

## Yankee Magic

"Lattimore was a pretty place then. Low, rounded hills topped with green surrounded it. The river flowed in a broad, straight reach along its southern margin. A clear stream, Brushy Creek, ran in a miniature canyon of limestone, through the eastern edge of the town. On each side of this brook, in lawns of vivid green, amid natural groves of oak and elm, interspersed with cultivated greenery, stood the houses of the well-to-do." And the valleys in Woodbury County were as those of Lattimore, "like the spokes of a wheel, . . . ready-made railway routes."

Herbert Quick, whose novel *Aladdin & Co.* was published in 1904, lived in Sioux City. He was thoroughly familiar with the political and speculative development of western Iowa. He witnessed the Sioux City boom: perhaps he was attracted there by it. As a youth in Grundy County during the hard times of the seventies, he observed that the lot of a pioneer farmer was not a happy one and became a liberal reformer. The depression of the nineties confirmed his opinion that the honest working men suffered more than the speculators. Yet he was fascinated by the amazing re-

sults of skillful and daring promotion. Fictitious Lattimore was typical of Sioux City in the early nineties, and though *Aladdin & Co.* may have been "A Romance of Yankee Magic" it was also an accurate portrayal of "boom technique".

When James Elkins, who was to become known as the "man who made Lattimore", first arrived in that town, it seemed to him that it offered all the opportunities he was seeking. Its potentialities as a big city were obvious to him and appealed to his business sense and adventurous spirit. Before long he had attracted others, all of whom wished to be "in the swim" when something as big as a city was being made.

One organization of business activity led to another. Real estate and insurance companies, loan and trust companies, banking institutions, followed by organizations for specific civic projects such as street railways and water-works, were hastily formed. "It's something unusual", one of the inner circle of men closely associated with Lattimore's growth remarked, "when we don't open up a set of books for some new corporation, during the working day."

Lattimore was not an isolated instance of town "booming". Material development was a general condition. To one observer, traveling through Duluth, St. Paul, and to the cities on the Missouri

River, "the air was charged with the ozone of hope; and subtle suggestions seemed to pass from mind to mind, impelling men to dare all, to risk all, to achieve all. In every one of these young cities we were astonished at the changes going on under our very eyes. Streets were torn up for the building of railways, viaducts, and tunnels. Buildings were everywhere in course of demolition, to make room for larger edifices. . . . Suburbs were sprouting, almost daily, from the mould of the market-gardens in the purlieus. Corporations were contending for the possession of the natural highway approaches to each growing city. Street-railway companies pushed their charters to passage at midnight sessions of boards of aldermen, seized streets in the night-time, and extended their metallic tentacles out into the fields of dazed farmers."

Lattimore, "doomed to prosperity", naturally attracted the notice of speculators. Eastern capital was represented in its ever-expanding enterprises. Bedford Cornish, a member of the "Syndicate" which controlled boom activities, was a member of a Wall Street firm, well-known for handling large amounts of European capital. Chicago and New York financiers took blocks of stock in Lattimore's largest organization, the Grain Belt Trust Company.

The boom resembled an epidemic. "Delirium became manifest, and swept over the town like a were-wolf delusion through a medieval village. Its immediate occasion seemed to be a group of real-estate conveyances, surpassing in importance anything in the history of the town. Some of the lands transferred were acreage; some were waste and vacant tracts along Brushy Creek and the river; one piece was a suburban farm; but the mass of it was along Main Street and in the business district. The grantees were for the most part strange names in Lattimore, some individuals, some corporations. All the sales were at prices hitherto unknown. . . . We of the 'new crowd' had begun our mock-trading to 'establish the market'. Prices were going up, up; and all one had to do was to buy to-day and sell to-morrow. Real values, for actual use, seemed to be forgotten."

The rising prices were an enigma to more than a few buyers. Biddy Collins who was offered four thousand dollars for land for which she had paid \$750, was offered five thousand by Mr. Elkins whose advice she had sought. Four thousand to her had seemed a fortune, but upon hearing of the higher offer, her attitude changed. "Thank ye kindly, sir, I'll be goin' now. I've med up me moind, if that bit of land is wort all that money t' yees, it's wort more to me. Thank ye kindly!"

It was a hint upon which the boomers acted from time to time.

The boomers themselves built splendid homes in the newly laid-out "additions". "My dear boy," explained one of the Syndicate to a hesitant member, "don't you see we are up against a situation that calls on us to bluff to the limit or lay down? In such a case, luxury becomes a duty, and lavishness the truest economy. Not to spend is to go broke. Lay your Poor Richard on the shelf, and put a weight on him. Stimulate the outgo, and the income'll take care of itself. A thousand spent is five figures to the good. No, while we've as many boom-irons in the fire as we're heating now, to be modest is to be lost."

Members of the Syndicate often referred to themselves as players at a game of cards. "And still shuffle, cut, deal, trick, and hand followed each other, and with draw and bluff and show-down we played the World and Destiny, and playing won, and saw our stacks of chips grow higher and higher, as our great and absorbing game went on. . . . We were in the game to win; but our winnings, present and prospective, were not in wealth only. To surmount obstacles; to drive difficulties before us like scattering sparrows; to see a town marching before us into cityhood; to feel ourselves the forces working through

human masses so mightily that, for hundreds of miles about us, social and industrial factors were compelled to readjust themselves with reference to us; to be masters; to create — all these things went into our beings in thrilling and dizzying pulsations of a pleasure which was not ignoble.”

The ultimate success of the boom in Lattimore seemed to depend upon getting the proper railroad connections. The shrewdest thinking was done to accomplish this. Avery Pendleton, the railroad magnate, was shown “how the products of our factories, the grain from our elevators, the livestock from our yards, and the meats from our packing-houses could be sent streaming over the new road and the lines of Pendleton.” The trump card of playing one big railroad system against the other was used to win the trick, and the desired traffic agreement was achieved.

Credit was the mainspring of the complicated financial machinery. The local bankers had more of the Syndicate's paper than the amount of their whole capital stock and surplus. Property was heavily mortgaged and faith was a merchantable commodity. Lattimore's commercial paper was sold far and wide. And when some stranger skeptically viewed the abnormal basis upon which the great new industries had been established, he was shown that the concerns were undeniably there,

had attracted population, and were turning out products for the markets of the world.

The boom was reflected in the business, social, and industrial life for hundreds of miles around Lattimore, and it reacted upon the personal lives of Lattimore residents as well. Bill Trescott's retirement as a breeder and shipper of livestock to a life of idleness, partially forced by the necessity of selling his land to make room for a railroad, finally brought him ruin and tragedy. His daughter, Josephine, cried helplessly against the town builders and fate: "Why did you come out here, making us all fortunes which we haven't earned, and upsetting everything?"

James Elkins, the popular hero of Lattimore, enjoyed privileges and considerable power as president of several corporations and as general promoter. To Antonia Hinckley, who loved him, he seemed a "master of everything", a kind of "Napoleon". But Elkins himself, who loved Josie Trescott, said in the midst of his successes: "What's the good of being able to convince and control every one else, if you are always further off than Kamschatka with the only one for whose feelings you really care?"

While the town boomed, Lattimore had its impersonal observers as well as its active promoters. General Lattimore, after whom the town was

named, commented: "Well, now take my case. I have some pretty valuable grounds down there where I live. When I got them, they were worthless. . . . What is that value? Merely the expression in terms of money of the power of excluding the rest of mankind from that little piece of ground. I make people give me the fruits of their labor, myself doing nothing. That's what builds this house and all these great houses, and breeds the luxury we are beginning to see around us".

In addition to such voices as that of the Yankee general, disquieting reports of financial disturbances came occasionally from all parts of the country. A company in London went down in the ruin of South African and South American investments, and Eastern bankers became cautious. Prices were growing higher, but there was "nothing to be spoken of as hard times".

In the midst of unbelief that anything adverse could happen to Lattimore's prosperity, the panic and hard times did come, and Lattimore and all the Lattimores over the country were hit. The Grain Belt Trust Company went to the wall, and with it a half-dozen other corporations. The Lattimore Syndicate did all it could to prevent total wreckage, not alone to save its own fortunes, but to avert financial disaster to the "captives below



decks", those who had invested money but knew nothing of the complex machinery in which they were caught. Nevertheless, fortunes which were built in an incredibly short time were lost even more suddenly.

Cornish was the only member of the Syndicate who had made money and not lost it, but Elkins, who nearly lost his life in an attempt to save Lattimore's financial structure and who saved nothing of his fortune, finally won Josie's love. Lattimore's collapse precipitated many such personal crises.

Stripped of their speculative entanglements, Lattimore's industries were reconstructed on a firm foundation. Real estate speculation had inevitably entered into their management at the outset, but they began to build up again. "We ah past the boom stage, I thank God," was the summary comment of the ever-optimistic Captain Tolliver, who had dealt in Lattimore real estate before the crash, "and what we ah now goin' to get is a rathah brisk but entiahly healthy growth."

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