

## E. S. Ellsworth: Iowa Land Baron

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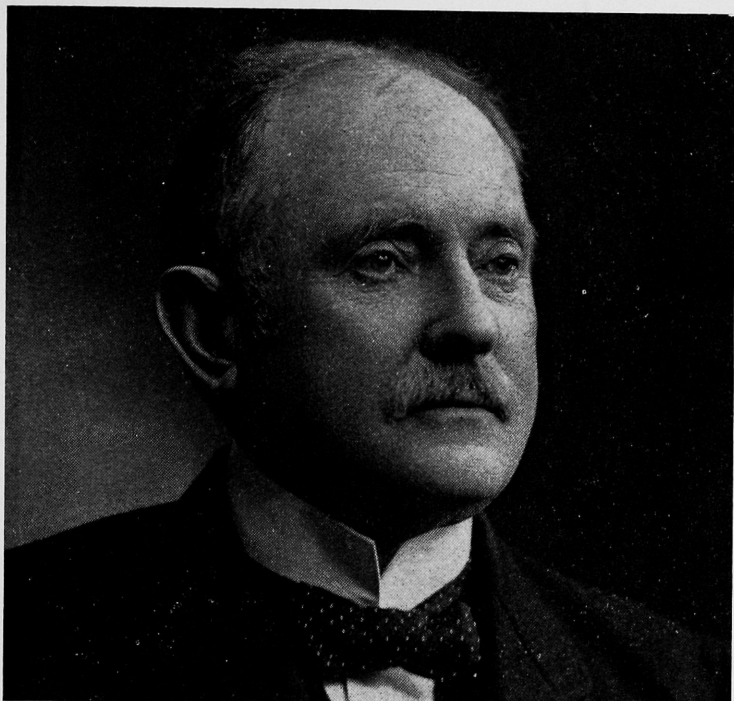
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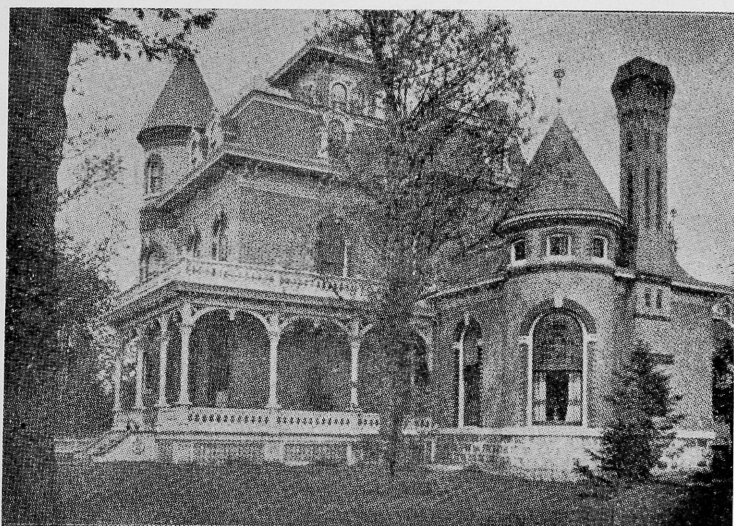
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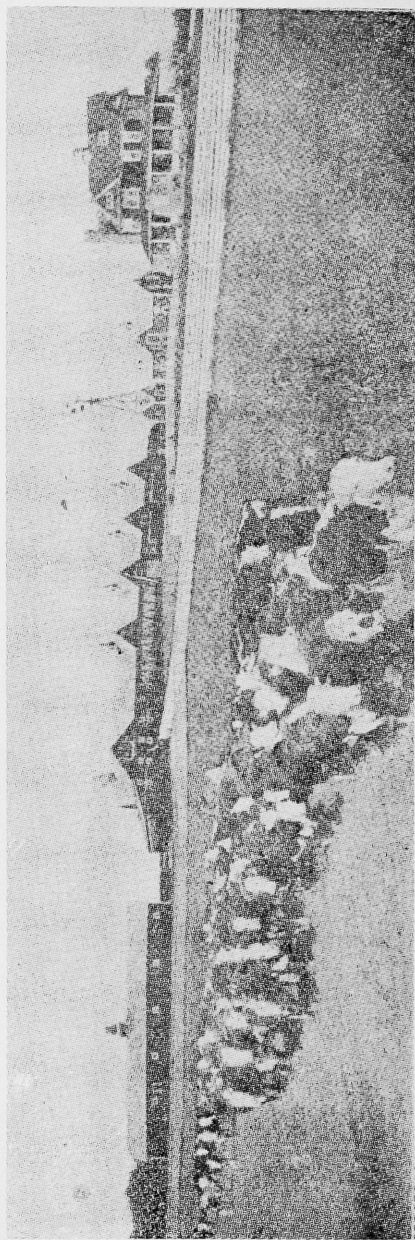


Eugene Stafford Ellsworth, 1848-1907

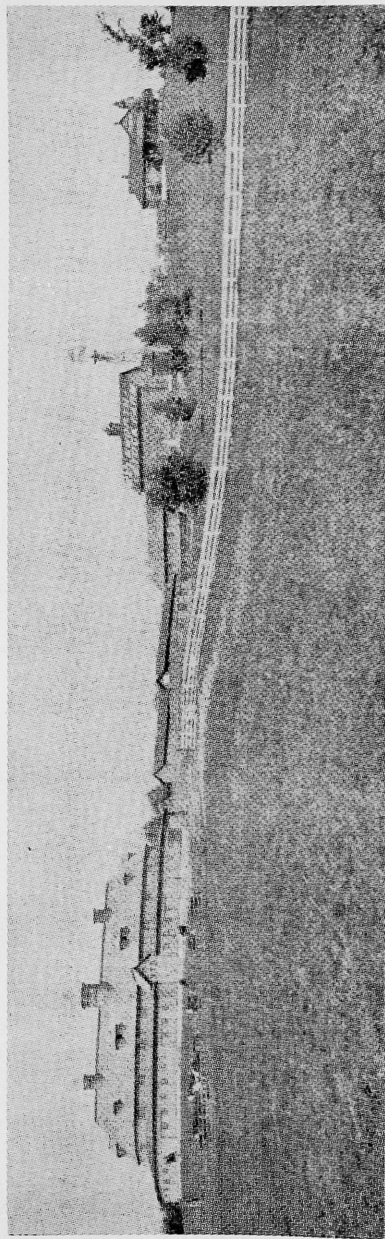


E. S. Ellsworth Home





Ellsworth's Lake View Stock Farm, 3,712 Acres, Emmet County, Iowa



Ellsworth Stock Farm, 2,760 Acres, Wright County, Iowa

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## E. S. Ellsworth: Iowa Land Baron

By CURTIS L. JOHNSON\*

One of the relatively few men who literally rose from rags to riches in the historical development of Iowa was Eugene Stafford Ellsworth. At his death in 1907 he was among the four or five wealthiest men in the state; yet he began his career as a livery boy in Iowa Falls.

E. S. Ellsworth was born in Wisconsin November 2, 1848, on a small farm near Milwaukee. His father, Orlando S. Ellsworth, had been a school teacher in Otsego, New York before coming west to settle on government land in 1846. Mrs. Ellsworth, the former Almira Shaw Hinds, nine years older than her husband, and a widow with five children, married him in 1841<sup>1</sup>. Her eldest son, Orlando Sidney Hinds, had come to the Wisconsin Territory in 1840 when he was only fifteen years of age. Orland Ellsworth's brother, Dr. C. F. Ellsworth, was already well established in the Milwaukee area, and perhaps with his aid young Hinds was soon making a good living as a tavern keeper on the Muskego Indian Trail.

\* This article was adapted from a thesis the author wrote for his M.A. degree at the State University of Iowa. Mr. Johnson is now an editor and free lance writer and has also completed a novel with an Iowa setting, *Hobbledehoy's Hero*, which was recently published.

<sup>1</sup> Orlando Ellsworth moved to Otsego, New York from the nearby village of Hartwick in 1829. And John Hinds of Otsego, his wife's first husband, was the descendant and namesake of an early 18th century New York land grant recipient according to genealogies among E. S. Ellsworth papers in the possession of the present firm of Ellsworth and Jones.

He also speculated in land and managed a brisk fur trade with the Indians. By the time his mother and step-father arrived in the Territory in 1846, he was a young man of some means, profitably dealing in land almost to the exclusion of his other interests. The attractiveness of this activity for the pioneers who could afford it may be illustrated by the fact that as much as \$300 net was often realized on the turnover of a single quarter section.<sup>2</sup>

A year after the birth of Eugene his step-brother moved to Chicago, establishing himself as a real-estate banker and broker there. He enlarged the scope of his financial operations, advanced money to farmers, sold the mortgages to eastern investors, and continued to prosper, becoming one of the charter members of Chicago's first stock exchange.

Mrs. Ellsworth died in Milwaukee in 1854 when Eugene was six years old. Eight years later his father, Orlando Ellsworth, organized a company of men and went to war as captain of Company K, 24th Wisconsin Infantry.<sup>3</sup> His fourteen-year-old son accompanied him as a drummer boy. This Milwaukee regiment fought at Chaplin Hills, and joined the pursuit of Bragg's army in October, 1862; it was at Murfreesborough, Tennessee December 30 and the next day the young drummer boy was with the Wisconsin troops at the battle of Stone River. The following year the 24th Wisconsin participated in the bloody battles of Chickamauga, Look-out Mountain, and Missionary Ridge, and in November marched 130 miles in nine days to help raise the siege of Knoxville.

Captain Ellsworth was forced to resign his commission for reasons of health in February, 1864; and he and his son returned to the farm in Wisconsin. The elder Ellsworth re-married soon after his return, and,

<sup>2</sup> Ruth A. Gallaher, "Money in Pioneer Iowa 1838-1865," *Iowa Journal of History and Politics*, Vol. XXXXII (January 1934), p. 12.

<sup>3</sup> The captain achieved some stature in the Milwaukee community before he left it to go to war, having been elected to the 11th session of the Wisconsin legislature in 1858. Wm. De Loss Love, *Wisconsin in the War of the Rebellion* New York, 1866.

selling the farm, set out with his wife, Julia, and son, Eugene for the upper Iowa valley. Albert M. Lea's widely circulated pamphlet, published in 1836 and addressed "particularly to the emigrant, the speculator, and the legislator," described the region as "the finest picture on earth of a country prepared by Providence for the habitation of man." The Ellsworths found it to be level, much of it gently rolling, and quite rough in some places. Where the sod remained unbroken, it was covered by lush prairie grass three to four feet high. There were heavy stands of timber abounding with mink, otter, prairie chicken, and quail. Oaks, cedars and willows ringed the town of Iowa Falls in which the family settled. Seventy-foot rock bluffs ranged along the Iowa river's edge to the west of the town.

Apparently Eugene's father had hopes of duplicating his step-son's success in Wisconsin land speculation. But the situation in north central Iowa was different. When Orlando Ellsworth settled there in 1864, most of the free land in that area had been gone for a decade.

Eastern investors, seizing on the opportunity offered by land warrants issued by the national government for military service, had acquired title to much Iowa land. These warrants were purchased at a discount, held until they could be sold at profits that ranged from 300 to over 2,000%. Land warrant speculation was all but over by 1857. It resulted in 14,099,825 of Iowa's 35,830,000 acres being removed from the public domain<sup>4</sup>, over a third of the state's area.

The rapid settlement of Iowa also contributed to the scarcity of free lands in the state by 1864. Strategically located between two great rivers, and crossed by travel between the Great Lakes and the Platte river valley,<sup>5</sup> the population of Iowa had grown from 10,531<sup>6</sup> in 1836 to 754,699 in 1865<sup>7</sup>. Only one-eighth of the land still

<sup>4</sup> Roscoe L. Lokken, *Iowa Public Land Disposal*, State Historical Society of Iowa, 1942, p. 267.

<sup>5</sup> E. D. Ross, *Iowa Agriculture*, Cedar Rapids, 1951, p. 8.

<sup>6</sup> *Ibid.*, p. 11, an estimated figure.

<sup>7</sup> *Iowa: The Home for Immigrants*, Des Moines, 1870, p. 13.



belonged to the federal government and, therefore, was open to preemption or homesteading. Lands granted to railroads amounted to nearly as much.<sup>8</sup>

Iowa Falls, and the rest of Iowa, was experiencing a great influx of people in 1864, the year the Ellsworth family arrived there. Its three hotels were enjoying a capacity business, most dwellings had from one to three families living in them, and the dusty main street was thronged with wagons, carriages, buggies, and white-topped prairie schooners. The population of the town was represented to be 500. Town lots were selling for \$70 to \$100 apiece.

Captain Ellsworth paused to preside at the Republican county convention, and then set about establishing a business. He bought four horses, three buggies, harness, and accessories for \$900 to go into the livery business with a former Milwaukee acquaintance, Charles Foote, whose main contribution to the partnership was a lot and barn. With his remaining capital, Ellsworth purchased three lots in Iowa Falls for \$212.50.<sup>9</sup>

The livery catered largely to landseekers, carrying them out into the country to look at sites, to outlying communities, to new towns on the railroad, and occasionally, to the land office in Fort Dodge. Ellsworth & Foote also sold feed, and sometimes, put up prairie schooners and farmers' wagons overnight. The business grossed about \$200 per month.<sup>10</sup>

Sixteen-year-old Eugene Ellsworth's job was to drive for his father during the day and keep watch in the stable at night. He received room, board, pocket money, and, more important, a sound schooling in land values. Meanwhile the former captain sought a quick way to wealth in buying, selling, and trading land and town lots on as large a scale as his means permitted.

<sup>8</sup> Lokken, *op. cit.* p. 267. See Ross *op. cit.* p. 63, for his comment on the necessity of these grants in Iowa.

<sup>9</sup> From an account book kept by Orlando Ellsworth. Mr. Sumner Osgood of Iowa Falls, kindly permitted the writer full and free access to the *Ellsworth Records* in his possession.

<sup>10</sup> Ledgers of Orlando and Eugene Ellsworth, *Ellsworth Papers* 1865-73.

His father financed young Ellsworth's enrollment in Bayless Business College at Dubuque in 1865, but Eugene was back at his old job in the stable the same fall. Father and son finished an addition to the stable in October, and also completed building a home for the family which now included a new-born son.

But difficult problems plagued Mr. Ellsworth, affecting his livery business. He began to dwell upon vague dreams of the future, and professed to believe in spiritualism. His health became worse with recurring heart trouble. Charles Foote sold his share in the stable to J. A. Collins in December of 1865. There was another change of partners within eight months, the firm becoming Ellsworth & Mason. And in 1867 they sold their stock and equipment to Charles Usher, renting him the stable. Eugene was out of a job.

But he did not remain idle long. He rented an office on main street next to Lyman F. Wisner's bank, and went into business on his own. His first venture was in potatoes. It yielded a small profit. He then ran an advertisement in the Iowa Falls *Sentinel*:

I will pay the highest market price in cash for Furs of all kinds. First door west of the Bank.<sup>11</sup>

The youth tried a number of enterprises that might turn a profit. He set out a trapline, made a few horse trades, and advertised:

E. S. Ellsworth will pay the highest cash price for 20,000 prairie chickens.<sup>12</sup>

Mrs. Ellsworth sold millinery and gave music lessons to add to the family income. Eugene's father helped him financially, and the banker and real estate broker, Lyman F. Wisner, also loaned him money. After giving up his school work, the youth began to keep books for the livery. The first entries read: "Father went to Alden," and "Father paid Mason." However, they soon reflected his sole responsibility for the success or failure of the business: "Account with O.E.," and "Borrowed from O.E."

<sup>11</sup> Dec. 18, 1867.

<sup>12</sup> Iowa Falls *Sentinel*, January 5, 1868,

Mr. Ellsworth's health improved slightly, and Eugene persuaded him to return to the livery business. The firm was now known as Hurd, Cotton & Ellsworth. It opened in competition with Usher, the man who had originally bought out Mr. Ellsworth. Eugene went back to driving a buggy, but continued to trade in furs, and even borrowed from his father to invest in several town lots. He earned about \$15 per month at the stable, plus his room and board when home, and averaged roughly \$30 per month from his varied outside interests.

He soon established a fur collection point at Marble Forks, in addition to his Iowa Falls office. He often stopped off on his return from showing a customer some property to make a deal in pelts. During the peak months of the season, the enterprising young Ellsworth shipped up to a thousand skins at a time, sometimes netting \$100 on each shipment. But he continued his other ventures. The *Sentinel* for August 28, 1868, noted that

Eugene Ellsworth has added a fine lot of prairie chickens to our stock of creature comforts for which he will draw on us at sight.

Every bit of money he was able to save was invested in a lot, 40 acres of farm land, or whatever parcel of land he could buy. He gradually assumed more control of the Ellsworth family fortunes, and in 1869 bought out his father's partners for him.<sup>13</sup> The business became Ellsworth and Son, Livery Keepers. But within a short time the senior Ellsworth, plagued by ill health, once more sold out and retired.

Eugene mustered all the cash he could, secured another loan from L. F. Wisner, and within a month was in a position to act. The *Sentinel* reported:

E. S. Ellsworth has repurchased the stock recently sold to Hurd & Cotton, purchased Charley Usher's real property, and is now all alone in his glory in the livery business in this town. He says he will endeavor to keep

<sup>13</sup> Livery Ledger, *Ellsworth Papers*, October, 1869.



up with all ordinary demands in this line, and being worthy of success, we hope he may win. . . .<sup>14</sup>

E. S. Ellsworth at the age of twenty-one, was now the sole proprietor of the only livery stable in a thriving, semi-frontier community. He employed his father as an occasional drayman and bookkeeper, the old captain's day-ledger entries—"Nothing doing, dull as the dev," "Despair"—providing a significant commentary on his outlook. In May of 1872 his name appeared in a suit against his old partner, William E. Mason, to recover the original partnership's lot and barn. However, it was Eugene who pressed the case, his father being treated for his heart condition at the time. The result of the court action was that Eugene was able to buy the lots and stable for \$699, a price described by the *Sentinel* as a "rare bargain."

He repainted the stable and operated it in conjunction with his other livery service. But a year later he sold it to John Blue for a \$1,250 mortgage, notes at 10% interest, and a farm.<sup>15</sup> A settler from Michigan bought the farm a year later for \$2,000. Additional stock and equipment with a book-value of \$1,000 were included, so his total profit came to \$1,500 plus interest on the mortgage and notes. His father's original investment in the property had been \$900.

Captain Ellsworth died on June 27, 1872 at the age of 59. He left a home and lot, several other town lots, and a few hundred dollars in cash to his family. Mrs. Ellsworth and her other children returned to Wisconsin after the funeral.

At 24 years of age, Eugene S. Ellsworth was the owner of a livery business, a few hundred acres of prairie land, and several town lots. With the livery and his sidelines netting him \$75 to \$100 a month, he could slowly and steadily add to his holdings. This would never permit him to amass a fortune, but he should by the time he reached old age have a sizeable estate. A pleasant

<sup>14</sup> Nov. 10, 1869.

<sup>15</sup> Livery record, *E. S. Ellsworth Papers*, May 29, 1873. As the sale price included only stock, equipment, lot and stable, Eugene recorded that he gave Blue the harnesses.

future for a young man of 24 to envision, but it was not enough for Eugene S. Ellsworth.

An account-book entry of one of his early dealings in furs, when he was only 19, was set off from other entries with calligraphic emblems of satisfaction:

March 26—Bought of Green—Otisville	
50 muskrat .....	\$6.00
2 mink at \$3.00 .....	\$6.00
Sold to Ed Taylor March 26	
50 muskrat .....	\$8.00
Sold to Leonard March 26	
2 mink .....	\$8.00
Net Profit on transaction .....	\$4.00

This was more worthwhile, a fairly quick return of 33 $\frac{1}{3}$ % for the risk and effort expended. The problem was to do it on a large scale and more often.

A few weeks before his father's death, this item appeared in the Iowa Falls newspaper:

Real Estate Agency: Eugene S. Ellsworth of our town has just started in this business . . . He has the facilities to carry his customers to any parcel on his list. Read his advertisement herein.

It became a common saying locally that whatever Gene Ellsworth touched turned to gold.<sup>16</sup> He determined to test the truth of that saying with something more substantial than potatoes, prairie chickens and muskrats.

The ad that he had placed in the *Sentinel* read:

Selected lands! In Hardin, Franklin and Wright counties at from \$3.00 to \$10.00 per acre near timber and water. A LIBERAL CREDIT TO SETTLE. Prices generally being on terms of  $\frac{1}{3}$  to  $\frac{1}{4}$  cash, balance in time to six years with interest. Eugene E. Ellsworth, Agent . . . <sup>17</sup>

The fledgling agent was helped a good deal by Lyman F. Wisner, who had been in the business for some time. Ellsworth in his office next door received guidance and advice from the older man. Wisner sent him to Fort Dodge on land matters, to Eldora and other county

<sup>16</sup> Unionville *Journal*, Jan. 3, 1906. The early ledgers of E. S. Ellsworth clearly show that even as a youth he had a knack for making money.

<sup>17</sup> May 1, 1872.

seats to search titles, and had even occasionally allowed Eugene to buy up odd lots of land left over from his larger transactions. The Ellsworth agency began to handle some of Wisner's excess business in Hardin and adjoining counties.

The young man also sought, and received financial and advisory help from his stepbrother in Chicago, Orlando Hinds. These personal contacts, coupled with what he had learned of land values and buying and selling while driving prospects about the country for the livery, gave him his start. However, oak ties and iron rails contributed much more to his success.

A railroad connection had been promised Iowa Falls as early as 1856, but the Panic of '57 and the Civil War interfered. Interest in a railroad revived as the war drew to a close. The Sioux City & Pacific started construction south of town. The Dubuque & Sioux City began building toward Iowa Falls from Cedar Falls, 44 miles away, and selected a depot site in June 1864. Their first train reached Iowa Falls April 16, 1866.<sup>18</sup>

The Dubuque & Sioux City encountered strong opposition from a rival at this point. John Inslee Blair, president of the Sioux City & Pacific disputed its right to build on west toward Sioux City, and further construction was halted. A wealthy eastern merchant and industrialist who had become a midwestern railroad promoter, Blair proved an able and determined foe. He had almost unlimited energy, traveling 18,000 miles by rail and 700 by carriage in 1866, overseeing the building of railroads in Iowa and Missouri. He had strong connections with eastern financial circles and thus, in the United States Congress. Blair became president of the newly-formed Iowa Falls & Sioux City Railroad Company October 1, 1867, a move that signaled the surrender of the D. & S.C. The next month he personally supervised the resumption of work by 75 teams and 150 men on the right-of-way west of Iowa Falls.

However, the most important part of building a railroad was not grading the roadbed, especially in Iowa

<sup>18</sup> C. J. Corliss, *Main Line of Mid-America*, New York, 1950, p. 149.

where the land was fairly level. The prime requisites to actual construction were to project the line on paper, obtain a charter, secure land grants and subsidies to finance the project, and organize companies to sell the land. Iowa communities contracted \$12,000,000 in debts to aid various railroad corporations as early as 1857.<sup>19</sup>

Thus, the railroads dealt extensively in the buying and selling of land. They came into the possession of vast stretches of virgin lands. The D. & S.C. sold 107,000 acres of their grant in the fall of 1863 to speculators in the company for a dollar an acre,<sup>20</sup> at a time when farm land in Iowa was bringing from \$5.00 to \$10.00 per acre. The railroads were most interested in favored town sites, terminals and way stations. John Inslee Blair laid out town plats in Iowa all during the Civil war. His perspicacity was later rewarded when he was permitted to buy these town sites. Within a year he resold a sixth of the land, realizing the entire purchase price plus a profit of \$211,081.80.<sup>21</sup>

Blair and eastern associates formed the Iowa Railroad Land Company in 1869,<sup>22</sup> and Ellsworth became an agent for them when he opened his business in 1872. It gave him the opportunity to deal in real estate on a large scale. The company put up 2,000,000 acres for sale.<sup>23</sup>

They were able to offer unbroken tracts as large as 20,000 acres. The government usually granted alternate sections on either side of a road's right-of-way. But

<sup>19</sup> Gustavus Myers, *The History of the Great American Fortunes*, Chicago, 1908-10, Vol. II, p. 31.

<sup>20</sup> *Report of the Dubuque and Sioux City Railroad Company*, 1864.

<sup>21</sup> *Report of the Land Commissioner of the Iowa Railroad Land Company*, Cedar Rapids, 1872, p. 25.

<sup>22</sup> Directors: F. Nickerson, Oakes Ames, P. S. Crowell, all of Massachusetts; J. I. Blair and D. C. Blair from New Jersey; H. Williams, lately moved to Iowa from the east; and W. W. Walker, Cedar Rapids, Iowa.

<sup>23</sup> 1,030,389 acres in Iowa for the Cedar Rapids & Missouri River Railroad; 700,000 for the Iowa Falls & Sioux City; and 100,000 for the Fremont, Elkhorn & Missouri Valley, as shown by advertising brochures of the Iowa Railroad Land Company in 1871-2.

in 1864 Blair's line obtained all the unsold land which remained between its previous sectional grants.

A settler could buy land on time, or pay cash and receive a 10% discount. Short time required  $\frac{1}{4}$  down in cash, and three annual payments at 6%. Forty acres of the cheapest land, at \$5.00 per acre, would cost \$218 this way. Buying on long-time, he usually paid two years interest at ten per cent per annum when the purchase was made, one-fourth in two years, and the balance in one, two, or three year payments with the 10% annually due in advance. The same 40 acres would cost \$270 over the longer term. It took from \$515 to \$850 to stock and equip a farm. The average emigrant from the east with a wife and family of four or five children did not often have the necessary capital working at \$2.00 a day; and usually had to employ a mortgage to buy his farm. The Iowa settler often built a pine shack at first for \$50 or \$75, and then in five years was the owner of 40 acres of Iowa land for \$835 or \$1,195 at the most.<sup>24</sup>

They came west in droves, ready, willing, and able-bodied. In his first month as agent, Ellsworth took a prospect out to look at some farm land at 6:00 a.m., sold him 160 acres and brought him back to town. The man secured a team and was breaking sod on the land by 6:00 a.m. the next morning.

Ellsworth began to buy property at tax sales<sup>25</sup> with the commissions he earned as agent, and also to loan small sums of money. He never failed to take advantage of a good buy in land, even if he had to borrow the money from Wisner or his stepbrother.

Ellsworth took a bride in 1872. On September 25,

<sup>24</sup> Land prices, terms and estimates of cost of equipping are all taken from the 1870 pamphlet of the Iowa Railroad Land Company which, obviously, did not over-estimate. "Don't content yourself with the idea of being a clerk . . . But start a Western farm, and if there is any good in you it will manifest itself, and if you are good for nothing, it matters little where you are."

<sup>25</sup> This was a common practice of those interested in real estate. At least once because of an oversight by an employee of Wisner's, Ellsworth found himself the new owner of land recently defaulted for the taxes by his friend.



he married Harriet Northrop at the home of her father, a farmer and Congregationalist minister in nearby Otisville. She was originally from Wisconsin, coming to Iowa with her father from Clyman in Dodge county. At eighteen, she was six years his junior, but had taught for two years in the Oakland Valley District and Otisville schools.

Ellsworth worked even harder with the added responsibility of a wife. He arose at five every morning to work on his personal and detailed set of abstract books, and was out in the country with a prospect by 6:00 or 6:30. The end of the day saw him poring over the livery accounts, his agency reports and his own private books, so that it was always 10:30 and sometimes 11:00 before he retired.

He expanded his *Sentinel* advertisement to half a column late in 1872, describing himself as a "Real Estate Agent, Notary Public, and Conveyancer." Lands offered for sale were selected "From a Large List" and included tracts from every county in northwest Iowa, besides 26 residences and 75 lots in Iowa Falls. The price of farm land ranged from \$12 to \$35 per acre, and timber land from \$20 to \$80.

The country suffered a depression in 1873; 5,000 farmers representing sixteen Granges held a mass meeting in Eldora to protest "farming the farmer." In May over one hundred covered wagons passed through Iowa Falls in two weeks, heading northwest. One of them had painted on it the words: "Where we are going, or how we will fare, no one knows and damn few care."

E. S. Ellsworth cared. He had land for sale in northwest Iowa, over 80,000 acres belonging to the land companies, Wisner, John I. Popejoy, the "Cattle King of the Iowa River", other private parties and himself. He made an important addition to his half-column advertisement in the *Sentinel* for October 22, 1873:

MONEY LOANED in sums of \$500 and upwards on good improved farms, at reasonable rates of interest.

A baby boy was born to the E. S. Ellsworths November 29, 1873, and christened Ernest Orlando. The

new father made a trip to Chicago in January to see doctors about his health, and also to see his stepbrother about continuing and increasing funds for loan operations. Though only 26, Ellsworth had been bothered for some years by what was then termed a "chronic affliction of the bowels."

He arranged to buy a 1½ ton Harris fireproof safe in Chicago. It was delivered in June, and on the afternoon of July 14, 1874, a fire broke out in the rear of a meat market on Washington avenue, the main street in Iowa Falls. The blaze destroyed almost every business building in town before being brought under control that evening. Ellsworth lost his office and home. But the safe preserved his records, and he continued "kiting all over the country with landseekers," according to the *Sentinel*. He lengthened his ads to a full column, and became an agent for Aetna fire insurance.

The Fifteenth Iowa General Assembly passed a law in 1874 providing for maximum freight rates on the railroads, partly a result of pressure brought by the Granges. The hard times stimulated a division of the state into two political camps. Ambitious Judge Chase of Webster City who helped Wisner save his money from the Iowa Falls fire (by carrying it to safety), made several remarks in his courtroom contrasting the "kid-gloved gentleman of Iowa Falls" with the upright "farming community."

Eugene Ellsworth, to all appearances at least, allied himself with the kid-gloved gentlemen when he built his new home in 1875. The house was five stories high with eighteen rooms including servants' quarters. It was rumored that the bathtubs had gold rims. The second floor had a cupola with a glassed-in room from which the owner could survey all of Iowa Falls. There were two spired towers, five chimneys, windows of curved glass, inlaid floors and wainscotting. The heavy double doors at the main entrance had stained-glass windows, and in front of the imported tile fireplace in the dining room was a luxurious oriental rug. It was certainly the finest home in Iowa Falls.



Ellsworth's ads now listed 13,000 acres of land for sale in the vicinity of Iowa Falls alone, and were headed "Iowa Falls: The Most Beautiful City in Iowa!" The words "MONEY LOANED" were centered between each listing. He sold over 12,000 acres and loaned over \$50,000 on real estate in 1875. A reporter for the *Dubuque Telegraph* wrote:

He is a man of experience, splendid education and gentlemanly in every way. Parties going to Iowa Falls to purchase land will do well to give him a call.<sup>26</sup>

The Mite Society of the Ladies Social Gathering met at the splendid new home of Mrs. E. S. Ellsworth in the spring of 1876; and her husband was elected mayor by three votes to fill out the unexpired term of S. M. Weaver. Ellsworth also prepared abstract books of Wright county that year, advertising 600 tracts of land in the *Wright County Monitor*. And he bought heavily at tax sales<sup>27</sup> though fighting recurring illness. He went to Washington, D.C. on business in February, and again in May. His newspaper ad which specified \$75,000 available for loan, was changed in October to read:

A Special Fund of \$30,000 to loan on First Mortgage Security, in amounts of \$200 and upwards.<sup>28</sup>

Ellsworth now had more than \$100,000 at his disposal. He also had over 200,000 acres of land for sale, but was making more money on loans.

The farm mortgage loan business began to assume large proportions in Iowa after the Panic of 1857. It became a specialized profession following the Civil War when there was a ready demand for loans at 10% and

<sup>26</sup> February 12, 1876.

<sup>27</sup> Ellsworth apparently preferred not to buy up land for taxes in his home county. Most of these transactions were conducted for him by agents. Referring to the 60 cents to \$1.00 that it cost him to publish three notices of sale in a local newspaper as required by law to notify a person his property was in jeopardy, one agent wrote to him: "Dear Sir: We have yours 10th at hand. Upon filing affidavit this morning, we find [the property] redeemed the 11th. We felt sure of getting deed for this, as the party who owns the lot lives at Sheldon and does not take the *Herald*. Sorry the affidavit did not get around in time to get costs of publication on the owner."

<sup>28</sup> *Iowa Falls Sentinel*, Oct. 11, 1876.

12% with a 10% cash commission. Interest on farm mortgages sometimes went as high as 15% to 20% during hard times; and it was almost impossible to obtain a renewal.<sup>29</sup> It was at this time that Ellsworth first began to advertise:

MONEY LOANED in sums of \$500 and upwards on good improved farms . . .

He had negotiated over \$300,000 in loans by 1879. Such men as Wisner and his stepbrother in Chicago either provided the larger sums or exerted their influence for him to obtain funds. Smaller amounts were obtained by advertising for correspondents in eastern newspapers. He had over 700 correspondents in 1879. The income from his loan operation was seldom less than \$300 a month after 1875, and was often \$2,000 a month.

The borrower paid all the charges, the interest and Ellsworth's commission. Ellsworth investigated the abstract of title and saw that the taxes were paid and insurance kept up. He informed the lender if the taxes on the property or the interest on the loan became delinquent. If the lender then decided to foreclose, the borrower had to pay the entire expense of foreclosure including attorney's fees. And the lender was entitled to interest until the case was closed and he was paid in full. Ellsworth wrote to allay any fears investors might have:

You are the strong party and the defendant the weak one. Your mortgage is upon the homestead of the defendant borrower. In 99 out of 100 cases it is pretty much all he has in the world. It is the home of his family; if he loses it, his wife and children are turned out of doors . . . you can see the reasons are many why he will struggle to pay his debts and avoid foreclosure.<sup>30</sup>

<sup>29</sup> F. A. Shannon, *Economic History of the People of the United States*, New York, 1934.

<sup>30</sup> "A Pamphlet on Farm Mortgage Loans," dated 1879. It contains much on Ellsworth's business operations. See E. S. Sparks, *History and Theory of Agricultural Credit in the United States*, New York, 1932, and D. M. Frederiksen, "Mortgage Banking in America," *The Journal of Political Economy*, Vol. II, December 1893-September 1894.

If the borrower could not keep up his payments, and was also unable to pay the taxes on his land, the lender might pay them for him. Any amount paid by the lender drew interest at the same rate as the note itself and the lender still had the right to foreclose, if he so elected, for the amount of the principal, the interest, and for the taxes thus paid with interest. There were no prepayment privileges.

The security for loans, of course, could pass into the hands of the lender. The lender was often able to "buy in" property at foreclosure sales which attracted few buyers since the valuation of property for purposes of a loan was usually  $\frac{1}{3}$  and sometimes  $\frac{1}{2}$  the real value. The new owner either held it for resale or rented it back to its former owner.

Ellsworth preferred a mortgage where the borrower had the right to redeem his property within a year rather than a "deed of trust" where the mortgage could be foreclosed and the property sold within 30 days. Some lenders, as he expressed it, under a deed of trust were "disposed to buy a farm cheap."

There were theoretical risks to lending money on real estate. The value of the land could go down, though it never did during Ellsworth's life. The agent might misjudge the value of property but experienced appraisers like Ellsworth seldom made errors of this kind. He saw to it that such risks were kept at a minimum. Ellsworth received 1% or 2% of the total interest plus a commission for negotiating the loan and protecting the investor in every possible way.<sup>31</sup>

His land and loan business, firmly established by 1877, was a double-edged axe with which to hack out a fortune. If the land were good, he made money selling it; if it were poor or times were bad, he made money mortgaging it. Within five years of the appearance of

<sup>31</sup> This occasionally entailed, as a matter of policy, paying off the correspondent lender if the borrower defaulted, and assuming all losses. Letter to E. S. Ellsworth, October 10, 1893: "Dear Sir: Yours at hand in regard to your \$7500 judgment against L. Walleck. Walleck has nothing out of which this judgment can be collected, and it don't look as if he ever would have."

his first small land ad in 1872, he amassed a fortune of several hundred thousand dollars. At the age of 28 he was free to enlarge the scope of his enterprises with the assurance that his expanding land and loan business was producing a steady profit.

John I. Blair had projected a new railroad through Iowa Falls in the spring of 1876. Two years later Ellsworth went to Des Moines to see Judge Chase, now a state senator, to try and persuade him to work for a land grant for the Burlington, Cedar Rapids & Northern Railway, but without success. He and other leading townsmen a short time later conferred with Blair regarding the extension of his B.C.R. & N. from Holland, Iowa to Iowa Falls.

Ellsworth sailed for Europe June 23, 1878, ten days after the birth of his daughter, Caroline Parsons. Undertaken as a pleasure trip, and for his health, he visited the Paris Exposition and the "Follies Bazaar," describing them in several lively letters that were printed in the *Sentinel*.

While Ellsworth was abroad that summer, Superintendent C. J. Ives of the B.C.R. & N. reported to the Iowa Board of Railroad Commissioners that total receipts above expenses for the road for the fiscal year ending June 30, 1878, were \$626,687.97.<sup>32</sup> The following year Ives reported receipts above operating expenses of \$852,111.58.<sup>33</sup> The Board, a purely advisory body, was established after railroad lobbyists in Iowa had succeeded in repealing the restrictive "Grange Laws" of 1874. One of the first commissioners appointed was Marcus C. Woodruff, a former resident of Iowa Falls and publisher of the *Sentinel* from 1865 to 1871.

L. F. Wisner and Ellsworth returned from a business trip early in 1880 to learn that Captain Dows, one of the chief promoters of the B.C.R. & N. extension

<sup>32</sup> *First Annual Report of the Board of Railroad Commissioners*, 1878. The *Twenty-third Annual Report* shows Iowa railroad employees received an average daily wage of \$1.66 during the years 1882-86 inclusive.

<sup>33</sup> *Second Annual Report of the Board of Railroad Commissioners*, 1879.

had finally persuaded towns along the proposed right-of-way to vote a tax of 5% to help finance the proposed road. A construction company was organized to build northward through Iowa Falls, and E. S. Ellsworth was named to the committee to secure right-of-way. The Cedar Rapids, Iowa Falls and Northwestern Land and Town Lot Company was formed with C. J. Ives, president, and E. S. Ellsworth, secretary and treasurer. For several years afterwards Ellsworth's ads in the *Sentinel* read:

E. S. Ellsworth has for sale: 1,000,000 acres of unimproved lands in Northwestern Iowa. The Town of Robertson . . . Town Lots for sale in . . . Dows, Carleton, Ellsworth, Rowan and others . . . Money always on hand to loan at lowest rates.<sup>34</sup>

He had at last realized the dream of every land broker of his time—the retailing of entire towns. Initially, there were 30 towns to sell. Five of them were exclusively his. He was allotted others as more towns were platted along the route.

The B.C.R. & N. had to compete with four other projected roads for the right-of-way across the isthmus between Spirit Lake and East Okoboji Lake. Representatives of the other roads tried to get in touch with the land's eastern owners. Ellsworth contacted an agent for the property at Spencer, and bought through him. He then returned to Spirit Lake, and with Marcus Woodruff and three associates from Iowa Falls, purchased the remaining vacant land on the lakeshore.

Ellsworth took his wife and daughter to Spirit Lake in the late summer of 1882 for the launching of his private steamship, the 46-passenger "Alpha."<sup>35</sup> He and

<sup>34</sup> Composite of ads from 1880-83. Ellsworth, together with Captain Dows, purchased his late father-in-law's farm of 80 acres north of Otisville. They later moved the residents of Otisville onto this land and called the new town Dows. The town of Carleton had its name changed to Popejoy. Horse Grove in Wright county where Ellsworth was the leading non-resident landholder, was changed to Rowan, and Robertson was a newly established town on the B.C.R. & N. route platted to take the place of Eagle City which had been by-passed, whereupon land values dropped 75%. The town of Ellsworth, named for E. S. Ellsworth, is located in Minnesota just across the Iowa line.

<sup>35</sup> Iowa Falls *Sentinel*, August 23, 1882.



three officials of the B.C.R. & N. opened the "Orleans," June 16, 1883, a luxurious resort hotel, built on the south shore of the lake at a cost of over \$50,000.<sup>36</sup> It was used to entertain political and financial dignitaries for the B.C.R. & N. besides catering to vacationers.<sup>37</sup>

Ellsworth followed the recommendation of his New York doctors in 1884, and went to California for his health. He was a delegate to the Hardin county Republican convention that year, and spent \$7,500 to build a double-front, two-story, brick and stone business building in Iowa Falls. He also took in a partner, a young man who had started with him as an office boy in 1878, Louis E. Jones. Jones was related to Erastus Soper, an Emmetsburg banker and lawyer influential in mid-west financial circles.

It was said that on a journey from Iowa Falls to the Canadian border, only one night would be spent on land not belonging to Ellsworth.<sup>38</sup> But he continued to enlarge the scope of his ventures to include not only land in Iowa and Minnesota, but also North and South Dakota, Kansas and Nebraska. He kept detailed account ledgers of these personal transactions, listing in them every item—the purchase of 500 cattle for one of his large Iowa farming operations, expense money given to Mrs. Ellsworth, the cost of a magazine subscription, a \$5.00 personal loan, and \$2,000 spent at tax sales.

Ellsworth traveled extensively throughout the United States, and especially in the midwest. These trips were almost wholly on business. But after taking in a partner, and with his business firmly established,<sup>39</sup> he began to combine recreation and business trips.

<sup>36</sup> The town of Orleans grew up around the hotel, which was torn down in 1899. H. P. Elston, *White Men Follow After*. Also see I. A. Nichols, *Pioneer Days in Iowa Falls*, Fort Dodge, 1944, p. 330.

<sup>37</sup> The entire South Dakota senatorial convention was hosted in 1889. Clarion *Wright County Democrat*, August 5, 1889.

<sup>38</sup> *Hardin County Times*, March 22, 1949.

<sup>39</sup> By the early 90's the Iowa Falls offices of Ellsworth & Jones were receiving upwards of 12,000 loan applications a year and publishing a monthly pamphlet, *The Land Seeker*, that listed over 1,500 tracts for sale in Iowa plus special lists of "best lands" and "bargains" at intervals throughout the year.

He went to Mexico and up the coast of Baja California in 1885. Two years later he spent a winter in Florida with Wisner, and began buying sections of land for taxes there. He was a guest of C. J. Ives, president of the B.C.R. & N. railroad, on a trip to the West Coast and into Canada, and then spent the winter of 1888-9 in California with his family.

Ellsworth remained active in Iowa Falls' affairs. He was a member of the Masonic Lodge and, chiefly through his wife, a supporter of the Congregational Church. He took a leading part in securing a third railroad for the town in 1884, and served in almost every municipal office, being at different times assessor, trustee for 12 terms, and a member of the Committee in Charge of All Matters Pertaining to Removal of the Hardin County Seat from Eldora to Iowa Falls.

Ellsworth got things done. The local team was not winning when he was elected president of the Iowa Falls Baseball Association. The team was strengthened by "nearly half a dozen players from the Greene Club, which won the pennant in the Northern Iowa League games,"<sup>40</sup> immediately after his election.

In mid-May of 1889, the *Hubbard Journal* reported:

E. S. Ellsworth of Iowa Falls was in Hubbard last Friday. Mr. Ellsworth is a candidate for State Senator, and is having the hearty support of not only the press of this county (Hardin), but is known and well spoken of in the counties of Wright and Hamilton, which form a part of this senatorial district (the 37th).<sup>41</sup>

Ellsworth came out as a candidate for the Republican nomination in April. Both of Iowa Falls' newspapers, the *Sentinel* and the *Hardin County Citizen*, gave him their full support.

L. A. McMurray, a Wright county banker, announced his candidacy June 26th. Hardin county was flooded with circulars alleging that Ellsworth was anti-prohibition, a damaging charge during the "Home vs. Saloon" Iowa of 1889. He was also accused of being against

<sup>40</sup> Iowa Falls *Sentinel*, August 29, 1888.

<sup>41</sup> May 15.



the farmer. A mass meeting at Eldora on June 29th denounced high rates of interest and demanded tax-free mortgaged property, as charges were circulated that Ellsworth was a director of the B.C.R. & N.

Ellsworth denied everything. Then ten days before the election the *Sentinel* completely reversed its position. It pronounced him a "railroad man" and stated that "in that field and in the purchase of tax titles he is understood to have made (his) money."<sup>42</sup> However, Ellsworth defeated McMurray in the Hardin county primary on July 13, 335 votes to 669.

The battle moved into Wright county, where Captain W. C. Tyrrell of Clarion appeared as a third candidate. Ellsworth secured 41 delegates; Tyrrell, 34; and McMurray, 8. Ellsworth's opposition combined forces behind Tyrrell at the county convention in Clarion, and each side proceeded to elect its own slate of delegates to the district convention at Webster City.

The contest between the rival delegations from Wright county forced an adjournment of the district convention on September 5th. Tyrrell withdrew from the fight on October 1st and threw his strength to W. E. Smith, a farmer and a stockholder in two banks at Eagle Grove.

Hardin county's 14 delegates stood firm for Ellsworth; Hamilton county's 10 delegates voted for Smith; and Wright county's two contesting delegations of nine each remained deadlocked. It was proposed that one side choose a nominee from a list prepared by the other side, but this compromise was rejected. Finally Hardin and Wright counties' 23 Ellsworth delegates nominated Ellsworth. Hamilton and Wright counties' 19 Smith delegates nominated Smith.

Charges and counter-charges, stinging innuendoes, and malicious insinuations filled the newspapers after

<sup>42</sup> A poll of Iowa Falls businessmen taken at this time by the *Hardin County Citizen* said, "99% of his neighbors are [his] earnest and enthusiastic supporters." One of the two opposed to him was the editor of the *Sentinel*. The other was L. O. Bliss, a successful Iowa Falls merchant and former state senator. He was Ellsworth's next-door neighbor. and worked unceasingly to defeat him from the first. *Iowa Falls Sentinel*, July 3, 1889.

the district convention. Affidavit upon affidavit was sworn to, accusing one side of attempting to bribe the other. Ellsworth's personal life was publicly slurred again and again, formalizing a vicious whispering campaign. The Democratic party took hope.

Ellsworth initiated an exchange of correspondence with Smith on October 21st. Governor William Larrabee was chosen to arbitrate the dispute, and listened to representatives of the two men at Boone October 30th.<sup>43</sup> Larrabee decided there was no regular Republican nominee in the Thirty-seventh senatorial district; and both candidates remained in the running.

Ellsworth carried Hardin county 1,688 to 633, but lost Wright and Hamilton counties 1,069 to 2,124, according to the first count of election day returns on November 5th. Their Democratic opponent trailed both men with 2,560 votes.

However, following two recounts the final totals were given as 2,805 votes for Ellsworth and 2,876 votes for Smith. The new state senator from the Thirty-seventh district was W. E. Smith. Ellsworth would not even permit his name to be put forward for a local office for more than a decade after this long and acrimonious campaign.

Iowa Falls had three railroads, four churches, two newspapers, and a population of 1,796 by 1890, over three times that of the semi-frontier town to which the slim, 16-year-old Gene Ellsworth had come with his father a quarter of a century before. His own son, Ernest Orlando, became sixteen in 1890. However, Ernest did not work as a livery boy, but attended Shattuck Military Academy at Faribault, Minnesota.

Lyman F. Wisner was killed in a tragic hunting accident in 1889, leaving an estate inventoried at \$1,125,000. Its dispensation among his heirs may have influenced Ellsworth's later years:

Wisner and C. C. Gilman of Eldora were bitter enemies

<sup>43</sup> L. O. Bliss, who had paid a \$2,250 note in full for the *Sentinel*, when one of Ellsworth's supporters was about to foreclose, was one of Smith's representatives.

. . . Wisner's son, George, was in love with Gilman's daughter and shortly after his father's death he married the girl . . . [Upon which, E. S. Ellsworth] came to the conclusion that Wisner's vast wealth, the result of 40 years of toil, was to profit the family of Wisner's most bitter enemy. The futility of just piling up wealth so impressed Ellsworth that he then and there made up his mind that he would use his energy and much of his wealth for the advancement of Iowa Falls.<sup>44</sup>

Ellsworth did just what the story says he resolved to do. The chief beneficiary of his largesse was an institution that opened its doors in Iowa Falls for the first time on September 8, 1890. Ellsworth College offered commercial and liberal arts courses comparable to those offered by the best high schools in the state. It had 50 students at the start of its first term, 122 at the end of its first term, and by 1900 there were 325 students.

Ellsworth was among the largest contributors to the \$3,400 construction fund initially raised by the community. He personally financed a circular wing addition to the three-story main building in 1892; and he spent \$20,000 to build a boys' dormitory in 1900. He had also organized a \$30,000 stock company for the college, and was its chief stockholder.

Ellsworth gave \$1,000 to help found the Associated Charities of Iowa Falls, of which Mrs. Ellsworth was vice-president. And he donated to the Baptists of Iowa six acres of land in Iowa Falls to use as their permanent assembly grounds. His resplendent new Metropolitan Opera House opened on the evening of December 27, 1899, the gleam of its electric marquee lights shaming the kerosene street lamps. Its manager was Ernest Ellsworth, and a stirring drama of sin and redemption, "The Carpetbagger" played to a capacity audience.

The Metropolitan was part of a new three-story business building. It had a carved Bedford stone and golden buff brick front with a bust of Shakespeare on the keystone of the entrance arch; a vestibule of Tennessee

<sup>44</sup> Nichols, *op. cit.*, pp. 325-326. *Hardin County Times* March 22 and 29, 1949, contain interesting articles on the Ellsworth Family.

marble and polished oak; clusters of opalescent globes hanging from the ceiling of the foyer; a Pompeiian red, ivory-trimmed, tapestried lobby; and an 881-seat auditorium frescoed with allegorical figures of Art, Music, Truth, and Tragedy. Backrests on the main floor's red-plush upholstered seats had an "E" centered on an Empire wreath in gold lace.

No other town in the area could boast of a like edifice. The *Sentinel* observed that it was "worth \$100,000 to Iowa Falls, simply as an advertisement for our progressive little city."<sup>45</sup>

This philanthropy was made possible by increasing profits of Ellsworth & Jones' land and loan business and Ellsworth's equally successful and closely related personal ventures. The firm had over a dozen persons on its staff in Iowa Falls in 1900, plus a branch office in Chicago. Ellsworth owned a substantial interest in Iowa Falls' oldest bank, became its president, director of another, and opened banks in Dows, Dolliver, and Crystal Lake. The Ellsworth Trust Company was organized to manage the sales of 156,269 acres of his land in 20 counties in Florida.<sup>46</sup> He had over 8,000 acres of rich farm land under cultivation in three Iowa counties,<sup>47</sup> and continued to speculate in land in several states west of the Mississippi.

<sup>45</sup> February 21, 1900. The population of Iowa Falls reached 2,257 in 1895, a 25% increase since 1890.

<sup>46</sup> 2,298 shares in the company were sold at \$100 par. Ellsworth had 2,234, O. S. Hinds, his stepbrother in Chicago, had 60, and the remaining four shares were held by four Iowa Falls businessmen, one of whom was L. E. Jones. Ellsworth bought Florida lands because he believed eventually the phosphate deposits on them would be of value in the manufacture of fertilizers. It was, 50 years afterward. The taxes on his Florida holdings averaged \$2,286 a year between 1891-96; thus he sold 48,985 acres in 1896, taking a 7% mortgage.

<sup>47</sup> He finished feeding cattle from his Dakota ranches on these farms in Wright, Hancock and Emmet counties. Over 50 carloads of small grain were shipped from one county alone. The town of Crystal Lake was platted on Ellsworth property when the B.C.R. & N. was extended northward from Hayfield Junction in 1898. Many future residents camped in covered wagons about the site while waiting for lots to go on sale. In 1899 Ellsworth still owned almost 2,000 acres in Wright county after selling two farms for \$36,000.

Ellsworth became the object of much harsh abuse when his wife petitioned in February of 1892 that their divorce case be reopened.<sup>48</sup> He had been awarded the decree two months previously by the Hardin County District Court in a fairly routine case. Mrs. Ellsworth charged him with harassing her into signing a pretended acceptance of service of the original notice of the December 15th trial, and it became "A Celebrated Case."

The newspapers charged him with being a party to a "corrupt and damnable conspiracy,"<sup>49</sup> a "sneak and a coward,"<sup>50</sup> and a candidate for the whipping post or the stake. These statewide attacks drove Ellsworth to insert a paid notice in the local *Sentinel*:

. . . I deem it best to say that I ask at the hands of my friends and enemies as well, that they withhold judgment of motive and action so far as myself and all others are concerned, until the close investigation, soon to be had. Every fair minded person, I am sure, will not be otherwise disposed.<sup>51</sup>

The case was reconvened at Eldora March 1, 1892,<sup>52</sup> with Ellsworth testifying that it was his wife who had called their attorney, C. M. Nagle, on November 16th, and the petition and original notice drawn up at that time provided her \$1,000 a year alimony. However, the witness to the petition, Nagle, was unacceptable in Hardin county. Attorney for the defense confused Ellsworth about the details of its signing, asked him to define the precise moment at which Nagle ceased to be attorney for both his wife and himself and became his attorney alone, and compelled the plaintiff to admit that no copy of the original notice, or the \$1,000 stipulation, had been left with Mrs. Ellsworth. The divorce was then set

<sup>48</sup> *Sentinel*, February 17, 1892. This account was taken from newspaper reports of the proceedings, as the records of the trial, No. 3624, have been removed from the files of the District Court at Eldora.

<sup>49</sup> Iowa Falls *Sentinel*, February 24, 1892.

<sup>50</sup> Webster City *Daily Herald*, February 29, 1892.

<sup>51</sup> February 19, 1892.

<sup>52</sup> C. J. Ives, president of the B.C.R. & N., whose wife was a close friend of Mrs. Ellsworth, arrived in his private railroad car to testify for the defense, marking the end of a long friendly relationship between the two men.



aside and the case dismissed<sup>53</sup> on motion of the plaintiff's counsel.

Ellsworth's worldly worth was itemized at this time at \$473,000.<sup>54</sup> However, this figure omitted "investments in Chicago real estate . . . his stocks [and] securities . . . his town lots in nearly every town along the B.C.R. & N. from Iowa Falls northwest . . . [his] many tracts of land in almost every county in northern Iowa and southwestern Minnesota . . . [and] his western holdings."

He advertised 25,000 acres of his own land for sale in 1898 in addition to that offered by Ellsworth & Jones.<sup>55</sup> Ellsworth purchased 13,000 acres at the receiver's sale of the American Investment Company<sup>56</sup> in 1897, and continued to buy small tracts at tax sales, chiefly in the Dakotas, Kansas and Nebraska where land was cheaper than in Iowa.

His son, Ernest who apprenticed in the Chicago office of Ellsworth & Jones, handled many of the details of his father's manifold affairs. But each spring, E. S. Ellsworth himself made far-ranging trips west to renew contacts with land agents and to reacquaint himself with the local conditions.

The work habits of Ellsworth remained the same as in his youth, arising early and retiring late. He frequently sent for subordinates as late as 11:00 p.m. to confer on matters of business.<sup>57</sup> He was fifty-two years old at the turn of the century but still possessed much of the energy of his youth. In appearance, Ellsworth was the very picture of an aristocrat of commerce: imposingly well-dressed, slightly portly, serious, re-

<sup>53</sup> Ellsworth was then notified that his wife would sue for a divorce in the May term of court on the grounds of cruel and inhuman treatment. But a reconciliation was effected, perhaps for the sake of their daughter, who was much distressed by the whole episode.

<sup>54</sup> Iowa Falls *Sentinel*, Feb. 24, 1892.

<sup>55</sup> *Ibid.*, May 11, 1898. He told prospective buyers of these lands in Iowa, Nebraska, the Dakotas, Kansas, Missouri and Colorado that "The wealthy men of today are those who bought good cheap land years ago."

<sup>56</sup> *Ibid.*, July 14, 1897.

<sup>57</sup> Probate No. 1978, District Court, Hardin County.

served, dignified, and with just a trace of melancholy in his glance.

His mind was as quick as ever. He could ride the B.C.R. & N. northward from Iowa Falls for hundreds of miles and detail the past history, boundaries, present owner and worth of each piece of land on either side of the right-of-way.<sup>58</sup>

Ellsworth had an explosive temper. He would occasionally have overdrafts outstanding at a bank for as much as \$40,000. Small overdrafts were fairly common at the time, but if a state auditor-examiner should protest, Ellsworth's outraged reaction often blew the hapless examiner back to Des Moines.<sup>59</sup>

He was a horse fancier and sportsman,<sup>60</sup> who maintained summer cottages at Spirit and Tuttle lakes, and an ornate, three-story farm home in Emmet county where prominent political and business friends were entertained.<sup>61</sup> This articulate, intelligent, sensitive man sent his daughter to Vassar and so far as his time permitted, cultivated an awareness and appreciation for art, music, and literature. And he realized what was probably one of his most cherished ambitions, the presidency of a railroad.

His road was called the Short Line; it actually was the Des Moines, Iowa Falls & Northern Railroad. The capital was secured in Boston where Ellsworth & Jones had opened a second branch office by 1900, and the Globe Construction Company was organized with his

<sup>58</sup> Interview, Dec. 1951, with H. S. Lekwa, who had fairly extensive business dealings with Mr. Ellsworth's son and early in his career worked for Mr. Udo H. Rummel, a former employee of E. S. Ellsworth in the Farmers' Exchange State Bank at Dows.

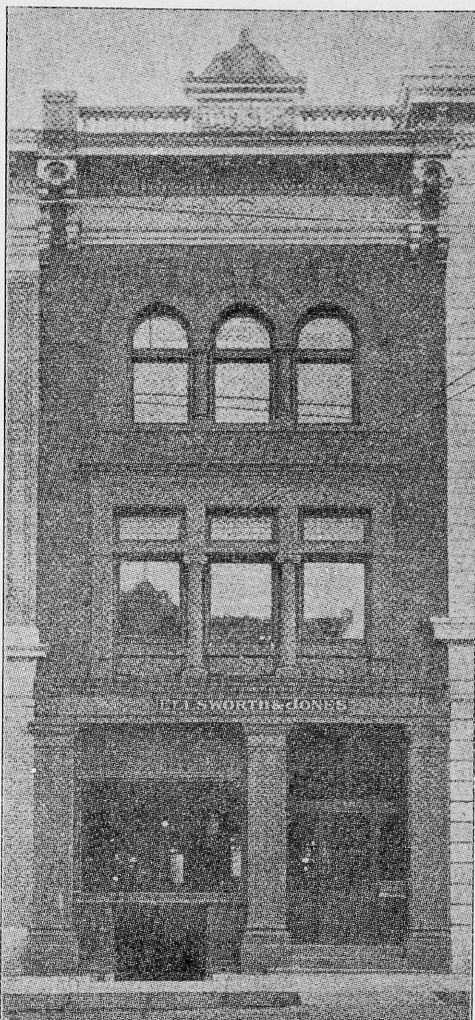
<sup>59</sup> *Idem.*

<sup>60</sup> A 220-yard, covered race track with attached stable was built on his farm near Dows.

<sup>61</sup> Guests at this showplace home near Dolliver and in his Iowa Falls home included U.S. Senator J. P. Dolliver, Governor Horace Boies, Governor A. B. Cummins and U.S. Representative Benjamin B. Birdsall. Ellsworth played a leading part in securing the nomination of Birdsall who later introduced a \$100,000 appropriation bill that eventually got Iowa Falls a new post office building. At the turn of the century local newspapers had Ellsworth stopping at the White House for a 20-minute chat every time he went east.



son as president. They began building in May 1901. Ellsworth personally supervised the laying of the rail and selected the motive and rolling stock, including a



special coach for himself. He formed a town lot company and realized a profit of almost \$10,000 from the sale of lots in the newly created town of Buckeye alone.<sup>62</sup> The financier took immense, almost boyish pride in the display of courtesy passes which he received from every other railroad in the United States.<sup>63</sup>

The Short Line, capitalized at \$1,200,000 reached Des Moines, its southern terminus, in August 1903. It later became the St. Paul & Des Moines, and was pushed northeastward through Hampton, reach-

ing Mason City in 1908.

<sup>62</sup> Records of Town Lot Company of D. M. I. F. & N. Railroad to 1905.

<sup>63</sup> Interview, Dec. 1951, with S. J. Osgood, real estate consultant who began his career in the Iowa Falls office of Ellsworth & Jones.

Ellsworth inherited \$100,000<sup>64</sup> on the death of his step-brother, O. S. Hinds, in 1900. He afterwards went to Carlsbad, Germany, for treatment of a cardiac condition,<sup>65</sup> returning in time to oversee the completion of the Metropolitan Opera House. He spent \$65,000 on his Iowa Falls properties the next year, which included new business buildings. Ellsworth & Jones' 31st anniversary in the real estate business was celebrated in 1912 by again promising a \$100 premium for any of their first mortgages with interest past due for two years which could be bought at face value. As in 1897 and 1899 there were no claimants. The average farm had doubled in value since it was mortgaged.

Ellsworth & Jones had four times as many applications for loans as they could accept and were taking paper on only the very best improved farms in Iowa and Minnesota in 1900. They bought 100,000 acres of land in the Red River Valley the following year, and immediately put it up for resale. A third branch office and a bank opened in Crookston, Minnesota in 1902.

Ellsworth was a delegate to the State Republican convention in 1901. He also financed an ornamental iron and millwork plant in Iowa Falls that year. It employed from 30 to 40 men, but was sold at a sheriff's sale in 1904.<sup>66</sup> An initial contribution was given toward the building of a local hospital, an amount which totaled \$19,500 by the time it opened in 1902.<sup>67</sup> And Ellsworth Hospital thereafter received several thousand dollars yearly from its principal benefactor. Ellsworth offered

<sup>64</sup> *Chicago Tribune*, February 7, 1900.

<sup>65</sup> Iowa Falls *Sentinel*, February 10, 1900. Governor Leslie M. Shaw delegated him to investigate agricultural conditions in Europe in behalf of the state, but he refused a position on the Iowa Board of Control.

<sup>66</sup> Ellsworth financed an unsuccessful project to manufacture "Hyer's Woodworker's Float" in 1877, and was president of the Iowa Falls Electric Light Company from 1892 until it changed hands in 1905. His most unsuccessful venture was probably the Hawkeye Consolidated Oil and Pipeline Company, inaugurated in 1901 with glowing prospects and 324½ acres of land near Sour Lake in Hardin County, Texas. Its assets were sold at a receiver's sale in 1925.

<sup>67</sup> Iowa Falls *Sentinel*, Jan. 17, 1905.

to build a public library for the city, and donate a sizeable amount of land for an extensive riverside park, if the city council would contribute a small amount of land toward each project.

The council found itself unable to pay the price asked for one piece of property. Ellsworth went to Cleveland to negotiate with the executors of the estate. He purchased the entire estate and gave the council the portion it needed. However, the council failed to exert itself sufficiently to fulfill the conditions of his offer, and neither project was undertaken.<sup>68</sup>

Ellsworth and his partner, L. E. Jones, donated the ground for an Iowa Falls golf club in 1902, and Ellsworth erected a club house. The next year he built an athletic field with covered bleachers for the college and high school to use. Ellsworth gave over \$8,000 to help build the Ellsworth-Carnegie Library which was completed in 1905. Despite his heated protests, the city council charged for the water used to mix mortar for the building.

The Ellsworth Stone Company was founded in 1904, employing 50 men during its busy season. It also supplied stone for the Short Line's northeasterly extension. The city of Des Moines agreed to purchase all its crushed rock from the firm after Ellsworth brought 40 Des Moines civic leaders to Iowa Falls on his Short Line, and entertained them at the golf clubhouse.<sup>69</sup>

Ellsworth returned home in May 1904 after spending the winter in the South, and received treatment in Chicago for his heart condition while a delegate to the Republican National Convention. Partly to ease widespread unemployment, he offered \$20,000 to help build a new, three-story hotel in Iowa Falls if the city's other businessmen would raise an additional \$12,000.<sup>70</sup> They subscribed to only \$6,000 and the hotel was not built.

<sup>68</sup> Oak Woods, now known as Oak Park, was later donated to the city by Ellsworth and L. E. Jones. It was stocked with elk and deer from the Ellsworth Crystal Lake farm, and opened in 1898.

<sup>69</sup> Iowa Falls *Sentinel*, June 24, 1905

<sup>70</sup> *Ibid.*, January 14, 1905.

In July Ellsworth left for Bad Nauheim, Germany for further therapy.

Ellsworth obtained an exceptionally capable educator, I. F. Meyer, to head Ellsworth College in 1905. It was converted to a four-year school, the first four-year student graduating in 1909. He paid yearly deficits of the college ranging from \$8,000 to \$17,000, and in 1906 pledged \$10,000 of the \$25,000 raised to meet a Carnegie offer of a new college library. A heating plant and Caroline Hall, a girls' dormitory, were also built by Ellsworth at this time.

The college bell tolled at midnight when the remaining \$15,000 was finally promised, and students serenaded Ellsworth's home. His generosity to the college totaled over \$50,000 in 1906. He raged at the city council to get them to extend a sewer line to Caroline Hall and pave the streets leading to the school.

The Thirty-seventh District Republican convention found itself in a deadlock in August of 1906 similar to the one in which E. S. Ellsworth had been the chief figure 17 years before. Ironically, Ellsworth's candidacy was requested to break the deadlock. However, he declined to run because of his failing health. He sold his stock in the Short Line to its eastern backers and resigned as president in August 1906 for the same reason.

He abandoned plans to spend the winter of 1906-1907 in Europe when the Short Line started condemnation proceedings against some of his Iowa Falls property that it needed.<sup>71</sup> Ellsworth's price was \$8,500, but the railroad had it appraised as unimproved farm land worth \$2,316. He filed a plat asking adoption of his property, as an addition to Iowa Falls the same day the notice was served on him. The city council met that evening and accepted the plat. The Short Line took it to court.

An Iowa Falls businessman testified in court at Eldora that \$8,500 was far more than the disputed property was worth. Having had 35 years experience in evaluating lands, Ellsworth took vigorous exception to this

<sup>71</sup> *Ibid.*, July 24, 1906.



opinion, and said so in a letter which he took to the *Hardin County Citizen* office.

But the letter was never published,<sup>72</sup> for Ellsworth's heart failed four days later, February 13, 1907. He was 59 years old, the same age at which his father had died.

His will divided the bulk of his fortune about equally among his wife and his children. His daughter, Caroline who taught at Ellsworth College before her marriage to Dr. Lewis B. Morton in 1902, died in 1929. Mrs. Ellsworth passed away in 1935, and their son, Ernest, in 1945. Caroline's daughter, Marcia Morton Middleton, who lives in California, is the sole surviving descendant.

Ellsworth provided in his will for the building and maintenance of a home for the aged on land which he had already provided. It was never built, the money going instead to Ellsworth College.

The will also stipulated that 4,992 acres of his farm land be sold for not less than \$345,000 and the proceeds invested in U.S., state, or municipal bonds, or in first mortgages on Iowa or Minnesota farm lands as an endowment fund for Ellsworth College. However, the farms were retained with their income used to support the college. With decreasing returns and the onset of hard times, the management of the farms and the college was turned over to the independent school district of Iowa Falls in 1929, and the college reverted to a two-year institution. Part of the land was sold, but Ellsworth Junior College still owns 2,340 acres of Iowa farm land which return it about \$18,000 annually.

The Ellsworth Stone Company did not survive World War I; the Rock Island Railroad swallowed the Short Line in 1911; the Metropolitan Opera House was taken over by a Des Moines film distributing syndicate in the early 1940's; and the Ellsworth home in Iowa Falls was razed in 1948 to make way for a supermarket.

The Ellsworth & Jones offices in Boston and Chicago were maintained until the present farm loan system superseded that of Ellsworth's day. The Crookston,

<sup>72</sup> Nichols, *op. cit.*, pp. 334-335.



Minnesota bank failed in the depression of the '30's. The home office in Iowa Falls is now a quiescent holding company for various Iowa properties.

Eugene Stafford Ellsworth is a minor historical figure, even in the history of Iowa. Yet he represented the type of man who made this nation great. They were responsible for the rapid peopling and development of the frontier; their drive made possible this country's efficient utilization of its natural resources, its swift transition from wilderness to settled civilization.

The type was highly individualistic, even eccentric, and keenly jealous of its personal right. It was also early maturing, ambitious, energetic, enterprising, practical, creative, industrious, and shrewd. It had its ruthless robber barons but most of these 19th century American capitalists were honest by the standards of the time. They conducted their affairs within the framework of an economic system whose crowning achievement, the wealthy man, was considered eminently worth the cost of production, no matter what that might be. Of course, those who did not realize financial success often expressed their envy in bitter, malicious, personal attacks upon those who did. However, the resentful and mean-spirited had no case so long as they accepted the economic system.

The businessmen, of whom Ellsworth was representative, equated riches not only with worldly honor and influence, but also with the favor of God. They worked hard to dispel the notion that traffic in money and goods was tainted with evil, and successfully reconciled it with morality. Indeed, they must be given credit for the overwhelming domination of money and business in American life today.

They were willing to take risks when there was no alternative, but preferred to act on favored inside information eliminating any unfavorable result. Though these men often had initial advantages of place, position, and wealth, they manufactured and assiduously

fostered the Horatio Alger ideal: From Rags to Riches by Hard Work.

Were it not that his initial means were relatively insubstantial, and that he failed to achieve the colossal fortune of an Astor, a Vanderbilt, or a John Inslee Blair who left an estate of \$70,000,000, E. S. Ellsworth would be a classic example of the type. He followed the same pattern and shared their characteristics in varying degrees. He started young, and he seized upon the nearest opportunity, which in his case happened to be land. He chose the most advantageous means of making the most from this opportunity, chiefly through the railroads. And he utilized his connections with Wisner, his stepbrother, Hinds, and later with highly placed railroad officials, to assure himself a continuing supply of capital and information.

Farm land was selling for \$5 and \$10 an acre when Ellsworth came to Iowa. The year he died, and 1907 was a year of major depression in the United States, it had risen to \$60 and \$90 per acre. Given the capital, he could have made many mistakes during such a rising trend and still have made money. However, there seems little doubt that he would have succeeded as a businessman even under less favorable conditions.

He made enemies as he became more prosperous. There is no evidence that his business practices differed in any way from the most ethical of his day. Yet the abuse showered upon him in 1889 and 1892, which had the acquisition of his wealth as its central theme, was no less than vicious. In spite of this, Ellsworth continued to give of his wealth to his home community. It is unlikely that any man or group will ever do as much for Iowa Falls as did E. S. Ellsworth.

Possibly he thought that his benefactions would reconcile those who hated him. He may have simply believed in the gospel of wealth of Andrew Carnegie, who gave away \$350,000,000: "great sums gathered by [individuals] and spent for public purposes from which the masses reap the principal benefit." John Inslee Blair

donated \$5,000,000 of his fortune with this as a rationale. It was characteristic of the type.

Ellsworth's gifts to Iowa Falls seem to have originated more from the natural, spontaneous expression of a genuinely generous man. Making the most of his energies and abilities, he left his mark upon a portion of Iowa to the benefit of his fellow citizens. This is the real measure of his success.

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### Mormon Girl Stopped Indian Attack

The diary of Captain Wallace, commander of a contingent of the Mormon trek across Iowa, tells of an attack upon one train by Cheyenne Indians on the plains west of Omaha. Accompanying the party were the two daughters of the man responsible for the Mormon tabernacle at Bethlehem, a former Missouri river town and the last source of supplies before beginning the long trek across the plains to Salt Lake in Utah.

One of the two girls played the guitar and the other sang, and both had learned the heel and toe dance of the Pottawattamie Indians. When the Cheyennes withdrew for a council preparatory to renewing the attack, Mary, the oldest girl, picked up her guitar and strolled leisurely across the prairie toward them strumming the guitar and doing her heel and toe dance. The Indians watched in astonishment and then began to dismount and join in the dance. The rhythm of the music got into their feet as the dancing went on for some time. Finally the Indians shook hands, remounted and rode off north along the the Loup River.—O. J. Pruitt, former curator of the Pottawattamie County Historical Society.

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