Attempted Economic Adjustments in Holt County during the 1890s

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Full Citation: A Bower Sageser, “Attempted Economic Adjustments in Holt County during the 1890’s,” Nebraska History 50 (1959): 105-118

Article Summary: This article traces the attempted economic adjustments of the people in Holt County during the early 1890’s, a period of nationwide depression which was made even more difficult by frontier conditions and periods of drought. Farmers tried to improve their lot in various ways, including hiring professional rainmakers, experimenting with alternate crops such as chicory and popcorn, forming irrigation societies to tap local groundwater and the Elkhorn and Niobrara Rivers, manufacturing cheese and financing local creameries. After 1895 a large increase in farm income began to come from hay and livestock production.

Cataloging Information:


Place Names: Holt County, Nebraska; Sandhills; Niobrara River; Elkhorn River Valley; Elkhorn River; South Fork, Holt Creek, and Dry Creek; Atkinson; Fremont; Valentine; Emmett; Amelia

Keywords: Elkhorn River route; rainmaker; Graphic (Atkinson); popcorn; chicory; German Chicory Company; American Chicory Company of Omaha; Elkhorn Irrigation Ditch; The Frontier; Russian relief; Holt County Irrigation Society; Executive Committee of the Irrigation Congress; Irrigation Farmer, Atkinson Graphic; creameries; McGinnis Creamery; Angus; Shorthorn; dairying

Irrigation Projects: South Ditch, Little Ditch, Big Ditch, Golden Ditch, Niobrara Ditch

Photographs / Images: 1893 hay crop being stacked; creamery
ATTEMPTED ECONOMIC ADJUSTMENTS IN
HOLT COUNTY DURING THE 1890's

BY A. BOWER SAGESER

A MERICAN political and economic adjustments to hard
times and depressions have been described by modern
historians on the state and national level. However,
these accounts seldom describe the responses of the people
at the local or county level. This study traces the at­
temted economic adjustments of the people in Holt County
during the early 1890's, a period in which a nationwide
depression was made more difficult by frontier conditions
and periods of drought.

Holt County is located on the eastern edge of the Sand­
hills of Nebraska. On the whole the land is marginal. The
county has two rivers and many creeks. The Niobrara
River forms the northern boundary of the county and near
the river the land is hilly and broken. A few miles south
of the Niobrara lies a level tableland that produces excel­
lent farm crops when rainfall is abundant. Approximately
thirty miles south of the Niobrara River is the Elkhorn

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River Valley. This valley produces excellent grass for summer pasture and prairie hay for winter feed. South of the Elkhorn River lies a flat tableland, about ten miles wide, which was thought suitable for irrigation. This area was not too productive in the dry years. The southern half of the county has several tributaries to the Elkhorn River: the South Fork, Holt Creek, and Dry Creek. In these creek valleys, the water table is close to the surface of the ground which assures better crop conditions. This was the “land of flowing wells” which provided unlimited amounts of water for farmsteads.¹ There are many small ponds and lakes in the south half of the county. This section became one of the greatest prairie hay producing regions in the nation.

The first settlers entered Holt County by the Elkhorn River route. Several settlements were founded in 1871, and in 1874 General John J. O’Neill started his colonization projects at O’Neill, and on the south side of the Elkhorn River opposite Atkinson. By 1880 the county had 3,287 people; by 1890 the population reached 13,672 but was reduced to 12,224 by 1900.² By the mid 1880’s some cattle ranches had been established, but most of the settlers were homesteaders and were producing corn, wheat, oats and rye.

Farm crops were not in demand in the late 1880’s and early 1890’s, and as a consequence the whole economy of a pioneer people was thrown into depression. There are many evidences of these depressed conditions. Lucius D. Richards of the Fremont National Bank has left a good description of the economic conditions in Holt County during the early 1890’s.

¹ F. H. Newell in his Report on Agriculture by Irrigation in the Western Part of the United States, published as a part of the Eleventh Census of the U. S., 1890, pp. 272-274, described the flowing wells and the ease of obtaining water. A pipe could be driven to a depth of 50 to 185 feet to the ground water supply. The water was pure and clear. He predicted that the temperature of the water was probably too low for irrigation. The average cost for a well with 1.25 in. to 2 in. pipe was $48.00.
² The Twelfth Census of the U. S., 1900, I, 20.
Richards served as a financial agent for the Davenport Brothers of New York—a firm making extensive loans on land in Nebraska. In February 1890, he reported that after three years of "poor crops and low prices" the borrowers in Holt, Antelope and Brown Counties were in arrears. Richards described the farmers as "able and hard working" but the cumulative forces of hard times had "finally forced them to the wall."3 Richards had made loans on nine hundred acres of land in Holt County. On March 15, 1891, he wrote that the Oregon Short Line Railway Company had stopped its construction at O'Neill because of the close money market. Richards had made no loans in this section during the past two years and was trying to get out of it as fast as he could, taking deeds when the title could be obtained at less expense than the cost of foreclosures.4

Richard's description is well amplified by the Holt County newspapers which pointed out the loss of settlers after the summer of 1887. The land record books for Holt County show that many homesteads were abandoned from 1887-1894. This was especially true for the area just south of the Elkhorn River and also for the tableland north of O'Neill and Atkinson.

Drought conditions in the county were spotty during 1887-1894. No doubt the most difficult years started in 1892, and in that year the County Board began to look for a rainmaker. "Professor" Frank Melbourne, rainmaker from Cheyenne, Wyoming was requested to come to O'Neill. Melbourne guaranteed a one-half inch rain, county wide, in less than four days, for a fee of $3,000. The professor got his rain, but had some dispute with the County Board as to his full pay. The editor of the Atkinson Graphic wrote: "It rained—Melbourne or no Melbourne." The rain had placed the crops out of danger.5

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5 Atkinson (Nebraska) Graphic, August 18, 1892; The Frontier (O'Neill, Nebraska), August 4, 1892. Hereafter cited as The Frontier.
Fortunately not all the farmers in the county depended on the rainmaker for economic relief. A variety of crop experiments began to take place with the hope that the financial income of the homesteaders could be raised. There was also an interest in irrigation, not so much to raise more crops but to insure permanent settlement in the county.

During the summer of 1892 several farmers experimented with popcorn. The most successful farmer in this venture was Dr. A. A. Antrim of Green Valley, who had one of the best improved farms in the county. Antrim planted some forty acres of popcorn and harvested over five hundred bushels. He sold his product for three cents per pound and did much to encourage farmers to profit from his experience.6

A second experimental crop was chicory. Early in the spring of 1892 farmers were encouraged to experiment with this new crop on the promise that a chicory factory would be built in O'Neill. Three men, Gottfried Bazelman, G. C. Hazelet and Robert R. Dickson, formed a partnership to finance the factory. In the fall of 1892, a three-storied structure twenty-four feet by ninety feet with a one story wing twenty-three feet by seventy feet was built at an approximate cost of $15,000.7 The factory was put into operation in October, and it became the first successful chicory factory in the state. It was incorporated as the German Chicory Company of O'Neill in 1894. In 1893 water was taken from a millrace on the Elkhorn River to run the machinery. In 1895 the factory was associated with the American Chicory Company of Omaha. A second plant was operated at Fremont.8

The chicory culture was new to Nebraska. The plant had been domesticated in England and Europe, where the

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6 Alkinson Graphic, December 1, 1893.
7 The Frontier, August 18, 1892. Seeley and Sons and Company of Fremont, Nebraska, was the contractor; A. H. Dyer was the architect.
8 The Frontier, January 7, 1894; Omaha Daily Bee, September 1, 1895.
top of the chicory beet was used for greens and the root was dried, then granulated, and used as a beverage. In the United States granulated chicory was often mixed with coffee under a recommended formula of one-third chicory and two-thirds coffee. Both root and top were used for livestock feed. During the 1890’s the United States imported from ten to seventeen million pounds of the raw and dried root annually. The bulk of the crop produced in the United States was grown in Michigan, but several states experimented with the crop during the depression years.

Chicory grew much like sugar beets. The seeds were usually planted in rows by hand or with a hand drill. Sometimes the chicory plant produced a big seed head and little or no root, but the root of the plant usually was from eighteen to thirty-six inches in length. There were no machines suitable for digging the root in the 1890’s, and this meant hard backbreaking hand labor during harvest season. The raw product was too bulky for long distance shipment. It was necessary to have a factory close to the producing area in order to make production profitable.

The O’Neill company owned some land and after the completion of the Elkhorn Irrigation Ditch it leased land from the irrigation company. The acreage was small in 1892, and in 1893 and 1894 the yield per acre was low because of drought conditions. The company contracted with farmers to grow the chicory plant. Seed was furnished by the company for fifty cents per pound and the company paid the growers $10.50 per ton for the raw roots delivered in O’Neill. Contracting farmers were found from Fremont, Nebraska to Valentine, Nebraska. Many local farmers tried their hand at raising the new product. Neligh, Nebraska was one of the main growing centers for the company. Some chicory was grown at Hastings and the product was processed at the Fremont factory.⁹

⁹ Omaha Bee, March 4, 1896; in 1894, the German Chicory Co. received a diploma from the Nebraska State Fair Association as a first premium on granulated chicory. See The Frontier, March 29, 1894, and January 27, 1897.
A farmer could grow from four to twelve tons of chicory roots per acre, with local estimates showing a possible profit of $6.00 to $8.00 per acre on a crop producing four to five tons per acre. This was indeed far more tempting than the production of thirty bushels of corn per acre which would sell from twelve to twenty-five cents per bushel.

Aside from the income to the farmer, the company also paid from $8,000 to $12,000 a year for labor in the factory. This new crop certainly offered added income to the county in a day when dollars were scarce and farm prices low.

Chicory raising received a real boost in 1895, when the Nebraska legislature offered a bounty of five-eighths cents per pound on the manufactured product. The factory operator had to pay at least $10.50 per ton for the chicory roots at the factory. If the manufacturers built other plants they could secure an additional three-eighths cents per pound bounty. The bounty was in effect for two years. The O'Neill plant sold its product in Chicago, St. Louis, Omaha and Des Moines and chicory production looked like a major addition to the area’s economy. In February 1895 the editor of The Frontier wrote:

> When the time comes O’Neill will be known as the chicory centre and lovers of the beverage all over the country will pay tribute to the industry of our people as they do now to the fruit growers of California, and the potato growers of Colorado...11

The combination of state subsidy and local enthusiasm was not sufficient to make Holt County a great chicory producing area. By the spring of 1897 there was evidence that the farmers were not producing enough chicory to make the operation of the factory profitable. The owners of the company pointed out that if more contracts were

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10 Laws of Nebraska, 1895, pp. 51-56. House Roll No. 67 was passed over the veto of Governor Silas Holcomb on March 29, 1895. The law also included a bounty of five-eighths cent per pound on manufactured sugar.
11 The Frontier, February 14, 1895.
not secured the factory would close. During the summer of 1897, the owners of the factory cultivated one hundred acres of chicory. In the fall of 1897 the business partnership was dissolved and Hazleot moved the company to Omaha, Nebraska. Chicory production had been too limited to bring prosperity to a population of over 13,000 people during the dry years. In 1897 the Fremont chicory factory was being used to dry sugar beets. Perhaps the best evidence for chicory production lies in the fact that Nebraska never produced over 8,000 tons of the product in any single year. In 1897 the state produced only 5,500 tons of chicory beets while growing 104,000 tons of sugar beets. Neither of these products measured up to over 200,000,000 bushels of corn produced in 1897 by Nebraska farmers.12

The production of chicory had not broken the depression cycle for the people in Holt County. In fact, from 1892 to 1894 the depression seemed to increase with a vengeance. People who had proudly contributed to Russian relief in 1891 found themselves in the position of recipients of relief in 1893 and 1894. Many who had products to sell found the prices extremely low. At Chambers, in the South Fork Valley, a good crop of hay had been stacked in 1893. But by January 1894, Peter Kutcher, a local farmer and dealer in hay, was storing baled hay in barns at O'Neill. The low price and high freight rates made it unprofitable to ship it out of Holt County. Other farmers were in a similar plight.13

Holt County residents had discovered that a great water reservoir lay beneath the ground and that even in dry years the Elkhorn and Niobrara Rivers flowed steadily. In the flowing well district a few people had raised excellent gardens by irrigation. This was also true in other areas where people used the windmill to pump water on

12 For the best summary on raising chicory see The Frontier, February 11, 1897. See The Irrigation Age, XII, No. 4, p. 99; Omaha Daily Bee, October 3, 1897.
13 The Frontier, January 18, 1894, excerpt from the Chambers Bugle.
garden plots. A wave of enthusiasm for irrigation swept the western states in 1893 and the people of Holt County contributed much to the new experiments with irrigation. Looking back on this period, Dennis H. Cronin wrote that the people got so much of the drought in 1893 and 1894 that “the clamor was born of necessity . . . all agreed it was irrigate or migrate”.

By midsummer of 1893 business men and farmers in Atkinson and O’Neill were planning irrigation societies. In November and December the Holt County Irrigation Society was formed. T. V. Golden, of O’Neill, was an enthusiastic leader. He wrote and spoke on wells, pumps, reservoirs and streams. Golden was chairman of a large meeting held at O’Neill on January 30-31, 1894. E. R. Moses, a resident of Great Bend, Kansas, was the principal speaker.

Moses was an energetic worker for the cause of irrigation. He was not only president of the Interstate Irrigation Association, which maintained its headquarters at Salina, Kansas, but was also president of the Executive Committee of the Irrigation Congress which met in Los Angeles in 1893. In addition he contributed frequently to the Irrigation Farmer which was edited by J. L. Briston at Salina.

In his speech at O’Neill, Moses stressed the need for diversification of crops, the importance of scientific water resource surveys, the need for state and federal assistance to irrigation, and the importance of permanent settlements in the semi-arid regions of the country. Moses’ main argument was the need for stable settlements. He declared that the “curse of this country” had been that men came here and expected to become rich “right off,” but went back “with a sign painted on their canvasses—Busted.”

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14 The Frontier, March 11, 1897.  
15 The first officers were: J. P. Mullen, President, T. V. Golden, Secretary, Neil Brennan, Treasurer.  
16 The Frontier, January 31, 1894.
In 1893 even when a good crop of hay had been stacked, low prices and high freight rates made it unprofitable to ship it out of Holt County.
Creameries provided an outlet for dairy products and improved the farmer's economic condition.
Two major irrigation projects and many minor ones were planned. The first major project was the South Ditch or Little Ditch. It proposed to tap the Elkhorn River at Emmet and serve the tableland that lay south of the river from Emmet to O'Neill. The second, the Big Ditch, the Golden Ditch, or Niobrara Ditch, was to draw water from the Niobrara River and irrigate the tableland area that lay south of this river. This project would serve several counties from Sheridan on the west to Holt on the east.

In April 1894, the Elkhorn Irrigation Company was formed to build the South Ditch. The ditch was to be twelve to thirteen miles long and, with the proper lateral ditches, could irrigate from 9,000 to 12,000 acres of land. The estimated cost of the main ditch was $10,000. A contract was awarded in June and the work completed in the fall. In 1895 the company issued $150,000 in capital stock. Farm homes were built and the company contracted with farmers to break up the prairie sod and crop the land. Alfalfa was brought from Colorado to the irrigated area.

It is difficult to evaluate the company's project. The company hoped to resettle the vacated lands and some land was used to grow chicory for the factory at O'Neill. Soon the company's purpose changed. By midsummer of 1895 there was ample rain to produce a crop without irrigation. Some of the "old-timers" maintain that in 1896-1897 the area was so wet that the main dam gate was closed at Emmet and the ditch, with its laterals, was used for drainage. The company became the Elkhorn Irrigation and Land Company and was soon investing in the cattle business. A note in The Frontier, May 6, 1897, reveals the fate of the project. The company had employed Elsworth

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17 Sam Howard, President; Charles Hemstreet, Vice-President; Clarence Selah, Secretary; Bernard McGreevey, Treasurer.
18 The Irrigation Age, VII, No. 2, August, 1894, p. 89. C. H. Leace and Company of Spencer, Iowa, dug the ditch.
19 Atkinson Graphic, November 28, 1895. A report of the Nebraska Board of Transportation showed that Holt County had 118.9 miles of canals completed, costing $22,279. Lincoln County was the only county with more (143 miles) of canals.
Mack, who was later a prominent banker in Atkinson, to become manager of the livestock ranch eighteen miles southwest of O'Neill. This was the Elwood ranch. The company had eight hundred cattle and planned for four hundred more. Soon the land along the South Ditch was producing pasture and hay as it does in 1959. Perhaps it took an irrigation experiment to point out that the area was cattle land.

The digging of the South Ditch heightened the interest of the people in further projects. From 1894 to 1896 applications were filed with the State Board of Irrigation for plans to irrigate some 48,615 acres in Holt County. Most of these applications were filed by persons who held land along the banks of various creeks in the county. Some big land speculators also filed applications. No creek of any size escaped planning. The editor of the Atkinson Graphic wrote on March 15, 1894: “Irrigation is the chief subject all along the line and the prospects are very flattering for a consumption [sic] of the big ditch project”.

The Big Ditch or the Niobrara project was indeed a grand design. In fact, it included more area in 1894 than is in the Federal Government irrigation plans in the region in 1959.

In April 1894 the Niobrara River Irrigation and Power Company was incorporated with a capital stock of $2,500,000. Headquarters were to be at O'Neill. The company planned to construct a canal from the Niobrara River in Sheridan County through Cherry, Brown, Rock, Holt and Knox counties with laterals for irrigation and power. The canal was to be seventy feet wide at the bottom and ten feet deep. It was believed that so large a ditch could carry more water with less fall per mile. Several of the lakes in Cherry County were to be used as reservoirs. It was estimated that two to five hundred thousand acres of land

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20 Figures compiled from First Biennial Report of the State Board of Irrigation of the State of Nebraska, 1895-96, pp. 172-180; 260-261.
HOLT COUNTY DURING THE 1890's

could eventually be brought under irrigation. Careful surveys were made of the route. In 1895 B. L. Gillespie filed the plans with the State Board of Irrigation.

Throughout 1894-1897 the leaders worked hard to secure water rights. Irrigation districts were established and some digging was done. Political pressure was exerted to have the counties issue bonds for the project. Holt County's share would have been $1,266,000. However, the wet years after 1895 dampened the ardor for irrigation. Nor were the water rights costing eight to ten dollars per acre very tempting to people who could not sell the land for one-half that price. In July 1897 an engineering report declared that there was not enough water to irrigate the entire district, and the promoters soon closed out the project.

In the meantime, the county's income had been greatly increased through other economic endeavors. As early as 1893, Lucius D. Richards of Fremont had written to G. C. Hazelet in O'Neill suggesting that those interested in increasing the people's income should consider the manufacturing of cheese. Richards' letter was published in The Frontier and the editor urged the farmers and business men to try to produce more dairy products. There was an ample supply of pasture and hay for the dairy cattle. This was especially true in the South Fork Valley and along the Elkhorn River Valley. By 1896 the communities at O'Neill, Atkinson, Chambers and Amelia had built creameries. The chicory factory and the South Ditch had received outside financial assistance, but local business men and farmers financed the creameries. While local

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22 Donald W. Campbell a state engineer from Colorado, A. R. Kittell of North Platte, Nebraska, an engineer with experience in Colorado and on the South Ditch, and Cyrus W. Rockwood each served at various times in making the survey.


24 The Frontier, August 3, 1893.
efforts started the creameries, usually some individual or some company that operated as a wholesale company, as the Omaha Cold Storage and Produce Company, became owners.

An example of these projects was the one at Amelia where a modern creamery was erected and operated for nearly thirty years. The plant was powered by a steam engine. Almost one-half the space in the building was designed for the storage of ice which was taken from local lakes during the winter. Flowing well water was also used to cool the cream and butter. Some ice was used in the freight wagons to haul the produce to the railway stations at Atkinson, Emmet, and O’Neill. The creamery had sufficient ice to make ice cream, especially for local community affairs. The community share holders also enjoyed the use of the ice in making ice cream at home. Cream wagons operated in the community to pick up the cream from the farmers. The farmers, who used flowing wells for cooling, sold the creamery a good grade of cream.25

About a block and one-half from the creamery a small stockyards and a dipping vat were erected. Steam was piped from the creamery to be used in heating the vat. Cattle and sheep were brought in from long distances for dipping in attempts to control pests and skin disease.

In July, 1896 Robert W. McGinnis of York, Nebraska, brought a dairy herd to land owned by his family in the Amelia community.26 For several years the creamery was known as the McGinnis Creamery. McGinnis also had financial interests in creameries at Atkinson and O’Neill.

Press clippings at various times indicate the output of the creameries. Most of these notices came in the months when the production of milk was at a peak. On May 28, 1896, the Atkinson Graphic reported that the Atkinson

25 In 1898 the Amelia Creamery was awarded the first prize for sweet-cream butter at the Omaha Exposition. Roy Thorkelson was the manager of the creamery at that time.

26 The Frontier, July 30, 1896.
creamery had produced fifty-nine tubs of butter in one week and the Amelia creamery had produced sixty-three tubs in the same week. R. C. Wry, a prominent business leader at Chambers, reported that the Chambers' creamery was churning eight hundred to nine hundred pounds of butter daily and that several farmers were averaging from $40 to $50 per month in cash from the sale of cream.\footnote{The Frontier, June 4, 1896.}

A year later The Frontier reported that sixty-eight tubs or 4,080 pounds of butter had been produced at the Atkinson creamery in one week and that the Amelia creamery was distributing $2,000 a month to its patrons. O'Neill shipped 297,000 pounds of butter in one year over one railroad line.\footnote{The Frontier, June 17, 1897 and March 17, 1898.}

An Amelia item in The Frontier for July 15, 1897 declared that "what this country needs is more creameries and the calamity howlers—the demagogues—in a short time would not be able to muster enough votes to flag a hand car."

The U. S. Census listed 10,918 milk cows for the county in 1890.\footnote{Report of the Statistics of Agriculture in the U. S., Eleventh Census of the U. S., 1890 (Washington, 1895), p. 338.} This figure had increased to 11,848 by 1900.\footnote{Twelfth Census of the U. S., 1900, V, 458-459.} This small increase in number is offset by better strains of milk cattle and increased output of milk. In 1900, out of 1876 farms reported in the census, 1665 recorded the production of dairy products. According to the census, in 1899 the farmers of the county produced 3,545,595 gallons of milk and sold 87,426 gallons of cream. The farmers had sold 312,687 pounds of butter in the same year.\footnote{Ibid., p. 610.}

Dairying had helped to restore better economic conditions for the county. While the income was not too large from dairy products, it was a rather steady and permanent type of income. No doubt dairying was one of the most effective experiments conducted by the farmers. However, a large increase in farm income began to come from hay and livestock production after 1895.
The decade saw sheep production increase from approximately 6,000 head to over 26,000 head. Cattle production rose over 100 percent, an increase from 40,000 to over 90,000 head. In 1899 approximately 150,000 tons of hay were produced. During the same year the county produced 3,904 tons of millet and 255 tons of alfalfa.32

Livestock growers began to import purebred livestock. The Angus and Shorthorn breeds were first in the purebred experiments. One of the best Shorthorn herds was owned by the Riley Brothers at Amelia. Holt County was definitely a cattle country by 1898. Other economic experiments included Angora goats, poultry, and flour milling. The county produced large flocks of turkeys during the decade. By 1897 economic conditions were greatly improved. James H. Riggs, the editor of The Frontier, wrote that "he had not printed a sale-bill for over a year." To Riggs, as well as many others, Holt County had become a good place to live in.33

The editor of The Frontier was reflecting the fact that the county's economy was well on the upgrade. This was true for Nebraska and the nation as a whole. Outside relief to needy areas in Nebraska had ended in 1895. The experiments by the people of Holt County had economic value. Some basic lessons in irrigation and water resource problems had been learned. While chicory raising was not a permanent industry, it no doubt helped to stimulate the search for diversified sources of income. Considerable economic relief had come through dairying and livestock raising, a pattern which holds quite constant today. The settlers had found sources of income which enabled them to build a more stable society. While some migrated with the shifting of the economic winds, many remained to build fine businesses and ranches. To these a monument might well be erected, dedicated to those who stayed.

33 The Frontier, January 14, 1897.