

Nebraska, 1885-90: Prosperity

GEORGE NORRIS did not stay long in Nebraska on his first trip. His money ran out, and he returned to Ohio for a last term of teaching, this time at Warrensville in Cuyahoga County. There he boarded with a sister as an economy measure. At the end of the school term, determined to return to Nebraska, he borrowed over three hundred dollars from his sister Melissa, and received from his mother the deed to her Johnson County land.

With a college classmate and fellow L.U.N. member, H. H. Harrington, he opened a law office in March, 1885, in Beatrice, the seat of Gage County, one of the richest agricultural areas in the state. Despite the fact that Nebraska was booming, the partnership did not prosper and the partners were soon disillusioned; Norris recalled, "We had nothing to bring us business—no associations and no connections."¹ Perhaps they did not give themselves enough time to get started; perhaps they did not get along together in a small office with few clients to challenge their abilities. Whatever the reason, during the summer of 1885 the firm of Norris & Harrington was dissolved.

Harrington went back east, and Norris, in September, hoping for better opportunities, moved farther west into the thriving Republican River Valley country. He chose Beaver City, the seat of Furnas County, as his destination. Since the Burlington and Missouri Railroad had not yet reached this area, he hoped that here his practice could develop with the country. Fully aware that he would need considerable capital, Norris sold the Johnson County land for \$1,500. Then, with his few belongings, he traveled by railroad to Arapahoe and thence by wagon almost due south to Beaver City.

The period during which Norris arrived in Nebraska was the most prosperous in the history of the state up to that time. With above average rainfall, agriculture prospered and, encouraged by "boomers," settlers came in ever increasing numbers. In 1880 the state's population was 452,402; ten years later it had increased to over one million people. Norris arrived in Beaver City in 1885; before the decade was

over he had become secretary of the Beaver City Board of Trade and was offering agents five dollars for each person who purchased a quarter-section of land or \$1,000 worth of city property. The Board of Trade supplied these agents with advertising matter and agreed to pay the railroad fare for any settler.² The extension of the Burlington and Missouri Railroad throughout the western part of Nebraska was the major factor in the rapid growth of population. By 1887 a branch line of the railroad reached Beaver City, enabling it to participate more directly in the general prosperity.

Furnas County, though organized in 1873, was still in many areas raw prairie when Norris arrived in the autumn of 1885. Broken land and cultivated fields seemingly were islands surrounded by a gentle rolling sea of short grass on the slowly rising sod which was punctuated occasionally with steep slopes and rough land. The Republican River, which flowed across the northern part of the county, was the main body of water in the region. One of its tributaries, Beaver Creek, along which the county seat was located, flowed not quite parallel to it in the south central part of the county. Neither stream was navigable; the bed of each was sandy, bordered by low, sandy banks, while the Republican was not only shallow but also relatively wide.

Furnas County is located in a subhumid region, an area with a mean annual rainfall of about twenty-two inches.³ Its rough lands and sandy areas provide excellent grazing places for cattle, while the better lands were devoted at first to corn and wheat. By the end of the nineteenth century forage crops, particularly alfalfa, were raised along the streams. Now, in the twentieth century, irrigation is used to insure more adequate crops. Along the streams are maple, ash, elm, box elder, and cottonwood trees. Cattle and produce from the county make their way into the Omaha and Denver markets.

While very different from the Ohio Norris knew and loved, the new country was not totally beyond his previous experience, and he soon came to love and later to understand it as well. Arriving as the country was being rapidly developed, he saw it originally at its very best—in a period of prosperity during a lush and languid autumn season.

Settlers in southwestern Nebraska generally did not understand the climate of the Great Plains. Many farmers and town builders moved into the region believing, from its generally luxuriant appearance, that it did not differ markedly from the known agricultural areas farther east. Others, who had heard of conditions on the plains in the previous decade, reassured themselves with the popular de-

lusion that climate somehow changed with settlement and that rainfall followed the plow. The early experience of settlers and farmers during the 1880's was usually pleasant and profitable. They therefore accepted these conditions as normal and regarded any marked change from them as abnormal and temporary. It would be several years hence before Norris and other settlers obtained a more valid understanding of the region, an understanding based on bitter experience.

On the north bank of Beaver Creek is situated Beaver City. First settled in 1872 by J. H. McKee, it is the county seat and principal town (the population in 1895 was over fifteen hundred⁴) of the Beaver Valley. Here George Norris would make his home, marry, start raising a family, and launch his career in law, in business, and in politics. Before the prosperous decade of the 1880's was over, the community boasted an \$18,000 courthouse and a \$15,000 high school.⁵ Across the square from the courthouse was an old farm building owned by David H. Lashley, who was to become Norris' father-in-law. The building was used as a hotel and office building. Later, in 1893, it was torn down, and the Norris block, an office building still in use today, was erected in its place. Beaver City, small though it was, had two newspapers: the *Times* and the *Tribune*. The latter, a Republican paper, was edited by Fletcher W. Merwin, who became an intimate aide to Norris when he entered politics. The former was owned by John T. McClure, an able lawyer, a Democrat, and later a Populist leader in the area. Two banks, the Furnas County Bank and the First National Bank of Beaver City, were organized soon after Norris arrived.

At the outset, life in Beaver City was far from easy for the young lawyer. His clothes were threadbare; he usually did most of his own washing. In the winter he took to burning corn to keep his office warm. Once a week he got a shave, paying at the rate of twelve shaves for a dollar. A shoeshine was reserved only for very special occasions, such as a trip to Lincoln or Omaha. Apparently, in his early days in Beaver City, besides sporting the mustache already evident in his years at Valparaiso, Norris affected a cowboy hat and possibly other aspects of western dress.⁶

Despite his relative poverty, Norris was delighted with the region, the town, and the people. Here he found again what he had experienced in Ohio and at college: social equality along with a feeling of fraternity and good will among his fellow citizens. Everybody's latch-string was out. Every man by and large was trusted and accepted regardless of his background until he did something to convince his

associates that their trust and friendship were misplaced. Norris became so impressed with Beaver City that he tried to interest one of his sisters in buying a house and settling there.⁷

Norris easily made friends in the community and the surrounding countryside. Having joined the Odd Fellows lodge at Clyde in his twenty-first year, he now transferred his membership to Beaver City. Bob Scott, the warden of the lodge, became an early friend and introduced Norris to jackrabbit stew.⁸ Scott may have been a member of the party of four who were hunting quail when Norris was accidentally shot. The members had separated, each seeking to bag as many birds as possible, when Norris was shot in the face. When the others found him, he was on the ground in extreme pain, unable to see, groping on his hands and knees, feeling for the gun, and intending to kill himself. Two of the members of the party carried him to a nearby house while the other ran for a doctor. Norris feared at first that he had been completely blinded, but found his sight returning even before the doctor examined him. Initially the doctor thought he would lose the sight of one eye, but on second examination revised this opinion and agreed that Norris' sight would be saved. Twenty-two pieces of shot were taken out of his face. At least two were permanently embedded in his flesh.⁹ For several years after this accident, Norris understandably took no great interest in hunting and devoted himself almost entirely to his law practice and other business.

Norris opened a two-room office south of the courthouse square. Until his marriage in 1889 he worked in one of the rooms, lived in the other, and dined out. Despite the desire to utilize his professional training, he found it necessary to engage in other activities along with the law. Indeed, he later wrote, "The first money I made in Nebraska was in the land business, and often I made more money in the land business than in the law business."¹⁰ Shortly after his arrival he purchased a quarter section of land which he later sold at a profit. He also started to acquire real estate in Beaver City. His activities were typical of young western lawyers who were trying to earn a living without a corporate connection as their chief source of income.

Nebraska, as a comparatively new state, desperately needed capital to maintain the prosperity of the 1880's and to attract new settlers. The inhabitants had to go outside of the state for much of their working capital. While rainfall remained adequate and crops bountiful, land values increased rapidly. Though agriculture and stock raising were the principal occupations, urban development began on a large scale, and railroad construction continued without abatement.

Enterprising farmers and town dwellers who wanted to improve

their holdings found it easy to borrow money from loan companies, commercial banks, insurance companies, and even from individuals. Such mortgages seemingly offered an excellent opportunity for the small investor. They could be held in modest amounts, and the interest rates were high. Investors throughout the East and North poured their savings into companies which proceeded to loan millions of dollars in the West. By 1889 Kansas and Nebraska had 134 incorporated mortgage companies. Including companies organized in other states but operating in Kansas and Nebraska, the number reached at least two hundred. Between 1884 and 1887 the number of farm mortgages placed in Nebraska was six thousand and their value was \$5,467,362.¹¹

Newly arrived farmers were immediately subjected to heavy expense for buildings, farm machinery, fencing, seed, livestock, and taxes before they could show adequate returns. In the beginning, their outlay was much greater than their income. What little money they brought with them quickly disappeared. Merchants had to sell on credit, and professional men, like Norris, had to wait for their fees. The borrowing of money seemed to be a necessity for the satisfactory development of the country; without mortgages, development would have proceeded at a much slower pace.¹²

At the outset Norris engaged in the mortgage-loan business and found it profitable. With good crops and more settlers migrating to the country, land values increased and as a result, loans were given a safe margin. This led investors to seek more mortgages, and loan companies to attempt to increase their business by urging their agents, of whom Norris was one, to lend more money. Soon irresponsible agents and companies were loaning money on poor investments and encouraging farmers to borrow more than they actually needed. Some observers noted that this extensive mortgage business was draining money out of the area by the payment of interest.¹³ With the failure of crops in the short-grass country beginning in 1890, worse effects would appear.

George Norris, as an ambitious young lawyer, quickly found that there were ways of making money in conjunction with legal work. He took advantage of them, and earned most of his livelihood as an agent for various companies and individuals engaged in the mortgage-loan business. If Norris was unable to collect, he could initiate legal proceedings. In the beginning all went well, but as debtors ran into difficulties, the job became a delicate and difficult one for a person with political ambitions who wished to remain on good terms with his neighbors.

For a while, Norris sold insurance as an agent of the National

Fire Insurance Company of Hartford, Connecticut. In 1889 he sought to act as agent for the Yost Typewriter Company, but was turned down on the basis that his other business and his inability to type would prevent him from showing their machine to its best advantage. In another instance, an Iowa businessman desired to obtain Norris' services to rent and care for his livery stable and other real estate in Beaver City.¹⁴ However, these examples were extraneous to his main line of endeavor, which was that of agent for various individuals, banks, and corporations engaged in some aspect of the mortgage-loan business.

Norris' work continually took him away from Beaver City. He traveled throughout the country making collections, seeking prospective customers for loans, observing conditions, and preparing reports. In the course of this work Norris met people in all walks of life. He won the respect and confidence of most people with whom he came in contact, and formed some lasting friendships. Since many of the notes he sought to collect were small, his fees were also small.¹⁵

The Vigilant Wholesale Creditors' Agency of Omaha, whose motto was "The Race Is to the Swift," carefully defined the fees their agents, among whom was Norris, were to receive. If the note was paid on demand or presentation, the charges were 5 per cent on the first \$200 and 2½ per cent on the excess. "In all other cases," stated their printed form, the following fees were to be charged "without respect to time or effort expended": 10 per cent on claims under \$100, 5 per cent on excess to \$700, and 2½ per cent on excess of \$700. No charge was to be less than \$1.50 and, most important, the agent making the collection would receive two-thirds of all the fees. The remaining one-third, along with the proceeds, would then be remitted to the agency in Omaha.¹⁶

Norris also acted as agent for some large firms which desired the services of a local attorney to make their collections. Among them R. G. Dun & Co., with headquarters in New York and branch offices in 135 cities. This company, established by famed abolitionist Louis Tappan in 1841, claimed that it was the oldest mercantile agency in the world. Other large firms such as Thurber, Wyland and Company of New York and the Credit Guarantee Company of Minneapolis acquired Norris' services. He served as agent and collector for William Deering and Company of Chicago, producers of harvesting machinery.¹⁷ The larger firms often had a branch office or a general agent in Nebraska, and it was the office manager or agent who contacted Norris.

These companies employed Norris as an attorney when it was

necessary to bring suit against a debtor in Furnas County and vicinity. If the plaintiff lived outside of Nebraska, Norris had to make certain that the petition for foreclosure of a mortgage was in accord with Nebraska statutes before it was filed and a summons issued. There were court fees and service charges involved in these proceedings and usually a commission rather than a fee for Norris' services. In most instances, before court action was taken, Norris was consulted by the attorney in the plaintiff's home town as to the possibility of settling the case without recourse to the law. Prior to 1890, however, Norris was rarely called upon to initiate legal action. Most debtors in southwest Nebraska managed to meet their obligations, and creditors had little cause for complaint.¹⁸

Though Norris acted as agent or representative for many firms and individuals in the various aspects of the mortgage-loan business, he did most of his work for J. H. Miles and the First National Bank of Rulo, Nebraska, of which Miles was vice-president.¹⁹ It is not known how, where, and when Norris met Miles, but Miles took an interest in the young lawyer, trusted him, and expressed confidence in his judgment and ability. Norris continued to work in various capacities with Miles after he left the Bank of Rulo for the one at Falls City. The association continued until shortly after the turn of the century when Miles retired. Norris discounted notes, loaned money, bought and sold land, and performed other services for Miles and the Rulo bank. At the outset, Norris was associated in this work with George Shafer of Beaver City, but by the end of 1889 they dissolved this arrangement and both men worked on their own.²⁰ Norris and Shafer remained on amicable terms and were associated in business again at the end of the century.

In December, 1888, Norris decided to investigate conditions in Salt Lake City with the idea of settling there and continuing his work with Miles in the Utah territory. Norris felt that he was intruding upon Shafer's business. And perhaps the incessant traveling and collecting was beginning to sap his strength. Whatever the reasons, he went to Salt Lake City for the ostensible purpose of investigating the possibility of opening a bank. After being away from Beaver City for less than two weeks, Norris returned, confirmed in the opinion that his future would be no better in Salt Lake City than in Beaver City.²¹

The connection with Miles gave Norris opportunities to participate directly in the mortgage-loan business. With his knowledge of local conditions he made good investments, securing the necessary funds from the bank in Rulo. He also invested money for members of his family, once informing his sister Melissa that he could loan \$1,500 of

her money "for 10% where it will be secure" and where he could make a profit on it himself.²²

By the end of 1889 Miles decided to seek a new banking connection and close the First National Bank of Rulo. He began looking for another community in which to start a bank, finally deciding upon Falls City, the county seat. Miles' shifting of banks necessitated a rearrangement of Norris' activities so that most of his accounts could be closed when the bank in Rulo shut its doors.²³

In the spring of 1890, shortly after the First National Bank closed, the cashier of the Bank of Rulo, a competitor of Miles' bank, wrote to Norris inquiring if he would loan money for this bank as he had done for Miles'. Norris agreed, although he indicated that he probably could not do as large a business as he had done for their former competitor because the terms on which he was to conduct this new business were now very rigidly defined. The Bank of Rulo was more cautious in its mortgage-loan business than Miles, primarily because its officers were new to the business and because economic conditions were changing.²⁴

By 1890 Norris' interest in the mortgage-loan business was beginning to wane. He refused an offer from Miles to accept the position of cashier in his new bank at a salary of \$1,200 for the first year and the privilege of purchasing up to one-fifth of its stock.²⁵ Part of the reason for refusing the offer was his desire to remain in the legal profession and to pursue the interest in politics which thus far he had been forced to relegate to a subsidiary position.

But there was another reason for refusing the offer. On June 1, 1889, when Norris was not yet twenty-eight years of age, he married a belle of Beaver City, Pluma Lashley. The Lashleys had come from Iowa to Beaver City shortly after its founding in the 1870's. David Lashley had risen rapidly as a businessman in the thriving community. He owned a considerable amount of real estate, built a substantial house, and operated a prosperous grist mill on Beaver Creek about a mile out of town. Lashley's daughter, Pluma, had been born in Iowa, in 1864, and at the time of her marriage was a tall, attractive, dark-complexioned woman three years younger than her husband. They started their life together in a rented four-room cottage which they had carefully and tastefully furnished.²⁶

Before the couple had been married a year, Pluma's father died. Norris had the task of settling the estate and keeping the gristmill in operation. Shortly afterwards the newlyweds moved into the Lashley home so that Pluma would have the companionship of her mother

while Norris was traveling. This relieved some of his anxiety and remorse at being away from home.

After five years in Beaver City, George Norris had established himself as a rising young man in the community. He had arrived with a minimum of cash, but through his own initiative and ability had developed a prosperous business which brought him into contact with men in all walks of life. He was becoming known, liked, and respected—a difficult feat for a person who had to collect money. He was sympathetic and fair in his business dealings, and people quickly learned to trust his word, while many business firms throughout Nebraska and some larger western and national concerns sought his services.

Within five years he had paid off most of his debts, could promptly meet his obligations, owned a few choice real estate items, and in a small way participated in the mortgage-loan business. He was happily married to the daughter of one of Beaver City's leading citizens and had a promising future. True, he was not practicing law as much as he might have desired, but he could not have secured as many agencies as he did without his law degree. Moreover, most lawyers in the region, unless they worked full time for the railroad or held public office, earned their livelihood in approximately the same way. This type of work was significant in the development of the West. In Nebraska it enabled young George Norris, during the boom period of the 1880's, to sink his roots in a region that he would henceforth consider his home. While he was able to start his adult life in Nebraska in a period of prosperity, adversity in the last decade of the nineteenth century would test his character and, incidentally, launch his political career.