The Great Kearney Real Estate Boom

(Article begins on page 2 below.)

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Article Summary: In the 1890s Kearney experienced the collapse of its real estate boom, which had been based on a part payment plan. When the boom ended suddenly, “the whole population was laid flat by the catastrophe.” Every buyer was left with property debt.

See also an earlier account of this economic downturn in the article “The Kearney Boom.”

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MAUD MARSTON BURROWS

Biographical Sketch

Born in Cambridge, Illinois, a transplanted New England community of high moral and intellectual standards, Maud Marston graduated from the public schools and later attended an academy, all the time carrying on studies in piano and vocal music.

With her parents she moved to Kearney, Nebraska, just preceding the boom of which she writes. She was a writer on the Kearney Enterprise during that period, and made the trip to interview the famous Nellie Bly for that paper.

Admitted to the bar later, and one of the first women licensed to appear before the Supreme Court of the state, she practiced law for five years as the partner of her father; spent a year in Europe, and
The Great Kearney Boom

returned to become supervisor of music in the Public Schools of Kearney for five years and the law partner of Judge E. C. Calkins up to the time of his death ten years later.

She has been active in politics and civic affairs, and made numerous public addresses on both subjects.

She married Henry Burrows, a Cambridge schoolmate; made another trip to Europe in 1930; and has travelled extensively in the United States, Canada, Alaska, Cuba and Mexico.

THE GREAT KEARNEY REAL ESTATE BOOM
1887-1890

By Mrs. Maud Marston Burrows, Kearney

Given at the Annual Meeting of The Nebraska State Historical Society, October 1, 1937.

In 1888 came the preliminary vibrations of the boom.

In much earlier days there had been agitation and discussion about the possibility of tapping the Platte River at a point sixteen miles west and bringing the water thru the hills in a canal. An organization was even perfected, composed of Henry Andrews, E. C. Calkins, Col. John Roe, the Downing brothers and others. They held regular meetings, and there should still be in existence the secretary’s book with a full account of their proceedings. They had a survey made by a competent engineer and the plan was pronounced feasible, altho I think it was considered for irrigation only, not power. The trouble was they had not enough money to finance it. Then some one, very likely Col. Patterson who was in some way related to him, told them of a George W. Frank, a wealthy man of Corning, Iowa, who might be induced to take an interest in such a project. Mr. Calkins and Mr. Andrews went to Corning to interview him; he came out and looked it over; and with a vivid imagination and plenty of cash, was at once interested and enthusiastic. He had many influential friends and access to more money than he had himself; and it was not long before this dream began to materialize into a reality.
The canal route was surveyed again; and by that time electricity as a source of power had come into attention, so this was enlarged to be not only for irrigation but for power as well. Work proceeded rapidly, accompanied by extensive advertising, particularly in the East, and literally hordes of people were attracted and came to look over this get-rich-quick proposal.

Magnificent plans for a great manufacturing city were projected; and even hard headed cotton mill men from Rhode Island and Massachusetts came out here and believed a mill could be made a success.

The largest undertaking in the whole boom was the immense cotton mill, 408 feet long, some 200 wide, two stories high, and filled with the most modern cotton equipment. Power was supplied by turbines with water from a reservoir lake kept filled by the canal; and a whole settlement of small houses for the operatives sprung up. The mill, under experienced management of the Cumnocks, and later Mr. C. N. Brown, ran for ten years, every year at a loss. The owners declared it was not owing to the distance from the cotton, brought from Texas, nor the necessity for importing coal a large part of the year (for the canal and the lake both froze of course, a contingency that seemed to have been overlooked, and certainly disregarded); nor even the sparsely settled distributing territory; but to the want of cheap labor. Plentiful in New England where they had had their business experience, it was totally wanting out here among farmers' wives and in a small community; and the mill was subjected to a constant turnover of discontented, homesick help. Had it been nearer the town even, as it should have been, that might have been different; but there was a great boom project at West Kearney that injected itself and prevailed. And in the end the impossibility of keeping people out there to work in it, forced the closing of the cotton mill. Ten years of continual loss; and great loss, for the citizens of Kearney contributed $250,000 to that cotton mill; and it cost over $400,000.
At West Kearney were centered a group of manufacturing plants, to be supplied with water power and electricity from the tail race. There was a large brick paper mill, run by an experienced paper man. A still larger pressed brick factory was built, with the right kind of clay material found in a hill just north of the canal. To my personal knowledge this plant cost $40,000 in actual cash investment. A special track was built for bringing the clay down, and a spur from the Union Pacific Ry. to the factory. A number of the finest buildings in Kearney were constructed from this brick and still stand in excellent preservation.

In the large brick plow factory on the tail race one plow was made; and this specimen graced the City Hall for a number of years until for very shame it was discarded.

A plant for common brick established by Dick Hibberd, an experienced English brickmaker, was enlarged during the boom to cover a large area of sheds and kilns; and in the vicinity there grew up a settlement of small square cottages for occupancy by the workmen, built and rented to them by Mr. Hibberd. A spur of the electric railway ran to this brickyard, and as it was near our "Bleak House" I often took the electric car for down town, driving back with father when he closed the office. Later, after the collapse, these small houses were sold for whatever they would bring and moved into the country; and there were whole blocks in that part of town left without a single house on them.

There were an oatmeal mill, a cracker factory, a woolen mill, a candy factory, a bicycle factory that turned out an excellent wheel and had a large business, and numerous others. In a lawsuit years afterward, concerning the Gothenburg Canal and its water rights we had occasion in preparing in the office of E. C. Calkins the brief for the Supreme Court, to enumerate the manufacturing enterprises established in Kearney at that time, and we were astonished ourselves to find they numbered forty.
The first electric street railway built in this country west of the Missouri was one of the more ambitious and costly projects; cost $39,000; the whole equipment, rails, cars, poles and copper wire was sold for $6,000 when the boom collapsed. I am told that in Boulder, Colo., there are street cars in use now, with "Kearney Street Railway" painted on their sides.

Related to the boom was the Kearney & Black Hills Ry. planned to run to the Black Hills in one direction and to the GULF in the other. As a matter of fact it was built to Callaway, 63 miles northwest, and there it rested. Gay, noisy ceremonies were held at Callaway the day the road was opened, with a special train from Kearney and the small towns along the route, and a barbecue served on tables of unplanked boards with similar benches along the sides. Singing, a brass band and flowery speeches accompanied the occasion, followed by an exceedingly dusty ride homeward later. But everyone was jubilantly happy. What it actually did to Kearney was to take away a large portion of its country trade in that direction and it was by no means an unmixed blessing. But thinking things thru was not a characteristic of that psychological nightmare.

The fine and expensive Kearney Opera House was built, housing the bank whose directors financed it; and the railway offices occupied the entire upper floor of the structure.

Two ambitious, accomplished newspaper men from Boston, Wm. E. Smythe and Will Hall Poore, established a paper metropolitan in all characteristics. Its two greatest "scoops" probably were the Nellie Bly edition of 10,000 copies; and the graphic, complete covering of the fire that destroyed the original Midway Hotel.

We had frequent rabbit hunts in those days over the unfenced prairies, most often in the sand hills south of the river; and one day after an adventurous chase I conceived the idea of sending an account of it to an Omaha paper. It was immediately spotted in the exchange by the alert Enterprise editors and they wrote the paper to
find out who sent it in; then they at once interviewed me and offered me a position on the paper, which I accepted providing I could do my writing at home and not spend my time at the office. From then on, as Miss Muffett, whose identity was not known outside the editors, I became a regular society and general correspondent.

When Nellie Bly made her famous flight for the New York World around the world to beat Jules Verne’s “Eighty Days” the Enterprise sent me to meet her special train, which I intercepted at Kansas City; and I rode with her to Galesburg, Ill. obtaining the only full interview accorded anyone on that train. This was certainly a major “scoop” for a small town paper and showed its caliber. In view of its importance I was persuaded to abandon my nom de plume, a concession always regretted. It cramped my work, as I had foreseen it would.

A file of the Enterprise, if in existence, would give an entire history of the boom, business, promotional and social, for the editors knew their field thoroly and spared neither themselves nor the staff.

Four banks carried on the business of this feverish activity, making fantastic loans upon dream futures that blew up like toy balloons; and when the collapse came every one of them failed. Lawsuits were a commonplace as creditors hurried in to recover something from the wreckage, while local banks strove equally to defend what seemed to them their own.

Population of course had increased by leaps and bounds.

“Addition” was a technical real estate term, and several were promoted, the two most outstanding being Kenwood, southwest of town, and West Kearney. Kenwood Park was expensively developed by a professional gardener, with a beautiful fountain and large flower beds and wide areas of lawn; and many large houses were built under the now well known restriction clause, then something of an innovation.

The park at West Kearney was far more pretentious and costly, $20,000 being expended in its beautifi-
cation under expert hands. A large, well designed fountain, huge stone vases of artistic form, and extensive flower beds ornamented an area to which the Union Pacific Ry. added an attractive railway station built of the Kearney pressed brick with stone trimmings.

Mainspring of all activities financially, in business and in the electrical field, was the George W. Frank Improvement Company. There the plans were laid for promotion and execution of a real estate and business boom the like of which has not often been witnessed in the whole United States.

The great day was when the sale of lots took place, for fantastic prices that were incredible. Well advertised, there was a large attendance, far beyond most sanguine expectations, as was the sale. The next morning Mr. Frank presented each of his two sons with a thousand dollars for a trip to Europe. Money flowed like water in this small community.

The fly in the ointment was, however, that practically every transaction was on a part payment plan, leaving the buyer with a debt on his property; and when the boom collapsed, as it must and did, payments could not be met, taxes accumulated, and eventually investment and property were both lost. Expensive houses were built on much of this property, they too on partial payments with a mortgage covering the balance and out of all proportion to actual, intrinsic value. Many a heartbreaking story and life-long bitterness of spirit resulted from this folly. A madness possessed them, not easy to explain.

But it must be said of the Franks that they believed in Kearney, they believed in the canal and in the electric railroad and all the rest of it; and they sunk their own money with that of those they misled; and were themselves poverty-stricken and homeless in the end. They cannot be called dishonest. They, too, were misled and deceived. By what? By a dream, a chimera, an utter delusion. The home of George W. Franks, a handsome Colorado sandstone residence, excelling everything else
in the town, attested their expectations. All the wood-work hand carved, elegant fireplaces, plate glass leaded windows, wide verandas and a porte cochere, accentuated its attractions; and it was filled with beautiful furniture and furnishings.

Later it had various vicissitudes, being used as a sanitarium for a while; and it has now attained a more fitting usefulness as the residence of the superintendent of the State Tuberculosis Hospital.

In the same neighborhood W. C. Tillson, cashier of the Kearney National Bank, built the fine pressed brick residence (of Kearney pressed brick) that tops a high hill and now houses the Country Club and is admirably adapted to that purpose.

An interesting event of the period was the encampment at Kearney of the Department of the Platte U. S. Army for summer maneuvers. It led to countless social functions.

One was the presentation of H. M. S. Pinafore, then at the height of its popularity. A temporary building was erected on the shore of Lake Kearney with ample seating capacity and a stage extending out over the water so that a motor launch (in use for passenger service) could actually land the sailors backstage. Miss May Morgan sang the part of Josephine, and I that of Buttercup. Altho with a large cast rehearsals could hardly be called convenient, we managed them, even in those "horse and buggy" days. Officers and men, together with Kearneyites, crowded the temporary theatre to capacity and the performance was pronounced a success and repeated for charity a second night with another overflow audience. Even the absurdity of the puffing little motor boat was condoned.

The officers made themselves popular socially, and as a reciprocal gesture a group of the leading men of the town planned a large dancing party for them and their wives, to be given at the Midway Hotel. An impecunious gentleman of acknowledged social attainments was asked to take charge of arrangements for them, with almost
**carte blanche** as to expense; but what was their consternation and anger to find the invitations to this outstanding party of the whole Army staff, issued in the name of himself and wife, without having contributed a penny toward it! Nothing could be done, of course, except to swallow their bitterness and pay the bills; and I believe the facts never leaked out.

The handsome, pretentious Midway Hotel, built by J. L. Keck of Cincinnati, but from thence on of Kearney, was an outstanding hostelry of its day. The landlord, who came here from a wide experience in important hotels in Florida and New England, was O. S. Marden, later well known editor of "Success" and author of "Pushing to the Front" and similar books that attained wide popularity. The manager, Mr. Charles Brown, and his competent sister created in the hotel that "mine host" atmosphere which is a rare and potent attraction to travelers.

One of the most interesting aspects of this hectic period of excitement was the social development it promoted. Young graduates from Eastern colleges and other young men flocked to this Mecca of opportunity bringing their sophisticated ideas of social customs; and the Opera House and the Midway Hotel provided facilities that were quickly and fully utilized.

Any good travelling troupe of that day could make an otherwise lost date by stopping at Kearney between Omaha and Denver, and we had the best of everything on the road.

At the old Midway, later destroyed by fire, spacious double parlors, a commodious dining room, and an experienced manager established a social center; and a club called "The Assembly" was a tennis, croquet and riding club in summer and a dancing club in winter. A tract of ground composed of several lots on West 26th St. was leased and a pavilion built, with an observation balcony above and room for storage of racquets, nets and balls and the boxes of croquet outfits below. Courts were laid out for both, and they were a scene of gaiety each evening.
The winter parties were given in a hall above the Enterprise office on Central Avenue, with an occasional large one at the Midway Hotel, to which all the elite were invited.

There was also a pavilion at Lake Kearney (a canal reservoir near town) with commodious dance floor above and water stalls for the storage of private boats as well as some that could be rented, underneath. This edifice was built out over the water.

Beyond the pavilion on the same side of the lake there was erected an excellent toboggan slide, with a runway into a cove or arm of the lake two or three hundred feet; and there was always skating if the ice surface was fit. Fires could be built on the shore, and it was a popular evening diversion, tho we skated at all times of the day.

The large houses built all about the town were most of them centers of hospitality where we danced and played cards and served elaborate or simple refectious as the case might be. Entertaining went on continually in some form or other; and I wonder now what time those young men found for business. We certainly took a great deal of their time; and life was not too earnest for them as yet. They were out for a good time and they were having it.

Soon enough they were to face the realities, for the colossal boom fell with a suddenness that still seems incredible. The word bubble most correctly describes a boom. It is that, irridescence and all. Dozens of young men, and not all of them, unfortunately, young men, brought and invested their patrimony, great or small, and left Kearney with hardly enough for railroad fare to some other place where they could make a start in business, with only a discouraging experience as capital.

I am told that for years there were communities in the East where one dared not admit he was from Kearney for fear of being mobbed by irate investors in the prairie bubble whose bursting had taken their savings.
These were isolated individual cases in Eastern towns, perhaps two or three or a dozen. But in Kearney the whole population was laid flat by the catastrophe. Every bank failed; business was paralyzed; real estate values went down to nothing; for years afterward fine, comfortable houses could be rented for payment of the taxes, or occupied for no payment whatever; the electric railroad was discontinued and every employee, office or operative, lost his job, and the property deteriorated daily. The pressed brick factory closed for want of customers and was at last dismantled, buildings and all.

But the worst outcome was the discouragement and apathy that constituted the reaction from a state of mind bordering upon frenzy. It took years to recuperate the shattered spirit of the people, dazed by the disaster.

The collapse, altho difficult to place precisely, came, we will say, in 1891. In 1893 occurred one of the worst financial panics this country has experienced. In 1894 came a drouth in Nebraska so severe and complete that train loads of relief, food and clothing and grain, were sent into the state; it was never again even approximated until 1934.

So Kearney faced three factors of failure: the collapse of the boom with its demoralization of all normal progress, the panic and the drouth. Years elapsed in the reorientation of the entire point of view; and when at long last the town emerged to sanity and acceptance, it was on a humbled but sounder basis of being merely the center of an agricultural section in a semi-arid district, uncertain and precarious in many seasons, and never secure even agriculturally.

Nevertheless, its perennially hopeful citizens have made of Kearney one of the most beautiful prairie towns in the Middle West. A foundation for this was in the wide streets of the original platting and in the fine dwellings left from the boom; but they have added attractive parks and well kept lawns and homes neither too plain nor too elaborate, that comport with the general financial situation.
Something less tangible is the existence of an unusually high community standard socially and culturally, noticed and commented upon almost invariably by outsiders, and fostered and believed in by the Kearney people themselves.

Personally I attribute this to a surviving influence of the many fine New England people who came to Kearney during the boom and lived here long enough to leave their indelible mark upon its tendencies and its future.

Some Unsold Land

Strange as it may seem, some land in Richardson County has never been sold since 1854 when Ulrich Lionberger claimed it under the Squatter's Rights. After his death it was transferred to Christian Lionberger by the other brothers and sisters.

Ulrich Lionberger, in the company of other Swiss people, came to the United States in April 1854 and helped found the early Swiss colony in Nebraska. He was the youngest of three sons of Nicholas Lionberger of Lutzelfüh, Switzerland.

While in Ohio, after traveling down Lake Erie from Buffalo, New York, they heard of the wonderful land in the New Nebraska Territory which had just been organized by an act of Congress in May 1854. A land where a man could plow a furrow all day long without turning around, and they immediately made their plans to reach this Utopia. They started out, traveling down the Ohio river to the Mississippi, then up to St. Louis where they took the Missouri river to St. Joseph, making the journey by stern-wheel boats.

Soon after their arrival they were fortunate enough to meet a pious missionary worker of the Reformed Lutheran church who, learning of their desire to found a Swiss Colony in Nebraska, told them of a location where they could obtain water, wood and stone, and also a hickory grove excellent for making wagon supplies.

The men of the party, led by the missionary Easly or Isly by name, who had previously been to Nebraska, started on their search for this land where there would be room for all of them to establish homes.

After many hardships they found what they sought, selected lands, and returned to St. Joseph to be with their families until spring of 1855, when they all returned to establish their pioneer homes at Dry Branch, the place of their squatter lands.

(From a letter written by Mrs. Earle Lionberger, Nov. 12, 1937, Superior, Nebr. and story of Swiss Colony. Information given is from John Lionberger, Table Rock, Nebr. who is a son of Ulrich Lionberger and the father of Dr. Leo Lionberger, Boston, Mass. a graduate of University of Nebraska and Harvard Medical School, also uncle of Earle Lionberger of Superior, Nebr.)