made part of these depositions.

I. What has been the average annual indebtedness of said Hospital to A. & W. A. Saunders?

A. I think about \$20,000.

I. What has been the largest sum of indebtedness of said Hospital Treasury to said Banking Firm? And what do they now owe said Firm?

A. The largest amount has been over \$69,000; very nearly \$70,000 at one time, and this was prior to the time of said firm's discounting Hospital checks. The present indebtedness is about \$8000; over \$7000, but nearer \$8000.

I. What kind of funds have been generally paid out by A. & W. A. Saunders, to persons presenting checks, either for payment or discount?

A. Prior to the time when the Treasurer had a debit balance,



I think gold was paid when demanded ; after the funds of the Treasury were exhausted currency was paid on Hospital checks. This currency was par in this city, and in Burlington. No distinction was made in regard to kind of currency paid between checks discounted and checks paid at their face.

*I.* Did said Firm ever discount said checks when you had reason to believe there was money in the State Treasury, or soon would be, to pay said checks ?

*A.* I never knew when there was money in the Treasury of the State. I do not believe they ever did so discount.

*I.* Have you ever paid out Keokuk, Wapello, or other City Scrip ?

*A.* I cannot now recollect. We have handled some of Wapello and Keokuk Scrip—but never have paid out currency that was not par in this city and Burlington. I will say here, my reason for making a difference in discounting checks at a different rate, some as low as 2½ per cent and some at 15 per cent, were these: One person would perhaps present a check for discount, dated Oct. '57, and another would present one dated say March '58; the first man would get his discounted at 2½, and the one holding the March check would have to pay perhaps ten per cent. because the oldest checks were paid first when the State Treasury was in funds for that purpose; and if I could afford to buy March 1858 checks at 10 per cent. discount, I could equally afford to buy the ones dated October first at a much less rate of discount; knowing they (the oldest checks,) would be paid much sooner.

GEO. A. STONE,  
CASHIER, A. & W. A. SAUNDERS.

EXHIBIT D.

STATEMENT OF MONIES RECEIVED FOR CREDIT TO TREASURER LUNATIC ASYLUM.

1855.			
October 30.	By balance, being amount received from C. S. Clarke, former Treasurer	721	02
November 26.	Commissioners order No. 4	2,075	00
do do do do	do do 5	5,000	00
1856.			
April 22.	do do do do 6	10,000	00

August 13.	Commissioners order No. 7	10,000	00
August 18.	do do do 8	5,000	00
do do do do	do do do 9	5,000	00
do do do do	do do do 10	2,000	00
1857.			
January 9.	do do do 11	6,166	54
do do do do	do do do 12	10,000	00
do do do do	do do do 13	10,000	00
do do do do	do do do 14	10,000	00
do do do do	do do do 15	10,000	00
do do do do	do do do 16	10,000	00
April 23.	do do do 17	40,000	00
August 1.	do do do 18	4,171	88
1858.			
March 30.	do do do 19	9,000	00
do do do do	do do do 20	2,614	10
do do do do	do do do 21	499	80
		<b>\$152,248</b>	<b>34</b>
	Less 2 warrants on hand at this date and unpaid. (These two were paid, and are credited June 8, 1858, and numbered 7478 and 7480, vide account current at that date.) 2 warrants @ \$5,000 each,	10,000	00
		<b>\$142,248</b>	<b>31</b>
May 10.	By cash received from Saline Fund, (by Ex.)	1,292	45
June 8.	By cash on warrant 7478, (by Ex.)	5,000	00
	And interest on same	537	90
	By cash on warrant No. 7480, (by Ex.)	5,000	00
	Interest on same	482	53
Aug. 2.	By Treasurer Henry County	3,000	00
Aug. 4.	By Treasurer Des Moines County	3,000	00
	By cash on warrant No. 710, (by Ex.)	1,551	70
	Interest on same	24	49
	By cash by Ex. on warrant No. 712	6,580	33
	Interest on same	103	78
Oct. 29.	Cash paid on warrant No. 194, Doc. Clarke	6,000	00
1859.			
Jan. 4.	By cash by Express, warrant No. 1547	4,463	32
Feb. 17.	do do do 1720	2,437	06
Feb. 28.	By cash, bal. w't no. 1194, (by Ex.)	6,559	45
	Interest on same	206	96
April 8.	By cash on warrant 872, (by Ex.)	12,960	14
	Interest on same	720	00
April 21.	By cash by Ex. for Jan. & Feb. estimates,	3,250	00
May 7.	By cash warrant No. 711, (by Ex.)	5,045	22
	do do do 1157, do	7,117	58
	do do do 1285, do	9,005	86



Interest on above.....	1,065 81	22,234 47
June 29. By cash, warrant No. 1367, (by Ex.)	6,195 65	
Interest on same.....	293 23	6,488 88
Aug. 5. By cash, warrant No. 2056, (by Ex.)	3,253 97	
Interest on same.....	32 55	3,286 52
By cash by Express, warrant 2146.....		1,256 27
By interest received on warrants entered on acc't current, May 8, 1858.....		6,545 31
		<hr/>
		\$245,229 90

THE STATE OF IOWA, }  
HENRY COUNTY. } SS.

*Be it known by all whom the same doth or may concern :*

That I, Le Roy G. Palmer, a Notary Public, in and for the said County of Henry and State of Iowa, duly appointed, commissioned and sworn, and dwelling in the town of Mt. Pleasant, in said County, do hereby certify that the following named persons to wit: A. R. H. Allen, Charles Kellogg, Jesse Smith, Wm. H. Taylor, J. M. Dawson, John Syp, A. B. Porter, S. M. Bailey, R. S. Scott, John S. Bartroff, Peter Melcher, Eugene Winslow, Henry Winslow, Dominique Dombun, Abraham Fletcher, E. L. Penn, M. L. Edwards, E. Beers, Geo. A. Stone, John Eshelman, Wm. R. Hill, John Smith, James B. Shaw, E. S. Hill, James Kelley, Edward Johnstone, Ralph P. Lowe, Charles S. Clarke, and Charles Hendree, who were respectively brought before the Legislative Committee, appointed to investigate the affairs of the Insane Asylum at said Mt. Pleasant, during their organized session in said town, commencing on Monday the 27th of February, and ending Saturday the 3d of March, A. D., 1860, as witnesses, and whose names were respectively subscribed to their depositions taken before said Committee, were by me first duly sworn to tell the truth, the whole truth and nothing but the truth of the matters and things then under investigation by said Committee; and being so sworn their evidence respectively was reduced to writing by said Committee, and after hearing the same read was subscribed by each witness respectively.

{ L. S. } IN TESTIMONY WHEREOF, I have hereto subscribed my name, and affixed my Notarial Seal of office this 3d day of March, A. D., 1860.

LE ROY G. PALMER, *Notary Public.*

# REPORT

OF

## JOINT COMMITTEE,

APPOINTED BY CONCURRENT RESOLUTION

OF THE

EIGHTH GENERAL ASSEMBLY

OF THE

STATE OF IOWA;

“TO VISIT THE IOWA PENITENTIARY AND REPORT UPON THE CONDITION OF THAT INSTITUTION,” AS IN ACCORDANCE WITH  
JOINT RESOLUTION OF THE SENATE AND HOUSE  
OF REPRESENTATIVES, DATED SENATE  
CHAMBER, DES MOINES, FEB-  
RUARY 21st, 1860.

DES MOINES, IOWA:

JOHN TEESDALE..... STATE PRINTER.

1860.