

THE BUBBLE THAT BURST

Grand Excursion - Go to Gatling. All details of the grand free excursion to Gatling are now completed. There will be two special trains on the W.N.Y. and P.R.R. leaving Exchange Street Station at 10 a.m. June 23, 1893. Trains returning will leave Gatlin at 6 p.m. Orders for free tickets can be had at the office of the Town Site Co., 34 Erie Street.

The above article quoted from the Gatling Weekly News June 1, 1893, was but one example of the publicity concerning an event which shook the sleepy hamlet of Lakeview, New York from its pastoral repose and placed it in the mainstream of the business and real estate world of 1893.

This grand excursion was preceded by months of planning, secretive business and real estate transactions and was culminated by a well-organized publicity campaign which had the people of Lakeview at a fever pitch.

The forces behind this were generated by men for one purpose only - money. The amount of money that could be made from this economic venture was large and the originators of the scheme approached the project in a grandiose manner. An examination of the events leading up to June 3, 1893 indicates that land speculation was the basic objective of the men involved.

¹Promotion Article. The Gatling Weekly News. Gatling New York. June, 1893. Leland A. Hazard Collection.

In the fall of 1892 Dr. Richard J. Gatling, famous inventor of the Gatling Gun, and a group of men organized the Gatling Ordinance Company of New York City.¹ The company was to engage itself in the manufacture of large steel cannons based on a new method of manufacturing invented by Dr. Gatling. A detailed description of his new method was revealed at a late date in an article written by Dr. Gatling for a Buffalo newspaper.² In essence, his patent called for casting the barrel of the cannon in one piece as opposed to the built-up principle then in use.

This newly organized Gatling Ordinance Company indicated they were looking for a site to build a factory for the production of cannons based on Dr. Gatling's patents. This was made evident in the following letter written to the Bailey Land Investment Company of Buffalo.

¹Letter from the Gatling Ordinance Company, New York City to the Bailey Land Investment Company, Buffalo, New York, published as an advertisement. Leland A. Hazard Collection.

²Gatling, Richard Jordan. Buffalo Express, Buffalo, New York. April 16, 1893.

Incorporated

Capital Stock, \$1,000,000

Gatling Ordinance Company
 Heavy Ordinance, Structural Steel and Heavy Steel Casting

Offices: 59 Wall St. N.Y.
 Aetna Building, Hartford, Conn.

Directors

R. J. Gatling, Hartford, Conn. President
 Carroll Spriggs, New York, Vice-President
 F. W. Price, Hartford, Treasurer
 M. F. Frank, New York, Secretary
 E. H. Carwick, New York
 Henry Werle, New York
 William H. Browne, New York
 Richard Gatling, New York
 Godfrey Mamheimer, New York

New York, November 7, 1892

Gentlemen:

I am instructed to state to you that a meeting of the Board of Directors of this company was held at the office of the secretary, 63 Wall Street, yesterday, for the purpose of deciding upon a site for our works.

Liberal propositions have been made to us to locate at Philadelphia, Duluth and other points, but no point inspected by our president possessed, in his judgment, the advantages of the site shown by you at Idlewood, New York.

We find upon investigation that coal, iron, lumber, and other materials can be laid down at that point at the prices you represented. The water supply, high elevation for drainage, and proximity to natural gas are also valuable advantages.

We shall cast heavy ordinance of steel for coast defense and naval use, under the several patents of Richard Jordan Gatling, whose machine guns have been in successful use for many years by every civilized nation on the globe. We shall also make heavy steel castings for structural and other purposes, and we will employ, at the beginning, about 1,000 men.

Mr. Carroll Spriggs, our attorney, 29 Broadway, will arrange with you at once for the purchase of the twenty acres needed for our buildings and yards.

We shall take steps to open an office in Buffalo immediately for use until the works are completed.

Yours truly,
 Myre H. Frank, Sec.

Out of town investors can write or telegraph Gatling Town Site Company, No. 24 Erie Street, Buffalo, New York.

¹Letter from the Gatling Ordinance Company. Leland A. Eazard Collection.

The company to whom this letter was sent was the Bailey Land Investment Company, located at 24 Erie Street, Buffalo, New York, incorporated in 1892. The officers of this company were George M. Bailey, G. C. Hardesty, H. E. Choate and G. L. Allen.¹

In December of 1892 the Bailey Company secured the twenty acres of land requested by the Ordnance Company and proceeded to form a new company called the Gatling Town Site Company.² The list of officers of the new company clearly indicates that a grand scheme was about to unfold. The officers of the Gatling Town Site Company were in effect a combination of officers of the Gatling Ordnance Company and the Bailey Land Investment Company. The directors of this new company were as follows: G. M. Bailey, G. C. Hardesty, H. E. Choate, Richard H. Gatling and Carroll Sprigg.³ Bailey, Hardesty and Choate were officers for the Bailey Land Investment Company and Richard Gatling and Carroll Sprigg were directors of the Gatling Ordnance Company of New York City.⁴ The Gatling Town Site Company was capitalized at \$1,000,000. Stock was advertized for \$100 a share. Buffalo and New York City businessmen bought into the company.⁵

¹ Advertisement. Buffalo Express, March 19, 1893

² "Gatling Town Site Company". Angola Record. Angola, New York. December 29, 1892

³ Ibid.

⁴ Letter from the Gatling Ordnance Company. Leland A. Hazard Collection.

⁵ Advertisement. Buffalo Express. March 19, 1893

The Gatling Town Site Company proceeded to buy up land in Lakeview from the local farmers. They concentrated in the area between the Lakeview Station and the banks of Eighteen Mile Creek on both sides of the Western New York and Pennsylvania, Nickel Plate and Lake Shore Railroads. The land followed the Eighteen Mile Creek eastward for three miles toward the village of Hamburg. The Idlewood Station, between the Pennsylvania Railroad and Lake Shore Railroad, was included in the land. The total acreage involved was 1,100 acres and the area was to become a model industrial city to be known as Gatling, New York.¹

The securing of this acreage was a real estate transaction that kept the real estate men in Buffalo talking for many days. In the short period of four days the purchase of the 1,100 acres, approximately thirty farms, was accomplished. The method that the Gatling Town Sity Company used to secure the property from the farmers was indicative of the shrewdness of the men involved.

Bailey and his associates realized the distrust farmers had for "city slickers". They also were aware of the strong ties a farmer has to his land. With this in mind rather than approach the farmers on their own they secured the services of local men of high repute to negotiate the transactions. Such men as Dr. George Abbott of Hamburg, Charles Roberts and N. B. Wood of Angola, and John Kinney and Fayette Read of North Evans were utilized.²

¹Advertisement. The Illustrated Buffalo Express. Buffalo, New York. April 9, 1893

²Article. The Illustrated Buffalo Express. March 19, 1893

The purchase of this land was accomplished in a secretive manner in order to stabilize the purchase price at real value. The price ranged from \$90 to \$200 per acre.¹ On January 7, 1893 contracts for the 1,100 acres of land were filed with the county clerk in Buffalo.²

Once the land was secured the Gatling Town Site Company began to formulate plans for the development and promotion of Gatling City. By the end of January, 1892, the Lakeview community was aware of what was happening and the proposed industrial city became the prevalent topic of conversation. Those who had sold land were sorry they did not hold out for more money. An estimate of a 1,000 man work force³ for the Gatling Ordnance plant and the announcement of a new shoe factory⁴ employing 50 men to be built next to the plant made it quite evident that land values would escalate considerably.

The estimated cost of the Gatling Steel Plant was \$100,000 with construction time estimated at six months.⁵ The plant was to be located on the twenty acres purchased by the Bailey Company. This land overlooked the Eighteen Mile Creek Gorge, a drop of about 100' and adjacent to the railroads which would install sidings for loading purposes. A large pit 100' in depth was necessary to implement

¹"Special Correspondance Column". Angola Record. Angola, New York, December 29, 1892

²Advertisement. The Illustrated Buffalo Express. April 9,

³Letter from the Gatling Ordnance Company. Leland A. Hazard Collection.

⁴"Gatling is Launched". The Illustrated Buffalo Express. June 4, 1893.

⁵"Special Correspondance Column". Angola Record. December

Dr. Gatling's process for cannon production.¹ In reality this hole in the ground was the only work done on the factory. Furnaces for the plant were supposed to have been under construction in Pittsburg, Pennsylvania.²

Between January and pril of 1893 surveyors had divided the plot of 1,100 acres into forty-four blocks containing 1,861 lots, each 33' by 120', and work on the streets had begun. As early as March 19, 1893, the success of the promotion of Gatling City was made evident by a map of Buffalo and its suburbs which indicated Lakeview, New York as Gatling, New York. Other realtors jumped on the bandwagon.

Acreage and Business Property
for sale. 88-1/2 acres near
Gatling running from Lake Shore
R.R. to the lake having 800'
lake frontage.³

The land involved in the above advertisement was a port of the Elliott Stewart farm and it is believed that he sold the land for \$10,000 with \$5,000 down payment. He later regained title to his property.⁴

Final plans called for a grand dedication day to be held Saturday, May 20, 1893, but this date was moved up to Saturday, June 3, 1893. Up to May 20, 1893, lots could be purchased with

¹"Special Correspondance Column". Angola Record.
December 29, 1892.

²Promotion article. Gatling Weekly News. June 1, 1893

³Advertisement. Buffalo Express. April 9, 1893

⁴Statement by Leland A. Hazard. November 6, 1965.
Personal Interview.

a 25% discount.¹ This of course was a "come on" so that by June 3, 1893 the promoters would be able to claim that only a limited number of lots were available, thus whetting the appetites of the prospective buyers.

As the big day approached the residents of Lakeview and surrounding areas were in a festive mood. The big day was to take on all the color of a circus with a tent big enough to serve lunch to a thousand people, free train rides from Buffalo to Gatling and a dedication ceremony culminating with the auction of the lots.²

By June 3, 1893, enough progress had been made on the project to give it the realistic effect desired to woo the prospective investors. Railroad sidings had been laid, the pit had been dug for the factory, a few houses had been erected and telephone lines connected the site with Buffalo.³

The site was dedicated at eleven o'clock by Dr. Gatling. Lunch was served from twelve to one o'clock by a New York City caterer. The number of people served lunch was estimated at 3,000.⁴ The remainder of the afternoon was taken up with the auctioning of the lots. The first hour and one-half of auctioning resulted in the sale of over thirty lots at an average of \$215

¹"Gatling City." The Illustrated Buffalo Express.
April 9, 1893.

²Promotion article. The Gatling Weekly News. June 1,
1893. Leland A. Hazard Collection.

³Ibid.

⁴"Gatling is Launched." The Illustrated Buffalo Express.
June 4, 1893.

a lot. Speculation was in evidence throughout the afternoon. Real estate men were buying lots and reselling them for double the original price.¹ These same men predicted, "the town will contain 2,000 people in two years."²

By June 6, 1893, it was made known that cash receipts to date on the lots sold amounted to over \$15,000.³

After the big day things slowed down at Gatling City and by the end of the summer it was quite evident that Gatling City was merely a figment of men's imaginations, whereas money to be made through land speculation was a cold reality. The shutdown of the Lehman Shoe Company in August⁴ and the transfer of the Gatling Town Site Property to the Industrial Land Company in September, 1893, relegated Gatling City to a footnote in local history.

The amount of money realized by the people behind the scheme has never been known, but the purchase of the property from the Gatling Town Site Company by the Industrial Land Company made the latter responsible for the money owed the farmers who had received only a down payment from the Town Site Company. The difference between what the Gatling Town Site Company paid the farmers as a down payment and the money they auctioned the lots for was the profit realized from this enterprise. The Industrial Land Company was left holding the bag

¹"Gatling is Launched". The Illustrated Buffalo Express. June 4, 1893.

²Ibid.

³Article. The Buffalo Express. June 6, 1893

⁴"Special Correspondance Columm". Angola Record. August 10, 1893.

because they had to pay off the land bought by the Gatling Town Site Company.¹

In some cases the farmers went to court and reacquired property rights to their farms plus the down payment paid them by the Gatling Town Site Company.

A recapitulation of the events of this incident makes it quite clear that the true intent of the people involved was made purposely obscure by a phony plan to build a steel mill for ordnance work using the name of a man internationally known in the field of ordnance. The idea of a modern industrial city built around this factory and others was all part of the grand scheme to escalate the value of cheap farmland. The formation of the three companies involved; The Gatling Ordnance Company, The Bailey Land Investment Company and the Gatling Town Site Company all in the same year (1892) and each company being controlled by the same men leads one to believe that the plan came first and the companies were organized to fit the plan. The plan called for a four way money making operation; sale of stock in the Gatling Ordnance Company, sale of stock in the Bailey Land Investment Company, sale of stock in the Gatling Town Site Company and sale of individual real estate lots owned by the Gatling Town Site Company for prices above the cost.

¹"Special Correspondance Column". Angola Record,
DECEMBER 28, 1893.

The passing of Gatling City into the history of Lakeview was not a case of complete osmosis. Within a short period of time the site of the proposed Gatling factory became the site of another industrial endeavor which once again threatened to dislocate the ecumen of the community and broaden its economic base.