Le Hunt, Kan.: The Making of a Cement Ghost Town

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SOUTHEASTERNS Kansas saluted the arrival of the 20th century amidst the bustle of industrialization inspired by the exploitation of the region's bountiful supply of "low-value" minerals. Portland cement was among the minerals which dominated the economy of these nine counties and elevated the area to national prominence in manufacturing at the turn of the century. The sunflower state, for example, ranked fourth among portland cement producing states during the decade preceding World War I, being exceeded only by Pennsylvania, Indiana, and California. Kansas ranks considerably lower today, but the state's cement industry has not diminished in importance or output. The six active mills have, in fact, more than doubled their production capacity in the last 50 years.1

It was during this industrial boom that the United Kansas Portland Cement Company constructed its largest and most productive mill at Le Hunt, Kan. The shell of this industrial ghost town still overshadows the land in northern Montgomery county near Independence. The occasional visitor who interrupts the quiet desolation at Le Hunt is immediately impressed by the towering smokestack which presides over what was once a thriving and prosperous community. The history of this ill-fated company town represents a familiar pattern during the formative years of manufacturing in southeastern Kansas: An initial prosperity which effectively precluded the anticipation of prerequisites necessary for permanent success.

Among the beneficiaries of industrial expansion in southeastern Kansas during the first decade of the 20th century was the city of Independence. The Montgomery county seat, located 15 miles from the Oklahoma border, emerged as one of the principal

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1. The best study of "low-value" mineral production during the formative period is John C. Clark, Towns and Minerals in Southeastern Kansas: A Study in Regional Industrialization, 1890-1930 (Lawrence, University of Kansas, 1970). Also useful are the following general studies of the portland cement industry: Earl J. Hadley, The Magic Powder (New York, Putnam, 1945); Robert Whitman Lesley, History of the Portland Cement Industry in the United States (Park Row, N.Y., International Trade Press, Inc., 1924); and Clinton Warne, Cement [Kansas Industry Series] (Lawrence, University of Kansas, 1955). For this study, southeastern Kansas is defined as that area which includes Bourbon, Crawford, Cherokee, Allen, Neosho, Labette, Woodson, Wilson, and Montgomery counties. The five active mills in southeastern Kansas today are located at Independence, Iola, Chanute, Humboldt, and Fredonia. There is also a plant at Bonner Springs.
manufacturing centers in Kansas. The city, in 1906, boasted of glass plants, brick plants, smelters, and two cement plants. Independence, like most Kansas communities, exhibited its share of boomerism. In 1905 it claimed 12,000 occupants and exuberantly predicted twice that number in the next five years. Although this prognostication was never fulfilled, Independence did rank ninth among Kansas cities in 1907 with a population of nearly 16,000.

The rapid growth of Independence and its subsequent decline after 1910 were directly proportional to the availability of natural gas. Natural gas fields had been opened during the 1870's in the Kansas counties of Neosho, Allen, and Montgomery, and the area had quickly gained the reputation of being the greatest source of this inexpensive fuel in the United States. Many industries located in southeastern Kansas because of the prospect of unlimited supplies of cheap fuel. This factor was particularly important in the production of portland cement where fuel costs represented 30 to 40 percent of the total manufacturing cost.

Production of portland cement is primarily dependent on the existence of limestone and shale in great quantities. In 1903 Erasmus Haworth, state geologist and professor at the University of Kansas, stated that there was "enough limestone and shale in Kansas alone to supply the world with Portland cement for a million years." Furthermore, these deposits must be at or near the surface to eliminate the cost of removing overburden. Therefore, the primary cement complex in Kansas was located where this happy combination of fuel and accessible raw material seemed most abundant, an area stretching from Iola to Independence and including much of Allen, Neosho, Wilson, and Montgomery counties.

The maiden portland cement factory in Kansas was completed at Iola in 1898, and its immediate success stimulated a rash of projected mills in the succeeding decade. Thirty or more plants were proposed, 13 were eventually constructed, but only seven survived the decade 1910-1920. In 1905 Independence joined the growing number of cities possessing a cement factory. In

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2. Independence Daily Reporter Oil and Gas Magazine (December, 1905), p. 46.
3. Ibid, pp. 32-33; South Kansas Tribune, Independence, August 21, 1907.
5. Clark, Towns and Minerals, p. 32.
6. Richard L. Douglas, "A History of Manufactures in the Kansas District," Kansas Historical Collections, v. 11 (1909-1910), p. 88. When the raw materials, mostly limestone, are heated in kilns a chemical change is effected and the product discharged is called clinker. Clinker is then ground with gypsum and the result is portland cement.
September of that year, the Western States Portland Cement Company commenced production under the brand name “Cowboy” and has enjoyed continuous operation from that date. The plant, located one and one-half miles southeast of the city, presently functions as a division of United States Steel Corporation with a capacity of more than two million barrels annually. The longevity of this operation, facing similar hardships during its formative period with fewer apparent advantages, suggests that failure was not inevitable for its rival enterprise at Le Hunt.

Plans for a second cement factory at Independence were initiated even before construction of the first was completed. Some consideration was given to the project as early as 1903, but the first decisive step was taken in November of the next year when C. C. Lewis purchased an option from the Henry estate for land north of Independence. Lewis’s efforts to organize a cement company materialized in September of 1905 when he became acquainted with George B. Nicholson. Nicholson, former Iola brickman and president of the Kansas Portland Cement Company, had contemplated expansion for some time but had been unsuccessful in finding a suitable location. The propitious meeting of Nicholson and Lewis brought together two men, one with an attractive idea and another with adequate finances. Nicholson, in cooperation with L. L. Northup, president of the Northup National Bank and treasurer of the Iola cement operation, purchased 702 acres of land from the Henry estate (Lewis’s option), 245 acres from the Booth-Cavert farm, and other tracts for a total of 1,500 acres. The operation was capitalized at $2,500,000, and the securities were purchased largely by the stockholders of the Kansas Portland Cement Company.

The new plant, known as the Independence Kansas Portland Cement Company, was located at the northeast end of Table Mound, some five miles north and west of Independence. Table Mound, a familiar landmark in Montgomery county rising 250 feet above the floor of the Elk river valley, was rich in the raw material necessary for cement production. Forty-five feet of pure crystalline Stanton limestone was a part of the physical composi-

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tion of Table Mound and, according to the United States Geological Survey, “represents the most important and abundant portland cement in the Independence quadrangle.” 11 Numerous gas wells, capable of producing an estimated six million cubic feet of gas per well per day, added to the attractiveness of the location. 12

Prospective cement manufacturers were particularly concerned with the location of the quarry in relation to the factory during the early years of the 20th century. Raw materials had to be transported via mule and wagon; therefore, the quarry could be no more than a mile from the plant. The quarry at the new installation was situated atop Table Mound, and raw material could be fed almost directly into the plant. The so-called “gravity-system” eliminated a large number of expensive conveyers and elevators, thereby reducing the cost of production. Furthermore, the high elevation of the quarry abrogated possible overflows and guaranteed a perpetually dry excavation. 13 Had the only criterion been an ideal location, success seemed certain for the Independence Kansas Portland Cement Company.

Once the preliminaries were completed, the next step was selection of the Hunt Engineering Company to construct the new cement plant. Its president, Leigh Hunt, was eminently qualified for the assignment, having erected similar plants at Coldwater and Quincy, Mich., and Iola, Kan. Actual construction began October 20, 1905, and continued for 10 months before final completion. Hunt, for whom the company town was named, employed between 200 and 400 men in various capacities, and apparently many of the laborers were imported. A local newspaper disclosed that “hundreds of tents and shanties” could be seen on any given day, giving “rest and shelter for the Grecians, the Italians, and the negroes,” employed at the site. 14 The editor, like other Montgomery county residents, anxiously awaited the opening of the new plant.

Famous personalities and infamous scoundrels are an invariable part of the legacy of any ghost town. Probably, Le Hunt’s most notable resident was Tom Mix who later achieved fame as a cowboy film star. He had served under Leigh Hunt in the Spanish-American War and, when the latter contracted to build the

13. Ibid.
Buildings in Le Hunt in the early 1900's. Above, the hotel, and below, a store and pool hall. Only scattered foundations and an empty schoolhouse remain. Photos courtesy Mrs. Anna Atkinson, Longton.

plant, Mix followed him to Independence as foreman in charge of labor. One episode involving Mix is fondly recalled by local residents. A group described as gamblers and bootleggers descended on the construction site on one particular payday. Major
Mix was duly appointed deputy sheriff and, in movie-matinee style, single-handedly rounded up the villains and preserved law and order at Le Hunt.15

A prominent feature of early industrialization in southeastern Kansas was the company town. These hamlets were seldom independent economic units, but rather a part of the larger nearby urban area. Most have long since disappeared, victims of time and changing conditions, but they still serve as convenient reminders of an earlier age. One such company town bordered the massive cement plant in northern Montgomery county. The Independence Daily Reporter announced, “In addition to the plant itself, the company has built a town of 1,500 inhabitants with fine cottage homes, stores, hotel, schools—in fact, everything which goes to make a first class little city.” 16 A later article in the Kansas City Star, however, indicated that at its height no more than 150 people resided in Le Hunt.17 In either case, it was not a self-sufficient city, but an integral part of the urban center six miles south. Therefore, the fate of Le Hunt and the economic well-being of Independence were, after 1906, interrelated and linked to the status of the cement industry in Kansas.

The cement industry in Kansas between 1906 and 1909 passed from a period of unbridled expansion to one of consolidation dictated by changing economic conditions. In the Independence area, for example, at least four more mills were contrived, and, although none materialized, they symbolized the speculative fervor so prevalent in the sunflower state. This speculative mania terminated in 1908 when the cement industry experienced serious economic reversals brought on by overproduction. The industry’s solution seemed simple enough: Control the demand for cement through consolidation. In January of 1908, the Le Hunt plant was united with companies at Iola and Neodesha and renamed the United Kansas Portland Cement Company. The new combined arrangement, also loosely associated with similar organizations in Tennessee, Iowa, and Texas, had a total capitalization of $12,750,000. George B. Nicholson explained that consolidation was necessary to reduce maintenance and operation costs, to fulfill cement contracts more effectively, and to eliminate competition among themselves.18 Consolidation appeared to be the

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15. Kansas City (Mo.) Times, October 16, 1940.
17. Kansas City (Mo.) Star, August 5, 1915. The actual size was probably somewhere between these two extremes. The town included a 40-room hotel, restaurant, at least one general store, a school, and approximately 100 cottage-style homes. This much is known from extant photographs and the papers contained in Bankruptcy Case No. 724 at the Federal Records Center, Kansas City, Mo.
necessary antidote, although two plants at Independence were in production despite all the economic reversals of 1907-1908.\(^{19}\) Predictions for the future of the cement industry in Independence were understandably optimistic but unfortunately inaccurate.

A prominent member of the early cement hierarchy in the United States has labelled the five years preceding World War I as the youth period of the industry. Kansas was especially vulnerable to the excesses of adolescence and the painful processes of maturation. During this five-year span numerous companies failed, production declined, and the earlier ebullience vanished completely.\(^{20}\) For the two cement mills at Independence, the effects of continued economic instability were apparent by 1911, and economic salvation seemed to rest with further consolidation. “It seems to be a case of merge or perish,” declared one newspaper editor, “The plants have been multiplied until they produce more cement than the market demands and those companies ‘hard up for cash’ sell at cost and in [some] cases less than cost and that cripples the stronger companies.”\(^{21}\) Consolidation, however, was not the magic panacea.

Over expansion was only the most perceptible of many complex problems which plagued the cement industry in Kansas during the second decade of the 20th century. Railroads also shared in the decline of the industry. Cheap freight rates to California, for example, were partially responsible for increased production in Kansas. The Santa Fe railroad was engaged in hauling empty fruit cars to California, so it could transport clean packaged items, such as cement, without adding to the total cost of moving a car. In fact, shipping by rail was directly responsible for the change from barrels to sacks for transportation purposes, although the industry continued to measure its product by the barrel (376 pounds). Therefore, when the railroads substantially raised their long-haul freight rates during the post-1910 period, the California markets were abruptly and effectively eliminated.\(^{22}\)

A more serious problem and one which hampered many industries in southeastern Kansas was discriminatory rail rates. In June of 1913 L. T. Sunderland, representing the Ash Grove Lime and Portland Cement Company, filed application for review of

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\(^{20}\) Lesley, *History*, p. 181.

\(^{21}\) *South Kansas Tribune*, October 25, 1911.

rates against four railroads. The application, filed specifically for the Chanute factory, was theoretically on behalf of all cement companies in southeastern Kansas. Sunderland charged that the plants at Sugar Creek, Mo., and Bonner Springs, Kan., enjoyed unfair advantages in railroad rates. The rate from Sugar Creek to St. Joseph, a distance of 107 miles, was four cents a hundred pounds, while from Iola to Kansas City, an equal distance, the rate was seven and half cents per hundred. Mill owners in Kansas claimed that cement production had declined in their state, while it had increased elsewhere in the United States. This development, they argued, was a direct result of discriminatory freight rates. It certainly might be argued that railroads were always convenient scapegoats. Nonetheless, higher freight rates had contributed to the near-disastrous condition of the cement industry in southeastern Kansas.

Cement interests experienced additional adversity with the unforeseen depletion of natural gas. The industry in southeastern Kansas was premised on the belief that unlimited supplies of this inexpensive fuel would offset all disadvantages. As a consequence, the exhaustion of natural gas by 1912 temporarily incapacitated cement production. Subsequent deterioration of cement manufacturing in this area prior to World War I is commonly attributed to this phenomenon. The survival of several plants, however, strongly suggests that this explanation is not entirely satisfactory.

Overproduction, discriminatory freight rates, and even depletion of natural gas were, in reality, manifestations of the insuperable weakness of the cement industry in Kansas, a lack of farsighted management aggravated by financial irresponsibility and irregularity. This was well illustrated by the Le Hunt operation. The culmination of several years of financial distress was reached on January 15, 1914, when an involuntary petition of bankruptcy was filed against the United Kansas Portland Cement Company. The local newspaper divulged on June 25, 1913, that the cement plant at Le Hunt would be closed temporarily until some repairs were made and some surplus stock sold. What was announced as a temporary shutdown, however, turned out to be permanent. When bankruptcy proceedings were initiated in January of 1914, the Le Hunt installation had been closed for six months, and the

25. Bankruptcy Case No. 724, Federal Records Center.
“sister” operations at Iola and Neodesha had been inoperative even longer. Therefore, Judge John C. Pollock of the United States district court at Fort Scott had little choice but to declare the United Kansas Portland Cement Company to be in a state of bankruptcy. Charles F. Scott was appointed receiver, and formal bankruptcy was declared on March 7, 1914.27

The collapse of such an attractive enterprise warrants some additional explanation. A newspaper article published in January of 1914, reveals a part of the problem:

Those who invested in the cement plants promoted by the Nicholson bunch of stock gambling may as well hope no longer. The management showed big earnings and then roped the stockholders into a combine of the Independence, Iola, and Neodesha plants. Then they were persuaded to expend earnings in a half million dollar gas pipe line and leases. For four years the United Kansas Portland has been wobbly and most of the stockholders saw they had been plucked to benefit some one.28

The newspaper had particular reference to the purchase of 8,250 shares of capital stock ($275,000 face value) in the Portland Gas and Pipe Line Company. The investment, although harmonious with the interests of the company, was unwise at a time when other financial pressures faced the operation.29 This incident was characteristic of the company’s major shortcoming: A lack of foresight. Increased freight rates, declining markets, and depletion of cheap fuels were unfortunate developments, but the real tragedy was the lack of available alternatives in the event of such adversities. Little consideration was given to the possibility of fluctuations in railroad rates, cultivation of local markets, or alternate sources of energy until it was too late. Moreover, the financial instability of most Kansas cement operations made it impossible to deal with temporary reversals, much less major problems of economic readjustment. In the final analysis, the great weakness of the cement industry in Kansas was the lack of far-sighted management.

Financial irregularities were also normal during the cement industry’s formative years. In many instances, promoters in southeastern Kansas intended to sell securities and not cement. The editor of the South Kansas Tribune had insinuated that the stockholders were being misled by a “bunch of stock gamblers,” and, indeed, he was correct. The stockholders of the United

27. Bankruptcy Case No. 724, Federal Records Center.
29. Bankruptcy Case No. 724, Federal Records Center.
Kansas lost approximately $297,000 when the company declared bankruptcy.\textsuperscript{30} The misfortune of the United Kansas stockholders was not an isolated case; rather, it represented the operational technique of the unscrupulous promoter during the boom period of the industry. One expert has estimated that the money forfeited in cement securities and investments in Kansas from 1912 to 1920 amounted to $8,000,000.\textsuperscript{31} There is, of course, a difference between irresponsibility and fraud. The United Kansas was certainly guilty of the former, but the evidence is inconclusive on the latter. The difference, however, was quite academic to the stockholder who lost his life savings.

The troubles of the Le Hunt enterprise were further compounded by unsympathetic creditors. Efforts to salvage the operation during the fall of 1913 failed, in part, because of the actions of its largest creditor. The United Kansas company signed a promissory note in the amount of $123,000 to the Southwest National Bank of Commerce, Kansas City, Mo., on January 10, 1913. The note was secured by various collateral including the shares of the Portland Gas and Pipe Line Company. When the Le Hunt plant closed in June of 1913, the Commerce bank, as the largest creditor, took virtual possession, and its first step was to force the sale of stock in the pipe line company. This eliminated, for all practical purposes, any possibility of saving the United Kansas through financial or technological refurbishment. The bank’s motives are impossible to ascertain, but it seems plausible that they wished to recover their investment before other creditors had time to act.\textsuperscript{32} The hastiness of the bank, creditable or not, guaranteed insolvency for the United Kansas company. The bank was not responsible for the initial instability of the United Kansas, but the precipitant action suggests little more than concern for its own self-interest. The Le Hunt plant would reopen at a later date, but bankruptcy had interrupted the continuity of the operation at a time when economic readjustments were necessary to guarantee survival.

Bankruptcy proceedings, nevertheless, seemed advantageous to the Le Hunt operation. The receiver, Charles F. Scott, explained that it was impossible for the original owners to dispose of any one of their three plants individually. In the hands of the receiver,

\textsuperscript{30} Ibid.
\textsuperscript{31} Lesley, \textit{History}, p. 167.
\textsuperscript{32} Bankruptcy Case No. 724, Federal Records Center.
however, this was possible, and the Le Hunt installation would be most appealing to potential investors.\textsuperscript{33} Most of the year, 1914, was spent in litigation, disposition of property, and liquidation of debts accumulated by the United Kansas company. Then, in May of 1915, the Le Hunt plant was purchased by a new corporation, the Sunflower Portland Cement Company. Everyone agreed that the new organization would profit from the acquisition. In fact, the editor of the \textit{South Kansas Tribune} suggested that “The water having all been squeezed out, and more too, the new people have it at a price that should make it a gold mine. . . .” \textsuperscript{34}

The new firm under Pres. George B. Nicholson began immediately to render the huge installation operable. Within four months, the badly deteriorated plant had been readied for production. The new company’s most urgent problem was remedied when the Independence Mining and Transportation Company agreed to provide natural gas via pipe lines.\textsuperscript{35} The Independence \textit{Daily Reporter} disclosed on September 11, 1915, “In the past thirty days the houses at Le Hunt have been filling up and it is said that before the end of the month every house in the burg will be occupied.” \textsuperscript{36} The two-teacher school was reopened with the expectation of adding another teacher to accommodate the big increase in students. The factory began production on September 12, employing 300 men, with a capacity of 1,500 barrels per day.\textsuperscript{37} Le Hunt prepared for its final moment of glory.

The last years of operation at the Le Hunt mill coincided with unpredictable fluctuations in the cement market directly attributable to the first World War and eventual American participation in that confrontation. Cement prices declined during the early years of the war, 1914-1915, which forced numerous companies into bankruptcy. The Le Hunt installation reopened after this unfavorable trend had terminated and at a time when American manufacturing, including cement, enjoyed a tremendous upsurge in production. Cement prices increased steadily throughout 1916 and the first seven months of 1917 when they reached an all time high ($1.35 per barrel). American entrance into the war, however, adversely affected the industry by creating a shortage of fuel, labor, and transportation vehicles. Curtailment of building operations not essential to the war effort further

\textsuperscript{33} Independence \textit{Daily Reporter}, January 20, 1914.
\textsuperscript{34} South Kansas Tribune, May 19, 1915.
\textsuperscript{35} Independence \textit{Daily Reporter}, August 18, 1915.
\textsuperscript{36} Ibid., September 11, 1915.
\textsuperscript{37} Ibid.
The Le Hunt cement plant around 1910, with the town of Le Hunt in the background, above. A badly deteriorated shell of the factory remains today. Below, loading rock to transport to the cement plant. Photos courtesy Mrs. Anna Atkinson, Longton.
reduced the demand for cement; thus, production dropped 20 percent in 1918. The federal government attempted to distribute contracts equally, but the War Industries Board was primarily interested in maximum efficiency in the production and distribution of cement. Great emphasis was placed on delivering cement from the nearest mill to the point of use, a development which greatly accelerated the trend toward consolidation. By 1918 five large groupings had emerged in the United States which forced most independent plants out of existence. 38 The war effort with its emphasis on maximum efficiency demonstrated emphatically that the cement industry in southeastern Kansas had been antiquated almost from its inception. The story is repetitious: When demand for cement was great the Kansas based industries profited, but each time market conditions changed their inability to adjust proved disastrous.

The Sunflower Portland Cement Company rode the crest of increased demand for cement in 1916-1917 but was eventually a victim of the reorganization and consolidation stimulated by the war demands. The weakness of the Le Hunt operation this time was similar to that of all independent cement companies, inability to compete effectively with the large consolidated organizations. The Le Hunt installation was purchased in 1918 by the rival plant in Independence, the Western States Portland Cement Company. The Western States Company subsequently became a part of Atlas Cement Company; later, Universal Atlas; and more recently a division of United States Steel Corporation. 39 The machinery at Le Hunt was sold, and most of the cottage-homes were moved elsewhere. The site itself remains a valuable source of limestone for the surviving mill at Independence. The badly deteriorated shell of the cement factory, scattered foundations, and an empty schoolhouse are the only visible remains of a once-thriving company town.

The brief history of Le Hunt as a company town provides an excellent example of financial collapse despite circumstances conducive to survival. Its excellent location and advantageous facilities should have compensated for the many adversities of an unstable formative period. Overproduction, discriminatory freight rates, and depletion of natural gas claimed its victims, but none of the cement plants which continued to operate after the


first World War possessed the advantages of the Le Hunt installation. The United Kansas Portland Cement Company, however, labored under the absence of long-range planning, unscrupulous promoters, and financial irresponsibility which resulted in bankruptcy in 1914. The plant reopened in 1916, but the bankruptcy proceedings had interrupted the continuity of the operation which seriously hindered its chances of surviving independently or even as a part of consolidation. Thus victimized by its own mismanagement, Le Hunt took its place among the many Kansas ghost towns. The history of this small hamlet parallels that of southeastern Kansas during the first two decades of the 20th century: A bright promise of industrial greatness never fully realized.